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Sebei, M.D.

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The response of the labour movement in South Africa towards the 2008/9 world economic crisis of capitalism:

A Marxist Critique of the Trade Union Perspectives and Strategies in the Great Recession

BY

M D SEBEI

(400862)

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(RESEARCH REPORT)

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Abstract

This study examines the responses of the South African trade union movement to the impacts of the Great Recession. The Great Recession is used to refer to the world economic crisis of 2008/9. Its impact on South Africa had enormous implications for the South African economy and its workers. The report reflects on and critiques how trade unions in South Africa responded to the impacts of the crisis on workers.

The focus of the report is on the three trade union federations, COSATU, FEDUSA and NACTU, which were the main federations and 'official' representatives of organised labour at the time. The report studies and critically reflects on the theoretical perspectives of the trade unions and their policy and organisational responses to the impacts of the crisis.

In its critical engagement with the trade unions' perspectives and organisational responses, the report is theoretically grounded in a Marxist perspective. These perspectives and responses are studied against the historical background of the international and South African labour movement. The historical background is used to frame the purpose and role of the trade movement, which provides a basis to evaluate the trade union perspectives and responses to the Great Recession. The fundamental proposition of this report is that the trade unions are elementary organisations of labour whose purpose is to organise and defend interests of the workers and to regulate the terms of the relations of the producers with the employers.

The historical context also allows comparative analysis of the trade union responses in the Great Recession with the reactions in the previous crises, and the changes that took place in the trade union politics. To understand the trade union politics and responses, the study focuses on the theoretical analysis, policy declarations, and political and organisational reports of the federations and, in some instances, those of their affiliates. Interviews, archival and participatory research also assisted in collecting data.

The main conclusion of the report is that the trade union movement failed the workers. The workers have shown determination to fight, reflected in the number and militancy of their strikes. Unfortunately this will to fight was not matched by the political leadership of the trade union movement with political strategy, perspectives, and campaigns to harness this will to struggle and to unite various contingents of the working class into a mass movement that could defeat the neoliberal austerity measures and provide fighting and revolutionary alternatives, as workers have in previous crises internationally.

Dedication

To all the working class activists, shop stewards and socialists across the world who inspire my hope and conviction in the possibility of a socialist future for humanity.

And to my late brother and twin, Mamonyane Arnold Phala. Ngwato wa Phaahla, years have passed but I still struggle every single day to wake up to face another day without you. Your untimely death has irreparably broken my spirit.

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The first are my supervisors. Thank you to Prof Devan Pillay for guiding me in the completion of this report and for all the intense debates during the course of preparing the report. Thank you to Prof Lucien Van Der Walt, who was my first supervisor and guided me in developing the framework, for staying involved throughout, and long after he left the university. Above all, it is to him that I owe my confidence to stay true to my convictions and defend ideas that are part of a marginalised revolutionary tradition and tendency in this academic project. I further wish to thank the Global Labour University programme, including Michelle Williams, who kept persuading me and motivated for my return to the University; Warren McGregor, Pulane Ditlhake and also fellow students in the programme Miriam Di Paola, Alex Mashilo, Edwin, Carthage and others who supported me immensely during my enrolment.

I am grateful to all the people I interviewed and comrades in the trade union movement who helped me in many other ways. This includes Cde Zwelinzima Vavi who helped with internal COSATU material and shedding light on behind closed door thinking and actions of COSATU leadership, which I could not have accessed anywhere else.

Special thanks in this respect goes to workers of Mine Line, whose heroic and courageous stand to defend their jobs convinced me that the crisis did not have to end as it did.

To all my comrades in the Committee for a Workers International, which sadly is in the midst of a devastating split at the time of writing these lines. I wish to say thank you for the best theoretical and political education I received over the years, from you all, across the factional divide. Most of this report reflects that theoretical foundation.

I also wish to thank my editors, Ferron Pedro and Andrew Bennie, who worked very hard to help me with polishing the report.

Lastly, I wish to express my gratitude to my family. My parents Modipadi wa Monare le Mahlako, Hlabirwa le Makhuduthamaga bao ba motswetsego, whose struggles are part of my proud legacy. My siblings, cousins, nephews and nieces for being there for me at all times. By way of exception, I single out my two sisters, Tubake Makgaretsa and Leshidi Motubatse. Ke re Ngwatomosadi wa Hlabirwa le Mahlako a Phaahla, life has not treated you kindly lately but you remain pillars of my strength. I am not the best of brothers you have but you never give up on me. My most reliable ally, Mmago Modipadi (Freda Legodi) and my two commitments in life, Mohube and Naledi, for inspiring me to keep going even when things are not easy.

Acronyms

AMCU	Association of Mineworkers and Construction Union
ANC	African National Congress
AZACTU	Azanian Council of Trade Unions
AZAPO	Azanian People's Organisation
BCM	Black Consciousness Movement
CONSAWU	Confederation of South African Workers Unions
COPAC	Cooperative and Policy Alternative Centre
COSATU	Congress of South African Trade Unions
CTA	Central de Trabajadores Argentinos
CUSA	Council of Unions of South Africa
DSM	Democratic Socialist Movement
FEDSAL	Federation of South African Labour
FEDUSA	Federation of Democratic Unions of South Africa
FIOM	Federation of Italian Metal Workers
FORCE	Federation of Organisations of Civil Employees
FOSATU	Federation of South African Trade Unions
IDC	Industrial Development Corporation
ILO	International Labour Organisation
ITUC	International Trade Union Confederation
MEWUSA	Metal and Electrical Workers Union of South Africa
MWT	Marxist Workers Tendency
NACTU	National Council of Trade Unions
NPSWU	National Public Service Workers Union
NUM	National Union of Mineworkers
NUMSA	National Union of Metal Workers of South Africa
OECD	Organisation for Economic Cooperation and Development
PAC	Pan Africanist Congress
PEU	Professional Educators Union

PSA	Public Servants Association
SACTU	South African Council of Trade Unions
SACWU	South African Chemical Workers Union
SAFTU	South African Federation of Trade Unions
SARB	South African Reserve Bank
SATLC	South African Labour and Trade Union Council
SFAWU	Sweet, Food and Allied Workers Union
SOPA	Socialist Party of Azania
TUCSA	Trade Union Council of South Africa
UE	United Electrical, Radio and Machine Workers of America
USI	Italian Syndicalist Union
WOSA	Workers Organisation for Socialist Action

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Chapter 1: Introduction

1.1. The Context

> There is one common feature in the development or, more correctly, the degeneration, of modern trade union organisations across the world: it is their drawing closely to and growing together with state power. This process is equally characteristic of the neutral, the Social-Democratic, the Communist and "anarchist" trade unions. This fact alone shows that the tendency towards "growing together" is intrinsic not in this or that doctrine as such but derives from social conditions common for all unions.
>
> The trade unions of our time can either serve as secondary instruments of imperialist capitalism for the subordination and disciplining of workers and for obstructing the revolution, or, on the contrary, the trade unions can become the instruments of the revolutionary movement of the proletariat.
>
> The neutrality of the trade unions is completely and irretrievably a thing of the past, gone together with the free bourgeois democracy.
>
> Does this mean that in the epoch of imperialism independent trade unions are generally impossible? It would be fundamentally incorrect to pose the question this way. Impossible are the independent or semi-independent reformist trade unions.
>
> Wholly possible are revolutionary trade unions which not only are not stockholders of imperialist policy but which set as their task the direct overthrow of the rule of capitalism. In the epoch of imperialist decay the trade unions can be really independent only to the extent that they are conscious of being, in action, the organs of proletarian revolution.
>
> In this sense, the program of transitional demands adopted by the last congress of the Fourth International is not only the program for the activity of the party but in its fundamental features it is the program for the activity of the trade unions.
>
> (Trotsky L. , 1937)

The Great Recession of 2008/9 was the most severe economic crisis since the Great Depression of the 1930s. It began as a crisis in the sub-prime market in the United States of America (USA). It spread rapidly across the world's financial markets. As is the case with all economic crises in capitalist economies, what began as a financial

crisis, soon betrayed its subterranean roots in the foundations of society: the real economy.

The US sub-prime market crisis quickly plunged the world economy into a recession resulting in a world economic crisis, both financial and “real”. The tremors of the Great Recession varied in tempo and degree in different countries, depending on their spatial and economical location in the world market system as well as their economic development, amongst others things. Still, the effects were felt everywhere, including the advanced industrialised countries and the neo-colonial world.

In its wake, the crisis wreaked havoc in the world’s economies and people’s lives. The economies of the G7 countries and the whole OECD[1] shrunk at an annual rate of 6% in 2008 (ITUC, 2009).The losses in aggregate equity were estimated to be well over $50 trillion, which means the losses were well in excess of the world GDP (Palma, 2009, p. 6). According to the International Monetary Fund (IMF), the decline in world economic growth reached 1,3% in 2009 and international trade plummeted to 2,1 %, in addition to a fall from 7,2 to 4,6 percent in 2007 to 2008(SARB, 2009). The dramatic fall in world trade aggravated the impact on the emerging economies of the world, which depend highly on trade for their continued growth (Smith, 2008). The most significant of these economies, the Chinese economy, lost significant momentum in its rapid growth (Mohamed, 2009), and only partially recovered on the basis of a massive public spending programme, which resulted in unprecedented accumulation of public debt in a short space of time.

[1]Organisation for Economic Cooperation and Development

By injecting trillions of dollars into the economy through state and private sector spending, China was able to partially recover and also managed to act as a major prop for world capitalism out of the morass of the crisis, accounting for 40% of global growth in the aftermath of the Great Recession. However, the spending was credit-financed, quadrupling debt since 2007 to $29,6trillion in mid-2017, thus making China single-handedly responsible for over one third of the growth in global debt (Lund and Mehta, 2018). Unsustainable growth of the national debt and slowing economies are now considered the biggest threats to world economic stability. This has dashed any hopes that China could continue to keep the wheel of the world economy on the trajectory of fast growth.

Although not on the same scale, South Africa was no exception. It was an integral part of the internationally co-ordinated response. This response was officially outlined in the “Framework for South Africa’s Response to the International Crisis” in February 2009 (COSATU, FEDUSA, NACTU, 2009). As fully discussed later, the Framework was developed in a series of multi-stakeholder negotiations convened by NEDLAC (National Economic Development and Labour Council). The most important of these was the Presidential Economic Joint Working Group meetings in December 2008 comprising of government, organised business, and labour and community constituencies at NEDLAC, which agreed on the main principles of the Framework that was ultimately adopted on 19 February 2009.

Negotiations on implementation of the Framework commenced in March 2009 in South Africa and at a G20meeting focusing on globally co-ordinated responses. Following the onset of the recession in South Africa in May, the President adopted the

Framework in June and announced measures to implement the framework in August 2009.

The Framework pursued counter-cyclical measures ranging from social relief measures to bailouts for industry and public spending programmes geared towards building of infrastructure and stimulating industrial activity in various sectors of the economy (PMG, 2009). In many ways the framework sheds a light not only on the official responses of various social forces and how they coalesced. Most importantly, it reveals the outlook, perspectives and strategic political policy and organisational responses of the trade union movement, which is the main focus of this study.

1.2. Rationale for the Study

A decade later, significant parts of the world economy have not fully recovered. The recovery has failed to overcome the recession's economic and social devastations. Even worse, the fundamental causes of the recession remain and measures taken by governments and central bankers to overcome it have aggravated these conditions. Massive debts in both public and private sectors are an enormous threat to economic stability, not only in China but most parts of the world (Lund and Mehta, 2018).

Some commentators warn of another approaching economic crisis. In many cases, authorities have depleted the means to resuscitate their economies. As a result these predictions have led to great apprehension from many quarters, including the trade union movement. If the forthcoming crisis was to hit before authorities have

replenished their fiscal arsenal, there will be less space for manoeuvring and, as a result, a deeper and more prolonged crisis for the working class.[2]

It is for these reasons that a study of responses of the trade union movement in the 2008/9 Great Recession is necessary. It is these organisations that represent a primary weapon of struggle for the working class. Whereas there is vast body of literature examining responses by individual unions to crises in various industries, unfortunately, there is no adequate examination in the existing literature of the broad political strategies of the entire labour movement and not just COSATU and its affiliates.

Critical analysis of the strategic responses of the primary organisations of the working class is indispensable to understanding this historical period as well as to provide a critique and lessons for recurrent, future crises. This study is aimed as a modest contribution to these necessary critical reflections and generalisation of the lessons on the prospects and results trade unions' work – their perspectives and strategies in this period. Theoretical reflections on these responses are vital for the political education and preparation of workers in the trade union movement and anyone fighting on the side of the working class in the impending economic and political upheavals.

1.2.1. Why trade union responses?

[2] The working class here is used in a broader context to include those that depend on labour (their own or the labour of others) for their income; the unemployed and the poor, including those dependent on survivalist activities.

It is the elementary proposition of Marxism that the most essential feature of every capitalist crisis is the desperate attempt on the part of the capitalists to offload the burden of the crisis onto the shoulders of the working classes and allow for the ruination of the middle layers (Marx, 1867).[3] This has been glaring in the South African case during the Great Recession, as it has been everywhere (Bhorat, 2009).

In spite of spontaneous resistance in many areas, the paralysis of organised labour, due to the policies of its leadership, meant it had to pay dearly for the ramifications of the economic collapse. Instead of leading the fightback, trade unions placed its faith in social pacts with the bosses. These pacts included the Global Jobs Pact between the International Labour Organisation (ILO) and the International Trade Union Confederation (ITUC). The pacts promise a whole range of progressive commitments by business and governments, which could represent socially just solutions to the crisis if they could be carried out. The main problem is that they are always conditional and depend on the blind forces of the market over which none of the parties has control. In exchange, organised labour commit to the principle of social dialogue. Unlike commitments of government and business, trade union commitments are immediately enforceable as they depend almost entirely on trade union leaders. They tie organised labour to endless negotiations and place the leadership of organised labour under tremendous pressure to moderate workers' demands and suppress workers' militancy, as the history of trade unions in this country proved with disastrous consequences for COSATU in particular, as we point out later.

[3] Middle layers, as used here and throughout the text, include professionals, small business owners and all social layers between the big capitalists and working class.

Encouraged by this passive, conciliatory response of the organised labour, in South Africa and abroad, the ruling class went on the full offensive (COSATU, The current international situation: implications for the left, 2011). However, attempts by the ruling class to dismantle whole welfare systems and every historic conquest of the working class[4] backfired. After much delay, the working class began to fight back in localised, sporadic skirmishes across the world but also in the revolutionary mass movements, the scale and breath of which had not been seen before. From spontaneous resistance, borne of desperation of workers, and without a clear strategy of the trade union movement, the resistance grew.

Arab Spring in the Maghreb region and Middle East, indignados movement in Spain and Occupy Wall Street in the US are just a few examples of these mass movements on the international plane. Although these movements were not always mobilised on strictly class issues or fought on the industrial plane, they reflected a growing anger at the worsening conditions of the working class in the wake of the Great Recession. This is clear from events that triggered the Arab spring to demands for housing raised in Occupy Wall Street, which directly responded to massive home foreclosures during the sub-prime housing market crisis.

It is this objective contradiction between the obvious determination of the working class to fight and the losses it has suffered that necessitates an examination of the role of its elementary mass organisations: trade unions. Looking particularly at the struggles on the industrial plane, the study is concerned with the role played by the South African

[4]The 2011 COSATU Central Committee report argues that the government switched from initial 'Keynesian style' measures to the restoration of neo-liberal austerity, in the most savage form (COSATU, 2011).

organised labour movement, arguably the most indispensable elementary organisation of the working class. To tackle this task, the key question which this study seeks to answer is: how has the labour movement, as represented through the official leadership of the South African trade union movement, responded to the 2008/9 global economic crisis? This study will discuss responses by the three federations existing at the time: the Congress of South African Trade Unions (COSATU), the National Congress of Trade Unions (NACTU) and the Federation of Democratic Unions of South Africa (FEDUSA).

In answering this question, we have to critically examine programmatic responses of the labour movement to the crisis and its manifestation at workplaces and beyond. However, in order to locate these responses in their proper historical and political context we have to consider a number of factors that are essential for understanding the way in which the labour movement has responded thus far. Key amongst these will be to examine the theoretical outlook of the trade union leadership on the role of the movement they lead today, in a society that has become crisis-ridden. Most importantly we seek to analyse how these ideological dispositions find expression in the perspectives, political policy and programmes they put forward in response to the crisis and its impacts on the working class.

1.3. Theoretical framework

In the decade after the 2008/9 crisis, South Africa, like the rest of the world, has changed significantly. These include fundamental changes in the configuration of the

trade union landscape[5] and are mainly due to the ramifications of economic crisis. A vast literature has been written in this regard (Ashman, 2015; Buhlungu and Tshoaedi, 2012; Hattingh, 2014). Economic crises are not a new but a recurrent phenomenon. A main feature of the current crisis – the attempt on the part of the bourgeoisie[6] to place the burden of the crisis on the working class and the resulting trade union responses to this – is in reality a major feature of every economic crisis under capitalism. As a result, it is possible to formulate theoretical generalisations on trade union perspectives and responses to the Great Recession, in South Africa and more broadly.

A review of the literature shows that there has not been any systematic study and analysis of responses to the 2008/2009 crisis by the three major South African trade union federations existing at the time. While studies have been conducted on the responses from COSATU, as well as specific unions, to various aspects of the economic crisis, there is no comprehensive study of the political strategy and programmatic responses of the broader leadership of the trade union movement as organised in the three federations.

Moreover, there is general neglect in the mainstream academic literature for the theoretical outlook and perspectives in the assessment of the trade union responses to economic crisis. As a result most of the academic literature suffers from empiricism, which entails examination of historical events and actions devoid of deeper theoretical

[5] While outside of the scope of this study, fundamental changes in the landscape of the South African trade union movement since 2010 include splits in COSATU, the surge in Association of Mineworkers and Construction Union (AMCU) and the formation of South African Federation of Trade Unions (SAFTU).

[6] In the Marxist tradition, bourgeoisie is used interchangeably with capitalists to mean a class of those who own the means of production – mines, factories, big farms, banks and so on as well as the political elite in capitalist societies.

analysis, failing to see the forest for the trees. When theory is the subject of study, the same method entails taking political declarations and ideological posturing at face value. On the contrary, dialectical materialism treats trade union activity as an outcome of rational political deliberations, elaboration and articulation of strategy and perspectives;, and ideological posturing and political perspectives are measured and tested against trade union practice and actions.

The literature on the historical and international struggles of workers in crisis situations such as the one under study, provides useful points of reference for our critique of the reaction of the labour movement in this case(Adams, 1988; Lawrence, 2014; Torigian, 1999; Ranis, 2005; Wetzel, 2006).Theories on trade unionism, in South Africa and internationally, have been widely studied (Alexandra, 2000; Basketter, 2009; Buhlungu, 2010; Byrne, et al., 2017; Clarke, 1978; Cliff and Gluckstein, 1986; Pillay, 2013). It is this literature that will greatly assist us in developing the understanding of the nature and dynamism of trade unions and how their essential and conjunctural features find expression in their strategies and their ability to respond to the crisis and its impacts. The literature that has been reviewed deals with key theories of trade unionism and critiques the role they play in our modern, class-polarised societies.

Most of the literature that has been found to be useful for the purpose of this study focuses on the history of the British labour movement (Clarke, 1978; Cliff and Gluckstein, 1986).It offers a critique of the ways in which the British labour movement responded to the challenges that confronted the working class in that country throughout the decades of its existence. This is particularly significant as the British labour movement emerged in the native land of modern capitalism. Britain also

remains amongst the most advanced, industrialised sections of capital in the world today. This literature provides a useful framework and provides tools of analysis for the South African labour movement. It is particularly rich in its theoretical heritage, providing a framework through which one is able to reflect on the historic experiences of the South African labour movement. It allows one to examine those tendencies that are general without losing sight of the unique features of the movement.

This combination offers the opportunity to develop an independent class and political perspective for the labour movement. The entire recorded history of the organised labour movement as well as experiences of the past decade, show that the trade union movement is dynamic and capable of self-correction. An example of this dynamism is the decision by the National Union of Metalworkers of South Africa (NUMSA) to withdraw its support of the African National Congress (ANC) at its 2013 Special National Congress, leading to its eventual expulsion from COSATU and the formation of a new trade union federation, the South African Federation of Trade Unions (SAFTU) in 2017.

As mentioned earlier, one aim of this study is to utilise the tools offered by the rich heritage of Marxist analysis, particularly as it developed into Trotskyism, in order to workout perspectives and concrete proposals that can be useful in the struggle for the renewal of the labour movement in the context of the on-going economic and ecological crises of capitalism. There are ongoing contestations to reclaim the organised labour movement for the purpose of class struggle (Buhlungu and Tshoaedi, 2012).The revolutionary idealism that built South African trade unions into giants of the organised working class a source of great possibility and hope. However, militants

currently fighting to reclaim the banner of the labour movement for independent political and class strategies often fail to articulate concrete strategies, alternatives or programmes. This is due to the lack of historical class memory as necessary points of reference.

There is an occasionally understandable prevalence of despair about the organised labour movement as represented by the so-called pessimistic literature, which suggests that trade union movements are doomed either by inherent tendency towards bureaucratisation and/or reformist political collaboration in the management of the exploitative relations of capitalist production (Michel, 1951). Despite this, international literature also variously reveals creative ways in which trade union militants have organised to push forward militant trade union strategies. There are cases where movements have seized the historic opportunities that capitalist crises offer to turn the tide of the ongoing capitalist offensive and begin to reassert the power of the organised working class and its capacity for a revolutionary way out of the current quagmire.

It is these revolutionary possibilities the trade union movement offers that Marxism basis its political optimism upon. Unlike other ‘left’ traditions like identity and post-modernist politics/ cultural theorists, Marxism does not see in a weakened organised labour the empirical evidence of the historical obsoleteness of class perspectives, struggle and socialism as the idea of ultimate freedom from all oppression and exploitation (Blackledge, 2011). Consistent with these empirical conclusions and scepticism about theoretical analysis of oppressions and prejudices based on the

critique of economic foundations of society, post-modernist identity politics rejects the centrality of the working class.

According to these perspectives, people fight based on the experience of oppressions and therefore each group in society should lead its own struggle. On the contrary, Marxism predicates its perspectives of every social phenomenon on the analysis of organisation and relations of production that are the foundations of society. Marxism argues that oppressions in society are based on exploitative relations of production based on the profit motive. According to this perspective, class as a relation of production is essential to the functioning of the system, and therefore primary in the struggle to end it. The Marxist tradition argues that organised labour remains central in the struggle against capitalism, both because exploitation of labour is an indispensable constitutive foundation of the system and because organisation at the point of production, the nerve centre of society, imbue trade unions with the foremost interest and power no other social force possesses (Blackledge, 2011).

The other body of literature that was consulted deals mostly with the history of the South African labour movement. Most importantly, the literature discusses political and theoretical controversies that characterised the internal debates and broad ideological struggles that shaped the official outlook and thinking of the current leadership of the federations under study (Baskin, 1991; Buhlungu and Tshoaedi, 2012; Byrne, Ulrich and van der Walt, 2017; Fine and Davis, 1991; Alexandra, 2000).Although by the beginning of the 21st century the independent trade union movement appeared completely subjugated, with debates muted and studies scant, the history and political debates on the ideas, perspectives and programme for the struggle against apartheid

have been vital, as the outcome of these debates have shaped the modern trade unions. This history has a direct bearing on the present state of trade unions and their strategic and organisational responses to the Great Recession (Pillay, 2013).

We have further engaged and discussed literature on the Great Recession. This material has been essential in providing not only an understanding of the depth of the crisis, but various perspectives on its character and the underlying causes. This literature is useful because the various perspectives it outlines provide theoretical elaborations of tendencies echoing in the workers movement. The literature provides tools to navigate and critique the perspectives of the trade union movement and responses that flow from them.

In summary, the literature reviewed can be briefly categorised as those that deal with the theory of trade unionism and the roles of trade union movement; the history of the labour movement in South Africa; perspectives on the current economic crises; critiques of ongoing trade union responses; and finally, those analysing revolutionary traditions and militant alternatives that the history of the workers movement offers.

1.4. Methodology

This research is a qualitative study focused mainly on developing theoretically-informed interpretations that are grounded in the reality of class struggle in South Africa. It takes as the point of departure the response of the leadership of the trade union movement of South Africa to the global economic crises, its impact on their members and the working classes as the whole. As already mentioned, the union

federations chosen for the case study are COSATU, NACTU and FEDUSA – the three biggest trade union federations in existence at the time of the Great Recession.

Strauss and Corbin (1990) argue that qualitative research enables us to study, amongst others things, social movements and produce findings without a resort to statistical procedures or other means of quantification. Some areas of scientific enquiry naturally lend themselves to qualitative methods of research (Strauss & Corbin, 1990).

A review of the experiences and responses of trade union movements to the most recent economic crisis lends itself best to qualitative enquiry. The design of the research is both descriptive and explanatory because we seek to establish the precise response from the leadership of the labour movement to the crisis and to provide a Marxist analysis and critique of this response. We must, for instance, be able to explain why and how it happened that the South African labour movement came to be in a corporatist relationship with the state and capital. We must consider why the labour movement did not employ alternative forms of engagement, such as militant absentionism argued for by van der Walt (2011) and/or a revolutionary oppositionist approach advocated by Trotsky (1937)

These revolutionary class-oppositionist policies would express the independent class politics and revolutionary socialist aspirations which are formally espoused by major parts of the organised labour movement, in particular COSATU and NACTU.[7] They

[7] Both COSATU and NACTU consider themselves socialist labour organisations.

are also consistent with the official 'Marxist-Leninist' rhetoric of the COSATU leadership and 'political party independence' of NACTU and FEDUSA.[8]

The study is not what C. W. Mills calls "abstracted empiricism", which, as De Vaus (2001) explains, entails mindless fact gathering. This study aims to be a penetrating investigation of the perspectives and strategies, as well as the political and organisational responses, of the trade union movement to the Great Recession. As discussed, it is necessary to engage with various tools of theoretical analysis in the literature to explain and critique the perspectives of the trade union leadership and the official responses of the labour movement that flows from these perspectives and strategies. Strauss and Corbin (1990) explain that there are those researchers who are concerned with building a theory in order to bring reality to light through theoretically-informed interpretations and also providing a sound basis for a practical action. An underlying assumption behind this method is the fact that people play an active role in shaping the world they live in.

The intention of this study is not to build a new theory of trade unionism. It does however aim to provide theoretically-informed interpretations of the responses of the labour movement towards the Great Recession that could inform future action.

Whilst the study will be exploring and engaging various theories on the role of the trade union movement in general and, equally so, the theoretical tendencies which at

[8] COSATU defines itself as a Marxist-Leninist Federation in its statutes and official documents (COSATU, 2012; COSATU, 2009). NACTU and FEDUSA are both officially non-aligned in spite of close relationship between NACTU with the Pan Africanist Congress (PAC) and Black Consciousness Movement (BCM) parties i.e. Azanian People's Organisation (AZAPO), Socialist Party of Azania (SOPA), and so on.

various points of the evolution of the modern South African labour movement contested and shaped its political discourse, this research is fundamentally grounded on the theoretical perspectives and methods of revolutionary Marxism. It seek to vindicate and demonstrate the enduring value of this revolutionary tradition of class analysis, perspectives and programme.

1.4.1. What is revolutionary Marxism?

The term 'revolutionary Marxism', as discussed in this research, refers to its use in the Marxist-Leninist-Trotskyite tradition. It is used here to distinguish this tradition and the perspective of Marxism from the many other traditions with historical connection to Marxism. A criterion for its selection is also the fact that the tendencies of the trade unions under study here refer to this tradition in their official strategies, perspectives and methods.

Marxism as a theoretical tradition is nearly as old as the modern labour movement itself and has its origins in the writings of its 19th century pioneers, Karl Marx and Frederick Engels. As a philosophical system Marxism dates back to the writings of Marx and Engels in the early 1840s. These ideas found organised expression with the foundation of the Communist League in 1847, and later, the International Workingmen's Association, otherwise called the First International, where it also crystallised as a distinct political tendency in the polemics with other theoretical tendencies on questions of theoretical perspectives and political strategy for a workers' movement (Schmidt and Van Der Walt, 2009).[9]The term is used here to distinguish

[9] In the First International there were Fabians, who were mainly British trade unionists and theoreticians like Webb and Webb, who believed in gradual reformation of capitalism into socialism, without a need for a revolution and through class collaboration and work in state reforms (Cliff and Gluckstein, 1986), as well as

this tradition from Social Democratic traditions, which gained prominence in the Marxist Second International. Many Social Democratic parties today are part of the mainstream or centre left and have also 'officially abandoned' Marxism.[10] It also seeks to distinguish this tradition of Marxism from many Stalinist parties like the South African Communist Party (SACP), which embraced and developed theoretical interpretations of Marxism that reconciled their policies with capitalism and allowed them to participate in capitalist governments.

The term 'revolutionary' is therefore not chosen arbitrarily to distinguish it from these other traditions. The Trotskyite tradition argues that no lasting reforms or meaningful changes, let alone systemic changes, are possible without a socialist revolution and the transformation of society (Trotsky, 1938).It is as much what is distinct as it is what it shares with the other revolutionary traditions within the workers movement, that makes this trend what is. For this reason, in applying its methods and perspectives, I borrowed heavily from other trends, especially Syndicalism, to the extent that they share the same critique and perspectives on trade union strategy and responses.

1.4.2. A theoretically-informed critique and objectivity

A commitment to theoretically-informed interpretations of the trade union responses does not mean prejudging the outcome or trying to force the objective facts to fit into

Bakunists/Anarchists, who believed in the necessity of a revolutionary class struggle but opposed the need for revolutionary parties and workers' state, amongst others (Schmidt and Van Der Walt, 2009, pp. 45-47)

[10] The founding party of this International, the Social Democratic Party of Germany, which was established by followers of Marx, amongst others, decided at its 1957 Congress to renounce Marxism as the official party ideology.

a particular theoretical scheme that was decided beforehand. The study was conducted with open-mindedness, including a readiness to be surprised by the outcomes of our findings. This approach simply means tapping into the rich theoretical heritage, as Rosa Luxemburg (1900) put it, on which rests the entire strength of the modern labour movement.

This report is predicated on the second proposition discussed by Strauss and Corbin (1990) – that people are agents of change. In the context of the ongoing crisis, everyone recognise the need for social change, albeit arguably, from contradictory and irreconcilably antagonistic class perspectives. Marxist theory argues that the working class and organised labour is the only social force with the motive and potential for a revolutionary change commensurate to the crisis of modern capitalism, and so is the motive force of this change (Blackledge, 2011). To approach the crisis and responses to it from its class standpoint is to engage in a quest for the true purpose of science, which as Mandel (1977) argues, is to perfect the social practice of humanity. It can be fairly argued that in the context of ongoing ecological and economic turmoil, we must look towards the transformation of the organisation and relations of production in a manner more compatible with the future of humanity and the planet.

In Marxism, this true purpose of science therefore consists not only in broadening human horizons, but also in raising the productive organisation of society to greater historical heights. As John Bellamy Foster(2013) argues, without a socialist revolution in the current capitalist mode of production, its organisation and relations of production, humanity will not overcome the fundamental breakdown in its internal

anatomy; the metabolic equilibrium in its ecosystem resulting in impending ecological catastrophe. Capitalist modes of production no longer only threaten the barbarism Rosa Luxemburg predicted in the early part of the twentieth century, but the very existence of the human species. The changing climate is an existential threat for humanity and recurrent natural disasters already have a devastating impact on the lives of many poor people (Taaffe, 2017).

According to the co-leader of the Russian Revolution, Leon Trotsky (1938), the capitalist class is hopelessly tied to its profit system and incapable of resolving any of the problems of their system. He concludes that the historic crisis facing humanity therefore boils down to the crisis of working class leadership (Trotsky, 1938), at the core of which is the crisis of trade union leadership. This argument is a motivating factor for the research under study. Layers of activists in the labour movement, a potentially formidable force for social change, have so far been defeated in their stated aims of fundamentally changing society. If this can be traced to a lack of clarity on fundamental questions of perspectives, strategy and tactics then every contribution to the illumination of the problem and potential solutions is vital.

1.4.3. Marxism as a method of science and revolutionary class perspectives

This may beg the question: how can research grounded in an overtly partisan theory such as Marxism claim objectivity essential to the method of science? The rationale for this approach is predicated on the understanding that Marxism, as the theoretical expression of the generalised experiences of the workers' movement, is fundamentally scientific. The working class as the class that is exploited and oppressed has no need for concealing the reality and facts of its oppression and struggle. Furthermore, the

working class has a vested interest in understanding society – including the fundamental reality of its class exploitation as the material foundation of modern society; the laws of motion regulating its movement and the requirements for social change necessary to overcome the contradictions of capitalism. Ernest Mandel (1977) defines materialist dialectics – the scientific method of Marxism – as a proletarian theory of knowledge. He argues that "knowledge is not a phenomenon detached from the life and interests of humanity" (Mandel, 1977, p. 163). He points out that "[knowledge] is a weapon in the conservation of species, an instrument which enables humanity the better to… understand the origins of the 'social question' and ways to solve it. Knowledge is, therefore, born of the social practice of humanity, (and) its function is to perfect this practice" (Mandel, 1977, pp. 163-164).

In this sense, bias and partisanship towards the working class is not incompatible with science. The working class is the class whose interests correspond with the requirements of objectivity essential to the method of science. The insistence on objective reasoning and empirically verifiable facts find its theoretical articulation in dialectical and historical materialism,[11] a philosophical framework and method of Marxism. This philosophy of Marxism holds 'truth' to be a revolutionary and indispensable weapon in the struggle to change human conditions. Rosa Luxemburg sums up this outlook when she states that: "As Lassalle said, the most revolutionary act is and forever remains to say loudly: what is" (cited in Brie, 2019, para. 15).

[11] Dialectical materialism is a theory of laws of motion, whilst materialism is a philosophy which considers a matter primary, and mind and all its products (ideas, feelings, etc.), derivative of matter. Historical materialism is the theory of history based on the application of dialectics and materialist philosophy to society (Mandel, 1977, pp. 151-181).

The significance of the theoretical framework that should guide the interventions we will be making in our critique is well argued by Burawoy (1998) in his examination of the extended case study method. We engage our subject of study with consistent tools of analysis in order to, again, prevent from degenerating into an exercise of mindless fact gathering, as warned against by C.W. Mills (De Vaus, 2001). This approach can be described as 'interpretive historical sociology', which, as Skocpol (2012) explains, uses concepts to develop meaningful interpretations. It deliberately stresses the meaningful outlooks of the intended audiences including, in this case, politically oppositional audiences such as working class militants seeking alternative, revolutionary class perspectives and programmes in response to the consequences of economic crisis.

1.5. Case Study

As already indicated three federations have been selected for this study: COSATU, NACTU and FEDUSA. It should be stated that these federations and their affiliates were not entirely representative of the broad labour movement in South Africa owing to the proliferation of many, mostly independent unions.[12] The three federations, COSATU, FEDUSA and NACTU were considered the official representations of the labour movement, not only in official circles but also in public and working class opinion. Most of the unions outside these federations, perhaps with the exception of Solidarity, which is part of CONSAWU, play no visible role in the politics of the

[12]At the time of the crisis, there was also a fourth federation, the Confederation of South African Workers Union (CONSAWU), but it was never officially recognised by, for example, the National Economic Development and Labour Council (NEDLAC)(Bell, 2018).

organised working class and even with Solidarity's 130 000 membership, they represented less than 10 percent of overall union membership (Lawrence, 2014).

These federations represented the overwhelming majority of the unionised workers in the country. COSATU's membership reached 1,8million members, FEDUSA's over 500 000 and NACTU near 200 000 (Lawrence, 2014). Together these constituted the majority of unionised workers and thus provide a fair representation of the official position, state of mind and general reaction of the labour movement to the global economic crisis of 2008/9 and its impact on the South African working class.

Although the once-mighty COSATU today represents a shadow of its former self (Buhlungu and Tshoaedi, 2012, p. 18), alongside the other two federations, it commanded authority in the eyes of the working class, far beyond the actual reach of their combined membership. Working people looked to these federations for leadership and they were seen as a battering ram with which the working class tried to fight to improve their lives. Therefore, it was to these organisations that the working class first looked to for organisation, strategy and action. It was necessary therefore that the focus of the research had to look in the same direction as the entire labour movement: the leading summits of these federations.

1.6. Data Gathering Process and Sampling

As already stated, data was collected using qualitative research methods. Methods included the review of the literature, collection of documentary sources and interviews with key individuals in the leadership of the trade union federations selected as the targeted unit of this study. The literature review focused primarily on the theories on

trade unionism in general; varying forms of trade unionism (social movement unionism, political unionism); the history and critiques of the South African labour movement; and finally, literature discussing experiences of the international labour movement during periods of economic crises.

1.6.1. Literature

Theoretical critiques forged in the study of the historical and recent international experiences of other labour movements have been highly useful in assisting to critically engage the corporatists and other strategies of the South African labour movement. An integral part of this research has been a comparative study of responses to the economic crisis by the South Africa trade union movement as compared to the responses of the labour movements confronted with similar crises internationally and in the past.

Another body of literature reviewed concerned various theoretical perspectives on the causes and character of the Great Recession. This literature spans across class and ideological divides, ranging from bourgeois neo-liberal perspectives to various strands of left-wing thought including Keynesianism and Marxism. We further engage debates in these different intellectual traditions to gain better insight on the conceptualisation of the crisis across the theoretical spectrum of society.

1.6.2. Documentary material

Usage of documentary information focused mainly on reports, particularly congress reports, minutes of meetings, resolutions, media statements, union newspapers, speeches, articles, submissions, memorandums, NEDLAC agreements, declarations and other documentary material that will illuminate the positions of the federations and unions within them. The use of all these documents was essential to the examination of perspectives, attitudes and motivations of the leadership of the union (Hughes, 1978).

1.6.3. Ethnographic and participatory observations

The ethnographic approach was followed because as Adler and Adler (2003, p. 42) observe, ethnography is like “a portrait of the people, it describes and analyses the beliefs, motivations and rationales of the people in a particular setting. “This was absolutely necessary to gaining a profound understanding of the ideological dispositions of the subjects, how they view their role and, flowing from these, the nature of the responses they articulate in their leadership of the labour movement.

This was, however, far from a disinterested and distant study. On the contrary, it involved immersive participatory observation by the researcher. This included active involvement in some of the most important decision-making bodies, processes and events described and analysed in this research. Personal accounts and information therefore feature substantially throughout the report.

1.6.4. Advantages and risks of participatory observation

As an official in the NACTU-affiliate at the time of gathering the information and conducting interviews for this research, the researcher had fairly easy access to various top leaders of the trade union movement interviewed here as well as to important documents and other data. It also meant that there was the benefit of accessing information first-hand, which made it possible to distinguish facts from official rhetoric.

This advantage, however, also comes with its own risk. As a direct participant, it meant people that were interviewed may have tailored their views to accommodate mine. Most importantly, there maybe unconscious biases, partiality and blind spots. Being conscious of these risks, and greatly motivated by a desire to understand and draw an objective account of the lessons of the strategies and interventions of the organised labour in the Great Recession, this researcher has endeavoured to be as impartial and objective as is required, while recognising the limitations of these attempts. An effort has been made to check and countercheck personal recollections with archival materials and reflections of others not personally vested to test the balance in the reporting and objectivity of the analysis and conclusions drawn.

I have always been motivated by an absolute loyalty to the working class and firm conviction to the centrality of its role to bring about any fundamental change. This overrides any loyalty to any one of its organisations. With this in mind, I have endeavoured to subject every action, response and critique of my former and present colleagues and comrades to an unsparing critique, regardless of my personal and political disposition towards them; the organisations they represent and the role I have personally played in these organisations.

1.6.5. Interviews

I conducted in-depth interviews with eleven top leaders of the three federations under study. I interviewed three leaders from COSATU, four leaders from NACTU and four leaders from FEDUSA. These were:

1) FEDUSA –Koos Bezuidenhout (NEDLAC Negotiator-President soon after), Dennis George (Secretary-General), Arlene Conradie (Social Project Officer) and Leon Grobler (NEDLAC labour market representative);

2) COSATU – Patrick Craven (Former Spokesperson), Bheki Ntshalintshali (Former General-Secretary), and Jonas Mosia (Industrial Policy Co-ordinator and NEDLAC representative);

3) NACTU – Joseph Maqhekeni (Former President), Samela Manene (General-Secretary), Moemedi Kepadisa (Former Education, Research and Policy Development Co-ordinator) and Simphiwe Ganxa (Former representative at NEDLAC).

While this number represents a small sample, it is adequately representative if we are clear that the study focuses on the official position of the labour movement and the role it played during the crisis as articulated by its leadership. The participants were selected on the basis of their positions and role in shaping trade union strategy at the time. The main thrust of the trade union strategy involved negotiations with government through NEDLAC structures in particular. It was therefore those who were

directly involved in shaping this trade union strategy and were central to its articulation, internally and during negotiations, that were preferred for interviews. Further considerations included the positions they held, the influence they wielded and their accessibility. The selected participants constituted the most representative sample of leaders and allowed for a balanced account of what the trade union movement thought about the crises and the consequences for their members. Schuman (2002, para: 40) notes that “the value of a sample comes not simply from its size but also from the way it is obtained”. Equally, the size of the participants has to be kept as small as possible to be manageable (Weiss, 1994).

The interview schedule (Appendix 1) covered all the questions and issues necessary for the purpose of acquiring an in-depth and clear understanding of the analysis and responses of the labour movement to the Great Recession.

1.7. Ethical Considerations

The participants in the interviews were informed well in advance of the purpose of the interviews and the rights they have, including a choice to remain anonymous and not answering any questions they do not want to. Respondents were given consent forms (Appendix 2) that outlined the purpose of the study, their rights as well as the potential risks and benefits of participating in the study. I also explained the handling of the transcripts and the publication of the outcome so that they were able to exercise their choices on an informed basis. None of the participants interviewed invoked the choice to remain anonymous or to abstain from any question.

1.7.1. Limitations and challenges in data gathering

The method used in assembling the union perspectives and responses to the crisis has limitations. Though the data collected can be said to adequately represent the views of the leadership, this cannot reflect the overall views of entire organisations that represent millions of workers. Limited by the constraints of time, accessibility and resources, collecting data from a truly representative sample would not have been possible. I also recognise that the official position of the labour movement is not always the position as *articulated* by the official leadership of the union. This is a as a result of a variety of factors including deliberate distortions of organisational resolutions resulting from the displeasure of leadership in relation to the positions adopted by higher decision making structures such as their Congresses. Precautionary measures were, however, taken to try and guard against some of the above factors. Key amongst these measures were to measure and test the positions of the organisation as articulated by the respondents against the official resolutions of Congresses and other decision making bodies, official declarations, submissions and media reports as well as official reports to members of the federations.

1.8. Summary of the Report

This report seeks to engage and critique trade union strategies and work carried out in defence of the workers against the impacts of the Great Recession of 2008/9.To fulfil this task, the report not only considers the policy statements and organisational work done by the trade union federations under study, but various factors and forces that informed their policies and actions.

The report argues that there is no way of meaningfully engaging with any of the organisational positions and actions of the trade union movement without locating

them in their proper historical context. Chapter 2 outlines the root of the problem – the impacts of the Great Recession on the South African economy and how the capitalist class successfully offloaded it onto the petit-bourgeois,[13] working classes and the poor. Most importantly, it highlights the workers' resistance; the contradictions between the workers militancy as demonstrated by the pushback from workers and their communities on the one hand and the trade union policy of class collaboration on the other.

The chapter concludes with a general analysis of the crisis of trade union leadership. The most fundamental factors considered in the contextualisation of the policy responses and practical activity of the South African trade union movement are 1) the broader policy framework, 2) trade union perspectives and strategies in the current economic and political conjuncture, 3) the historical forces and factors that shaped and contested these perspectives and strategies, 4) how these perspectives and strategies were articulated during the economic crisis and 5) the results of these perspectives and strategies.

Consistent with this approach, the research continues with the review of the literature on the historical origins and purpose of the trade unions in general and the South African trade union movement in particular in Chapter 3. This chapter looks at both the historical origins and various theoretical perspectives on the purpose and role of the trade union movement since its inception. It also considers the origins of the South African labour movement from the birth of the industrial proletariat with the advent of industrial mining and traces its historic evolution to this day. In tracing the curve of the

[13] Petit-bourgeois is used here interchangeably with the middle-layers.

historic formation of the trade union movement, it also reflects on the various political tendencies which contested and shaped this process and their legacy in the politics of the modern trade union movement.

Chapter 4 reflects on the economic conjuncture as the objective context to the trade union responses. The chapter also includes analyses of various theoretical perspectives on the origins and causes of the current economic crisis as well as their echo and implications for trade union perspectives, policies and responses.

The articulation of these perspectives in the trade union strategies and programmes during the crisis is considered in Chapter 5. Here the report looks at the policies and practical activity of the trade union movement in this period. It engages and assesses these actions. The report looks at the activity of each federation and focuses mainly on the programmatic responses and policy statements of the official leadership of the federation.

To evaluate the effectiveness of these responses, Chapter 6 considers alternatives to the policies pursued by the trade unions in this crisis. The chapter discusses the historic precedents of the most militant responses and alternative fighting strategies workers and trade unions have developed in this country and internationally.

In conclusion, Chapter 7 draws the balance sheet of trade union responses and evaluates the effectiveness of these responses and prospects for future strategies in view of the high likelihood of worse future crises.

Chapter 2: The Crisis

2.1. The Great Recession in South Africa

The South African capitalist class, like their counterparts globally, did not predict and were not prepared for the recession. The political establishment were assured of the soundness of their economic governance by the confidence of foreign investors, economists, credit-rating agencies and neo-liberal think tanks – an endorsement they cherished and echoed widely in their public statements- reflected in the newspaper headlines at the time: Manuel dismisses recession talk (Reuters, 2009). They were so shocked by the crisis that their first reaction to the initial tremors was to deny that it was happening (Marais, 2009). When the intensity of impacts made denialism untenable, they switched to whistling in the dark to maintain public confidence. Then Minister of Finance, Trevor Manuel personified this despair of the political establishment and ANC. As retail sales were falling, new vehicles sales plunging, and manufacturing – the economy's second biggest sector – suffered its biggest contraction in 10 years, Manuel was still insistent that there was no recession, but positive growth (Reuters, 2009). As late as early 2009, he argued that:

> We're waiting for the fourth quarter numbers to come and then we have to see what the first quarter looks like, but on past performance we are not in recession. Although it sometimes feels in people's minds that the economy is in recession ... as of now we are looking at positive growth.(Reuters, 2009)

He went on to estimate growth of 3.1% in 2008, and projected it to slow down to 1.2% in 2009 before recovering again. This was based on the perspective that the lowering

of interest rates would have a positive impact on consumer spending and that there would be a speedy recovery in the global economy (Reuters, 2009).

Instead, private sector investments and spending went down dramatically. There was 4% contraction in investment in the second quarter of 2009, which escalated the crisis. Although counter-cyclical, expansionary public spending, including the yearly 19% increase from 2008- 2010, absorbed some of the pressure on the economy, it was simply inadequate to counteract the effects of contractions in the private sector (National Treasury, 2009).

After months of debating 'technical terminology', government ultimately admitted that South Africa was in recession. 'We have entered a recession,' Jacob Zuma (2009) admitted months after global recession had been wreaking havoc in the economy. Nonetheless, they immediately went on to assure everyone that the (de)regulatory framework they erected had fortified the economy, which could absorb the vibrations of the world recession with little or no impact being felt by the population (Marais, 2009).In the same speech he added that 'South Africa has not been affected to the extent that a number of other countries have' (Zuma, 2009). This was echoed by the then central bank governor, Tito Mboweni, who went further to claim that 'the worst is probably behind us' (Marais, 2011, p. 146).

Only when the entire economy was in decline, with every major industry in crisis, did government finally admit that the impacts of the recession were real and unavoidable.

In the meantime, the gospel of hope of the Old Testament prophets[14] had given way to evangelism of paradise beyond the gloom and doom of the passing Armageddon. During this time government's message was that the crisis was a passing storm and that this will be achieved more quickly if the trade union movement worked alongside the state and business to maintain industrial peace (Zuma, 2009).

Soon after recession stein, it was clear that every defence in the neoliberal economic architecture – including checks-and-balances and self-correcting mechanisms – was collapsing in the face of its severe impacts on industries across the economy. It soon became clear that the consequences would be worse than the gloomiest scenarios projected by many analysts.

The Deputy General Secretary of the South African Communist Party, Jeremy Cronin, sharply expressed a sense of betrayal in March 2009, soon after the release of the growth statistics for the last quarter of 2008.He wrote: "We were assured our financial sector was prudentially managed and well regulated. We were, supposedly, relatively well insulated. A growth rate of 3-4% for 2009 was still confidently predicted" (cited in Marais, 2009, p. 2).The economy went into recession in the first quarter of 2009 after the Growth Domestic Product (GDP) contracted by an annualised rate of 6,4% in the

[14]In his 2006 State of the Nation Address, Thabo Mbeki dressed his characterisation of the state of the country in the biblical language of the Old Testament as 'the Age of Hope'. This was a reference to the prolonged period where there was a positive performance in the economy and improvements in social conditions. In closing his address, Mbeki stated, "Clearly the masses of our people are convinced that our country has entered into its Age of Hope" (2006). He explained that not only will the county "not disappoint" their expectations, they are confident that what our country has done to move away from our apartheid past has created the conditions for them to appropriate God's blessing as revealed to the Prophet Isaiah: *For you shall go out with joy, And be led out with peace; The mountains and the hills Shall break forth into singing before you, And all the trees of the field shall clap their hands* [Isa 55:12, NKJV](Mbeki, 2006).

first quarter of 2009, following the decline of 1,8 % in the last quarter of 2008(SARB, 2009). According to the South African Reserve (2009) Bank, this was the first economic decline in 18 years. The contraction emerged mainly as a result of blows suffered by export-orientated sectors of the economy such as mining, agriculture and manufacturing in response to the decline in global output (SARB, 2009).Manufacturing declined at the staggering rate of 22,1% in the first quarter of 2009, following a similar contraction in the two preceding quarters (SARB, 2009). In addition to the crisis in the manufacturing sector, the mining sector registered an even worse contraction of 32, 8% in the first quarter and trailing behind it was the agriculture sector with a decline of 2, 9% (SARB, 2009).

2.1.1. The Impact on Working People and Middle Classes

Indeed, across the world, the working class was made to carry the highest burden of the crisis. The International Labour Organisation (ILO) reported that over 34 million workers lost jobs and hundreds of millions of people swelled the ranks of those considered 'extremely poor', increasing the number to 1,4 billion people living on less than $2 dollars per day (Bakvis, 2009). South Africa was no exception to this rule. By conservative estimates,[15] it lost 1 million jobs during the recession (Wilkinson, 2014).

Massive job losses, lay-offs and short-times became a fundamental feature of the period (Marais, 2011). Most of these losses took place in the manufacturing sector as the sector worst hit (Marais, 2011). The sector lost 179 800 jobs in the two years

[15] Bhorat (2009, p 109-113) using projections of the expected levels of unemployment based on the previous growth rate, concludes that the official statistics are misleading. This is further supported by Wilkinson (2014) who shows that whereas absolute employment levels has returned to the pre-crisis level, a much more reliable measure of unemployment rate remains higher at 24,1% in 2013, compared to 21,9% in 2008.

(SARB, 2009).In addition, tens of thousands of workers were placed on short-time and working conditions deteriorated (SARB, 2009). Many more lost their means of survival as businesses were closing, with liquidations increasing by a staggering 75% from December 2007 to the same month in 2008 (Bhorat, 2009). These were predominantly small and medium close corporations with those in construction, utilities and transport making up 84,9% of these liquidations(Bhorat, 2009).

It was not just on the industrial plane that middle and working class people were registering losses. Many people lost private assets accumulated in the boom– cars, homes and other modest possessions purchased with cheap credit and a modest rise in income levels– were lost through bank repossessions (Bhorat, 2009).

2.2. The Causes of the Great Recession

Soon after the beginning of the crisis with the sub-prime housing market collapse in the USA, a debate on the nature of the crisis started and has been ongoing. Since the onset of the Great Recession analysts have focused on the key question: What caused the Great Recession of 2008/9? Although there is a serious divergence on the theoretical explanation of the underlying causes, the immediate trigger of the Great Recession is commonly accepted: the collapse of the sub-prime housing market in the US in 2007/2008 (Baxter, 2009; Krugman, 2009). However, the depth, duration and universal character of the Great Recession suggests there is more to the crisis than the reckless lending practices of the banking sector in the US. To be sure, the scale of the reckless lending was enough to trigger an economic crisis (Amadeo, 2019).[16]

[16]The USA's national debt stood at $9,008 trillion in 2007, which was 62% of the GDP in the year when the Great Recession hit the US.

But typically, a crisis like that would have hit only the sub-prime housing market and industries most immediately connected to it such as banking and construction in the USA and in countries where these industries are directly exposed, through equity or credit interests and/or trading relations. The swift contagion of the crisis across the economy and the world, its rapid, epidemic spread into a world economic crisis and its enduring severity, reveals that the causes must be deeper than the miscalculations of a few greedy bankers in the USA alongside those in and outside the USA who underwrote their reckless lending in the sub-prime housing market. (Kliman, 2011).

Seeking explanations for these underlying causes has been a source of contentious debate in academic and political circles. In South Africa, the debate has been muted. There are discussions of the recession by various writers, but none of these has had the impact of sparking serious discussions in the public domain including in the trade union movement, whose perspectives and responses to the crisis is the subject of this study. The workers' movement, organised in its major trade union federations, has failed to seriously reflect theoretically and debate robustly, at the political level and within their ranks, the nature of the economic crisis so as to develop their own theoretical perspectives on its roots[17]. The reports and consolidated resolutions from affiliates to COSATU's 10th Congress in September 2009 are symptomatic of this feature. NACTU and FEDUSA meetings at this point were no different.[18]To the extent that the trade union movement have appropriated and incorporated various

[17] Conference reports and discussion papers of COSATU and all the leading bodies of the federation do not indicate any serious analysis and strategy for the crisis during and beyond the recession. FEDUSA produced only a single document and NACTU absolutely nothing to guide affiliates.

[18] Besides participation in NACTU meetings at this time, this researcher had access to FEDUSA leadership through caucuses of ill-fated South African Confederation of Trade Unions, the confederation of the two federations, NACTU and FEDUSA and Annual Labour school, where COSATU also participated.

perspectives in the academic and public domain, it is imperative that these perspectives are analysed, particularly to the extent that they echo in the workers' movement.

2.2.1. Background to the Great Recession

The best way to understand the latest world economic crisis is to start with an analysis of the objective changes in the historic trajectories of world capitalism since the middle of the twentieth century. To reach this understanding, it is not necessary to trace every single economic development but major trends of booms and busts in the world economy, particularly since the economic slump of the 1970s. Marxism considers capitalism as a crisis-riddled system based on insoluble contradictions, which develop through cycles of booms and busts, with each cycle preparing the conditions for the succeeding cycle. As Harvey summed up, "The fundamental theoretical conclusion (of Marxism) is: capital never solves its crisis tendencies, it merely moves them around" (Harvey, 2010: para.27).To understand the conditions that caused the Great Recession therefore requires that we understand the Great Slump of the 1970s as the last major world economic crisis that prepared the conditions for the current crisis.

2.2.2. The Great Slump of the 1970s

The post-World War II period was a time of prolonged and unprecedented development of productive forces and the world economy. Massive destruction caused by the war, application of war-driven technological inventions, concessions of the welfare state in advanced countries and independence in the colonial world forced by revolutionary mass movements protesting war conditions and slaughter, created

conditions for massive growth in capital and consumer spending that underpinned a prolonged boom (Kliman, 2011).

The boom lasted as long it did due to its solid foundations in the increased productivity, high profitability and growing domestic and world markets. However, it began to lose momentum in the late 1960s**.**The Great Slump of the 1970s began with the slowing down of world economic growth and a decline in the rate of profitability in the late 1960s (Kliman, 2011). Since 1965 the world economy started slowing down and never recovered until it culminated into a full-blown slump in 1973(Brenner, 2003). Whereas the root cause of that slump, like the current crisis, remains a subject of polemical discussions in academia and across the political spectrum, its key features are not in dispute. The most obvious features were overproduction and overcapacity, which, by lowering prices due to intensified competition, reduced levels of profitability, capital investment, employment and consumer spending (Brenner, 2003). Every attempt to fix the economy within the old policy framework failed dismally throughout the 1970s (Brenner, 2003).In the late 1970s, consensus began to develop at the top echelons of the society that there was a need for a decisive break from Keynesianism (Brenner, 2003).[19] This was the beginning of the worldwide counterrevolutionary, neo-liberal reforms.

2.2.3. Neo-liberalism and Globalisation

Since the crisis of the 1970s, there has been a drastic shift in mainstream economic thought away from Keynesianism. Following the Great Depression and Second World War, theories by the British economist Maynard Keynes became the dominant

[19] Margaret Thatcher and Ronald Reagan in the UK and US, respectively, led a world-wide neoliberal agenda.

framework for economic thought across the world. The predominance of these ideas came against the background of heightened class struggles including revolutionary mass movements in vital countries of world capitalism, the spectre of Bolshevism and the Soviet Union and, most importantly, the longest period of economic boom in the history of world capitalism (UN, 2017).

As stated earlier, the prolonged boom was driven primarily by the reconstruction of war-ruined Europe, increased productivity aided by applications of technological breakthroughs, mass consumption in the industrial world and decolonisation (UN, 2017). Following the mass carnage of World War II and the revolutionary movements that followed, the ruling elite reached a political consensus and truce with the leadership of the workers' movements in many of the advanced capitalist countries to save their system (Adams, 1988). As the post-war boom came to a sharp end in the 1970s, so did Keynesianism as the dominant ideological outlook of the ruling classes.

The crisis of the 1970s created a phenomenon termed 'stagflation', the occurrence of high inflation accompanied by a sluggish economy or stagnation, which were previously thought to be inversely occurring (Krugman, 2009). With a massive budget deficit and falling rates of profitability, the ruling class everywhere turned their back on Keynesian ideas and rediscovered the ideas of the founders of classical economic thought such as Adam Smith, to rationalise the counter-reform measures required to restore profitability. These ideas provided justification for wholesale attacks on the working class as the capitalist class was clawing back the ground it lost in the class struggles of the period following World War II. This was necessary to open up new fields of profit-making for big corporations seeking outlets from saturated markets.

This unleashed a period that came to be described as ‘neo-liberalism’. Under the neo-liberal regime, the capitalist class dismantled the welfare system, cut wages and benefits and allowed for deteriorating living and working conditions for many workers to reduce the costs of social production and the reproduction of labour for capital. Public services were commodified; state-owned enterprises previously rendering these services were privatised along with other sections of the economy previously owned by the state to open fields for investments and profit-making for multinational corporations(Taaffe and Walsh, 2013).Essential services in both public and private services were outsourced, and increasingly delivered through casual, insecure and poorly paid labour. Regulations instituted to manage the worst excesses of capitalism and insulate economies from volatility in world markets were also dismantled. In South Africa, these included regulations of the financial sector that constrained mobility of capital and restrictions on foreign trade that protected various sectors of the economy against foreign competition (Marais, South Africa Pushed to the Limit: The Political Economy of Change, 2011). These measures, coinciding with a new revolution in information and communication technology (ICT), facilitated a period of accelerated international trade and integration in the world economy, also called ‘globalisation’.

Globalisation – rapidly increasing international trade, unlocking markets previously closed to capital accumulation and profit-making – set the world economy on the course for recovery from the crisis of the 1970s. Now aided by the ICT revolution, unrestricted world markets, finance monopoly capital heralded the race to the bottom, by freely moving capital around the globe in search of high profits in sweat-shops with cheap labour in places like China and India (Marais, 2011).

2.2.4. Neo-Classical Economic Perspectives

Neo-classical economic perspectives have their historical roots in the ideas of the pioneers of the economic sciences like Adam Smith and David Ricardo (Greenspan, 2007, pp. 260-266).These classical teachings still dominate school textbooks today. Like their original teachers, neo-classical economists believe that the market economy is the best possible way to organise society, increasing productivity and the overall wealth of society. Their ideas primarily consist in the philosophical belief that the economy operates better when left to the blind mechanisms of the market, the 'invisible hand' as Adam Smith calls it.

According to this belief, the market, being a free meeting point of competitive individuals, each of whom is pursuing selfish interests, that is, meeting his or her own material needs and maximising satisfaction of those needs, stimulates energy, creativity and innovation, which, in turn, increases productivity, grows the economy and ultimately improves the living standards of society as a whole. Their absolute faith in the efficiency of the markets stems from the idea that when people are free to pursue their selfish interests, they are in a better position to make the most rational choices about the best allocation of their resources to maximise satisfaction of their personal needs and grow their wealth.

The neo-classical economist argues that this logic of market consumerism and profiteering is a dynamic mechanism which guarantees, firstly, quality goods and services at the most affordable prices; secondly, the most efficient allocation of resources of society in rational consumption and productive investments; and thirdly,

encourages constant innovation on the part of business to remain competitive in terms of quality, affordability and innovation, resulting in a constant rise in productivity and a dynamic, growing economy(Greenspan, 2007, pp. 267-293).

The neoliberal policies of the past thirty years have been based on the ideas of neo-classical economists as outlined here (ibid).Having taken hold of public policy-making since the early 1980s in Western countries, the prominence of this ideological outlook was enormously boosted by defeats of the workers movements internationally, particularly its historic defeat with the collapse of the Soviet Union and Eastern Bloc in the 1990s. The collapse of these regimes followed decades of economic stagnation, and failure of reform programmes such as 'perestroika and glasnost' in Soviet Union to loosen 'bureaucratic planning and management' in favour of limited market reforms to overcome the stagnation.

The collapse of central planning and public ownership in the Soviet Bloc, gave way to the implementation of neo-liberal policies in these countries as well and consequently, workers struggling internationally against the injustices of capitalism no longer had an ideological reference point for alternatives to the capitalist system (Taaffe, 2017).

The consequences of these defeats was the ideological demoralisation of labour and progressive movements internationally and the triumphalism of capitalism. This fundamentally altered the balance of class forces in favour of the world capitalism. It was able, without serious resistance from the organised working class, to impose neoliberal counter-reforms as well as a brutal economic regime with these ideas (Taaffe, 2013).

By 1994, Nelson Mandela could state categorically, without serious protest from the SACP and COSATU, that “in our economic policies... there is not a single reference to things like nationalisation, and this is not accidental. There is not a single slogan that will connect us with any Marxist ideology” (Marais, 2011, pp. 97-98). The current economic crisis constitutes the culmination of a three-decade long period of callous market reforms. It can be argued that the most recent economic crisis shows that these ideas and policies are incapable of overcoming the contradictions in the capitalist system, which creates vicious cycles of boom and bursts, contrary to the claims of their proponents.

To support their claims of market infallibility, the neo-classical economists produced various econometric models (Roberts, 2010)[20] which aimed to verify the ideas of the classical economists as well as their own. These econometric models were meant to prove how the market functioned efficiently on their own and invariably lead to a dynamic equilibrium. At the height of their confidence, particularly following prolonged intervals between major economic crises, the juggernauts of these schools of thought went so far as to claim that mathematical modelling has eliminated every uncertainty and unpredictability of policy-making (Krugman, 2009).

They confidently argued that it was this uncertainty which resulted in wrongful, ill-informed governmental interference with the markets, which, by distorting its pricing mechanisms, regularly displaced the market equilibrium and created instability that caused previous economic crises (Marais, 2011). In reality, virtually all of the neo-classical economists did not foresee the Great Recession and few tried to explain it

[20] Efficient Market Hypothesis is the most-used of these.

after the fact. Even fewer tried to offer a theoretical explanation. Where they do, they rarely reflect on the functioning of the market mechanisms of the capitalist system itself but always search for explanations in the intervention of external factors. Economists show similar levels of disbelief and despair to Randal E. Parker when he said, in relation to Great Depression, that:

> The Great Depression was (and in many ways) remains a great puzzle as there were millions of the world's citizens who wanted to consume more housing, food and clothing; and producers by the hundreds of thousands who wanted to manufacture more housing, food and clothing and yet the two sides could not get together. What was preventing these economically improving, mutually beneficial exchanges from taking place? What was it that prevented people from working and producing more? …At this moment, (the answer) remains largely unknown (Roberts, 2010).

Consistent with their faith in the efficiency and infallibility of markets, many neo-classical economists who did engage in the attempt to explain the causes of the crisis invariably fall back on the same scapegoating of governmental interference, which they argue would distort the functioning of the markets.

For instance, Roger Baxter (2009), in his note to the South African Reserve Bank, defined the economic crisis as purely a failure of the financial markets which emanated from the banks in the US taking greater risks to issue sub-prime housing loans to the low income earners under the political pressure from the Clinton administration in 1999 to avail the housing loans to the poor.

Though the theory of cyclical crises of capitalism has come to be associated with Marxism, they are not unique to it. Neo-classical economists recognised this phenomenon as well. Those who seriously apply themselves theoretically to the functioning of the system and have come to accept that they are inevitable, use the business cycle to explain the crisis as the necessary, and even dynamic, mechanism of capitalism. According to these economists, the economy moves forward by means of business cycles. These cycles correspond to employment and obsolescence of new technology and constant capital, machinery and equipment. The business cycle entails a period of 'productive consumption' of capital, during which the new technology, machinery and equipment is employed to produce commodities for realisation in the market (Greenspan, 2007, pp. 267-293). The cycle typically starts with a boom period, corresponding to the use of new means of production and ends up, with slowing down of business and economic growth as these means wear and tear, thus becoming less productive. The period between obsolescence of the old technology and constant capital and the introduction of the new, signifies the end and beginning of the new cycles, which creates a crisis – production is disrupted, dislocating the equilibrium in the market. Business unable to cope and stay competitive will simply fail. For these neo-classical economists, these periodic crises function like wildfires which regularly clear the old fields for green shoots to grow – following Schumpeter, they call these bursts 'creative destruction', where the destruction of unproductive capital clears the way for more dynamic, highly productive and profitable investments of capital (Greenspan, 2007, pp. 266-293).

In defence of this mechanism of capitalism, Alan Greenspan stated:

> “Down deep, that is probably the message of capitalism: "creative destruction"—the scrapping of old technologies and old ways of doing things for the new—is the only way to increase productivity and therefore the only way to raise average living standards on a sustained basis. There is no denying capitalism's record. Market economies have succeeded over the centuries by thoroughly weeding out the inefficient and poorly equipped and by granting rewards to those who anticipate consumer demand and meet it with the most efficient use of labour and capital resources” (2007, pp. 268-269).

Various sections of these schools draw different conclusions from this logic. The most libertarian market fundamentalists regard the destruction of uncompetitive capital as being not only inevitable but necessary and progressive, reasoning that government should not interfere and instead leave the market to its mechanisms. These libertarians consider the failure of uncompetitive business progressive as it clears the weeds of “inefficient business models and capital” for a more dynamic, innovative and highly productive capital (Greenspan, 2007, pp. 268-269). They argue that this can only be in the best interests of society as it improves productivity.

Supply-side economists see the problem differently. Leading thinkers in this school of thought also recognise the regular failures of the market. However, unlike the libertarians, supply-side economists do not see any inevitability or dynamism in it. They also do not locate the problem in the production cycles but squarely in realisation on the market, which can and should be fixed by government intervention to stimulate the economy. They argue government should create the conditions for increased business activity which will trickle down into jobs and consequently boost demand to

keep the economy going. The law of markets, otherwise known as *Say's Law* is the main inspiration behind this school of thought (Hardy, 2016). According to this law, every act of supply creates a corresponding demand. The reasoning behind this trickledown economics, as the approach is often described, is that the best way to jumpstart the economy out of the crisis is to stimulate business activity.

Key amongst measures normally proposed by 'supply siders' are tax cuts, tax rebates as well as direct bail-outs of failing business where other forms of government assistance do not work. These economists reason that by paying for some of the business costs and boosting prospects for increased profitability, government is incentivising businesses to invest more and that will, in turn, translate into jobs and prosperity for everyone (Marais, 2011). In a nutshell, the reasoning here is that what is good for Wall Street is good for the main street; or, to render it into a South African language, what is good for Sandton is good for Alexandra.

It is therefore arguable that contrary to the expectations of many, governments in advanced capitalist countries did not ditch neo-liberalism for Keynesianism after the economic crisis, but merely carried out bail-outs, tax rebates and other measures completely in harmony with the economic orthodoxy of the supply-siders.

From the point of view of the working class and a perspective of class struggle, the differences between these schools of economic thinking are negligible. They agree on the most fundamental elements of strategy when it comes to the working class. Since both view the problem from a profit-making perspective, they agree that the only way to overcome the crisis is to restore the profitability of business as the driving force of

the economy under capitalism. These remain hegemonic ideas dominating policy making and the public discourse on the economy.

Some had prematurely dismissed these perspectives based on the initial reactions of the government to the crisis, but it is now clear that, if anything, neo-liberal austerity policy has indeed been re-imposed in the form of cuts to public spending. As a COSATU political report points out:

> The **first phase** of the crisis suggested that the world was entering into a new post neo-liberal era, which would see huge Keynesian type demand stimulus interventions (particularly through government spending), extensive state involvement in ownership, through nationalisation, and much tighter regulation of capital, particularly in the financial sector. The **second phase,** which is still unfolding, saw the reassertion of neo-liberal policy interventions, to secure the financial sector, in the face of massive debts run up by governments in the first phase. This neo-liberal resurgence is ironically concentrated in the North. The traditional structural adjustment packages of slashing the state, fiscal cutback, tight monetary policy, deregulation etc., is being imposed in Europe and the United States, leading to unprecedented resistance in those countries, most recently seen in the 'Occupy Wall Street' movement. (COSATU, 2012, p. 43)

2.2.5. Keynesian Perspectives

Many in the trade union movement, particularly those in COSATU, along with some in government, advocated for Keynesian measures and for unions to adopt a Keynesian perspective. Keynesians view the Great Recession as mainly the result of the neo-

liberal policies of the past decades. The main thrust of their contention is that neo-liberalism, by imposing austerity on the working classes, has lowered its aggregate demand, and it is this fact that has laid the foundation for the Great Recession. The problems of financialisation of the economy and deregulations, which in their view are all responsible for the current crisis, could have been easily averted through expansionary macro-economic policy interventions by government (Stiglitz, 2010).Keynesians do not view the economic crisis as a deep-seated, incurable feature of the capitalist system per se. As Paul Krugman puts it in the context of the Great Depression:

> *In December 1930, just as it started to become obvious that the United States was in no ordinary recession, John Maynard Keynes attempted to explain the causes of the slump to the general public. "We have magneto [alternator] trouble," he declared. It was, in a way, a radical statement, for he was declaring that the economic engine would not restart of its own accord, that it needed a jump start from the government. But in a deeper sense Keynes was being a conservative: he was declaring that the trouble with the engine was not fundamental, that it was amenable to a technical fix. At a time when many of the world's intellectuals were convinced that capitalism was a failed system, that only by moving to a centrally planned economy could the West emerge from the Great Depression, Keynes was saying that capitalism was not doomed, that a very limited sort of intervention—intervention that would leave private property and private decision making intact— was all that was needed to make the system work.* (2009, pp. 101-102).

2.2.5.1. Keynes' analysis of the flaws of market fundamentalism

In response to the neoclassical market fundamentalism of his day, Keynes (1939) wrote *A General Theory of Employment, Interest, and Money*, which became the founding statement of Keynesianism in its fundamental critique of neoclassical economic theory, its theoretical perspective on the recurrent crises of capitalism and the macro-economic interventions needed to solve it.

In his book, Keynes severely criticised the assumptions that the markets are efficient and, through pricing mechanisms, were always able to balance; that though ephemeral glitches may occasionally occur, equilibrium in the economy would eventually be restored. He and his followers showed that markets are inherently volatile and constantly driven to disequilibrium by the very forces that make them dynamic (Skidelsky, 2011, pp. 1-13).

One of the core elements of Keynesian critique that endeared it to the working classes and made it the popular orthodoxy within organised labour was its opposition to austerity and its promotion of government interventions. These ideas accorded with the demands of the working class in their resistance to the attacks on their working and living conditions that compelled the foresighted sections of the capitalist countries in advanced countries like the US to undertake socially reformist programmes like New Deal (Taaffe, 2013). When the main response of the economists to the Great Depression, at the time, was to advocate for government and business to cut spending, jobs and wages of the workers, Keynes criticised them and pointed how that was going to drive the economy into deeper crisis and prolong the depression. Like his followers today, Keynes argued that if government cut spending and businesses

retrenched workers or cut their wages, the aggregate demand would fall and business would be left without markets for their goods and services (Skidelsky, 2011, pp. 1-13).

The lack of aggregate demand would in turn discourage investment and compel businesses to lay-off more workers in a vicious, downward spiral which would undermine prospects of recovery. If this didn't further the depression of the economy, it would establish a new equilibrium on the basis of high levels of unemployment (Keynes, 1939).

As a solution to the economic crisis, Keynes proposed that instead of hoping that markets will self-correct, government should intervene in the economy through a series of measures calculated to jumpstart it into recovery and growth. Key amongst these measures was that government undertake a massive public spending programme which could create jobs and employment for workers. His reasoning was that as workers get an income, they will spend and restore aggregate demand, which in turn, will create a market for business to service and grow. Keynes advocated for expansionary monetary policy to encourage consumer spending and to cheapen the cost of borrowing for business (Skidelsky, 2011). He counselled lowering interest rates and injecting liquidity in the economy, so that business can easily borrow and invest once again. According Skidelisky (2011, 10):

> Keynes's recipe for a less uncertain economy consisted of three main elements: measures to stimulate investment, measures to stimulate consumption, and a reform of the international monetary system to prevent the transmission of unemployment from one country to another.

He argued that both consumer spending and investment would lead to growing employment for workers hired to produce goods and services as well machinery and equipment required by consumer and producers' markets(Keynes, 1939).

2.2.5.2. Keynesianism and the current crisis

In the period following the crisis of the 1970s, Keynesianism lost it place as the dominant economic paradigm in the Western capitalist countries. In the face of the crisis which represented the results of the failures of Keynesian policies; the incapacity of their theories to explain the crisis; the policy paralysis against stagflation as well as a crisis in their theoretical and political credibility, most Keynesians capitulated and adapted themselves to the resurgent paradigm of neo-classical economics (Roberts, 2010). Expansionary policies central to Keynesian remedies to the cyclical crisis of capitalism were generating inflation without growing the economy out of its stagnation, worsening public debts and budget deficits (Roberts, 2010).

Sensing defeat, Keynesianism retreated from the most 'radical elements' of their thinking, which had endeared them to the organised labour movement, and capitulated to their opponents. Under the tremendous ideological pressure of the resurgent and subsequently, triumphant neo-liberalism, they also joined a 'Washington consensus', a coalescence of corporate interests, public policy makers, mainstream politicians, academic and public intellectuals around a set of economic ideas with roots in neo-classical economics(Roberts, 2010). In their retreat, they abandoned the critique of the fundamental tenets of the market mechanisms and instead of macro-economic

analysis of earlier Keynesians, like their neo-classical counterparts, these neo-Keynesians focused on the monetary policies and regulation of the financial sector to prevent speculation in favour of channelling collective savings of society into productive investment (Krugman, 2009, pp. 144-164).

According to Michael Roberts (2010, p 13):

> The 'New Keynesians' who reconciled the more radical aspects of Keynes' theory with the neoclassical model argue that a cut in the interest rate might help raise 'effective demand' or consumption now, but lower planned consumption in the future. That won't end economic recession. So how does a capitalist economy get out of recession? The problem is the lack of a Tinkerbell effect, the magic of confidence. Recession is the result of confidence falling and the answer is to restore confidence. It's as simple as that.

This approach is typified by the two well-known ideologues of this school, Joseph Stiglitz (2010) and Paul Krugman (2009). Both of these renowned economists argued that the main failure of world capitalism consisted in the deregulation of finance capital including dismantling of capital controls, which let it loose to travel at the click of a button and engage in the wild, highly risky speculative activity across the world. According to them, the main culprits behind this economic crisis are the banking sector and complicit monetary authorities. They accuse banks for their reckless lending, creating dubious financial products to hide their indebtedness, fuelling speculative investments and bubbles. Similarly, they hold monetary authorities responsible for deregulating or simply leaving unregulated, a vast swathe of the banking sector: not

insisting on high levels of loan-to-capital ratios; failing to monitor their suspicious products and allowing the banks to support speculative investments, internationally, through a carry trade in currency markets and, domestically, by investing in bubbles(Krugman, 2009, pp. 144-164). Their contention is that National Treasuries and Reserve Banks always have tools to incentivise banks to channel the capital into productive, growth-orientated sectors of the economy (Stiglitz, 2010).

2.2.5.3. **Post-Keynesianism**

In reaction to this capitulation and the growing failure of Keynesianism to remain in the intellectual service of ‘reformism’ within the organised labour and discontented classes, there was a sprout of new tendencies. These tendencies retraced core elements of the Keynesian critiques of the market and particularly seized on the concept of an ‘effective demand’ to develop theories that came to be associated with resurrected ‘under-consumptionism’ (Hardy, 2016)This theory imputes the failures of the market to ensure fair distribution of the output as the main cause of the crisis in the economy and society in general. Underconsumptionists argue that the market, intending to concentrate wealth, power and privilege in the hands of a minority, excludes the majority from economic participation, undermining conditions for economic growth and creating permanent stagnation and high unemployment – along with other social injustices such as deepening poverty and widening inequality. Borrowing from the writings of Marx on the subject, they link these injustices with the growing dominance of finance capital and what they call financialisation of the economy (Hardy, 2016).

Financialisation is a term used to characterise what they call a new epoch ushered in by capitalism, in response to the crisis of profitability and sluggish levels of growth in the real economy as a result of diminishing markets for goods and services. Post-Keynesians see, in the neo-liberal austerity imposed on the working class and the poor across the world, the main factor behind the diminishing markets for goods and services and disinvestments from the real economy in favour of the financial sector and its corresponding growth and consequent domination of the economy (Hardy, , 2016).As Jane Hardy puts it (2017, p. 83):

> [The] term is used to summarise a broad set of changes in the relation between the financial and the real sectors of the economy. Financialisation encompasses diverse phenomena such as shareholder value... increasing household debt, increasing income from financial activity, an increase in the mobility of capital, the importance of an array of new financial instruments such as derivatives and securitisation. More generally it refers to the way in which working class people have been increasingly drawn in to the financial sector through mortgages, loans and pensions. In the words of Costas Lapavitsas: 'The term reflects the ascendancy of the financial sector. Even more important, it conveys the penetration of the financial system into every nook and cranny of society, including housing, education, health and other areas of life that were previously relatively immune.'

In South Africa, political economist Hein Marais echoes this theory. Writing on the 2008/9 recession and high levels of unemployment he argues that:

> The main reason for South Africa's extraordinarily high unemployment levels lies in the underlying structure of the economy, which remains centred on minerals, energy and large capital-intensive ventures and which in addition has acquired a powerful but parasitic financial sector (Marais, 2011, p. 181).

Post-Keynesians further reason that financialisation inherently introduces instability and fragility in the economy. Inspired by the work of Hyman P. Minsky, they argue that in "money-managed capitalism", "financial crises are endemic because periods of economic prosperity encourage borrowers and lenders to become progressively more reckless. This excess optimism creates financial bubbles which sooner or later burst" (Hardy, 2017, p. 84). In reference to his "Financial Instability Hypothesis", the 2008/9 Great Recession has been referred to as "a Minsky moment" because, as Minsky theorised, the recession can be described as,

> The point where the financial system moves from stability to instability when lending and debt levels have built up to unsustainable levels. At this point over-indebted borrowers start to sell off their assets to meet other repayments, which in turn causes a fall in asset prices and loss of confidence. It can cause financial institutions to "dry up" and become illiquid because they cannot meet the demand for cash and may cause a run on the banks as people seek to withdraw their money.(Hardy, History of Contemporary Economic Thought: Radical Economics, Marxist Economics and Marx's Economics , 2017, p. 84)

This theory traces the origins of the current crisis to the bubble-driven boom that preceded it. The boom lasted as long as it did not only because of standard, though reckless, borrowing and lending. It was prolonged by newly invented financial

instruments. Key amongst these instruments were derivatives such as credit swaps, hedging and securitisation. Having invented derivatives, whose values depended on financial assets with dubious value, banks then secured them with insurances, which were supposed to improve their quality and grading, and parcelled and traded them on the markets. These instruments and transfers, in hiding the exposure of the banks to bad debts, allowed them to borrow and sell more and thus prolonged the bubbles for as long as they did, which only made them bigger and their burst more explosive (Amadeo, 2019). Flowing from this understanding and perspective of the crisis and concluding that it was made possible by the policies of monetary authorities and their deregulation of the financial sector, post-Keynesians recommend various remedial policy measures. These policy measures are articulated by James Crotty as follows:

> To force financial markets to play a more limited but more productive and less dangerous role in the economy, we need a combination of aggressive financial regulation coordinated across national markets as well as nationalisation of financial institutions where appropriate…For such a transition to be effective, two difficult tasks must be accomplished. Efficient financial theory must be replaced as the guide to policy making by the more realistic theories associated with Keynes and Minsky, and domination of financial policy making by the Lords of Finance must end (Hardy, 2017, p. 85).

These ideas found their most powerful echo thus far, in COSATU's Social Equity and Job Creation strategy (Lehulere, 2005)[21] and SACP's Campaign for Transformation of

[21] The same ideas are contained in the "Growth Path towards Full Employment: A draft policy perspective" document adopted at the 10th National Congress of Cosatu. Most of these key ideas found expression in the report agreed to at the 2010 Annual Labour Conference of organised Labour in NEDLAC, which this author

the Financial Sector. NACTU leaders are predominantly guided by these same ideas. Moemedi Kepadisi, the former Education, Research and Policy Development Co-ordinator at NACTU, pointed to the "financialisation of the economy in the whole period preceding the economic crisis."He argued that these were made possible by "neo-liberal ideas that [so] dominated every discussion on economic policy that there was no space for discussions on other possible alternatives". He critiqued the lack of plurality in the debate about the economy as particularly devastating for "Africa which is denied possibilities of policies used by developed countries early in their development as argued by Ha-Choon Chang".[22]

2.2.6. Marxist Perspectives

It is argued here that Marxism is a vital tradition of the labour movement in this country and internationally. Two major trade union federations, COSATU and the newest federation, the South African Federation of Trade Unions (SAFTU), formally define their ideology as Marxist-Leninism (COSATU, 2009; SAFTU, 2017). Congress resolutions and policy statements, as well as those of their affiliates that analyse the crisis are officially couched in the language of Marxism (COSATU, 2009). To understand their analysis, it is vital that we survey Marxist traditions and look closely at how various Marxist trends within the labour movement approached the crisis.

COSATU conferences and its leadership has sometimes characterised the crisis in Marxist terms, although their perspectives are fundamentally Keynesian.

attended, and the "New Growth Path" document released by Ebrahim Patel, an ex-unionist Minister of Economic Development, in 2010.

[22] Interview, Moemedi Kepadisa, NACTU HQ Johannesburg March 2010.

Ntshalintshali, former General-Secretary of COSATU, was emphatic that the crisis was a crisis of capitalism.[23] He elaborated on these views in his address to the ILO:

> What we are actually experiencing is a fundamental crisis of capitalism, with collapsing markets and over-production, leading to mass unemployment and cuts in living standards across the world. This crisis is caused by the inherent unsustainable logic of profit maximisation in the capitalist system. What happens is that capitalists are constantly revolutionising production, throwing enormous amounts of commodities onto the world market, which periodically come into conflict with the limits of consumption caused by the exploitation of the masses that are unable to buy the goods they produce, having been robbed of the full fruits of their labour by the bosses (The Social Economy: Africa's Response to the Global Crisis, 2009).

Patrick Craven, COSATU's former spokesperson, also pointed out that there are "various elements and interpretations of the causes of the economic crisis. Some are saying financialisation, others overproduction and falling profits but there is no doubt that this is a deep, serious crisis of capitalism itself".[24]

2.2.6.1. Marx's theory of economic crisis

It is not surprising that COSATU leadership has tapped into Marx's analysis of capitalism. Marx is renowned to have provided the most comprehensive analysis and critique of capitalism and COSATU claim his intellectual heritage as its theoretical foundation (Van Der Walt, 2011). Central to Marxist critique of capitalism is the theory

[23] Interview, Bheki Ntshalintshali, Roodevallei Lodge and Conference centre Cullinan 26 January 2011.
[24] Interview, Patrick Craven, COSATU HQ Braamfontein March 2010.

of recurrent crises inherent in capitalism. To arrive at this conclusion, Marx studied and endeavoured to understand the laws of motion of capital. Studying capitalism had been his lifelong mission and he summarised the main outcome of this strenuous labour in his voluminous book, *Capital*, which spans three volumes and has as its central purpose the study of the laws of motion of the capitalist mode of production. In it, he illuminates what he considers essential elements, tendencies and laws fundamental to the capitalist system (Harvey, 2010). Employing his philosophical method of dialectics, he pointed out how these varying elements, tendencies and laws compliment and contradict each other in a constant state of motion that defines the capitalist system (Taaffe and Walsh, 2013). In consequence, varying political trends, claiming Marx as inspiration, have put forward varying and often contradictory perspectives on the recent crisis, basing themselves on different elements of his critique.

The Great Recession has at times generated a lively, polemical discussion[25] on the causes of the crisis, forecasts for the most probable course, prospects for recovery and the political strategy for organised labour and the working class movement. Thus far, the main factional lines are what can generally be characterised as, on the one hand, those putting forward the case that the crisis is rooted in tendency of the rates of profits to decline, overproduction, under consumption and financialisation and, on the other hand, those suggesting there are other multi-causal factors behind the Great Recession. Since underconsumptionism and financialisation have also been

[25]There have been intense factional debates within and between many organisations of the revolutionary Marxist left on this question. Committee for Workers International has published the material on this debate which reveals robust debate within its ranks, and with other tendencies represented by Kliman, amongst others. The latter and co-thinkers have debated with David Harvey and other Marxists not subscribing to monocausal theory of Law of the Tendency of the Rate of Profit to Fall.

discussed under Keynesianism, these arguments will not be repeated. Those perspectives referred to here are based on conclusions similar to those of Keynesian thought. These are, however, combined with analysis rooted in Marxist theories of overproduction and the Law of the Tendency of the Rate of Profit to fall which are the subject of discussion below.

2.2.6.2. Law of the Tendency of the Rate of Profit to Fall

In Chapters 13 and 14 of Volume 3 of his seminal work, *Capital*, Marx outlines his ground breaking theory on the lawfulness[26] of the tendency of the rate of profit to fall. He argues that this tendency derives from the inclination of capitalists to raise the organic composition of capital advanced in the production of commodities in order to raise productivity and cut the costs under the pressure of competition and for greater profitability (Marx, Capital: Volume 3, 1894). With less and less investment of living labour, as the source of profit, the rate of profit declines. In due course, the decline spreads to affect all the main branches of the industry, thus leading to low levels of profitability for big corporations, which sets in motion forces that ultimately bring about economic crises.

To understand this law, it is important to understand that Marx, like other classical economists, Adam Smith and David Ricardo, based his political economics on the *labour theory of value*. In terms of this theory, the exchange values of commodities are an objective expression of the socially necessary labour embodied in them (Marx, 1867). This means that the exchange value of commodities are no more than the value

[26] Lawfulness here is not used in a legalistic sense. It is used to denote a logical outcome, recurrence and universality of the phenomena under definite circumstances.

of the generally required amount of labour and capital input invested in their production. According to Marx, everything under capitalism is commodified and the inputs into production processes are themselves commodities. Their value is also no more than their cost of production and, in turn, this means that the total value of goods and services in the economy are generally no more than the average cost of production (Marx, 1867).On this basis, Marx argues that the source of value of profit, which is the difference between the capital advanced and the returns on the production, exchange and distribution of goods and services, is not their pricing in the market (Harvey, 2010). The source of profit is in their making and living labour, to be precise. This is so because capital invested is made up of value, for which the capitalist has already paid, whereas labour can and is always engaged at the price below its contribution to the value of commodities (Marx, 1867). The difference between the labour contribution to the value of commodities and the wages paid to the workers is surplus value, which, according to Marx, the capitalist class keeps as their profits (1867). It is the capitalist class as a whole which expropriate the surplus value, not just individual capitalists. They share this surplus amongst themselves in various forms i.e. taxes, rental, interests on loans, and profits for the owners of corporations. What we ordinarily call profits is therefore really only a portion of the surplus value. Everything taking place in the market is no more than exchange of these existing values. Marx recognised that through bargaining in the market, capitalists do swindle each other as individual buyers and sellers through pricing mechanisms but he contends that this does not generate new wealth which is what profits represents in the economy(Kliman, 2011). The rate of profit is therefore a surplus value as the ratio of the capital advanced and varies with variations in this ratio. The higher the capital advanced in relation to a definite amount of surplus value, the lower the rate of profit.

Marx argues that capitalists, under the pressure of competition to reduce the cost of production, which is mostly labour, tend to raise the organic composition of capital through mechanisation, labour-saving technology and production techniques (Kliman, 2011, pp. 14-16). According to Marx, this is the basis for a tendencial fall in the rate of profits. By displacing labour, the changes in the composition of capital advanced diminish the surplus value in relation to increasing value of constant capital (1894). This is so regardless of the fact that the rising productivity may initially translate into higher profits for corporations ahead of their competition introducing those cost-saving measures, because eventually everyone catches up. With general costs of production low, prices go down, and with them, the level of profits initially enjoyed by the vanguard in the industry (Marx, 1894).

Marx never asserted that this law brings about crises directly, in and by itself. It triggers the processes which do. Owing to the role of finance capital and credit under capitalism, the breaking point is always and everywhere, a credit system, hence every crisis starts as a financial crisis. Andrew Kliman, one of the most outspoken representatives of this approach to crisis, argues that the way the law works and has worked in the current economic crisis, is that its roots derive from the drawn out process of decline in the level of profitability which can be traced to the end of post-WWII boom(Kliman, 2011). He argues, and through revised calculations, furnishes what he asserts is empirical proof on the returns of investments since the great slump. With this evidence, he argues that the rate of profitability has never recovered to their pre-1970s levels. Using Marx's formula, Kliman (2011) argues that the only possible ways recovery in the rates of profits can take place would be on the basis of fresh

fields of investments, for example, new markets and industries or on the basis of the massive destruction of capital. The latter takes place when there is liquidation of capital - physically, for example, during wars, or in value, for example, through forced write-offs of obsolete assets or devaluations. The first condition leads directly to massive employment of new workers, thus reducing organic composition of capital advanced, whilst the second, devalues constant capital in relation to living labour.

Kliman (2011) concludes from these that fear of political repercussions or an economic catastrophe such as that of the 1970s resulted in state interventions to prevent massive write-offs, devaluations, mothballing of factories and plants. This meant that, unlike during the Great Depression and World War II, not enough 'creative destruction' took place in the period that followed the crisis of the 1970s to clear the field for fresh investments based on the high rates of profitability. Without fresh fields of investments, the real economy tended to stagnate and could not generate massive capital investments, provide growing employment and expanding markets. The failure of the rate of profitability to recover, he argues, meant that there was never a resurgence in capital investment driven by major corporations. This would have resulted in the high employment levels based on growing markets for capital and consumer goods supported by growing income levels (Kliman, 2011).

Without these fields of profitable investments, major corporations used the cash available from low-interest credit and speculative capital to fund mergers and hostile take-overs of struggling competition, not for growth (Kliman, 2011). This accelerated monopolisation of shrinking markets and forced corporate restructuring, which generally translated into downscaling and massive job losses. The most immediate

consequence of this has been sluggish economic growth and growing, chronic unemployment even in the major economies of the world such as USA, Japan, the Asian Tigers, and Europe (Kliman, 2011). These were the engines of rapid growth in the most recent boom in world economy. In response to this sluggish economic growth, monetary authorities started lowering the interest rates and cutting taxes for business in particular. Kliman argues that major corporations used the cash to buyout competitors and with interest rates low, huge debts were accumulated as corporations borrowed for speculations in stock, real estate and currency markets. Ordinary people were encouraged to borrow for daily consumption and to buy houses. These created bubbles. Kliman points that although the bubbles were bursting all the time, governments, again fearing a repeat of the Great Depression and the working class revolts it could have provoked, intervened decisively to deploy every policy tool in their economic arsenal and use every penny their treasury could generate to create and support new bubble markets (2011).

The problem with these measures is that all of them were only kicking the can down the road and preparing conditions, not only for new, but bigger explosions. Kliman (2011) argues that the dialectic of these political interventions in the markets explains the growing seriousness of each crisis since the 1970s, which culminated in Great Recession of 2008/9. Kliman, his co-thinkers in the academy such as Michael Roberts and many left tendencies supporting them, contend that the state interventions have merely delayed the inevitable, this time with far more dangerous measures (Kliman, 2011; Roberts, 2010). In bailing out banks, governments have only transferred the previously private debts of the banking sector into public debts, without resolving the underlying problem of the rates of profitability. At best, these measures will prolong

stagnation in the world economy, with all the problems that come with that – high unemployment, growing debt levels, and so on. From this prognosis, they conclude that future economic crises will be greater and more prolonged than the Great Recession, as it will involve sovereign debts (Kliman, 2011; Roberts, 2010). They suggest that, with governments' bankrupt and unable to intervene, the only options will be for the working class to pay the heavy price of a devastating depression, greater in magnitude than the Great Recession and possibly the Great Depression, or to undertake a socialist revolution (Kliman, 2011).

2.2.6.3. Overproduction

Marx wrote that:

> The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society constituted their limit. (Marx, 1894, p. 347)

This thesis lays a foundation for another Marxian theory of the crises, based on the tendency of capitalist economy to overproduction. In its crude interpretation, it has been taken by sections of Keynesians or 'neo-Marxists' to develop a theory of under-consumption, suggesting that the cause of the crisis is the 'shortage of effective consumer demand' owing to payment of workers below the total value the capitalists' extract from their labour power Marx has, however, never suggested any of this. He recognised that the market is not constrained only by the wages of the workers, but includes credit and capital investments, which represents a portion of surplus value

that capitalists plough back into business. Capitalist investments and extension of credit do compensate the disproportionality between the total value of goods and services in the market and the real purchasing power of workers, during the period of boom. In fact Marx argues:

> The *real barrier* of capitalist production is capital itself. It is that capital and its self-expansion appear as the starting and the closing point, the motive and the purpose of production; that production is only production for capital and not vice versa, the means of production are not mere means for a constant expansion of the living process of the society of producers (Marx, 1867, p. 176).

It is for this reason that trading does not stop when workers run out of the means of purchasing goods. This can always be stretched through credit, which can fuel bubbles and results in bursts of this or that market, never causing a crisis. The real cause of crisis of overproduction is therefore the over-accumulation of capital (Marx, 1867). Marxist economic historian, Robert Brenner, has consistently defended this perspective of the crisis in opposition to those arguing that the only real cause of the capitalist economic crisis is the tendential falling of profits (Brenner, 2003; Jeong, 2009).

While Brenner agrees that the fall in the rate of profit has been a causal factor behind the Great Recession, he bases his theory of the crisis on the over-production and over-accumulation of capital and ultimately rejects the operational validity of the Law of the Tendency of the Rate of Profit to Fall (Brenner, 2003). His contention is that the main cause of recurrent crisis is the tendency towards overproduction. To prove his thesis,

he takes an historical view in what he calls a ‘Long down-turn’ which traces the roots of the current crisis to the prolonged boom of the Golden Age (Brenner, 2003).In summary, he argues that throughout the period of the boom, in industry after industry, an overproduction was developing with the entry of newcomers as well as growing productivity of established corporations in the old centres of world capitalism. This began with Japan, then the Asian Tigers, and to some extent Latin American and African countries like Argentina, South Africa, as well as more recently, China, Brazil and India.

Wave after wave, newly developing countries were building industries producing the same goods and services as industrialised countries of Western Europe and America. Big corporations in these countries, instead of quitting the field as a result of fierce competition from those who enjoyed the advantages of cheap labour from these newly developing countries, utilised the advantages they had in technology and accumulated capital to intensify the rate of exploitation and raise productivity to new heights, making it possible to also sell cheaply.

According to Brenner, as the markets began to become more and more glutted, prices began to fall and so did the levels of profits. In an attempt to overcome the crisis, governments lowered interest rates. With cheap credit and hoards of cash of big corporations in the vaults of financial institutions looking for higher earnings, financial speculation became rife and bubbles fuelled by growing debts proliferated until they exploded in what became the Great Recession (Kliman, 2011).

2.3. Critical reflections

Beyond the defenders of neo-classical theory, there is a strong body of opinion in mainstream economics that this crisis has resulted from the policies they have promoted and stands as a complete refutation of their economic theory.[27] Never before have the markets been so deregulated, trading so freely and vastly in globalised markets. This in a context where state interventions have been reduced to an absolute minimum and the capacity for organised labour to restrain capital has been drastically weakened. Yet the market still proved their inefficiency and instead of economic growth, stability and prosperity for all, it ushered in stagnation, chronic unemployment, debt, poverty, volatility and bubbles that exploded in the Great Recession. Some do recognise this and even point out that not only did they not foresee the crisis, they admit that capitalism can postpone and even prolong itself indefinitely, through what Harvey (2010) calls 'fixes' that allow capital to 'shift around its crisis tendencies', but cannot overcome the business cycles of boom and bursts that cause recurrent crisis. They console themselves with a belief that all other alternatives to capitalism are worse.[28]

The resurgence of Keynesianism is mostly based on a false revision of economic history and complete ignorance of the objective realities currently facing the world economy of decaying capitalism. Firstly, the idea that it was the New Deal that ended the Great Depression cannot withstand scrutiny. There is overwhelming evidence that shows that it was massive rearmament in preparation of the World War II that ended the Great Depression in the USA and the world (Roberts, 2010). In any event, only an extremely wealthy country like the USA and a small number of other developed

[27] As shown throughout this chapter.
[28] Most triumphantly, like Margaret Thatcher's idea that 'there is no alternative' (Taaffe, 2017).

countries could afford massive public spending programmes like the New Deal, hence it was not available to many then, and certainly is not today.

Most Keynesians also ignore the fact that most of the so-called Keynesian policies introduced as part of welfare reform were by-products of revolutionary struggles of the working class and its powerful mass organisations, which were radicalised by the carnage of World War II (UN, 2017). Most importantly, these concessions were only possible on the basis of the prolonged boom made possible by the massive destruction of capital during the Great Depression and the Second World War (Kliman, 2011). There is no serious prediction of a possible return to these conditions.

The fact that the leadership of organised labour can be seduced by these ideas, means that they cannot be ruled out as an important influence on the agenda for the organised labour movement in the next period. It is, however, blatantly clear that such a political strategy will meet harsh resistance from capitalists managing a sluggish economy and struggling to restore profitability (CWI, 2012). Even where workers are able to secure victories as they did in the 1950s, the logic of the objective economic situation means these victories will be short-lived. The capitalist class will be forced to clawback on them as soon as they can, thus forcing workers to defend these victories and struggle for them on a continuous basis. An endless struggle can polarise social forces involved politically and escalate into a full-scale class war. The logic of class war can mean that the working class carries out a social revolution and liquidates capitalism. Alternatively the capitalist class may continue to find ways of ‘creative destruction’ to facilitate green-shoots for a new boom as they are currently doing with the mothballing of mines, closure of factories and the destruction of the labour force.

The Marxist perspectives discussed outline a theoretical conception of the tendencies of capitalism and provide an analysis of how these tendencies caused the crisis. This is the guiding approach to this study. In theoretically grounding the causation of the Great Recession in the fundamental laws of capitalism and characterising it as fundamentally a crisis of capitalism, this approach poses the necessity for radical perspectives, programmes and political strategy in the labour movement.

Unfortunately, most of the perspectives in analysing the crisis fail to grasp the dialectical method of Marx and instead of an all-rounded analysis, they are one-sided and unbalanced. Ignoring the multi-dimensional nature of the crisis, they ignore facts and force statistics to prove their mono-causal thesis, which leads them to violation of proportions, fanciful perspectives and dogmatic doctrinarism in political strategy. For example, Andrew Kliman, in dismissing other dimensions of the crisis unless they could be traced directly to the tendential falling rates of profits, resorted to dogmatic explanations and dubious evidence as empirical proof of his one-sided thesis (Taaffe and Walsh, 2013). Though he admits to the Law of the Tendency of the Rate of Profit to Fall, at best it can only be an indirect cause of the economic crisis. He dismisses elementary facts of the real economic situation of the past decades and present crisis. According to him, the profits have been in a free-fall since the late 1960s and have never recovered in spite of the neo-liberal onslaught on the workers' wages, benefits, security of employment, the privatisation of public services for profit-making, the dismantling of welfare reforms and cuts in taxes to boost profits. This argument goes against both the experience of the working class as well as consensus in the scientific community and indeed, common sense. It refutes Marx himself, as Kliman points out,

who listed some of these factors as countervailing influences that can check and even cancel for a period, the effect of the law.

The Law of the Tendency of the Rate of Profit to Fall has indeed been operating in the economy, a fact Robert Brenner wrongly dismisses. Massive accumulation of capital, mechanisation and inflation of stock value across the economy, could not have any result but tendencial fall in the rate of profit as a ratio of surplus value to total capital advanced. However, the law does not operate in a linear fashion. Its effect is constantly checked and regularly cancelled out by countervailing influences including class struggle, state interventions, and revolutionary technological breakthroughs like ICT technology. In South Africa, labour cost-cutting measures facilitated mainly by neo-liberal restructuring post-1994 affected the rate of profit in the country, as it did in most parts of the world. COSATU's submission on labour broking showed how the rate of profit increased from 18, 7% in 1999 to 23, 9% in 2008, which represent a phenomenal growth in the period leading to the Great Recession (COSATU, 2009). Consequently, the rates of profitability have been fluctuating and extremely volatile at times, depending on the twists and turns in the constantly changing rhythm of class struggle and balance of forces.

The most correct Marxist approach is a dialectical materialist method, which takes into concrete reality as its starting point – with the complexity of its multiple dimensions and contradictions. This allows one to work out an all-rounded, balanced analysis corresponding to an objective reality and the lived experiences of the working class. Only on this basis, will correct perspectives and political strategy, education and action be developed for a labour movement seeking to fight back.

Capitalism has many contradictory facets and tendencies, with lawfulness to their development and contradictions, each of which can contradict itself and other tendencies at the same time. In the course of the constant motion of capital, the development of each is constantly checked or sometimes completely stalled by other tendencies (Harvey, 2010).Instability, volatility and disequilibrium, contrary to the dogma of neo-classical economics, are permanent features of the market and flow from these laws of motion of capitalism itself. No economic theory has devised a policy framework capable of overcoming the business cycle of boom and busts, regardless of the recurrence of these crises and the perfection in knowledge as Greenspan claimed it would. The contradictions creating instability and disequilibrium in the markets, causing economic crises, are inherent in the logic and laws of motion of capital, which are intrinsic to the functioning of the capitalist economy. Each policy instrument devised to overcome these contradictions invariably only works temporarily to stall these tendencies as far as possible, until they come up against 'impassable limits'. When each tendency has been stretched to reach those extreme limits, and the entire system has stalled under the weight of its contradictions, any trigger will set the whole economy rolling in a downward spiral.

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Analysing every facet of capitalism, the tendencies in its contradictory motions and conflicts with other tendencies in operation is vital, not only for theoretical purposes. It is crucial to the understanding of the crisis of capitalism, as they develop through successive conjunctures and its implications for class struggle. Most importantly, it is decisive in the ability of organised labour movement to work out sound political strategies, tactics and programmes of transitional demands and slogans to orientate

the masses of workers for action. Whilst the example of COSATU clearly shows that one can make a correct analysis but fail to draw and/or follow on the revolutionary implications, it is certain that one cannot derive correct conclusions without correct understanding of the crisis.

In its Central Committee (COSATU, 2011: page number) discussions document it makes the following observations after surveying different perspectives on the causes of the crisis: “while these theoretical approaches are common in some respects, the Keynesian approach is essentially reformist, believing policy adjustments can be introduced to manage the contradictions; the Marxist approach, on the other hand, is a revolutionary one, believing that these fundamental contradictions cannot be resolved, but will deepen, and ultimately lead to the destruction of the system, and its replacement by a socialist economic order.” The same CC, however, reaffirmed its commitment to the alliance with the ruling party, the ANC. However, analysis developed by COSATU over the years is today seized upon by new and break-away unions organised under the banner of SAFTU that are willing to follow-up on the necessary political conclusions(SAFTU, 2018).

Chapter 3:

Origins and Purpose of Trade Unions: Elementary Fighting Organisations of Workers

3.1. Introduction

To understand the response of the South African trade union movement to the ongoing economic crisis, it is vital to understand their sense of historic purpose and roles as fighting organisations of labour. To understand the role and purpose of the trade union movement is to establish an objective measure of the conduct of the trade unions during the Great Recession and afterwards. Without any objective yardstick by which to assess the trade union responses, any analysis will be ‘a meaningless abstraction’ (De Vaus, 2001), subjective and inevitably arbitrary.

The role and purpose of the trade union has, however, been a contested subject of political debate in the organised labour movement, academia and in society more broadly (Engels, 1978). Consequently, there are many differing and irreconcilable perspectives on the role and purpose of trade unions. For clear analysis, we have to locate this debate in the history of the trade union movement internationally and in this country. Taking into account historical context allows for a survey of how the movement’s sense of historical agency and its political role was shaped in the course of real, living struggle. Workers and socialist intelligentsia of the workers movement have shaped the course and role of their mass fighting organisations, not in the abstract, but in the course of shaping the conditions which compel them to combine and unite.

A world division of labour not only differentiates the roles of countries in a world market. Uneven and combined development, which entails that development in an enclave means underdevelopment elsewhere, as a law of development of imperialism also means development of various industries inside and across the countries in definite relations to each other, which creates a multi-layered working class. It assigns to each layer of the working class different roles and conditions of social production and reproduction (Desai and Bond, 2006).

In turn, these have shaped the character of labour organisations corresponding to the varying layers of labour. As Clarke correctly observes in relation to British Unions, the modern union organisation bears intimately the imprint of the history of unionism. (Clarke, 1978). In a nutshell, workers have in the course of the struggle to change their working conditions, also determined and thrust forward changing organisations. Each phase in the course of trade union development, change in the social stratification, struggle and class consciousness, is dialectically reflected politically in the constant political shifts in the trade union movement. Ideologically, these changes are reflected by changing political orientations and tendencies representing changes in the psychology of the various layers of the working class organised in the trade union movement (Cliff and Gluckstein, 1986).

3.2. Contested meaning and role of the trade unions

In defining the role and purpose of trade unions, mainstream industrial sociology takes as its starting point the definition offered by Sidney and Beatrice Webb, that trade unions are a “continuous association of workers for the purpose of improving their working conditions”’ (in May, 1975, p. 11). This is not only an academically popular

definition of the trade union movement; it is also the universal feature of trade unions. The main trade union activity, everywhere, consists precisely in this.

3.2.1. Fabian conception of trade unions

This definition contains in it three essential features that distinguish trade unions everywhere from any other forms of organisation, including other workers organisations. Firstly, the trade union is a continuous association. This means that the organisation only qualifies as a trade union if it is not a contingent or ephemeral organisation like strike or ad hoc committees, task teams or delegations which spring up occasionally and form part of organisational traditions of the workers' movement internationally.

Secondly, the trade unions are strictly workers' organisations. Unlike political parties including labour, social democratic, communist and other political organisations tracing and framing justification for their existence as the representation of the workers, trade unions membership is restricted to workers. In contrast, workers' parties and other working class organisations are open to the working class in its broader definition which includes members of the families of the workers and also non-proletarian elements.[29] Sometimes, the petit-bourgeois intelligentsia with a background in liberal professions are not only attracted to these workers' parties but end up dominating their leading structures (Taaffe, 2017).

Thirdly, and lastly, trade unions have as their purpose 'improvement of the working conditions' of their members. In this sense, trade unions can also be distinguished

[29] Non-proletarian as used here means non-working class.

from mutual benefit societies, Provident Funds, and so on. These workers associations, which like trade unions, represent continuous associations of workers and solidarity of workers around issues of survival, are not organised around the central aim of improving working conditions. These associations aim to make the best of existing conditions and maximise returns on them through collective investments.

Nobody, regardless of their ideological persuasions deny that these are essential, universal elements of the trade union. Without anyone of these elements, there cannot be a trade union, not only in a teleological but also ontological sense. In a nutshell, just as any organisation that is not strictly a continuous association of the workers can be something else but certainly not a trade union, any worker organisation which does not strive to improve working conditions will not survive long enough to be considered a going concern as a trade union. This proposition not only enjoys widespread support in academia, it also resonates with significant sections of the trade union movement.[30]

3.2.1.1. Theoretical problems of Fabian Industrial Sociology

In reality, Webb and Webb's definition is not a theoretically neutral academic observation, but a politically laden sociological perspective. Behind an apparent neutrality, this perspective is a theoretical expression of a definite political tendency in the trade union movement (Van Der Walt, 2018). It is worth stating here that Webb and Webb were from a top-down social democratic current, the Fabians, which started in Britain and looked for technocratic solutions to labour problems. Essentially, this is, therefore, an extremely conservative tendency, which suggests that trade unions only

[30] Two federations in this country, FEDUSA and CONSAWU officially have as their political policy non-alignment and 'pure and simple' trade unionism.

act in accordance with their real nature when they act as conservative bureaucratised organisations of industrial bargaining. The trade union movement, viewing their role in this manner, are mainly craft trade unions. It is worth noting that these trade unions by definition organise mainly privileged layers of the working class. Industrial unions based on the most downtrodden sections of the proletariat usually challenge this and by refusing to embrace routine trade union work, set themselves lofty historical goals, whether acting in accordance with them or not.

This theoretical perspective and the tendency it expresses have their material basis in the political conservatism of the trade union bureaucracy, which they celebrate as the 'civil service of union movement', which in the latter part of 19th century Britain were "a shifting of leadership in the trade union world from the casual enthusiast and irresponsible agitator to a class of permanent salaried officers expressly chosen from out of the rank and file of trade unionists for their superior business capacity"(Cliff and Gluckstein, 1986, p. 8).According to Cliff and Gluckstein (1986), the social mainstay of this bureaucratic conservatism is generally the upper, relatively privileged layers of the working class. It is also evident that amongst the most oppressed sections of the working class, bureaucratic conservatism can also rest on the pervasive political backwardness of these sections in a period where workers' struggle is at a low ebb.
Political expression of this conservative, bureaucratic tendency, or what van der Walt (2018) calls 'economistic' or 'reformist' trade unionism is perhaps more pronounced in the South African labour movement than anywhere else. It is correspondingly so in relation to other political tendencies and the social forces behind them. The other tendencies are not only expressing other universal features of the trade union movement. They also exhibit different forms and content of their trade unionism that

are equally legitimate and consistent with the role and purpose of the trade union movement under the definite conditions of workplace and political supervision of the labour regime, as Cliff and Gluckstein (1986) argue.

Pillay (2013) also demonstrates, in relation to evolution of COSATU and other trade union federations, various typologies of workers movements, from social movement to political and business unionism. The contradiction between the Webb and Webb's correct observation and the reality of plural forms in the trade union movement lies in the conception of the objective basis of the contradiction between the capitalist class and workers, which drives the latter towards trade unions. Fabian sees struggle at the level of distribution of surplus value, not in its very production. According to Marx (1867), the capitalist system is an organisation of production to allow for the extraction of surplus value for the purpose of accumulation of capital. It is this exploitative essence of the process and the relations of production under capitalism that is objectively constitutive of the working class and essential to its social formation, class struggle and organisations. These relations of production, which commodify a worker into an object of labour power for procurement, to be used and discarded in accordance with the vagaries of capitalist profiteering, are the objective foundations of struggles and trade union organisations.

As with the whole Fabian industrial sociology, Webb and Webb ignore this objective basis of the class struggle for production and distribution of surplus value. Without this perspective, the Fabian school is unable to appreciate the revolutionary implications of the combinations of workers organised for the purpose of challenging these relations, whether workers are immediately conscious of it or not.

Cliff and Gluckstein (1986) argue that consciousness is the process of political clarification conditioned by the necessity, organisation and course of this struggle. As such, it invests the tendency towards revolutionary conclusions in the workers with objective inevitability and historical lawfulness that Webb and Webb fail to appreciate. That organisations constituted with the sole purpose of challenging these conditions would generally, sooner or later, come to recognise the need to consciously set themselves the task of completely overhauling the property regime that conditions this exploitative relationship, is easy to appreciate, unless one fails to see the material foundation of capitalism.

Tom Mann articulates this perspective when he argues that “the object of the unions is to wage the class war” (Basketter, 2009).Independent of their consciousness, workers instinctively feel this opposition. The history of the trade union movement itself bears this out more directly just as tendencies in political parties representing the working class express it more consciously (Taaffe, 2017). As we discuss later, the existence of a socialist political tendency in the labour movement of almost every country in the world also bears the same tendency on the political plane. Suffice it to say, this feature of the labour movement demonstrates that socialism as an ideological current tendential to the trade union movement internationally and historically, is not an aberration but an objective expression in political thought. It is rooted in the class instincts of workers about their condition and aspirations to qualitatively improve it, whether they resist or resign themselves to their fate.

3.3. Origins of trade unions

Trade unions trace their roots in the most crude, anti-capitalist working class resistance which stalked capitalism from its historical birth. Besides theft, which in reality represents a prehistory of the working class revolt against private property, the earliest form of working class resistance is Luddism (Engels, 1978). As a form of working class resistance, breaking machinery and sabotaging factories achieved little in economic and political outcomes, except to represent a step forward in terms of collective organisation and convincing workers of the potential power of unity in action (Engels, 1978).

Notwithstanding this criticism of its methods, besides organisation and unity in action, Luddism prefigured the modern labour movement in another important respect. In aiming at sabotaging production, breaking machinery and so on, it signified a first historic attempt of the working class to challenge the domination of capital over labour. Engels himself acknowledged that, contained in the politics of Luddism, was a kernel of essentially revolutionary class instinct and a fundamentally correct, though crude, understanding that machinery, as both an embodiment of the capital advanced by the capitalist and private ownership of the means of production, forms the material basis of the capitalist exploitation and slavery of the wage-labour system (Engels, 1978). It is this revolutionary challenge, not only to the authority and control of the labour process, but to the material foundations of this capitalist authority and control that forms a common thread throughout the history of the labour movement.

Whereas the trade union movements have varied historically and internationally, Marxists argue that the penchant of trade unions towards revolutionary class politics that threaten capitalist rule is recurrent, predictable and widespread, indicating that it

is rooted in the fundamental class opposition between labour and capital. Insofar as the masses of the workers are concerned, whether this class opposition takes a form of defensive struggle or revolutionary offensive is a question of the struggle of the living forces. In the final analysis, those depend on the objective situation of the capitalist system. With the material foundations of any society being the health of its productive systems, it is the state of the economy that is a primary factor under capitalism. This means levels of profitability and the constantly changing and shifting equilibrium in the markets are decisive variables in the objective historical situation that determines the rhythm and tempo of class struggle. Cliff and Gluckstein (1986) argue that these are decisive factors in shaping the political consciousness of workers and the forms of trade unionism corresponding to this dynamism of mass psychology.[31]

No Marxists, however, claim that this relationship between economy, class struggle and other objective factors independent of the will of political actors is a straightforward and deterministic one. On the contrary, they point out that the relationship between class consciousness and trade union politics are mediated by various forces. Many more so mediate the relationship between the economy and trade union politics. The changes in any of these variables are not mechanically but dialectically reflected as intervention of many of those factors which often retard and/or qualitatively water down the impacts to a point of neutralising them. Contradictory features of the current

[31]Pillay also show the impacts of neo-liberal restructuring and accommodation to ANC policies in government in the metamorphosis of COSATU from what is termed 'social movement unionism' that was engaged in mass struggles beyond the workplace whilst still anchored in the shopfloor, to political unionism "that engages in state-political struggle, but is closely allied or tied (and often subordinate) to a political party"(Pillay, 2013, p. 14).

conjuncture, the anger and combativeness of the working class and political passivity of the trade union movement is symptomatic of this disjuncture (Cliff and Gluckstein, 1986).

Desai and Bond (2006) argue that the compulsive logic of profiteering to cutting costs, which alternately express the inclination of the capitalist class to grow their profits at the expense of labour, generally means that whenever the recurrent displacement of economic equilibrium by the very logic of capitalism occurs, the capitalists always try to seek restoration of profits at the expense of the working class. This logic also pushes the working class to desperately search for alternatives to attacks against them.

According to Leon Trotsky (1921), this process of political clarification proceeds as a process of successive approximations. This means that in the first instance workers generally begin with modest demands to maintain the quality of life; in essence, challenging only the terms of the resolution of the economic crisis. However, as the crisis prolongs and deepens to a point where capitalism appears incapable of offering alternatives to job losses and wage cuts, workers, in proportion to their gradual appreciation of the gravity of the economic crisis, begin to question and challenge capitalism itself.

To these various stages often correspond different forms of trade union politics, generally reflected in changes in union affiliations or leadership of existing trade unions resulting from internal rank and file revolts and with that, radical changes in the strategic direction and political policy of the trade union movement (Pillay, 2013). Trade unions which today maybe pursuing a politics of “pure and simple trade

unionism", meaning political abstention, can suddenly start aligning itself politically or even leading new political party initiatives as an instrument to pursue on the political plane what the trade unions do on the industrial plane.

These different forms can either express themselves through changes within and through the same trade unions or different trade unions succeeding each other or co-existing. Often these depend on the history and culture of the labour movements of various countries. In countries with an old, established and united trade union movement such as Britain, workers are more likely to fight to change and adapt their unions according to their changing political outlook and class attitude (Pillay, 2013). In contrast, countries such as South Africa, with a history of a racially fragmented working class and trade union movement; a relatively new black trade union movement which never achieved its long standing aim of "one country, one federation; one industry, one union", workers are more inclined to splits and building parallel unions, which may co-exist with the old, mostly conservative trade unions restricting their struggle to improving conditions of their members(Baskin, 1991).

Marxists have taken varying and dialectical positions to the trade union movement, starting with Marx and Engels themselves. This has generated critique and segmentation of Marxist conceptions of trade unionism in academic circles. Following Richard Hyman, many academic scholars of industrial sociology divide Marxism, including Marx himself, into two: pessimistic and optimistic Marxist trade union perspectives (Cliff and Gluckstein, 1986).

According to this critique, Marx has variably conceptualised trade unions as both organs of revolutionary class struggle and reformist organisations tailored for

negotiating the terms of exploitation under wage slavery of capitalism(May, 1975). Cliff and Gluckstein, however, argue that these apparent contradictions reflect a dialectical approach towards the trade union movement and a concrete analysis of it as a living movement, not a static, lifeless abstraction. They point out:

> The differing statements of Marx and Engels on the trade unions between 1844–47 and 1865–71 reflected changes in the nature of the unions themselves... The same pattern appears in Lenin's writings. One finds that at a time of revolution, he sees a much more direct tie between the economic, trade union struggle of workers and the political struggle than there is at other times. (Cliff and Gluckstein, 1986, p. 34)

According to this perspective, trade unions are living, dynamic political organisms constantly changing in response to internal contradictions and the external pressures of class struggle shaping these contradictions. Changing theoretical estimations of the nature and roles of the trade unions are based on the observations of the actual changes in the nature and roles of the trade unions themselves. These are produced by changing political relations between classes, the rhythm and tempo of class struggles.

3.4. Marxist trade union theory

Marxism views trade unions as rudimentary mass organisations workers forge organically in the course of the struggle, not just against a particular capitalist or group of capitalists in their industry. Trade unions, like every political organisation, are in the first instance their political programme, not structures, leaders and meetings. They refer to a political programme, not in a narrow sense of a written state of principles and ideas, but as a political consciousness of objective interests and necessity that

drives workers to come together and unite under a common platform. Trade union traditions, structures, and leadership is only an apparatus built on the basis of the necessity to carry out the ideas in pursuit of those material interests. Pillay (2013) illustrates the intrinsic connection between the changing conceptions of the political role of the union movement in the course of political and economic reconfigurations and the changes in trade union character away from revolutionary, transformative socialist politics, with their traditions of working class solidarity with struggles of oppressed everywhere, including community struggles, participatory democracy of workers control and powerful shop floor organisation.

Workers build trade unions as an apparatus to carry out the struggles against the capitalist class whose ownership of the means of production has imposed a system of slave labour which has commodified them into objects of trade and exploitation. Objectively, trade unions stand in contradiction to the logic of accumulation of capitalism, regardless of the political policy of the trade union itself. The class consciousness of this contradiction and determination to fight in accordance with the political conclusions of that consciousness represent an objective basis of the real programme of the trade union movement. Class consciousness itself is not a static psychological moment formulated by a process of political clarification. It also changes with objective changes in the material situation of the working class and society as a whole, as well as the developments in class struggle.

The political programme of the trade union – its role and purpose in society and class struggle – also changes with time, space and the varying political layers and the social strata of the working class (Cliff and Gluckstein, 1986). For these reasons it is possible

to find in one country, trade unions of widely different types with a varying sense of historic purpose and political role and which may exist through a shell of the same trade union organisation over various times, in various places at the same time, or through separate trade unions and their federations.

3.5. The South African Trade Union Movement

The above sketch of the international labour movement and its contradictory tendencies and forms finds expression in the trade union movement in South Africa. In fact it is precisely the co-existence of these tendencies in the same spaces and time that sharply highlight their contrasts. Unlike many countries with one trade union centre that often conceals the objective basis of these divisions, the industrial relations of the apartheid system mechanically enforced these divisions for its own agenda of weakening the working class. The elevation of the white working class into a privileged, supervisory caste to police the exploitation of the black working class, crudely imposed these divisions (Desai and Bond, 2006). In turn this had the effect of creating a solid basis for each tendency of trade unionism amongst segregated layers of the working class. It also translated and consolidated into a more stable and solid foundation for organisational divisions in the workers movement (Alexandra, 2000).

The division of organised labour into many unions across every industry and multiple centres or federations along racial and political lines glaringly reveals these tendencies and their social roots, more apparent than in many other countries. If their universal features validate Webb and Webb's perspective, their differences refute it (Pillay, 2013).

3.5.1. Origins of the South African trade union movement and its splits

The history of the South African trade union movement is literally and figuratively the history of the international trade union movement. Literally, in the sense that the trade union movement can trace its roots to the British labour movement (Ncube, 1987).[32] British labour has the oldest history corresponding to its emergence in the birthplace of capitalism. It was immigrants from this imperial power that established the first unions in South Africa. Figuratively, the trade union movement, in accordance with the archetypical, distinctive and contradictory features of the historic development of monopoly capitalism, and the division and stratification of labour, has ensured importation and incorporation of the main international political tendencies into adapted and distinct trade union formations. The distinct trade union formations and opposing political tendencies they represent, both reflect and transcend the simplistic historiographical categories of racial divisions and party loyalties. According to Ncube (1987, p.23), craft mentality of the British immigrants meant they suffered 'aristocratic caste prejudice' not only against black workers but Afrikaner workers as well.

Though racial and political divisions are undeniable influences, they explain very little in reality. According to Bond and Desai (2006), social stratification of labour is profoundly rooted in the conventional hierarchies of the capitalist labour process. Under historical conditions of monopoly capitalism built on the foundations of European settler-colonialism in South Africa, these produced not only political, but also racial, fragmentations.[33]

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[32]According to Ncube, the British immigrants who came to South Africa at the turn of the 19th century 'besides, the technical expertise the immigrants brought along ideas of trade unionism, especially craft unions modelled on the British guild system. In some cases these unions were not only started by British immigrants, but were affiliated and loyal to British unions, for example, the Amalgamated Engineering Union and the Amalgamated Society of Woodworkers" (Ncube, 1987, p. 22).

[33]Desai and Bond explain these on the basis of uneven and combined development of capitalism on the basis of imperialism in South Africa.

Alexandra (2000) contends that the failure to unify the trade union movement in spite of concerted efforts since the appearance of the first trade unions more than a century ago and changing political landscape is rooted not only in racial and political fragmentations, as many simplistically state. Stubborn persistence of the disunity is ultimately rooted in the disparate positions of labour in the industry and assortment of power, privileges and labour value.

According to these theories, traditional stratifications and colonial configurations of these stratifications reflect both continuities and ruptures with the archetypical social fragmentations of world capitalism. Intellectual currents and political tendencies sharply dividing the trade union movement in South Africa, in the final analysis, theoretically express these objective contours of productive divisions of labour.
Equally so, they are an organisational expression of the political outlook and intellectual relationships of various layers of the working class with South Africa's neo-colonial and imperial capitalism.

3.5.2. Earliest South African Unions

The early South African trade unions were mostly craft trade unions organising strictly skilled workers along craft lines. These unions, like their British counterparts, were combinations of the skilled workers organising for the purpose of protecting their monopoly over certain skills by regulating access to those skills and employment in certain trades. Through strict regulation of access to skills in certain trades, mainly through apprenticeship and certification, the unions could control and limit the supply of labour in order to maintain and advance the privileged conditions of employment for craft workers (Ncube, 1987).

Consequently, these trade unions were politically conservative and extremely sectarian in proportion to the prejudices of the upper layers of workers they organised, according to Ncube (1987). These workers pinned their political faith to the mediaeval protections of their petit-craft privileges rather than working class solidarity and general improvement of the working class's conditions. It was this class outlook which pitted them against the majority of predominantly unskilled workers and everywhere pushed them to seek political patronage of the political establishment for protection against competition from the former (Ncube, 1987).

In the period of economic boom and the epoch of imperialism, or in the period of exceptional crisis such as a war situation, liberal sections of the ruling capitalist class favour a political alliance with this privileged minority of the working class, making legal and economic concessions. South African labour was no exception to this. Describing collaboration and control, Alexandra (2000) details the strategy of the Smuts government to enlist the support of the white labour movement for the war effort during World War 2 through concessions. This is reflected in the fact that some of the most important measures to intensify segregation took shape under the Smuts government (Alexandra, 2000).

These concessions are invariably insignificant in fundamentally altering the class position of this tiny layer. However, they are material enough to accentuate a false sense of superiority, conservative outlook and illusions of boundless possibilities of upward social mobility (Alexandra, 2000). Generally, those translate into a social base for bigotry against the oppressed sections of the industrial proletariat, organisational

sectarianism of craft trade unionism and extreme hostility to revolutionary class politics. According to Cliff and Gluckstein (1986), too often than not these layers tend to act along with the middle-class as the social mainstay of bourgeois liberal politics.

3.5.3. FEDUSA and white craft trade unionism

FEDUSA is the most classical incarnation in South Africa today of this conservative trend. This federation is a political heir to craft trade unions that historically represented aspirations of the traditionally white 'labour aristocracy' but also a 'progressive', liberal wing of the predominantly white industrial unions that tolerated black workers, particularly Indian, coloureds and sections of urban black workers. The politics were purely economistic and excluded masses of mainly migrant black workers who had to wage battles in relation to its oppressions as well. This feature distinguishes it not only from the mainly black trade union federations that are subject of this study, but from the entire labour movement.

Right-wing Afrikaner Unions like Solidarity do not strictly fall in this category. They are racist and campaigned for colour bar as the only way to maintain their privileges in relation to the African working class. This was precisely because their members were mostly just as unskilled as African workers. Consequently, the majority of them could not claim privileges other than by appeal to racist ideas of apartheid and white supremacy. In this, they were being encouraged by the ruling capitalist class to justify super-exploitation of the black working class and to keep the working class divided (Fine & Davis, 1991).[34]

[34]Solly Sach explaining the racism of Afrikaner labourers in class terms, argued "The so-called liberals, however, who put the entire blame for the colour bar in industry upon the white workers, are insidiously trying to exonerate the real culprits. The people responsible for spreading race hatred are the landowners and mine owners. Workers are the dupes, not the authors, of race hatred. Race hatred is a powerful weapon in the hands of those who always seek cheap labour. It is a curse on white workers." (Alexandra, 2000).

FEDUSA originated in the white trade unions that dated back to the period of the first trade unions, which, as already mentioned, were direct imports of British and Australian immigrants and branches of their British mother bodies. These unions, having been established against the background of the mining boom, begun their life as extremely conservative craft unions, concerned with protection of the privileges of skilled migrant European workers against the competition of cheap labour of unskilled workers, both black and white Afrikaners (Ncube, 1987, pp. 22-23).

It was mainly craftsmanship and not race that was the basis of discrimination, privilege and exclusion. That explains their vacillations towards the black working class. When faced with changing policy of the capitalist class and the challenge of a rising black working class, these unions periodically altered their policy of racial segregation against black workers. Throughout their existence, they alternated between opening and closing their membership to African workers depending on the changing dynamics of struggle. When the black working class tried to organise independently and fought back against their colonial exploitation, these unions would open their membership to African workers. Alexandra (2000) argues that they did so mainly to tame, politically control and subordinate their struggles to the programme of craft trade unionism.[35]

3.5.4. SA Trade Labour Council and splits in white labour

Immediately following the defeat of the 1922 strike and against the background of economic recovery, fragmentation started to develop within the white labour movement. The main political party of white labour, the South African Labour Party,

[35]Alexandra discuses absorption, toleration of black trade unions and craft unions of the SA Labour and Trade Council.

supported by the trade union centre, South African Labour and Trade Union Council (SATLC), entered into coalition with the Afrikaner nationalists, the National Party, to form the Pact government of 1924. The Pact government adopted the so-called 'civilised labour policy', amongst other measures.

The government introduced the colour bar policy that privileged white workers and protected them against competition of semi-skilled black workers, an industrial relation system entrenching labour rights, social security and wages legislation that allowed the Minister of Labour to establish a collective bargaining system that gave white labour a voice in the determination of wages (Fourie, 2006).

These and many other concessions to the working class were possible on the basis of the growing economy and, for a time, made this 'class alliance' politically viable. As soon as the Great Depression hit and the nationalists fused with the South African Party of General Smuts to form a United Party, which was dominated by mining capital's interests, the pressure of these interests on government forced it on the course of collision with white labour. They attempt to maintain this alliance in a condition of economic crisis and attacks on the whole working class. The policies of this government alienated the lowest, most vulnerable sections of the working class, the Afrikaners, who made-up 90% of the unskilled white workers, and black workers.

Consequently, SATLC began to crack especially after the extreme right wing won over its powerful affiliate, the Mine Workers Union against its corrupt leadership. With Afrikaner workers in the camp of the Afrikaner nationalism,[36] SATLC split from 1947

[36] Malan's right-wing split from the National Party and fascist, Ossewabrandwag capitalised on the disillusion of the Afrikaner workers to take-over the Mine Workers Union (Alexandra, 2000).

and fell apart in 1950s.Moderates formed TUCSA, which included Coloured and Indian workers; hard racists formed the South African Confederation of Labour, which was a purely white trade union federation, including what is now Solidarity; and the left became SACTU, which was an overwhelmingly black, non-racial trade union federation aligned to the Congress movement (O'Meara, 1975).

The moderate wing that reconstituted as Trade Union Council of South Africa, (TUCSA), continued with the policy of patronising and subordinating the black working class, without taking a serious fight on any issue concerning their brutal exploitation, racial and national oppression.

3.5.5. Collapse of TUCSA

This policy enjoyed limited success for as long as the black working class was down, particularly following the defeat of the 1946 Great Mineworkers strikes and suppression of the South African Congress of Trade Unions in the late 1950s. However, the break-out of the Durban strikes shattered all of these plans and laid a solid foundation for the re-emergence of the independent black trade union movement (Alexandra, 2000, pp. 85-96). Many black trade unions, mainly Coloured and Indian, disaffiliated to rebuild a non-racial black trade union movement. Having led to the creation first of the Federation of South African Trade Unions (FOSATU), Council of Unions of South Africa (CUSA) and many other independent mass regional and general unions, this process culminated into the establishment of the gigantic behemoths of the organised black trade union movement in the 1980s, Congress of South African Trade Unions (COSATU) and National Council of Trade Unions (NACTU) (Baskin, 1991).

3.5.6. Launch of FEDUSA

In the meantime, the rump of white trade unions that remained in TUCSA were forced to liquidate it in 1987. Soon thereafter these unions reconstituted themselves into the Federation of South African Labour (FEDSAL) and the Federation of Organisations Representing Civil Employees (FORCE) amongst initial attempts at the re-establishment of unity amongst these unions. It was the merger of these two trade union federations that created FEDUSA in its current form. Today this federation is made up mainly of professional staff associations, remnants of old craft unions and still predominantly white industrial unions, with growing black membership. Their official policy of political neutrality translates into an active collaboration with the ANC government.

3.5.7. Black trade union movements

Just as FEDUSA has its roots in the long line of successive, mainly white, craft trade union movements, COSATU and NACTU have theirs in the black counterparts of that movement. These developed parallel and separately, even if concurrently and sometimes in the shadows of, the white trade union movement (Alexandra, 2000). Contradictory centrifugal and centripetal tendencies, rooted in the constant friction and shifts in the class and national liberation struggle, operated to pull together and apart this racially polarised working class and their trade union movement.

Parallel to the white trade unions, black trade unions have a long and deeper history dating back to 1860s. These include traditions of the General Workers Union that was formed in 1908 and Industrial Workers of Africa in 1917, the first major blacks-only trade union (Walt, 2007), the Industrial and Commercial Union in 1919, the Federation of Non-European Trade Unions in 1920s, and the Council of Non-European Trade Unions (Baskin, 1991).

As already explained, the divisions in the working class movement were rooted in the objective configuration of the labour process and social stratification of the working class into multiple layers with varying material conditions, grading systems and privileges. Race is not the essence but manifest expression of this stratification (Desai and Bond, 2006). Policies of racial segregation and racism pursued by successive colonial and white minority regimes have engineered racism to become the most visible and historically significant feature of this colonial grading of labour (Fine and Davis, 1991).

If FEDUSA and their trade union ancestry have their social basis in the upper crust of the white working class and political passivity rooted in the narrow-minded conservatism of this relatively privileged layer, the black trade union movement represent the oppressed majority of the working class. The radical political traditions of this long line of this trade unionism express the incongruity of the social aspirations of the masses of the black working class with the savage labour regime imposed for brutal extraction of maximum surplus value and colonial plunder. It is this incongruity which has been a factor in the failures of political stratagems of the capitalist class to incorporate and co-opt into pliancy the vast majority of the working class outside this thin layer of the labour aristocracy, and labour bureaucracy, if Cliff and Gluckstein' s perspective is taken seriously.

These authors are building on a Trotskyite perspective on the role of trade union leadership, which argues that under conditions of structural crisis of monopoly capitalism, everywhere the capitalist class relies on the treachery of the political

leadership of the organised labour movement to act as their lieutenants in the workers movement (Trotsky, 1937). According to this perspective, the capitalist class, using enormous resources at their disposal, exert irresistible ideological and material pressure on the working class as a whole but even more greatly on its political intermediary, the trade union leadership.

It is the combinations of the ideological pressures and material enticements of the ruling class to seduce the trade union and political leadership of the working class, with the petit-privileges, power and comforts of the trade union and political office which constitute the material basis for a social formation of trade union bureaucracy. As Buhlungu (2011,p.118) observed “in the case of COSATU, union officials have been moving into politics, top civil service jobs, managerial positions and business. Their class mobility becomes complete as they embrace other hobbies of the elite such as playing golf and joining cigar clubs.”

It is this trade union bureaucracy, with its ideologically blunted outlook and conservative interests in the routine trade union work, stable class relations and self-preservation that social base for trade union reformism in South Africa and internationally (Desai and Bond, 2006). In the colonial world, this tendency also finds fertile ground in those relatively privileged layers of the oppressed masses, who by virtue of their cultural gap with the masses of the industrial proletariat are assured the leading role in the trade union movement and, through their social links with the

middle-class, act as a conduit of their class outlook and political ideas in the organised labour movement.[37]

Populism, as a tendency based mainly on nationalist ideas in the workers movement, is imported into the trade union movement through these layers, as this research also found out. This is the tendency that argues that the struggle requires unity of all popular forces including the black bourgeoisie in the struggle for national liberation. This tendency tends to blur class lines. It is the ideology of the petit-bourgeois layers trying to rally the 'entire nation' behind their narrow class interests and programme. Most of the interviews reveal that many of the top leaders originate and maintain social and political links with the political elite. The ideological shift of COSATU, to the extent that it has any link to the changing composition of its membership as Buhlungu and others have argued, reflects the social bond that exists between public sector workers and the ruling ANC elite. A complete subordination of COSATU to ANC by comparison to a period when COSATU was overwhelmingly dominated by the industrial proletariat and their private sector unions has its roots in the massive influx in the early 1990s of public servants with direct ties to ANC into COSATU ranks (Buhlungu, 2010).

According to Cliff and Gluckstein (1986), the majority of modern trade unions today have their origins in revolutionary mass movements but got compromised by the dead-end of social reformism and political centrism. Social reformism, unlike conservatism of the craft trade unionism, not only recognises the injustices against the working class, they go further to demand fundamental changes to end them. As with

[37]Buhlungu (2010) points out that the symbolic significance of union leaders are many times intended to equal or even surpass the symbolic authority of the employer and state actors"

Fabianism, social reformism in general argues that these fundamental changes do not require revolutionary action and change in the economic foundations and political constitution of society. It is therefore an attempt at achieving revolutionary goals without revolutionary methods. Through reformist ideas, trade union bureaucracy transforms the trade union movement from fighting mass organisations into political prisons to arrest the militancy of the working class (Cliff and Gluckstein, 1986).

The outlines of these ideological lines, prospects and results of the perspectives they posed in relations to the subject of this study, were foreshadowed in the debates that were part of the discourse in the revival and rebuilding of the modern trade movement.

3.5.7.1. **Debates in the black trade union movement.**

The debates between various theoretical tendencies in the 1980s and beyond, within and outside of COSATU and the trade union movement, were, in the final analysis, sharp political expressions of the contradictory perspectives and irreconcilable differences between these various tendencies (Baskin, 1991). The racial configuration of the organic structure of the colonial labour process during and before apartheid South Africa generally excluded black workers from becoming part of the “privileged civilised white labour”. Colour bar acts barring employment of black workers into skilled trades and other crude segregationist legislations were the main legal instruments to achieving this segregation (O'Meara, 1975). Whereas institutionalised racism ensured continuation of this beyond apartheid, Black Economic Empowerment (BEE) policies of affirmative action and reform programmes of the ANC has altered these patterns with a degree of success.

This background is vital as it contextualise the struggles in the black trade union movement between left reformist nationalist tendencies, revolutionary socialists and various centrist trends vacillating between them (Buhlungu, 2010). The debate and struggles between so-called workerists and populists were a proxy and, in many ways, caricatured struggles between these tendencies for the soul of the trade union movement. These labels themselves are not helpful not only because they are not accurate. They were used mainly as derogatory terms of abuse to derogate instead of fostering an understanding of the opponent's position (Byrne, Ulrich, and van der Walt, 2017).[38]

Owing to a particularly brutal character of colonial oppression and exploitation of the colonial and white minority regimes, the acquiescence of the black working class was almost impossible. The objective predilection for political struggle against the national oppression, ruthless economic exploitation and denial of basic democratic rights was immediate, absolutely necessary and inevitable for every black trade union movement. Pillay (2013) remind us that "in the context of overall anti-apartheid mobilisation, militant union activity, as well as daily bread-and-butter issues which contributed to organisational building, had an inevitable anti-systemic effect, given that most employers were white and identified with the repressive racist order."

[38]Byrne et al (2017: 256) warn us that "Much of the received wisdom about the political positions of FOSATU and workerism comes via the polemics generated by the so-called 'workerist- populist debate' of the 1980s, which pitted Congress-aligned 'populists' against FOSATU 'workerists'. These polemics shed more heat than light. Terms like 'workerism', 'economism' and 'syndicalism' were often used interchangeably, and workerism was described in wildly inconsistent ways."

The starting point of the debates in the workers' movement since the creation of the black trade unions and in the 1980s in particular, were never whether trade unions have a role to play in the struggle for national liberation or not. Owing to the role of national oppression and authoritarian dictatorship in facilitating ruthless and colonial exploitation of the black working class majority, the role of the trade union in the struggle to end apartheid regime was assumed *a priori*. The key question was the relationship of the workers movement towards other social forces in the national liberation struggle. Linked to this question was the fundamental differences in strategy between those who argued that the struggle for national liberation comes first and only later can the working class take forward the struggle for socialism, on the one hand (Buhlungu, 2010) and, on the opposite end of the spectrum, those who argued that the apartheid regime is primarily a white minority-ruled, military-police dictatorship built to oppress the black working class majority to facilitate colonial dispossession and the cheap black labour regime. The latter argued that this means that struggle to overthrow apartheid can only be fought most consistently by the working class, which should not only aim at abolition of apartheid regime but capitalism along with it (MWT, 1986).[39]

These were not academic differences, but fundamental questions of political strategy, perspectives and programme, with profound political implications for tactics, policy and action.

3.5.7.2. **'Populists-and-Workerists' debates**

After the dark age of the 1960's, the revival of the workers movement raised from the onset vital questions of strategy and perspectives that immediately divided the

[39]'On The Nature and Tasks of the Revolution'

independent trade union movement along these two main lines (Buhlungu, 2010,). The workers struggles of the early 1970's that culminated in the Durban strikes of 1973 immediately inspired revolts of the working class in other theatres of struggles, mainly in campuses and communities. In the beginning there was a general recognition that the new trade union movement must avoid reckless confrontation with the state until it gained enough power, which in the light of SACTU experience of the 1950s, meant a political non-alignment.

Beginning with the late 1970s when the trade unions began to gain momentum and grow in strength, particularly following the Weihahn commission and recognition of black trade unions, the debate immediately started on how the black trade unions relate with other social forces involved in the anti-apartheid struggle. To be sure, so obvious was the role of apartheid regime in the repression of the black working class and sustenance of the cheap migrant black labour system that there was no significant social base for political abstentionism in the black trade union movement.

The attempt to tag certain ideological tendencies as political abstentionists, especially the so-called workerists, were in reality part of polemical caricaturing of opponents. Political abstention was mainly the policy of the craft unions and few industrial unions resting on the 'privileged' mainly white, Indian and coloured workers, for reasons already discussed. In the context of apartheid, this policy meant neutrality in words and collaboration in deeds. There is no evidence of this in any of the tendencies that were contesting the politics of the new black trade union federation.

Ideological trends called workerists stood for class and political independence of the working class and trade union movement. Every one of the 'workerist' political

tendencies officially represented and articulated in the trade union debates of the late 1970s and 1980s, were not only fundamentally different but were absolutely opposed to political abstentions of trade unions (Byrne, Ulrich, & Walt3, 2017).In the so-called workerist camp were some trade unionists from revolutionary Marxist-Trotskyites groups, New Left groups and other tendencies which lumped together based mainly on their collective rejection of the nationalist politics and perspectives of the Tripartite Alliance and other nationalist traditions (SACP, 1986). Many were inspired by the New Left, particularly as articulated by Rick Turner, an eclectic humanist philosopher and social theorist combining ideas of Marx, Sartre, Syndicalism and other traditions of social thought (Egan, 2018).

Generally, these groups argued that the apartheid regime is a repressive military-police apparatus, socially leaning on the privileged white minority to enslave the black working class. Their position was fundamentally that apartheid was a racialised system of political repression necessitated by a parasitic and ruthless primitive accumulation of a backward, colonial capitalism. In line with Desai and Bond (2006), they contended that primitive accumulation invariably entailed land dispossessions and a regime of extremely cheap labour of indigenous people and the black majority that was incompatible with democratic rights, including trade union and political rights and equality.

Primitive accumulation was a historically necessary regime for a nascent colonial capitalism forced to compete and trade on the world markets on the basis of capital intensive and costly, deep-level mining with cheap, efficiently produced goods from

advanced centres of capitalism.[40] From this perspective, these tendencies concluded that the struggle against apartheid was simultaneously the struggle against capitalism, and that national and racial oppression are inextricably bound to class oppression such that it is impossible to solve one without the other (MWT, 1986).[41]

Considering capitalism and class exploitation to be the underlying and fundamental causes of all problems of racial and political oppressions, lack of democratic rights and social justice for black majority, they argued that the working class is the only reliable motive force and consistently revolutionary class to lead the struggle against the apartheid regime. To task any other class with political leadership may result in the end of apartheid regime, as it did, without resolving the fundamental problems compelling and driving the working class to struggle against it.

These tendencies were not a homogenous group. The 'New Left' tendency component of this group was fighting for political non-partisanship and direct links between workplace organisations and other working class groups in other theatres of struggles like townships, campuses and rural people's struggles against land dispossession and chiefs, as the way to build a mass political movement that can overthrow apartheid. This tendency did not eschew political activism; it argued that the trade union movement can only be a powerful force on the basis of the shopfloor organisation rooted in the struggles for 'bread and butter' issues at work and in communities, and was hence an overly economistic, trade-union centred approach

[40] This perspective is based on the theory of uneven and combined development (Desai & Bond, 2006).

[41] In Chapter 10, 'Struggle for Power', MWT (1986) explained that "For all the efforts of middle-class theoreticians, the democratic aspirations of the working people cannot be accommodated in a separate historical 'stage' of 'national democracy', leaving the socialist tasks of the revolution unfulfilled."

(Egan, 2018). Turner himself was clearly appropriating some of the syndicalist ideas, hence the common labelling of this tendency as Syndicalist (SACP, 1986), even though there was no organised Syndicalist tendency operating in the trade union movement and participating in these debates. Syndicalism rejects political parties and argues that trade unions are sufficient and allow for direct workers' democracy and control of their political action and organisations (Byrne, Ulrich, & Walt3, 2017).

Marxists agree with all of these but argue that the trade unions are not best suited for a revolutionary political struggle for power and the historically furnished instrument best suited for that is the political party. Their argument is predicated on their perspectives for a revolutionary political struggle, which they argued required a highly disciplined unification of various tributaries of working class struggle around a common class and political programme and centralised political apparatus to carry it out.

They contend that these require a level of class consciousness and revolutionary political commitments higher than necessary and realistic for building trade union movement into the open, mass fighting organisations that the working class needs for its daily workplace struggles. A revolutionary political party required for that task can only be an organisation of revolutionary militants, with an advanced understanding of the political programme and acceptance of the iron discipline necessary for a successful prosecution of a struggle to overthrow a brutal apartheid regime and lead conquest of political power by the working class (MWT, 1986).

In so far as they argued a need for a political party and active role of the trade union movement in building such a party, they shared a common ground with the so-called

populists. They, however, differed with them fundamentally on the class character of such a political party. Marxists argued that the only party that can liberate the working class had to be a party of the working class itself because the struggle against apartheid was bound with the struggle for emancipation of the working class (SACP, 1986).

These Marxists tendencies had different perspectives on the tactics to building a mass revolutionary party of the working class. Those like the Marxists Workers Tendencies and others advancing entrist tactics at that time, tactically argued that the workers should build an organised mass revolutionary tendency inside the ANC, as the historically furnished organisation of the oppressed working class, and take over and rebuild it on a socialist programme consistent with the ideas and class aspirations of the working class for an end to capitalism and all forms of oppressions issuing from it (MWT, 1986). Workers Organisation for Socialist Action (WOSA) and others argued that trade unions should immediately and directly build their own mass political party at that stage (Baskin, 1991).[42]

In the trade union movements these positions were reflected in the debates around the political policy and programme for the trade union movement. Trade unions like MAWU, NTWU and others mainly from FOSATU traditions (Baskin, 1991), which variably argued for adoption of workers charter, united front of working class organisations and independence from the middle-class political leadership of nationalist organisations like the ANC, PAC and BCM and broad fronts like United Democratic Front, adhered to these thoughts to various degrees.

[42] (Baskin, 1991, p. 433) WOSA argued that "alliance with 'multi-class organisation (ANC) will lead to surrender of socialism as a goal of struggle".

These tendencies were defeated and the most triumphant tendency that came to dominate were what came to derisively be called populists but which can be more appropriately situated as a Congress tradition. In contrast to the popular usage, the congress tradition is used here in broad terms to include other nationalist congresses such as the PAC and their latter offspring from the Black Consciousness Movement, which also had their ideological and political roots in these earlier nationalist movements, and so were part of what came to be broadly defined as 'populism' by their opponents.[43]

These nationalist perspectives recognised the class oppression and the link between apartheid and capitalism. They, however, argued that the most immediate and pressing issue was the national and racial oppression of the black people by a white minority regime (Baskin, 1991). The struggle to overthrow this regime therefore required only that one must be committed to overthrowing apartheid and this meant the great majority of the oppressed people across their class divisions.

Whereas the working class was part of the marginalised and the power of their organisations was acknowledged, they did not necessarily have a special place other than their power and need to contribute their weight in proportion to their power and numbers. The contradictions within the oppressed were considered generally secondary and something that could be resolved, through democratic processes, in a post-apartheid society. The most utopian version of this politics as expressed in the

[43]They are clustered together here because in respect of issues under consideration there were no fundamental differences between them except for political party loyalties.

communitarianism of the Black Consciousness Movement viewed class stratification and struggles as imports of white colonial rule and could be resolved merely by overthrowing that regime and returning to a society inspired by pre-colonial values of communitarianism.

The South African Communist Party,[44] which also fell into this camp, had a slightly nuanced position which chimed well with vast sections of the trade union bureaucracy as it reconciled the class aspirations and political conclusions of their members with their political loyalties towards the nationalist movement (SACP, 1986), in which a majority of the leading lights of the trade union movements had cut their teeth (Byrne, Ulrich and van der Walt, 2017). Whereas the SACP recognised the class struggle and had socialism as its programme, it argued that the most immediate task for the national liberation struggle was the defeat of a white-settler colonialism, a realisation of national sovereignty for the majority and democratic rights in a united, non-racial and democratic society (SACP, 1986).

Informing this perspective was their two stage theory of "colonialism of a special type". In terms of this theory, South Africa was a colony of a white-settler minority who colonised the dispossessed native Africans and oppressed them on the basis of race. This "colonialism of a special type" only differed with others in the fact that the coloniser shared the territory with the colonised. For the SACP, South Africa was therefore engaged in the national democratic revolution which had a task of mobilising and

[44]Although SACP considers itself a Marxist-Leninist Party, it has aligned itself with the ANC and mobilised for its support in the trade union movement. It was through the SACP that most trade unionists joined the ANC. This assertion is based on personal conversations with Moses Mayekiso who was part of the trade union activists that became part of ANC in the 1990s after rejecting it in the 80s.

uniting everyone who is committed to ending apartheid and shared in the national, racial, class and gender oppressions (Baskin, 1991). From this perspective they argued that whereas the struggle for socialism was essential, it was not immediate and it is the task that can be advanced best after the overthrow of the apartheid regime. They actively mobilised the trade union movement to support the ANC 'as the most representative party of the black oppressed majority in South Africa' (Buhlungu, 2010).

3.5.7.3. **Launch of COSATU and NACTU.**

It was this tendency that gained dominance in the trade union movement at the time COSATU was launched in 1985. Once COSATU adopted this perspective under pressure of the UDF-aligned bloc of trade unions and guidance of centrist leadership of COSATU, NUM and others, it joined the tripartite alliance of the ANC, SACP and SACTU, substituting the latter as the representative of organised labour (Byrne, Ulrich, & Walt3, 2017). The remainder of the black trade union movement supported the Pan Africanist Congress and Black Consciousness Movement, in line with political loyalties of their leaderships. PAC-aligned trade unionists initially formed CUSA along with elements from BC traditions and later merged with AZACTU which was formed mainly by a group of BC activists. The new federation that emerged in October 1986 was called NACTU and it became the second biggest trade union federation in South Africa but later lost its position to FEDUSA.

The trade union movement unfortunately became and remains divided along these lines. It is clear that on the basis of an independent class and political position it was entirely possible to unify the workers in COSATU and NACTU as well as winning the

vast number of workers from the white trade unions as had happened in the initial period of COSATU before its alliance with the ANC (Baskin, 1991, p. 456).

Chapter 4:

How Trade Union Federations Responded to the Impacts of the Crisis.

4.1. Introduction

As we already stated, the Great Recession of 2018 had as its fundamental feature the austerity imposed on the working class along with flood tides of factory closures and a bloodbath of job losses. To defend profits, the capitalists carried out measures that undermined the conditions and rights of the working class. The consequence of these is that working class poverty levels reached new historical depths at the same time as the elite was accumulating enormous profits and unprecedented levels of wealth (COSATU *et al*,2009).[45]

COSATU spokesperson, Patrick Craven, pointing out that this is not unique to South Africa but an international phenomenon, argued that "It has been a feature of this crisis that the rich have continued to get richer at the expense of workers and this is happening across the world, not just in South Africa alone. It is clear that they say we are in it together but everything they have done shows that they are only in it for themselves."[46]This view is confirmed by Credit Suisse's global wealth report (Neate, 2017), which reported that 1 percent of the world's adult population, including ultra-high net worth individuals – whose number increased fivefold – now own half of the global wealth whilst 3,5 billion of the poorest adults, who makeup over 70% of the

[45]The same report shows that the profits remain high in spite of the negative growth in 2008 period, which means that the profit interests continued to get rich as the rest of the population were suffering from the Great Recession.

[46]Interview with Patrick Craven, former COSATU spokesperson.

working age population, only own 2,7 percent. The report finds it more striking that the fast growth in wealth took place during a decade in when the rich and governments compelled the working class to tighten their belts. The same report shows that the wealthy have increased their riches in this period from 42, 5 percent of the global wealth at the height of the 2008 global recession to 50, and 1 percent in 2017 (Neate, 2017). In 2017 alone, 82 percent of the wealth created went to the top 1 percent, leading to the outrageous situation today where the world's 42 richest people own wealth equivalent to the wealth of 3, 7 billion poor people.

Trends in South Africa have been consistent with these trends. Inequality sped up after the 2008 economic crisis and have worsened the inherited legacy of apartheid inequalities. South Africa today is officially the most unequal society in the world, an unprecedented feat that the apartheid regime could not realise despite legislating for discrimination and inequality. The three wealthiest people own wealth equal to those of the poorest 28 million people, the bottom half of the population. The "richest 1 percent own 70, 9 percent of the country's total wealth whilst the bottom 60 percent only control 7 percent of the assets" (Bassier & Woolard, 2018)

These trends are worsening as the top income earners have vastly accelerated the rate at which they are creaming off the wealth of country. Big corporate CEOs on average receive 541 times the average wage. The workers share of wage income has been declining and today half of the working population earn only 12 percent of all the wages in the country (Bassier & Woolard, 2018)

These features show not only the logic of the policy choices governments and business has made their implications for the working class people. They also beg the question: what did trade union federations and affiliates do to articulate the strategic direction vital for cohesive, organised and effective political response, if any?

4.2. Framework for South Africa's response to the International crisis.

The main highlight of the trade union responses that came out of the investigations is the "Framework for South Africa's Responses to the International Crisis." In almost every interview, this was mentioned as the main achievement of the trade union movement.

4.2.1. Initiative and Negotiation of the Framework

The General-Secretary of NACTU, Samela Manene, said "without the trade unions working together and fighting in NEDLAC there could not have been an agreement. It was us who insisted that government and social partners cannot sit idle when workers are losing their jobs and families suffering as a result of growing unemployment and poverty."[47]This role of trade unions was echoed by FEDUSA's Leon Grobler when he said "we worked hard and as a united body to demand action from all the social partners in the interest of our members and economy. We put our differences aside and worked as a team in the labour caucus because without that, we would not have achieved what the agreement did with other social partners."[48]

[47]Interview with Samela Manene, NACTU General Secretary, NACTU HQ Johannesburg 11 March 2010
[48]Interview with Leon Grobler, NEDLAC Labour Market Representative of FEDUSA, Roodevallei Lodge, Cullinan 25 January 2011.

The engagements that resulted from these trade union efforts took place at the Presidential Economic Joint Working Group and NEDLAC as well as various forums organised in pursuit of the negotiations from late 2008 to early 2009. The negotiations culminated in the development of the "Framework for South Africa's Response to the International Crisis" in February 2009 (COSATU/NACTU/FEDUSA, 2009).

The Agreement stipulated commitments of 'social partners' to a series of counter-cyclical measures to support the recovery of the economy and protect jobs. Jonas Mosia of COSATU expressed this intention when he said:

> The main challenge was to protect jobs and the industrial base of the country, which is critical for the developmental state. If you don't have the industry there are no jobs and any development to talk about. Industry is important for the delivery on every other needs of the people. That is why we have been spending so much time negotiating the strategy and new growth path that can stimulate the industrialisation of the country. The economic crisis threatened all of this work and we had to ensure that it doesn't undermine all of that.[49]

4.2.2. Overview of the Agreement

The agreement was centred on broad principles underpinning planned interventions, various areas of macro-economic policy framework including fiscal and monetary policy, counter-cyclical measures, industrial development strategy and principles for the management of job losses as well as social relief measures. The agreement

[49]Interview with Jonas Mosia, COSATU Industrial Policy Coordinator and NEDLAC representative, 24 January 2011 Roodevallei Lodge, Cullinan.

committed social partners to a framework for interventions that promote social solidarity, ensures that the poor do not bear a disproportionate burden of the crisis, and responses at the industrial level and workplaces do not compromise the agenda of decent work. Amongst measures agreed in line with the principles of social solidarity was to discourage retrenchments through diversion of workers into lay-off training schemes, use of CCMA services and appeals to CEOs to limit retrenchments as much as possible.

The agreement further committed the state to counter-cyclical macro-economic policy measures including a stimulus package combining a R787 billion public investment programme, fiscal and monetary measures entailing tax cuts, commitment to a low interest rate and exchange rate regime that promoted domestic consumer spending and export-led recovery. The state also committed to industrial policy measures that sought to protect vulnerable and exposed industry through trade policy that protects them against foreign competition, IDC (Industrial Development Corporation) investments and promotion of local procurement policies, and skills development across the economy to enhance the competitive edge, amongst others.

The framework also identified opportunities arising out of the FIFA 2010 soccer world cup and for development of green-technology industry as part of the response to both the economic and ecological crises. Parties also agreed to scale up of public service employment by filling vacant posts in the public sector, creation of 2 million jobs through EPWP programme, social relief measures like food distribution programmes, and so on. The agreement also provided for a special national jobs initiative headed

by the Presidency to co-ordinate various government programmes and efforts of stakeholders to ensure the effectiveness of the responses.

4.2.3. The results and impacts of the framework

Government did pursue some of the policy measures, particularly counter-cyclical fiscal and monetary measures. The massive reduction in interest rates by the South African Reserve Bank (Mnimele, 2012), was an important relief on consumers, which boosted recovery of retail sectors of the economy which were amongst those worst hit. According to the National Treasury (2009), a massive public investment programme linked to 2010 FIFA World cup, state-owned enterprise spending on infrastructure development and the expanded public works programme clearly countered the decline in private sector investments and mitigated the impacts on the economy. Increased social relief spending on unemployment benefits (Unemployment Insurance Fund (UIF), lay-off training scheme, and so on), food distribution and other targeted interventions also cushioned many communities from the worst of the crisis.

None of these, however, could adequately address the organic crisis in the economy. Job losses continued, and many mines, factories and workplaces that were closed never reopened. Unemployment rates actually worsened in spite of returns to pre-crisis levels of employment (Wilkinson, 2014). As the economic situation continued to deteriorate, it began to dawn on workers that the private sector and government were not going to meet the commitments on job losses, counter-cyclical measures and decent work programme on the basis of the agreement alone and so they started fighting back. This is reflected in the most important of the strikes and campaigns in this period. The NUMSA/SACP campaign acted to reduce pressure, the 2012

COSATU-led general strike and mineworkers' strikes pushed back on the agenda, the decent work programme, which would entail dismantling the cheap migrant labour system, precarious labour and poverty wages.

The agreement was further proof that, in spite of the Marxist rhetoric, particularly in COSATU statements, the actual strategy of the trade union leaders was predicated on a social democratic outlook and Keynesian perspectives. This is reflected by faith in social partnerships with business and government (instead of consistent class opposition) and for pacts based on countercyclical measures intended at maintaining and growing effective demand.

4.3. Reflections on Trade Union strategies

4.3.2. COSATU

It was to COSATU that the working class and society looked for political and organisational responses to the Great Recession. The enormity of expectations on COSATU were based on the history and size of the federation (COSATU, 2012).[50] In spite of the country having had four trade union federations at the time, it was to this colossus, which organised over 60 percent of the trade union membership in the country (Buhlungu and Tshoaedi, 2012) that the working class looked for strategic leadership, and because of its history as the most militant trade union organisation.

[50]According to the Political report to the 11th National Congress of COSATU the federation had grown to nearly 2, 2 million.

Until then, COSATU played a key and decisive role in working class politics. Its political authority transcended the actual membership and organisational strength. This has always been clear from the participation in its demonstrations and strikes. The general strikes in particular and industrial actions involving most of their affiliates always received support beyond their ranks. Despite accounting for over two thirds of total trade union membership (Lawrence, 2014), (but which is still a minority of the total workforce), the general strikes almost always embraced the majority of the working population. It was the same with mass demonstrations organised by COSATU, which attracted the participation of non-unionised workers and community members (Lawrence, 2014).[51]

In the face of the onslaught against jobs the federation, however, wavered from taking action. In 2008/9 hundreds of thousands of jobs were lost and thousands of factories closed in an orgy of industrial vandalism of productive forces without COSATU matching the determination of its members to fight with a clear co-ordinated programme to engage the employers both at the workplace and across the economy and country. These were the biggest number of job losses since the establishment of COSATU and in which it did not to organise any mass campaign to fight back.

4.3.3. COSATU's Corporatism and Problems of Strategy in the Great Recession

In 2008/9 not only did COSATU fail to mobilise the working class for a similar co-ordinated fight back, they did not organise resistance in many workplaces and workers

[51] Lawrence highlight the broad reach of the 1999 Public service, which involved nearly 600 000 more than 800 000 public service workers officially on strike and 2000 general strike which mobilised 4 million workers, more than twice the number of COSATU membership.

were dismissed without any organised trade union-led fight. Where a resistance was organised, workers felt that the leadership was half hearted as was the case with the 2010 public sector strike (Lawrence, 2014).Escalation in the number of unofficial strikes testify to the increased alienation of trade unions from workers' struggle in this period (Molapo and Mutedi, 2015).

Feeling that there is no opposition, capitalists carried out the biggest bloodbath in proportion to the impact of the economic crisis than any other country in the world. This was all the more scandalous given the extent that this was the country with the most militant workers movement and the highest number of protest per capita in the world. COSATU leadership placed all their hopes in corporatist solutions. Instead of mass mobilisation, COSATU concentrated its efforts on negotiating with the business community and government at NEDLAC. This is in striking contradiction[52]to its official 'policy' as a 'revolutionary Marxist-Leninist trade union movement' and the logic of their characterisation of the both the crisis and the state as capitalist (COSATU, 2009).As Patrick Craven explained "the state is contested but it is primarily a capitalist state like every state under capitalism. So it acts in the interests of the capitalists as its policies proved since 1996, but it is for the workers movement to push back through struggle and in every platform."[53]

This was echoed by Jonas Mosia, [54]who has been one of COSATU's chief negotiators in and conveners of organised labour in NEDLAC. Mosia believed that the negotiations

[52] This is only a contradiction in so far as one considers only public documents and political declarations. In serious meetings the leadership tend to show clear commitment to making ANC government and its policies work.
[53]Interview, Craven.
[54]Interview, Mosia.

at NEDLAC were “part of holding the state accountable and pushing a developmental agenda. The agreement was essential to ensuring that South Africa doesn’t lose, resolve this crisis at the expense of the workers, by compromising jobs and an agenda for decent work. “This strategic perspective does not only explain lack of clear fighting strategy on the part of COSATU leadership during the worst crisis to confront the federation. It further sheds light on the disastrous policies pursued by the affiliates during the entire historical period that opened up. The strategy clearly percolated to the affiliates and translated into a policy of capitulation and active collaboration with employers in carrying out restructuring plans, which invariably undermined the historical achievements of the workers movement.

Whereas the collaboration of NUM with the mining industry, which allowed the perpetuation of the cheap migrant labour system, suppressed workers’ militancy, and its catastrophic outcome in Marikana, is the most highly researched and well-known,[55] it was certainly not the worst. With only a few exceptions such as the limited campaigning work of NUMSA, COSATU affiliates generally stayed faithful to the mantra of social solidarity with employers and a policy of ‘no alternative’ to restructurings. This is evident from the fact that during the crisis and long afterward strikes over retrenchments were an insignificant proportion of industrial actions in spite of hundreds of thousands of jobs being lost in that period (Jacobs, 2013).

This strategy of ‘national solidarity’, instead of a militant abstentions approach, of revolutionary class opposition (Trotsky, 1937), was clear from the position of NUMSA

[55]Ashman (2015) and Sil and Samuelson (2018) are only a few of the writings on the role of NUM in the mines and its collaboration with the mining industry, which undermined its authority.

as explained by Tengo Tengela who, representing the left-wing of COSATU at the time, argued that the "task is also to protect the manufacturing base and drive its growth through an industrialisation strategy, hence they want the Reserve Bank nationalised and interest rates reduced as they destroy many companies and jobs in the manufacturing sector."[56]The same sentiment was expressed by the General-Secretary of NUMSA Irvin Jim during a television debate in 2009 with this author where he counterposed proposals for a beneficiation strategy to a call for nationalisation of key monopolies that were shedding jobs in the metal industry where my union, MEWUSA, and NUMSA both organised.

In the workplace this policy meant that COSATU and affiliates accepted the role of policing workers. This was to ensure that they do not worsen employers' situations. In turn they expected the employers to also keep to the spirit of the law and agreements in carrying out retrenchments (COSATU/NACTU/FEDUSA, 2009).This was more pronounced in the public sector where the ANC government is an employer and which managed to tear up collective bargaining agreements on the Special Occupation Dispensation, amongst other achievements, without a fight, in spite of the two desperate public strikes it took to secure those gains (Lawrence, 2014). But attacks against workers were no less in the private sector and this was confirmed by an increased number of unofficial strikes in the mines and across the economy.

For this collaboration, "the concrete impact, post-Polokwane, for working people has been far from encouraging," according to the COSATU Central Committee (COSATU,

[56]Interview, Tengo Tengela, NUMSA official and COSATU Rep in NEDLAC, Roodevallei Lodge, Cullinan 24 January 2011.

2011,page:16). The committee, acknowledging the verdict for this strategy in the language of facts and figures on the conditions of the working class, concluded that: “admittedly in the midst of the international economic crisis, the loss of 1, 1 million jobs has led to deepening poverty. In the short term, there is no likely major recovery to job creation. Inequalities continue to deepen, and we continue to see a growing level of profits and benefits to the capitalist class, which celebrates an increasing share of profits and a declining share of wages in the GDP” (COSATU, 2011).

This did not change the hearts of COSATU leadership. Instead, they stayed the course. Instead of escalation, they retreated even from modest programmes of engagement with communities on service delivery issues and unemployment. This was clearly demonstrated by a complete capitulation by COSATU leadership when the ANC protested its convening of the Working Class Summit with communities involved in service delivery protests. COSATU had convened the summit with communities engaged in mass protests against government failure to deliver public services. The ANC, having concluded that the communities were increasingly opposed to its government in general and not just on specific issues, were opposed to COSATU providing them with the political support that could translate into a co-ordinated national mass political opposition. It was this capitulation and determination of the right-wing faction of COSATU to carry forward this disastrous policy, particularly beyond the bloody events of Marikana, which accelerated the widening and deepening of factional battles within the bureaucracy. The massacre delivered a verdict of these policies written in the blood of the mineworkers (Sil and Samuelson, 2018).

The isolation of the former COSATU General Secretary and Left section of the COSATU leadership around NUMSA and several affiliates over the convening of the Summit, the position of COSATU towards the Marikana massacre, and various other issues laid a basis for the purge and massive splits that took place after the expulsion of NUMSA and the removal of the federation's General-Secretary, Zwelinzima Vavi.

This political basis of the crisis was characterised by the statement of seven COSATU affiliates, which opposed the expulsion of NUMSA and said

> "The fate of COSATU is at the heart of the current divisions. What we are witnessing is a battle of ideas, a contestation between revolutionary and reactionary policies and programmes, and a fight for the very soul of COSATU. This is a battle between those who want to see a radical transformation of our economy, and those who have abandoned all hope of radical change in favour of an insipid and increasingly conservative form of class collaboration. This is a contest between those who want to implement the radical policies agreed by successive COSATU Congresses, and those who want to turn the clock backwards, and reduce COSATU to a labour desk." (Masemola, 2014, no page number)

In turn these splits and complete organisational paralysis of the organised labour left the working class as a whole politically leaderless. The political vacuum facilitated a most ferocious assault on their working conditions and living standards. If there was a restraint from the ruling class, no matter how limited, it was borne of fears of the workers who showed determination to fight regardless of the political attitude of

leadership and the limits of the COSATU leadership in keeping a lid on this class anger. These was evident in the two vital strikes in that period –a public service strike and an anti-labour broking general strike.

4.3.3. FEDUSA

On the fundamental questions of trade union strategy and action facing the workers movement, the three federations have been acting in concert. There has been no visible differences in the responses of FEDUSA from those of COSATU and NACTU. Despite the radical rhetoric and posturing of the two latter federations, but mainly COSATU, there was no meaningful differences in the actions between them and FEDUSA. The reality is that none of the radical assessments, declarations and threats of actions of COSATU and NACTU congresses against the attacks unleashed on workers during the economic crises came to anything in practice, except for the few examples highlighted here. The fundamental difference, however, lies in the fact that FEDUSA mostly feels no need for radical posturing and dispenses with empty declarations of their counterparts. To be sure, FEDUSA, like their counterparts, occasionally threaten and support industrial actions. They are, however, generally content with moral denunciations of employers for blatant gross violations of workers and instances of overt abuses.

The problem for Alrene Conradie was that “it is not fair that bankers started all these with their speculation, but now that there is a crisis, it is workers who must pay”[57].Unlike their counterparts, FEDUSA unashamedly accepts capitalism and the logic of profit-

[57]Interview, Alrene Conradie, FEDUSA Social Project officer, Roodevallie Lodge, Cullinan, 25 January 2011.

making. FEDUSA's submission, "Weathering the Storm" is predicated on the need to encourage and support more private sector investment in contrast to Keynesian, State-driven development proposed in COSATU's documents .FEDUSA's lead negotiator at NEDLAC, Koos Bezuidenhout, summed up this perspective when he said "we should get business to invest and grow the economy. That is the only way to creating jobs and ending poverty. We just have to make sure they abide by the law and treat workers fairly." [58]

FEDUSA found itself increasingly leading many industrial actions,[59] for a union whose leadership pride itself on "fostering good relations between workers and employers, and a commitment to advancing the interests of employees and economy in an independent and responsible manner."[60] During this period, it began to account for a significant number of industrial actions, which were led by its affiliates or coalitions lead by its affiliates like an Independent Labour Caucus in the public sector, which is dominated by its affiliates.

As workers in various sectors began to take actions to defend jobs and austerity measures in their workplaces, many of FEDUSA affiliates came under increasing pressure to support their members (Bekker and Van Der Walt, 2010). In response to appeals from affiliates, pleading for solidarity on behalf of members, FEDUSA leadership began to sound more like their 'radical' counterparts in COSATU (George, 2009). Commenting on the Public Sector wage negotiations, Koos Kruger, Public

[58]Interview, Koos Bezuidenhout, FEDUSA Negotiator-President at NEDLAC, Roodevallei lodge, Cullinan, 25 January 2011

[59] Public service strikes, etc.

[60] FEDUSA Mission Statement on its main website https://www.fedusa.org.za/

Servants Association (PSA) Cape Town Manager, reflected this pressure when he said “The fact that the government’s offer to its core public-sector employees is so much less than the settlement rates in other public-sector institutions infuriated our members, who face the same economic realities as their colleagues in these sectors. The reality [is] that the real inflation on expenses such as electricity, food, fuel, clothing and healthcare gulps up more than 90% of our members’ disposable income” (SAPA, 2010).

Public Service Strike

PSA went on to play a more vital role during this strike than the previous one. This was reflected in the “one striking feature of the strikes [which] was the relatively high degree of interracial union and worker cooperation, given South Africa’s history of racial tensions and national oppression,” according to Bekker and Van Der Walt (2010).PSA showed enthusiasm and determination for a fight, which was in stark contrast to that of the COSATU leadership. It spoke in the language of “class war” when Kruger said “the PSA trusted that public servants would show the same resolve they had in 2007, when a major victory was claimed with that countrywide strike”. It mobilised its constituency to take part in many ways not seen before. It organised mass protests including a march to Parliament on 5 August 2010 (SAPA, 2010).

However, the support from the Federation never went beyond media statements and public appearances. It certainly did not include any co-ordinated strategy to link and generalise the industrial actions, which is the main purpose and justification for the creation of any trade union federation. There was also absolutely no political

campaigning on any of the issues raised by the crisis and struggles of the workers in response to it.

It is blatantly clear that the federation's growing posturing had its roots in the pressure exerted on its leadership by the union membership. It did not reflect any shift in their inner convictions and conservative politics. By advancing "interests of employees and economy in a responsible manner", FEDUSA leadership could only mean that the struggles of the workers must never undermine private business interests, which are the motive force moving the economy forward under capitalism. It is therefore logical and consistent with the real perspectives of the FEDUSA leadership, that their whole strategy was premised on 'working together' with business and government to support the former into restoring profitability of the industry.

In practical terms this translated into a strategy of restraining any mass activity which could further exacerbate the business crisis and to pressuring government to render as much assistance as it was necessary to restoring the level of profitability that could get business investing in growing the economy again. The whole lobbying strategy and active participation in NEDLAC and other platforms created to negotiate the Tripartite pacts that culminated into Joint Statements and Collective Agreements on managing the impacts of the economic crisis were predicated on this perspective and strategy.

The contradictions of political conservatism of traditional business unionism of FEDUSA, growing industrial militancy and the occasional radical posturing of its leadership reflected the pressure of the economic crisis on its 'aristocratic labour base'

and influx of new layers of black professional workers, and some sections of blue-collar black workers, into its ranks.

On the one hand, the traditional base of FEDUSA was being radicalised by the attacks on the privileges and security of employment by employers in direct response to the crisis. On the other hand, most of the new layers of workers who had been joining its affiliates, imported into FEDUSA militant traditions of COSATU and NACTU affiliates. These workers were mostly disillusioned with black trade unions, especially COSATU and its affiliates in the public sector. In this sector, COSATU structures easily fuse with the employers' structures, which they often hijack through Tripartite Alliance structures and lobbying processes. They use this influence for their careerist and corrupt purposes and not to advance workers' interests.

Coalescing of these causes and forces have not displaced but certainly have shaken the social foundations of craft unionism of FEDUSA. This has resulted in a morbid combination of a deeply conservative leadership and still predominantly 'aristocratic' but increasingly militant social base. The deep entrenchment and relative stability of the conservative leadership at the top echelons of FEDUSA and its affiliates, in spite of these contradictions, reflect vast reserves of craft mentality and its conservative class politics in its ranks. This stability is certainly not absolute or permanent. The conflict with PSA, their biggest and fastest growing affiliate, is symptomatic of these challenges and anticipation of future convulsions in their ranks.[61]

The changing outlook of its traditional aristocratic base under the hammer blows of the capitalist crisis, evolving social composition and growing militancy of its rank and file

[61] PSA split from FEDUSA and only re-joined recently.

will only aggravate the sharpening contradictions and instability.[62] This is not only vital for perspectives on the future of FEDUSA itself but the broader labour movement also. It certainly poses a serious threat to the conservative leadership of FEDUSA. But most importantly, it opens new possibilities and opportunities for realignment of organised labour in ways which have not been conceivable until recently.

These changes have most importantly resulted in growing class fraternisation of FEDUSA rank and file with workers in traditionally militant black trade unions (Bekker and Van Der Walt, 2010). This is echoed by its leadership completely aligning itself with COSATU leadership in all fundamental questions of political policy and trade union strategy. Unfortunately, this alignment has been on the basis of treacherous collaborationist policies of COSATU leadership. This has allowed FEDUSA leadership to cover its own treachery with the glory of the lingering authority of COSATU.

The betrayals of COSATU leadership has therefore not only been a factor in the exodus of its membership into FEDUSA ranks. COSATU policy also provide a lifeline and reinforces conservative tendencies in their counterparts. A well-thought united front tactic based on a clear fighting programme and alternatives to the crisis, presented to both leadership and membership on a shop-floor can seriously undermine the grip of the conservative tendencies. It can accelerate radicalisation and win its rank and file for immediate and strategic tasks of organised labour in the current conjuncture of a deep crisis of capitalism.

[62] PSA has been growing, now it report more than 230 000 members and last year it called for 'Day of rage and indefinite strike in the Public Sector. (Van der Merwe, 6 June 2018)

4.3.4. NACTU

NACTU is the smallest and least effective of the federations under consideration. It is no more than sum of its affiliates. It has no independent existence and role separate from its affiliates. It is organised more like a coalition of its trade union affiliates than a centralised federation. It also does not play any independent role in relation to other federations. The federation defines itself in relation to COSATU. Its decisions are based either on rejection or support of COSATU positions. Their positions generally tail behind COSATU's.

These include COSATU support for government programmes. In spite of justifying organisational separation from COSATU over the question of alliance of the latter with the ANC, NACTU is much less critical of government than COSATU. It never has campaigns of its own. Every mass campaigning work including public demonstrations are invariably in support of COSATU campaigns and demonstrations. It is no different with the affiliates.[63]Like their mother-body, NACTU affiliates lack organisational initiative and independent political perspectives. They are generally small, impotent and organise as minority unions alongside COSATU affiliates in most workplaces. Mostly, they are conservative unions and pursue policy of collaboration with company managements.[64] For a short while after the Marikana massacre, NACTU acted as a

[63] This author participated in the leading bodies and represented the federation in all important platforms including Central Committee meetings, Annual Labour Conferences, NEDLAC, etc. during that period of this study, 2008 until 2011.

[64] Until 2012 NACTU affiliates had not led any strike of note across the economy. It was apparent that most felt too vulnerable to wreck stability in their relations with employers and in so doing, exposing the weakness of their support and risk of derecognition of the unions, which is a common tactic of employers in bashing militant unions.

pole of attraction and 'historical detour' of workers disgruntled with COSATU and desperate for a trade union alternative.[65] Despite showing growth in that period, the core affiliates of NACTU politically collapsed and subsequently imploded organisationally as well, owing to the same fundamental causes that crippled and tore COSATU apart. The purge and split of its metal affiliate, MEWUSA, after the struggle over questions of trade union strategy, internal democracy and use of union resources left the union without its militant workers and professional staff.

Reports of NACTU membership are highly inflated. Most sources quoted here put the membership of unions like MEWUSA at 30 000 at the same time that it was much less than that. In the 2011 Congress the membership was between 9000-12 000. The left faction had 60 percent of these. When the split took place the significant number of these left and drove the membership below 7000. Unions like SACWU and HOTELLICA, which shed a lot of members, did not have the membership author's report. AMCU, before the 2011 Marikana strike at Lonmin (a year before 2012 Massacre) was also less than 10 000, according to its recently dismissed President. These exaggerations have been true of NACTU from the onset. While NACTU at its foundation in 1987 claimed a membership around 50% of COSATU's, by 2010, it was certainly no more than 10% pf COSATU's then-claimed 2.2 million, and at most 50% of FEDUSA, which was claiming 550,000.

Throughout the entire period, NACTU leadership did not conduct any struggle against the bosses to challenge every attempt of making workers to carry the burden of the

[65]AMCU grew phenomenally before the split from NACTU, Transport union NTM and other breakaways from COSATU joined NACTU before the formation of SAFTU.

crisis. Instead, the federation leadership focused its efforts on pressuring government for relief. Instead of fighting back and leading workers in defence of their jobs and industries destroyed during the crisis, they placed their faith in the goodwill of the capitalists and their ANC government. As NACTU President proudly stated of the affiliates, "[T]hey played a critical role in the negotiations of the framework that protected members and many jobs. The framework also provide for assistance of workers facing possible job losses."[66]They barely called any strikes or mass actions in spite of their members being impacted by job losses. This was true of the shopfloor strategy just as it was of the collective bargaining at the industrial level.

Raymond Kgagudi, the then-General Secretary of MEWUSA and member of NACTU Central Committee acknowledged this problem when he said:

> The reality is that NACTU is completely paralysed by both the collapse of its affiliates and lack of clear strategy and political direction of the leadership of the federation and affiliates. We are not responding to this crisis in a manner that show that we want to position NACTU as an alternative trade union federation to many workers disgruntled with COSATU, if anything there are no real differences between the two federations. Everything we do is in NEDLAC like COSATU.[67]

[66]Interview, Joseph Maqekeni, NACTU President, 10-11 December 2010, (Di Paola and Sebei, 2011;Hattingh, 2011; Sebei, 2011).
[67]Interview, Raymond Kgagudi, MEWUSA General Secretary and NACTU CC member, MEWUSA HQ Johannesburg 9 March 2010

There were important exceptions to this general policy. Some unions participated in the major struggles of the time. These strikes were led mostly by COSATU affiliates in the relevant sectors, with NACTU affiliates simply tailing behind them, hence nowhere and in any industry do they account for any significant amount of days lost in strike during the Great Recessions and years following it (Jacobs, 2013). Public service strikes are an important example of that. The small NACTU affiliates Professional Educators Union (PEU) and National Public Service Workers Union (NPSWU) were part of that strike but played absolutely no independent role. In the negotiations they formed part of the Independent Labour Caucus (Bekker and Van Der Walt, 2010), which were dominated by FEDUSA and CONSAWU affiliates.[68]There were also important strikes in the metal and engineering sector, cleaning, and chemical industries involving MEWUSA, Hotellica and SACWU, respectively, to mention a few.

These strikes demonstrated a workers' determination to struggle and revealed how far right the trade union leaders were in relation to ordinary members. Whereas for a while the workers' militancy was further blunted by the economic situation, above being stunned by the impotence of their unions, the workers soon awoke to the reality of the need to fight as changing levels of industrial actions showed (Jacobs, 2013). The economic situation created a generalised fear of job losses whilst at the same time pushed others into desperate and determined struggles like Mine Line and other occupations in this period (Hattingh, 2014). Lack of a clear fighting alternative from the trade union movement not only graphically highlighted the impotence of the trade union leadership in the face of devastating economic crisis. It also served to undermine self-

[68]PSA has over 200 000 members, NUPSAW 60 000, compared to NUPSWU which has far less than 10 000. PEU is affiliated to both NACTU and CONSAWU. During this period it barely participated in NACTU activities.

confidence of the workers and allowed general political demoralisation. A relatively low level of strike activity in both 2008 and 2009 show this reluctance to strike in the midst of the crisis (Molapo and Mutedi, 2015).

Workers were simply reluctant to fight for improvement of jobs they may lose. Fear of job losses and lack of confidence in the trade union movement led to atomisation and undermined cohesion of the workers movement both at the shopfloor and consequently, nationally. Factional squabbling at the top and subsequent splits of trade union movement which were endemic in this period, had the objective basis in this crisis of strategy.

4.4. Failure of trade union leadership.

Bassier and Woorlard (2018, o. 7) report that “while the economy grew by almost 4% on average per year between 2003 and 2015, income from share options grew at an astonishing 10-15 for the richest 5%. Between 2011 and 2014 alone, the tax data show that income from capital grew annually by 10-20% for this group. Indeed, the Johannesburg Stock Exchange All Share Index gave average annual returns of 9% between 2010 and 2015” (2018, p. 7).The net result of these and intensified exploitation of the working class has been facilitation of transfer of wealth from the working class to the capitalist elite on an industrial scale and plundering of the poor not seen in modern times.

As shown earlier on the trade union-led action and proved by statistics on strikes at the industrial level and in the community, the working class of this country did not take these blows lying down (Runciman *et al*, 2018). They fought back. Successive and ascendant tidal waves in every theatre of working class struggle (industrial, service

delivery, campuses), testifies to this class determination to fight. As the Industrial Action Report (Molapo and Mutedi, 2015) concluded on the basis of the study of escalations in the decade between 2005-15 in industrial action:

> In this regard, the number of strikes, working days lost and number of workers involved in strikes in South Africa fluctuated in the past ten years from 2005 to 2015, with an annual average of 85 strike incidents, 5.2 million working days lost and 335 000 workers involved per annum respectively. By industry, Mining, Manufacturing and Transport industries had all seen a continued number of labour disputes in some degrees which were associated with a slow economic growth in the country after 2008/2009 recession. Most of work stoppages were specifically related to the demands for higher wages, bonuses and other compensation which according to other research findings that the demand for a double digit wage increases were in line with inflation (Molapo and Mutedi, 2015: page:35).

Unfortunately determination to fight alone proved inadequate. Leadership and strategy and leadership. The working class largely moves through their mass organisations. On the industrial plane, these are established trade unions. It was, as it is to be expected, that workers, when faced with jobs bloodbath and savage austerity, look to trade unions for strategic guidance and leadership.

Unfortunately trade union leadership has failed to step-up to this role and for this the working class paid dearly. According to Raymond Kgagudi, this shows that the bourgeois class has not wasted the crisis. They fully exploited it to accelerate neo-liberal restructuring and austerity programme, which not only restored profitability, but

also ensured that they get a lion's share of it. Unfortunately this was enabled by the deals trade unions focused on making with people who are merely a shadow of the capitalist class at the levels where it didn't matter except for tying up the unions, whilst employers were retrenching workers and savaging the conditions of the few that remained.[69]

4.5.2010 Public service Strike

The 2010 public service strike was the single biggest response of unionised workers to the deliberate austerity programme of the capitalist class. The government had turned down the public servants' demands for modest wage increases of 8,6 %, housing allowance of R1000 and resolution of issues outstanding from the 2007 strike (Bekker and Van Der Walt, 2010, p. 138), which were deferred but never resolved in the course of three years of negotiations. The government offer of 6, 3 % in the context of 6% inflation rate amounted to a wage freeze.

The government was also reneging on the implementation of some of the agreements reached after the victorious 2007 public service strike. The decision to defer further implementation of the Occupation Specific Dispensation and filling of vacant posts, amongst others, were understood by public servants to be wrecking the 2007 collective agreement. Junior doctors struck in 2009 when government decided to postpone implementation of the OSD agreement for them after a 20% wage increase for nurses the previous year.[70]

[69]Interview, Kgagudi

[70] Based on personal discussions with the leadership of the Doctors Forum, the main co-ordinating body at the time.

According to Bekker and Van Der Walt (2010), government was clearly determined to defeat the public sector workers by every means at their disposal, including the use of media, police, and threats of mass dismissals. They argue that the government acted as it did as a gesture of its commitment to 'prudent macro-economic governance' and 'fiscal discipline' to the 'investors' who were worried by the 'influence' of COSATU/SACP over ANC leadership post-2007 ANC Polokwane conference, where they were instrumental in the election of Jacob Zuma to replace Thabo Mbeki as the ANC and country's president. Most importantly, the worsening economic situation was compelling government to impose austerity on public servants to reign in the rapidly deteriorating budget deficit.

When negotiations collapsed on the 17 August 2010 after government refused to meet workers' demands, an indefinite strike started. 1,3 million public servants are reported to have taken part, under the leadership of COSATU affiliates i.e. NEHAWU, SADTU, PAWUSA, DENOSA, SAMA, POPCRU, etc. and Independent labour caucus, made-up of unions affiliated to FEDUSA, CONSAWU, NACTUi.e. PSA, NUPSWU and NUPSAW. The strike led to the loss of 14 million working days over the three weeks duration. The scale and fighting determination were without parallel in the post-1994 period (Bekker & Van Der Walt, 2010).

The strike was a major defeat against government as it forced serious concessions in terms of wage increases. These included a 7, 5 percent wage increase, R800 housing allowance, and agreement to implement OSD, amongst others. These achievements

were more remarkable owing to the poor level of support from COSATU and the broader movement.

COSATU and other unions organised a one-day general strike on 10 August 2010 when government was not improving its offer. It threatened a general strike in solidarity with public servants and in the end delivered countrywide demonstrations on 26 August. Bekker and Van Der Walt claim that workers could have won much more, if there was a determined campaigning strategy (Bekker and Van Der Walt, 2010). This claim is supported by others like Lawrence (2014) who argue that there were low levels of preparation and determination of the union leadership to win compared to the 2007 strike when COSATU in particular was willing to fight the then Mbeki ANC leadership 'to the end'.[71]

4.6. Lessons of 2007 Public Strike

Lawrence (2014) claims that the victory of 2007 was made possible by elaborate planning that backed up the determination of the union leadership to win. Amongst others he highlights that as far back as 2005 NEHAWU National Executive Committee decided on the Public Service Delivery Campaign as part of its preparations. In pursuit of this resolution, in 2006 NEHAWU organised a Public Service Delivery Summit that elaborated on a Public service delivery campaign which provided the link between workers struggles and community demands for service delivery, adequate funding for health, education and housing, amongst others. This greatly assisted in broadening the base of public support beyond public servants and trade unions. This link between

[71] In so far as that means within the framework of the Tripartite alliance. COSATU was clearly determined to ensure that the anger at government translated into no more than anti-Mbeki sentiment but never anti-ANC.

community and worker needs was, note Bekker and Van der Walt (2010), absent in 2010 and greatly weakened public support. The union organised many industrial actions of mainly essential workers in the health sector in Mpumalanga, where major victories were achieved regarding improvement in the working conditions and public health services. It was then extended to KZN, Gauteng, Western Cape, and Eastern Cape. These strikes served as an important preparation for strike as it trained and steeled structures on mass campaigning work and sunk the roots of the unions in the communities.

In October 2006 NEHAWU also organised a collective bargaining conference where it adopted a Ten-Year Collective Bargaining programme, which laid out a clear fighting strategy including creation of strike committees, plan for mobilisation, picketing, media strategy amongst others. All these according to Lawrence were key factors in the victory won in 2007 (Lawrence, 2014). Lawrence also mentions COSATU's role as another contrast and difference in the two strikes. According to him, COSATU leadership in 2010 found itself more embarrassed by the attitude of the Zuma government and played a role of mediators rather than active organisers of workers' victory (Lawrence, 2014). There was also no build-up of momentum like then when COSATU supported and used every strike of public servants in the lead-up to the 2007[72]strike as a build-up and test for readiness. For instance when junior doctors struck in 2009, COSATU did not support them.[73]

[72] Mpumalanga, Gauteng, Western Cape and Eastern Cape, etc.

[73] COSATU was completely absent from the national conference of the 'Doctors Forum' convened at Sefako Makgatho University to discuss the strategy going forward during the negotiations. This author participated and addressed the conference, officially in the name of MEWUSA (NACTU affiliate), but mainly owing to connections with most of the leading activists based on previous work in the student movement.

4.7. SACP/NUMSA Financial Sector Campaign

As mentioned already, NUMSA decided to take up the campaign inspired mainly by the SACP Financial Sector Campaign, to protest the monetary policy regime of the South African Reserve Bank. At the time of negotiations and agreement on the Framework government did not commit itself to reducing the interest rate but only to facilitate the discussions between SA Reserve Bank and social partners at NEDLAC. The Framework itself highlights the constitutionally entrenched autonomy of the Reserve Bank as a factor for this lack of commitment (COSATU/NACTU/FEDUSA, 2009).At the time, the bank had raised the repo rate, which is the lending rate of the Reserve bank to other banks, as there were fears of inflation spiralling out of control. By the third quarter of 2008, inflation had reached 13, 7% and in response, the SARB had hiked the repo rate to 12%, thus driving the real interest rate to greater heights of 15, 5% (Mnimele, 2012).

SARB uses the repo rate to regulate the interest rates to combat inflation and maintain the value of the South African Rand. In turn this influences the borrowing and investment patterns in the financial markets. In particular, it attracts investments from speculation in the carry trade, wherein people borrow money from low interest rate regimes and invest it in high interest regimes. The inflow in equity markets have been crucial in covering a widening trade deficit between South Africa and its major trading partners. Since 2000, SARB adopted an inflation targeting policy, which aimed at pursuing monetary policy which contained the inflation rate within 3-6% range, hence when inflation breached this limit, SARB increased the repo rate (Mnimele, 2012).

The unintended consequences were, however, the impacts on consumers and economy, particularly the manufacturing industry. The number of home and car repossessions skyrocketed as a result of high increases. In turn, plummeting of car sales almost annihilated the auto-manufacturing industry, with devastating consequences of job losses for NUMSA members in that sector. NUMSA reported that 30 000 workers in the metal industry had lost jobs and 40 000 were put on short-time. In response NUMSA called a Job Security Conference on the 12-14 March 2009. The conference launched a campaign to demand scrapping of inflation-targeting policy, low-interest rate regime, and nationalisation of SARB, broadening and easing of access to credit. The union picketed the Monetary Policy Committee on the 29-30 April 2009 and marched to the SARB offices on the 27 May 2009 (NUMSA, 2009), in addition to lobbying the ANC and government. The interest rate were brought down and it is arguable if the decision partly reflected the pressure of the campaign just as much as it was about the dropping inflation rate (Mnimele, 2012). The ANC has never intervened to nationalise SARB nor amended the monetary policy framework.

4.8. Militant alternatives and Occupations during Great Recession in South Africa

Workers were increasingly escalating the fight in spite, and more often than not, in open defiance of the official trade union structures. The COSATU policy of Alliance at all cost forced workers to seek other channels of organising and taking the fight to the bosses. Describing the ‘class war’ situation in the mines, Hattingh (2014) reported:

> The battle at South Africa’s mines burst vividly into the open in 2009.Up to this point strikes had been common but were mostly channelled through the

> country's labour laws. In 2009, however, workers went outside of the labour law and over the heads of the bureaucracy of the main mining union, the National Union of Mineworkers (NUM), and began to take the fight to bosses across the mining sector. Between August and December 2012 the sit-ins and wildcat strikes had escalated to the point that workers at most of the mines in the country were out or had recently been out on wildcat strikes, and others were staging sit-in occupations or had recently done so. Hattingh, 2014, page 99)

It was the reports of these factory occupations in the International Socialist and workers media that informed MEWUSA's response towards response to the closure of Mine Line. The strategy was developed mainly by the MEWUSA national office and the Democratic Socialist Movement, which operated as an organised tendency within the union at the time (DSM, 2011). It was, however, well-documented factory occupations in Argentina which provided vital material for political education, work shopping the workers and the union in preparation for the factory occupation.[74]

4.8.1. Mine Line Factory Occupation

Mine Line factory occupation is another important response to come out of the trade union movement and NACTU, to be precise. The occupation and campaign started on the 20th October 2009 when 107 workers employed at a locomotive and valve manufacturing and engineering factory, Mine Line and Tap Engineering, occupied their factory in response to the redundancy notice from the factory owner (Makola,

[74] Minutes of union meeting dated 10 October 2009

2011).The workers, with the support of their union, Metal and Electrical Workers Union of South Africa (MEWUSA), immediately embarked on the campaign to defend the occupation against the harassment from the police and threat of eviction from the ex-owner and the liquidators of the company. The Mine Line factory occupation briefly became a focal point for Left politics around Johannesburg and was viewed as the concrete example of a fighting alternative to the crisis of capitalism, factory closures and the jobs bloodbath at the time (Di Paola & Sebei, 2011)**.**

Mine line factory occupation was arguably the most militant response to come out of the organised labour movement against the savagery of the capitalist class at the height of the Great Recession of the 2008/9 (Sebei, 2010). Wilson Makola (2011), the chairperson of Mine line Workers Committee, writing on the significance of the occupation, said:

> After and during the recession millions of jobs were shed through retrenchments, wage cuts, short-time, liquidations and factory closures. The bosses or the employers want the workers to carry the burden of a crisis that they did not create. They are no more making profits as they anticipated. And they want working people to pay by slashing down salaries and wages. It is against this background that Mine Line workers decided to occupy their factory to take the fight back to the bosses. (Makola, 2011, page 5)

Reporting on the 27th day of occupation, Wiseman Khuzwayo (2010) writing for a top business newspaper, *Business Report*, about the atmosphere and implications of the action of these "workers sitting tightly in the bankrupt firm", observed that: "entering

the main office where about 50 workers are assembled, one immediately conjures up the images of the Paris Commune, a government that briefly ruled Paris from March 28 to May 28, 1871 and which was made up of Anarchists... It was hailed as the first assumption of power by the working class during the industrial revolution."

4.8.2. Background to the factory occupation

According to MEWUSA, the problems started when a fatal accident occurred as a result of company negligence. "The tragic accident occurred on the 4th of August 2009, which resulted in the killing of three workers, when the boiler-machine burst under extremely high pressure. The heavy metal lead blew-up and slew workers who were on lunch. Despite this bloody tragedy and the trauma to the survivors, the owner wanted to compel workers to resume work as soon as possible. The workers refused to work" according to Raymond Kgagudi MEWUSA General Secretary.[75]

The union, through intervention of NACTU leadership, insisted on the comprehensive investigation and inspection of the workplace after the junior inspectors sent by the Department of Labour simply cleared the company without a thorough investigation[76]. Workers believed that this, the ongoing litigation by Metal Industry Benefits Fund to recover unpaid Provident Funds of the workers not paid under the Fund as well as other liabilities, prompted the decision to close the company. Sometime in 2008 when the crisis started to bite, the company stopped providing free transport for the workers, deducting provident funds from workers' wages but not paying over to the Provident

[75] Ibid
[76] This author attended the meeting as the union official.

Fund, MIBFA. After union intervention and MIBFA litigation, the company reached an out of court settlement with the Fund Administrators. The company never complied with this settlement agreement and the provident fund monies were still owed when the company closed.

There was a clear managerial strategy to dismantle the working conditions at Mine Line.[77] These conditions embodied gains of workers struggles stretching over decades, through shopfloor struggles and collective bargaining at the industry level. Mine Line workers, like many metal and engineering workers, were amongst the better paid by the extremely poor colonial standards of the South African economy. On the basis of the savagery of working conditions, the management scaled down its costs. This allowed the company to maintain relatively high levels of profitability in spite of the worsening environment across the economy,[78] which hit the manufacturing sector worse than all others.

It was, however, not just workers who were being swindled. It was also the clients, banks and treasury. The owner had stopped paying the taxes to the treasury. By 2009 the company was indebted to the tune of over R15 million in outstanding taxes. He was also using the companies Mine Line and Tap Engineering to secure loans from the banks for personal expenses and to pursue other business ventures. He secured loans from various banks including Nedbank, ABSA and Standard Bank (Di Paola & Sebei, 2011).

[77] This author became the union organiser at the factory in the lead-up to the factory occupation. Some of this information is based on the internal reports of the union after 2008.
[78] Company records showed it was still highly profitable at the time of voluntary surrender.

According to Makola (2010) “Wigand Mulder defrauded the company of millions of rends before placing it under liquidation. He borrowed money from Absa in the company’s name to pursue business interests elsewhere. Sipho Linda protested that “He bought himself a helicopter, fleet of luxury cars and expensive laptop he didn’t know how to operate, at the same time as he wanted us to go on short-time.”[79]

4.8.3. Organisation of the occupation

Mulder failed to notice the changed psychology and mood of defiance of the workers. His decision, following the escalation of the tensions with the workers, to apply for voluntary surrender of Mine Line (Pty) Ltd and Tap Engineering (Pty) Ltd was the last straw that broke the back of the camel. He counted on the subservience and racial divisions of the workers. Workers, across racial divides, along with management team, decided to resist this decision and devastating job losses and forfeiture of all the outstanding provident funds and salaries that it entailed. Workers resisted fiercely through a strike and ‘effectively’ dismissed the owner instead. The owner tried to reclaim the factory in the name of other companies he had registered with the same address. He had most of the assets transferred and registered under them in preparation of his voluntary surrender. The workers occupied the factory to protect it against asset stripping, to guard it against the ex-owner and liquidators and to take under their control as a *de facto* worker-owned enterprise henceforth (Khuzwayo, 2010).

[79] Notes of the union meeting of the 10th of October 2009. The company placed workers on short-time a few months before the liquidation, amongst other measures it took following the economic crisis.

The occupation began in earnest on the 20th October 2009 when the workers overwhelmingly voted during a mass meeting at the factory to occupy it. On that day there were trucks sent by the liquidators to load the machinery and equipment. The liquidators, along with the ex-owner, had been taking company assets away from the factory i.e. machinery, equipment, stock and valuable company books (Hattingh, 2011). Immediately after the decision to occupy the factory, workers dispatched various teams of workers to stop trucks that were loading the equipment and force them to leave the premises.

They also broke and changed locks to factory gates and office doors to impose their control of the factory. They immediately relieved the security guards employed by the Liquidators of their duties and assumed the responsibility for guarding the place to regulate access and movements of people and goods within the factory (Khuzwayo, 2010).

Workers organised the occupation not only to guard it against the asset stripping. The factory occupation was part of the broader strategy for a campaign to gain control and ownership of the company. A worker-owned enterprise was an alternative to the parasitic profiteering of the former owner, who clearly wanted to continue with the same business by another name (Sebei, 2010).

4.8.4. Programme of demands and action

The workers build a mass campaign on the basis of the programme of demands for a government funding to bail out workers the same way they had been bailing out failing

'entrepreneurs'. The campaign was carried under the slogan: "bail out millions, not millionaires".[80]

Makola (2010) wrote "The struggle at the Mine Line factory is enjoying the support of various organisations and institutions. Soon after its inception a Solidarity Committee was formed. It comprises the Metal and Electrical Workers' Union of South Africa (MEWUSA), the union organising at Mine Line, the Cooperative, Policy and Alternative Centre (Copac),the Democratic Socialist Movement (DSM),the Anti-Privatisation Forum (APF), Landless People's Movement (LPM), the Zabalaza Anarchist-Communist Front (ZACF), the Democratic Left Front (DLF) and students from Wits University. The Mine Line factory occupation has also received international support, such as from the 10th congress of the Committee for a Workers' International held in December 2010 in Belgium".

The solidarity and mass actions was leveraged to force meetings with government institutions and other institutions like the Job Creation Trust. The Trust was created by the trade union movement through collections of contributions from workers to create jobs especially for workers facing retrenchments. It is managed by the trade union federations COSATU, NACTU and FEDUSA. Workers immediately set about the registration of the worker cooperative, with the technical support of Cooperative and Policy Alternative Centre (COPAC) to take over the ownership of the factory as a collectively-owned, worker-controlled and democratically-managed enterprise (Makola, 2011).

[80] Interview by Rehad Desai with this author for a documentary on the occupation.

After police interventions failed, intimidations and failed court action, the liquidators had resigned themselves to the victory of the factory occupation, and were willing to cooperate in facilitating the sale of the factory as a going-concern on a nominal price. As Makola (2011) wrote:

> We need start-up and working capital to start production. The IDC has shown a lot of commitment to assist, committing to try to speedily arrange start-up capital for us. We eventually made this break-through after being held back for months by the liquidators of Commonwealth Trust who did not want to give us the company's financial statements which the IDC needed to make a decision. They finally handed over the statements after being threatened with a march to their offices on 28 March 2011.

Unfortunately, the capital was never received and the factory occupation was defeated. This defeat was engineered single-handedly by MEWUSA and NACTU leadership, which not only withdrew support for the workers and undermined the solidarity campaign in the workers movement. Reporting on these challenges at the time, Makola stated that "the major problem we are having is that we are no more getting financial support from the union, because of the internal problems in the union and the workers are now starting to get demoralised because there is no money to buy food for them while guarding. In the beginning we used to guard the factory day and night. The guarding is still continuing but at a very small scale, and this is opening the struggle up to other challenges".

The union and NACTU leadership, however, went further than this. They were also instrumental in getting the liquidators back at the factory in exchange for funding of the factional campaign at the union congress.

4.8.5. NACTU's Role in Mine Line Factory Occupation

Once they (MEWUSA leadership) survived the congress through blatant violence, they openly joined forces with the liquidator to witch-hunt those responsible for the factory occupation, and pressured NACTU leadership to use their positions in the Job Creation Trust Board to influence the Trust to not fund the worker cooperative. Unfortunately, NACTU leadership willingly acceded to this just as they played a role in supporting the faction in the union being challenged by members for misuse of monies meant for campaigning and not having a strategy to deal with crisis.[81]

Having at first responded half-heartedly, the union leadership unfortunately bowed under pressure from the company liquidators and completely crossed over to the side of reaction as soon as the situation became critical. Above all, NACTU leadership, in placing itself at the forefront of attacks against the militants leading the occupation, took responsibility for the defeat and failure of the Mine Line factory occupation. Mine line factory occupation undoubtedly had every chance of success and victory, owing to the determination of the workers and marvellous solidarity received from the rank and file trade unionists and socialist activists locally and internationally (Makola, 2011).

[81] This author was also an actor in this event. Having stood as the candidate for the General-Secretary, he was suspended before the congress and along with majority of national head office and many staff members in regional offices, were charged in a disciplinary inquiry chaired by the Liquidator, Mr Moloto. Whilst the author refused to appear before the enquiry on grounds of impossibility of justice from such inquiry, all the staff members who appeared were recommended for dismissal without exception.

They stripped the federation of militants and sabotaged the prospects of NACTU emerging as a possible fighting alternative to Cosatu that was increasingly coming under the stress of the contradictions between its policy of alliance with the ANC and neo-liberal attacks against the workers led by the ANC government (DSM, 2011).

4.9. Anti-Labour Broking Campaign

In response to massive casualisation of labour that resulted from restructuring of industry and the public service, before and during the Great Recession COSATU intensified its call for a banning of labour broking. COSATU (2009) expressed the resentment of many workers for this much-hated form of atypical employment when it described it as being "tantamount to slavery, as it amounts to the trading of human beings as commodities. Generally the main commercial contract is agreed to between the labour broker and the so-called 'client' enterprise, which sets out the various stipulated labour services to be supplied and the price at which these services are to be supplied."

The campaign for banning of labour broking was part of the Jobs and Poverty Campaign decided upon at the 2006 National congress. Banning of labour broking formed a key part of the pact COSATU made with Jacob Zuma as a condition for supporting his bid for the presidency of the ANC and the country (COSATU *et al*, 2009). When government was not forthcoming and the Minister of Labour clearly stated that the government had no intention of banning labour broking, COSATU organised a general strike to protest this as well as e-tolls on the 7th of March 2012. E-tolls is a tariff imposed on the road-users in Gauteng province due to debt incurred to refurbishment of roads in preparation for the 2010 World Cup. It was part of measures taken by

government to manage its growing budget deficit and workers saw it as an attempt to make them pay for mismanagement of public funds and the budget crisis.

Workers responded to the call and marched in many cities across the country. It was estimated that 50 000 marched in Johannesburg, and 30 000 in Cape Town, amongst others. In total 200 000 are estimated to have participated in the protests (SAHistoryOnline, 2015), and many more stayed at home. Whereas this strike certainly exerted pressure on government, it was the 2012 mineworkers' strikes which finally forced government to concede on the passage of the labour law amendments restricting labour broking employment to no more than three months and guaranteeing labour broking workers equal pay for equal work[82].

The proposed bills were already there long before 2012 but government clearly had no intention of passing them. If the passage of time from the proposal of the bills in parliament and their passing leaves any doubt, the declaration of the Minister clarified lack of intention by government to implement these measures. The legislation came into effect in early January 2015, banning labour broking for any worker who had been working for three months, with effect on the 1 April 2015. Owing to lack of organised labour campaigning, labour broking is still widespread in spite of the legislative intervention and recent constitutional court judgement on the matter[83].

[82]Government, having stalled on the passage of the labour law amendment bills it has been having before Parliament, they finally made a definite commitment and acted on that commitment made during negotiations for 'peace and stability' in the mining industry. This author never formally participated in the negotiations but as a national co-ordinator of the National Mineworkers strike committee in 2012/13 period, closely followed and received the reports of the negotiations facilitated by the then President Kgalema Motlhanthe where usage of labour broking was amongst the major issues.

[83] This has been acknowledged by SAFTU, GIWUSA leadership and it is obvious from many labour broking workers still coming to the Lawyers for Human Rights, where this author is employed and which acted as the attorney of Casual Workers Advice Office in the Constitutional Court matter of Temporary Employment Service Company, Assign Services and Numsa.

Chapter 5:

Fighting Trade Union Alternatives and Socialist transformation

5.1. Introduction

Throughout this report, the trade union policy and responses have been critiqued for their shortfalls and political implications for the working classes. This has to beg the question: Were there alternatives to the course opted for by the leadership of the trade union movement? And if there was, why did the trade union movement opt for the course it did, when it did, and not the alternative course of actions available to it? In this chapter we will deal with the first question and in the next chapter, follow-up on the second question.

To be sure, the reaction of the trade union movement combined elements of both but that only demonstrates that unions are not their leaders, whose thinking, perspectives and strategies we have examined. Trade unions as mass organisations of workers represent a dynamic and dialectical relationship between membership and leadership, which often entails complimentary and contradictory actions on the part of the same organisations. Whereas the corporatist strategy of class collaboration was the main thrust of the political strategy of the trade union leadership as evident from their role and pride in Framework for South Africa's Response to the International Economic Crisis. On the other hand, the tidal waves of strikes and occupations are elements of militant abstention and class oppositionist policy, mainly from below.

Any meaningful assessment and critique of the policies and actions of the trade unions in response to the economic crisis and viability of the alternatives to these trade union

responses entail first and foremost probing what policies and actions essentially constitute those alternatives? Most importantly, we should ask: what makes them a sound policy than the chosen course? And were they viable under the objective historical circumstances which defined the limits of possibilities?

The first question has been answered, even if in passing only, in previous chapters on the trade union history and debates in the workers movement in this country and internationally. In this chapter it should suffice to recap on the fundamental principles and elements of the alternative trade union strategies and perspectives of revolutionary class oppositionism. To answer the second question, we look into concrete examples of these alternatives in the history and international experiences of the trade union responses to the crises of capitalism.

5.2. What is revolutionary abstensionist and class oppositionist approach?

In its report to COSATU on the future of unions, the September Commission[84] dealt with various strategic options opened to the trade union movement in their responses to the stagflation of the 90s and neo-liberal responses of the employers. It propagated what it calls a policy of 'strategic engagement', otherwise called corporatism. The commission characterised 'militant abstention' and its flaws as follows:

> With this option, the union chooses to focus on militant collective bargaining to improve workers' wages, benefits and conditions. The union refuses to get involved, or abstains from, issues of production, restructuring, work organisation, quality or productivity. It believes that getting involved in such

[84]September Commission was a commission set-up to establish a research group and review the trade union movement organising, policies and perspectives in post-1994 period.

issues would weaken the union, cause it to lose sight of its goals, or be co-opted. Its response to restructuring is limited to defending workers' interests: fighting retrenchment, subcontracting and other forms of non-standard employment, and proposing speed-ups or multi-tasking.

Often this means the union ends up defending the way work is currently organised, and opposing any change. The advantage of militant abstention is that it preserves the independence and identity of the union in opposition to management. This may make it easier to mobilise and maintain the unity of workers.

The danger with militant abstention is that management will unilaterally implement restructuring. It is extremely difficult, if not impossible, for a union to block restructuring forever. Because the unions abstains from involvement, it is unable to shape the way change is implemented, and it is unable to provide realistic guidance to shopstewards and members about how to respond. They will be forced to develop their own response, and this can marginalise the union, co-opt or divide workers, and increase management control. Militant abstention makes it difficult for the union to strategically shape skills and training policies, or affirmative action, in the workplace. Another possibility is that a stalemate can lead to plant closures or relocation. Militant abstention is often the strategy of militant bread and butter unionism, or of Moses unionism (September Commission, 1997).

This is, however, not an accurate description of the policy of militant abstention. If anything, it is a crude caricature of this position, at least as it is understood and advocated for in this report. Militant abstention, used here as a tactical policy similar to revolutionary class oppositionism defined and defended by Leon Trotsky (1937), first and foremost entails a "complete and unconditional independence of the trade unions in relation to the capitalist state". This is not a "strategy of militant bread and butter unionism or of Moses unionism. "On the contrary, these strategies, as Trotsky argues, "means a struggle to turn the trade unions into the organs of the broad exploited masses and not the organs of a labour aristocracy… complete freedom of the trade unions from the imperialist or colonial state [that] serve as secondary instruments of imperialist capitalism for the subordination and disciplining of workers and for obstructing the revolution. [It means turning] the trade unions [to] become the instruments of the revolutionary movement of the proletariat" (Trotsky, 1937).

Militant abstention therefore flows directly from the revolutionary class opposition and perspectives for a socialist transformation of society, which requires a democratic organisations of the workers and every oppressed layer of society, both in their struggle against the organisations of the ruling class and in building a new society. Schmidt and Van Der Walt (2009, p. 20), in defence of Syndicalism against the use of similar terminology in describing this trade union policy, which it shares with a Marxist tradition, makes a point that these are "least appropriate terms for revolutionary labour traditions."

In his assessment of COSATU's responses to the Great Recession, Van Der Walt (2011: page number) argues that: "a more truly 'strategic' unionism[85] would be one that rejects social-democratic visions and corporatism, in favour of a strategy of counter-power. "He outlines the fundamental tenets of that strategy to be a:

- **Direct action and militant abstention**, in place of co-managing capitalism. In general, militant class-struggle action will be more successful at building consciousness and organisation and at winning or defending gains than top-down 'engagement' or legislation. Seeking to contest or wield NEDLAC or the ANC entangles unions in the machinery of a system the working class does not control, and cripples unions' power, which rests on mass action at the point of production.
- **Direct democracy and 'policy-from-below**': this does not mean ignoring policy changes – for example, in welfare laws – that could seriously affect the working class. The point is not whether these issues get dealt with, but how. In place of a top-down technocratic intervention (in which the mass of union members are mobilized to get the leaders' policies taken seriously at NEDLAC), anarchists can rather propose a model of 'policy-from-below.' Campaigns can get built around policy changes – campaigns that educate and that are used to build union numbers and democratic structures, campaigns to mobilise the rank-and-file, campaigns that raise the demands of the ordinary workers, campaigns that enforce from below these demands, this policy vision.

[85] This is the term COSATU uses to describe their existing policy, Marxists and Syndicalist commonly describe as corporatist.

- **Occupations, and the refusal to be retrenched**: one of the most important working class tactics being used today, the world over, is the occupation.(Van Der Walt, 2011)

These are key elements of the strategy of the Marxist-Trotskyite tendency in MEWUSA during the Great Recession. It was the strategy articulated not only in the controversial debates that led to the purge of this tendency and co-thinkers in MEWUSA and NACTU (DSM, 2011). It was put to test in the militant factory occupation of mine line (Di Paola & Sebei, 2011). It is the same strategy that this tendency continues to argue today in SAFTU and across the organised labour movement in the context of deepening stagflationary tendencies and volatility in the economy, mine closures and massive job losses.

These policies and actions were tested in the arena of class struggle not just in Mine line, but in the past of the workers movement here and across the world. Below we discuss these examples, starting with those forming the immediate background to the discussions on alternative fighting strategy in 2008/9 and were instrumental in the inspiration of Mine Line workers and revolutionary left at the time of the Great Recession, to those that a hundred years ago resulted in the most successful overturn of the capitalist system in Russia and laid the basis for a first workers republic on such scale.

5.3. Lessons from Cosatu's response to the economic crisis of apartheid

COSATU's contemporary response was in stark contrast to how it responded to the previous economic crises of the late 1980s. When South Africa was faced with structural crises in the economy, which was compounded by Black Monday stock market crash, COSATU launched A Living Wage Campaign to defend workers against worsening poverty wages, supported factory occupations, massive strikes in various industries and initiated a cooperatives movement for workers whose jobs could not be saved.

5.3.1. Siyalala tactic[86]

The workers occupations, known as 'Siyalala', were then organised mainly in the manufacturing industries when factories were closing. These workplace occupations were consciously planned by trade unions, heavily and vigorously defended against police harassment by a combined force of workers and communities mobilised by trade unions. Trade unions understood that this was the only effective way to resist capitalist attacks on the jobs and destruction of industry in the context of the deep structural crisis of apartheid capitalism. Commenting on this wave, Randal (1985,pp.22-23) said, "In this period of recession, when there is reduced surplus with which to lubricate the wheels of industrial relations, struggles over wages and conditions have become longer and more bitter. Workers have shown that they are not prepared to passively accept the terms dictated by employers."

5.3.2. 1985 factory occupations

[86]Siyalala is a Zulu word loosely translating into "we sleep-in". It referred to tactic of sleeping inside factories as a cornerstone of factory occupation strategy.

In 1985 alone three politically significant, trade union-led occupations were organised by the unions that launched COSATU later in the same year (Randall, 1985).At Brits, near the capital city of Pretoria 300 members of MAWU occupied Bosch factory in September 1985 to demand wage increases and reinstatement of dismissed workers.

In July, 1985 hundreds of members of Sweet Food and Allied Workers Union (SFAWU), Food and Beverage Workers Union occupied three bakeries demanding wage increases. These occupations were part of 2100 bakery workers belonging to Sweet Food and Allied Workers Union (SFAWU), Food and Beverage Workers Union, Black Allied Workers Union, and Natal Baking Industries Employees Union against Anglo Vaal, Premier Group, and Tiger Oats.

90 workers of Printpak in Johannesburg also occupied their factories when the employer dismissed one of the union members in October 1985. They consciously decided on this and were actively supported by the union, which forced the hand on management with a threat of solidarity action by other members of the union across the industrial area of Industria.

Highlighting the role of the union and connection with the wave of occupations at the time, PWAWU Transvaal Branch secretary, Sipho Kubheka commented at the time that “the tactic of sitting-in was consciously decided on. Workers had learnt from the bakeries strike in Durban and the Brits one. They felt it would give them more control over the situation than an ordinary strike, although it needs more thorough organisation. There was also the advantage of workers being together for a long time. They were able to discuss issues, explain things to one another and build greater unity

through closer interaction" (Randall, 1985, page: 27). These factory occupations, however, unlike Mine Line and international counterparts discussed below, never sought to take ownership and permanent control and management of production.

5.3.3. Escalation in 1987

The occupations and militant strikes continued in the whole period and reached the highest point in 1987. The year saw many mass industrial actions including the Great Mineworkers Unions, railways workers and other strikes. When workers lost their jobs in those strikes, workers co-operatives were initiated to provide an alternative employment. Above all, COSATU had formally launched a Living Wage Campaign, which placed these militant struggles on a consciously organised, co-ordinated and strategic foundation, notwithstanding all the limitations Baskin (1991) points out in this respect. The Living Wage Campaign raised the sights of the workers to the struggle for a decent work and life. The campaign linked the issues of wages with total basket of goods and services workers needed to make a decent living.

At the height of the campaign in 1987, the strikes increased nine-fold from a year before and 6 million days were lost due to industrial action, which set a new record level according to Baskin (1991). Consequently, when workers were losing out on their conditions, an industrial consultant commented at the time that "black union members have been the only group in the economy to have successfully kept up with inflation." In fact this was an understatement of the workers victories. In the seven semesters from the second half of 1987 to the end of 1990, wage increases were above 20 percent against the background of less than 15% average inflation rate (Baskin, 1991, pp. 248-253).

These provided an objective basis for an organic linkage between workplaces struggles for better wages to community protests for rental boycotts, social housing, education, etc. It was therefore not surprising that the leadership of powerful community civics in these period were led by trade unionists like Moses Mayekiso and Dan Mofokeng. COSATU locals also functioned more like ‘embryonic soviets’ than trade union structures.

COSATU also took other important initiatives of building cooperatives and unions for the workers that lost jobs and other unemployed people. Writing about these coops Phillips (2003, page 14) point out that “three trade unions also supported co-ops as part of strategies to deal with dismissals in their industries. These trade-union linked co-ops included the 3 Sarmcol Workers Co-ops in Howick, linked to NUMSA; the Zenzeleni Co-op owned by SACTWU; and NUM’s network of 30 producer co-ops in South Africa, Lesotho and Swaziland”.

Although many of these co-operatives (and organisation of unemployed workers COSATU initiated and supported) did not succeed they demonstrate fighting alternatives and political solidarity of the trade unions with the workers losing jobs, which is vital for building a workers movement (Phillips, 2003).By concretely and practically challenging the material foundations of apartheid capitalism, baaskap political and workplace regime, the Living Wage campaign and its militant siyalala occupations and strikes sharply and meaningfully posed strategic questions of struggle for a black and working class power, national dignity and liberation. And that

is what earned the trade union movement, and COSATU in particular, a central and decisive role in the struggle against apartheid.

5.4. International Fighting alternatives in the Great Recession

The idea of factory occupation was not novel. The Mine Line occupation also did not take place in isolation (Hattingh, 2014). It is a fighting strategy with a long history in the militant traditions of the working class internationally. In the context of the 2008/9 economic crisis, as in many crises before it, there was a resurgence in factory occupations across the world. In the US, South Korea and many others, there were factory occupations in this period. The most widely publicised factory occupation in this period was the factory occupation of Republic Doors and Windows in the US in December 2008. Over 200 workers and members of UE[87] Local 11100 in this factory staged a sit-in and occupation to protest retrenchments on three days short notice. The factory was shut-down after the Bank of America stopped its credit facility to the company. The owners immediately announced closure and retrenchments of workers on short notice of three days, instead of 60 days required by law in the US. The workers ended their occupations only after six days and major concessions from the employer. These included severance packages of eight weeks pay, two months health insurance pay and settlement of all accumulated leave days. They sued for more and recovered further monies from the company insurer in 2016.

When the company that purchased the factory, Serious Energy Management also suddenly announced factory closure in 2012, the union responded the same way. This time, however, they went beyond demands for better severance packages. They took

[87]Abbreviation used for United Electrical, Radio and Machine Workers of America.

ownership of the factory and now operate it as a worker-owned cooperative, New Era Windows. This and countless other militant responses including those discussed below arguably demonstrate not only broad possibilities of trade union policies and responses to the impacts of the Great Recession in South Africa. They illustrate the viability of militant fighting alternatives and revolutionary socialist strategies, which COSATU leadership clearly considered but disregarded.

5.5. Recovered factories in Argentina

Factory occupations in Argentina, like the Mine Line factory occupation, took place in the context of a deep economic crisis. In 2000/20011 Argentina was hit by a devastating economic slump which affected the whole of Latin America. Forced to defend their jobs in the face of the determination of the bosses to shut-down factories, scale down production and cut jobs as part of restructuring the economy to shore up their profits, workers in Argentina began to fight back (Ranis, 2005). Besides resisting worsening conditions of employment, they fought back to save threatened jobs and recover the lost ones. These took the form of workers occupations of factories threatening closure, job losses and to recover those already closed.

According to documentaries[88] reporting on these struggles, numerous factory occupations succeeded in continuing or resuming production in closing factories under workers cooperatives. These occupations saved, recovered and created thousands of jobs. The most well-known of these factory occupations took place in the Ceramic tile factory, Zannon, during early 2000s working class revolts in Argentina.

[88]The mostly circulating of these is documentary film *The Take,* produced by Naomi Klein and Avi Lewis.

With these successes, workers in many workplaces joined in until factory occupations reached epidemic proportions across the whole of Argentina. They became a truly mass movement of thousands of workers fighting for their jobs and communities supporting them. According to reports, 15 000 workers are currently employed in 150 workers owned enterprises (Ranis, 2005). This obviously represents only a fraction as some factory occupations obviously would have saved jobs without overturning the private property regime in the factory, with others reverting back to previous owners/private ownership and still many others due to challenges of access to capital and markets to sustain and grow the business. Many others would have been defeated and failed.

The massive scale of the factory occupations made co-ordination both possible and necessary. It was this co-ordinated mass movement of workers that served as a point of political reference for workers looking for a fighting alternative to boss's retrenchments and austerity measures. These breathed a fresh air of militancy into the trade union movement. In so doing they laid a foundation for revitalisation of the organised labour movement in Argentina which found organisational expression in the creation of a new militant left federation Argentine Labour Confederation, CTA (Central de Trabajadores Argentinos).

Whereas the factory occupations gained momentum and became rampant across Argentina, they were confined to small enterprises. Consequently, workers cooperatives that issued from these occupations remain economically marginal in relation to monopoly capital. Unfortunately, this emanated from their political isolation

and marginalisation by the organised labour movement including CTA. Instead of an active orientation and generalisation of factory occupations required by the vast scale of factory closures, downsizings and neo-liberal restructurings including casualisations and privatisations, CTA has, at best, provided a lukewarm support (Ranis, 2005).

5.6. Role of militant trade union leadership: France and US in the 1930s

Whereas the Argentinian factory occupations are probably the most widely known example of this militant trade union tactic in defence of job losses and working conditions in the context of factory closures, they are neither the only nor the first examples. Factory occupations have much longer history and tradition in the arsenal of trade union and working class responses to the impacts of capitalist economic crises (Van Der Walt, 2011).In the previous crises of the 1970s and most importantly, the Great Depression of the 1930s, which is arguably the worst world economic crisis in the whole history of capitalism, there were waves of workers occupations and general strikes in the US, France and many other countries across the world. In contrast to the Argentinian occupations, the factory occupations in the US, France and Spain in the 1930s, and before that Italy in the 1920s, were either a deliberate trade union strategy or enjoyed active political and organisational support from the trade union and/mass socialist movements.

In the US, which was particularly hit by the Great depression, the strikes and factory occupations were in the main part of the trade union organising drive by a newly formed, Central Industrial Organisation. The most important strikes and occupations were therefore centred on the demands for trade union recognition and collective bargaining agreements (Torigian, 1999). In General Motors a very militant strike

including sit-ins forced the first major trade union recognition agreement that challenged the entire union-bashing, open shop regime of American capitalism. The victory set a stage for capitulations across automobile and many other industries. In due course this led to massive improvements in wages and better working conditions as well as concessions in Roosevelt's New Deal at the height of the worst economic crisis in the history of capitalism (Torigian, 1999)**.**

Whereas in France, the militant strikes and occupations were initiated by Communist trade union militants, trade unions leadership also came over to support them. The movement spread like wildfire. They rapidly turned into a general movement, growing from six factory occupations involving four thousand workers at the end of May, to 150 000 workers on the 2nd June and half a million workers by 5 June 1936. However, as soon as they acquired insurrectionary character, the trade union leadership took fright and began to flinch. This was particularly after satisfying themselves with what came to be known as Matoignon Agreement, which became the foundation of the modern industrial relations regime, including its trade union rights and shop-stewards system. The agreement further encapsulated a forty-hour working week and two weeks annual vacation as well as massive wage increases. The trade union leadership completely lost control of the movement and could not call off the occupations even after their narrow bureaucratic ambitions were achieved. It took the strike-breaking intervention of the Communist Party, PCF, whose rank and file militants were a decisive political authority in the strike committee movement that controlled factories, to finally force the retreat of the workers (Torigian, 1999).

5.7. Revolutionary Implications and potential of factory occupations

In spite of the political marginalisation of the factory recovery movement and feeble economic weight of the worker cooperatives in Argentina, lodged in the idea of factory occupations and worker-controlled enterprises is the revolutionary seed of a new society. Violation of the sanctity of private property rights fundamental to the capitalist property relations, alteration in the property and organisational regime in the workplace do serve as an important point of political reference. They are a living guide to workers seeking not only to fight job losses and austerity policies. Factory occupations concretely illuminate possibilities of reorganising the workplace, economy and a fundamental social transformation towards a more socially just, revolutionary alternative to capitalist crises (Hattingh, 2011).

These revolutionary implications of factory occupations are, however, not always embraced by the trade union leadership, including those thrust to the forefront of these struggles. This was the case in the US and France. In spite of their militant character, both French and US occupations had no conscious revolutionary programme and seditious aspirations consistent with the logic of their insurrectionary actions. The trade union leaders in the US and France wanted no more than the recognition of the unions, fair collective bargaining system, improvements in the conditions of employment and social reforms completely compatible with capitalism. In both instances, trade union leadership also placed their hopes in the bourgeois governments. They were desperate for concessions they could use to pacify workers who clearly were more radical in their aims and determined to fight to the end.

5.8. Factory Occupations in Italy and Spain

In contrast, the Spanish and Italian factory occupations in the 1930s and 1920s respectively, and St Petersburgs' occupations in Russia, in 1917, were consciously revolutionary in their aims, methods and political leadership. Factory occupations in Spain in 1936 were, and arguably remain, the most sweeping mass revolutionary, factory-based and land movement in the history of the workers movement. In response to the economic crisis that set-in after the disastrous military adventure of Spanish King Alfonso into Morocco and the end of the Spanish Civil War, workers, inspired by the example of the Russian revolution and under the leadership mainly of the Anarchist trade union Federation CNT and later its Social Democratic/Communist-led UGT, expropriated the capitalists' industry on a scale not seen since (Wetzel, 2006). In the Barcelona area alone, more than 3,000 enterprises were seized by the unions. An American UPI journalist in Spain, Burnett Bolloten reported:

> Confiscated by the unions and controlled by worker committees were the following: railways, commercial shipping, streetcars and buses, taxicabs, electric power companies, gas and water systems, glass-bottle factories and perfumeries, textile mills and paper factories, mines and cement works, food processing plants and breweries, motion picture theatres, live theatres and grand opera, newspapers and print shops, department stores and hotels, deluxe restaurants and bars. In addition, motor freight companies, bakeries, barber shops, the plate glass and mirror industry, the lumber industry in the Pyrenees Mountains, furniture-making, and hospitals were also expropriated. The CNT national telephone industrial union seized the Spanish National Telephone Co, the largest subsidiary of the American multinational ITT. In Valencia, the CNT created an organization to manage

> the purchase, packing and export of the citrus crop – Spain's largest source of foreign exchange earnings in the 1930s. (Bolloten, cited in Wetzel (2006)

The UGT's land workers affiliate, Land Workers Federation, organised an 80 000-strong land occupation of 3000 farms in Estremadura as part of its Land Reform programme. Along with farms and factories, workers also seized big apartments of the rich, and created workers-owned and collectivised agricultural communities across Spain. These occupations were consciously organised by the main trade union centres CNT and UGT as part of the political strategy to seize power and build a workers government. For the leading workers federation, Anarcho-syndicalist CNT, this meant a libertarian commune based on trade unions, whilst for a reformist UGT it meant a Socialist Party-led social democratic state.

The trade union federations backed these occupations not only with industrial but also with military power of workers militias. The scale of the workplace, land and housing occupations, and the armed groups in workers militia and anti-fascist military committees, means that the economic and military power in Spain was in effect under the workers movement. The republican, anti-fascist popular coalitions were only able to rule at the pleasure of the trade union leadership.

Wetzel (2006) argues that the outcome of this revolutionary movement was mainly due to the failure of the trade union movement to seize political power and its concession of leadership to the bourgeois democratic coalition. Anarchist trade unionists instead joined this coalition at some point, thus implicating itself in policies that perpetuated capitalism and poverty of the masses in Spain and imperialism in

Morocco. These ultimately gave way to the Fascist counter-revolution of Franco and the bloody slaughter of republican movement including the workers and trade unionist who led these occupations (Wetzel, 2006).

Factory occupations in Italy had modest aims in the beginning according to Torigiani (1999). Having started as a wage dispute against the intransigent Italian capitalist class still licking the wounds of defeat in the First World War, the strike rapidly turned into an armed, insurrectionary mass factory occupation movement due to escalation of the conflict by the armed forces of the state. Mainly under the leadership of the newly-formed Federation of Italian Metal Workers, FIOM, which sanctioned the strike and occupations in response to the recalcitrance of employers during wage negotiations, workers not only occupied factories. They called for a complete socialisation of the whole economy, and organised themselves into factory councils to take control of production. Red Guards were also formed and turned factories into barricaded fortresses, thus creating a dual political power in industrial areas across Italy. The Socialist Party activists were the dominant leadership of FIOM, but Syndicalists played an influential role through leading roles in structures of FIOM including in Turin, the epicentre of the workers occupations movement and Italian Syndicalist Union, USI (Wetzal, 2015). Although the movement was ultimately crushed by the state, for a moment, the workers, however, did test the possibilities of their organised power, and tasted political power as well.

5.9. St Petersburg occupations and the October Revolution

St Petersburg factory occupations were much more successful and through armed mass insurrection, culminated in the lasting expropriation of the capitalist class and

revolutionary conquest of political power by the working class under the Bolshevik leadership (Torigian, 1999). These workers set themselves the task of transforming society through nationalisation of the whole commanding heights of the economy, which for a period resulted in the democratic control and management of the working class over the industry and planning of a whole society.

Notwithstanding the ultimate degeneration of the Great October Revolution under the counterrevolutionary heel of Stalinism, it remains arguably the greatest event in working class history. This is precisely because it represented an ultimate culmination of St Petersburg factory occupations into a generalised workers-takeover of the industry and society. For a short but heroic period of the Russian revolution, this ushered a most democratic working class rule and gave humanity the glimpse of what was possible under democratic socialism (Taaffe, 2017). This revolutionary mass movement made it possible for the first time in the whole of human history, for the majority of the population in so vast a country as the Soviet Union to get involved in the management of their working and living spaces, planning of industry and organising every aspect of society.

Chapter 6

Conclusion: Rebuilding of the Workers Movement: Prospects and Results.

6.1. Introduction

It is the conclusion of this report that the swift contagion of the crisis across the economy and the world, its rapid, epidemic spread into a world economic crisis and the enduring severity of it reveals that the causes of the Great Recession are much deeper than the miscalculations of the few greedy bankers in the US and those in and outside the US who underwrote their reckless lending in the subprime housing market (Amadeo, 2019; Kliman, 2011).

Seeking explanations of these underlying, deeper causes has been a source of a contentious debate, in the academic and political circles. To be sure, in so far as South Africa is concerned, the debate has been muted.[89] The heavy battalions of the workers movement, organised in its major trade union federations which are part of this study, have failed to seriously reflect theoretically and robustly debate, at the political level and within their ranks, the causes of the economic crises and to develop their own theoretical perspectives on the explanations of this economic crisis and the causes behind it.[90]

[89]To be sure there are discussions of the recession by various writers, (e.g. See raj Mohamed, 2009; Marais, 2009), as discussed, but these were discussed mainly in the academic circles and only on the margins of the trade union movement, whose perspectives and responses to the crisis is the subject of this study.

[90]Conference reports and discussion papers of COSATU for all the leading bodies of the federation do not indicate any serious analysis and strategy for the crisis during and beyond the recession. FEDUSA produced only a single document and NACTU absolutely nothing to guide affiliates.

6.2. Trade union analysis and perspectives

The immediate and probably the serious consequences of these has been a blind tailism of the trade union movement. All the leading trade unionists I interviewed and the materials gathered in the course of this research, shows that the leading summits of the trade union movement have just been echoing varying academic and political attempts, from the wide-spectrum of scholarship in this country and internationally, from the mainstream economic orthodoxy right across to the revolutionary left. There is nothing wrong with the leadership of the workers movement in tapping into available resources, including the intelligentsia, their empirical studies of economic crisis and even theoretical and political conclusions. These resources should be fully utilised to develop independent class perspectives of the trade union movement grounded on the real, lived experiences of the workers and the working class as a whole.

As Van Der Walt (2009) correctly challenges the trade union movement, the trade union analysis and policy making should be grassroots-based and linked to involvement of workers in the organising and campaigning work, instead of top-down, bureaucratic discussions between trade union leaders, technical experts and academia in the 'ivory towers' of trade union conference centres, universities and other places of privilege. This requires careful analysis of the information, the theoretical perspectives put forward and their implications, for society as a whole and particularly, its working classes and poor majority, whose class interests and position in the trade union movement should be taken as their stand-point in every political debate.

These theoretical perspectives would only have enriched robust political discussions in the ranks of the trade union movement. Serious discussions with workers in

workplaces, general and committee meetings, shop-stewards councils and trade union conferences would have gone a long way in serving as schools of revolutionary theory, which would have raised the theoretical and political understandings of the trade union rank and file.

Moreover, robust political discussions with the workers would have served as an education in revolutionary strategy, political response and trade union action required to defend the workers against the impact of this and future crises of capitalism. As Wetzel (2006) points out, the mass education facilities, worker control and democratic trade union tradition in the Syndicalist CNT and Spanish trade union movement generally at the time, were critical factors in the capacity of the workers to appreciate the gravity of the crisis and act on it from below, as decisively as they did in the mass movement for workplace, land and housing occupations that developed in the late 1930s.

Political theory can never be an end in itself. Political theory is only as good as it offers an explanation for real, material phenomena affecting society (Mandel, 1977). If this is true for all political theories, it is more so of attitude to theory on the part of the working classes, which have only time for theoretical education and discussions in so far as they have real, material meaning for their 'here and now' and the future. Working class people, under capitalism and its punitive labour regime of long, gruelling toiling hours, unfortunately have no luxury of time for philosophical speculation on abstract questions which serve purely to satisfy intellectual curiosities as revolutionists idealise for future utopias. It is therefore not for failure to organise academic seminars on these issues that the organised labour movement is being criticised. It is for abdication of

responsibility to organise political discussions in the best democratic traditions of the working class and workers movement in this country in particular, to reflect and deliberate on the nature of the economic crisis, the strategy and programme to respond to it, that has left organised labour ill-prepared and vulnerable.

It is the conclusion of this report that, although there may have been organisational constraints, these explain nothing significant, if anything at all. The fundamental causes of the failures of the South African trade union movement are rooted less on the organisational terrain than in underlying political failures. As shown in the previous chapters, this report argues that the Great Recession found the trade union leadership ideologically demoralised and entangled in class collaborations that tied them to the ruling class.

The right-ward shift of COSATU into social democratic reformism, evident in the political responses towards the Great Recession, including the negotiation of the terms of the Framework, is symptomatic of these far reaching changes in the outlook and politics of the trade union movement in this country and internationally. Much more importantly, it was revealed through a social democratic faith in the state and corporatist strategies of relying on dealings and joint declarations with the capitalist class, instead of class struggle.

The strikes and occupations, spontaneous and trade union-led demonstrate also that the trade union rank and file pursued elements of revolutionary trade union strategies i.e. militant abstentions and class opposition, from below. Trade union leadership not only failed to support and translate these into a co-ordinated trade union resistance

and militant fight back. Increasingly the trade union consciously worked against rebellious rank and file, with disastrous consequences such as those faced by NUM in the platinum belt. Here the mineworkers left NUM in mass exodus after its leadership sided with the management in attacking the workers' protests for higher wages.

6.3. Trade Union strategy, education and democracy

The trade union movement in this country has played a leading role historically in the struggle against the repressive apartheid regime. This role was not just organisational but also political and theoretical leadership (Buhlungu, 2010).[91] Workers managed to set aside time, in the most difficult conditions of police-state repression and with scant resources, to debate the most vital questions of political strategy and education for the mass democratic movement in its struggles against the apartheid regime and for transformation of a country into a non-racial, democratic and unified state.

In contrast, Webster and Buhlungu record that by the early 2000s:

> COSATU's 19 affiliates have a combined total of 1 831 full-time officials. They have regular newspapers or journals, use e-mail for communication and have up-to-date websites. Some of them also have specialised departments focusing on research and union education. COSATU, in particular through the establishment of the National Labour and Economic

[91]COSATU was the main author of RDP programme, had the best political education programme in the movement, etc.

> Development Institute (NALEDI) in 1992, has access to in-house research expertise.
>
> NALEDI employs 13 full-time research staff providing union leadership with up-to-date information on issues such as labour market and economic trends for processes such as the job summits and the NEDLAC policy processes. COSATU has also established a policy unit consisting of seven staff members, one of whom has a PhD in economics and three have masters' degrees. In addition, there are five members in the federation's parliamentary office in Cape Town. (Webster and Buhlungu, 2004, page 43-44)

It was similar in relation to education:

> COSATU and most of its affiliates have specialised education departments and fulltime education officers. COSATU affiliates have a total of seventy full time educators at national and regional level (COSATU, 2003). In addition, both COSATU and FEDUSA created in 1997 a joint labour education institute, the Development Institute for Training, Support and Education for Labour (DITSELA), dedicated to the design and delivery of trade union education and training programmes (Webster & Buhlungu, 2004,page 44).

The question we raise here of education are therefore not issues of resources. They are political. Back then, the workers movement understood that it had far greater historical responsibility. As Van Der Walt et al (2017) point out in relation to FOSATU,

its "'workerism' placed a heavy emphasis on building working class education, working class identity, working class culture and working class history."

The black trade union movement in particular understood that its mission went beyond only negotiating terms of exploitation dictated by the bosses' system. It was this sense of greater historical mission that imbued it with revolutionary political perspectives linking daily experiences of economic exploitation and social marginalisation, and encounters with political and national oppression under apartheid capitalism, with a need to completely transform society and build a better world, which it defined unambiguously as a socialist world.

The revolutionary trade union movement which came out of the heroic struggles within the ranks of the black workers, had to understand and debate the nature of society which condemned its members to slavery of wage-labour that capitalism entails and specific features characterising its method of political repression of the working classes in South Africa (Van Der Walt *et al*, 2017). It was debates on these issues which placed the trade union movement at the 'vanguard' of the struggle for national liberation from the capitalist, white minority rule and mass democratic movement of the 1980s (Buhlungu, 2010).

Initiating debates on the causes of this economic crisis and working out correct theoretical perspectives cannot, therefore, be a trivial matter for trade union leadership. The leadership had a political responsibility to mobilise every resource in their colossal organisational apparatus and treasuries for this debate, the research, education and creation of platforms for discussions as well as organising action. As

already argued elsewhere, this crisis has always been a vital question of life and death for the organised labour movement. It remains so today.

Unfortunately, the leadership failed in their responsibility to rise to the occasion. Consequently, the working class paid a heavy price economically as already discussed in previous chapters but also politically and organisationally. The dramatic collapse of COSATU and general erosion of the political authority of COSATU and leadership of the trade union movement as a whole, in the final analysis, has its roots in the disappointment of the workers in the failure of the trade union movement to lead, first and foremost, in action but ultimately in theory as well (Ashman, 2015).

The trade union movement could not put forward fighting alternatives to savage austerity, job losses, factory closures and massive destruction of productive forces. The state of the economy in this country (Van Der Walt, 2011)and internationally, intractable contradictions of capitalism which pushed the world economy into disequilibrium ruled out possibilities of sustained social reforms along lines of welfarism which followed the Great Depression in the post-World War 2 period (Taaffe, 2013).

Theory is ultimately a guide to political action. Political responses and organisational activity reflect the theoretical perspective and strategy on any political matter. Theoretical understanding and perspectives are not a secondary matter considered here as an academic sideshow for scholastic completeness. Their consideration has to be a starting point not only because they logically constitute a first response in the sequence of trade union reactions to the crisis. Their crucial importance consists

mainly in the fact that they frame both the understanding and outlines of the political strategy and action (Trotsky, 1937). Theory therefore has profound implications for trade union practice and action, so much that trying to understand and critique the latter without the former, renders the exercise a guesswork and complete speculation.

From COSATU continuing to prop up the ANC government even when carrying out anti-working class austerity measures; and joint declarations of these federations with government and business, committing organised labour to acting 'responsibly' and effectively to policing their members in the quest to assist the 'country' to overcoming its economic difficulties; to the active collaboration of their affiliates with employers' restructuring plans entailing short working hours with reduced pay, cuts in benefits, job losses and plant closures, the trade union movement placed itself at the disposal of the bosses and became complicit in their crimes against the working class (Ashman, 2015).

In so doing, the trade union leadership crossed over the 'picket lines' and contributed towards the current state of fragmentation and complete paralysis of these trade union organisations,[92] each of which represented enormous step forward for the working class. In the case of COSATU and NACTU in particular, these step forwards embodies historic conquests paid dearly with the blood of the black working class and its allies.

Without a correct class perspectives and strategy, the leadership could not anticipate and orientate the workers to the inevitable struggle with the bosses' class and their ANC government (Van Der Walt, 2011). Most importantly, a correct analyses would

[92]Ibid

have provided a granite-solid, theoretical perspectives, on the basis of which the trade union movement could have worked a political strategy and programme for fighting alternatives to the austerity, job losses and organised, mass resistance against these and every other forms of attack on the working class.

With favourable conditions, not only economic but also political, the working class would not only be in a better economic situation, but a mass, trade union resistance against the bosses and their government would have imbued the working class and other oppressed layers of society with so much confidence in themselves, their organised power and revolutionary leadership of the labour movement that it would have shifted and shaped the contours of debates away from capitalist responses.

These giants of organised labour had a power to move to change the terms of the debate much further and settle the current economic and political crisis in favour of the working class. Instead of debating bosses 'political alternatives within the ANC and across the political spectrum and their varying dosses of neo-liberal austerity policies they seek to impose on the working class, trade unions could easily force the debate to be about the best ways to reorganise the economy in a way that can save all jobs and create many more in the interests of the majority. Most importantly, the trade union movement could use the crisis to mobilise for a revolutionary struggle and socialist transformation of society as well assembling the forces and building a revolutionary mass, democratic movement of the working classes to that end.

6.4. From paralysis to treachery

A complete paralysis of the trade union movement in the face of the devastating impacts of the Great Recession was symptomatic of the political impotence and bankruptcy of its political programme and policies. The treachery of these leaders was glaringly exposed in Marikana, more than in any event before. This bloody butchery of the mineworkers at Marikana was both symptomatic and a consequence of the treacherous role of the trade union leadership in the whole period. Firstly, the massacre would have been inconceivable without assurance of active political collaboration of COSATU leadership. In spite of their gradual weakening over the years, until then they remained the most decisive factor in trade union politics. Secondly, the massacre was partly motivated by attempts to impose COSATU leadership on the mineworkers who were openly defying and breaking ranks with it (DSM, 2013). Lastly, and perhaps most damning, is the fact that the massacre is a direct consequence of the whole policy of class collaboration with the ANC. This former national liberation movement has become the mainstay for neo-colonial capitalism since the end of apartheid. A political alliance with it means COSATU is propping up a system of brutal exploitation that is not only hopelessly dependent on the cheap black migrant labour (Sil and Samuelson, 2018) but also perpetuates conditions that made a bloody reckoning at Marikana both inevitable and unavoidable.

Whereas the alliance with the ANC may have been tolerable to the workers, and even appeared beneficial as COSATU leaders argued over the years, in the period that opened with the Great Recession and qualitative changes in the policy trajectory of the capitalist class, corporatist policies and collaborationist strategy towards the belligerent capitalists hell-bent on protecting and recovering profitability at the expense of rank and file members, just became untenable.

Marikana was a true baptism of fire for COSATU. Like any fire, it burnt to ashes everything that had fossilised over the years. A disastrous implosion of Cosatu, which saw unprecedented exodus of over 150 000 mineworkers from NUM to AMCU and splitting of many affiliates including its biggest, National Union of Metalworkers of South Africa, in the aftermath of its most shameful role in Marikana was a delayed but necessary punishment of history. It was a political sentence for its failure of the objective historical test that the economic crisis and its social ramifications represented.

NACTU has not fared any better. Where COSATU was guilty by commission for its active collaboration, NACTU was guilty by complete abdication of political responsibility. A combination of political collaboration and abstentionism was the opportunistic policy of its leadership throughout the whole period. Whereas political absentionism is for their public posturing and pretensions of class independence, an acquiescence to government and capitalist policies complimented this posturing. This is reflected in both the role they played throughout the entire period, including being the most enthusiastic party to every government declaration on the crisis and the failure to fight back when the members were faced with job losses and capitalists' austerity.

In the aftermath of Marikana, layers of workers who had broken with COSATU and were searching for an alternative had a brief sojourn in NACTU. Mining, transport and other workers who had broken ranks with COSATU affiliates, either joined existing affiliates or built new unions which affiliated to NACTU.

The workers in FEDUSA, both old members and those who recently joined, are not finding joy either. The whole policy of FEDUSA is predicated on the circumstances that no longer exist and will not return within any foreseeable future. In the period of economic growth, when all boats are sailing, it may be possible ‘to foster good relationship between employers and employees’ within certain limits. In the context of the slump and current stagflation, these policies are childish utopia.

In the great theatre of class struggle, the policies of COSATU, NACTU and FEDUSA leadership were found extremely wanting. They dismally failed the test of the great historical event that was the Great Recession and its tremors. Marikana massacre was the most brazen expression of political contempt for the workers movement by the ruling class emboldened by these policies.

6.5. Mismatch of trade union policies and working class resistance

The implosion of COSATU itself had its immediate roots in the collision between the class collaborationist policies of the trade union leadership and resistance of the working class. The collision was objectively expressed in the universal rebellion of the trade union rank and file against the trade union leadership. Workers resisted attacks against jobs, deteriorating conditions of employment and life in general.

Whilst the capitalist politicians and organised business were pacifying trade union bureaucrats with lullabies about the ‘passing storm’, ‘united, national responses’, ‘we-

are-all-in-it together', and other deceptive appeals to national patriotism, the capitalist class was simultaneously conducting the policy of class war at the point of production. It was this cruel logic of the capitalist class, which, in spite of the assurances of the political lobbyists, puts profits before the so-called 'national interests' that forced workers into struggle. Unfortunately, the workers were compelled not only to fight without political leadership of the movement. More often than not, they fought in defiance of it. Pervasive wildcat and unofficial strikes as well as creation of parallel grassroots organisations such as mineworkers committees, were symptomatic of these. This rank and file opposition, which acted as an alternative point of political reference to workers who were alienated by 'official trade union structures' including shopstewards committees, became a feature of this polarisation in the trade union movement.[93]

Resentment of the workers' defiance not only widened the gap between trade union leadership and its constituency. It pushed sections of the trade union leadership over the cliff. Feeling both isolated, ostracised and hated by trade union rank and file, trade union leaders have historically leaned more on the state and the bourgeois class to prop them up (Trotsky, 1937). The most overt expression of this tendency is the increasing use of police escorts by trade union leaders to provide them security during meetings with workers. But the whole policy of looking at the Zuma government to deliver a ban on labour broking and responses against retrenchments, instead of trade union mobilisation, is predicated on the same logic of abandoning independent class

[93]Shinwell and Mathai (2016) and Dickinson (2015) discuss this widespread phenomenon of parallel rank-and-file workers organisation in the mining industry and post office, respectively. These are only two of the body of work devoted to this recurrent tendency of workers' responses to the political and collective bargaining strategies of the trade union bureaucracy in the workers movement.

politics for a blind faith in the state. In turn employers exacted more from the unions and used the leadership to overtly police the workers struggles.

Fundamental shifts which have taken place in the attitude of the employers towards the established trade unions in the past period was part of this political realignment at the workplace and across industry. Where in the past employers resisted independent black trade unions in favour of workplace forums/committees, they now found the trade unions more useful lieutenants in the maintenance of 'workplace discipline' (Sil & Samuelson, 2018) than the workers committees which have been springing everywhere as part of trade union rank and file revolts.

The disintegration of the trade union movement emanating from these contradictions took various forms across the trade union movement. Besides constant factional squabbling that paralysed the trade unions, there were splits. The splits took the form of both mass exodus of workers from established, mainly COSATU affiliates, and rupture at the top as well. Whereas for the established trade unions the consequences were the same, spontaneous and uncoordinated exodus has more often than not led to atomisation of the workers with disastrous consequences (Dickinson, 2015)[94], for the movement as a whole. The workers in precarious employment who bore the brunt of neo-liberal restructuring are an example of this. The immediate consequences of their exodus from the trade union movement has been a plummeting of trade union organisation in the private security, cleaning and many sectors where outsourcing and labour broking is rampant. Most importantly, there was an absolute decline in the

[94]Reflecting on the struggles of former labour-broking Post-office workers to secure wage parity with other permanents , Dickinson (2015) notes that the "fragmentation of the workforce with, currently, three recognised unions and number of other groupings, including IICUSA, which emerged from the second strikers, all seeking to recruit members."

wages of workers in these sectors. It is mostly these sectors which account for plummeting of trade union density to the current 26%. Poor trade union organisation in these sectors has also been a factor in the delay in recovery of the ground lost during the neo-liberal offensive of the last period in spite of favourable new laws and now the Constitutional Court judgment effectively banning labour broking.

The official splits have also weakened the workers trade union movement through proliferations of trade unions and fragmentations into smaller, mostly ineffective organisations. Despite admirable idealism of the workers building these new trade unions, they end up generally paralysed by lack of resources and capacity constraints. If small unions are generally undesirable, in the period of the capitalist crisis and offensive, the capacity constraints of these unions become absolutely disastrous.[95]

By comparison to dropping out of the trade union activity, these organised splits still constitute a material basis for the reorganisation of the organised labour movement. Since the workers summit convened in the aftermath of the COSATU decision to expel its biggest affiliate, NUMSA, and the General Secretary, Zwelinzima Vavi, this reorganisation has begun to take shape under the leadership of both. The launch of the newly formed trade union federation in 2017, the South African Federation of Trade Unions (SAFTU), was an important historic milestone in this process. It is, however, by no means, a last word in the process of rebuilding the workers movement. What position SAFTU occupies depends on many variables, including the objective economic situation of capitalism and the rhythm of class struggle (Sebei, 2018). No

[95] ibid

less important, however, is also the response of the federation to the on-going crisis of capitalism, its stagflationary conditions and impacts on the working class.

Understanding both the objective and subjective factors and their dialectical chemistry will determine the ability of organised labour to work out the correct perspectives and orientation. Without correct analysis and conclusions on the fundamental nature of the on-going economic crisis it is impossible to characterise it, understand its implications for society as a whole and its ramifications for relations between classes. To understand and work-out correct perspectives, orientation and programme is, however, the most important task of the organised labour. This was well-articulated by the American revolutionary, James Cannon (1928), who stated that, “The first point is the question of perspective. Where are we going, what are the factors in the situation, and what is the general trend? Clarification on this point is necessary first.” Illustrating and applying this method in the context of the Great Depression, he went on to explain “the growing industrial depression and its radicalising effects upon the workers”.

Just as useful as the extrapolation of the method was the bold predictions made of the outcome of the Great depression, which is applicable to the current epoch. As he pointed out in relation to the congress resolution on perspectives:

> “The resolution (predicted) a growing unrest of the workers and sees a prospect of big struggles, particularly in fields where the workers are unorganised, such as the automobile, rubber, textile and meatpacking industries. Great masses of workers are employed in these industries, they are fiercely exploited, the existing trade unions offer them no protection, and

> their mood for struggle is growing. These factors determine our orientation. The only possible line for the Communist Party in the present situation is to calculate upon a growing unrest of the workers and an increasing will to struggle and to put the main emphasis and centre of gravity in its trade union work, on the organization of the unorganized and the preparation for strikes" (Cannon, 1928)

These is how SAFTU has characterised the on-going crisis and arrived at the same conclusions on the nature of the tasks facing it in the current period. The current epoch has been characterised as the period of deep economic crisis of capitalism rooted in the logic of capitalist accumulation and contradictions imbedded in this logic. The SAFTU leadership has also understood the period as the epoch of growing revolt and political radicalisation of the working class as it is clear from the record-breaking number of mass protests and their increasingly insurrectionary character. Mineworkers' strikes, #FeesMustFall and Vuwani community uprising are just a few examples of recent working class revolts which challenged the authority of the state at many levels (SAFTU, 2018).

Most importantly, SAFTU has set itself the task of organising the unorganised workers. In pursuits of this task, the federation has been actively campaigning amongst precarious workers through #OutsourcingMustFall campaigns and efforts of its various affiliates in public and private sectors (Sebei, 2018). Equally important has been a recognition of the need to reach out to the unemployed, youth and marginalised working class communities. The Working Class Summit represented a first step in this

direction.[96] Generally, SAFTU has thus far shown great potential. Unfortunately the challenges facing the organised labour movement in this country will take much more than these.

SAFTU itself has inherited a huge part of COSATU and with that, sterile bureaucratic tendencies, methods and politics which were responsible for its paralysis. Overcoming these will be a tremendous challenge, but it must be done if it is to become a genuine revolutionary, socialist alternative trade union centre that it has itself out to be.

This can still be corrected through a democratic trade union culture, debate, and highly organised rank and file strategy to fight for these and alternating fighting strategy and socialist programme. As Lucket and Munshi (2017) argue, “The working class may be divided by various feuding elite factions and become victims of political violence. This places great weight on SAFTU as it attempts to build a democratic, worker-centred federation. Will leaders welcome internal debate? Will workers take control of their organisation? Will the focus return to working-class struggles, linking unionized and non-unionized labourers to community struggles? Will the federation spark a new, emancipatory common sense? While many questions remain unanswered, SAFTU’s launch represents a moment when alternative trade unionism could finally emerge in South Africa.”

6.6. Restoring socialist ideas

[96] Unpublished Report to the SAFTU Central Committee meeting of 15-17 October 2018.

The political policy and tactics of the trade union movement in its response to the impacts of the Great Recession were not isolated aberrations. They were an application of the political ideas and strategy to the realm of living class struggle. In the final analysis, the actions or lack thereof of the trade union leaders was the direct result of their reformist ideological outlook. These ideas, which provided lenses through which the trade union leaders viewed the economic crisis guided both their approach and actions. As can be seen from the various shades of trade union opinion outlined here, the term reformism covers a wide spectrum of political thought. It varies from those who accept the fundamental tenets of the social system and want only to reform its secondary features to those who verbally reject the entire system but along with conservative reformists renounce revolutionary methods in favour of gradual modifications. In the context of the deep economic crisis the end results are the same.

Once the trade union organisation fundamentally accepts that production can only happen when private individuals own and organises it for the purposes of making profits or work within that logic, it has no choice but to collaborate. Whilst the 'gradualists' do hope to effect social change by gradually undermining the fundamental pillars of the existing order without a need for a revolutionary reckoning with the ruling class, they inevitably compromise with austerity measures and savagery of the capitalists in their quests to restore profitability. To the extent that the capitalist class personify the logic of the capitalist system, they are compelled to impose austerity policies on the working class when there is no any other way of maintaining profitability, such as it is in the period of economic crisis and falling profits.

The periods of economic crises therefore only force to the surface the underlying problems of trade union strategy. Intense class conflicts that express exasperation of classes with the stagnation or collapse in the industrial activity and struggle over who has to bear the burden of pushing the wheels of industry forward again, sharply poses the question of trade union strategy in stark terms: capitulation in the face of the capitalist pressure to make the working class the beast of burden for economic recovery or a fight to the end (Trotsky, 1937). To fight to the end, however, requires an alternative revolutionary strategy. It is the conclusion of this author that this strategy is a revolutionary transitional programme outlined at the foundation of the Trotskyite tendency (Trotsky, 1938) and elaborated in the works of many revolutionaries, especially of the Committee for a Workers International. Unfortunately for the working class, a revolutionary strategy is exactly what has been lacking on the part of the trade union movement. The task of rebuilding a workers movement therefore necessarily entails the task of ideological restoration.

6.7. Centrality of the working class and trade union movement

Notwithstanding all the aforesaid, the trade union movement remains central in the struggle against capitalism, its oppressions, exploitation and ecological destruction. Trade unions are vital in the struggle for emancipation of the working class, not because they ought to be revolutionary. On the contrary, the crisis of revolutionary leadership comes down to the crisis of trade union leadership. The triumph of conservative and reformist tendencies in the trade union movement has been a dominant feature of the workers movement internationally and historically.

Numerical superiority of trade union movement over other organisations of the working class is also not the main factor. More so today than in the past, trade unions globally represent a tiny fraction of the working class. It will take a united movement of the working class and progressive forces fighting over youth issues, gender, racial and national oppressions as well as environmental justice, amongst others, to overthrow capitalism.

The decisive historical role of the trade union movement emanates from its organised base at the heart of production. As Moody(2008) puts it “The roots of worker self-activity and self-organization in opposition to the employer lie, in the first place, in the reality of exploitation; i.e., the wage relationship – the very heart of capitalist accumulation, expansion, and growth”. It is a “political/organizational setting in which ongoing education, organization, and struggle” of the workers can take place at the very heart of the capitalist industry, therefore concentrating and organising the power of the working class to bring the industry to a halt and reorganise production, which only the trade union provides and therefore imbues them with the revolutionary potential no other organisation of the working class possesses.

Although revolutionary Marxism would greatly qualify the Syndicalist assertion that trade unions could “make a revolution in particular circumstances”, there is an agreement that a “revolutionary workplace struggle [is] the essential lever for revolutionary change.” To suggest that this is “economism or workerism”, as some do, is completely disingenuous because “revolutionary trade unions are not only decisive and irreplaceable organs of counter power” (Schmidt & Van Der Walt, 2009, p. 202) in workplace struggle, but in political struggle as well. It was this power which allowed

the trade union movement in this country to play a decisive role in the struggle against apartheid precisely when it had a strategic vision rooted in the aspirations of the working class, not only to shake off the yoke of racial and political oppressions, but their class foundations as well.

It was the revolutionary class ideas expressed in the slogans such as “Socialism means Freedom” that inspired enormous sacrifices on the part of the working class in the struggle against apartheid and in building the workers movement. It was the possibility of building a society free of capitalism, its class oppression and every injustice based on that foundation that made workers the most determined and decisive force in the struggle for liberation. It was these ideas that built COSATU into a colossus of organised labour and propelled it to the foremost political leadership of society.

Socialism, however, represents not only an alternative to the contradictions and crises of capitalism. It expresses a revolutionary idea that the working class united and fighting can emancipate itself from the shackles of private property and its wage slavery. To achieve these the working class must organise itself into organisations which under capitalism give the best possible expression to the molten lava of working class discontent over crises of capitalism and lays the foundations for creation of a new, just organisation of society in the interests of the working class majority.

Marxists have long held that the organisation is first and foremost its programme. That is not to suggest that the organisation itself is of no consequence. It argues that the structures, including the membership, leadership, their complex relationships and

interactions are an apparatus structured to carry out the programme (Taaffe, 2017). It follows from these that the organisations of class struggle will follow their role in that struggle. Trade union organisations which have assumed the responsibility of policing workers will therefore be fundamentally different from those serving as organised battalions of the fighting masses. The political and ideological transformation of COSATU in particular, from a fighting socialist trade union movement it was in the 1980s to aide-de-camp of the ruling ANC and the capitalist class could not be without organisational consequences (Sil and Samuelson, 2018).

The degeneration of the independent black trade union movement from worker-controlled, democratic and fighting organisations into conservative, bureaucratised apparatuses has its root in these political changes. The trade union bureaucracies of mainly unelected, unaccountable officials, who are fortified and insulated from the pressures of dependence on membership dues, by profits of the investment companies, and patronage of the state have subverted the democratic traditions of the workers movement (Buhlungu and Tshoaedi, 2012).

6.8. Struggle against bureaucracy: Mobilising union rank and file for a democratic, workers-controlled and socialist trade union movement

Workers-control, shop-floor democracy and shop-steward leadership based on principles of election with a right of immediate recall have now been replaced by bureaucratic centrism with its domination of union officials, everywhere resting on the passivity or active collaboration of the fossilised mass of generally powerless, unaccountable and co-opted shop-stewards. A trade union movement that polices the workers at the political level cannot behave otherwise on the industrial plane and

workplace, except on occasion of intense pressure from the rank and file members. This has demoralised many about the prospects and perspectives for the trade union movement such as Richard Hynman's pessimistic theories suggest. Others have gone so far as to suggest that the problems are incurable with a force of lawfulness such as Michels claims in his Iron law of Oligarchy. But as Van Der Walt (2009) points out "bureaucracy is not inevitable in unions – it is a consequence of particular union strategies, and no strategy has a better record of bureaucratising unions than corporatism. This is associated with a change in the style of union work. Focus shifts from militant struggle (by the grassroots) to technical talks about policy by union technocrats and officials – along with, of course, their equivalents from business and the state."

The struggle to rebuild the workers movement will therefore require nothing less than a 'political revolt' from the rank and file of the trade union to reclaim their organisations and movement for working class resistance against the capitalist onslaught (Moody, 2018). Fortunately, workers have long begun this task. The organic revolts have generally taken two forms. The first is organised opposition within existing trade unions. Secondly, the rank and file organisations which have defined themselves outside the existing trade union structures.

In the mining sector, where the union movement had been under extreme pressure from the most politically shrewd 'vanguard' of the capitalist class, the on-going revolt of members which successively displaced the faction that led NUM during the Marikana massacre and the grassroots mineworkers strike committees that led the 2012 Strikes, represent both tendencies, respectively. This is by no means limited to

the mining industry. #OutsourcingMustFall, Amaberete in the Post office[97] and many other rank and file organisations that emerged in protest against the failure of the existing trade unions in their sectors to fight for them, as well as the hostile leadership 'take-overs' in many unions are expressions of these processes of political reconfiguration and organisational renewal from below.

What comes of these processes equally depends on many other variables, both objective and subjective. Although periods of low ebb in class struggle generally reinforce conservative and bureaucratic tendencies, mass struggles equally open up possibilities for genuine revolutionary tendencies in the trade unions based on the radicalisation of the masses of workers. Trade union bureaucrats are extremely flexible and highly adaptable (Cliff and Gluckstein, 1986). They have the capacity for radical posturing to ride off the storm of radicalisation when their survival depends on it.

Unless revolutionary tendencies are able to effectively connect with these trade union rank and file revolts and organise them on a granite solid basis of conscious political support for struggle to reclaim the trade union movements for workers control, class struggle and socialism, the potential of these revolts will go to waste (Moody, 2018). The promising efforts to rebuild will degenerate like the decaying, established trade unions which were revolutionary in their historical youth.

What form these organisations of the rank and file take is a practical question. The history of the international workers movement is rich with traditions of organised rank

[97]See Dickinson (2015).

and file opposition to trade union bureaucracy. From the National Minority Movement in the 1920s to the current National Shopsteward Network in the British Labour Movement and the National Strike Committee of the Mineworkers in this country there is much that can be learnt and applied to current struggles in different unions.

That, however, requires conscious revolutionary socialist (Moody, 2018)currents that are determined and capable of building support in factories and trade union branches. Unfortunately, that has so far been lacking and, consequently, workers have been left with the choice of substituting one section of trade union bureaucracy with another, leaving degenerating trade unions only to end-up in the worst conservative unions or splitting into impotent, small trade unions that rapidly degenerate into sectarian personal fiefdoms. This is the fundamental challenge revolutionary trade unionists must overcome if the trade union movement is to be renewed and revitalised for the impending economic crisis and political upheavals in the period lying ahead.

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Appendix 1: Interview Schedule

The response of the labour movement in South Africa towards the 2008/9 world economic crisis of capitalism

A Marxist Critique of the Trade Union Perspectives and Strategies in the Great Recession

Questionnaire

1) What is your analysis and perspective of the current economic crises as the trade union federation?

   (The main purpose of this question is to determine the trade union leadership's understanding of the nature and character of the economic crises, their forecasts of the durability and other essential dynamic features of the crises on which rest the question of whether is it merely an episodic crises in the markets as some argues or structural crises of capitalism as others content. So probing questions that will follow these main questions will try to invite the interviewee to elaborate their understanding of the crises in order for us to establish this point)
2) What do you understand to be the causes of the crises?

   (We will ask further probing questions to establish whether the leadership of the federations understand the crises to be a result of the policy failure or the logical collapse of the operational mechanisms of capitalism itself. We will want to establish if ever the position of the labour movement is that the crises will have still taken place without neoliberal policies or even neoliberalism of the past thirty years or not, as its seems to be a raging debates amongst commentators.
3) How has the crises impacted on your members and the working people in general?

   (We aim to solicit a human account of the crises from the people in the leadership of the union movement. But of serious importance is to establish the appreciation of the gravity of the economic situation and its meaning to ordinary working people as seen through the lenses of the leadership of labour)
4) How did you respond politically and organisationally to the impact of the crises thus far?

   (In asking the above questions and definitely a follow up questions as maybe necessary, we will be inviting the labour federations to outline the programmes they developed and unleashed in response to the crises and its impact on the workers. We will ask about the submissions to the NEDLAC, Tripartite alliance structures (in case of Cosatu), Parliament, Departments and all other bargaining fora. However, even more important is the programmes on mass mobilisation and other organisational measures to exert pressure and fight the impact of the crises on the working people.)
5) Do you think your responses are adequate if one takes into account the size and state of your organisation, the pressing tasks and challenges facing the working people as the result of the unfolding economic crises? If yes, why? If not, what else do you plan to do and why so?

   (In assessing the responses of the labour movement, it will be significant to do so in actual relation to the strength and ability to respond or fight back. So we will probe if union are satisfied with their own responses and if not, what do they think are constrains and how are they planning to tackle those constrains in order that they respond to their full satisfaction)

Appendix 2: Consent Form

Name of researcher: Mametlwe Sebei

I …….. Agree to participate in this research project. The research has been explained to me and I understand what my participation will involve.

I agree that my participation will remain anonymous YES NO (please circle)

I agree that the researcher may use anonymous quotes
In his research report YES NO

I agree that the interview may be audio recorded YES NO

I agree that the researcher may take photos of me YES NO
(But not my face)

I agree that the information I provide may be used YES NO
Anonymously by other researchers following this study

…… (Signature)
…… (Name of participant)
…… (Date)