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DEVELOPMENT OF INDUSTRIAL RELATIONS POLICIES BY COMPANIES IN SOUTH AFRICA, 1973 - 1977

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A B S T R A C T

In 1972 only 4 Black unions existed in South Africa with 13 750 members. By 1976 twenty-six Black trade unions were listed with 117 000 members. In this post 1973 strike period management was defining its industrial relations function. Would this formulation lead to Black union recognition or would it facilitate their decline. The thesis addresses itself to that question. Section A develops a conceptual framework of industrial relations and Section B analyses historical developments.

It was postulated that companies would respond to union demands by using the human relations approach of communication systems and welfare benefits in order to keep the labour relations component of union recognition latent. Data to verify this hypothesis was obtained through interviews with industrial relations practitioners and from union case studies.

The findings (Section C) revealed that the human relations approach was being e ched but that certain companies were considering recogni independent Black unions. Two types of responses by companies (Section D) are constructed by abstracting certain attributes which enabled profiles to be drawn up. These are the closed and the open types which can be used to determine the probabilities of future union-management relations.

THE PRESTIGE VALUE PLACED ON UNDERTAKING A THESIS ALLOWS ONE TO PLACE CONSIDERABLE BURDENS ON THE FAMILY.

IN RETROSPECT THIS IS NOT JUSTIFIED. HENCE MY GRATEFUL THANKS TO SALLY AND THE CHILDREN FOR THEIR PATIENCE.

THIS WORK IS DEDICATED TO MY PARENTS.

DECLARATION

I declare that this dissertation is my own, unaided work. It is being submitted for the degree of Master of Arts in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

L.C.G. Douwes Dekker

31 day of January 1981.

A C K N O W L E D G E M E N T

The support of a number of people as well as organizations made it possible for this thesis to be completed. There are always moments when the discipline required in the research and write up is elusive. The encouragement and interest of persons in this work were of great help.

I would like to thank:

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SECTION A

CHAPTER 1

THE INDUSTRIAL RELATIONSHIP

Industrial relations is still a developing discipline and draws on sociology, law, economics and history for concepts and perspectives. It also has a direct practical orientation in that it is becoming recognised as an important management function. Industrial relations systems vary from country to country depending on the degree to which the economy is planned and freedom of assosication and other workers's rights are honoured.

In an article in the S.A. Journal of Economics in 1964, Clack warned that although the period of latency in the development of trade unions can be considerable, the character of a country's industrial relations system deserves close attention during and subsequent to a period of high economic growth. 'What does seem clear is that the period during which high-velocity economic growth can be closely associated with harsh industrial relations arrangements is finite, and there are limits beyond which the 'surplus' for investment derived from these restraints on consumption cannot be taken. For continuing industrial growth requires the complex skills and maintained co-operation of workers, which can only be taken by fostering their 'good faith'.'
(Clack, G., 1964, p.127)

South Africa did experience a high economic growth rate during the 1960 decade but Clack's warning was not heeded. This is not surprising and supports the fundamental fact that industrial relations are primarily power relations. It required the explosion of frustration in the demonstration strikes of 100 000 non-organised Black workers in 1973 to awaken both employers and the State to a response, in particular once the emergence of Black unions had to be acknowledged. The latency period in the development of worker consciousness was over.

No significant theory of industrial relations has been developed to predict the nature of the response by the State and its agencies, employers and their organisations and the White controlled unions, in terms of their position in existing industrial relations system, to the re-emerged thrust of Black unionism. From the relevant liaterature, it is possible to develop an analytical framework on the subject of the institutionalisation of industrial conflict. The concepts underlying this subject are discussed in this section and will be relevant in the analysis of the material and data obtained for this study.

1.1 The Idea of the Factory

Wootton states in dramatic but relevant terms that above the entrance to the factory should be written the injunction:

'Abandon all hope, ye who enter here'

It is the sociological perspective which helps explain why workers, when clocking in their cards, have to forego hope of autonomy. The factory system represents a highly effective means of bringing all the factors of production together in one area, in order to control particularly the interaction of worker and machine. Central to this control is acceptance of command or authority as the core idea of the factory. The worker sells his labour for a wage and in return accepts orders given. Instructions have to be given by the few to the many and disciplinary action ensures obedience. The worker on his own is not party to the decision-making process affecting his life and is placed in a situation of 'frustration without hope'.
(Wootton, G., 1966).

But the exercise of power inherent in the employer - employee relationship is by definition dependent on the continued acceptance by the worker - the subordinate - of its legitimacy as well as his willingness to co-operate with the command structure created. Workers can and do, as their definition of the situation changes, question the right of management to command. When this questioning occurs increasingly as a collective phenomenon, industrial relations comes into its own. A more democratic ideology as well as different strategies and tactics have to be developed to effect either acceptance or compliance with the command structure of the place of work. The concept of workers' participation in management functions has created interest and hope in trade union circles as it offers the possibility of changing the nature of this command structure.

Zuthem suggests that the nature of the organisational structure of the factory system can be analysed in terms of three levels: the implication of division of labour, expression of different interests by capital (management) versus labour, as well as their ideological considerations.

- As a result of the functional division of labour, workers have no insight into the overall purpose and rationale of their specific activities. Whereas the manager plans, co-ordinates, interprets, directs and sanctions, the worker has to act. The worker cannot see his 'doing' as part of the totality of activities or understand his job and judge its relevance to the whole. This isolation pushes the worker into apathy and builds up discontent and hostility. This social isolation and lack of identification is reinforced when circumstances exist under which workers are easily replaceable, are removed from the decision-making process and confined to one area in the work place. The division of labour further creates unequal distribution of power between the employers and the employees. The

managers who exercise the power further entrench themselves because they have access to information and other mechanisms of control. The division of labour has built into it unequal distribution of earnings and status allocations. Awareness of these inequalities create conflicts and tensions. Job evaluation might achieve equity regarding job tasks skill differentials but cannot resolve what proportion of profits is available for wages and what share is allocated for re-investments and dividends. Job evaluation does not accommodate the perspective of workers regarding the size of wage gap between skilled and unskilled workers. These considerations lead to the second level of analysis.

- The factory is also to be understood as being able to bring together groups with similar objectives as well as differing and divergent interests - the factory organisation is plural in nature. Management and workers are both concerned to see the factory continue operating; - the increasing phenomenon of workers occupying factories which were to be closed down suggests similar objectives can be identified. The differing and opposing interests emerge because of unequal allocation of status and rewards and when questions arise such as introduction of new technology; regulation of power relations, eg. role of the work place committee system; nature of disciplinary and grievance procedures, wage increases, redundancy etc.

- The third level of analysis is that of the differing beliefs of management and the interest group it represents and labour. What is a 'fair wage';

what is the nature of work; what are human needs; what is the source of managerial power, and under what circumstances can it be transformed into legitimate authority; what is loyalty to the company and why can its expression be required; what is the dynamic of the profit motive in creating investment and job opportunities, etc. It is evident that both employers and workers will hold different beliefs about such questions and develop, because of basic opposing interests, different frames of reference regarding such issues. (Zuthem, H., 1976, pp.133-139). Such questions lead to the consideration of the exploitative nature of capitalism and the undemocratic nature of unionism.

From the above analysis, it is concluded that there is inherent conflict between employers and the workers. To facilitate the expression of this industrial conflict, protection of the divergent interests and promotion of the respective objectives has to occur through the establishment and maintenance of organisations representing these two opposing groups or parties. The expression of the interdependence of the parties requires that a relationship pattern is established between the employer or employers organisation and the trade union, ie. the effective expression of the workers objectives. The form and content of the organisational expression of employers and their companies on the one hand and workers and their unions on the other hand is shaped by the values and norms of a society and legislation regarding freedom of association, as well as operation of the free enterprise systems. The expression of these variables dictate how the inherent industrial conflict is institutionalised. This institutionalisation occurs when managers and union leaders as spokesmen of the parties interact and agree on rules to regulate the relationship.

The equitable institutionalisation of industrial conflict requires that managerial power is transformed into authority; that is, managerial instructions can be legitimately exercised but this implies that the system of control over work relations moves from management by coercion to management by consent. This consent is achieved in varying degrees, when the two parties agree on the items, as well as range of influence which trade unions can exercise on the decision-making process affecting wages; working conditions, quality of life and ultimately the nature of the production process and investment policies.

1.5 Power Relations and Workers' Rights

If the idea of the factory is command, the system of control in the work place is to be understood in terms of power. (Dahrendorf, R., 1965). Whatever the ultimate source of that power management exercises. When workers become aware of their disadvantages and powerless position, they demand change thereby forcing managers to defend their position, and change their strategies. The notion of managerial prerogation is formulated to counter worker demands. Power is normally perceived by management as a fixed amount and any attempt to interfere with their decision-making function is seen as a threat to the control necessary to operate the factory effectively and efficiently. The adoption by management of this approach leads to open hostility when workers seek expression of their collective strength. The formulation of an industrial relationship between management (representing the company) and the trade unions (representing the organised collectivity of union members) is presented to companies as a process offering the possibility of regulating behaviour patterns. However the implication of institutionalising industrial conflict is that power sharing in the decision-making process affecting workers is entered into by management with the trade union. By accepting that

the power component in the employment relationship is expandable, management realises that it need not lose control of the situation particularly the requirements of order in the factory and discipline in work place intereaction; the right to give instruction is retained.

The acceptance by management of the process whereby industrial conflict is institutionalised, is facilitated if that society accepts the broad value of democracy as a basic ideology through which plurality of interests are regulated and human rights are constitutionally protected. That is, in such a society it becomes a norm that because workers sell their labour for a wage, they should be protected with basic rights in order that they can counter the power of management and establish a relationship based on consensus and not coercion. The underlying rationale is that if workers can, through collective expression exercise rights, the unilateral power adopted by management can be transformed into authority; that is the basic characteristic of the work place is not changed. Instructions still have to be obeyed and rules still have to be adhered to. But the power of the factory system is transformed into authority when management has to account for its decisions and employment practices in terms of procedures agreed to with an independent body, the union representing the collective wish of the workers. Shared responsibility becomes the goal when workers can exercise rights.

The universally accepted rights of workers in the free world are: the right to organise into a trade union in order to give expression to the collective strength of workers; the right to negotiate with the company or employers' associations in order through agreements to improve the standard of living and quality of life; and the right to withhold labour, to strike, if no agreement can be reached. The unrestricted exercising of these rights is dependent on that society accepting the functioning of the trade union as an essential part of the democratic process to which that society is committed.

In the early stages of industrialisation the question as to whether managerial power should be legitimised was not raised. The operation of managerial control and coercive employment practices were accepted because of the essential role performed by companies in creating wealth, giving work and maintaining discipline. Vested interests emerged to ensure that managerial power and this status quo were not challenged. As a consequence severe hostility between employers and workers occurred as the workers as a class became conscious of their subordinate and deprived position. There was at that stage little understanding about the variables involved in the institutionalisation of industrial conflict.

The establishment of the International Labour Office (ILO) in 1918 reflected concern with the social rather than the economic aspects of employment relations. The objective of the ILO is to establish international labour standards. These standards or conventions initially dealt with working conditions but after World War II specific concern emerged about the nature of the relationship between employers and workers and two conventions were adopted which dealt with the rights of workers or freedom of association. Not only are member countries of the ILO required to adhere to these conventions, but because of the crucial nature of worker rights a standing committee on Freedom of Association was established to investigate reports of alleged contraventions by member States of these worker rights.

In the majority of free-world countries, legislation has been enacted to enable workers to exercise these rights and use their collective bargaining strengths. For example, in the United States of America, the National Labour Relations Act of 1935 identified five sets of unfair employer practices which were seen as constituting interference on the part of the employer in the exercise by workers of the right to organise and bargain collectively in good faith.

Employers argue that as they constitute the other party in the industrial relationship, they should be accorded the same rights as workers. Labour legislation or custom or practices supports the formation by employers of their associations and hence be in a position to counter the demands from labour and

in certain circumstances deny workers the right to work; ie. to lock-out.

There is a dynamic difference between the exercise of these rights by employers and workers. Workers have to fight for these rights even when legislation provides for them. Societies upholding the free enterprise principle accept that employers promote their interest through associations or individually. The different norms operating in society with regard to the exercise of rights in order to define the nature of the industrial relationship is more marked in a country such as South Africa where large corporations emerged before all the workers were in a position to exercise their rights. These corporations with their specialised services increasingly operate independently from employers' associations and use their resources to retain control over the expression by workers of their rights. The individual company can use but does not need the employers association. The worker is powerless without the status of union member and going forward in solidarity with other workers through the trade union.

Individual companies have the benefits of employers' organisations, particularly to set minimum wages for a sector to eliminate unfair competition. But the degree to which employers' associations play a role in collective bargaining varies from country to country. Companies can and do enter into collective agreements which a trade union. This trend is reinforced if there is an emphasis on the formalisation of the industrial relationship in the work place.

However, the Union remains the organisational expression of these workers who adopt union status. The power base of Union is the unionised work force. This is why the establishment of a branch of Union in the work place, particularly in large companies, is regarded as an essential prerequisite to retain equitable relationship between the two parties as it prevents control by the employer of the decentralised industrial relationship. (Caire, G., 1977).

The Union branch operating in a company cannot, when it comes to collective bargaining, become independent from the Union in the sense that the individual company can be independent from the employers' association. The 'collectivity' of the collective bargaining process refers specifically to the organisational expression of the workers as union members. But the nature of the employment situation in the factory system is such that even if a society endorses freedom of association, management can still try to 'outdo the union', not only in terms of benefits but with the argument that the right to associate implies the right of the workers to choose not to belong. This argument has a certain logic but overlooks the fact that unions, in an effective and equitable industrial relations system, provide a public good for the workers of that sector. However, before the analysis underlying that statement is made, it is pertinent to define the different approaches which can be adopted by an employer in response to a situation where workers are determined to exercise their rights. This will be followed by examination of the concepts underlying the process of the institutionalisation of industrial conflict.

1.3 Human Relations and Labour Relations

Management will try and resist unionisation of workers as a different relationship has to be entered into with an individual worker than with union members acting in unison The individual worker enters into a contract of a limited type with the company. Once the contract is made it is difficult to change the terms and in fact they are often not spelt out when employment commences. The individual worker has the limited choice to become an employee with a specific employer or not. But once in employment and he feels a specific requirement or practice is unjust or he is unhappy with certain of the terms, he has little alternative but to leave that company and seek employment elsewhere.

The worker as a union member has a different status because the terms and conditions of the employment are laid down in the agreement entered into between the company and the union to which he belongs. The union member can, through the collective influence of his organisation, influence the terms of his employment and he can while in employment bring up his interpretation of a situation and his specific grievances and challenge arbitrary decisions of management, through procedures mutually agreed between the union and the company.

The employer will resist the implications of these requirements. The exercise of union rights is seen as a threat to 'his workers' and attempts will be made to maintain control by countering the benefits which union membership gives. The employer will try to better union wage demands, offer similar benefits and assure employees that 'justice will be done' through the personnel management function.

Employers can also counter the appeal of unionism amongst workers through improved employment practices and by ameliorating the impact of the division of labour. In fact, as Ramondt has analysed, a number of human relations practices such as job enrichment, autonomous work groups, communication systems can be instituted without structural introduction of a system of worker representation. The 'democratisation without the workers' techniques introduced by corporations prevent, deliberately or not, expression of worker rights (Ramond, W., 1974). The employment practices based on the human relations strategy keep workers' consciousness latent.

Clack postulates that two areas of interaction operate between the employers and workers, and these constitute components which make up the industrial relations system. The human relations component is institutionalised through the personnel department and is concerned with direct management - individual worker interaction (Clack, G., 1964, p.32). The labour relations component is institutionalised

through the trade union and is concerned with the interaction between managers and union leaders representating union members as a collectivity. Illustrative examples of activities carried out through these respective components are discussed in the Section on the industrial relations system of South Africa.

Implied in this equation is the principle that only in those situations where both human relations and labour relations components of the industrial relations systems are allowed to manifest themselves can it be said that managerial power is legitimised. If the labour relations component is kept latent, ie. the union is not recognised, then employment practices are still coercive or paternalistic. Only if an equitable relationship is established between management and the union as well as linkage developed between the work place committee and the union, can it be concluded that managerial power is legitimised.

Clack's distinction is of limited value in gaining a perspective about industrial relations practice in Western countries where workers' rights are entrenched in legislation, and trade unions are accepted by society, but is of direct relevance to the South African situation because the personnel management function developed during the 1960 decade when no collective worker expression was institutionalised nor experienced.

1.4 Institutionalised of Industrial Conflict

Wootton's description and Zuthem's analysis support the statement that there is inherent conflict of interests between capital and labour as expressed through the different objectives of management and workers as unionists. It has also been argued that in a situation where workers can exercise rights it is possible for the industrial conflict to be institutionalised.

The question of what is involved in this process of institutionalisation of conflict, ie. the nature of the scope and limits of the rules agreed upon is central to the study of industrial relations. It is necessary to describe the structures and processes through which institutionalisation can take place in order to be able to identify the prerequisites necessary for its operation. The following concepts deal with some of the basic features of the processes and structures as well as the nature of the parties involved, ie. companies and their management and trade unions and their members.

From hostility to interaction

Coser, in reformulating Simmel's writings on conflict, points to the relevance of the distinction between hostility and social conflict. Social conflict is dependent on the two antagonistic parties establishing a relationship and interacting with one another. Through the interaction the divergent objectives and interests are articulated and possibility of reconciliation is explored. Thus the operation of social conflict leads to the formulation of new rules or norms of conduct of the parties and establishment of institutions to reinforce and interpret the rules or agreements. This social conflict serves as an agent of socialisation for both contending parties. Furthermore, conflict reaffirms dormant norms and thus intensifies the participation between the parties. These characterisations of social conflict makes possible the readjustment of the relationships between the parties to changed conditions (Coser, L., 1964, p.128).

In contrast, hostility does not lead to interaction with the opposing party. Hostility is an attitude and remains a predisposition to act, but if it cannot find the target object, ie. be transformed through a relationship, hostility becomes an end in itself.

an end in itself.

This distinction clarifies why institutionalisation of industrial conflict requires the establishment of a relationship but also suggests it is possible for the tension of pent-up hostility to be released without resolving the conflict. Through safety-valve institutions, the disruptive effects of hostility are displaced but because the interaction was not between the subject and object, a cost to that system is involved. The displacement reduces the pressure for modification of the system to meet changing conditions in the short term but creates potentials for disruption in the form of riots and unorganised or spontaneous strikes.

Because of this possibility, it can be postulated that management will use the human relations component of industrial relations, over which it has control, to prevent the manifestation of the labour relations component, ie. the expression of trade unionism. Consequent to this tactic, interaction through the labour relations dimensions is denied. The resources of the personnel department, reinforced by control over the work place committees and appointment of industrial relations officers, can be used as safety-valve mechanisms. In this way, unrealistic conflict is created in that there is interaction but it is deflected on a substitute object, in this case the committee. By engaging in exercises to express unrealistic conflict the employer can effectively ignore the power dimension of industrial relations. Worker consciousness of their situation is not allowed to manifest and need not be related to.

The above considerations highlight the fact that institutionalisation of industrial conflict requires to be judged in terms of the expression and operation of rights of workers. Without worker rights, managerial power is not legitimised. Hence the importance when analysing industrial relations systems to determine whether international labour standards, (in particular Conventions No. 87 and No. 98 of the International Labour Organisation on freedom

of association) are honoured. Such Conventions identify the parameters through which the interaction between management and trade unions should flow in order to ensure industrial justice.

Industrial justice and claim of rights

The socialisation process of the child in terms of the school system and the stress on respect for law and order is such that a worker who is exposed to injustices because of the command structure of the factory or the arbitrary action by management, does not automatically perceive it as such, or will immediately demand redress. The worker is led to believe that the power of management is either a God-given quality or, more probably, is sanctioned by society. (Zuthem, H., 1976, p.143). As Selznick states, 'despite real suffering and deprivation, the particular kind of hurt, the sensed injustice, is not an inevitable response (... to an unjust act by an employer). And even when the hurt is felt, the grievance is often abortive and no claim of rights is made. For the sense of justice, though fortified by historical opportunity, is inevitably tempered and restrained by the fixed parameters of the social order. It is the nature of that order, above all its commitments and competencies, that determines what expectations will be legitimate and even, to a large extent, what hopes and aspirations will arise at all'. (Selznick, P., 1969, p.184).

What in fact transforms a labour force from one which does not respond to industrial injustices to one where the workers in solidarity claim rights? What are the 'historical opportunities' which causes workers, in solidarity, to demand a change in coercive employment practices and denial of rights?

The variables involved in bringing about demonstration or spontaneous strikes, (from awareness of relative deprivation, continued impact of inflation, an incident which exemplifies

humiliaty suffered by other workers) can all be identified as relevant, but what are the sufficient and what are necessary variables can not easily be assessed.

The distinction made by Selznick between a passive state of acceptance of an unjust situation to specific claim of rights clarifies why workers do not automatically become union members. The human relations strategy aims to perpetuate that state of passivity. .

Workers have a remarkable ability to tolerate industrial injustice. When through unionism the discontent is expressed management is surprised. The trade union does not create the suffering or injustice, but channels the sense of injustice and aims to establish procedures through which it can be processed.

It is possible for a company not to institutionalise conflict by denying freedom of association. But the human costs are high, both in terms of demonstration strikes and other forms of worker anger and discontent, as well as in terms of coercive employment practices and repressive mechanisms of informer system, security police action and strike breaking. But employers are not required to take such costs into account to justify their continued operation. The balance sheet does not contain an item on industrial injustices. That is why trade unions aim through workers' participation to influence policy decisions.

Membership commitment - rights and responsibilities

The right to organise implies that the worker can add onto his status as a dependent employee that of trade union member and hence become part of an organised collective party, requiring management to negotiate terms of employment.

In general the question of commitment to trade union membership is treated with ambivalence by the State and employers. Labour legislation or other norms usually requires evidence of commitment to unionism, by laying down criteria for representativeness and proof of paid-up membership, before the union can be recognised or registered and the right to bargain collectively can operate.

The requirement of proof of membership support is a challenge to union leadership to justify its claim to represent the collective strength of the workers. This principle is accepted but in its application management n become dogmatic as to the degree of support necessary before meetings are held with union leaders. The requirement of majority membership before the company will deal with a union denies that workers when they become union members start articulating grievances. There is the further danger that union organisers will create issues in order to gain majority support amongst the more cautious workers, who because of lack of understanding of the nature of managerial power will not openly demonstrate union membership. The dogmatic requirement of high union membership support by management influences the organisating campaigns of unions and moulds the nature of union-management relations thereby causing hostility to be introduced as a perceived necessary requirement. This element of hostility can prevent, in Simmel's terms, the subsequent expression of realistic conflict and hence its effective reconciliation. In a number of Western European countries the bona fides of unionism were not challenged dogmatically by management. In Britain and the United States a method of determining the degree of union support amongst a labour force has been determined which acknowledges the fear of victimisation amongst workers resulting from managerial practices which have as their objective to keep the unions out.

Thus in terms of the 1974 Employment Act in Britain, workers are asked 'If the union were to be recognised by the company as the bargaining agent, would you join?' This approach of determining union support will influence the nature of the relationship pattern to emerge between the two parties. The emphasis is not only on trade union membership, but on the relationship which results from it.

The employer perceives a threat in union membership and attempts through human relations techniques to regain what he regards as loss of loyalty on the part of the employee. The worker does not necessarily feel a contradiction between his union membership and commitment to work in a factory. But if management wants to deny, or hinder the emergence of the labour relations component, the concept at what unionism means becomes clouded.

Related to the rights to organise and bargain collectively are certain responsibilities as defined in the constitution of the Union. Rights and responsibilities are two sides of the same coin and central to the principles of compromise and peace obligation which bind the relationship between the two parties. However, such responsibility is to the policy of the union and not to the company. Union responsibility cannot be measured in terms of management's frame of reference or management's formulation of what behaviour of union membership entails. Such formulation by management constitutes interference in freedom of association.

The effective institutionalisation of conflict is assisted by socialisation of workers and employers into industrial relations principles; on both sides new norms have to be internalised regarding the rights and responsibilities. Trade unionism is an achieved status and implies consciousness of new values and adoption of new perspectives in the employer - employee relationship.

This is why workers' education, independent of State and employer interference, is a vital ingredient in the development of trade unionism. Not only because the work place situation is in a constant state of flux due to new forms of managerial control facilitated by technological advances, but because the perspective of workers is broadening as the complexity of the employer - employee relationship becomes apparent.

The management of companies as well as the employers' association representatives also require to broaden their perspective. The collective bargaining agreement is a document signed by representatives on behalf of the union and the company or the employers' association. It is not sufficient for a manager to believe union recognition is a good idea. The company, as a corporate entity, enters into an agreement and hence the formulation of an industrial relations policy is vital. It is not sufficient for managers to get to know union leaders. From the perspective of the workers, the behaviour of management should be governed by laid down and written principles, as well as standards and guidelines of the company's industrial relations policy. Such a policy serves to socialise the various levels of management into the new industrial relations function and give meaning to any assurances that there will be no victimisation. The industrial relations function might be given to a specialist manager but it is an activity which all levels of management must exercise.

Organisational development of trade unions

Trade unionism emerges as a movement when workers and their leaders, aware of their disadvantaged position, come together to identify common interests. These common interests include improvements in wages and working conditions as well as mechanisms through which perceived injustices can be channelled. The achievement of these objectives

requires organisational expression in order to challenge the unilateral control of the employer. It is the union as the organisational expression of workers which places demands before management and requires procedures to resolve the new identified conflict of interests and conflict of rights. For these conflicts to be resolved a relationship is required and the union has to be recognised as an independent party. For the relationship to be maintained, the union must develop a permanent organisational expression.

The history of trade unionism in the majority of countries shows that union recognition is never easily granted. The employers and their organisations either do not accept the need for it or deliberately fight against what they regard as encroachment on their prerogative and responsibility of decision-making. This resistance requires unions to be practical in their formulation of targets and postpone certain objectives.

Flanders postulates that, 'trade unions are a mixture of movement and organisation and the relationship between them is the key to an understanding of the dynamics of their growth'. (Flanders, A., 1964, p.22)

How is the expression of trade unionism into permanent organisations affected by the process of institutionalisation of industrial conflict and how does it affect that process? Can trade unions and their leaders 'forget' the movement and neglect rank and file members? Does the concern with power which organisational expression brings about not cut off the vitality of the movement?

These questions are dealt with in the discussions on the organisational development of the trade union and the relevance of spontaneous industrial action to the maintenance of an equitable industrial relations system.

In his analyses of the evolution of American unionism, Lester identified three strands in the organisational development of unions as they strove to gain permanent organisational expression. The three strands are:

- Increased formalisation of union affairs bringing about transfer of certain functions from the local or plant-based union activity to the national headquarters. As the scope of items included in collective bargaining increased, the need for understanding of subjects such as job evaluation, incentive schemes, social security benefits, etc. required experts which only the union headquarters could employ or obtain. The possibility of centralised control was facilitated by employer recognition, union security arrangements and need for disciplined administration of the agreement. The institutionalisation of an effective grievance procedure further removed a certain influence from shop stewards and local leaders, in that problems were now to be handled in an orderly and businesslike manner.

- The trend towards centralisation and requirements of stability in and responsibility for maintaining employer - union relations, led to a change in the status and outlook of top union leaders. Union leaders increasingly served on community, industrial, educational and governmental boards; that is they became part of the establishment. Because of these involvements any zeal they might once have had to alter the social order was forgotten or suppressed.

- These developments were accompanied by a formalisation of the relationship between the management and the union. The attitude of the employer changed from one

> of hostility towards unionism to acceptance of the union as the 'manager of discontent'. On the one hand the employer facilitated the growth of the union as a permanent organisation through including in recognition agreements stop-order facilities and a type of closed shop (the union security clause) requiring union membership as a condition of employment. On the other hand the union development brought about a decline in work stoppages and demonstration strikes because agreements on conditions of work and improved wages contained grievance procedures and the peace obligation. Through procedures a mechanism was created whereby problems could be logically and rationally processed and the peace obligation required union leaders and workers to restrain from industrial action during the currency of the agreement. This required the union to incorporate discipline and order to regulate its affairs and where necessary administer sanctions to control members. It therefore became possible for a distinction to be drawn between un-organised or spontaneous strikes and authorised strikes agreed to by union members through ballot. These organisational factors led to potential and actual decline in contact between leaders and the rank and file members as well as decrease in militant action. However, the improvement in standard of living through the collective bargaining process and operation of procedures to seek redress for injustices and coercive employment practices, were considerable. (Lester, R., 1962, pp.21-37).

The relevance of Lester's analysis of the organisational development of trade unionism from movement, through recognition to centralised activity will be referred to in the discussion of the nature of unionism in South Africa. However, two observations made by Lester must be borne in mind.

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Lester observed a decline in the scope for innovation in the employer - worker relationship and items for inclusion in agreements. Initially the American unions demanded that rules and procedures for solving grievances as well as regular wage increases and improved fringe benefits be included in collective agreements. But 'as time passes many of the causes of the union's complaints are eliminated; some of its goals are at least partially achieved... In other words, past union conquests may have curtailed the possibility for future pioneering - at least by means of collective bargaining'. (Lester, R., p.56)

Related to this observation is Lester's application of his broad theory to the development of trade unions in other countries. He refers to the ageing of British unions and the vigorous maturity of Swedish unions.

The Swedish example suggests that the process of centralisation need not lead to loss of rank and file involvement. Membership is involved in the stages of the collective bargaining process and the extensive educational programmes have not only ensured close contact between leaders and members, but created acceptance of new organisational mechanisms and relationships. Furthermore, decline in internal democracy did not occur, as it did in Britain. In Sweden the vitality of the union movement was maintained, in contrast to unionism, because of the strong socialist tradition and concept of working class solidarity. The Swedish national federations of employers and unions established joint machinery to deal with basic matters affecting labour market policies. The matters dealt with were: protection against unfair dismissal; establishment of joint safety committees; vocational guidance councils; joint time-and-motion study boards; joint boards to study women's questions etc.

Lester observes that these developments ensured that the stagnating tendencies in the process of 'union maturation' could be countered.

Although Lester, writing in 1958, does not use the term 'workers' participation', this concept is implied in the innovative characteristics of the Swedish labour movement, in particular if subsequent developments are assessed. In 1966 the agreement on works councils between the Swedish national federations of employers and unions was revised to require that these works councils function as a medium of consultation and information on matters such as: production techniques, economic matters and questions of shut down, cut backs in employment, etc. Many of such issues are regarded as residual rights of American management which unions do not influence.

The concern of the labour movement in Europe with workers' participation, particularly since the 1960's, suggests that Lester's orthodox description of the development of the trade union requires to be amplified. In fact, the concept of 'maturity' of the union is too finite in its description. The European experience suggests the process of experimentation regarding more specific forms of influence on managerial decisions through systems of workers' participation is continuing.

Using Lester's analysis, Webster identifies three stages in the growth of trade unionism (Webster, E., 1975), namely:

(i) Unstructured conflict or hostility between employers and workers as the labour movement finds expression through worker protests.

Management feels threatened by this increased evidence of worker consciousness and will question its legitimacy.

(ii) Realisation by employers that the recognised union may be efficient in 'managing' discontent. The employer in order to assist the organisational expression of the labour movement, grants the union recognition for collective bargaining and giving certain facilities such as the stop order and possibly the closed shop. The signing of agreements through collective bargaining would be accompanied by a decline in militancy amongst the workers.

(iii) In the third or centralised stage the union moves closer to the national power structure and further away from grass roots activities, hence problems of internal democracy emerge. The unions begin to operate within certain agreed 'rules of the game', and become integrated in the socio-economic system.

The signing of a recognition agreement marks the entry into the second stage of organisational development. Employers will only sign a recognition agreement if they are persuaded that the union has the power (in terms of representative membership strength) to warrant giving up perceived managerial prerogatives. The recognition agreement either leads immediately to a collective bargaining situation or records the intent to do so; ie. conflict of interests is acknowledged. The other crucial clauses of a recognition agreement, beside items such as access, stop order and paid educational leave for industrial relations training, deal with disciplinary and grievance procedures whereby conflict of rights disputes can be resolved.

The statement by Flanders that the relationship between a workers' movement and organisational expression of the trade union is the key to the understanding of the dynamics of union growth, has to be recalled in particular in considering the implication of the third stage.

The centralised involvement of the union leaders can lead to apathy amongst the members, particularly if certain economic improvements in their situations are achieved. It can also lead to re-emergence of militancy if membership believes there is collusion between leaders and the establishment, and union ideals are forgotten. The centralised stage can also lead to involvement in the political process and the emergence of pressure groups.

In certain Northern European countries this phase in union development occurred during the 1950 decade, and coincided with provisions, either through legislation or arising out of agreements between union federations and the employer federation, for the establishment of workers' councils whose members were elected from all the workers, irrespective of union membership. The trade unions, having neglected factory based activities, saw the necessity for countering the control which the employer could exercise over workers' councils, by establishing a strong union presence in the work place (Douwes Dekker, L., 1974).
The ideal of industrial democracy was achieved by the unions through the works council, which in terms of legislative provisions had powers of co-determination for certain areas of management functioning, as well as representation on Boards of Directors to influence company policy.

During the post World War II period the trade unions concentrated on workers' education to ensure works council representatives and worker representatives on Boards of Directors could cope with the new responsibilities. Workers' participation can be used to describe this fourth phase in the development of trade unions and industrial relations

patterns. The challenges and innovations required by the institutionalisation of workers' participation overcame the stagnation Lester observed in the operation of American unions. The American unions have no tradition of socialism not only because that ideology was suppressed in the early part of the century, but because of the individualistic ethos of American society (Bok, D., 1971).

Conflict of interests and conflict of rights

The institutionalisation of industrial conflict in Western European countries suggests that its most effective expression takes place when different structures and processes are agreed upon between companies and trade unions, to process two distinct types of conflict. Conflict of interests arise because of the scarce or limited resources and status position through which work, as an activity, is rewarded. But even if agreement is reached at a particular moment in time on those interest issues, conflict of rights can arise because of different interpretations not only regarding the clauses of such agreements, but labour legislation requirements and common law obligations.

Through the collective bargaining process, conflict of interest regarding the distribution of wealth, improvements in conditions of work, social security benefits, introduction of new technology, work allocation, etc. are reconciled and the terms written down in agreements. By definition this reconciliation is not permanent. Agreements are only entered into for one or more years and then the union, in terms of a mandate from its members, formulates demands for improvement in the terms of the agreement.

During the period an agreement is in operation, the question of interpretation and intent of the various clauses regulating the terms and conditions of employment will arise. That is, when the agreement temporarily resolves conflict of interests,

conflict of rights becomes an issue. Conflict of rights disputes arise primarily because of the different interpretations by workers of a clause in an agreement or a requirement in law. The manner in which disciplinary action is taken can also lead to conflict of rights disputes. In a society where coercive measures are still prevalent, infringement of common law rights, such as assault become a conflict of rights issue. These conflicts of rights disputes require different procedures to be processed than those used for conflict of interests. That is, negotiation of such issues should not become part of the bargaining process but be handled through mutually agreed upon grievance and disciplinary procedures, mediation committees, and if necessary arbitration institutions such as the Industrial Court.

In most countries collective bargaining has traditionally taken place between unions and employers' associations for a particular industry, and either nationwide or for a particular region. In America in particular collective bargaining also takes place between the work place union branch or local and that company. Grievance procedures are initiated by a particular worker or group of workers and takes place inside the factory or place of work.

The acceptance as well as usage of a written and signed grievance procedure between a company and trade union indicates a willingness on the part of management to move from a position of control through coercive methods to a position where it is accepted that management - employee relations should be regulated by some form of consent. The procedure is a set of rules which allow for a grievance to be processed through stated levels of the management hierarchy but in terms of specified time limits. Its acceptance indicates that both management and trade unions want principles of rationality and fairness to operate in their interaction and want to eliminate arbitrary action.

This is why any disciplinary action taken by management must also be subject to appeal. Disciplinary action should not be ad hoc. A written disciplinary code is required which lists the undesirable activities for which management can take punitive action against workers to ensure order and control necessary for the effective functioning of the production processes or service offered. The severity of the misbehaviour of the worker determines whether he is either given a warning, the details of which are recorded, or instantly dismissed. The procedural aspect of appeal against such proposed action is different to that of the code. The appeal procedure is imperative to engage the fairness and relevance of the discipline imposed and protest workers against victimisation. This process of appeal might be a different procedure or become part of the grievance procedure.

The nature of a grievance procedure, the manner in which it is used, and the determination shown by both management and trade union representatives to maintain it, can, as Singleton points out, be taken as an index of the power relation between these two parties (Singleton, N., 1975). An equitable grievance procedure constitutes a challenge to managerial power. Its effective operation and usage by both parties legitimises that power by transforming it into authority. If a grievance cannot be satisfactorily resolved after it has moved to the highest level of management, with the aggrieved worker being assisted by the union representative, the possibility of referral to an independent mutually agreed mediator or arbitrator is essential. The final decision on a matter of dispute cannot lie with top management as this would restore managerial power. The signing by management and the union of a procedure does not automatically prevent manipulation by management. Its effective operation is dependent on a reasonable power power balance between management and the union representatives. The operation of procedure is part of the labour relations activity which by definition must exclude the involvement

of the personnel department, except for its administrative function and advice to line management.

Two observations are relevant to this section on the procedural mechanisms of conflict reconciliation. Built-in to both procedures is the principle of compromise, although its working is more obvious and evident in the collective bargaining process than in the grievance handling process. In any system of interaction (but particularly in power relations), compromise is inevitable. However, little is known of the variables involved in this social phenomenon, particularly where organisational expression also becomes a factor of consideration.

The second point to note is that the formulation of the grievance procedure rests on the assumption that management has the right of interpretation of the agreement or the law. Because management exercises this priority right of interpretation by virtue of its authority to co-ordinate and assign work, the worker who disagrees with management's interpretation has to initiate the grievance procedure. It is significant that in Sweden the worker and his trade union now have the priority right of interpretation insofar as the point of issue concerns 'a provision on the subject of joint regulation rights or the duties of an individual worker, eg. in the event of a dispute concerning overtime or a worker's obligation to perform certain tasks. In pay disputes the priority rights of interpretation are retained by the employer but are limited in that the employee's interpretation of the pay settlement will become operative unless the employer immediately initiates negotiations and, if no agreement can be reached, files proceedings with the Labour Court within 10 days of the conclusion of the negotiation'. (Ministry of Labour, Sweden, 1977, p.10).

The principles of compromise and industrial peace

Specific principles operate to facilitate the process whereby employers and trade unions reach agreement. Agreement is reached because adherence to the clauses is only required for the given period. The agreement does not do away with or resolve the conflicting interest but reconciles them until bargaining commences again.

Agreement is made possible because of acceptance by both parties of the principle of compromise. Both parties have to change their initial target demands in order to reach settlement; this is where the bargaining comes in. The union and its members accept that the initial demands cannot be reached, and the employers or their association know they have to give more than was initially stated. The degree of the compromises made by the respective parties is dependent on their power or perceived power both in terms of organisational strength and negotiating skills.

It is the representatives of the trade union and the employers' associations who work out the possible compromises to the conflicting claims. But the representatives cannot sign the agreement without approval from their constituents. Particularly the union representatives, because the union's affairs are dictated by the membership, ie. from below, have to act in terms of the mandate they received from either their branches or general shop stewards' meetings. What are the stages involved in the collective bargaining process to accommodate this principle of compromise and also to ensure that the elected representatives remain accountable to their respective constituents?

The collective bargaining process is activated when the trade union takes the initiative. Through a mandate received from membership the elected executive committee is in a position to formulate specific proposals for increase in wages, improved working conditions, social security funds, etc.

The employers' association also requires to consult its constituents to determine their response to these demands. The stage is now set for the negotiating teams of both parties to meet and commence actual negotiations. The process of defining the essential priorities in the demands and counter proposals, as well as identifying the areas of 'give and take' is carried out behind closed doors.

This process of negotiation between the negotiating teams or representatives of the two parties can take a number of months. After this period the representatives will have identified areas of agreement and where compromises have to be made. But the representatives should not commit their parties. Hence a further stage requires to be instituted otherwise the dynamic of the collectivity of collective bargaining is denied.

The representatives of both parties report back and indicate to their members the nature of the compromise reached and ask for acceptance of the proposed terms. This 'selling process' within the respective organisations constitutes a vital stage. The negotiators from the employers' association can act more independently from affiliated companies than the trade union negotiators can from the union members. An 'internal' bargain within the organisation takes place. The union negotiating team in particular must ensure effective report back to membership at branches or through shop stewards. Without this process union leaders can be accused of oligarchical practices. Minor or major adjustments to the proposed agreement are proposed at report back meetings and referred back to the negotiating teams who will, again, behind closed doors, identify areas of agreement on those outstanding issues.

The agreement which carries the approval and hence commitment of both parties, can then be signed by the representatives. The potential disorder in employer - worker relations has been institutionalised for a specific period

of time (Douwes Dekker, L., 1976).

This description of the collective bargaining process reinforces the emphasis placed on membership rights and reponsibility. A worker without the status of trade unionism cannot give commitment and adhere to an agreement. Furthermore, without the intra-organisational process of report back, it is easy for the representatives of the parties to establish either a relationship pattern of collusion or co-option. A more detailed discussion of the sub-processes of collective bargaining as applied in the analysis of proposals by South African companies regarding industrial relations systems is given in the following section.

The employer, who has had to move from a position of unilateral expression of power to sharing decisions in certain areas with the union, requires in exchange some security that the industrial conflict has been institutionalised. The employer needs assurance that during the currency of the agreement his labour cost will be as reflected in the terms of the laid down rates in the agreement. Hence some form of peace obligation is normally written into an agreement; the clauses of the agreement must have the commitment from the union members not to raise conflict of interest issues. The peace obligation requires that during the duration of the agreement, no union organised strikes will occur in terms of issues contained in that agreement. A similar requirement is placed on the employers regarding the lock-out tactics. The importance of the peace obligation, as the core component of institutionalisation of conflict, is evident from legislative requirements in the majority of countries regarding its inclusion in agreements.

The peace obligation on its own would leave the workers defenceless during the currency of an agreement. On its own the increase in wages and improvement in working conditions achieved during collective bargaining do not ensure the legitimisation of power into authority; the worker is still

exposed to the command structure and his status of union member is not recognised - the problem of control and by whom in the work situation is not resolved. The institutionalisation of the grievance procedure based on the recognition of the trade union as well as the reality of conflict of rights arising out of the interpretation of the agreement, provides a mechanism of protection and counter influence. However, this influence is specific and isolated and only requires management to account for its actions and decisions after they have been carried out.

Because of too great an emphasis on the principle of compromise and too great a demand regarding the peace obligation, trade unions as organisations are accused of no longer serving the interests of the workers.

In his analysis of the American trade union movement after World War II, that is, subsequent to the period of rapid trade union growth considerably facilitated by guarantee of freedom of association and protection against unfair labour practices of the Wagner Act of 1935, Wright Mills concludes that the trade union creates social stability in the employment situation and aptly describes the union leader as a 'manager of discontent'.

The reconciliation of conflict of interests and conflict of rights require the union leaders to hold the peace on those issues included in the scope of the agreements until all formal procedures and the relevant steps have been followed.

The grievance procedure requires that the worker defines his sense of injustice into 'issues within a narrow focus which shape the parameters for potential solution, fundamental question of principle are typically suppressed and comprise is thus facilitated' (Hyman, R., 1974, p.64). Hyman argues that there is a validity in Mills' analysis of the trade union as a source of social stability because of three factors;

(i) the achievements of trade unions regarding wages, working conditions and social security benefits have 'blurred workers' discontent' or even eradicated certain causes of discontent;

(ii) as trade unions 'mature' in terms of development as organisations, they have become moderate and their centralised involvement in tripartite bodies with employers and government agencies has made use of the strike weapon less necessary;

(iii) the organisational needs of the union result in increasing emphasis on maintaining a relationship with the employer in order to perpetuate the collective bargaining agreement and to ensure the security of the union as an organisation.

Active workers and union leaders are aware of these pitfalls arising out of the expression of industrial conflict into these institutionalised forms. The experience arising out of involvement in the collective bargaining process revealed powerlessness in two areas. Firstly, lack of information made it difficult if not impossible to counter arguments by employers regarding productivity, need for technological advances, financial investment consideration etc. Secondly, collective bargaining did not influence crucial policy decisions taken by boards of directors or similar bodies for specific companies. In other words, the influence on managerial decisions which collective agreements impose, although specific, is limited. Hence the increasing emphasis, particularly in Western European countries, on workers' participation in management. The American labour movement is however critical of this ideology.

The sub-processes of collective bargaining

Walton and McKersie identify four interrelated and interdependent activities or sub-processes in their analysis of collective bargaining. These sub-processes logically combine the requirements described in the preceeding section.

The necessity for collective bargaining between management and labour arises because of limited resources and scarce status allocation. The process of distributive bargaining settles this conflict of interest between the two parties. But the interdependence of capital and labour suggest that there are complementary concerns which can, through problem solving, be identified and resolved through the process of integrative bargaining. Underlying these two sub-processes are activities that influence the attitudes of the two parties, in particular those of their respective representatives, towards each other. Attitudinal structuring which takes place between the representatives of the two parties is this third sub-process. Finally, before an agreement is signed by the representatives a fourth sub-process of activities has to occur, namely, the parties must agree. Consensus must be achieved within each of the two parties and not just by their respective representatives, ie. intra-organisational bargaining has to take place.

The acceptance of distributive bargaining as a sub-process of negotiations is essential, for it acknowledges that there are issues between the two parties which cannot be resolved because their objectives, resulting from different interests, are in conflict. It is a matter of distributing or dividing limited resources with fixed values.

However, the two parties need to maintain their relationship in order to ensure continuity and hence look towards settlement as a compromise. One of the challenges of bargaining for each party is to define those limits which would destroy the relationship if the other party overstepped them.

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For management there is a limit to issues such as granting wage increases or agreeing to union involvement in management decisions, ie. beyond such limits there would be little purpose in continuing the relationship. For union leaders there is a floor to wage increases beneath which their loss of credibility with members could not be contained. For union members there is a limit regarding improvements in fair wages, wage differentials, job and social security measures below which the constraints and sanction of membership make institutionalised bargaining futile. But besides these resistance points both parties also have targets which reflect what they hope to achieve. Negotiations become effective when the respective target and resistance points reveal a range within which settlement of the agreement is possible. This is how the principle of compromise is instituted. The other sub-processes play a crucial role in assisting the representatives of the parties to identify that range of settlement.

The consideration of distributive bargaining raises the question of whether all objectives between the two parties are issues of conflict? There are matters that can be resolved to the benefit of both parties, or at least where the gain of one party is not an equal loss for or does not represent an euqal sacrifice by, the other party. Such matters are considered as problems to be solved and this process constitutes integrative bargaining.

An agenda item f . a negotiating meeting between the parties involving economic values does not include integrative possibilities. The integrative potential in the joint decision-making process is realised when both parties look for common-pattern areas and alternative solutions of mutual benefit to each other.

Although in actual fact many items on the agenda of labour negotiations are mixed, ie. are issues as well as problems, it is possible to identify those matters which have an integrative potential. Problems are matters involving rights and obligations of parties. The considerable breakthrough in labour relations achieved in the steel industry in America stems from a finding of a study committee tha-, 'the joint study approach is least effective when applied to wages. very useful on fringes, and has its greatest promise on 'job security' issues . The examples quoted are closed shop and membership maintenance, preserving jobs, seniority rights, etc., for which in return management can introduce technological changes and retain flexibility in manpower allocation.

Representatives of labour and management have a relationship which hopefully both want to foster. It is particularly in the face-to-face negotiating process that maintenance as well as restructuring of the attitudes of the participants towards each other takes place. If representatives on both sides accept the need for realising the integrative potential of their relationship, it is essential that they understand the impact of attitudes such as friendliness, trust, and respect on their attempts to influence each other. However, in numerous instances either management or labour representatives believe they must maintain hostility and the desirability of more constructive attitudes is denied. The five relationship patters which can be established are:

(i) open hostility based on refusal or inability to interact. The company is determined to refuse to deal with the union and vice versa;

(ii) containment-aggression based on 'grudging acceptance' by the parties of each other. Management is determined to contain the scope and influence of the union while the union leadership denies the role or prerogative of management. Not only do the parties regard each other with suspicion, but each tries to gain the workers' allegiance;

(iii) accommodation based on limited trust which allows for some satisfaction of requirements;

(iv) co-operation based on willingness by the parties to negotiate beyond wages and working conditions and examine issues such as productivity, job security and technological advance. There is respect for each other - ie. both for the organisations and their individual officials. The union accepts managerial success as being of concern to labour and management accepts that it is in its interest for there to be a stable and effective union;

(v) collusion based on furthering the aims of representatives of the parties which violate the interest of their own members as well as either shareholders or the public or some combination of these.

What is crucial to industrial relations in South Africa is the likely pattern that will develop between companies and Black trade unions. The personalities of the key people involved, as well as the goals of the parties are determining factors. There is a danger that the parties might get locked

into a relationship which neither party finds conducive in the future but which will be difficult to break when that time comes.

The value of Walton and McKersie's analysis is that it has abstracted the process of intra-organisational bargaining as an essential activity of collective bargaining. Agreement is not reached when the representatives of the two parties have reconciled their differences through compromising on original demands and drawn up the clauses for a contract. Consensus within the parties is required for the terms of settlement to be acceptable and adhered to for a specific period of time. And this can only achieved through intra-organisational bargaining. After all, the negotiating team was given a mandate, the demands were presented in terms of members' expectations. Hence before an agreement can be signed a report back must take place and members must approve it. Through this report back the peace obligation is instituted. This process commits the parties and not just their representatives, to the terms of the agreement for the specified period. Furthermore, in any organisation there are different opinions as to the strategy and patterns of the union-management relationship. Internal tensions and conflict must be resolved to ensure consensus through this sub-process.

The right to strike

As Blanpain states collective bargaining without the right to strike is collective begging. The strike is a temporary stoppage of work by a group of employees in order through that collective and concerted action to enforce a demand or express a grievance. When a strike occurs the workers challenge the structure of control to which they have to submit themselves and give notice to both the

management and society at large that they are denying the legitimacy of the existing social order in the work place.

The right to withhold labour is complementary to the other two rights, namely to organise into unions and to bargain collectively. The International Labour Organisation has not yet incorporated the strike right into a Convention but the Freedom of Association Committee has, in its findings regarding those Conventions endorsing the other two rights, stressed that the right to strike by workers and their organisations is recognised as a legitimate means of defending their occupational interests. Strikes are a social phenomenon, not evidence of pathological behaviour. Strike action is a logical expression by a group of employees to the injustice of a given situation as perceived by them. Strikes are to be understood as a trial of strength even where both parties test each others power to influence each other. As Simmel observes:

> 'Since power can often be appraised only in its actual exercise, accommodation may frequently be reached (between the parties) only after the contenders have measured their respective strength in conflict'.
> (Coser, L., 1965)

When a deadlock in negotiations (conflict of interests) can not be mediated a ballot is conducted amongst union members. If the majority of the workers vote accordingly an official strike can be held. The industrial relationship is temporarily broken. The trial of strength period or power struggle can take time to be tested. The union members on strike will use the picket as a peaceful demonstration of their declared dispute with the employer. The purpose of this standing outside the factory gates with placards is to morally persuade non-union and union members not to break the strike by reporting for work, and also to advise the public of the issues involved. Because of the highly

motive nature of this industrial action, care has to be taken by the authorities, management and the union not to let tension convert into violence. The tensions are real in that they strike is a denial of the legitimacy of managerial authority. The drastic reversal of the normal situation is a demand that new norms are established in terms of which the relationship is to be regulated in the future.

But not all strikes are official. Particularly in the early stages of the institutionalisation of industrial conflict or when this process has not resulted in effective structures, spontaneous walk-outs will occur. These demonstration strikes are usually confined to a factory and relate in general to conflict of rights issues. However, in countries where institutionalisation of industrial conflict has not occurred such spontaneous actions readily spread to other work places.

Both management and the State, as well as commentators, will enhance their assessment of industrial relations if it is understood that the institutionalisation of industrial conflict cannot at all times ensure industrial peace. The distinction drawn by Flanders between movement amongst the workers as a collectivity and the trade union as organisational expression of that movement is crucial in understanding collective action. Effective institutionalisation can be a channel through which the workers' movement expresses its sense of industrial injustice. But the possibility is always to be there for the movement to step outside of the organisational constraints and procedures.

The recognition granted by the employer to the independent union and acceptance of the role of the union leaders implied in the institutionalisation of conflict, carries with it responsibilities and duties. The union must undertake to honour and as a party to the industrial relationship regulate job requirements and performance, eg. the requirements of job evaluation.

But the acceptance of the peace obligation by the union cannot require that the union guarantee protest free labour relations. The union's undertaking to management is that if a spontaneous industrial action, demonstration stoppage, or strike occurs, it will immediately confer with membership and bring into action the dispute procedure regarding resolution of conflict of rights. The process of institutionalisation has its limits and the development of permanency of the union as organisation builds in the problem of oligarchy in leadership. Hence the spontaneous protest by union members either against management or against union leadership, is an essential social act, but it requires speedy and immediate action by union leadership to identify the nature of the issue and seek settlement of the dispute.

From this perspective the term 'wild-cat strike' to describe worker action which has no formal or official sanction by leaders or through strike ballot, is inappropriate Unofficial strike action on the part of workers and union members can be rational, particularly when leadership is not aware, or has not wanted to be aware, of the definition of the situation as perceived by workers. The designation of such action as a spontaneous strike acknowledges the legitimacy of that action. If the trade union is to remain dynamic as an organisational expression, it must at all times remain in contact with the movement amongst workers.

Mediation and arbitration

In the above discussion, it is assumed the employers' association or an individual company and the trade union conclude the process of collective bargaining by signing a mutually acceptable agreement. What brought the parties around the bargaining table was the necessity to compromise on divergent objectives, formalise the relationship and counter the threat of industrial action with the requirement that an agreement would bring, for its duration, acceptance that no strikes or lock-outs would be resorted to. But

during the negotiations the possibility of a deadlock is an over present reality. By declaring a deadlock either party indicates there is no utility in continuing the industrial relationship. For the employer party the union demands can be of such a magnitude that the continued operation of the enterprise is no longer feasible. For the trade union the final offer from the employer party can be so far below the needs and expectations of membership that to accept it will result in loss of credibility of the union.

Dispute procedures regarding the steps to be followed if a deadlock is declared are an essential part of the institutionalisation of conflict. Either the legislation provides for the procedure to be followed and/or both parties themselves consider beforehand what should be done in such an event. Such procedures include mediation, voluntary arbitration or compulsory arbitration.

Dispute procedures are not grievance procedures, the latter facilitate the reconciliation of individual problems and the former are used for conflicts of a collective nature. Often it is the inability of parties to resolve a conflict of interest which leads to a deadlock, but in the early stages of the institutionalisation of industrial conflict any issue can lead to collective action. The most appropriate time for the parties to consider what steps to follow before the strike or lock-out is resorted to, is before collective bargaining commences. The dispute procedure agreed to then will reflect the parties concern not to destroy the relationship, but through mediation to re-establish it.

The intensity of the bargaining process and the heat of personality clashes can lead to a situation where the representatives misunderstand the nature of offers made or do not explore the possibility of different combinations of a package deal of the items on the negotiating agenda. The mediator as independent third party, examines the nature of the dispute, identifies how far the parties have gone to meet

each other, points out where hostility has clouded the debate, and suggests alternative directions for resolving a deadlock issue.

The role of the mediator is not to deny that there is a dispute, but to identify the non-rational issues or unrealistic elements which led to the deadlock. The mediator enables the parties to deal with the more realistic aspects of their conflicting claims. His role is to re-establish the relationship. (Coser, L., p.59)

Industrial peace is dependent on a number of conditions, one of which is that the two parties do not adopt too legalistic an approach to industrial relations. This condition is achieved through mediation as the purpose of the mediator is not only to assist the parties find a mutually acceptable settlement, but to restore the relationship. A legalistic approach might have given a solution which is 'correct' from the perspective of rules but which does not remove the antagonism between the parties. (Hoffman E., 1973). The mediator assists (functions to arise) the two parties to find a compromise.

But the deadlock can centre around more fundamental disagreements, eg. the amount of wage increase or the justification for dismissal. Neither party feels it can re-open negotiation on the matter or look for a compromise. In such a situation the legal strike action can be taken or arbitration resorted to.

The arbitrator has a different responsibility in that he has to arrive at a specific award for decision on the matter under dispute which the parties must accept. His appointment as arbitrator is either by mutual consent from the parties who agree to abide by his decision, ie. voluntary arbitration, or by the ministerial decrease in terms of the legislation, ie. compulsory arbitration.

The role of the arbitrator is quasi-judicial. He obtains acceptance of the procedures and phases involved in conducting the investigation and determining of the award. These procedures include: obtaining of information and witnesses; arrangement and conduct of hearings; problems of proof of evidence and preparation for the content of the award.

Why is voluntary arbitration more desirable than compulsory arbitration? The institutionalisation of conflict rests on the acceptance by both parties of the principle that to exercise the right to strike - or lock-out - is undesirable because of its disruptive effect on their relationship and the economy. But at the same time a show of strength by one party is sometimes necessary to convince the other party of the power dimension in industrial relations. However, both parties agree that in a situation of deadlock, alternative peaceful settlement procedures are considered before the strike is resorted to. Hence arbitration can be a procedural arrangement both parties agree to before they commence negotiation, ie. as part of the recognition process. Voluntary arbitration as well as mediation recognises the self-government character of the industrial relationship between the two parties. In voluntary arbitration both parties not only agree on the person but agree to abide by his award. In fact the requirement of voluntary arbitration in an industrial relations system constitutes an excellent means of putting the autonomy of labour and management to the proof.

Governments regard compulsory arbitration as more desirable as this mechanism of ending a dispute can immediately stop the disruptive effects of strikes and lock-outs whether planned or already occurring. But the requirement of compulsory arbitration is an interference in the process of institutionalisation and does not grant the parties the responsibility of exercising self-government.

Governments of developing countries will argue that trade union demands can be egotistical in that trade unions promote high consumption patterns by a small proportion of the labour force, (ie. the wage earners and usually those in manufacturing industry and civil servants) at the expense of other economically active and underemployed workers. In terms of appeals to consider the 'public interest', Government spokesmen require that union leaders exhort their members to work more productively. But the requirement of this productionist function is contrary to the basic purpose of trade unionism. In Kenya during the 1970 decade the trade unions did not heed Government appeals. They continued to press for an increase in standard of living and decalred disputes in cases of dismissals which union members perceived as unfair. As a result, the Government increasingly adopted more stringent measures regarding the right to strike in terms of amendments to the Trade Disputes Act (Sandbrooke, A., 1975).

If an industrial relations system has incorporated in its structures and processes the difference between conflict of interest and conflict of rights, different settlement procedures will operate. Conflict of interests, or economic disputes, because they are 'compromisable', lend themselves best to mediation and, if necessary, arbitration. A conflict of rights dispute is usually based on an alleged violation of existing rights, or unfair treatment by the management and there are more or less definite and accepted standards laid down in collective agreements, employment contracts, work place rules, laws or norms, etc. As the main issue rests on the interpretation and the manner of application of these standards, its settlement requires ascertainment and appreciation of the facts. Hence rights disputes can best be resolved through voluntary agreed upon grievance procedures or by referral to judicial labour courts. The operation of different settlement procedures ensures that grievance handling is removed from the area of power conflict

of interest disputes and can be settled through authoritative determination of the respective rights and obligations of the parties (ILO, Grievance Arbitration, 1972, p.5). Grievance procedures and disciplinary procedures require to be agreed upon by the two parties to ensure that their respective representatives utilise the laid down step and adhere to the time limits.

Involving the union members in trade union decisions

The permanent organisational expression of trade unions establishes a position of influence for the elected leadership which, because of inherent problems of bureaucratisation, can remove rank and file members from the union activities and policies. What democratic checks should be placed on the union administrative functions as well as decision-making process?

The intra-organisational sub-process of collective bargaining in the form of membership involvement in both the formulation of the initial proposals which the executive used to state the union demands for a new agreement as well as acceptance of the terms of the final compromise agreement, is an essential activity union members must be involved in.

The intra-organisational sub-process of bargaining is a useful descriptive concept to draw attention to the necessity for the union leader to retain credibility within the union with members. The union leader has to perform dual roles with opposing objectives. On the one hand union leaders must retain the relationship with the employer to ensure the needs of members can be serviced. On the other hand the union leader is accountable to membership. If the

trust in this link is broken, then the membership will move out of the constraints of organisational responsibility. This leads either to a stage of apathy or anomie with the danger of normlessness or anarchy; or to election of new leadership.

The constitutions of unions lay down the level in the union structure which must be involved in the intra-organisational bargaining sub-process. In some countries a tradition has been established whereby the leaders have the sole responsibility to decide on the level of compromise to agree to during negotiations. Other countries have the tradition that shop stewards, as the elected work place leaders, or the meeting of the area branch have to approve the terms of a proposed agreement.

It is only in the latter situation that effective institutionalisation can be said to occur. The peace obligation is not imposed, but accepted by the workers because their consent is obtained and adherence to the terms of the agreement, for its duration, can be expected.

The effective institutionalisation of intra-organisational consensus is necessary if the dictum by Flanders that the workers movement and the organisational expression of the union have to be harmonised, is borne in mind. The literature suggests that ideally the union branch in the place of work is the most effective basic structure of the union particularly with the advent of companies employing a large labour force. The union branch constitutes the membership of the union in that place of work and the elected leadership. When there is a general meeting of both, the union branch comes into being. Hence facilities are essential for its expression. If the union constitution as well as the practice only emphasises the shop stewards, there is a danger that leadership has too great a say without accountability to membership on crucial issues.

Union activity in the place of work is also essential to ensure that the company works council does not become an organ of management. In Western Europe various approaches have been adopted to ensure that the works council is not misused.

Trade unions in the metal sector in the Netherlands became aware, in the late 1950's, of the isolation of union members because they had become established in the centralised collective bargaining stage of union development. Study conferences were held on the structure and function of the trade union and how to make the member in the place of work aware of his situation.

Investigation showed that a gap existed between full time leaders and union members and that too great an emphasis was placed on centralised collective bargaining as the major trade union activity. These study conferences led to the formulation of the idea of trade union activity in the work place. In formulating the idea and giving it expression, emphasis was placed on establishing sound communication and interaction between trade union members and the union office administration and the Executive Committee. This trade union activity was not seen as a mechanism of making representation to the employer as is the function of the shop steward. The example of the British system of shop stewards was not followed. The unions supported the works' council system as the structure for formulating demands but required that it be given more powers, something brought about through legislative amendment in 1971. The idea of the Union in the work place was formulated to perform a watchdog function over this works council and serve as a link between union members and the union office.

In the Netherlands the concept of trade union activity in work place was developed during the last decade and in 1974 the Social and Economic Council, a tripartite ... was asked to determine its relevance. In subsequent recommendat... s the Social and Economic Council gave support for the concept and the need for facilities to be granted by the company for its effective expression. However, the Council believed/...

that full details regarding trade union activity in the work place should be the subject of negotiation between the two parties. That is, it should not be incorporated in legislation. The Social and Economic Council did observe that the works council had responsibility of representing all the workers in the company whereas the trade union commission could only function for its members.

By 1977, 67 collective bargaining agrements, covering just half the labour forces covered by the 186 agreements in operation gave recognition to this industrial relations structure in the work place. In terms of the national accord between employer federations and trade union federations the active leaders involved in the plant-based union activity were to be protected against victimisation. This protection was provided for in 50 out of the 67 agreements mentioned.

In 34 of the 67 agreements some provisions regarding the relation of trade union activity in the work place to the works council was laid down. This basically dealt with the supportive role of the union commission for the works council (Loon bureau, 1978).

This development gave a more specific operational definition of the right to organise as laid down in ILO Convention No. 87 on freedom of association and facilitates membership involvement in union affairs and decisions.

The defender of change

The institutionalisation of conflict is dependent on the company granting recognition to the trade union. The winning of recognition is a demand for acceptance of fundamental change in the management to worker relationships.

The worker must be treated with respect as a union member with rights, and not only as a subordinate who always obeys orders. But this implies a fundamental change in orientation and hence the process of union recognition is perceived as a threat and management will understandably devise strategies to counter this encroachment.

It is evident from the description of the organisational development of the trade union that this evolution is influenced by the relationship pattern entered into by management. What is management's input?

Basically management must be expected to resist the demand for change; it is not in its immediate interests that existing norms and structures of control are altered. When the need for change is accepted, management will consider it not in terms of the specific demands made, particularly if formulated in terms of workers' rights, but in terms of alternative measures over which control can be exercised. The manager will want to identify the variables involved and will want to ensure that consensus can be achieved, with those involved in the change, regarding the direction taken. Obviously the employer, through his management representatives has a stake in the direction of change and will try and achieve commitment to that direction seen as appropriate. It cannot be assumed, irrespective of the justice of workers' rights, that employer resistance to change ie negative or dominant. The employer faced with a demand for innovation in his control over the factory system and the norms operating in it, will resist. The employer will perceive that the demand for change does not reflect the wishes of those subordinate to him and will see it as an outside influence.

Klein in fact postulates that opposition to change is a necessary or desirable characteristic and that perceived 'irrationality' in resistance to change is most likely to

be an attempt to maintain integrity of the existing system, a concern which cannot be ignored. It is evident that a demand for change in the basic relationship between company and workers will be seen as a threat to the status or life situation of the manager. In an analysis, such as attempted in this dissertation, on changing labour policies of employers, consideration must be given to the dynamics of resistance to change. Klein states;

> 'a necessary pre-requisite of successful change involves the mobilisation of forces against it'.
> (Klein, D., p.502)

The resistance and apparent intransigence of management to change cannot be dismissed as irrational. The crux of the matter is to identify what is being defended. Consideration of this question will assist in understanding the dynamics of resistance and how long or under what conditions it will persist.

Certainly trade unions, particularly once they are established, also become involved in the dynamics of resistance to change, particularly if the employer requires changes in the production process as a result of technological innovations which affect job relations, introduces programmes to improve productivity and introduces different training programmes to reduce the time it takes to train, in particular, artisans.

Workers' education

The effective institutionalisation of conflict through the organisational relationship implies the socialisation of workers into awareness of their rights and concommitant obligations and responsibilities, as well as socialisation of managers into perspective which understands the need for shared decisions and power sharing in order to achieve

legitimised authority. The structural position of managers and workers in the command hierarchy of the factory and the control mechanisms which flow out of it, has created the belief amongst managers that they can decide for, and decide best, for, workers. Similarly, workers have adopted a passive attitude to their position of 'frustration without hope'. The accumulation of grievances in that state, when triggered off, results in hostility. Hence managers require a broader perspective regarding the expression of workers' rights and collective power, and workers require new hope regarding their dignity and relevance as people. Both parties require to be assisted in understanding the nature of the relationship which institutionalisation in terms of some balance of power implies. If the relationship is not to fall between collusion and co-optation then education of both management and union leaders is essential. This industrial relations education is more than industrial relations training. By implication the education must incorporate, even if not explicitly stated, a view of society in terms of the nature of the creation as well as the distribution of wealth and power. Hence the relevance of the question as to who is responsible for workers' education. In evidence to the Wiehahn Commission of Inquiry into Labour Legislation, the Urban Training Project, the workers' educational organisations established in 1971 stated, inter alia, that workers' education assists workers:

> 'to open their eyes to the real situation in which they find themselves at work;
>
> to discover how this situation is affecting themselves, their fellow workers, their families, and the whole of society;
>
> to discover their dignity as human beings;
>
> to learn their common law and statutory rights and how to exercise them;
>
> to discover where their strength lies and how it is possible for the situation in which they find themselves to be changed, and that this

> change will come about by a change in themselves and their attitude towards each other and the orderly use of their strength;
>
> to discover the form of labour movement necessary to bring about the change, how this must be their movement and how it must be controlled by them in a responsible manner'.

Hence the recommendation that 'trade union education should be developed, controlled and financed only by trade unions or the organisations approved by them'. (U.T.P., 1977, p.8)

1.5 Workers' Participation in Management

The above analysis of the variables and concepts involved in the institutionalisation of industrial conflict, identifies workers' participation in management as the crucial component of the fourth phase in the organisational development of the trade union and essential to prevent the stagnation of the union. It is therefor appropriate to include an overview of this concept. The word management is loosely defined to include both policy decisions by boards of directors and their daily execution by managers.

Workers' participation rejected in America

In a careful and comprehensive article D. Bok analysed the factors which have given American labour laws and the union movement its peculiar and distinctive character. Why is it, as the following comparative percentages of unionisation, show that the American worker is less interested in unionisation than his counterpart in Western Europe? In fact since 1976 unionisation in those countries has increased while it has deteriorated further in the United

States of America. The respective percentages are: USA 22%; Netherlands 40%; Germany 42%; Belgium 20%; and Sweden 85% (I.I.R., 1977).

Bok observes that for over a century experts have noted the absence of 'solidarity' or 'class consciousness' among working people in that country. The violence of the American labour relations in the 1920's 'was directed almost entirely toward individual employers and not against the political and economic system itself' (Bok, D., 1971, p.1401). American society, with the emphasis on classlessness, individual initiative and opportunity as well as access to political activity through the ballot, did not require or promote socialist ideologies as was the case in Europe. Employers also displayed a reluctance to subordinate their individual autonomy to employers' organisations. Individual employers showed a strong inclination to act independently in working out their own labour and personnel policies. Employers' organisations were, not seen as necessary in order to offer protection against strong unions.

The individualism of employers and determined opposition to unionism forced the trade unions to build strong grass root support on a factory-by-factory basis in order to obtain recognition. The 1936 Wagner Act actively promoted the process by which the union achieves individual employer recognition in order to be able to bargain collectively. But no labour legislation has been enacted or has been demanded by American unions to give trade unions or worker representatives influence on company policy matters or management functions other than, those indirect items in collective bargaining agreements.

As a further consequence, trade union activity became decentralised and bargaining relationships operate on a factory instead of industry-wide basis. Hence the local of the American trade union has an importance unequaled to that of branches of unions in Europe.

The legislative emphasis on fair labour practice, combined with national values of individualism contributed to the ideological development of the American labour movement, in particular the objective that the collective bargaining process is the only and sole mechanism through which influence must be brought to bear on the employer.

Any form of workers' participation in management was, and still is, not only perceived as an encroachment on management rights, but as a threat to the independence and identity of the union (Zuthem, H., 1976, p.157).

The importance of the local or branch of the American union, its financial strength, the use of pickets and strikes to gain recognition and the reliance on collective bargaining as a powerful but indirect influence on management decisions, made the local union leader influential and prominent. To hold union office was increasingly seen as a business and not as a calling.

The American unions therefore emphasised initiative, organisations and self control and eshewed class politics. These characteristics explain why only a small percentage of workers are organised in the United States as compared with European countries.

Furthermore, 'these national traits have produced a system of labour law that is unequally hard on the weak, the uneducated, the unorganised, and the unlucky... all social insurance programs exclude domestic servants, farm workers, and the other unorganised groups. Virtually all such programs which do operation pay lower benefits (relative to wages) than in other industrial democracies' (Bok, p.1460). In 1963, America only spent 6,5% of its national income on social insurances as opposed to 16,1% in Germany.

This brief analysis of aspects of the American system is included as the registered White controlled trade unions in South Africa have developed a similar approach to the craft union orientation of their American counterparts, although collective bargaining is conducted with employers organisations on a centralised level. However, the emphasis by the State and employers in South Africa since 1973 on the operation of legal plant-based committees orientated the emerging Black union movement of the 1970 decade to take into account the purpose and operation of such bodies in their organising campaigns.

Worker's participation accepted in Europe

In Germany and other Northern European countries some form workers' participation was the aim of the labour movement from its inception and as the unions developed it increasingly became a demand in programmes for social reform (Furstenberg, F., 1969). It was argued that if a citizen can participate in democratic government, he should also be able to influence the decision-making process which regulates his working life.

Participation in this context is defined as a process which requires that two parties be able to influence each other mutually when establishing plans, lines of action and decisions (Asplund, C, 1971, p.5). However, given the fact of the power of the employer in the work place no participation in management decisions will result unless workers can exercise certain rights preferably protected by legislation.

Markham identifies eight basic legal rights which workers in Germany enjoy and which ensure that management will enter into some form of participation. These rights are classified according to the degree of influence which they can exert on management decisions and are graded so that the one level of intensity always includes the previous one.

- The right to information which means that workers should be in a position to know and understand the work situation. Whereas access to information on the one hand exercises no influence on decisions there is an indirect influence in that follow-up by the workers is possible. Also, management regards the very giving of information as a form of restriction over its actions.

- The right to hearing operates when management is required to listen and take into account the opinions and attitudes of employees. Workers can complain and the manager must be willing to let his opinion and intentions be influenced, but he still decides.

- The right to propose or initiate is of greater influence because specific suggestions can be made by the workers. But management is still free to accept or reject these suggestions.

- The right to consultation requires that management must hear the views of workers before any decision is put in operation. Management still has the final say as to what will be done but direct involvement in decisions by workers or their representatives occurs through discussion.

- The right of participation operates if representatives of the workers have the right to make concrete contributions at all stages of the decision-making process, from preparation to the execution of the decision.

- When worker representatives can amend a decision already taken by management or even reverse it, the right to object (veto) is operative. This implies in fact that management cannot take a decision but must enter negotiations on the disputed item.

- Management's power of decisions is effectively and directly influenced if the right to agreement is in operation. If the worker representatives withhold agreement no action regarding the matter can be taken.

- In a situation where the right of co-determination operates, workers, through their representatives, have complete equality with management in decision-making. This covers every stage from initial definition of aims, right through to preparation, the decision itself, its execution, and the monitoring of the situation resulting from the introduction of the new measure (Markham, H., 1974).

These rights do not necessarily operate in regard to all items and issues decided upon by management. In a number of countries workers have the right of co-determination on social issues such as welfare aspects, holiday roster, safety and health measures, internal wage structure, hours of work, etc., but have the right only to information and possibly right to hearing, on economic issues such as new investment in plant and machinery, financial matters, etc. (Shregle, J., 1974) It is possible to draw up a list of items falling within the area of decisions which affect workers' interests, and placing against each item the degree of influence which workers can exercise in terms of participation in the process and execution of the matter (Douwes Dekker, L., 1974).

The institutionalisation of conflict through a system of legally enforced rights of influence is an important phase in freeing the worker from a situation where, like the other factors of production, he is an object of economic actions. But a process of mutual influence requires a specific structure through which the rights can be articulated. In the majority of Western European countries, either through legislation or through agreements reached between trade union federations and employer organisations, influence is exerted through:

(a) works councils within the company; and

(b) a system of worker elected representatives on the Supervisory Boards or Boards of Directors.

Referring back again to the contrast between industrial relations systems in America and Western Europe, it is apparent that the American union leader can through collective bargaining influence matters such as bonus rates, hours of work, leave arrangements, etc., which fall specifically under the right of co-determination. Where then is the difference? The different emphases in legislation have shaped the nature of the interaction between the two parties.

The 1935 American legislation forced the two parties to come together but did not interfere with the nature and content of the collective bargaining process. In Western Europe the legislative emphasis after 1950 aimed to facilitate worker representatives (generally union members) to influence management decision in the place of work and company policy while not interfering with the collective bargaining process. The implication of the Western European model is to change the nature and control function of management.

These different forms of institutionalisation of conflict become more apparent if the structures through which workers' participation occurs are described.

Works councils and supervisory boards - the German system

The German Works Council Act states categorically that the plant-based works councils shall not affect the functioning of the trade union (and employers' association) in their task of protecting the interests of their members through collective bargaining. Further, the complementary co-existence of the trade union and the works council is provided for by requiring that the employer and the works council work together in a spirit of mutual trust but within the relevant collective agreement. Over 7 000 agreements covering wages and working conditions are in operation.

What safeguards have been introduced to ensure the employer does not use the council as a competitive body against the union? The requirement of the council and the employer working together in a spirit of mutual trust is made possible because the council representatives are elected from all the workers and not only the trade union members. This implies the works council cannot be equated to a shop steward committee which, as the union elected representative body in the place of work, does not look after non-union members.

To effect a balance between employers' power and worker rights, the legislation grants the union the right to draw up a list of candidates for the tri-annual council elections. Union officials have access to the factory and can be, and are, invited to meetings of the works council. The union members are as aware of the importance of having a union influence in the works councils, as are non-members. On average nearly 90% of works councillors are union members although only 42% of workers are union members. Although in specific companies, union membership can be higher, these

statistics demonstrate that those workers who have chosen not to belong to the union, are aware that it is to their advantage to have union leaders serve as works councillors.

The works council cannot enter into a collective agreement nor call a strike. The basic principles of freedom of association are protected by the rights of unionism. Only the trade union is the independent party capable of protecting worker interests

The works council, all of whose representatives are elected by the total labour force, has co-determination rights in social matters which include:

- all work regulations, including hours of work and overtime, of the enterprise
- wage and salary payment arrangements
- holiday arrangements
- safety regulations and health measures
- allocation of company housing, if relevant
- 'questions relating to the internal wage structure, particularly under the aspect of change in work techniques, re-organisation and piece rate system'.

The works councils have the right to be informed and consulted on matters concerning re-arrangement of work places, restructuring of plants andplanned changes in the technology.

'The works council has the right to be informed on all matters relating to personnel planning and the training needs arising from it, and the right to submit relevant

suggestions for the execution of such plans'. (Bendix, D., p.42) Furthermore, the employer must inform and motivate every dismissal to the council.

In all enterprises with more than 100 employees, an economic affairs committee is established which has the right to be informed on developments concerning finance, production, marketing and organisation.

Details regarding the provisions of the Acts for worker representatives on Supervisory Boards are not included here. In terms of Co-determination Act of 1976 parity co-determination has been extended to public companies with more than 2 000 employees. Previously co-determination was only for coal and steel industries. The purpose of this representation is to grant workers through their elected representatives co-determination in the policy formation process of companies.

The rights of works councils and their scope of influence places them in a position where personnel department activities are subordinate to their approval or dependent on their co-operation. Provided these rights are operative and the facilitative measures to ensure a linkage between committees and trade unions are working, the works council can become part of the labour relations expression of industrial relations.

Furstenberg states that from an organisational point of view the works council is an appendage to the structure of the company and that if part of its task is to enable workers' participation in management, its effectiveness is dependent on the successful functioning of that management. The facilities granted to the works council and its representatives operate to reinforce the functioning of that body as an extension of the company, but not management. On the one hand the power of the works council resides in the legislation and not in the workers as they cannot become a member of that body. On the other hand, the activities of the works council are to take place during

working houses; representatives are paid for time spent on attending to works council affairs (one or more are full-time council representatives); the company bears the cost of training the Council representatives and is also responsible for other administrative expenses. Although employers can train councillors, the greater majority are trained at the workers' educational colleges of the unions.

In terms of the legislative provisions and facilities as well as the actual operation, a linkage exists between the works council and the union (L. Douwes Dekker, 1976). This linkage can help to counter the influence and power of management over that body (management is after all still entrusted with control of the company). But union leaders know from experience that the mangement can control the works council and that it may operate against the interests of union members.

To counter the control and even influence, German trade unions have 'vertrauensleuten' or elected confidence people in each place of work. The employer is not asked to deal with or give recognition to the 'vertrauensleuten'. Their task is to report what happens in the factory to the union office and particularly to act as watchdogs on the operation of and decisions taken by, the works council. This mechanism acts as a check against manipulation by management of the works council.

The concept of worker elected representatives on Boards of Directors or Supervisory Boards has attracted considerable debate. It is argued on the one hand that unions cannot enter into 'an unholy alliance' of joint control of industry whereas on the other hand it is argued that there should be complete sharing of policy decisions between representatives of capital owners and the works of a company, particularly on Boards of Directors. Asplund's survey does show that the union movements in the majority of Western European countries believe the issues involved in representation on Boards of

Directors require to be understood and that further experimentation should be undertaken. It is argued that the system of co-determination in Germany and Israel has demonstrated that it does not conflict with trade union goals (Asplund, C., 1972).

Functional and structural democratisation

The demand by the trade unions to be recognised and accepted as an independent party with opposing interests to the employer, the objective of European unions to influence all levels of managerial activities and company policies and the implication that management has to legitimise its power by transforming it into authority, is basically one of democratisation of the factory system of employment. This process of democratisation can be introduced for two differing reasons, namely, either to improve efficiency or to close the power gap between the superordinates and the subordinations. Lammers points out that the functional concept of participation stresses the benefit of this process to the organisation in terms of improving its effectiveness and efficiency by increasing the influence, but not necessarily the power, of the lower level or sub-ordinate members on the decision making process of those in charge. The functional approach to democratisation of the work place assist management as the improvement in efficiency justifies the recognition of that union, and assist the union as real improvements in wages and working conditions are obtained.

The second or structural concept of democratisation is concerned about power equalisation between all employees or members of that organisation. The purpose of the structural democratic process is ultimately to achieve a situation where hierarchies of organisation are eliminated and where self-management is introduced, ie. where those who do carry

authority are made to account for or be responsible to the people at all times and are interchangeable with them. The Yugoslavian concept of self-management is an example. Those proponents who conceive of the process of democratisation only in structural terms do so from an ideological perspective. (Lammers, G., 1974) Functional democracy operates primarily through works council system and is augmented by election of worker representatives on Boards of Directors. It is assumed that conflict of interests are reconciled through collective bargaining.

Lammers states that the question as to whether a process of democratisation will achieve either the structural or functional objectives, requires that both the intention of those who propagage or initiate the process and the outcome or consequences of that process are examined and investigated. Therefore, even if a group of people or a movement claims to bring about structural democratic change, the outcome might only be one of achieving functional democratic change in the sense that, at most, the subordinates are able to exercise greater influence on the superordinates but that the ideal of equal sharing of power as well as involvement in functional activities between all levels of the hierarchy and hence elimination of the hierarchy, is not achieved.

The careful analysis of historical as well as research literature by Lammers led him to conclude that the institutionalisation of democratisation cannot simultaneously maximise both the functional benefits of participation and at the same time equalise power difference between levels of the work place hierarchy. Although the ideal of structural democracy has greater appeal, Lammers points out in an earlier paper that in fact, functional democratic processes can pave the way for structural changed provided, in the society at large, there is also evidence of greater democratic participation (Lammers, 1971). It is increasingly realised that a revolution does not automatically guarantee, after the event, a greater structural democratisation of that country or more involvement of the people in the decision-

making process of the organisations which govern their lives.

The distinction between functional and structural democracy is of value when evaluating and assessing the implication of the processes whereby industrial conflict is institutionalised. It is suggested that the term 'workers' participation in management' be used to describe those structures and processes which achieve greater functional democratisation of the factory system. This term, 'workers' participation', is preferable to using concepts such as 'industrial democracy' because as Lammers states in a situation where society at large has not yet incorporated effective democratic processes, it is highly unlikely that any attempt towards structural democratic changes of the factory system will, in fact, lead to the hopeful consequences. By focussing on the term 'workers' participation in management' two other important variables are highlighted, namely the issue of the propensity to participate of the parties as well as the fact that the management function, crucial to the operation of the factory system of production, is not excluded.

From his analysis of historical as well as research literature, Lammers formulated a number of propositions. These propositions include the following and demonstrate the relevance of the distinction between functional and structural democracy.

(a) Under the condition of relatively large differences in expert power amongst members of a system, an increase in participation will usually not lead to democratisation, but rather to a power gain for the more powerful members of that system.

(b) Formal provisions for democratisation will lead to participation only if the less powerful members of the system in question also participate

in other societal organisations and activities.

(c) The less chance there is for power equalisation to occur in the structural sense, the better chance there is for the democratisation process to yield positive results for the efficiency and/or effectiveness of an organisation.

(d) Power equalisation tends towards simplification of structure and hinders organisational efficiency and/or effectiveness.

(e) Empirical evidence does not support the proposition that promoting efficiency and/or effectiveness would generally tighten up the hierarchical nature of organisations.

From these propositions Lammers concludes that participation (functional democracy) and the power equalisation of the self management model (structural democracy) cannot be maximised simultaneously but only be optimised. The optimal solution in the process of democratisation would be to alternate efforts at power equalisation and efforts to increase functional democracy.

These propositions and the conclusion hold implications for the institutionalisation of industrial conflict. In a situation of large expert and other power differences between management and labour and a low propensity to participate on the part of the workers, as well as their lack of participation in other societal democratic processes, the possibility of structural democracy being achieved is highly unlikely. This situation applies or applied to the majority of countries at the time when trade unions attempted to gain legitimate recognition as organisations. This is the situation which prevails in South Africa at the time that this study was undertaken. Institutionalisation of conflict through functional democracy is therefore the only form through

which some progress can be made. It is important to note that functional democracy requires the independent operation of trade unions. That is, both the human and the labour relations components of the industrial relations system have to be activated if functional democratisation is to be achieved.

1.6 Suppression of Industrial Conflict

The distinction between the two components of the industrial relations system, namely human and labour relations, suggests that alternative processes of institutionalisation of industrial conflict can be introduced by management besides forming a relationship with the trade union as the collective expression of the workers. When the human relations component alone is in operation, either because the labour relations component is not allowed to manifest itself, or because the workers have not shown an inclination or ability to challenge managerial power, it is appropriate to talk of the suppression of industrial conflict as opposed to the institutionalisation of industrial conflict.

The concept of suppression of industrial conflict is relevant to understand the claim that freedom of association implies the right not to belong. When a union enters the second stage of development and has majority membership, it provides a public good to the labour force. Hence at that stage managerial tactics to prevent organisational development of the union or to actively seek deregistration of a union recognition certificate for a place of work is to counter democratic development of that society.

In the United States of America a concerted strategy of 'managing without unions' emerged during the 1970 decade. This form of suppression of industrial conflict

has not, as yet, been strongly challenged as the American worker has political rights as well as scope for involvement in other organisational pressure group activities. But even this approach is dependent on the operation of unions in other factories or industrial sectors as their achievement in terms of wages and social security benefits constitute a 'bench mark' which the 'management without unions' companies must improve upon.

The strategy of suppression of industrial conflict must be condemned. The concept of unfair labour practices is relevant in defining operationally such suppression. Actions by employers which prevent the express of worker rights constitute unfair labour practices. In terms of American legislation such acts are illegal. Subsequently certain actions by unions were also included in the definition of unfair labour practices.

1.7 The Industrial Relations System - The Rule-Making Process

The foregoing formulation of institutionalisation of conflict is based on certain specific values. These values derive from the concept or belief in freedom of association of workers and the concommitant rights which should be reflected in the norms of society and hence be allowed expression in organisational forms and activities.

Hence, the concern with identifying whether a society upholds such values, and if not whether that society is prepared to allow an interested party to initiate a process whereby these values will become reflected in its broader norms and acceptable behaviour patterns. To determine whether this process is taking place requires assessment of the emergence of a common ideology between employers and their associations and trade unions and their members, as well as the agency of the State, regarding industrial relations practices.

It is in this respect that the amplification by Wood et al of the concept 'industrial relations system' as a theoretical object, is of relevance. The prime property of an industrial relations system is that of a rule-making system. The emphasis is therefore not on the rules produced, but on the rule-making process at different levels and within a contextual environment. This conceptual framework suggests that in any analysis of industrial relations in a country or economic sector, the emphasis should be on 'rule making (that is, how rules are set) or rule makers (that is, who makes them)'. (Wood, et al, 1975). This approach does not deny the relevance of contextual factors such as technology and market factors. But the determination of structural factors is not seen as central to the industrial relations system analysis. The core concept of I.R.S. is the rule making process, the application and enforcement of rules and their link with behaviour of the main actors representing the three parties.

The approach to institutionalisation of conflict and the underlying values implied in the above formulation, suggest that certain rule-making processes can be identified which do not bring about a just and equitable industrial relations system.

To be specific, using Dunlop's terminology, the works council of the company cannot be defined as an actor and hence the rule-making entered into between works council and management (unless with the backing of a trade union) does not constitute institutionalisation of conflict. Using Simmel's terminology, the works council is used by management as a safety-valve mechanism to deflect coming to terms with conflict. As a result hostility is created and management must resort to coercive practices, or rely on their exercise in the wider society, to maintain 'industrial peace'. The power of the collectivity of workers is not institutionalised and hence no influence on managerial decision is achieved through that council system.

The works council is a legal body which does not extend membership rights and responsibilities.

As mentioned previously, when trade unions enter the recognition phase of union development they provide union and non-union members in the bargaining unit with a public good, ie. the interests and rights of all workers are protected and promoted. Olson's theory on the logic of collective action explains why compulsory membership of large organisations is not an infringement of individual rights. The union provides a public good to all workers which they can enjoy and benefit from, irrespective whether they are union members. Hence to ensure they bear the cost through which the public good is made available, enforced membership and hence payment of subscription is consistent with the principle of paying taxes for Government public goods (Olsen, M., 1965).

The majority of the workers by virtue of union membership voluntarily accept the peace obligation. The minority of non-union membership can therefore be required to accept the extension of agreements over them.

SECTION B

THE DEVELOPMENT OF INDUSTRIAL RELATIONS IN SOUTH AFRICA

CHAPTER 2

HISTORICAL BEGINNINGS AND CONSEQUENCES

As the title of this dissertation suggests employers only started to pay attention in the 1970 decade to the industrial relations function of management. Yet the economy, as will be discussed, had already moved into the 'drive for maturity phase' of economic development and could have entered the final phase of 'high mass consumption' if it has not been for the duality in its growth in terms of racial and regional factors. How could a country, offering the highest rates for investment, achieve a situation where no serious attention needed to be given to institutionalisation of industrial conflict.

It is the purpose of this chapter to present an overview of some of the historical processes and other contectual factors which created such an effective system of control that no united labour movement emerged in response to the industrial revolution, and unionism was kept latent amongst the Black working people.

CHAPTER 2

COERCIVE EMPLOYMENT PRACTICES

The passing of the Master and Servants Ordinance in the Cape Colony in 1841 set a policy of coercive employment practices which Black workers still suffered under in the 1970 decade. If the servant did not work as the master required, he could and was criminally charged for actions such as refusing to work overtime, leaving employment before expire of contract, etc. With the discovery of diamong mines in 1862 and gold mines 20 years later, the need for a regular supply of labour was essential. Through the Glen Grey Act, Black workers were forced to leave the land which was often confiscated and through the 'poll tax' workers were forced into the economy to earn wages.

In order to control the movement of labour on the diamond fields, Blacks were required to carry passes, issued by the employer, to be allowed to enter and leave the diggings. In order to further minimise the illegal diamond trade and to overcome the acute problem of housing, the mining companies accepted responsibility for accommodation. For Whites who had families, houses were built but the Black workers arrived without their families and the employer provided barrack-room type accommodation, ie. compounds. The idea of closed compounds arose naturally out of the concern to prevent the workers from having contact with the outside world, ie. the workers were confined to the mining company's area and even the purchase of goods could only be done from company stores.

In order to control theft of diamonds, all employees, Black and White, on leaving the mines were required to strip and be searched. The White overseers and mechanics, who were union members, found this stripping 'offensive' and resorted to strike action. This had the desired result and they were no longer searched. This differential treatment re-enforced the idea that White workers were priviledged and belonged to a superior class to the Black workers.

The discriminatory employment conditions and practices between Whites and Blacks were further entrenched when gold was discovered in 1886. That is, the Black was classified as a servant, forced to earn wages through taxation, accommodated in compounds, denied access to skilled work, could only work and move about if he had a pass, and was paid a poverty wage. The compound was designed for single males, whether the worker was married or not, and also reduced labour cost in that the employer assumed no responsibility for the family. The rural reserve was regarded to be self-sufficient for its inhabitants, hence wages could be kept below the subsistence level.

Moroney's description of the compound during the first decade of this century highlights the coercive nature of the system. The high incidence of desertion and absenteeism, a clear indication of worker protest, brought about control measures which were justified in terms of the requirement of efficiency. Coercive measures were introduced to decrease the number of 'loafers' from 33.7 per thousand in 1899 to 5.4 per thousand in 1903? The compound police becamse a law into themselves. Special permission had to be obtained to leave the compound and the police could meet out their own punishment. Detention rooms were used as an essential means of 'controlling rioutous and quarrelsome natives'. In other words, common law rights were non-existent and workers dared not complain, while striking was illegal in terms of the Master and Servants Law. One Commission of Inquiry which had evidence of 'wholesale flogging of the most brutal kind' found that workers denied under oath that they had any complaints. The unhygienic and damp conditions overcrowded compound rooms, accommodating between 20 and 50 workers, as well as deficient diet, caused a death rate of pneumonia and meningitis which was 15 times higher than death caused by accidents (Moroney, S., 1978). The life style of the Black workers was so effectively constraint, compared to Whites, to ensure that they did not become too aware of the lack of collective bargaining rights.

2.1 The Systems of Control

Trade unionism was brought to South African when branches of British craft unions were opened from 1880 onwards. These craft unions, based on selective principles of occupation and skill, were initially formed exclusively for trades such as carpenters, builders, engineers, printers and engine drivers. But the principle of craft unionism was not transformed into industrial unionism for all workers, but bastardised by racialism. How did that come about, and what control measures successfully divided the workers from different races for the next hundred years?

In his analysis of the structural constraints faced by the gold mining industry between 1910 and 1026, Johnstone identifies the forces which shaped the duality of South Africa's industrial relations system. The gold mining industry, forced by necessity to minimising costs and maximising output, had to reduce the costs of labour. This was achieved through the development of the 'exploitation colour bar' to coerce Black labour and the 'job colour bar' to appease White labour. The Black workers, politically unfree, anchored in the rural areas and with no skills to use as a bargaining lever, were forced to accept control mechanisms and working conditions shaped by the compound system of accommodation for single men, the contract system, which denied job security, and the pass system, which controlled labour mobility from the rural areas. This 'exploitation colour bar' not only denied freedom of association but prevented even the manifestation of a worker movement to strive for recognition of worker rights. (Johnstone, F., 1972).

But the 'exploitation colour bar', brough about through close collaboration between mine owners and the State, could not be imposed on White labour. The White workers used their political relevance and their right to trade unionism and skills to bargain for priveleged status and a fairer distribution of wealth. The Mines and Works Act of 1911 laid down that certificates of competency in

skilled occupations were to be granted only to White workers. This development brought in the other instrument of control: 'the racial job colour bar'. But would it be maintained and how was it sustained?

The idea that Whites could not be employed in labouring jobs at low wages became increasingly part of the values and thinking of that time. In 1902 the Chamber of Mines accepted that Chinese labour be recruited, as White labour could not be imported 'at wages which could not admit of their living at a standards of comfort to which they had been accustomed in Europe'. Hence the formulation of the concept of 'civilised labour wage for Whites' when the poor Whites problem was identified. (Doxey, G., 1961)

The ever-present pressure to reduce cost in the gold mines, brought about attempts to replace White workers, in semi skilled positions, with Blacks. In 1921 gold mine owners acted on the recommendations of the Low Grade Mines Commission and the status quo agreement, which prevented Blacks from being employed in semi-skilled positions, was altered so that Blacks be permitted to do work previously done by Whites. In January 1922, White miners learned that their wages were to be reduced. These threats to job security and real wages led to strong protest from the unions but to no avail. The ensuing strike of 22 000 White workers led to a riot, Martial war was declared. The outcome was that 240 persons were killed and 591 injured while 18 'ringleaders' were sentenced to death.

These events, stemming from the nature of the capitalist system of production, forced White workers to rely on the job colour bar as the only negotiable item over which they had control. This reliance on job entry in terms of skill and race excluded from the perspective of White unions the industrial injustices imposed on Black workers by the exploitation colour bar, in fact White workers were lulled

into believing that the job colour bar, which bred and reinforced racialism, was their only salvation. The exclusive nature of craft trade unionism was transformed by racialism and was maintained by the belief of White superiority.

The intermingling of exclusive rights and race is apparent from the approach adopted by the craft unions. For example, the Winding Engine Drivers Associations - and rightly so because of the safety issue, but also to protect elite status - aimed at getting legislation passed that only a person with a certificate be allowed to take charge of engines and boilers. They subsequently required that only White men be allowed to receive such certificates.

The Mines and Works Act of 1911 permitted the promulgation of regulations governing the issue of certificates of competency. With these regulations came the stipulation that certificates of competency were not granted to Black workers. Although this job colour bar was declared ultra vires in 1923, the 1925 session of Parliament passed an amendment to debar Blacks from 32 occupations and hence from job advancement. The event marked the beginning of legislation 'ostensibly for community interest (in this case safety) but in reality for the benefit of the privileged (White) groups'. (Doxey, G., 1961).

The self-interest mechanism of pragmatic unionism became locked into the belief that the objectives of unionism would be achieved through legislative measures instead of being the result of direct power confrontation of conflict of interests with gold mine owners and, subsequently, the entrepreneurs of manufacturing industry. Such direct confrontation, had it occurred, would probably have brought the realisation that Black miners should be brought into the union movement . The reliance on State protection and the bargaining mechanism of the job colour bar, did bring about an increase in the living standards of White workers, but further reduced any pressure to understand the situation

of the Black workers. The cost of maintaining this dependency, and the consequence of a divided working class, prevented the emergence of broad principles of socialism - initially only expressed in the corrupted form of 'White Workers in the World Unite' - as well as the development of workers' education as a pre-requisite to the understanding of workers' rights and demands for workers' participation in management decisions.

The above brief description illustrates how the two racial instruments of control over labour utilisation and labour rights emerged. In the following pages it will be seen how they became entrenched in the legislative framework and the 'South African way of life'.

2.2 Racialism in Labour Legislation

The analysis by Lever of the 1924 Industrial Conciliation Act and other legislation shows how the labour laws reinforced the two colour bars. The following laws were enacted:

- The Railways Regulations Act of 1908 removed the right to strike from White railway workers and established the principle of compulsory arbitration to resolve disputes. This kept railway workers and their unions separate from the labour movement in terms of strategies and objectives.

- The Industrial Disputes Act of 1909 established two precedents. Black workers were excluded from the scope of the Act which severely handicapped the emergence of unionism amongst Black workers and established the pattern of collusion between employers and White organised labour to prevent Black trade unions becoming established. Secondly,

the Act required that the White trade unions and employers use the principle of compromise in their negotiations for changes in working conditions by threatening compulsory arbitration in the event of a deadlock and effectively preventing the use of the organised strike or lock-out.

- The Native Labour Regulations Act of 1911 rationalised the operation of the contract labour system for Black workers. The legislation reinforced the 'exploitation colour bar' because a breach in the contract by Black workers carried criminal sanctions. The command system of coercion was approved by the law and employers did not have to legitimise their power over Black workers. The separate and unequal status of Black workers was institutionalised. As Lever observed South African politicians had now laid the ground work for two discrete systems of industrial relations: one for Whites, Coloureds and Indians and the other for Blacks. (Lever, J., 1976, p.10).

- The Riotous Assemblies Act of 1914 which gave the Government power to deal with strikes and to prohibit public meetings which, in its opinion, might endanger the public peace.

The basic features of these and other laws became incorporated in the Industrial Conciliation Act of 1924, the enactment of which was a direct consequence of the 1922 White mine workers strike and resulting riots. The Act took over from the structural forces, which had prevented the emergence of one working class and weakened the White trade unions because of their dependence on laws. The following features of the Act are of relevance to this comment on the historical factors which shaped South Africa's industrial relations system:

- The Act excluded contract Black workers from the definition of employee. This exclusion meant that the new principle of the Act, namely that trade unions be registered, could not be used by Black trade unions.

- The Act provided for the establishment of industrial councils which bodies consist of equal number of registered trade union and employers organisation representatives. The industrial council, as an organisational structure established and jointly controlled by registered employer organisations and trade unions, offered a meeting place where negotiations for wages and working conditions could take place and control over the application and administration of agreements could be exercised. The industrial council mechanism recognised the difference between conflict of interest and conflict of rights but required that their reconcilation be achieved on the centralised level of that industry.

- The Act provided for the publication by the Department of Labour of the agreements arrived at by the White unions and employers associations. The agreement, therefore, became legally binding on union members and employers. The Minister of Labour could extend the terms of agreement to non-parties, ie. employers who had not joined the employers association or workers who had not joined the trade union.

- The Act reinforced the peace obligation by outlawing strikes and lock outs during the currency of the agreement.

- In 1928, the Act was amended to give the Minister of Labour the power to include Black workers when extending an agreement to non-parties. 'This

> measure was aimed at preventing employers from substituting Whites and Coloureds occupying lower paid jobs, by Blacks whose rates of pay were not laid down'. (Lever, J., 1976, p.25)

> The Act stressed the crucial role of employers organisations in the rule making process of industrial relations.

In 1925, the Wage Act was enacted to supplement the Industrial Conciliation Act by providing for the establishment of a Wage Board which would be instructed to investigate wages and working conditions in a sector where no industrial council had been formed. As a result of the investigation, proposals would be drawn up for a determination.

Although the Industrial Conciliation Act gave legitimacy to the trade union organisations of White and/or Coloured and Indian workers by allowing for their registration, this did not lead to automatic recognition by employers. Industrial unions in particular had to fight for recognition.

Lewis records that the Garment Workers Union only achieved recognition from companies during 1934 after the major strikes of 1931 and 1932 on the issue of attempts by employers to reduce wages. The industrial council was established in 1935 only after repeated requests from the union. But as Lewis records, 'once an agreement had been signed, the union scrupulously honoured its commitment. The stability which resulted was of obvious benefit to the employer'. (Lewis, J., 1977, p.80)

The National Union of Distributive Workers faced an equally turbulent history of opposition from employers. Employers in the distribution trade did not adhere to the Wage Board Determination. In 1942, the Union was thwarted in its attempts to organise sufficient workers to apply for the

establishment of an industrial council. Only after a strike had occurred did O.K. Bazaars agree to the closed shop and the right of the union to form shop floor committees.

In 1943, the union had to declare a dispute owing to delay in the publication of a new Wage Board determination. Relations between the Union and O.K. Bazaars deteriorated and the agreement of the previous year was suspended because of the alleged constant unpleasant interference by the Union and the shop committees (Herd, N., 1974, p.108). These two events led to another strike and successful picket against the O.K. Bazaars chain of shops. The strike led to a victory for the union. Although the demand for a closed shop had to be forfeited, recognition was obtained and improvements in wages and conditions of work achieved.

2.3 Attack on Unionism and Resulting Problems

The legislation primarily assisted the members of the craft trade unions and protected their interests. However, it was the semi-skilled White worker who continued to feel insecure as he had no skill to ensure a place in the labour market. This fear of the semi-skilled White worker that he would be replaced by the Black worker was used by the 'Purified' Nationalist party for political purposes. In order to protect and promote the interests of the Afrikaner people, including their disadvantageous economic position, organisations were established in all spheres of societal activity during the 1930's. Amongst these organisations was the 'Blankewerkers beskermingsbond' or Reform League to combat the activities in trade unionism of 'Jews, Communists and kaffer-boeties'. (Horrel, M., 1961, p.13).

Even at that stage the emerging Nationalist Party issued a statement that collective bargaining should be

abolished because it was not in the interests of the people or 'het volk'. The refusal by the Nationalist Party to accept trade unionism as an integral part of democratic society which is implied in the operation of the free enterprise system, reinforced the belief that trade unions were communist organisations. This belief, subsequently reinforced by legislative measures, proved to become a fundamental barrier to the emergence of unionism amongst Black workers. Because of the 1930 depression years Afrikaners had to leave the land and enter employment. In 1936, the Reform League launched attacks on leaders of registered and, in particular, industrial unions with large Afrikaner membership. Two unions in particular were singled out for attack, namely the Mine Workers Union and the Garment Workers Union. In the mining industry the extended campaign was made difficult by the closed shop arrangements between gold mine owners and the existing union. Alleged maladministration of union funds and dissatisfaction with pay brought rank and file discontent, but success only came when the Reform League had its representatives elected on the Executive Committee in 1948. No success was achieved with the Garment Workers Union although blatant racialism and anti-semitism were used in the organising campaigns. During the war years, Coloured workers were employed in clothing factories and specific attempts were made to incite White workers against them. It is a credit to the loyalty of the members, mainly Afrikaner women, to the union leaders as well as adherence to the principle of industrial unionism, that the use of facist prejudice did not succeed. The vehemence of the attack and unscrupulous methods used is evident from the defamation cases which the garment and building unions won against the publishing company of the Reform League and which forced it into liquidation.

The attempts to secure Afrikaner control over unions was unsuccessful although considerable and lasting damage to the unity of the labour movement was achieved. The

Nationalist Party was determined, however, when it came to power, to eliminate trade unionism through legislative measures. O'Meara refers to the 'violence' of the Nationalist Party response after its 1948 election victory towards economic as well as political action amongst the Black people. The repressive and racially discriminatory legislation took the following forms:

- The Suppression of Communism Act of 1950 whose broad definition of communism included any scheme which aimed at political, industrial, social or economic change by the promotion of disturbances or disorder. The unsuccessful attempt to unseat the General Secretary of the Garment Workers Union of South Africa by the Reform League could now be rectified. Solly Sachs was the first person to be banned in terms of the Act.

- The racially discriminatory amendments to the Industrial Conciliation Act of 1956 which provided that:

  - no new mixed (Whited and Coloured) trade unions could be registered;

  - existing mixed unions break up into separate racial branches;

  - the Executive Committee of mixed unions which remained in existence was to consist of White members, thereby preventing the emergence of Coloured leadership.

  - specified types of work could be reserved for persons of a defined racial group. In practice this meant job reservation for Whites. Twenty-four out of the twenty-six job reservation

determinations protected jobs for White workers.

A subsequent amendment to the Act prohibited the holding of racially mixed shop steward meetings and mixed congresses or conferences of branches of the same union.

- The Native Labour (Settlement of Disputes) Act of 1953 provided for the establishment of works committees of Black persons in places of work and prohibited strikes by Black workers.

  It also provied that White Department of Labour officials speak on behalf of Black workers at Industrial Council meetings and Wage Board hearings.

Black unions were not banned but the Minister of Labour believed they would die a natural death as a result of the operation of these committees. The Act redefined the term 'employee' in the Industrial Conciliation Act to exclude all Black workers-previously Black women, who were not pass bearers, were able to be members of registered unions.

Little was achieved by this separate legal machinery. The provisions for committees was completely unsuccessful. By 1961 only 16 were registered and by 1972 only 25 were said to exist. But during the 1960 decade more than 100 non-statutory committees had been established by employers on which management representatives served, something the works committee provisions of the Act did not allow. The legislation was enacted to prevent not promote a system of workers representation.

Horrell states that Black workers perceived neither the committees nor the officials responsible for the administering of the Act as operating in their interests.

Department officials were called in when disputes occurred and their arrival usually coincided with that of the police. Work stoppages or strikes normally involved dismissal of alleged agitators and often prosecutions. For the period 1955 to 1960, 3 147 Black workers were prosecuted for alleged strike action involving 416 strikes. Department of Labour officials were seen to be involved only in punitive measures.

The Department of Labour claimed that it negotiated wage increases for Black workers as its officials were present at industrial council negotiations and Wage Board hearings. The fact that the wage gap between Black and White workers increased during the period 1960 to 1974 and that subsequent to the 1973 strikes the Wage Board was instructed to improve its performance, adequately deny the validity of this claim. Certainly the Black workers did not hear of any demands made on their behalf and did not perceive these activities as adequate or as representing their interests (Horrel, M., 1961).

During World War II the Department had been more sympathetic to Black unions and hence the 1959 ruling that Black union leaders be excluded from industrial council meetings was a retrogressive step. At best the Department of Labour was perceived to act in a highly paternalistic manner, but more probably its policies and activities were regarded as blocking the expression of worker rights and perceived as part of the coercive and repressive system imposed on the Black people. The job colour bar was firmly entrenched; unionism amongst Black workers faced such considerable obstacles that it could not emerge.

The policy of promoting division in the organised union movement was successful. It is relevant to an understanding of the lack of concern by employers about unionism and their ability to manage without an effective

industrial relations policy, to describe the course of events experienced by the co-ordinated trade union movement.

In the early 1930 decade the 139 registered trade unions renewedthe objective of establishing a single co-ordinating body. Little progress was made because of allegations against certain union secretaries regarding their links with the Communist Party. The inability of South Africa to understand communism is reflected also in these allegations as in fact these secretaries were expelled in 1930 because they were regarded as expressing right wing attitudes in their policies and practices. (Horrel, M., 1969, p.12)

Two co-ordinating bodies were formed, the Cape Federation and the Trades and Labour Council (TLC). The differences between the two were based on personality clashes and regional problems rather than ideological considerations.

The Reform League regarded the TLC as a threat because of the unity it fostered amongst the unions and the support given by the Labour Party. Plans were made not only to bring about the dissaffiliation of the Mine Workers Union but to create a right wing co-ordinating body (O'Meara, D., 1974). Had it not been for this determined onslaught of the Reform League, the evidence suggest that the organised trade union movement could have overcome the problem of racialism. The TLC allowed trade unions of all racial groups to affiliate. The Department of Labour was also sympathetic to Black unions during World War II and the Federated Chamber of Industries passed a resolution in 1945 supporting the move towards the recognition of Black trade unions. In the light of this favourable climate the Executive Committee of the TLC adopted a recommendation in 1945 that Black unions should be registered and their representatives be allowed to present their cases

at meetings of the industrial councils. (Horrel, M., 1961, p.16). The 1948 Botha Commission into Industrial Legislation subsequently concluded that certain Black unions were operating effectively and their leaders were making responsible recommendations. It is to be noted that in 1942 a co-ordinating body for the multitude of small Black unions was formed. This Council for Non-European Trade Unions did not make much progress and over the ensuing years the majority of the claimed 119 unions went out of existence.

But the TLC recommendations were strongly opposed by leaders from unions in iron and steel, railways and provincial councils who demanded the exclusion of Black workers from the labour movement. In 1947 five of these unions broke away to form a separate co-ordinating council. This body became the organisational expression of the racialism which the job colour bar had brought into being. The first principle formulated by this body was to only accept affiliation from unions where non-Whites had no voting power - thereby also maintaining Coloured and Indian union members in subordinate positions besides excluding Black unions. As a result other registered unions sought affiliation to it. This policy of seeking worker protection in racism became sufficient of an alternative to weaken the other co-ordinating body and created a situation where a large number of unions preferred to remain outside any co-ordinating body. This right wing racialistic body gave support to the discriminatory labour laws of the Nationalist Government when it came into power. As O'Meara argues however precarious the bonds, the depoliticisation of class interests of the Afrikaner White workers and their mobilisation into the culture of the Afrikanerdom, had been achieved. (O'Meara, D., 1975, p.31).

The facillations in the policies of the co-ordinating bodies during the next two decades demonstrated that the majority of leadership of the registered trade unions could

not come to grips with the basic issue for the labour movement, namely the forging of a united trade union organisation to express the common interests of the working class irrespective of race. In fact the issue for trade union leaders and their members became primarily the degree of racialism and how openly it should be expressed. Black workers were perceived as a threat rather than a source of strength. As a result formulation of concepts of socialism or social democracy or workers particiaption in management decisions were not considered as necessary concerns of a co-ordinating body. Control over labour market forces was understood in terms of exercising the principle of racial exclusiveness carried over from craft trade unionism. The determination - and success - of certain industrial unions such as the Garment Workers Union of S.A. to eradicate racialism placed them outside the main stream of White - and at times Coloured - worker sentiment and union policy influence. The wedge driven into the united expression of working class solidarity by the protection of the job colour bar, which blinded workers against the exploitation colour bar, could not be dislodged.

What was the reaction of the other registered trade unions to the assault on trade unionism by the Nationalist Party proposed legislation? The leaders of the unions did perceive the threat to collective bargaining principles. Attempts to establish a co-ordinating body to function as a pressure group were made already before the legislation was proposed. But the question of union rights for Black workers remained the stumbling block. The Government correctly perceived the extent of the White worker fears and took no note of a deputation of leaders from registered unions representing 221 000 members. A number of Unity conferences were held from 1953 to 1955, but they failed to find the hoped for solidarity and the following wide ranging alignment of union co-ordinating bodies emerged:

- The S.A. Congress of Trade Unions (SACTU) which offered equal rights to Black and registered trade unions and represented some 30 000 workers, mainly Blacks, Coloureds and Indians, but also some Whites.

- The S.A. Trade Union Council (subsequently Trade Union Council of S.A. - TUCSA) which attracted affiliation from registered in particular mided (ie. Coloured, Indian and White) unions and represented some 150 000 workers primarily in manufacturing industry.

- The S.A. Federation of Trade Unions, not that much different in fact to TUCSA and representing some 50 000 workers.

- The S.A. Co-ordinating Council of Trade Unions representing at that stage only 13 000 workers, which did not accept affiliations from any union in which Non-Whites had voting power.

- The Federal Consultative Council of S.A. Railways and Harbours Staff Association which had remained an independent body primarily because it was controlled by separate legislation. A number of its unions would increasingly become affiliated to either the Federation or the Co-ordinating Council.

- The numerous other registered unions who had decided not to align themselves with any of these positions. This category of uncommitted unions was to increase as the co-ordinating bodies lost them as a result of the confused policy debates. (Horrel, M., 1961).

As will be discussed in the next chapter, three co-ordinating bodies emerged. However, it is evident that the pre-occupation with the issue of race prevented the union movement as expressed through the registered trade unions from defining other objectives. While the union movement in Western-Europe paid increasing attention to some form of worker's participation, South African trade unions found themselves unable or unwilling to defend even basic principles of freedom of association.

2.4 Repressive Legislation

As will be discussed the Black trade unions have tried since 1920 to break into the second phase of the organisational development of unions. The basic reason for this failure is to be found in the legislation which not only denied freedom of association but allowed for drastic action against persons involved in assisting those unions. South Africa's low strike record is due to these repressive measures. The industrial peace was bought at the price of industrial justice. Professor Kachelhoffer in his analysis of labour legislation as it affects Black workers states that the objective was state security and separate development; thus the structures and processes contained in the laws were not based on industrial relations principles (Kachelhoffer, G., 1977). As revealed in the Parliamentary debate on the 1954 Native Labour (Settlement of Disputes) Act, and reinforced during the 1973 debate on Bantu Labour Relations Regulations Act, the respective Ministers of Labour believed committees would deprive Black trade unions of 'their life's blood'. Furthermore, the provisions of the Suppression of Communism Act have been used since they were first imposed on the garment worker leader, Solly Sachs in 1951, to ban persons directly associated with trade unions or trade union workers' educational organisations. By 1956, seventy-five trade unionists had been banned and by 1964 fifty members of

South African Congress of Trade Unions had been banned; similarly in 1974 four and in 1976 twenty-one trade unionists were banned.

The purpose of Section II of the Riotous Assemblies Act of 1956, says Mathews, is 'to prevent employees from using their position as workers to secure an improvement in their conditions. If they take any action that is likely to be effective they run the risk of drastic criminal punishment'. It is apparent from the policy underlying these actions that the risk involved for workers deciding to become union members has been extremely high. (Mathews, A., 1974).

In terms of the legislation, strikes are defined as riots. Police intervened in 61 strikes during 1974 for the following reasons:

illegal strikes - 16;

public violence - 3;

other reasons - intimidation of persons in relation to their employment;

refusal to obey lawful command from the employer;

malicious injury to property;

breach of contract by persons employed by public utility services, arson, etc.
(Horrel, M., 1975).

Workers involved in peaceful picketing in support of legitimate strike action have also been charged.

These and other legislative provisions ensured that

the continued operation of the job colour bar was not challenged. Trade unionism was not allowed to spread to Black workers.

2.5 Migrant Labour System

The legislative provisions to ensure the continued operation of the exploitation colour bar are primarily enacted in the Black (Urban Areas) Consolidation Act and the Black Labour Act. The basic provisions of both acts were contained in legislation passed in the beginning of the century but were moulded more specifically by the Nationalist Party in order to serve the policy of apartheid or separate development. In terms of this policy, the Blacks who make up 71% of the population would be confined to 14% of the land and be required to express their political rights in those territories. Before 1948 it was accepted that the Blacks resided permanently in the industrialised areas. The Nationalist Party set the objective under Verwoerd that Blacks would start going back to the 'homelands' by 1978.

In terms of the Black Labour Act, labour bureaux are established to control and direct the movement of Black persons from South Africa or foreign countries to those areas in South Africa where they are required by the economy. Employers have to enter into contracts with those workers and are responsible for their accommodation, medical facilities and food. The Act prohibits squatting to prevent Blacks defined as illegals from putting up shelters in the areas where they are seeking work. The Act contains penal sanctions for striking, desertion, negligence in work performance, etc., which, as Doxey notes, hampered and prevented the emergence of trade unionism amongst them.

In terms of the Black (Urban Areas) Consolidation Act every Black person is required to carry a pass whose stamp shows whether he or she is allowed to be in a so-called 'White area', if not, criminal charges would be laid. The Act also governs the establishment and administration of urban townships where Blacks were forced to reside.

The Black population, in line with that policy of separate development is divided into 9 ethnic groups each of which is to have its own 'independent' homeland. But the more crucial and consequential division is between:

- those Black workers who cannot get a contract of employment and thereby are confined to the economically underdeveloped homelands; and
- those Black workers who can sell their labour in the 'White' areas, either because they live there or have entered into a one year contract.

Those who face unemployment and starvation in the economically underdeveloped 'homelands' numbered in 1970 1 450 500 workers or 30 per cent of the total Black economically active population. These workers cannot enter the 'White' area for longer than 72 hours. If they do they are criminally charged. In 1970, 793 000 Black persons were charged for this offence and other 'irregularities' in terms of the pass laws. The number of people charged decreased to 227 000 in 1976, because aid centres had been set up which dealt with 195 000 cases. Of these 95 000 were sent for trial and charged; 45 000 were sent back to the homelands; 33 000 were helped with their documents and 20 000 were placed in employment (Horrel, M., 1977).

In 1970, 3,6 million Black workers had been allowed to sell their labour in the 'White' or prescribed areas. But these, relatively fortunate, persons are divided, in terms of Section 10 of the Black (Urban Areas) Consolidation Act, into the following four categories:

10(1)(a) persons who were born in the prescribed or 'White' areas;

10(1)(b) persons who have worked for 1 employer for 10 years or more than one employer for 15 years;

10(1)(c) persons who are dependents (wives and children) of (a) and (b);

10(1)(d) persons who can only work in the prescribed areas if they have a contract of employment which has to be renewed each year. (1.5 million in 1970).

Up to 1968 this system of classifying persons permitted a slow process of urbanisation of the Black population, ie. after the 10 or 15 years requirement, the Section 10(1)(d) worker could apply for Section (10)(1)(b) status. This meant he became a permanent resident and no longer a migrant and could bring his family to that urban area, provided there was housing. But this process of urbanisation was halted in 1968 and the contract or migrant worker (in terms of the 1970 census, 1.5 million) are doomed to perpetually live in two worlds, ie. never being allowed to make a home nor bring his family to the area where for 11 months every year he sells his labour.

The consequences of this influx control system and the policy of regarding Black persons as non-citizens in the White areas are severe. Because of this policy:

- 50% of the Black workers in the urban areas are forced to live like migrants and are accommodated in compounds thereby destroying family life;

- the provision of high school facilities in the urban Black townships was stopped;

- the building of houses in Black urban townships was stopped thereby creating a serious shortage and forcing people to live 6 to 8 in a room;

- the unemployed workers were 'exported' to the 'homelands' and settled in camps with no means of employment;

- the poverty of the homelands caused malnutrition;

- Blacks who could not work, ie. the aged and the disabled were deported to the homelands.

The pernicious aspect of the migrant system is the false impression it creates in the attitude of the Whites, namely, that there is no problem. The social consequences of unemployment and starvation are kept out of sight in the homelands. The term 'exploitation' to describe the instrument applied in this State controlled labour utilisation system is accurate.

2.6 Interpretations and Characteristics of the South African Economy

Thomas suggests that an understanding of the complexities of the South African economy is gained from the diverse interpretations of its history. The four historical analyses identify the following characteristics:

- In terms of the Rostowian approach, the 'Take-off into Sustained Growth' phase in which economic growth in all major sectors attained some momentum, occurred during 1933-1945. The impetus of the sectoral diversification during World War II freed the economy from foreign competition and accelerated the process of industrialisation. The 'Drive to Maturity' phase with its balanced development from agriculture to mining to industry-based economic structures could have flowed into the final phase of 'High Mass Consumption' in terms of the White population by 1970. However, during that period the built in dualism of the society became apparent. The optimists still hope that the final phase will be reached by 1990.

- The dualistic interpretation of the economy is helpful because of its emphasis on South Africa's extremely unequal racial and regional development pattern. On the one hand, historical factors contributing to the original dualism are highlighted such as 'the differences in the development level of the early White settlers and the indigenous population, the gradual institution of migrant labour, the Glen Grey policy of labour recruitment of the mid nineteenth century, influx control and restrictions on land ownership (the 1915 and 1936 Land Acts) etc. - and, on the other hand, later developments causing a widening of

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this division, which resulted in the sharp differences in socio-economic levels of development between rural Africans and the Homelands as opposed to the metropolitan areas'. (Thomas, W., 1979, p.12) However, the question remains: how can 'the duality be overcome'.

- In contrast to the dualistic perspective, the radical or neo-marxist interpretation emphasises the racially restrictive statutory and conventional norms deliberately imposed by the White class on the Black peasants. These restrictions range from no voting rights, no land ownership in so-called White areas, control over indenturing of apprentices, control over business rights in terms of the Group Areas legislation, to obstacles in the way of vertical and geographic mobility, etc. The policy of separate development which means creating satellite states economically dependent on South Africa, is perceived as a logical outcome of internal neo-imperialism. The Rostowian and dualistic interpretations with their implied evolutionary changes and strategy of removing obstacles are rejected in favour of a solution of revolutionary restructuring and abolition of the capitalist system.

- The actual or believed impact of the radical interpretation amongst the Black population has led to a popularisation amongst business leaders of the free-enterprise interpretation. This latter approach, in reviewing state policy over the past century, points out that Government intervention and market-curtailing policies has 'crept' into areas such as: marketing of agricultural products, capital formation, regional development, land ownership, import patterns,

labour utilisation, etc. Hence the emphasis on decontrolling those economic areas as they seriously hamper growth and reduce living standards.

These four approaches all express similar concern about the gross inequalities between the racial groups. Certain newspapers and organisations such as the Institute of Race Relations continuously drew attention to these inequalities in the past, but it was only after the 1973 strikes demonstrating against poverty, wages and coercive employment problems, as well as the 1976 uprising against Bantu education that they were more generally debated. These inequalities, due to racial discrimination are reflected in the following statistical tables.

Table 1 shows past population growth and future projections (Thomas, W., 1979, p.8). The statistics include the population of the independent Homelands of Transkei, Bophutatswana and Venda. But even if their populations are deducted, the proportionate ratios of the various race groups does not change drastically.

TABLE 1

POPULATION GROWTH IN SOUTH AFRICA: PAST, PRESENT AND PROJECTED ('000)

	Black	%	White	%	Coloured	%	Asian	%	Total
1911	4 019	67,3	1 276	21,4	525	8,8	152	2,6	5 973
1936	6 596	68,8	2 003	20,9	796	8,0	220	2,3	9 588
1951	8 560	67,6	2 642	20,9	1 103	8,7	367	2,9	12 671
1970	15 340	70,4	3 773	17,3	2 051	9,4	630	2,9	21 794
1975	18 136	71,2	4 240	16,6	2 368	9,3	727	2,9	25 471
1990	26 900	73,5	5 300	14,5	3 441	9,4	950	2,6	36 591
2000	34 500	75,2	5 971	13,0	4 293	9,4	1 103	2,4	45 867

Table 2 presents the growth of the labour force since 1960 and future projections in terms of the potential members of each race groups (Ibid., p.11). The imperative need for economic development is demonstrated by this growth of almost 300 000 workers per annum.

TABLE 2

LABOUR FORCE 1960-75 AND PROJECTIONS ('000)

	Black	White	Coloured	Asian	Total
1960	4 297	1 146	551	125	6 119
1975	6 986	1 757	807	221	9 771
1980	7 416	1 827	939	246	10 428
2000	12 420	2 388	1 503	364	16 675

In Table 3 the economically active population by race is broken down in terms of participation in major sectors. (Ibid., p.17) It is to be noted that although agriculture employees one-and-a-half times the number of economically active workers compared with manufacturing industry, that

sector only contributes 7,5% to the gross domestic product compared with 32,2% by manufacturing industry.

TABLE 3

ECONOMICALLY ACTIVE POPULATION ('000)

	1946		1960		1970	
	Blacks	Others	Blacks	Others	Blacks	Others
Agriculture	1 268	279	1 438	250	2 014	225
Mining	441	57	548	67	605	71
Manufacturing, etc.	245	279	495	465	808	712
Commerce, finance, etc.	71	178	189	329	349	557
Other sectors	743	427	892	562	1 205	708
Unemployed and unspecified	137	96	328	156	624	108
TOTAL	2 905	1 316	3 890	1 830	5 605	2 381

Tables 4 and 5 contain information on the occupational classification of the various race groups (R.S.A., 1979, p.7). These tables are expressed in percentages and must be seen in relation to the total number for each race group. Table 4 shows that Blacks have moved into professional, technical and related jobs, if one compares the period between 1951 and 1970. However, the following observation by Nattrass places this development in perspective. 'In 1972 for example 90% of the Blacks in the professional and technical grades comprise school teachers and nurses. The equivalent percentage for Coloureds was 80% whilst that of Asiatics was 62% and for Whites 35%. Similarly, in the clerical occupations one finds a bunching of Blacks, Asians and Indians in the lower clerical positions, whilst Whites

dominated in the higher grade occupations such as those of bookkeeper, bank clerk, internal auditor and administration and committee clerk'. (Nattrass, J., 1979)

Table 5 also shows that Whites dominate the top four occupations especially the category managerial/ executive. The analysis made by Nattrass for changes in the racial composition of major occupations for the period 1971 to 1977 shows that Blacks have increased their relative position in primarily the category clerical, from 7.1% to 16.3%; and sales from 16.9% to 21.5%; and production workers from 67.0% to 70.4%.

TABLE 4

OCCUPATIONAL CLASSIFICATION, ON A PERCENTAGE BASIS OF THE ECONOMICALLY ACTIVE POPULATION 1951, AND 1970

Main occupational group	Whites		Coloureds		Asians		Blacks	
	1951	1970	1951	1970	1951	1970	1951	1970
Professional, technical and related workers	9,7	15,4	2,0	3,6	2,8	5,6	0,9	1,6
Administrative and managerial workers	8,0	5,3	0,4	0,1	10,7	1,2	0,2	0,1
Clerical workers	20,2	26,7	1,3	5,0	3,2	14,1	0,4	1,7
Sales workers	6,5	10,3	1,6	3,3	12,4	16,6	0,4	1,4
Service workers	4,8	6,8	22,9	17,8	11,1	8,7	20,6	17,8
Farm, forestry and fisheries workers	14,6	6,4	24,0	16,9	13,4	3,8	40,2	40,3
Mining, production and transport workers and labourers	33,6	26,1	41,5	44,6	34,6	41,4	34,4	30,6
Not classifiable	2,6	3,0	6,3	8,7	11,3	8,6	2,9	6,5
TOTAL	100	100	100	100	100	100	100	100

TABLE 5

PERCENTAGE OF WHITES, COLOUREDS, ASIANS AND BLACKS IN EACH OCCUPATION 1970

Occupation	Whites	Coloureds	Asians	Blacks
Professional, technical and related workers	64,5	7,1	2,8	25,6
Administrative and managerial workers				
Clerical workers	71,9	6,5	4,6	17,0
Sales workers	54,1	8,1	10,5	27,3
Service workers	8,2	10,1	1,2	80,5
Farm, forestry and fisheries workers	3,8	4,8	0,3	91,1
Mining, production and transport workers and labourers	15,5	12,6	3,0	68,9

Statistics for the educational level of the labour force by race are given in Table 6. Just on 40% of the 1.9 million male Black workers in urban areas have no educational qualification, while 80% had an educational qualification of only 7 years at school (van der Merwe, P., 1980). The position for female and rural workers reveal a similar but less qualified pattern.

TABLE 6

THE EDUCATIONAL LEVEL OF THE MALE LABOUR FORCE IN THE REPUBLIC OF SOUTH AFRICA, 1970

(Percentage of Totals)

Qualification obtained	Whites	Coloureds	Asians	Blacks Urban	Blacks Rural
Male					
None	1,1	24,7	6,7	39,9	65,4
Std 3	3,3	43,3	34,7	16,8	15,3
Std 3 - 5				25,3	13,6
Std 6 - 7	25,4	22,4	36,0	13,0	4,1
Std 8 - 9	29,7	6,5	13,8	4,0	1,0
Std 10	25,1	1,7	5,4	0,7	0,2
Diploma and/or degree	15,4	1,4	3,4	0,3	0,4
TOTAL	100,0	100,0	100,0	100,0	100,0

The explanation for the low educational qualification of the Black labour force lies in the gross discriminatory spending by the State on the educational facilities for each racial group. The estimated per capital expenditure during 1976 to 1977 on school pupils of the various racial groups was:

White	R654
Coloured	R158
Indian	R220
Black	R 49

There was one teacher for every 20 White pupils but only one teacher for every 50 Black pupils in 1977 (Gordon, L., 1979, p.323).

Comparative information on the racial distribution of the national and personal income is given in Table 7. Whereas the Black people constitute 70% of the population and the Whites 17%, the percentages when it comes to income are reversed. The Blacks only command a total personal income of 20% while the Whites receive 7% (Thomas, W., 1979, p.16).

TABLE 7

RACIAL PERCENTAGE SHARE IN AGGREGATE INCOME

	Year	White	Coloured	Asian	Black
Personal income	1970	72,0	6,0	2,0	20,0
Remuneration of employers	1970	63,3	6,6	2,3	27,8
Claimed household income	1973	69,5	5,9	2,3	22,3

In a study on racial income distribution in South Africa, McGrath shows that for the period 1946/47 to 1970 the inequality between Whites and Blacks widened. The disparity in racial income distribution increased in particular since 1960 . From 1946/47 to 1960 the disparity moved from 10,6 to 11,9 but for the 1960 - 1970 decade it moved to 15,0 (McGrath, M., 1977).

TABLE 8

RACIAL INCOME PER CAPITA

	Income per capita (R)			Disparity rates White to Other		
	1946/47	1960	1970	1946/47	1960	1970
White	413	843	1 594	-	-	-
Coloured	66	133	265	6,3	6,3	6,0
Asian	97	147	312	4,3	5,7	5,1
Black	39	71	106	10,6	11,9	15,0

The duality of the South African economy is shown up in Table 9. The international comparative figures for 1973 of the per capita gross domestic products for various countries and also for the various groups in South Africa shows that White South Africans compared to the people in France and Black South Africans compared to the people of Ivory Coast. The urban Blacks living in Soweto have a higher per capita income than those Blacks living in the Homelands (Thomas, W., 1979, p.6).

TABLE 9

THE 1973 PER CAPITA GDP EXPRESSED IN US DOLLARS

United States	6 200	South Africa: Soweto Blacks	486
France	4 540	Zambia	430
South Africa: Whites	4 449	South Africa: All Africans	409
Japan	3 630	Ivory Coast	380
Soviet Union	2 030	Senegal	280
South Africa: Asians	1 054	South Africa: Homelands	262
Coloureds	897	Nigeria	210
Brazil	760	Tanzania	130
Turkey	600		

The above statistics dealt with the period up to 1970 or 1973. Subsequent to the shock-effect of the demonstration strikes of 1973 and the world-wide publicity on poverty

wages, a change has occurred.

Table 10 shows that the wage gap is narrowing, although in money terms the gap is widening because of the low base of Black wages in 1970. As Thomas observes 'The general trend can also be illustrated by other data: for example in the non-agricultural sectors real wages of Whites and Blacks have increased at average annual rates of 2,47 and 6,46 per cent respectively during the period 1969/70-1976. In fact, White real wages have only increased at the average rate of 0,52 per cent since 1971/72. Thus there is little doubt that the racial wage gap is narrowing, even though the process is far too complex - being determined by factors as diverse as the profitability of respective sectors, the capital: labour relationship and substitutability of labour, the educational and training level of Africans, upward mobility of Africans in each sector, their bargaining power (ie. their position in the trade union system) and the ability of the fiscus to rapidly change wage scales of African public-sector employees etc. - for this adjustment to take place within a few years'. (Ibid., p.19)

TABLE 10

AVERAGE WAGES FOR WHITE AND BLACK WORKERS

Sector		Average annual wage R 1970	1976	Relationship Black 1970	White 1976
Mining	W	4 255	8 516	1:19,79	1:7,96
	B	215	1 070		
Manufacturing industry	W	3 347	6 746	1: 5,85	1:4,60
	B	572	1 465		
Construction	W	3 441	6 650	1: 6,60	1:4,90
	B	521	1 357		
Retail trade	W	1 684	2 973	1: 3,47	1:3,16
	B	485	939		
Central Government	W	2 718	5 111	1: 5,31	1:3,46
	B	512	1 479		
Local authorities	W	2 934	6 232	1: 6,37	1:5,68
	B	460	1 097		
Post office	W	2 585	4 817	1: 4,18	1:3,76
	B	618	1 280		

The dual and discriminatory system severely influenced the productivity performance of the South African economy. The exploitation colour bar affected the sound use of labour in particular training of the workers. The apprenticeship system drew primarily from the White group and to a certain extent from the Indian and Coloured group . For the period 1975 to 1978, 11 318 apprenticeship contracts were entered into of whom 80% were Whites, 15% Coloureds and 5% Indians. This discrimination is partly due to the disparity in educational expenditure in the educational system whereby fewer Coloureds and Indians reach Std. 8, and partly due to the fact that White registered unions do not allow workers from other race groups to be apprenticed. Black youth have been apprenticed for the building trade in terms of the Black Building Workers Act, but they can only practice their trade, once qualified, in the homelands or Black townships (Halse, F., 1980, p.4).

South Africa's productivity performance compares particularly poorly even with countries such as Spain. Table 11 compares the gross domestic product per employed person and per capita for the year 1975 (Upton, L., 1978, p.31). It is evident that considerable improvements can and must be made but this would require elimination of the job colour bar and the exploitation colour bar.

TABLE 11

GROSS DOMESTIC PRODUCT 1975 (US $)

	Per employed persons	Per capita
United States	17 200	6 600
Germany	16 730	6 200
France	16 710	5 660
Israel	9 600	3 060
Japan	9 320	4 130
Italy	9 190	2 710
United Kingdom	9 170	3 370
Spain	6 890	2 100
South Africa	2 781	1 054

Thomas concludes from the historical analysis and the above statistical information that South Africa should be regarded as a semi-developed country with a mixed economic system in that both features of the conventional private-enterprise system and socialism are found side by side. This assessment is supported by the following examples:

- the Government employees about 40% of working-age White males in the public sector which covers the direct government, provincial and local authorities as well as enterprises such as the Railways and Harbours administration, the post office; and Government financed public corporations such as Electricity Commission (Escom); Iron and Steel Works (Iscor) and oil from coal projects (Sasol);

- the homeland areas for the Black ethnic groups can not adequately supply their own agricultural needs and have to generate income through the migrant labour system;

- the market mechanism still constitutes the major regulatory instrument, although in regard to agricultural products the Control Boards influence prices and location of industry is influenced by Government policy (Ibid., p.24).

CHAPTER 3

CHARACTERISTICS OF THE INDUSTRIAL RELATIONS SYSTEM IN THE 1970 DECADE

Chapter three deals with the characteristics of the industrial relations system in the 1970 decade. The first part describes the considerable division in the organised union movement as a consequence of the 1956 amendments to the Industrial Conciliation Act and assists in understanding the description of the registered union movement. This is followed by a description of employers association. The part on wage regulating instruments records the output of the interaction between these two parties to the industrial relations system.

Because the research engaged in for this dissertation focussed on the formation of industrial relations policy of employers, a section on the development of the personnel management function is included. As discussed in the first chapter, two approaches can be adopted towards industrial relations. The human relations approach in regard to the workplace relationship is based on the premis that the personnel management function is sufficient whereas the labour relations approach accepts that besides the direct management to individual worker interaction, it is necessary to formalise a relationship between management and the collective expression of the labour force. This is why the chapter also includes a part on the re-emergence of Black unions in the first half of the 1970 decade.

3.1 Division in the Organised Union Movement

As is evident from the description in Chapter 2, neither a sense of common beliefs and interest nor awareness of common opponent developed amongst the workers of the different racial groups, as industrialisation spread from

the mining industry to the various manufacturing sectors. In fact as Williams concludes in analysing the different approaches to trade unionism, as reflected in the diverse range of co-ordinating bodies, they are not simply divisions in an otherwise united working class. 'In many ways, these are simply of the working class and not within the working class'. (Williams, K., 1979, p.82)

It is therefore pertinent to briefly relate how the organised union movement responded to the attack on trade unionism by the further entrenchment of racialism on the legislation in the 1950 decade.

Three co-ordinating bodies emerged subsequent to the 1956 Industrial Conciliation Act: - the South African Congress of Trade Unions (SACTU) which initially had as founder members four registered (mixed) trade unions and eight Black trade unions from the manufacturing sector; the Trade Union Council of S.A. (TUCSA) which initially excluded Black unions from affiliation, and catered primarily for unions in manufacturing, commerce and transport sectors; and the right wing S.A. Confederation of Labour (SACOLA) which had support only from White trade unions, whose membership was primarily employed by the government and semi-government agencies, in particular the Railways, municipalities and in the mines, as well as the state-controlled steel works.

The South African Congress of Trade Unions (SACTU) opposed in principle the 1956 Industrial Conciliation Act. As a result its activities were seen as politically motivated rather than economically directed by authorities and employers and its leaders incurred the constant attention and action of State security. SACTU argued that Black workers were both economically exploited as well as politically oppressed and hence its alliance with the African National Congress was essential. As a result,

broad-based strategies such as the '£1-a-day' and 'stay-at-home' demonstrations were adopted. (Horrel, M., 1961, p.80)

SACTU leadership probably miscalculated the problems in obtaining mass support and mistakenly assumed that from mass action programmes, effective organisations would emerge. Feit, in analysing SACTU activities lists a number of factors to explain why the objective of establishing viable unions and yet retaining political involvement failed: involvement in strike action (nurses, match manufacturing workers; blind workers) which led to little more than publicity; no funds to organise workers; leaders involved in too many projects, eg. rents issues; power for women; organising the unemployed; problems of inexperienced full-time staff; lack of co-ordinated action from regions in national campaigns, ie. no organisational follow-up besides issue of placards, leaflets and badges in campaigns; use of exaggerated reports and claims of success which later proved questionable. Friedman adds the strong indictment that SACTU unions were not grass root organisations which developed out of a sense of relative depirvation amongst the workers and response to their situation. They grew from outside the working class and hence there was no worker-inspired strategy (see L. Douwes-Dekker, 1977(b), p.8).

SACTU initially drew its majority membership from the Black unions. It was not able to attract many registered trade unions. Neither was it able to win over the Black garment unions to its cause and the distributive unions who were expected to show support did not affiliate because SACTU was regarded as too political.

By 1961 SACTU claimed 46 affiliated unions with combined memberships of 53 350 (500 Whites, 12 400 Coloureds, 1 650 Indians and 38 000 Blacks).

But besides organisational weaknesses SACTU's downfall was a direct result of action against it by State security. As a consequence of the 'stay-at-home' demonstrations a number

of SACTU members were convicted on a charge of inciting others to strike. During the state of emergency in 1960, meetings called by SACTU were banned. During 1963, 35 SACTU officials were detained. By 1964, more than 50 prominent members had been served with banning orders.

By 1965, SACTU existed in name only. When the leadership was forced into exile, the organisation continued operating overseas with the help of the African National Congress. Although SACTU gained the sympathetic hearing from national trade union centres in Europe, its claim to represent the Black workers was increasingly questioned when leaders of the re-emerged Black union movement in the 1970's made contact with overseas union organisations, and when these Black unions affiliated to the International Trade Secretariats. SACTU gained support from African and Asian countries and was active in the move to have South Africa suspended from the International Labour Organisation because of that country's 'declared policy of racial discrimination'. South Africa withdrew from the ILO in 1965 before this suspension could be put into effect.

The rivalry between the African National Congress and Pan African Congress - which believed in the need for the Blacks to build up their own bargaining power without the Whites assistance from persons - led to the establishment of the Federation of Free African Trade Unions (FOFATUSA). FOFATUSA, which had 18 400 Black members, became an alternative co-ordinating body of Black unions.

The S.A. Trade Union Council (subsequently TUCSA) also opposed the proposed legislation but tried to place alternatives to the Government. It rejected the organisational separation of the registered unions but was prepared to agree to the holding of separate Coloured and White meetings of a union. This was suggested on condition that job reservation legislation be treated as separate legislation in order to

to see whether it really could protect the interests of the White workers - a principle which TUCSA rejected . But the Government was not prepared to deviate from its course and obviously felt it could ignore any influence TUCSA might be able to command.

For the remaining two decades, TUCSA tried to reconcile its identification with international trade union principles against the impact of racialism amongst the affiliated union leaders and their meetings. The dependence on the job colour bar was entrenched and the fear of Black advancement could not be dislodged by logical arguments.

In 1958, reinforced by a visit from the International Confederation of Free Trade Unions (ICFTU - the international body of national union centres in the free world), TUCSA resolved to organise all workers irrespective of race. The fact that a number of its industrial trade unions (tobacco, garment, leather, chemical, baking) had contact with or assisted Black trade unions facilitated this decision. But the following events provided an important background understanding to the strong mistrust held by the independent unions which emerged in the 1970 decade towards TUCSA.

In 1959, five Black unions working with registered unions affiliate to TUCSA established together with four unaffiliated Black unions the Federation of Free African Trade Unions of South Africa (FOFATUSA). This co-ordinating body affiliated to the ICFTU which discouraged it from engaging in political activities. The FOFATUSA unions received help from the registered unions and TUCSA officials. By 1962, 20 unions were affiliated to it, with a membership strength equivalent to that of SACTU, namely 36 000. However, TUCSA decided at its annual conference that year by majority vote to amend its constitution in order to permit any bona fide union, ie. Black unions, to affiliate. Horrel points out that the TUCSA unions were perturbed about the increasing number of unorganised workers who were not formally part of

industrial conciliation machinery. 'Without channels for negotiation and agreement on terms of employment, it was suggested, discontent could brew amongst Black workers until it might errupt. In the absence of responsible leadership, Black unions who felt frustrated might be exploited by 'subversive elements'' (Horrel, M., 1969, p.29). This assessment of the motives behind TUCSA's decision, plus the fact that craft unions voted against the resolution, explains, with hindsight, that TUCSA's efforts would not gain the necessary support from its affiliated members. TUCSA and its affiliated unions not only failed to effectively organise Black workers into unions, but also did little to counter the backlash from registered union membership against their perceived loss in standard of living, if Blacks could exercise union rights. The socio-economic circumstances of Black and White workers differed too much to facilitate class solidarity.

TUCSA's decision to open to Black unions became a challenge to the unions affiliated to FOFATUSA to choose between the two and could be interpreted as a threat to the latters' existence because of the inexperience of some of the unions and independence on the registered unions who were part of the system. FOFATUSA tried to retain its identity by suggesting it should affiliate as a body to TUCSA. TUCSA's constitution did not allow for this and over the next three years the largest (garment and leather) of the unions decided to affiliate to TUCSA. Other unions went out of existence, the President left the country and the organisers decided in 1965 to disband FOFATUSA (Ibid., p.82).

TUCSA continued to pass resolutions calling upon the Government to change the definition of employee in the Industrial Conciliation Act whereby Black workers were denied membership of registered unions and kept out of the industrial council machinery. However, the Government not

only ignored these representations and refused to see delegations, but the Minister of Labour, at two political party meetings in 1967, deliberately attacked TUCSA as being 'un-South African'. This was a well-time attack on TUCSA's policy of wanting to organise Black workers and assisting the Black unions. Certain artisan unions in TUCSA namely the motor mechanics and the engineers had disaffiliated on that issue, and the leaders of the remaining artisan unions were concerned to retain their protectionist function for the White members rather than promote unionism for Black workers. Although TUCSA's forward looking leadership tried to keep the affiliation open, 14 unions had disaffiliated by 1969 on the issue of Black union membership. At the Annual Conference of that year TUCSA constitution was amended to exclude unregistered unions. This decision saved TUCSA but left it without a role to play in the emerging Black union movement of the 1970 decade. Its decision in 1974 to again re-open the doors of affiliation to un-registered, and hence Black unions brought none of the independent Black unions to it. Instead those Black unions who joined it were labelled paternal because of the control exercised over it by the registered union.

TUCSA was also criticised for its alternative policy to job reservation. The TUCSA unions argued that the 'rate for the job' principle was not racialistic in that it should ensure that irrespective of race of the incumbent the same wage rate applied. However, Lever comments that the rate for the job slogan is deceptive because it masks the exclusionist effect. 'White trade unions from Cape to Copperbelt have found that by insisting on a relatively high minimum wage rate for jobs done by union members, Blacks could be excluded from the work without any recourse to insidious propaganda'. (Lever, J., 1976) As also pointed out by the SACOLA, the rate for the job is the published or gazetted rate for the job. This is the minimum rate negotiated between the White trade union and the employer

organisation on Industrial Council level. 'Invariably, it is found that this rate is such that, by todays economic standards no White worker can exist thereon'. Hence the actual wage the White worker can command because he only has access to training, is higher than the laid down rate.

The three craft unions which disaffiliated from TUCSA did not return to that body earily in 1970, but neither did they join SACOLA. Instead they became part of the significant large number of unions who did not align themselves to any co-ordinating body. In fact the number of workers affiliated to these 81 unions numbered 192 000 in 1973; of these union members 80% were White.

SACOLA was formed primarily to protect its White members through job reservation and denial of trade union rights for Blacks. In 1969, 27 trade unions with a combined membership of 183 781 were affiliated. However, because of divergent views, particularly regarding job advancement of Blacks, problems were experienced. In 1975 the Federal Consultation Council of S.A.R. & H. Association withdrew its group membership. This move suggested that the leaders felt reform within the organisation was not possible.

The comments by C. Grobler, the one time General Secretary of this body, are significant. He observed that the principles of that body forced it to fight a rearguard action. 'Work allocation committees and artisan assistant schemes on the railways, artisan aids in the mining industry straightforward handovers by other trade unions, again under the guise of productivity bargaining, are all part of it'. Furthermore, the ostensible reason given for the opposition to Black unions was because they had not reached standards of responsibility and should exercise union rights in their Homelands. But 'germane to the issue is that Whites are not ready for Black trade unions' (Grobler, C., 1976).

3.2 Registered Trade Unions

The Industrial Conciliation Act only allowed unions with White, Coloured and Indians to be registered. As noted in the historical overview, the primarily craft-orientated White trade unions were forced to rely on the job colour bar to protect and promote the interests of their members in the early stages of trade union development. The job colour bar became entrenched in legislation and hence these early historical beginnings led to a reliance and subsequently respect for and then dependence by the craft-orientated trade unions on legislation. For example the S.A. Typographical Union was already willing in 1939 to open its ranks to Black workers. However, because it was advised that this was going to cause considerable conflict with the Government at the time, it was prepared to submit to the requirement that it organise only White, Coloured and Indian workers. It was only subsequent to the Government's acceptance of the Wiehahn recommendation and the legislative amendments of 1979 that this union decided to organise Black workers.

It appears that the development of industrial unionism, started during the 1930 decade, would have over time broken down the racialism which became entrenched in the labour movement in its early days. Thus the Garment Workers Union of S.A. during World War II was able to enrol Black women as members as they were not pass bearers and hence did not fall under the then definition of employee in the Industrial Conciliation Act. The Sweet Workers Union also enrolled Black workers as members, until in terms of the Supreme Court order in 1945, it was forced to choose between de-registration or expulsion of the Black union members. The latter alternative was adopted, trade unions are first and foremost pragmatic organisations.

Industrial unionsim was not allowed to develop its own direction and any attempts to organise Black workers were

severely hampered by legislative measures as noted above. The 1927 Native Administration Act contained a 'hostility clause' which was later incorporated into the Riotous Assemblies Act. The clause stated that it was an offence for any person to say or do anything that was considered likely to promote any feeling of hostility between Black and White persons. This provision was used by the authorities against trade union leaders whom the Government considered were arousing opposition amongst Blacks to certain Government measures or were causing animosity in any other way (Horrel, M., 1961). As has also been noted industrial unionism was further severely hampered by the campaign launched by Afrikaner nationalist against, in particular, the Mine Workers Union, the Garment Workers Union and the Building Workers Union. Dr. Malan stated in 1943 that the system of collective bargaining was out of date and would have no place in the economic policy of the Nationalist Party. These campaigns were not immediately successful and hence the Nationalist Party resorted to legislative control to further weaken the trade union movement after it had come into power.

The amendments to the Industrial Conciliation Act in 1956 entrenched racialism in the legislation. Mixed trade unions had to split up; in the future only uniracial unions could be registered. Mixed unions could apply for exemption but the executive committee had to be all White. Some unions split in order to give Coloureds their own organisational base (distributive trade) while others retained their mixed character, but formed informal liaison committees between the White and Coloured branches (garment industry). In a number of cases exemptions were granted.

The weak and fragmented nature of the trade union movement is reflected in the statistics below.

Only 17 trade unions had a membership of 10 000 and more in 1973. The largest were the S.A. Municipal Employees

(36 000 Whites) and the Garment Workers' Union of Western Province (35 000 Coloureds). (Horner, D., 1974.

One third of the registered trade unions covered 92% of unionised labour, ie. 112 unions had insignificant membership. Yet some of these small and totally unrepresentative unions were and are party to industrial councils and have influence on wages and working conditions of significant numbers of Black workers. It is evident from these statistics and the output of the industrial council as reflected in the agreements that in many instances the relationship pattern between registered trade unions and employers association could be described as collusion.

TABLE 12

REGISTERED TRADE UNIONS - 1973

		Membership (000's)		
	No.	White	Coloured/Asian	Total
White	85	367	-	367
Coloured/Asian	48	-	76	76
Mixed	41	45	130	176
TOTAL	174	412	206	619

The degree of unionisation of workers eligible to join registered unions varies considerably according to the different sectors. The total number is 30% which is low considering the provision of closed shop facilities. Statistics are not available for an accurate statement because of the overlaps caused by craft unions whose members are employed in various sectors. Table 13 gives some idea of the degree of unionisation by sector where the aggregate

percentage for the various race groups in a sector differs for Whites to that of the Coloureds/Asians, this has been shown by including the figure in brackets. Craft union membership can also not be accurately distributed amongst the various sectors.

TABLE 13

UNIONISATION OF WHITE, COLOURED AND ASIAN WORKERS PER SECTOR 1973

Sector	No. W.C.A. Union Members		% of eligible total W.C.A.		Number of Blacks
Building	47 000		42%	(C.32%)	277 000
Commerce	15 000		5%		194 000
Finance	33 000		52%	(C.8%)	7 000
Government (Prov.)	6 000	(W. only)	6%		82 000
Government(Loc.)	60 000		83%	(C.59%)	120 000
Manufacturing:					
Beverages	256		2%		14 000
Chemicals	2 900		10%		38 000
Clothing	71 000		77%	(C.84%)	36 000
Electricity	3 000	(W. only)	30%		18 000
Food	12 000		26%	(C.35%)	89 000
Footwear	22 000		62%	(W. 9%)	7 000
Furniture	9 000		53%	(W.13%)	20 000
Iron, Steel, Eng.	92 000		49%	(C.32%)	235 000
Misc.	1 000		4%		22 000
Motor	52 000		46%	(C.28%)	119 000
Non-metallic mineral	1 000		5%		77 000
Printing	21 000		76%		8 500
Textiles	5 000		25%		64 000
Tobacco	573		25%		1 900
Mining	42 000	(W. only)	50%		593 000
Catering & liquor	13 000		63%	(C.74%)	32 000
Telecommunication	3 800		7%	(C.18%)	15 000
Transport-SAR	81 000		65%	(C.13%)	99 000

Note: W-Whites; C-Coloureds; A-Asians.

White union membership increased from 319 000 in 1961 to only 412 000 in 1973. Coloured and Asian membership increased from 98 000 in 1961 to 174 000 in 1973. But Coloured leadership did not emerge in relation to this growth in Union membership. One explanation is that 130 000 Coloureds (or 74% of total) are 'locked in' mixed trade unions, where union decisions and affairs are handled by a White general secretary and controlled by a White executive.

A document prepared for the TUCSA 1967 Special Conference to discuss Black union expulsion (agreed to in 1969) highlighted how organised labour was unrepresentative of the total labour force in manufacturing industry as reflected in the above table (Kraft, R., 1967). Analysis of union membership over the period 1960 to 1965, showed that:

- The proportion of White union members was dropping by 1% per year.

- In 14 of the 22 sectors, the proportion of Coloured union members increased; in one case up to 14,4%.

- 60% of Coloureds, Asians and Whites were not organised. However, one third of these were in white collar positions, ie. excluded from union constitutions.

- In 6 sectors, Coloureds and Indians increased their proportion of the labour force by 5% or more for the period 1958/9 - 1967, namely:

Leather	40,9% to 62,2%
Transport	5,8% to 20,4%
Beverages	20,6% to 26,2%
Footwear	57,6% to 72,5%
Motor	16% to 21,8%
Clothing	56,6% to 63,5%

Considering the growth trends in unionisation amongst Coloured workers, the question arises why the ideology expressed by Coloured leaders in other organisation and societal activities has not expressed itself in the union movement. A prominent section of Coloured sporting bodies have adopted the slogan 'there cannot be normal sport in an abnormal society' and have demanded multiracial sports; integrated clubs, also in schools, and elimination of apartheid. Coloured leadership with such objectives have not emerged amongst registered unions, except in the motor assembly industry, probably for two reasons. Firstly, the category Coloured includes in the labour legislation also the Asian group and the majority have entered the union movement automatically because of the closed shop provision of many industrial council agreements. Secondly, besides lack of awareness amongst the members, the nature of the leadership has been influenced by the White leaders.

Certain characteristics of the registered trade union movement have been discussed in the previous chapter describing the racial divisions reflected in the co-ordinating bodies. Considering the onslaught on unionism subsequent to 1948, it is remarkable that principles were retained and the movement was not totally forced to go underground or into exile.

However, the movement suffered from a negative image and this affected the emergence of leadership. As one of TUCSA's leaders observed, 'the future of the trade union movement lies in the hands of the Coloured and Black workers' who constitute the real working class, 'White leadership in the South African trade union movement is an ageing leadership, faced with a serious problem of succession'. If White trade unions are to survive, they will be mainly white-collar associations of supervisors, technicians and foremen (Altman, R., 1976).

The registered trade unions did nove into the third phase of union development subsequent to World War II, although TUCSA was severely criticised by the Minister of Labour and ignored by his Department. The two co-ordinating bodies of registered unions serve on 11 State bodies ranging from unemployment insurance, inflation, training of Blacks, productivity to the Economic Advisory Council of the Prime Minister.

But the significance or effect of this representation was probably small. One consequence of the weakness of the registered, in particular the industrial, unions was their inability to ensure that wage rates remained in line with inflation. In 1976 the White leadership of the largest Coloured union (the Garment Workers Union of the Western Cape) faced problems of rank and file dissatisfaction typical of phase three of union development. In support of allegations made, the Action Committee campaigning to oust the General Secretary, stated that:

- real wages had declined since 1948 by 25%, ie. earnings in 1976 were R20-50 p.w. and should have been R25.60 p.w. to make up for cost of living increases; and

- sick pay had only increased from R4 per week in 1948 to R8 per week in 1976, whereas, in proportion to inflation, it should have been R12.80 per week.

(Maree, J., 1976)

This trend occurred with little previous protest because of changes in the racial composition of the labour market. The Coloureds who replaced the Whites were used to a lower standard of living and hence saw relative improvement. But the rate for the job was not maintained.

3.3 Employers Organisations

In 1973, 240 employers organisations for specific trades representing 38 757 employers were registered in terms of the Industrial Conciliation Act.

These trade associations form the base of the organisational network of employer interest. This organisational network is extended and reinforced by the other types of employer initiated and controlled bodies which are involved with labour matters.

- Trade associations, eg. Steel and Engineering Industry Federation of S.A. (SEIFSA); Transvaal Clothing Manufacturers Association, etc.;

- Co-ordinating bodies such as the Chamber of Commerce and Chamber of Industries, operating on city, provincial and/or national level - Transvaal Chamber of Industries, Johannesburg Chamber of Commerce, Federated Chambers of Industries, Associated Chamber of Industries.

- Professional organisations (at least 10) such as the Institute of Personnel Management, Institute of Directors, etc.;

- Promotion and pressure group organisations such as S.A. Foundation, Free Market Foundation and Urban Foundation;

- Service organisations such as National Development and Management Foundation; National Occupational and Safety Associations;

- Specialised bodies such as the South African Employer Consultative Committee on Labour Affairs; Institute for Industrial Relations - jointly controlled with organised labour; etc.

It might be a corrollary of the effective penetration into the Government's administrative system that so little is known of the influence exercised and power wielded by these organisations. The lack of information regarding the objectives and activities of the S.A. Employers Consultative Committee on Labour Affairs is a case in point. This organisation representing 90% of all employers in South Africa adopted a committed stand on the international platform of the International Labour Organisation in 1973 and 1977 regarding freedom of association. Yet it shuns publicity in South Africa.

One of the reasons for the low profile position adopted is sensitivity towards Government reactions to the objectives of organised commerce and industry, particularly the necessity to challenge aspects of the separate development policy. It was only during the 1960's that organised business became involved in pressures group activities with Government Departments.

An article on 'Persuasion Business: the power of organised business' points out that business lobbyists emerged in Pretoria during the late 1960's to promote private enterprise interests. The move of the Federated Chamber of Industries headquarters to Pretoria facilitated this development. Why have such pressure groups been able to make an impact?

Economic imperatives forced a deviation from hard-line apartheid ideology, and a vacuum developed in economic thinking which the Government itself, still publicly wedded to out-dated policies, found hard to fill. Hence a

willingness emerged amongst Government Departments to tap resources outside its own ranks (Management, 1974). The erosion of two areas of separate development policy is discussed in the next chapter.

Organised business and its spokesmen increasingly expressed concern during the 1970 decade about what was termed a tendency towards 'creeping socialism' by the Government. Initially attention was drawn to the fact that nearly half the White male population was employed in the civil service and that there was an increase in government departments. It said that since 1978 the number of employees in Central Government departments had increased by 400 per cent. A book published by the chief executive of a large Afrikaner controlled insurance company referred to the assault on private enterprise. The criticisms then changed to action. In 1976 the Free Market Foundation was established subsequent to a number of conferences on entrepreneurship and the free enterprise system.

In order to counter perceived influence of socialism amongst Black workers, many employers (Anglovaal, Afrox, Anglo ALpha Cement, Tongaat, etc.) included in the training programme for plant-based committee representatives, items on the function of business in the free enterprise system on the basis that 'for free enterprise to effectively counter socialism, we must show the advantages of the system' (Management, June, 1977).

Yet this emphasis on the ideology of free enterprise did not automatically lead to acceptance of the operation of trade unions. Subsequent to the 1976 uprising in Soweto against Bantu education, the Transvaal Chamber of Industries drew up a memorandum for the attention of the Prime Minister which identified a number of issues as requiring urgent attention. Freedom of association was not amongst them. The issues were:

- because township Blacks see themselves as permanent urban dwellers and industry needs them on a permanent basis, the township where they reside should be granted municipal status with effective governmental powers;

- ownership of land should be granted to urban Blacks;

- adequate finance should be provided for housing;

- basic township services should be provided - electrical reticulation of all premises; tarred roads, storm water drainage, telephones, shopping facilities, etc.;

- influx control should be streamlined to eliminate requirements that Black workers unemployed for more than 30 days be ejected from their house; the curfew regulations, etc. should be cancelled, etc.;

- discriminatory tax laws should be eliminated;

- barriers in the occupational skill ladder should be removed.
(Financial Mail, August 5, 1976).

When the Urban Foundation was established by leading business leaders in November 1976, in response to the June 1976 uprising in Soweto, a deliberate decision was taken not to refer to Black unions as this was perceived to be a sensitive issue with the Government.

Thus, although employers were prepared to fight for their interests as reflected in the analysis, they resisted strongly the re-emergence of Black unionism from 1973 onwards. During 1975 employer organisations

and employers responded in various ways to the remarkable increase in the number of Black unions. Admittedly employers faced an awkward dilemma in that the Department of Labour officials openly spoke against recognising Black unions, but they did not counter this pressure as had been done with other aspects of government policy (Douwes-Dekker, L., 1977).

The Federated Chamber of Industries accepted that 'Black workers are manifesting an increasing interest in organising themselves into trade unions. It was felt that neither premature recognition should be given, nor obstacles placed in the way of their development'. Stress was laid on the 'ability' of Black workers to organise themselves within a framework of responsibilities inherent in such representation in the negotiating process. When asked by the Sweet Food and Allied Workers' Union to elaborate on this statement, no positive response was given.

The Steel and Engineering Federation of S.A. (SEIFSA) took a firm stand against Black trade unions in 1973 and urged companies to establish liaison committees - thereby removing the initiative taken by union members in establishing works committees. However, a more flexible attitude emerged and SEIFSA did accept a seat on the Board of Trustees of the Institute for Industrial Relations in 1976 indicating a willingness to acknowledge the existence of Black unions.

The Afrikaanse Handelsinstituut adopted a more reactionary approach, particularly regarding the 1977 proposed amendments to the Black Labour Relations Regulations Act (not placed before Parliament) providing for industry-wide committees. The industry-wide committees were regarded as potential for Communist infiltration. By making mistaken assumptions about trends in bargaining overseas, the Institute argued that decentralised company negotiation should be provided for. Centralised bargaining was dangerous

because the strike potential is increased, left-wing control of leadership in Black trade unions becoming possible and centrally co-ordinated controlled trade unions would fall in irresponsible hands.

It is perhaps wry comment that two of the organisational structures identified by Bozzoli as forming part of the response to the 1946 Mine Workers' strike, were again called into action after the 1973 Natal strikes. In fact, NDMF absorbed the Bantu Wages and Productivity Association and created a specialised department called 'Operation Progress', - since dissolved. In three years NDMF convened 4 Conferences (approximately 200 delegates each form all over the country) to debate the question of Black labour relations. In order to ensure the co-operation of the Department of Labour, and participation of its Minister, there was a tacit agreement not to discuss Black trade unions, and 'industrial relations models' were designed in terms of the assumption that Black trade unions would not gain legal recognition. The Conference and subsequent publications certainly focussed attention on the need for systems of representation for Black workers - something not considered prior to 1973. However, the anti-Black union [illegible] was either explicitly stated or implied in these deliberations.

Amongst individual employers three broad positions emerged:

- Certain companies faced requests from registered trade unions to give facilities to, but not recognise fully the parallal existed Black trade unions those unions they controlled. This situation in the Transvaal Clothing Industry where the 22 000 strong Black National Union of Clothing Workers had organising and stop-order facilities and participated in informal negotiations. Similar

but less developed positions prevailed, in the Tobacco Industry; Banking sector (Barclays/Standard); Footwear and related sectors, and the Transport sector (goods transportation).

This union parallelism, if not paternalism had its roots in the policy of the registered trade union movement just after World War II - and reflected an understandable objective in terms of the unquestionable requirement of a united labour movement. However, whether it is a viable policy for future decades can be questioned. It ignores the dynamics of Black consciousness with its requirement of independent organisational platform from which, through equal representation, a move to form umbrella organisations can be considered.

- Certain companies showed willingness to consider some form of relationship with Black trade unions, but were hesitant to formalise. Some of these companies supported the Institute for Industrial Relations as a positive step towards closer contact with Black trade unions. Others faced with specific requests to sign a recognition agreement with Black trade unions, refused as such but kept contact but in the meantime promoted the committee system.

- Certain companies adopted a deliberate anti-trade union position and actively promote the human relations approach. Arguments used included that: the organised Black labour movement is not sophisticated enough and that the essence of labour relations is joint problem solving, and not conflict reconciliation through collective bargaining (S.A. Breweries); decentralised plant-based bargaining is

> the pattern for the future (General Mining); Black trade unions will be used by far left socialists as a political tool and collective bargaining must be kept in the family (the unions are no longer necessary approach of the Tongaat/Huletts Group).
>
> The system of representation being proposed and actively introduced in terms of this latter approach and analysed in a subsequent chapter, is the vertical system of representation for the privileged few through the committee system.

A survey conducted in 1972 by Schlemmer and Boulanger contains some explanation for the anti-union approach. Employers perceived the disadvantages of Black unions in the following order:

- cause unnecessary trouble;
- vulnerable to outside infiltration;
- agitators;
- malpractice elsewhere spill over;
- waste of time;
- authoritarian/dictorial leadership;
- first step towards communism;
- speak for themselves, not workers. (Schlemmer, 1972).

These reasonings suggest that management was reacting to negative images of unionism and were

ignorant about the process of the institutionalisation of industrial conflict through recognition of the union.

3.4 Wage Regulating Instruments

The above description and analysis suggests that the process of collective bargaining as analysed in chapter one did not remain, if it ever was comphrensively, a basic feature of the interaction between registered trade unions and employers association. The registered unions were pre-occupied with the issue of race. Certainly individual employers were not challenged to reform their coercive employment practices and were satisfied that the question of regulating minimum wage rates and working conditions was handled by the employers association. In fact the relationship pattern between leaders of registered trade unions and employers associations tended towards collusion as the unions became less representative of the total labour force. Certainly, the registered unions could not command recourse to effective strike action as a last resort weapon and hence had to depend on other strategies to ensure continuation of their relation with employers. These strategies ranged from unstated right of management to introduce technologies as it saw necessary and accepting a decline in real earnings of Black workers.

The following part of this chapter deals with the type of wage regulating instrument which developed in primarily manufacturing industry. The information and statistics support the assumption that collusion was becoming an increasingly dominant component of the relationship.

In terms of the two labour laws minimum wage rates for workers in manufacturing industry, transport, commerce and related secondary sectors, are either arrived at through collective bargaining between trade unions and employers

associations using the industrial councils (Industrial Conciliation Act) or determined by the State appointed wage board (Wage Act). Few private or house agreements exist and where they do they are based on the industrial council agreement for that relevant sector. The 1924 Industrial Conciliation Act established the principle that wages and working conditions should be determined at the industry level for a particular sector and not, as is the case for instance in the United States, at company level. This principle of centralised collective bargaining has never been challenged by employers or their associations. The determination of minimum wages and working conditions at the centralised level for a particular sector is advantageous as it still allows the individual company to pay workers above the minimum laid down and working conditions to be improved, but ensures that unfair competition at least in the area of labour costs is eliminated. The fact that the industrial council agreements were extended to cover non-parties with sanction of criminal proceedings for non-adherence, reinforced this principle.

Industrial councils established for a particular sector by the employer association and trade union (only White, Coloured and Indian workers can register their trade unions), operate on the principle of self-government between those two parties. Industrial councils have been established primarily in manufacturing industry. The growth and development of industrial councils is reflected in Table 14 (Douwes Dekker, L., 1977).

TABLE 14

INDUSTRIAL COUNCILS AGREEMENTS (000's)

Year	No.	Whites	Coloureds	Asiatics	Blacks	Total	Employers
1930	25					45	3
1944	51					170	9
1955	108					370	19
1965	92					610	25
1968	98	194	146	49	444	833	29
1971	100	219	193	61	539	1 012	-
1974	104	194	223	68	580	1 065	39

The two parties to the industrial council participate jointly and equally in committees formed as forums for collective bargaining and other decision-making processes. The joint agreements reflecting the institutionalisation of conflict of interests, deal with wages, working conditions, as well as social security benefit funds. The Industrial Conciliation Act provides for an extensive and flexible list of items which can be negotiated by these parties, emphasising the self-government principle. The industrial council system has developed two levels of activities, namely decision-making structure of the jointly controlled committees and the administrative machinery necessary to carry out any of the decisions taken and to operate funds which have been established. The administrative level is responsible for the policing of agreements to ensure that both parties adhere to the terms and conditions. Agents are employed to carry out inspections and to deal with any conflict of rights issues which might occur. As industrial councils are centralised bodies for a sector, problems are not, if there is a dispute, resolved at the place of work, but have to be referred to one of the

committees. This is not conducive to the speedy and equitable resolution of grievances.

The agreement arrived at by the two parties can be extended, and normally is, by the Minister of Labour to non-parties, that is employers and workers not members of the registered bodies, and also in terms of a separate clause of the Act to the Black workers. In 1974 over half of the workers covered were Blacks.

As an instrument for the institutionalisation of industrial conflict, the industrial council system has the potential of being an effective body provided both parties are of equal or near equal strength. This requirement is essential because the industrial council is a joint body and hence if any party exerts due influence on it, it can control the nature of the services rendered and maintain the influence over its various activities. The secretariat employed to run the administrative level is accountable to both parties, but it is natural for the more dominating or powerful party to exert influence on those activities. The investigating activities of the agents can in particular be curtailed and directed by employers when the workers are in a state of passivity due to repressive measures. The stronger party will also be able to exert influence on the content of any agreement entered into and the definitions used.

The registered trade unions being concerned with race instead of worker representative strength allowed the industrial councils to increasingly be controlled by employers associations. In certain instances in fact the local Chamber of Industries acts as secretaries to the industrial council and control the administrative level of activities.

As more than half the workers covered by industrial council agreements are excluded because Black workers are not defined as employees, the process whereby agreements are reached between registered trade unions and employers associations does not correspond to the requirements of collective bargaining. The registered trade union could not exert enough bargaining power and if necessary declare disputes because they were not representing the total labour force. The Botha Commission of Inquiry in fact noted in 1951 'the evidence available to the Commission on the point is sufficient to satisfy it that the interest of native workers have suffered in the process of collective bargaining between employers and employees. In some cases it would seem that their interests are deliberately sacrificed by the European employees in order to gain benefit for themselves'. (The Industrial Legislation Commission, 1951).

The statistics contained in Table 8 and 10 of Chapter 2 illustrate this point as well as evidence of poverty wages being paid by manufacturing industry. In 1973 subsequent to the shock effect of the demonstration strikes, the National Development Foundation conducted a survey to determine wages paid to Black workers. Taking a conservative estimate of the poverty datum line of R18-16 per week, the returns from 1780 employers revealed that one third of the 206 187 male Black workers employed earned less than that poverty wage. Even more disconcerting 13,5% of those workers earned less than R10-50 per week which excluded them from contributing and hence benefitting from the unemployment insurance fund. (Horrel, M., 1974, p.203)

The statistics in Table 15 summarise the extent to which Black workers have been excluded from social security benefit schemes operated by registered unions and employers on industrial councils. The number of Black workers covered by a pension scheme is high because of their inclusion in 1968 by the large iron and steel industrial council into their fund. Doubt has been expressed however whether all

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workers covered by this scheme will, because of administrative ineffectiveness, receive their ... benefits. (Douwes Dekker, L., 1974).

TABLE 15
SOCIAL SECURITY BENEFITS ADMINISTERED BY INDUSTRIAL COUNCILS 1971 (000's)

BENEFIT	WHITES	COLOUREDS	ASIANS	BLACKS
Medical aid	146	41	7	1
Medical benefit	11	76	31	40
Sick pay	140	115	40	53
Provident/ pension	188	152	51	391
As against possible	219	193	61	539

The industrial council system did not become for the Black worker an organisation to facilitate the institutionalisation of conflict of rights or conflict of interests. On the contrary the industrial council perpetuates the racially discriminatory practices of the wider society. The following points reinforce this conclusion:

- Black workers and their leaders are excluded from the decision-making process of industrial councils. Not only from the regular so-called collective bargaining process for a new agreement, but also from the other committees responsible for managing the funds of benefits established, and in particular the complaints committee responsible for handling disputes arising from different interpretations of the clauses of agreements and deciding on cases of alleged infringements brough forward by the agents

as a result of inspections.

- Black workers with few exceptions are excluded from social security funds.

- Black workers cannot influence the service rendered by the administrative machinery of the industrial council and hence have not been able to take up problems such as: underpayments, enforced overtime, wrongfull classification, wrongfull deductions, etc. in an effective manner.

- Black workers have to contribute towards the upkeep of the administrative machinery of the industrial council through weekly deductions from wages.

Two further observations have to be made in regard to the above generalised analysis. Although the Coloured and Indian workers have legally protected union rights, their position in the registered union movement and hence bodies such as industrial councils is marginal. Secondly, the Black worker not covered by an industrial council is worse off. However, the relatively advantageous position of the Black employed by companies covered by industrial councils is not because of the operation of any principle of industrial justice. Industrial Council agrements were extended in 1929 to cover Black workers because employers feared unfair competition if minimum wage rates were not laid down. It cannot be concluded however that the interests of the White workers were or are satisfactorily protected Certainly in terms of conflict of interest matters the White workers did experience improvements in their standard of living, but in terms of conflict of rights issues, it can be argued that many situations occurred where White workers were not ensured adequate redress for injustices experienced.

This was partly due to the centralised level of operation of industrial councils and partly due to the fact that the registered trade unions did not develop effective shop stewards committees or union branches in the place of work.

The other wage regulating instrument is the Wage Board established in terms of the 1925 Wage Act. The Government appointed members of the Wage Board are responsible for investigating a particular sector which is not covered by an industrial council agreement and on the basis of evidence submitted at public hearings, as well as by taking into account the criteria of profitability of the industry, determine the minimum wages and working conditions for that industry. Minimum wage rates established by the Wage Board are approximately 20% lower than rates for jobs negotiated through industrial council machinery, except the commercial trade where the registered trade union makes thorough representations. The policing of Wage Board Determinations is ineffective, furthermore, no social security funds are established.

It was envisaged because this wage regulating instrument is inferior to what can be achieved through the industrial council system, that as registered unions were established, they would ask employers associations to set up such as joint organisation. This development would have occurred if it had not been for the fact that Black workers could not belong to trade unions. Hence the pressure to establish industrial councils did not take place. The statistics in Table 16 show that in particular the number of Black workers covered by Wage Board determinations increased over the decades. As the statistics are not collected annually they reflect a trend rather than the actual position. (Douwes Dekker, L., 1977).

TABLE 16

WAGE BOARD DETERMINATION (OOO's)

Period	Whites	Coloureds	Asiatics	Blacks
1937 - 1947	86	38	17	191
1937 - 1959	109	45	18	237
1947 - 1969	110	58	17	291
1974	130	55	18	370

Investigations carried out subsequent to the 1973 strikes not only demonstrated that the Wage Board lagged in regular review of wage rates, but did not cover important sectors. An inventory of determinations current at the end of 1973, by Horner, indicated that of the 74 determination, 37 were three or more years old and 6 were actually 10 years old. The year before the strikes 8 determinations were made, but in 1973 22 determinations were revised. (Horrel, et al., 1975).

The 1973 amendments to the Black Labour Relations Regulations Act made provision for employers to put forward minimum wage rates which were published as wage orders. It is indicative of the lag in effective wage regulation that within months 111 000 Black workers were covered - previously there was no control over wage minima. Yet even so, the three wage regulating instruments cover only approximately 1 million of the $2^3/4$ million (excluding the mining and agricultural sectors) Black wage earners.

3.5 Development of the Personnel Management Function

Personnel management as a specific function emerged in the 1950's in response to, according to Bozzoli, the emergence of working class action particular the 1946 mine workers strike. The aims of personnel management activities were to ensure the 'well being' of employees, to improve employer-employee relations, and to build up a spirit of loyalty and team work in the company. The development of personnel management was facilitated by the establishment not only of its own Institute but the National Development and Management Foundation (NDMF), the Institute for Personnel Research, and the Bantu Wages and Productivity Association. The output of the organisations was very much in the human relations mode of looking after the welfare of the worker in order to obtained his loyalty and acceptance of managerial power. It was felt that Black workers were not ready for trade unionism in the sense that they would not accept the constraints of institutional control and leadership moderation (Bozzoli, B., 1976).

The professionalisation of the personnel management function took place in the late 1960's and received considerable impetus in the early 1970 decade. In 1969 the Institute of Personnel Management S.A. had a modest annual turnover of R8 000 and a membership of 890 spread around 5 branches and produced a roneod newsletter. By 1976 membership had grown to 4 000 in 14 branches and the annual turnover had increased to R600 000. The full time staff of 20 persons were responsible for running a successful monthly publication which popularised new developments in personnel management and carried case studies of successful programmes; running on average 12 seminars or functions on related topics per month throughout the country; instituting a 2 year learner control correspondence diploma in personnel management for which 1 000 persons employed in personnel fields had already been enrolled; holding annual conventions which brought together personnel practitioners throughout

the country and also international experts in the field, in particular from America (Campbell, R., 1976).

The personnel management function in other words, developed during a period when the trade union movement was not only increasingly divided, but also powerless and without clear-cut objectives. Hence, it is not surprising that personnel managers did not believe that trade unions can play an essential role in regulating management labour relations and followed what has been referred to as the human relations approach. In a symposium discussion subsequent to the 1973 strikes the Director of the Institute of Personnel Management stated that in the past conflict of interest between management was perceived to be inherent, but he argued that a way could be found where 'management is beginning to define a common problem - at the point where the workers should see themselves jointly involved in a common enterprise'. (People and Profits, Panel Discussion, 1973).

The Institute of Personnel Management was hesitant in following the example of other employer organisations who did express support in policy statements for Black trade unions. The policy statement issued in 1976 by the IPM said that the legally established plant-based committee system in terms of the Bantu Labour Regulations Act, 'provided a worthwhile vehicle for the development of healthy industrial relations and a logical and valid approach to complex problems of improving communication between Black workers and management'. (Douwes Dekker, L., 1977).

The personnel practices followed by the S.A. Breweries Group of companies as defined in 1970 are illustrative of the objectives major companies were setting for themselves in developing this function. The purpose was to obtain good communication and optimum job satisfaction from Black workers, concentrating on selections, job classifications, performance

appraisal, fair remuneration through job evaluation, motivation, welfare, and pension fund coverage all in order to ensure a sense of security. Black graduates were employed as labour officers and formed the 'king pins' of these activities. Training manuals were developed by the Group in collaboration with the subsidiaries. Profit bonuses would be introduced by linking them into the performance appraisal. Plant-based committees had been established to 'air grievances', but it was hoped that they would become, 'more positive channels for communications both ways and would strengthen the identification of the individual with the enterprise, and vice versa'. (Biesheuvel, S., 1970).

These objectives typify the human relations approach in particular the emphasis placed on the individual and implication that justice can be accorded to him. It is significant that the consultant to this Group of companies made the following observation in 1977. 'We personnel specialists would do well to ask ourselves whether we have been worthy of our wardship in relation to our Black workers, who, because they have no political power depend so much more upon use'. (Douwes-Dekker, L., 1976) This observation with the specific preference to 'wardship' was complete of the mark. Black consciousness which was emerging in particular denies the assumption of dependence. Furthermore, the issue of worker rights is overlooked. The company in 1976 in fact refused to consider recognising a Black union. Hence whatever the nature of the sentiments of concern about lack of political power, the policies adopted by the company prevented the emergence of the labour relations component of the industrial relationship and aimed to deny the power dimension of industrial relations.

The philosophy underlying this sole stress on personnel management is paternalism. Blumer identified three characteristics of paternalism in relation to management practices:

- a sense of proprietorship over workers;
- the possession of conclusive authority and control in matters affecting workers;
- a sense of obligation and responsibility over the welfare of the workers. (Douwes Dekker, L., 1977)

It is evident that those companies which had moved from the system of coercive employment practices and had adopted an approach similar to that described above displayed these characteristics. The relevance of Blumer's formulation is the third characteristic. That is the first two are justified because the personnel manager is able through the welfare function see to the needs of the worker. However, welfare activities are subservient to profitability, there are limits to what can be done and how much can be given. These limitations are even more restraint because the personnel management was subservient to other functions, such as marketing and finance. Very few personnel managers had attained the position of director and in general their salary scales were 85% that of the other activities, and in fact were not increasing as much (People and Profits, 1973, p.28). Thus there is no guarantee that welfare activities and benefits could command a fair allocation of wealth and would not be curtailed at times of economic decline. Hence a responsibility was being taken on in accepting the logical base of paternalism which in fact would not be fulfilled.

One area which reflects the limitation of the human relations approach and its expression in paternalism is the application of job evaluation. Job evaluation as a procedural mechanism to establish wage rates on an objective basis by determing a standardised rational for wage differentials between jobs or tasks is important.

One such job evaluation system adopted in South Africa is the Paterson grading system which classifies the work and task of a job in terms of decisions made by the employee and skills required to perform the tasks. The actual pay levels for the job grades would be decided upon by the pay curve in operation of a particular company. Whereas in first-world countries the rate of increase from grade to grade tended to be between 25% to 30%, in third world countries the increases tended to be much steeper; increases of up to 50% appeared acceptable.

Because of the job colour bar wage, differentials in South Africa are based on the race of the incumbent rather than the job content. As van Coller points out two racial wage gaps can be detected. The restrictive practices gap which prevents Blacks from being employed in a job done by Whites. In such a case the custom developed for the Blacks in semi-skilled and unskilled jobs being paid in terms of a lower wage curve than that of the Whites in that there was no uniform pay curve to bring in the rates together. In situations where Black and Whites performed the same or equivalent work, the Whites earned more, ie. the equivalent work wage gap. These wage gaps are the practical consequence of the civilised labour policy which you developed in the period 1920 to 1930 to reinforce the job colour bar. The application of the Paterson system to South Africa has revealed that a mixture of first and third world pay scales and hence wage curves are in operation. That is two wage curves can be drawn with

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a break in the pay scales between rates for Black and White groups causing if depicted graphically a dog's leg phenomenon. This evidence supports the statement that the industrial council system institutionalised discriminatory pay scales according to race and that individual companies follow that practice (van Coller, S., 1979, p.118). Hence the problem facing personnel managers in companies who want to do justice to all employers: How can the wage curves be unified ? Is the Personnel Management function influential enough for a company to agree to place all workers on a uniform pay curve which will have considerable cost implications in that Black wages must be upgraded?

Only one company has publically committed itself to eliminating the 'dog's leg' in the pay curve through upgrading the Black wages onto the lower extension of the White wage curve. The cost involved was R1.2 million.

The problems involved in achieving a uniform pay curve in terms of the first world pattern of smaller percentage differentials between unskilled and skilled workers cannot be solved by individual companies alone, let alone the personnel managers. It is a matter of concern that the development of the personnel management function in South Africa, although recognising racially discriminatory employment practices has not accepted that the most effective manner to seek reconiliation of the complex issues arising from decades of application of the job colour bar and the exploitation colour bar, is through institutionalisation of industrial conflict.

3.6 The Emergence of Black Trade Unions

The fact that no legal recognition was afforded to Black trade unions in terms of the 1924 Industrial Conciliation Act placed them in a serious vacuum or state of suspension. These unions when they wanted to become organisatally effective were not banned but neither given an opportunity to render a service to members through being party to wage and other agreements. They were denied the possibility of organisational development because the recognition phase of union development could not be entered. In the 1920 decade Black workers joined unions in large numbers, one estimate suggests over 100 000 workers belonged to the Industrial and Commercial Union. But this large general union had primarily identified political objectives and could not gain recognition for members from specific employers. During World War II the Black unions again came into prominence in that nearly 150 000 members belonged to unions affiliated to the Council of Non-European Trade Unions. These Black unions could have become viable in that certain employers were prepared to deal with them and officials from the Department of Labour assisted them in their representation at Wage Board hearings. In fact, the Smuts Government, after consultation with the Trades and Labour Council, was prepared in a proposed Bill to extend legal registration to Black unions. The analysis that the Black trade unions during World War II were becoming viable is borne out by the conclusion reached by the 1949 Botha Commission in terms of evidence submitted before it. The Commission stated that:

> The 1951 Botha Commission ascertained that 'it was satisfied that there are a number of African (Black) unions which are well organised and are conducted on correct lines. The leaders of some of these unions have in the past rendered considerable assistanc by adivisng against and restraining their members from taking direct action. They are able to place the case for the workers before wage-fixing bodies and some of them have shown indications of a measure of ability to negotiate with employers'.
> (Industrial Legislation Commission, 1951).

However, instead of legislative support, a White backlash developed. This was generated by the following events :- the Government's training scheme for Black bricklayers; the 1946 Mine Workers strike involving 70 000 Black miners and the return of ex-servicemen whose very absence had brought in Blacks into skilled positions during World War II. As is described in the earlier part of this chapter, these events led to the creating of the break-away right wing Sacola body. The racially discriminatory legislation of the early 1950's brought into being SACTU which body, because of the circumstances, perceived a political struggle instead of the need for issues such as union recognition to build up viable organisations.

Selznick observes that even if workers experience an injustice or a hurt this does not automatically lead to expectation of rights (Selznick, P., 1969). It appears that the nature of the coercive social order in the 1960 decade imposed restraints which prevented the felt hurt or sense of injustice from evolving into legitimate expectations. The re-emergence of Black trade unions in the 1970's has been successful because of both the development of Black consciousness and certain relaxations in the socio-economic order. A further facilitating factor was the activities of workers' educational organisations. What was the extent of Black worker discontent?

A study amongst Black workers in Durban conducted during 1972 revealed considerable extent of resentment (Schlemmer, L., 1975). The awareness was a focussed discontent, irrespective of education.

	Less than Std. 8	Std. 8 and above
Discontent about economic conditions	62%	62%
Discontent about general race discrimination	54%	56%
Discontent directed at Whites	44%	34%

The Black workers were not only discontent but aware of the extent of their deprived position relative to the White group. Schlemmer suggests that a sense of relative deprivation operates when there is a 'perception of rightful entitlement to rewards which are withheld or granted less freely than people consider to be justified'. The research showed that 6 out of 10 urban Blacks were aware of unjustified treatment or discrimination; perceived unfair restrictions; explained inequality in terms of lack of opportunity; access to capital, as well as the hostility of Whites; and stated that the problems of Blacks were due to White policies and the laws. It is pertinent to remember this research was conducted just prior to the 1973 strikes.

Research conducted in Durban in 1974 revealed that 49% of the workers did believe that only collective action could bring improvement in their situation. Yet only 8% belonged to a trade union.

As the authors state, :Here is the central feature of the Black worker situation - the gap between a relatively high consciousness expressed through a belief in collective action side by side with a lack of activity of a permanent organisational kind'. (Webster, E., 1976).

What was the nature of Black consciousness movement which developed in the early 1970 decade and become an ingredient of the propensity amongst Black workers to take out union membership? Webster points out that Black consciousness involves two basic propositions:

- 'That Blacks have a certain common cultural and historical experience arising out of colonialism which they need to become aware of, ie. conscious;

- That Blacks need to mobilise themselves as a group - show solidarity - in order to realise this new consciousness and translate it into power necessary to overcome White racism'. (Webster, E., 1974)

Hence the issue was not only trade union rights for Blacks, but Black trade unionism.

For the actual and potential membership of the unions, the memory of failure of SACTU leadership because of the direct political objectives, was still real. Hence the determination to establish sound relationships with employers (bread and butter politics) rather than direct political involvement.

The Black unions, did not, as organisations, directly associate themselves with the uprising in Soweto in June 1976, although there was sympathy for the earlier stay-aways. But as Armour Plate's legal strike in September 1976, showed, full support was given to the Glass Workers Union in their struggle for industrial justice and recognition of the union. This is also demonstrated by the specific objective of demanding recognition from employers where majority membership in a company was reached. The content of recognition agreements were formulated by the Johannesburg based Consultative Committee Unions in 1976.

The re-emergence of unionism amongst Black workers after 1973 spread at a remarkable pace. Whereas in 1972 one large Black union operated, the National Union of Clothing Workers and small operations in the engineering and tobacco sectors, by 1976, 26 Black trade unions operated with a signed-up membership of 120 000 for most of the manufacturing sectors as well as commerce and banking.

Lewsen identified in 1976 three main groupings, namely:

- The 5 Durban based unions affiliated to TUAC (Trade Union Advisory Committee), utilising the educational services of the Institute for Industrial Education. The Johannesburg based Industrial Aid Society was linked to TUAC.
- The 9 unions based in Johannesburg loosely constituted under the Ad-Hoc Consultative Committee, utilising the educational services of the Urban Training Project.
- The 10 unions established by parallel registered trade unions of whom 6 are affiliated to TUCSA (Lewsen, J., 1976).

Lewsen records the following differences between the three groupings.

COMPARATIVE PROFILE OF THE BLACK UNION GROUPS - 1976

	TUAC - DURBAN	CONSULTATIVE - JOHANNESBURG	PARALLEL - TUCSA
Characteristics	The TUAC group is a constituted co-ordinating body of 5 Black unions and one registered union, formed in 1973 and 1974. Sectors covered: textile, engineering, chemical, transport and general, furniture and timber. Also in Maritzburg, Pinetown and Johannesburg.	The consultative committee is a loosely constituted body of ten unions all (except one) formed since 1972. Five of them as a result of requests from the registered union. Sectors covered: laundry and dry-cleaning; transport; chemical; food; building; paper; motor assembly; engineering; glass; commercial and catering. Also operating in Port Elizabeth, Durban, Pretoria, Springs, Benoni. (Since 1977 in Vereeniging).	The administrative affairs of the parallel Black unions are handled by the registered union. In 6 of the 9 unions, the secretary is the same as that of the registered union 5 of the unions were formed in the 1950's, the others during 1973 or 1974. Sectors covered: Garment (2); Leather; banking; tobacco(2); textile - Johannesburg; trunk and box; transport-goods undertaking.
Membership	Paid-up membership is between 20% and 30% of signed up membership. The largest union has 6800 paid-up - (transport and general).	Paid-up membership is between 20% and 50% of signed up membership. The typical size is 500 members. The largest union as 2000 paid-up members (engineering).	Five of the unions have 100% paid-up membership because of stop order facilities obtained through the registered union.
Shop Steward	One shop steward for every 57 or less members.	One shop steward for every 50 or less members.	Six of the unions from this group ranked amongst the last 10 unions with no shop stewards to members.
Workers' Education	Educational services of Institute for Industrial Education (Durban) and Industrial Aid Society (Johannesburg) used.	Educational services of Urban Training Project used.	No specific educational and training facilities developed for Black unions by TUCSA.

COMPARATIVE PROFILE OF THREE BLACK UNION GROUPS - 1976 (CONT'D)

	TUAC - DURBAN	CONSULTATIVE-JOHANNESBURG	PARALLEL - TUCSA
Objectives	Independent recognition by management	Independent recognition by management	TUCSA's objective is that Black workers be included in the I.C. Act and Blacks assimilated into registered unions. Hence the administration of Black unions are subject to the overall supervision of the registered union
Benefits	Funeral benefit insurance, Legal Clinic (Johannesburg)	Funeral benefit insurance, Legal Clinic	Funeral benefit insurance. Legal help from registered union attorneys
Financial dependence	Dependent on Grants	Dependent on Grants	Financially independent or assistance from registered union

NOTE:

The Black and Allied Workers' Union, associated with the Black Peoples' Convention, is a broad based general union and does not concentrate on specific industrial sectors. It argued that its members could also belong to industrial unions.

The Food and Canning Workers' Union based in Cape Town, which was a strong SACTU union, is not part of these groups.

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The Black and Allied Workers' Union, associated with the Black Peoples' Convention, is a broad based general union and does not concentrate on specific industrial sectors. It argued that its members could also belong to industrial unions.

The Food and Canning Workers' Union based in Cape Town, which was a strong SACTU union, is not part of these groups.

The above brief sketch of trade union development amongst White and hence Coloured and Indian workers, as well as the Black workers, can be related to the phases of trade union organisational developments. Certain of the White craft trade unions gained recognition at the turn of the century but the other craft trade unions moved from the stage of hostility and unstructured conflict to recognition only when the Industrial Conciliation Act gave them a legislative existence which employers could not ignore. The industrial White unions only gained recognition, in spite of the legal support as the experience of the Garment Workers Union bears out, in the 1930 decade. Employers initially did not perceive neither the union nor the industrial council as an effective mechanism to institutionalise industrial conflict. These trends again support how essential it is for the legal framework to support the expression of freedom of association in order to break the power of the employer. The White registered trade unions entered the third phase of organisational development after World War II. This was facilitated by a centralised mode of operation in the industrial council system as well as the involvement of the registered craft trade unions on the apprenticeship board and apprenticeship committees set up in terms of the Apprenticeship Act of 1942. When social security legislation in terms of the Unemployment Insurance Act and Workmens Compensation Act were enacted, the registered trade union leaders were also given a seat on the local as well as national bodies set up to attend to any problems or functioning arising out of the services rendered by those Acts. The registered trade union movement was so embroiled in the whole concept of race as a criterion for its existence, that it never developed as a movement any specific ideology. Thus the fourth phase of organisational development where unionism becomes involved in some form of work participation was never identified as a goal by the White controlled registered trade unions.

As indicated above the Black trade union movement did not break out of the first phase of unstructured conflict

up to the 1970. Hostility towards Black trade unions enforced by legislation persisted throughout this period and O'Meara has drawn the conclusion that in fact after World War II the approach towards Black trade unionism was marked by institutionalised violence. The Black trade union movement which re-emerged in the 1970 decade therefore faced the challenge of breaking into the second phase of union recognition in order to become effective organisationally. However, because of the emphasis placed both by the State and employers for the work place committee system as an alternative to unionism, the Black trade unions had to include effective recognition in the work place in their recognition demands. The Coloured and Indian trade unionists did not express awareness of this need and can be said to have been incorporated into the existing union movement during the 1950 to 1970 period. Whether the concern of the re-emerged Black trade union movement during the 1970 decade with work place or plant-based relations contains that basis for some form of demand for workers' participation in management decision making processes can as yet not be assessed.

CHAPTER 4

CRACKS WITHIN THE SYSTEM OF CONTROL

The foregoing description and analysis has highlighted the increasing entrenchment through legalisation of the two systems of control. It was particularly in the 1960 decade that the practical implications of separate development were imposed. The purpose of the 1968 promulgation of the Bantu Labour Act regulations was to prevent further urbanisation of Blacks. Other measures such as halt to building of houses and secondary schools aimed to reverse the belief amongst Blacks that they were permanent members of South African society. In that same decade increasing attempts were made to ensure through job reservation that Blacks remained 'hewers of wood and carriers of water'.

But any system of control must in the face of economic development and changing values adapt to pressure if it is to maintain its power. If the need for such flexibility is not acknowledged, evidence of serious contradictions and anomalies can be expected as well as tensions within those groups suppressed by the control instruments.

In the ten year period after 1963 South Africa experienced an unprecedented large scale inflow of foreign capital which highlighted the artificial shortage of labour created by the two colour bars and revealed the nature of the duality in the economy. What evidence can be found that the lack of flexibility in applying separate development policy was creating serious strains and challenges within the two instruments of control because of economic development.

Are there inherent contradictory forces within the system which would challenge its foundation?
Is the allegiance between employers and the State irreversible?
Would the new generation of Black unions in the attempt to gain freedom of association again be suppressed by the repressive legislation, or would cracks appear in the system of control offering opportunity for development.

4.1 Economic Imperatives and Government Policy

The following description of events illustrate how the demands of economic development brought about the erosion of two important areas of Government policy, namely:

- Black advancement into jobs perceived to be the preserve of White workers;
- Training of Blacks in the so-called White areas.

During the 1970 Parliamentary debate, the Minister of Labour said that Whites and 'Non-Whites' (Blacks, Coloureds and Indians) should not work together in the same employment situation, and no White person should work under a 'Non-White' person. 'It is and remains Government policy that our metropolitan areas, our White cities, will in future become Whiter and not Blacker... The Government deems the survival of Whites to be far more valuable than any temporary economic benefit'. The Minister of Bantu Administration said that Blacks must not be allowed to enter into top strata of labour, skilled jobs and managerial positions, in order to meet shortages, for this would lead to labour equality and to integration in residential areas, social matters and political authority in Parliament. The Prime Minister said that through

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decentralisation incentives, the labour-intensive industries - (and the clothing industry was so identified as he said it should not have been allowed to be developed in those areas in the first place) - should provide work to the Blacks in the homelands (Horrel, M., 1972).

These political objectives run counter to the manpower requirements of the economy. In three specific attempts, discussed below, the Government had to give up its initial stated objectives.

- The Government introduced a Bantu Law Amendment Bill in 1969 which would grant the Minister concerned dictatorial powers to implement job reservation in offices and shops. That is, the Minister could prohibit the employment of Blacks as:

  - counter assistants or salemen in shops or cafes;

  - receptionists;

  - telephonists or switchboard operators in offices, shops, factories or hotels;

  - clerks, cashiers or typists in shops, offices or factories.

The South African Federated Chambers of Industries said it would be difficult to enforce such restrictions on the use of Blacks, and applied for total exclusion of the manufacturing industry from this job colour bar on the employment of Blacks. The Government modified its stand, but

even the revised version of the Bill was described as 'completely unacceptable'. Nothing was done by the Government to implement this job reservation. In 1979 the provisions were repealed from the legislation. This was a definite reversal of a political goal because of economic imperatives.

In 1969 the Government appointed an Inter-Departmental Committee on the Decentralisation of Industries for the purpose of making recommendations for the more effective implementation of the policy of industrial decentralisation. If the Verwoerdian dream of return of urban Blacks to the homelands was to be realised by 1978, industry would have to be relocated to the border areas, between South Africa and the homelands, and in the homelands. The Government in its White Paper stressed that every effort should be made to provide employment opportunities in or near the homelands for the Blacks. To achieve expansion of industry to those areas, the ratio of Black to White was fixed to 2:1 in the urban Pretoria-Witwatersrand and-Vereeniging area. The Physical Planning and Utilisation of Resources Act was used to enforce these requirements. When the initial negative sanctions failed concessions and financial incentives were granted so that manufacturers could recover the cost of moving to a border area.

The industry which most seriously felt the attempts to control expansion in the urban areas was the clothing industry in the Transvaal. But instead of the expansion taking place in decentralised areas (border-industries and the homelands) the clothing factories moved to the other existing areas, namely Cape Town and Durban. When serious legislative attempts were made by the authorities in the second

part of the 1970 decade, concerted protests were lodged by organised industry. Towards the end of the 1970's, concessions were made to the clothing industry regarding the employment of Blacks in the so-called White area. The attempts to decentralise industry in terms of the ideology of separate development failed.

- The Minister's statement that the survival of the Whites was more important than the economic development, was a denial of the process that had started in the early part of the 1960 decade whereby Blacks increasingly occupied jobs previously held by Whites. The following events describe how this Black advancement was achieved.

A standing committee of management and White union representatives was established on the Railways in 1961 to investigate the need or otherwise, of allocating work done by White graded staff to semi-skilled or unskilled labour. As a result, by 1970, one thousand four hundred and eighteen Blacks, Coloureds and Indians were 'temporarily' employed on work normally performed by White graded staff - mainly as flagmen, trade hands, shed attendants, and stokers and deckhands on tugs and dredgers. In addition, fourteen thousand two hundred and ten Blacks (including a small number of Coloureds and Indians) were performing work formerly done by White railway workers (Horrel, M., 1971). Notwithstanding this progress and because the White unions refused to let Blacks do certain jobs such as firemen, conductors or station foremen, a serious shortage existed. That is, in 1969, of the 212 000 authorised posts, 28 000 or 13% were vacant.

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But this progression of Blacks into White jobs was not accompanied by social justice. The Blacks occupying White jobs were neither given commensurate status nor paid the same wages which the Whites received. This racial discriminatory practice explains also the large gap in average earnings between the race groups. In 1968, the monthly wages were: Whites R241, Coloureds R61, Indians R47, Blacks R45. In the public service in general, Blacks in similar posts to Whites (i.e. doing the same work) received only 50% - 60% of the wage a White worker received.

It is significant that the economic realities of labour shortages were first tackled on the Railways, ie. part of the Government service. It was also in the Government service that in the 1970's control over White wage increases was introduced, ie. higher wage increases were given to Blacks and White wages were frozen so that Whites experienced a reduction in standard of living. The Artisan Staff Association calculated that cost of living increased by 116,5% from December 1972 to May 1979, while wages only went up by 43% - a backlog of 73,5%.

Further evidence that economic pressure demanded Black advancement came from the engineering industry during the industrial council negotiations for the 1968 agreement. The White craft unions gave into demand from employers that Blacks be upgraded when it was agreed that the four top jobs be reserved. 'Because of the downgrading of many jobs, a large proportion of Blacks gained small increases in wages. Some jobs performed mainly by Blacks were downgraded by more than one category, the result being that newcomers to this work were to receive a lower wage than previously payable. In fact, workers employed in lower grades would receive wages below poverty datum line'. (Forrel, M., 1969) Basically a considerable job fragmentation exercise was achieved. When the agreement had to be renegotiated in 1970, the employers wanted to downgrade and reschedule about 300 further tasks in the main job categories. The unions

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resisted this. 'It was decided that a possible revision of work schedules would be discussed subsequently by technical committees of the industrial councils for each manufacturing process. If so decided, exemptions from the agreement would then be sought'. (Ibid.) During the following years, the trade unions regularly granted exemptions to employers to utilise Blacks in the higher job categories.

A further tactic adopted by White craft trade unions in answer to the pressure exerted by employers for Blacks to be employed in higher skilled jobs, was to establish a category of artisan aides. The aide would be allowed to do artisan work except for some specific functions.

The category of artisan aides was widely used in artisan trades from 1968 onwards as a means of formalising the practice whereby Blacks did 'White' jobs without receiving commensurate increase in pay or status improvement. This happened in the printing industry in 1970, in the motor industry in 1969, in the mining industry in 1973, and on the railways in 1972. In the engineering industry, the process of exemption was used from 1970 onwards to allow Blacks entry into jobs previously reserved for Whites.

In 1968, the White craft union in the motor repair industry announced that it had forbidden its members to help train Coloured or Indian - let alone Black - apprentices. But something had to be done because of the shortage of qualified mechanics. The ratio of operating vehicles per mechanic in SOuth Africa was 106 in 1969 and increased to 146 by 1975, whereas in Europe it was 95 vehicles per mechanic. How then were cars repaired? Through the introduction of repair shop assistants. As Bendix observes:

> 'The job description of the repair shop assistant representing the semi-skilled labour category, reflects a job competence approaching that of a practicing mechanic rather than mid-point between

> the skills of a labourer and journeyman. In essence, the repair shop assistant as defined in the main agreement of 1974, can be regarded as a mechanic'. (Bendix, D.W., 1977)

Yet the laid down wage of the repair shop assistant in the 1977 Industrial Council agreement is R0-79 per hour or 48% of that of a journeyman; and this is after 18 months experience.

As is evident from the inability to apply job reservation and the introduction of this artisan aid category, the registered trade unions preferred the short-term solution of job fragmentation rather than permit of the indenturing of Coloured and Indians let alone Blacks as apprentices. When the shortage of skilled artisans became acute in the late 1960's, the question of the better utilisation of manpower was at that time also raised at the level of the Prime Minister's Economic Advisory Council. A committee of this Council was established to make recommendations under the Chairmanship of Mr. Geyser, who was then the Secretary for Labour. The Commission was subsequently incorporated into the Commission on Decentralisation of Industry. In 1971 the Government tabled its White Paper in response to that Commission but no legislative charges were introduced.

The interpretation by the Department of Labour of this Government policy during the next decade was as follows:

- the indenturing of Coloureds and Indians would not be permitted unless application for the registration of the apprentice was supported by the relevant Apprenticeship Committee and that meant the White craft trade union,

or when there were no Whites available for employment;

- the indenturing of Blacks as apprentices outside the Black homeland areas was not permitted. (Horrel, M., 1972)

The Minister of Finance announced in 1973 that an Inter-Departmental Committee had been appointed to investigate the desirability and . feasibility of a system of pre-service training and in-service training of Black workers for industrial categories in White areas. This step marked a radical change in Government policy. Previously it had always been maintained that Blacks would not be trained in White areas. The Minister of Labour said as late as May 1972: 'The poli ' of this Government ... is to refrain from training and using them (Blacks) in White areas. That is and remains the Government policy'. However, even the Ninth Manpower Survey published by the Minister's department early in 1973, recorded a shortage of 5% or 95 655 White workers. This included a shortage of 18 800 artisans and 4 700 apprentices in the following trades: metal and engineering, electrical, motor, building and ladies hairdressing. (Horrel, M., 1973)

Obviosuly the ideological stance could not be maintained. The Inter-Departmental Committee in fact recommended that the Department of Bantu Education was to establish eight training centres for Blacks in their townships where basic training would be offered. Money would also be available to assist in the establishment of private industrial training centres in industrial complexes in White areas (Horrel, M., 1974)

Three conclusions can be drawn from the above description and course of events. On the one hand economic

criteria and requirements were successfully challenging the specific attempts to make a reality of separate development ideals. However, at the same time, as the quotations bear out, a cleavage or division was becoming apparent in Government policy makers. But although the verkramptes were losing out to the verligtes in certain instances, this did not imply that the overall policy was changing nor that the 'die hards' did not influence policy planning and implementation. Thirdly, the breakthrough in developments in terms of economic criteria did not mean that social considerations in terms of industrial justice would be incorporated in the changes brought about.

4.2 The 1973 Strikes

On the 9th January 1973, the entire labour force of 2 000 workers employed by Coronation Brick and Tile Company in Durban went on strike. Within the next 4 months in the Durban area over 100 000 workers employed at 146 companies had been involved in some form of demonstration action. The textile industry in particular was hard hit as the workers at 26 out of 41 textile companies stopped work (Institute of Industrial Education, 1974). The strikes were spontaneous demonstration stoppages as no clear cut demands were made except for a general request for increases in wages. Furthermore, in general, no negotiators were elected although management urged workers when the stoppage occured, to elect spokesmen. Furthermore, the strikes were of short duration. The strikes were broken because although employers used the technique of 'negotiation by sacking' to coerce workers back to work again, in the majority of cases workers were given increases in wages of between R1.50 and R2.50 per week.

The strike at Coronation Brick and Tile was mainly due to the below poverty wages paid and the expectation that a new wage determination would soon be published. The Wage

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