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LABOUR RELATIONS BY AUTHORITARIAN REGIMES SINCE 1945,
SOUTH AFRICA IN INTERNATIONAL PERSPECTIVE

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AFRICANA

HWS 72

LABOUR RELATIONS REFORMS BY AUTHORITARIAN REGIMES SINCE 1945, SOUTH AFRICA IN AN INTERNATIONAL PERSPECTIVE

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Introduction

The restriction of workers' rights and capacities to organise formal struggles over wages and conditions is an issue around which authoritarian governments in developing industrial capitalist states have coalesced and once such rights have been conceded, the ruling elites lose coherence. In South Africa, the traditional support for the National Party among white wage earners came seriously into question after the 1979-81 reforms of industrial relations, precipitating the defection to the Conservative Party of many working-class Afrikaners after 1982. The purpose of this paper is to account for the Wiehahn Commission and the industrial relations reforms which followed it and also to attempt briefly to define a research agenda which places South Africa in an international historical perspective. Can a similar stage in the demise of authoritarian regimes in industrialising societies, which have subsequently given way to bourgeois democratic forms of government, be identified?

Are there Precedents?

This paper seeks to suggest the potential for comparisons of a specific point in the transition from authoritarianism to democracy: the point at which a regime begins to reform itself significantly. The phase which follows can be termed liberalisation, originally designed to stabilise the regime and reassert control over society but unintentionally providing leeway for the intensification of popular opposition. A common feature of such liberalisation is the recognition of formerly illegal or unrecognised workers organisations. In this respect, one trend has been to compare South Africa with Brazil, Argentina and Chile - all have undergone a process of import substitution industrialisation in the twentieth century which has forced the state to come to terms with a working class movement.[2] Into this list could also be brought Venezuela which experienced dictatorship from 1948 to 1958.[3] Venezuela's oil wealth facilitated industrial protection and promotion as did mineral wealth in South Africa.

These examples do present an obvious and considerable problem of comparison - in the post-war period there has been cyclical change in the form of government in Latin America, so the comparative historian has to account for the breakdown of democracy at various points as well as the demise of military dictatorships.[4] Venezuela has had a democratic government since 1958. Thus

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[1] The presentation of this paper was made possible by a British Academy travel grant. My doctoral study of post-war South African industrial relations was supported by the Economic and Social Research Council. Many thanks to my colleague and friend David Richardson for comments on the first draft of this paper.

[2] Dave Cooper, 'Locating South Africa in the Third World: Comparative Perspectives on Patterns of Industrialisation and Political Trade Unionism in South America', *Social Dynamics*, 17, 2, (1991). Neither this analysis nor my own extends to the stratification of the working class in Latin America. In the secondary literature used here the working class in Iberia and Latin America is presented, maybe accurately, as uniformly oppositional and collaboration with regime structures is not attributed to any particular strata within it.

[3] Charles Bergquist, *Labor in Latin America, Comparative Essays on Chile, Argentina, Venezuela and Colombia*, (Stanford, 1986)

[4] Frances Hagopian, 'After Regime Change. Authoritarian Legacies, Political Representation and the Democratic Future of South America', *World Politics*, 45, (April 1993)

although in terms of economic structure South Africa shows greater similarities to South America than to the rest of Africa, let alone Europe, South Africa's has been a relatively stable authoritarianism. The alliance between the state and white labour was more enduring than any alliances with elements within the working class constructed by the authoritarian projects of Latin America.

Comparing South Africa with the Portuguese and Spanish dictatorships might yield insights as to whether entrenched authoritarian regimes of the post-war period were 'softened-up' for democratic transition by demands for collective bargaining rights to be extended to all. Both countries underwent a major wave of urbanisation and secondary industrialisation from the mid 1950s. From the late 1950s, Iberian authoritarianism suffered a decline in legitimacy as younger technocrats entering the authoritarian coalitions argued for the need to liberalise.[5] By 1975 Spain was the only remaining authoritarian regime in capitalist Europe, just as by 1980 South Africa/Namibia was the only colonial style regime left in Southern Africa.

In 1945 the Spanish state was organised along strictly authoritarian lines. It was a military dictatorship relying on support from the Catholic church, business community, peasant smallholders, and the urban middle classes who constituted the bulk of Fascist (Falange) party members. Labour unions were suppressed and attempts at clandestine organisation harshly punished.[6] A labour relations bureaucracy was created in the early years of the regime, designed to promote the idea that authoritarian Nationalism was an advance on liberal democracy, supplanting class conflict. It was an instrument in the service of the state and under its direction. Its local officials were invariably Falangists appointed from above.[7]

By the second half of 1950s, Spain was heading decisively in the direction of an open economy integrated into international markets. Peasants and agricultural labourers became industrial or construction workers. Capital, commodities and people were flowing into Spain - the ability of the state to stand guard over the country and control the fate of the population came to an end.[8]

Economic change was accompanied by institutional changes of enormous importance for the system of industrial relations. These had to do with collective bargaining, strikes and workers' associations. Driven by economic development of the 1960s and based on the *Ley de Convenios Colectivos* of 1958, collective bargaining spread throughout industry, generating the need for some recognition of workers' representatives with whom to negotiate. The *Ley de Jurados de Empresa* granted some measure of freedom for the election of workers' representatives within companies. Unrepresentative delegates would hinder compliance with agreements and hamper productivity. Clandestine organisations, the *Comisiones Obreras*, which operated both within and outside the reformed official structures were ensured a margin of tolerance on the part of the authorities. The 1960s saw an increasing gap between the autonomous shop-floor representation accepted by employers and the official negotiating structures which were deemed by both parties to be heavy handed and inefficient. The shop-steward based *Comisiones Obreras* forged a national organisation. After a strike wave in 1962, the definition of strikes as acts of sedition was dropped - and 'economic' as distinct from 'political' strikes were legalised. From 1962 onwards factory committees were an independent trade union movement in embryo, infiltrating official *jurados de empresa* but

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[5] Donald Share and Scott Mainwaring, 'Transitions through Transaction: Democratisation in Brazil and Spain' in Wayne A. Selcher, ed., *Political Liberalisation in Brazil, Dynamics, Dilemmas and Future Prospects*, (Boulder and London, 1986).

[6] Victor Perez-Diaz, *The Return of Civil Society, The Emergence of Democratic Spain*, (Cambridge, Mass. and London, 1993), p. 9.

[7] Raymond Carr and Juan Pablo Fusi, *Spain, From Dictatorship to Democracy*, (London, 1981), p. 137.

[8] Perez-Diaz, *op. cit.*, p. 12.

not co-opted by them.[9] As one leader put it,

> When wide sectors of the working-class movement participate in union elections and defend the idea of using the premises and material means of the official union, we do so not because we accept its structures, its principles or its hierarchies. We do so to facilitate the exercise of workers democracy...The use of legality in this area demands, in fact, the exercise of trade-union rights and simultaneously negates the validity of the official scheme.[10]

In 1968 however, the Supreme Court defined *Comisiones Obreras* as illegal and subversive organisations and repression against working class organisations intensified. As quasi-public operations they were vulnerable to repression - the whole national executive arrested in 1972 and given prison sentences ranging from six to twenty years. The regime response was a double strategy of integration and repression. The *Ley Sindical* of 1971 extended representation of workers at lower levels and granted greater independence of workers and managers within the official trade unions - the idea was to turn the workers own organisations into instruments of the state. This failed as strike action escalated. Days lost through strike action rose from 250,000 per year in 1964-9 to about 850,000 in 1970-72 and 1.5 million 1973-5. The working class contributed to the erosion of the legitimacy of the Franco regime although they never seriously represented a direct challenge to it.[11] At the time of democratic transition then, the unions had accumulated ten or more years experience of massive strikes, collective bargaining and representative unions.

The regime of Marcello Caetano in Portugal from 1966 continued the corporate authoritarianism of his deceased predecessor Salazar with a strategy of modernisation and revitalisation of the corporate ideal.[12] Labour relations reform was central to this. In June 1969 the official *sindicatos* (labour unions) were given the right to select their own leadership without government approval. Arbitration commissions were restructured, no longer giving automatic support for austerity and wage controls. Soon the *sindicatos* began to be transformed into genuine instruments of the workers. Elections of oppositionists within the unions were not annulled. Strikes, slowdowns and protest demonstrations increased with government acquiescence. Accelerating industrialisation created a 'real labouring class in urban centres as distinct from deferential servant elements upon which Portuguese authoritarianism was predicated'.[13] Large scale emigration from Portugal caused severe labour shortages and weakening the employers' hand. In 1970 the most politicised *sindicato*, the metalworkers, rejected the labour contract offered but the arbitration commission and called a mass rally.

The government became nervous about the changes it had unleashed, banned the rally and issued new decrees, one giving the government the right to suspend elected officials for activities 'contrary to social discipline'. Workers immediately began to reorganise into unsanctioned factory committees. These clandestine non-government unions were organised into a broad umbrella organisation called Intersindical. In 1971 Intersindical, with between 150,000 and 200,000 members, sought recognition from the International Labour Organisation.

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[9] Jose Maravall, *Dictatorship and Political Dissent, Workers and Students in Franco's Spain*, (London, 1978), p. 29.

[10] *Ibid.*, p. 32.

[11] Fred A. Lopez, 'Bourgeois State and the Rise of Social Democracy in Spain' in Ronald H. Chilcote, ed., *Transitions from Dictatorship to Democracy, Comparative Studies of Spain, Portugal and Greece*, (New York, 1990), p. 49.

[12] Howard J. Wiarda, 'The Corporatist Tradition and the Corporative System', in Portugal in L.E. Graham and Harry S. Makler, ed., *Contemporary Portugal, The Revolution and Its Antecedents*, (Austin, 1979), p. 107.

[13] *Ibid.*

The industrial relations reforms stimulated discontent among rightist elements which began to plot overthrow of the regime. Thus the decision to liberalise industrial relations quickly led to a profound crisis for the Portuguese regime.

The basic theme to be extended to the South African example is that economic development in an autocracy produces social and political contradictions which foster organised movements of dissent among the social groups empowered by that development. The attempting to control such movements through reforms from above provides further tools for mobilisation, pressure and action and precipitates major divisions within autocratic coalitions.

The Demise of the Racially Exclusive Industrial Relations Apparatus in South Africa

The destabilisation of the racially exclusive industrial relations system of South Africa occurred through challenges to the exclusionary tactics of registered trade unions. These challenges were presented by emerging unrest and resistance amongst the mass of low paid black workers in manufacturing industry, and by the broader processes of economic and social change presenting a challenge to the apartheid system.

South Africa's manufacturing sector had been structured by a variety of forms of state intervention designed to extend the employment of black workers whilst maintaining their political and economic marginalisation. In textiles and clothing, the decentralisation of firms to border areas and homelands beyond the jurisdiction of industrial councils exerted constant downward pressure on wages in a limited and competitive domestic market. The resistance to black wage demands was also clearly manifested in the engineering industries, which were struggling to achieve returns on heavy capital investment in the context of limited consumer demand, especially for cars. Industry was not standing completely still on issues of African advancement: personnel consultants' advice on how 'to close the wage gap' was sought, especially by international companies, in the face of an extremely racialised labour market demonstrated in the table overleaf.

Any tentative pressures by capitalists towards deracialisation of the labour market had been stifled in the 1960s, creating stresses and strains within the social relations of production which started to burst through the shackles of repression in the early 1970s. Before moving specifically to consider industrial relations, there follows a brief analysis of broader apartheid policies in the 1970s identifying the factors galvanising reformists within the Nationalist Party (NP).

Average Wages, According to Racial Classification, in 1973.

	A.N.E.	M.G.C.E.(Rand)
Clothing		
W	9600	383
Col	57300	80
As	24100	77
Af	36100	68
Textile		
W	8000	402
C	15700	86
As	5700	103
Af	64800	62
Iron, Steel, Engineering and Metallurgical Industry.		
W	136700	385
C	41900	134
As	17500	148
Af	237000	80

(A.N.E.; Average Number of Employees. M.G.C.E.; Monthly Gross Cash Earnings)
Source: *Race Relations Survey*, (1974), 263-7.

Apartheid: Contested Elements of Policy Reform Emerge.

The earliest evidence that a process of restructuring of state policies was under consideration in the NP came with the appointment of a Commission to rethink the status of 'the Coloured community' within apartheid as a whole. Ian Goldin, in his specialist study of Coloured identity, argues that the *Theron Commission* was appointed in 1973 through pressure exerted by Cape Nationalists who saw the need for more action to supplement the rhetoric of the Coloured Labour Preference Policy (CLPP) after the elimination of the last vestiges of common political rights.[14]

The Commission's call for a new constitutional dispensation was accepted by the Cabinet in 1977, before the accession of P.W. Botha. Coloured participation in countrywide resistance and stay-aways triggered by the Soweto massacres of June 1976 undermined a dearly held stereotype of the political docility of Coloured workers, and provided ammunition for the reformist elements within the Cape NP to join with organised capital and argue for far more sophisticated models of co-option.[15] Attempts to privilege Coloured workers over Africans in the Western Cape labour market were intensified as Theron resolutely defended the CLPP and the maintenance of a full scale influx control operation in the Western Cape.

Intense lobbying activity by the Federated Chamber of Industries produced another minor deviation from separate development policy - the appointment in 1973 of an Interdepartmental Committee to consider 'Training of Bantu in Industrial Areas'. The Chairman, Mr van Zyl, was at

[14] I. Goldin, *Making Race*, (London, 1987), p. 137.

[15] Goldin, *op. cit.*, p. 131.

pains to stress the limits to be placed on such training.[16] Even this grudging reformist initiative was frustrated by Verwoerdians at the Department of Bantu Administration and Development (DBAD). When the Vaal Triangle Administration Board sought to clarify the possibilities for industrial training an official in the Bantu Education section told them that the intention was...

> to give the Bantu a basic training so that he is more industry oriented. He will then know what a chisel is, what a hammer is etc., if asked to pass it.[17]

A similar stalemate affected the whole township and influx control machinery. The Bantu Affairs Administration Boards (BAABs) were operating in the context of further advance in rural proletarianisation, the terminal decline in reserve production and housing relocation to the bantustans.[18] BAAB officials had to face problems created by decades of housing neglect and a massive housing shortage but the Minister at the DBAD, M.C. Botha, author of many of the measures designed to step up the influx control offensive during the 1960s, was hostile to reformist initiatives.

Indications that Administration Boards were beginning to facilitate social reproduction in urban areas comes from evidence from Vereeniging. Family housing was being granted to men with less than ten years service, influx control exemptions granted, mobility of workers between plants facilitated, and infringements of Physical Planning Act ignored.[19] These reforms were stepped up after the short but catalytic stay at the DBAD of Andries Treurnicht and Ferdi Hartzenberg, the Ministers provoked Soweto uprising and proved starkly to the NP that it needed allies among the business community and among sections of the black community. One of the most important consequences of the unrest in factories and the African townships of the early 1970s was the reassertion in government policy making circles of pressures for reforms in the legal status and economic positions of urban Africans.[20]

A further heavy dose of repression was also prescribed. In response to the massacre of protesting school students in Soweto, millions of black workers had joined community based political stay-aways. The fledgling unions described below avoided any role in these events, but the government responded to the uprising by seeking to repress any visible form of black political organisation outside its own narrow collaborative projects. In November 1976, 26 individuals associated with the emergent unions were placed under five year banning orders.

The Vorster government was, by late 1976, exhibiting unprecedented strategic indecisiveness.[21] The impressive economic indicators which had emboldened the regime in the 1960s had evaporated, with inflationary pressures an increasing source of social disaffection across the divided working class. Whereas the consumer price index had increased less than 4% per annum in 1960s, between 1969 and 1976 this rate was 9.1%. The cost of food and transportation led the push.[22] This inflationary pattern, a common experience in the capitalist world suggests the degree to which South Africa's economy had become integrated into the international economy. Powerful business lobbies were, in such circumstances, able to wring tentative concessions from the

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[16] *People and Profits*, (August 1973).

[17] M. Chaskalson, 'Apartheid with a Human Face; Punt Janson and the Origins of Reform of Township Administration, 1972-76', *African Studies*, 48, 2, (1989), 116.

[18] D. Hindson, *Influx Control*, (Johannesburg, 1987), p. 81.

[19] Chaskalson, *op. cit.*, 119.

[20] Tom Lodge, *Black Politics in South Africa*, (London, 1983), p. 336.

[21] *Ibid*, p. 326.

[22] R. Price, *The Apartheid State in Crisis, Political Transformation in South Africa, 1975-1990*, (New York, 1991), p. 54

government, which lurched from reform to extreme repression in its attempt to save the apartheid project from its own contradictions. The next section considers how employers in manufacturing industry responded to the direct pressure of workers' demands within their own sphere of authority.

The Employers' Response to the Durban Strikes

The seismic effect upon apartheid rule of the 1973 Durban strikes is widely acknowledged, but the strikes are commonly presented as an unexpected jolt to a stable, efficiently functioning capital-state repressive apparatus. Here the Durban strikes are viewed as part of a chain of events related to the contradictions of apartheid project: the attempt to impose a rigid racially hierarchical labour market in a rapidly industrialising economy.

The Natal Chamber of Industries (NCI) launched a major investigation into the causes of the strikes which swept through the province in January and February 1973.[23] The Minister of Labour had, from the outset, blamed the labour unrest on three factors. These were low wages, failure of employers to establish proper channels of communication, and, of course, agitators, chiefly NUSAS and the Student Wages Commission at the University of Natal, Durban. In the NCI's report this attempt by the government to disown responsibility for the strikes was met with angry rebuttal by its Director.

> The Minister is either completely out of touch or thankful to find excuses whereby attention was directed away from the real underlying causes of unrest, which beyond all doubt was primarily attributable to the government's own policy. The attitude of Minister of Transport is absolutely deplorable. The Chamber drew his attention to the fact that the increase in passenger fares to the resettlement areas was a serious factor and pleaded that rail fares be restored to pre-January 1973 levels. He responded that if employers were to pay their Bantu workers a living wage, the latter would have no difficulty in paying the increased fares.

Because of the limitations placed upon wage bargaining, transport has historically been a focal point for worker resistance to the rising cost of living accompanying the process of capitalist industrialisation in South Africa. The Alexandra bus boycotts of 1940, 1944 and 1957 and the Durban strikes clearly demonstrate this. Less than a year after the Durban strikes, workers at Newcastle boycotted the bus service run by the Trans-Tugela Transport Company which was sponsored by the Bantu Investment Corporation. Militancy in areas of decentralised industry flared up as it had done in Natal between 1958 and 1961.[24] Bus services between Newcastle and the African townships of Madadeni and Osizweni were run by the BIC. Large numbers of workers at ISCOR, Veka Clothing, Bester Homes, Durban Falkirk and other large concerns were transported to and from work by this bus company, which decided to increase fares from 18 to 30 cents. During the bus boycott violence developed; vehicles were stoned, two bottlestores looted, and beerhalls were wrecked. Two men were killed and several others injured when the police opened fire on the crowd. Four white officials were held hostage in a compound by the workers and three policemen were seriously injured.[25]

Referring again to the 1973 strikes, Thomas reported that all employers were caught completely unaware and unprepared by the strike, although virtually all employers were conscious of the fact that in relation to the rising cost of living, African wages were 'seriously below a reasonable level and in need of adjustment'. The reason that employers had not spontaneously granted increases prior to the strikes was that negotiation in regard to wages and other conditions

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[23] Natal Chamber of Industries, P.H. Thomas, Director on Pre-Retirement Leave, 'Unrest among Zulu workers, Province of Natal', 1973.

[24] S. Coupe, 'Apartheid in South African Industrial Relations, 1955-1980', D.Phil., Oxford University, 1993, pp. 262-4.

[25] Mzala, *Gatsha Buthelezi: Chief with a Double Agenda*, (London, 1988), p. 173.

of employment for 'a very big cross section of industry' were not determined at individual employer level but at industrial council and Wage Board level. In a highly competitive private enterprise system, argued Thomas, individual employers were not free to grant wages which were out of keeping with those granted by their competitors. This line was the NCI's stock-in-trade of resistance to African wage demands over the next five years.

Chamber members reported that the striking workers by-passed their works committees, both official Works Committees established in terms of the Native Labour Act of 1953 and unofficial works committees established outside the framework of the Act. As a result, employers were prepared immediately to take the highly irregular step of negotiating directly with their workers, which created an impression that strike action did pay. The NCI's internal report barely stopped short of concluding that the strikes were justified.

> Why should the Bantu, when they realised that as a mass they can exert themselves, stop to think that they might achieve better results by using the regional Bantu labour committees, composed of pro-government traders, teachers and ministers of religion, who had been of little benefit to them in the past; or by using the Works Committees elected by them under the Act which had no defined function other than to nominate a liaison officer or by using the Committees of Indunas and Boss Boys which some employers had given them.[26]

The chambers of industry and commerce were at full stretch from February 1973 onwards to bring the strike situation under control by co-ordinating the responses of employers and thereby wresting back the initiative from the workers. Lodge attributes the success of the Durban strikers in extracting wage increases to the fact the strikes followed a decade of increased capital intensity. Wages, he argues, would thereby have been less important a component of production costs than previously and manufacturers would have been more receptive to pressure to increase wages.[27] Nevertheless, it will be argued, employers only granted increases with the greatest of reluctance.

Subsequent analysis has shown that manufacturing saw narrowing of racial average incomes between 1970 and 1975, although the real value of the absolute wage gap was still increasing, from R2665 in 1970 to R3257 in 1976. The sector saw the real value of the wage bill for blacks average 8% growth per annum over the period, compared to 5.3% in the white wage bill. On the basis of these figures Nattrass claims that the expansion of the sector has been a force operating to reduce racial income inequality in South Africa, not only through wage increases for those already employed in it, but also as a result of the growing contribution of a relatively high wage sector to total employment.[28] The possibility remains that the period 1970-75 was exceptional. Local labour markets, it seems, were not nearly as 'overstocked' with black workers in 1973 as they were by 1976. Capital intensity notwithstanding, the FCI was quick to stress the profound structural weaknesses of South African manufacturing capitalism.

> Only industry can decide what increased costs their products are able to bear. Adjustments must take place without economic and social dislocation. Assuming no productivity increases, higher wages increase the selling price. The resultant reduction in demand will further increase unit prices, and the hard won process of import replacement and wealth and employment generation could be set in reverse. With inflation increasing, the level of living is constrained by balance of payment considerations. 75% of economic growth has been due to capital

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[26] NCI, Thomas, 'Unrest..., p. 24.

[27] Lodge, *op. cit.*, p. 327.

[28] J. Nattrass, *The South African Economy, Its Growth and Change*, (Cape Town, 1988), p. 187

> investment and additional labour, and only 25% due to increased productiveness.[29]

A sharp clash of opinion over what to do about black wages was reported from the Executive Council of the FCI in May 1973. Speakers from the MCI urged rates to be raised above regional Poverty Datum Levels. Natal employers preached caution. Mr R.C. Throssell warned that wage increases could cause firms to 'tender themselves out of business', whilst his colleague Mr R.V. Freakes was concerned that wages could not be put up to Poverty Datum Levels without 'depriving shareholders'.[30] Resistance to wage hikes was increasingly apparent in the private sector by 1976, when the disciplinary potential of available unemployed labour was becoming increasingly apparent to employers therein. In 1976 Mr B. McLeod of the Cape Town Chamber of Commerce poured his heart out to the press in defence of low wages.

> A living wage is fine for those who get it but not so good for those that lose their jobs, and this is very relevant when one finds 1,000 or more African men standing outside ones premises asking for jobs. Until there is a re-appraisal of attitudes by government to enable the most productive use to be made of our labour through education and training, poverty will persist and no quantity of wage board determination, trade union organisation or exhortation to employers will succeed in effecting any material change to the better.[31]

Whilst becoming increasingly vocal in criticism of government over training and labour preference, firms were set against opening their doors to the independent trade unions which emerged from the 1973 strikes. Lipton argues that the 1977 Commission of Enquiry into Labour Legislation, the Wiehahn Commission, opened the door to registration of unions without regard to race because of a decade of pressure from 'blacks and from progressive capital'.[32] This skims over the managerial and registered trade union resistance to the emerging unions between 1973 and 1980, which is analysed in detailed accounts by Friedman and Webster.[33] In generalising with the term 'progressive capital', Lipton would certainly have had to overlook the comments of Mr Gordon Rennie, owner of the multi-million Rand Rennie's Consolidated Holdings.

> Democratic processes didn't work in government or industry. 'I don't believe it works and I can't put up with it' ...'It doesn't make any sense to me for any country to be run by the lowest common denominator. The only hope for the Western world is to get back to a system of qualified franchise so that each country is run by its best people'. Basic change in South Africa's internal policies was discounted. Asked what time limit he set for such changes he said 'Never'.[34]

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[29] SAIRR, Pamphlet Collection, 'Management', Mr H.C. Morecombe, FCI President, Address to AGM, Pietermaritzburg Chamber of Industries, 12 April 1973.

[30] *Cape Times*, 9 May 1973.

[31] *Cape Times*, 2 November 1976.

[32] M. Lipton, *Capitalism and Apartheid*, (London, 1985), p. 68.

[33] S. Friedman, *Building Tomorrow Today, African Workers in Trade Unions 1970-84*, (Johannesburg, 1987); Eddie Webster, *Cast in a Racial Mould*, (Johannesburg, 1985).

[34] *Cape Times*, 19 June 1974.

Employers and the Independent Unions, 1973-77

The 1953 Native Labour (Settlement of Disputes) Act was in 1973 superseded by the Bantu Labour Relations Regulation Act. This was designed to destroy any momentum towards trade unionism generated by the Durban strikes by giving statutory recognition to works and liaison committees for Africans at shopfloor level. Marais Viljoen set out the thinking behind the measure:

> I wish to state quite categorically that the government will not consider the recognition of Bantu trade unions or their organisation or affiliation in a way which is tantamount to recognition.[35]

The problem for the government was that the works committees, which could be constituted without the direct participation of management, served as proto-unions, providing a basis for co-ordination between factories. Powerful pressure was applied by the government to industrialists during the course of 1974 not to recognise black trade unions and to sack black workers who struck illegally. The fire of Afrikaner Nationalist passion was stoked by the British Labour government's investigation into British firms operating in South Africa. The Department of Labour, the Bureau of State Security and the Security Police targeted British firms for hard line pressure. Viljoen told an election meeting in Natal that 'some people' wanted to foist on South Africa a British trade union system which 'plunged Britain into the worst crisis of the last quarter century' on to black workers, with their 'totally different background and temperament'. He warned employers not to by-pass existing legislation.[36]

Motor car companies, as high prestige, 'high visibility', international operators, were the most vulnerable of manufacturing industries to demands for reform of racist shop floor practices and wage dispensations. Nevertheless, reform was slow in coming because management in the motor industry clearly did not perceive themselves to be in a position of economic strength. The motor industry had already faltered badly in 1971. Phase Three of the local content programme, to raise local content to 65% by 1976, required hefty capital investment. A simultaneous fall in car sales was blamed on an anti-inflationary credit squeeze which hit all producers in 1971. Layoffs and short working were announced first by Ford and GM,[37] then by LEYKOR,[38] Chrysler,[39] and VW.[40] R.G. du Plessis, spokesman of Motor Industry Employers, argued that demand for new cars in South Africa had hit a ceiling which could not be raised significantly until the earnings of the 'non-whites' were raised. Volkswagen's Mr G. Eckert predicted that the industry had moved into long term recession and decline.[41]

The component manufacturers were particularly hard hit. The Board of Anglo-Vaal, the holding company of James Brown and Hamer, decided to close down the firm's R1 million production foundry in Durban. The reason cited was the lack of a sufficiently large market for car components to make an automated foundry an economic proposition. The shortage of local skilled men familiar with automated operations in the field of motor component manufacture had also been a factor contributing to high prices. When Phase Three was put into operation there had been strong resistance to local products, as representatives of the motor industry felt that they should be

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[35] *People and Profits*, (August 1973), 14.

[36] *Sunday Times*, 31 March 1974.

[37] *Rand Daily Mail*, 25 May 1971.

[38] *Star*, 26 May 1971.

[39] *Star*, 27 May 1971.

[40] *Rand Daily Mail*, 28 May 1971.

[41] *Rand Daily Mail*, 24 June 1971.

able to buy local components at the same price as those from overseas.[42] There were simply too many manufacturers in the small market. Total vehicle sales in 1976-7 were 300,248, 'shared' between 12 manufacturers and 41 models. The industry showed losses throughout the 1970s but companies held on because, with a massive total of R300,000,000 locked in fixed assets, they were reluctant to write off the capital they had invested.[43]

Among the multinational car companies coming under international scrutiny, it was British Leyland which set the anti-union ball rolling. Dr Francois Jacobsz, finance and planning director, declared that he would not hear of African unions. The policy was to negotiate with labour and resolve disputes within the scope of the available legal machinery despite the consistent boycott of these structures. Leyland had raised wages above the Poverty Datum Line, so when the ungrateful Metal and Allied Workers Union staged a recognition strike, 220 were fired.[44] It was reported in early 1974 that Managing Directors in the Durban motor industry had begun to ring January/February with a red pencil, to denote 'strike season'. The cost of outright aggression in the face of workers' demands could be adverse publicity, ongoing disruptions, strikes, dismissals and lost production, but most firms targeted by the unions discovered a considerable respect for the apartheid trade union laws.[45]

The reform of industrial relations

> Once the National Party had been a white people's party whose policies were made by the rank and file at party congresses. Now they were devised by an elite and presented to party members for rubber stamping with a maximum of patriotic rhetoric and a minimum of detail. The government reformed by stealth and its policies were not what it thought necessary but what it could get away with. Ministers needed wide powers to grant exemptions from the law. Scrapping or changing racial laws needed approval from the caucus and party - exemptions did not. P.W. Botha could dismantle much of job reservation without touching the law which had created it.[46]

The process of government under Botha's Presidential system is described to great effect by Friedman, but the NP was never the people's party with internal democracy as he describes it. Its authoritarian structures had been used many times to silence internal critics. White labour interests were not immune from such gagging as the following examples demonstrate.

To back the notion that industries in 'white' areas should be staffed overwhelmingly by whites, whilst at the same time wishing to remain abreast of the most modern production processes in industry, the NP advised urban manufacturers to mechanise and thereby reduce their dependence on unskilled black labour. Simultaneously however the availability of black labour in government designated border areas favoured production of consumer goods at lower cost than in areas of established industry, drained business commitment in the latter areas to white labour. In 1958 and 1959 the NP chose to subsidise white labour to persuade Germiston clothing employers to keep their factories open whilst continuing to facilitate the decentralisation of the industry.

The reaction of government supporting garment workers in Germiston to the soft-pedalling of job reservation was one of outrage. Protest meetings were convened by the Member of Parliament for Germiston, Mr J. du Pisanie. Du Pisanie was a genuine champion of the white women garment workers whose livelihood was threatened by the government's encouragement of

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[42] *Sunday Tribune*, 13 June 1971.

[43] *Financial Mail*, 29 June 1977.

[44] *Sunday Times*, 24 March 1974.

[45] Jeremy Baskin, *Striking Back, A History of Cosatu*, (London, 1991), p. 23

[46] Friedman, *op. cit.*, p. 167.

border areas industrialisation. In April 1959 he circulated the NP caucus in Cape Town with figures provided by the Industrial Council which showed how white jobs had been threatened, and disputing the government's unemployment statistics. During the first half of 1959 unemployed clothing workers were not being absorbed into other fields and fell back on state benefits. Since 1954 white employment had declined from 2413 to 1565, whereas employment in the 'uncontrolled areas' had leapt another 1,300 since 1956 to around 3,000.[47] News of du Pisanie's actions was leaked by the Industrial Council Chairman Jimmy Thomas to the *Sunday Times* reporter Charles Bloomberg: splits in NP ranks were always headlines in the English press.

Under strong pressure to keep quiet from the NP whips, du Pisanie brought the matter up in Parliament under the Labour Vote the next day. The day after a report appeared in the press that 'Dr Verwoerd regretted that Mr du Pisanie would not be available for re-election due to ill-health'. The NP branch committees in Germiston were ordered not to nominate du Pisanie again. Here the NP leadership was aiming to contain grassroots dissent, and hammering its main spokesman was their first move. Then, at a public meeting in Germiston City Hall attended by between 2,000 and 3,000 people, Minister of Labour Jan de Klerk announced subsidies to selected factories to help them to keep whites on their books. It is a measure of the confidence of the NP elite that de Klerk felt able to tell his audience, 'whether you like it or not, the NP policy is to establish industries on the borders of native reserves.'[48]

The failure of job reservation, in the engineering industry as in the clothing industry, to prevent operative categories from 'going black' struck fear into the hearts of its most ardent adherents: white operatives and supervisors in ISTA and the Mineworkers Union who dreaded the advance black workers within the workplace. Mr J.A. Kruger, Assistant General Secretary of ISTA, insisted that 3,000 white men were looking for work in steel manufacturing. The Department of Labour always denied reports of white unemployment, but Kruger argued that these men did not report to the authorities. In the domestic appliance industry, 'natives had crept in and taken the Europeans' legitimate work'.[49]

Again, as in the clothing industry, the political weakness of white worker advocates within Afrikaner Nationalism was revealed as soon as they sought to speak out on what they perceived to be government betrayal. The NP offered Afrikaner workers an authoritarian paternalism: workerist noises were to be smothered under a mound of patronage. ISTA's duties as a government stooge gave it little power to channel grievances upwards from the ranks, as Mr Kruger's revealing outburst showed. In 1962 Kruger, who had held his post for 18 years, and R. Nagel, another veteran organiser, announced the formation of a new metal workers' union. The two men were summarily sacked from their ISTA positions in September 1961 after their candidature for the Conservative Workers Party in Mayfair and Langlaagte, white working class constituencies in South Johannesburg, in the post-Republic parliamentary election. Other officials were also expelled for vigorous protests against their dismissal. Responding to the government accusation that the new union was political Kruger told the press:

> I can think of nothing more ironic than this baseless charge. After 18 years in ISTA I can say with authority that there is no more politically dominated organisation in the country.[50]
>
> Members are incensed that now they have an opportunity of calling the Government to account for policies which have hurt the workers, their trade union

[47] *Natal Mercury*, 27 April 1959, quoting Wage Board figures.

[48] *Rand Daily Mail*, 25 April 1959.

[49] *Star*, 3 May 1960.

[50] *Sunday Times*, 18 July 1962.

machinery is not at their disposal and their representatives are disowned.[51]

Thus in dealing with the contradictions which arose between different aspects of apartheid policy, the NP, even under Verwoerd, was quick to marginalised the white labour interest within its ranks. Class differences within the Afrikaner community were, of course, suppressed in the discourse of nationalism. Those insiders who did point out the gap between government rhetoric and reality on white labour issues were silenced or expelled from their office. Despite the fact that white labour was an essential constituency for the NP, its ruling elite, drawn exclusively from professional ranks, maintained an authoritarian stance towards Afrikaner workers. The latter were nevertheless generally enthusiastic at this time about a government which, in the areas of housing, education, health and creating opportunities for advancement, allocated revenue disproportionately to the white Afrikaner community to raise its living standards to those experience by English-speaking white South Africans.

These authority structures proved useful again when pushing through into legislation the measures recommended by the Wiehahn Report. The Commission upon which this report was based was appointed by the Vorster Cabinet; I have not come across any account of exactly how the composition of the Commission was decided. The pressures from organised business for the reform of industrial relations came not on the issue of African trade union rights but upon job reservation.[52] It was widely assumed that whilst pushing for the deracialisation of skilled work, Wiehahn's report would recommend a continuation of the attempt to destroy the independent unions. Hemson argued that the Commission...

> ...presages the state's offensive against independent forms of organisation and the further subordination among black workers to factory councils and registered trade unions. The Commission may recommend activity of industrial trade unions be highly restricted or eliminated altogether and something approximating to an official company union be recognised as a collective bargaining unit.[53]

B.N. Mokoatle was the token African representative among the Commissioners.[54] He was Chief Professional Officer at UNISA Business School in charge of Small Business Development when appointed to the Commission. The title of Lecturer was reserved for whites at UNISA. Mokoatle did not have a mandate on the Commission to speak for the unregistered unions. Suspecting the worst, they were not prepared to take part in giving evidence.

Mokoatle noted that the Commission had no guiding principles and had started its deliberations by discussing 'more sophisticated versions of job reservation'. He acquainted himself with black union activity and started threatening to resign if certain universal principles were not recognised. Essentially he pressed for freedom of association without regard to race. After the first report was released on this basis, 'black unions began to realise that something was happening'.

The Commission had turned into a remarkable showdown between 'labour protectionists' and 'capitalists'. The token representatives of blacks in registered unions, C.A. Botes (Coloured) and G. Munsook (Indian), had some protectionist sentiments but sat in the progressive capitalist camp with R.V. Sutton, T.I. Steenkamp, Wiehahn and Mokoatle himself.[55] Dick Sutton of South

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[51] *Rand Daily Mail*, 28 September 1961.

[52] NCI, J. Pohl, Labour Advisor, 'Some thoughts for employers relative to the advancement of Non-whites in the work environment', 30 June 1977.

[53] D. Hemson, 'Trade Unionism and the Struggle for Liberation in South Africa', *Capital and Class*, 6, (1978), 35.

[54] Interview with B.N. Mokoatle, by S. Coupe, 18 December 1989. The quotations in this section all come from this interview.

[55] NCI, FCI Circular, L/Com/1 (Labour Legislation), 7 November 1977.

African Breweries was part of the 'liberal personnel relations set-up' under Simon Biesheuvel. Steenkamp, the President of the Chamber of Mines from General Mining and Finance Corporation, was described by Mokoatle as a *verligte* Afrikaner who felt that management would be able to outwit unions at sometime in the future. An investigation of industrial councils had been started by the Industrial Tribunal shortly before the Wiehahn Commission in 1977. Mining executives preferred a system in which disputes would be settled mine by mine rather than on a national basis. When the Labour Relations Act was introduced bearing the Wiehahn reforms, Anglo-American immediately pressed the Chamber of Mines to announce that they were in favour of the industrial council system. This, it was thought, was the surest way to put blacks off the system as they distrusted anything the Chamber of Mines said.[56] The same idea of outwitting the unions fell flat in the manufacturing sector. A Labour Relations Amendment Act was demanded from 1983 onwards by employers who felt that Wiehahn, in establishing an industrial court to consider union claims of unfair labour practices, had conceded too much to clever union lawyers.

Errol Drummond, the SEIFSA reactionary, 'behaved like a Native Commissioner' but, along with C.W.H. du Toit of the FCI, 'wanted to be seen to be saying the right thing'. Although they had working relationships with the *verkrampte* trade unionists going back to the war they wanted reforms in training which meant opening up the system somewhat. Prof. P.J. van der Merwe, Professor of Economics at Pretoria University and N.J. Hechter, a Pretoria civil servant, took an indeterminate 'middling' position. Amongst the white trade unionists, A.I. Niewoudt, J.A. Grobbelaar, C.P. Grobler, and T.S. Neethling, Mokoatle was unable to perceive the subtle differences of position. They acted as a pro-apartheid bloc, but really struggled to produce a case. They were worried about the crippling economic effect of conceding trade union rights to blacks at ISCOR, SASOL and the mines. On the basis of five reformists, four reactionaries, and four in between, the Commission was able to establish the principle of 'freedom of association'. This was an historic concession, but entry into industrial councils was still hedged with various administrative procedures designed to control and neutralise the radicalism which the independent unions presaged. In legislation introduced in 1979 for example, migrant and 'foreign' workers were excluded from the definition of 'employee'. Nevertheless, such exclusions soon proved impracticable and indefensible in relation to the broader principles established by Wiehahn, and the Labour Relations Amendment Act of 1981 opened the official collective bargaining system to all workers.

Affiliates of the Trade Union Council of South Africa, as a policy initiative, started extending their brand of trade unionism to African workers in 1979. The cry went up that TUCSA had only become involved once organisation of African workers had become easy and respectable, together with the more serious charge that TUCSA unions would accept the in-plant committee system rather than push to open up the industrial councils system to the whole range of representatives and interests. The parallel unions had not tried to negotiate dismissal procedures, shop steward facilities and other in-plant issues. An example of their effect was the Transvaal Clothing Agreement of February 1979 in which the African parallel union, the National Union of Clothing Workers, 'took part' in negotiating a R13.75 minimum wage, lower than that specified in the Wage Determination for unskilled labour (R17.20 for women) in manufacturing industry.[57] At Leyland, management requested Ronnie Webb of the Motor Industries Combined Workers Union to organise black workers. Personnel officers were coercing workers into paying subs for the parallel union, whilst the independent Metal and Allied Workers Union was consistently blocked.[58]

Thus companies facing recognition demands by emerging unions granted facilities to TUCSA parallel unions which were denied their rivals, and personnel officers 'recruited' workers for it. This offered government and employers a way of recognising African unions without

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[56] Interview with Jimmy Thomas, former Chairman of Industrial Council for the Clothing Industry (Transvaal), by S.Coupe, 5 February 1990.

[57] FOSATU, 'The Parallel Union Thrust, memorandum issued on 8 November 1979', *South African Labour Bulletin*, 5, 6&7, (1980), 76.

[58] *Ibid.*, 92.

conceding power.[59] The strategy was, however, of short lived utility to employers after the full implications of the Wiehahn reforms began to work themselves out. The TUCSA unions were shocked to discover that they had outlived their usefulness to managements. When James North Ltd were approached by the National Union of Textile Workers for recognition in 1983, the directors no longer reached immediately for the telephone.

> This union claims substantial membership in our plant and has alleged that our employees have grown disenchanted with the apparent inefficiency and passivity of the GWIU... As you are no doubt aware, we are 100% British owned by the Siebe-Gorman group (Standard Bank - Anglican Church relationship) who are one of the largest manufacturers of industrial safety equipment in the world. We are therefore a conspicuous company in international terms and can ill afford to be seen to be forcing an unrepresentative and unpopular union on our workers. Additionally there is a distinct possibility that industrial unrest could cause considerable disruption to our operation and spread to the rest of the clothing industry if this matter is not resolved quickly and quietly in a meaningful manner. Our management team had a meeting with the GWIU on Friday 23rd September 1983 where we explained the situation to them. The unions executive gave us the verbal assurance that they would not press legal action against us if we were not able to abide by the closed shop clause. I am requesting written confirmation that JN will not be expelled from the Natal Clothing Manufacturers Association were they to find themselves in a position, for reasons of industrial peace, that they are compelled to develop a recognition agreement with the NUTW.[60]

An executive of the GWIU, commenting on this document for Arthur Grobbelaar, denied consenting to the relaxation of the closed shop, writing in the margin of the memorandum, claiming, 'This is a lie - we told them that we are prepared to go to the highest court'. There is no record of them ever having done so.[61]

Whilst the TUCSA's leadership maintained a hostile policy towards FOSATU, its relationship with an important affiliate, the Motor Industries Combined Workers Union had reached crisis point. Its General Secretary, Des East, was forced to steer the union out of TUCSA, citing the following points.

> 1) Increasing influence of conservative unions within TUCSA- the defeat of an important political resolution by a card vote. [Failure to condemn death of Neil Aggett].
>
> 2) Rightly or wrongly TUCSA is seen in a negative light by many Black [African] workers - by association this Union is similarly perceived and this makes our organising work immensely difficult in the face of opposition from non-TUCSA unions.[62]

East perceived a 'sea change' in the attitude of young Coloured mechanics in 1976, feeding through into the politics of the union in the years which followed. When Ronnie Webb joined P.W.

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[59] Friedman, *op. cit.*, p. 80.

[60] William Cullen Library, University of the Witwatersrand, Records of TUCSA 1954-1986, Ab4.2.41, G.R. Heald, Industrial Relations Consultant, James North (Africa) (Pty.) Ltd. to Director, Natal Clothing Manufacturers Association, 26 September 1983.

[61] Ibid.

[62] Records of TUCSA, Ab4.2.59, MICWU, D.T East, Gen Sec. MICWU, to Grobbelaar, 18 October 1982.

Botha's President's Council as a former President of TUCSA, he visited every region consulting with the workers, but his position soon became untenable. Other executive members could not accept serving under someone involved in government structures.

> The younger element in MICWU was extremely frustrated with TUCSA's inability to come to terms with big changes. We were working in the field with MAWU and NAAWU - whilst TUCSA was taking an extremely conservative line politically. Our members were joining NAAWU, seeing our membership of TUCSA as a rejection of their political aspirations. MICWU began recruiting Africans in the 1970s, but the option to apply closed shop provisions of the agreement to them would serve to exclude FOSATU and force Africans into joining MICWU, which would have generated enormous conflict with NAAWU and MAWU.[83]

MICWU then took a landmark decision, leaving TUCSA and fighting with the independents for their inclusion as delegates to the powerful National Industrial Council for the Iron, Steel, Engineering and Metallurgical Sector. This paved the way for the merger of all three into NUMSA in 1987.

The recognition of African unions was not an inevitable outcome of the Wiehahn Commission, but the changes in the political orientation of black workers, looking to their unions to challenge the entire edifice of apartheid, was anyway taking place. The registered unions in TUCSA which had always claimed to offer 'legal' opposition to apartheid did themselves immense discredit in the years after 1973, by contributing to state and employer resistance to independent unionism. TUCSA, itself, after a brief acceleration in recruitment after 1980, could not survive the wave of attacks upon its affiliates' attempts to corral black membership though closed shop mechanisms, and it dissolved a year after the death of its General Secretary Arthur Grobbelaar in 1985 having been unable to find anyone to replace him.

When it became known that the Wiehahn Commission had committed itself to recognition of black trade unions, Ben Nicholson, General Secretary of the exclusively white Electrical Workers Association told his members...

> ...I urge every one of you, especially the youngsters amongst us, to get as many qualifications as you can. An employer is not interested in the colour of an employees skin, but he is interested in the most productive member of the community. And if we as white skilled electricians can prove that we are the best then we won't be superseded, we will keep the reins in our own hands. What is our mission? To control the situation when there are more of them than there are of us.[84]

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[83] Interview with Des East, NUMSA Head Office, by S. Coupe, 1 December 1989.

[84] *Power*, (May 1978), 4-7, Ben Nicholson, Gen. Sec., Address to Witbank branch, 'A time for decisions'.

Conclusion

The struggle to end white supremacist practices in South African industry had begun in earnest in 1979 with the white unions setting off down a path of fierce rearguard action against the spread of black workers' influence within the industrial council system. Splits between democratic and reactionary camps among workers meant that regime opponents had to contend with a degree of active trade union collaboration with the authoritarian dispensation. In the other examples examined, the roots of the regime within the working class were weaker than in South Africa. Nevertheless, the South African regime was willing to overrule the interests of its own supporters in the labour movement as the pressures for a new dispensation from other quarters were so intense. This move was facilitated by the fact that the regime had always had an authoritarian stance towards its own rank and file supporters and had consistently retained freedom of manoeuvre in relation to them.