COSATU'S RESPONSE TO THE CRISIS: AN ANARCHO-SYNDICALIST ASSESSMENT AND ALTERNATIVE

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South African unions, centred on the 2 million-strong Congress of South African Trade Unions (COSATU), have consistently articulated a policy vision that breaks with crude neo-liberalism. This is remarkable – but is it enough? Just how viable and desirable is this vision, particularly as the neo-liberal era lurches into a serious slump? And is there an alternative?

This question is posed particularly acutely by the hammer blows of the global recession from 2007. Despite the rather predicable pretence that South Africa is unaffected (notably by Trevor Manuel), the country is far from immune.

2009 saw world economic growth fall to just over 1 percent, trade growth to just over 2 percent, with 50 million job losses worldwide (2 million in SA) and 200 million plunged into the direst poverty. In South Africa, manufacturing shrunk by 22,1 percent in the first quarter of 2009, mining by 32,8 percent, and agriculture by 2,9. The previous year saw a 75 percent increase in business failures. From January to September 2009, a staggering 770,000 jobs were lost.[1] This is, of course, the exactly opposite of the Zuma ANC's promise to quickly create a half-a-million jobs.

BACKGROUND

Unlike many other union movements around the world, labour in South Africa entered the 1990s with a clear vision of social change. This vision fell short of socialism – it centred on the notion of a "win-win" class compromise between workers and business – but rejected a blind reliance upon market forces.

However, as we shall see, the model makes major concessions to neo-liberalism - and even where it doesn't, it has enormous flaws – rather than create "building blocks" for a democratic socialism, as its supporters hope, it is set to derail the working class movement.

This vision was articulated in the Reconstruction and Development Programme (RDP), expressed again in the NEDLAC Labour Caucus' *Social Equity and Job Creation* proposal (1996), the "Sector Job Summits" of the early 2000s, and most recently in COSATU's interventions at the presidential summits on the crisis. While COSATU is the key proponent of these policies, the other major federations – NACTU and FEDUSA especially – tend to follow its lead.

Labour's approach is usually referred to as "strategic unionism": unions will use a combination of mass action and participation in policy forums (most especially, the tripartite National Economic Development and Labour Council, NEDLAC) to push for this vision. In other countries, like Australia, this idea is often called the "progressive competitive alternative". COSATU sees NEDLAC and other corporatist structures, as well as the ANC, as "spaces" to win the implementation of this vision.

THE VISION

At the core of this vision are several key ideas, some of which are contradictory:

★ **First**, the vision argues for increased worker control of the economy, both through giving workers at the shop floor a greater say in production decisions, through getting unions represented on company boards, and through union participation in policy forums like NEDLAC. Tied to this, worker empowerment will also entail a major upgrade of skills.

★ **Secondly**, it suggests that this "democratisation" will ensure that responsible and financially sound decisions get made: essentially, the idea is that "business is too important to leave to management".

★ **Thirdly** (leaving aside COSATU's loudly declared commitment to Marxism) is idea here is basically a social democratic one: capitalism should be reformed to benefit all "stakeholders"; the problem in South Africa is not capitalism as such, but an ineffective capitalism that is characterised by low levels of investment, monopolies and price collusion, and bad government policy).

★ As this suggests, **fourthly**, the vision then moves onto proposing Keynesian measures (boost working class demand via grants and public works in order to boost profits and therefore the companies) and economic nationalism (protect weak sectors from the global economy).

★ **Finally**, the vision embraces the notion of a globally competitive industrial South Africa, which can compete in the open market. (The stress on export-led growth as an ultimate aim – along with the obsession with the evils of monopolies and price-fixing – indicates a key neo-liberal thrust that is at odds with the calls for union participation in decisions, for Keynesianism and for protectionism).

HIGH ROAD, LOW ROAD

The overall approach, then, is a bit confused. COSATU, which affirmed at its 2009 congress its commitment to "building Marxism" (and even learning from "anarchism", see page 45 on "Black Flame"), nonetheless embraces a vision of class-compromise brokered by the state to increase profitability while generating welfare. The experience of South African capitalism is, in other words, reduced to prob-

lems that can be solved by policies – more competition, better state support, more union inputs – rather than problems inherent in a declining, crisis-ridden, uncompetitive, semi-industrial capitalist economy.

The problem, in short, is posed as "bad" capitalism, and the solution is a social-democratic outlook: reform capitalism so it works for all. The basic idea is that of a "high road" to competing in the global economy – a high wage, worker-friendly, pro-union, high-skill, democratic, road to competitiveness, based on a "win-win" (more profits and more wages) class compromise. This is contrasted, implicitly, with the Chinese "low road": the authoritarian union-bashing, starvation-wage, sweatshop approach.

WRONG ROAD

Capitalism and the state are directly, demonstrably, responsible for the miserable conditions of the black (and a sector of the white) working class – as even the analysis in *Social Equity and Job Creation* indicates. Yet the "high road" vision is nonetheless predicated on the belief that this vicious, crisis-ridden system can suddenly become both pro-worker and globally competitive.

POLICY CONTRADICTIONS

The methods to achieve this goal rest on a mixture of contradictory economic theories, and contradictory goals:

★ **Firstly**, better conditions for workers are seen as integrally linked to higher productivity via skills, work redesign and "buy-in" via participation. However, the internal market in South Africa remains static, given mass poverty, and the country has no prospect of a massive increase in exports, least of all in the context of global economic crisis. In such a context, the vision's aim of increased productivity will simply mean that fewer workers will undertake existing jobs – a sure way to lose jobs and union members.

★ **Secondly**, Keynesian policies of boosting working-class demand do not fit: they are designed for advanced economies (which ours is not), and assume a high degree of regulation and large tax base (both lacking), and a closed economy. A closed economy is needed because only if the income transferred to working people via grants and public works is spent primarily on local products can it boost local business, and therefore lead to more jobs and more tax. Otherwise the income is essentially transferred abroad. Yet the COSATU vision also seeks an export-led growth path that does not need Keynesian demand-management, and assumes an increasingly open economy.

CORPORATISM AND CO-DETERMINATION?

The stress on participation in the management of capitalism, in order to "co-determine" its evolution radically underestimates the dangers of co-option into, and taking joint responsibility for, capitalist governance.

★ **First**, serious policy engagement with forums like NEDLAC necessarily generates within the unions a layer of highly trained technocrats (to develop the policies) and full-time union leaders (to spend their time in these forums). 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.

★ **Secondly**, 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. This danger is usually underplayed by "strategic unionism" advocates, who call for a "balance" between policy "capacity" and "engagement", and "mass action" – rather than a deep contradiction between the two. As Rudolph Rocker notes in *Anarchism and Anarcho-Syndicalism*, *"Centralism, that artificial scheme which operates from the top towards the bottom and turns over the affairs of administration to a small minority, is always attended by barren official routine; it crushes individual conviction, kills all personal initiative by lifeless discipline and bureaucratic ossification"*, a *"curse"* on the working class.[2]

★ **Thirdly**, the necessary outcome of the unions' vision is to take co-responsibility for managing the system. Most concretely, it entails productivity deals: in return for helping boost output, with the hope of wage increases and job security, unions sign no-strike clauses. The problem is that the system is necessarily pitted against the working class. When strikes break out, the union finds itself either unable to deliver on the class compromise (thus, its vision fails), or pitted against the workers (thus, it splits). More generally, in embracing the system's logic – nationalism/ "Buy South Africa", competition/ the weak must fall, wage labour/ exploitation, distribution by sales / exclusion – the unions must embrace the very system that they were formed rto fight, and that they promise to abolish.

A NORDIC ROAD?

"Evidence" for the viability of "strategic unionism" is typically drawn from the apparent examples of the Nordic social democratic systems of the 1930s-1970s. Sweden and its neighbours undoubtedly developed, through the Keynesian welfare state (KWS), the most socially just, egalitarian, capitalist regimes to date. If the Soviet Union exemplified the Marxist centrally-planned economy at its best and worst, Sweden exemplified the best and worst of a social-democratic system.

For supporters of "strategic unionism", the achievements of the Nordic KWS – such as almost zero unemployment, extremely generous welfare including free education etc. – are basically the result of good policies plus corporatism plus unions backing the right political parties.

The problem with this set of claims is that the circumstances that led, briefly, to the Nordic KWS no longer exist anywhere on earth – and certainly not in South Africa.

The KWS, in general, arose in a unique historical conjuncture:

★ **Firstly**, high levels of class struggle, including the real possibility of revolutionary upheavals across Europe, forced ruling classes to introduce large-scale welfare **and** draw the unions into corporatism in order to tame them. The Cold War, in which a sub-

stantial section of labour supported the Soviet Union, gave this an added impetus.

★ **Secondly**, from the late 1940s into the early 1970s, capitalism went through the greatest boom in history, with major economies doubling and tripling in size, generating sufficient jobs to limit welfare costs (for example, no mass unemployment), while also generating enough tax in order to fund the KWS (even while tax rates rose, output and profits rose far faster).

★ **Thirdly**, workers' productivity rose so dramatically that an ever-higher rate of exploitation could take place at the very same time as real wages greatly improved. For reasons 2 and 3, major concessions **could** be made on working class incomes **without** any surrender of control by the ruling class. Because Keynesian policies were without a doubt integral to the boom, high tax and heavy state intervention was widely accepted by all classes.

★ **Fourthly**, while the Nordic countries were relatively economically backward for Northern Europe, they were adjacent to one of the highly industrialised centres of the world economy.

Not one of these conditions applies in South Africa, so the Nordic example is simply not relevant. Indeed, these conditions no longer even apply in Northern Europe itself – we are in the epoch of neoliberalism, not national capitalism.[3]

FROM BELOW!

To conclude, a wiser union policy, a more truly "strategic" unionism would be one that rejects social-democratic visions and corporatism, in favour of a strategy of counter-power based upon:

★ **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 mobilised 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 mobilise the rank-and-file, campaigns that raise the demands of the ordinary workers, campaigns that enforce **from below** these demands, this policy vision.[4]

★ **Occupations, and the refusal to be retrenched:** one of the most important working class tactics being used today, the world over, is the occupation. This model, seen spectacularly in recent struggles: the heroic actions in Argentina, where for several years nearly 200 factories have been seized and run by workers; mass occupations in 2009 at the Daewoo plants in South Korea, which ended only when all threatened jobs were guaranteed; similar actions have taken place in France, the USA and elsewhere.[5]

TAKING, HOLDING

Such measures are not a complete solution - more a holding action and a training ground for the key task of *taking and holding the factories* - but absolutely vital.

For the ultimate goal of labour must be to place the workplaces under self-management, abolish the wage system, and create a new society based on distribution by need and an end to competition. In place of the *"social democratic attempt to make the masses participate in their own exploitation"*, Pyotr Kropotkin stated, the goal is that *"the emancipation of the working man must be accomplished by the working man himself."* [6]

And what force can better create that society than revolutionary trade unions? As Mikhail Bakunin, the founder of anarchism, said of unions, *"the serious, final complete liberation of the workers is possible only on one condition: that of the appropriation of capital, that is, of raw materials and all the tools of labour, including land, by the whole body of the workers"*, and the unions should realise that *"they also bear in themselves the living germs of the new social order, which is to replace the bourgeois world. They are creating not only the ideas but also the facts of the future itself"*.[7]

But for a vision to be realised, we need to radically rethink our role as trade unionists – and leave "strategic unionism" alone. Because social democracy is not on the agenda here; we need to face reality.

Footnotes:

1. Figures: Haroon Bhorat, 2009, "Consequences of the Global Economic Crisis: early reflections for South Africa", *Bargaining Indicators*, volume 13 (Labour Research Service: Cape Town); South African Reserve Bank, June 2009, *Quarterly Bulletin*, volume 252; "Job Losses to Exceed a Million", 29 October 2009, Fin24.com, at www.fin24.com/articles/default/display_print_article.aspx?ArticleId=1518-25_2559255&Type=News;
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   Stats SA, press release on Quarterly Labour Force survey for first quarter 2010, at www.statssa.gov.za/keyindicators/QLFS/Press/Q1_2010_Press_Statement.pdf
2. Online at www.anarchosyndicalism.net/rocker/aasind.htm
3. Lucien van der Walt, 1997, "Against Corporatism: the limits and pitfalls of corporatism for South African trade unions", African Studies Association of South Africa Third Biennial International Conference: 'Africa in a Changing World: patterns and prospects', Magaliesberg Conference Centre, Broederstroom, 8-9 September 1997.
4. See Lucien van der Walt, 2005, "Rethinking Welfare, Building the Working Class Movement", NALEDI (National Labour and Economic Development Institute) Open Forum, Congress of South African Trade Unions/COSATU, Johannesburg, 10-11 November 2005.
5. See the remarkable survey: Shawn Hattingh, 2009, "Workers Creating Hope: Factory Occupations and Self-Management", at www.ilrigsa.org.za/index.php?option=com_content&view=article&id=52&Itemid=66
6. Peter Kropotkin, [1892] 1990, *The Conquest of Bread*, Elephant Editions, London, pp. 13, 21
7. Quoted in Rudolph Rocker, *Anarchism and Anarcho-Syndicalism*, online at www.anarchosyndicalism.net/rocker/aasind.htm