THE PROCESS OF COLLECTIVE BARGAINING
AND ITS IMPLICATIONS
FOR INDUSTRIAL RELATIONS POLICIES

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Cape Town

September, 1979.
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I. BACKGROUND

The 1973 strikes involving 68,000 African workers are regarded as a watershed in the development of industrial relations. Labour legislation was amended as a result, lower-income wages were increased considerably, and concrete action was taken to try and prevent a recurrence of the confrontation between Black workers and management through the committee system in the work place.

But the strikes also took place at an opportune moment in the growth of manufacturing industry and development of management practices and styles. During the previous decade the shortage of White workers had resulted in considerable use of Africans in skilled job categories. African workers were given aptitude tests, job evaluation was undertaken, improvements in productivity were emphasised and sound human relations, particularly at the interface, were stressed. The personnel management function had become established. Equally important was the initiation of training with Government approval and assistance of African workers in urban areas, i.e. the permanence of the urban African worker was being acknowledged.

Furthermore, through mergers and take-overs, large groups of companies emerged. Their size enabled specialised services to be undertaken. These services included the application of resources to make plant-based committees work. During the period after the 1973 strikes, a number of conferences devoting attention to the 'appropriate' forms of African worker representation were held by management. In fact, the increased attention given to industrial relations would not have taken place in the early 1960s. The phenomenon of the 1973 strikes was one necessary factor, although insufficient on its own, in any explanation of the increased emphasis being placed on 'sound' industrial relations which was attended by the establishment of specialised industrial relations institutes.

Moreover, although the momentum of change in industrial relations is still evident, both in terms of proposed amending legislation as well as the tentative formulation by companies of industrial relations policies,
the direction which these developments are taking is a matter for concern. Fundamental principles of industrial relations are not being reflected in employment policies.

The initial response to the strikes was to emphasise the need for 'channels of communication'. Hence the remarkable growth in committees from around 100 in 1972 to over 2000 by the end of 1975. Experience with committees, and the need for legally binding agreements in the industrial sector, has resulted in more frequent use of the terms 'collective bargaining' and 'negotiation'.

On the one hand management sees the need for wage agreements to be legally binding for all workers, on a sectoral basis instead of merely in one specific factory. This the present committee structure cannot provide. Hence amendments to the Bantu Labour Relations Regulation Act are required. On the other hand management and the Department of Labour have tended to assume thus far that extension of the plant-based system committee structures to an industry-wide bargaining system would enable mutually satisfactory agreements to be concluded. The question which arises is: satisfactory to whom? Would the proposed system achieve the desired consensus between the two parties?

The concept of collective bargaining has developed a specific meaning in Western industrialised countries. But management in South Africa, as evident from recent articles on bargaining procedures and systems ignores, by design or not, aspects of the Western model. This paper describes the sub-processes of collective bargaining and analyses the articles which have appeared, in terms of that framework. It is hoped that this will assist in the formulation of industrial relations policies which institute practices with long-term effectiveness rather than short-term expediency. The concern of this paper is to identify variables necessary for an effective industrial relations system.
II. SUB-PROCESSES OF COLLECTIVE BARGAINING

Walton and McKersie identify four interrelated and inter-dependent activities in their theory of negotiation. This theory of negotiation is relevant to the South African situation because of the emphasis since 1973 on representation at the workplace through the committee system. The analysis which this paper presents suggests that the committee structure is not a proper bargaining instrument. Nevertheless the introduction of plant-based committees has acted as a catalyst amongst workers. Black workers are asking what their rights are and coming to reject the committee system to an increasing extent.

What are the four sub-processes of collective bargaining?

The necessity for collective bargaining between management and labour arises because of limited resources and scarce status allocation. The process of distributive bargaining settles this conflict of interest between the two parties. But the interdependence of capital and labour suggest that there are complementary concerns which can, through problem solving, be identified and resolved through the process of integrative bargaining. Underlying these two sub-processes are activities that influence the attitudes of the two parties, in particular those of their respective representatives, towards each other. Attitudinal structuring which takes place between the representatives of the two parties is this third sub-process. Finally, before an agreement is signed by the representatives a fourth sub-process of activities has to occur, namely, the parties must agree. Consensus must be achieved within each of the two parties and not just by their respective representatives; i.e. intra-organisational bargaining has to take place.
It is the argument of this paper that the reality of two of these sub-processes, namely distributive bargaining and intra-organisational bargaining, are being ignored or accorded a minor position, whereas too great an emphasis is placed on integrative bargaining and in particular on attitudinal structuring. This bias has arisen because the inherent conflict of interest between management and labour is denied. As is suggested in Section V the phenomenon of the collectivity and institutionalisation of conflict is misunderstood. The distributive sub-process will only develop if and when trade unions, in an equal relationship with management, can exert social power.

(a) **Distributive Bargaining**

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

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

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

(b) **Integrative Bargaining**

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

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

Although in actual fact many items on the agenda of negotiations are mixed, i.e. are issues as well as problems, it is possible to identify those matters which have an integrative potential. Problems are matters involving rights and obligations of parties. The considerable breakthrough in labour relations achieved in the steel industry in America stems from a finding of a study committee that, 'the joint study approach is least effective when applied to wages, very useful on fringes, and has its greatest promise on "job security" issues'. The examples quoted are closed shop and membership maintenance, preserving jobs, seniority rights, etc., for which in return management can introduce technological changes and retain flexibility in manpower allocation.
Representatives of labour and management have a relationship which both hopefully want to foster. It is particularly in the face-to-face negotiating process that maintenance as well as restructuring of the attitudes of the participants towards each other takes place. If representatives on both sides accept the need for realising the integrative potential of their relationship, it is essential that they understand the impact of attitudes such as friendliness, trust, and respect on their attempts to influence each other. However, in numerous instances either management or labour representatives believe they must maintain hostility and the desirability of more constructive attitudes is denied. The five relationship patterns which can be established are:

(i) open conflict or hostility. The company is determined to refuse to deal with the union and vice versa;

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

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

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

(v) collusion based on furthering the aims of representatives of the parties which violate the interest of their own members as well as either shareholders or the public or some combination of these.
What is crucial to industrial relations in South Africa is the likely pattern that will develop between companies and Black trade unions. The personalities of the key people involved, as well as the goals of the parties are determining factors. There is a danger that the parties might get locked into a relationship which neither party finds conducive in future years but which will be difficult to break.

The efforts which certain companies are making to influence attitudinal structuring through training of committee members suggests an implicit hope that a very particular relationship pattern will be established. However, this assumes that the legitimate leadership of African workers has been identified in committees. In fact conflicting leadership could emerge and instead of co-operation the pattern of relations would become more and more one of collusion because committee leaders would not have an organisational base. Similarly, if labour concentrates on hostility, legitimacy of the respective roles of labour and management will not be attained. In both cases the potential for integrative bargaining is lessened.

It is hoped that the recently established joint-management industrial labour relations institute, where the legitimacy of Black unions is not challenged and cannot become an issue, will allow for a consensus on values and beliefs to emerge. This would facilitate a relationship pattern of accommodation if not co-operation to develop.

(d) Intra-organisational Bargaining

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

The stress on intra-organisational bargaining is not based on an overly theoretical concern with union democracy. The union's primary function is the protection and promotion of the standard of living and quality of life of its members, it is not an exercise in self-government. But members must participate in the decision-making process. Jack Bardash concludes that democracy in union affairs should be asserted to the point of inconvenience but not to the point of critical impairment of vital functions. He argues that major questions that should be determined by union meetings or by referendum are: 'recommendations for changes in the collective bargaining agreement, the approval of the agreement, the strike, increases in dues, assessments, initiation fees, financial obligations beyond the routine voucher expenditures and acceptance of executive board minutes. Sufficient latitude should, however, be given to the officer to administer the day-to-day affairs of the local (branch) efficiently and effectively'.

III. MANAGEMENT'S CONCEPTION OF THE BARGAINING PROCESS

The contents of a number of articles on industrial relations by management representatives during recent years support the contention that the distributive and intra-organisational sub-processes have been ignored or evaded. This is not surprising. The considerable development in personnel management occurred during a period of insignificant labour unrest amongst African workers coupled with a pattern of negotiation between employers and registered trade unions.
on the highly centralised level of the industrial council system and, except in the mining industry, with no evidence of the importance of the intra-organisational process.

In 1975 the then director of the Institute of Personnel Management argued against African trade unions and a subsequent debate in the Journal of that organisation suggested there was no need to identify an inherent conflict between capital and labour. This ignored the reality of social forces and economic imperatives, let alone concepts of power. Furthermore, management's uncritical approach to the anti-trade union attitude of the government reinforced the understandable employer aim of preventing trade unionism for as long as possible.

The articles referred to in the following three sections are:

1. A summary of proposals to amend the Bantu Labour Relations Regulation Act put to the Minister of Labour in November 1974 and published in the Company Journal of the Tongaat Group. These proposals were made by the Chairmen of the Tongaat Group, Hulett's Corporation and South African Breweries at the September 1974 corporate meeting of the S.A. Federated Chamber of Industries.

2. A follow-up article in the same journal a year later in the form of a panel discussion on the subject of collective bargaining for the Black worker. Those participating in the panel were: company industrial relations managers, the secretary of a registered trade union, the chairman of a works committee and representatives of an employers association.

3. An article in the home journal of the Hulett's company on training of negotiators. Reference is also made to a paper which gives some insight into the assumptions on conflict made by management in its training programme.
(a) Using the Committee Base as an Alternative to Independent Trade Unionism

The underlying assumption in the proposals by the Tongaat and S.A. Breweries Groups for amending the Bantu Labour Relations Regulation Act, was that the suggested amendments would 'encourage the natural growth towards a more effective collective bargaining process'. The recommendations assumed that the committee system provided by the 1973 Act was an adequate base on which to build a negotiating structure. There were three principal proposals:

(i) A two-tier committee system was envisaged to provide for both a works committee and a liaison committee. At present the Act gives a choice between either a works committee, all of whose members are elected, and a liaison committee of which up to half the members may be appointed. Legislation which aims to assist the formation of a relationship between parties with conflicting interests, should not provide for a choice. Workers prefer the works committee as it enables them to formulate their own policy on a matter while management prefers the liaison committee as it gives them control. The proposed two-tier system would allow worker representatives to meet separately to caucus and nominate members for a liaison committee allowing for direct dialogue between employer representatives and members of the first tier or the works committee. The two-tier proposal would have the advantage of both the works and the liaison committee.

(ii) Representatives from liaison committees in any industry would form a regional co-ordinating committee which would be registered as a negotiating party, comparable with a trade union, and any expenses would be paid from a levy imposed on Black employees in the industry.

(iii) The co-ordinating committee would nominate people to serve, with employer representatives, on a Regional Labour Council, comparable with an industrial council. This council would negotiate
basic conditions of service for a designated industry. It would also register and approve house agreements, and investigate alleged instances of victimisation. Again a levy would be imposed on Black workers as well as employers to finance the council's activities.

How and where do these proposals fall short of Walton and McKersie's analysis? The proposed negotiating structure is based on the committee system and is financed through enforced levies. But committees do not provide membership rights and responsibilities for workers. Committee representatives cannot function as the negotiating party. The fact that a membership base as a prerequisite for collective bargaining does not exist means that the intra-organisational sub-process cannot be activated. It follows that the distributive sub-process also does not feature. There is no independent leadership to place issues on the agenda or treat matters brought up at meetings as issues, instead of problems. There will be no identification of workers with the agreements and no commitment to the requirements of the clauses.

What of the other two sub-processes? The two companies are heavily involved, in terms of personnel and financial resources, in training of committee representatives. The content of this training is to view industrial relations as problem-solving inter-action and to use behaviour modelling techniques as means for preparing committee members for their task. This task is defined in terms of management perception of the economy, the society and hence its value system. The emphasis on the integrative sub-process and concern with the attitudinal structuring process suggest a refusal to come to terms with, or prepare for the reality of, the other two sub-processes which are required.

Hence the approach adopted by management is to assume that conflict between committee representatives and the labour force is either not a relevant issue or is of such a complex nature that it will hopefully remain latent.
Has the impact of the 1973 strikes been forgotten? It is true that registered trade unions, except for some industrial unions, do not hold report-back membership meetings to ensure approval of agreements negotiated by the executive committee. This failure to activate the intra-organisational sub-process is understandable because registered trade unions:

(i) are not representative of the total labour force and hence have no power base as the working class is divided;

(ii) have used the scarce value and privileged status of their members as a weapon against employers to achieve desired wage increases and improvements in benefits;

(iii) have not faced a membership crisis or no-confidence motion in leadership because the standard of living has improved;¹⁰

(iv) are still in the highly centralised stage of union development where leadership, once elected, takes the decisions;

(v) have kept membership informed, without asking for approval of the outcome of negotiations, through union journals.

The following editorial comment in the S.A. Typographical Journal is pertinent to the argument, 'The procedure of negotiating an agreement under the industrial council system is often misunderstood and members, especially immigrants from the United Kingdom often suggest that a report back should be made before an agreement is concluded'.¹¹

An effective system of representation for black workers cannot be structured on this pattern of centralised activity for two reasons, namely: the impact of black consciousness and the concerted efforts by employers and the authorities to entrench the work-place committee system.
Black trade unions are therefore structuring their activity in terms of membership participation through the intra-organisational process.

(b) **Rejecting the Trade Union Concept**

The assumption that the committee structure serves as an effective negotiating base is disquieting because of the pressure put on committee members in terms of the role as 'representatives' that they are increasingly required to play. In a follow up article to the proposals discussed above a panel discussion was used to relate recent developments in the emerging negotiating structure to the sugar industry.12

These developments mainly meant the admission of African committee representatives to the industrial council meeting scheduled for 1976, on the assumption that they could act as a negotiating party.13 Their presence was felt to be necessary because it was argued that 'truly representative' meant, 'all their desires and aspirations are represented and not just the view of the blacks in one mill or company'. There was no debate in the panel discussion on the intra-organisational sub-process or on the reality of the distributive bargaining phase. The principal concern of management was to define the mutual objective of labour and management, 'which should be a thriving and prosperous industry, through which benefits would flow to shareholder and worker alike'. Whether the value system of the existing socio-economic framework enables workers to operate from the same power base as the shareholders or employers was not discussed. It was apparently assumed that the 'representatives' are truly representative, i.e. that they do reflect the wishes and aspirations of Black workers. Yet is it not true that these very 'representatives' are failing to report back effectively and need management's support?14

The only contribution during the discussion under review made by the chairman of the works committee was to the effect that a good understanding with management of mutual problems has been achieved and hence we (i.e. presumably the committee) 'would not like to see trade unions come onto the scene.'
What was also significant was that the panel discussion did not follow up the suggestion made by one participant that 'the Black man's search for himself for dignity and self-reliance', meant that committees were rejected as 'dummy' bodies and that industrialists would be forced to accept Black trade unionism. In spite of this, management argued that the union was not essential to collective bargaining and that the 'industrial committee' (the equivalent of the co-ordinating committee discussed above) served the best developmental purpose.

The secretary of the registered trade union maintained that the power base of the workers was effectively divided. His statement that 'my union is opposed to the formation of liaison and works committees to represent workers in the industry' was not followed up.

Even if the theme of development and extension of the present system stressed by the employer representatives was valid, the question of why the facets of two sub-processes were not discussed remains unanswered. The necessity of working towards a stage where the workers as union members have their own independent body, was evaded. On the other hand the chairman of the works committee received tacit support for his rejection of trade unionism. Management rejected the trade union because it could be used 'by far-left socialists as a political tool' and the hope was expressed that 'collective bargaining (could be kept) within the family' while an industrial committee was seen as more desirable than a 'nationally organised trade union'.

The plan to have an African worker representative present during negotiations at the industrial council level, which this discussion presaged, was duly put into operation. An agreement was concluded in November 1976. The event was lauded as a 'milestone in the history of the sugar industry'. The representative of the manufacturers' association said the African worker representative 'had made a major contribution'.

14.
Detailed information would be required to judge whether any of the four sub-processes were activated. The fact that four African representatives were elected (and two appointed by the Department of Labour) is no guarantee that the distributive and intra-organisational bargaining processes took place. Election is only one side of the coin. The key prerequisite of collective bargaining is that it should be carried out from a membership base. The dynamics of labour relations, reflected in the intra-organisational phase, require that demands for a new agreement be formulated in terms of a mandate received from members and that the agreement be approved by members, either at branch level or shop steward meetings.

It is apparent that these requirements were not met for this agreement and hence there could be no commitment to the terms of the agreement from the workers in the sugar industry. The authority structure is still based on coercion and not consent. In terms of the structure established, the objective of the Tongaat proposals, namely that 'the black representatives hold themselves accountable for breaches of agreements', is an unrealisable expectation. The linkage between representatives and workers has not been legitimized.

According to reports the new agreement provided, for the first time, for a 2.5% bonus for unskilled and semi-skilled workers. This improvement was welcome. But in terms of the dynamics of industrial relations there is no guarantee that the labour force regards this as sufficient or that the new agreement 'provides a buffer against industrial unrest'. How did the labour force participate in the decision-making process? What distributive bargaining took place? It is the workers, as union members, who must judge whether their representatives had made a 'major contribution'. Once the employer starts making this judgement then the relationship pattern smacks of collusion.

The mechanism of distributive bargaining requires labour's representatives to set specific targets for various items on the agenda. These aims obviously involve employers in direct costs if they are met.
There is, moreover, for labour a resistance point below which no agreement would be acceptable. The union's membership should, ideally, give their representatives an indication of the resistance point when giving them their mandate. In the case cited, workers may well have accepted a lower bonus, of say, 2%, if they had participated in the decision-making process. Trade unionism is not necessarily or primarily a question of economic gain but rather the more elusive issue of the quality of people's lives.

Any attempt to limit a bargaining system to the committee structure will, in all probability, accelerate the rejection of the plant-based committee system by the African workers. Management is concluding agreements with representatives whose functions are basically an extension of those of the personnel department. Hence the allegation made above that a relationship pattern based on collusion is being forged between management and committee representatives. As a result the relationship between management and the labour force as a whole will be based on latent hostility. This hostility is controlled or contained by repressive legislation. But this makes aggression an ever present reality.

Finally, it does not follow that because registered trade unions have not activated the intra-organisational, and to a certain extent the distributive process, that African workers will adopt the same posture as members of the registered trade unions.

(c) Is Negotiation Only Problem Solving?

The third article under review deals with the training of managers as negotiators 'as prerequisite for the maintenance of good labour relations'16 Negotiation is seen as an occasion where the 'representatives' of the parties interact in an explicit attempt to reach a jointly acceptable position on one or more decisive issues. But the implication of being a 'representative' and the dynamic of resolving 'issues' is misunderstood.
The focus of attention is what happens at the negotiating table. This is why there is no qualification of the statement that 'negotiation takes place between equals' although the labour party side is unequal. This silence is understandable because the question of the 'power', or lack of it, in the structure of the registered trade union or the committee, is completely ignored. It is facile to take the trade unions in South Africa, as well as committee members, to task for neglecting the use of 'information' such as economic climate or changes in the labour market. Where can they acquire such information? Have the registered trade unions a membership strong enough to provide financial resources to allow for the purchase of information and expertise?

The article under review does consider the implications of threat, coercion and other power tactics and recognises that the 'dice are loaded in favour' of Whites and can lead to 'friction' but suggests that a 'new approach to negotiation is to consider it as a problem-solving process'; i.e. in terms of the integrative sub-process. Significantly the industrial council system is seen as an organisational structure which facilitates this emphasis. This assessment supports the view that the industrial council system is not conducive to distributive bargaining and explains why overseas trade unionists believe that it has made trade unions ineffective. The industrial council system, as it has developed, weakens trade unions as it carries out functions which are normally the responsibility of the union. These are:

(i) enforcement of the agreement - carried out by industrial council agents instead of union officials or shop stewards;

(ii) issues of industrial injustices are settled on the centralised level of the council's meetings instead of at the workplace level where they occurred;

(iii) social security benefits are administered by the council instead of the union.
The strong S.A. Typographical Union has, significantly enough, demanded that its officials act as council agents.

The process of weakening the registered trade unions is a structural fault of the industrial relations system because it excludes trade unions of African workers. White, Coloured and Indian workers constitute an ever-declining proportion of the total labour force and their unions become less and less representative of any economic sector's workers.

Whereas it is undoubtedly essential to introduce integrative tactics in negotiation (identify the problem, look for alternatives, make a choice), it is unfortunate that the danger of assuming that this alone constitutes collective bargaining is not understood. By all means aim to 'move negotiating' in terms of across the table interaction out of the mode of warfare and win-lose situation. But do not thereby deny the reality of the distributive phase nor hope to get away from facing the reality of the intra-organisational phase. The article under review mentions the fact that a negotiator is not 'present on his own account'. But to assume that his membership base is a 'third party' and that all that this means is 'preparation before negotiation' rather than the necessity for approval of a proposed agreement after the negotiation of a settlement and before it is signed, is naive or possibly reflects lack of experience with the implications of unorganised collective behaviour. A legal agreement signed by committee representatives does not ensure consensus from the labour force nor willingness to abide by the terms of the agreement. The legal sanction of such an agreement might make it work, but this means that so-called peace in industrial relations reverts back to a system of management by coercion and not consent. The necessary authority of management is not legitimized and managerial power remains the dominant value.

The S.A. Breweries Group, followed by others including Tongaat, embarked during 1975 on a programme of training committee representatives in interpersonal and negotiating skills. Development of the attitudinal sub-process is necessary. But its value depends on...
recognition of the other sub-processes. It should not be used to
deny completely the reality of the distributive process. Further­
more, the question arises of whether management is the proper party
to undertake this sort of training of workers' representatives.

In an address given to the Industrial Relations Group of the S.A.
Industrial Psychological Association, the Industrial Relations Manager
of the S.A. Breweries Group discussed how behaviour modelling techniques
are used in training programmes in order to reinforce certain behaviour
patterns. In the training of committees, a visual aid is used which
depicts a negotiating meter whereby trainees can assess their 'success'
in displaying certain behaviour and attitudes. The positive 'green'
side of the meter is graded in items ranging from mutual trust, self
control, listening and talking and rational assessment through to the most
desirable state to be in, namely conciliation. The negative or 'red' side
is graded in terms of items ranging from distrust, fear, arrogance, naked
hostility, to the least desirable state, namely deadlock and dispute.

However, a prerequisite of an effective industrial relations system is
the possibility of deadlock with a consequent organised strike where
no compromise and settlement is reached in distributive bargaining.
A decision to declare a deadlock is based on a rational assessment and
is not the result of mere naked hostility or arrogance. But partici-
pants in the behaviour modelling training courses, based on such
assumptions, are made to believe that they should never declare a
deadlock and that only the integrative sub-process needs consideration.
The negotiating meter exercise denies that negotiators, particularly
those from the workers side, operate in a boundary role conflict
situation. The role emphasised and reinforced is that of maintaining
and restructuring the relationship with management representatives,
the role which is played down is that of maintaining a responsible
relationship with workers. This approach implies that there are no
inherent conflicts of interests between management and labour. By
denying the reality of deadlocks or distributive bargaining, and the
implicit power contest, this managerial ideology is trying to suggest
that there are no scarce resources and status allocations.
By ignoring the dynamics of the intra-organisational process management's approach in these articles places an impossible burden on committee representatives. The lack of structural procedures for reporting back to their membership base, combined with reinforcement of a model of industrial relations founded on behavioural training and management's conception of 'business economics', obliges committee representatives to accept management as their reference group. Management's expectations of 'accountability' for adherence to a so-called agreement place committee representatives in that very boundary role conflict experienced by trade union negotiators. The lack of structural support may well result in committee representatives reverting to the other extreme of complete non-co-operation and resistance for the sake of resistance by using the negative power management has conferred upon them. Management is obliged to give negative power to committee representatives to maintain their sense of purpose and because the workers cannot give it. This negative power can then be abused because of the dependence relationship with management resulting from being employed by the company. This double bind situation can, therefore, lead to a similar problem experienced by certain British shop stewards who also lost their membership base - or made sure it was inactive. By solely stressing the integrative phase, management is in danger of losing it completely.

Committee representatives may either become management stooges or swing to the other extreme of creating hostility for the sake of disruption arising from their frustration. As an experienced trade unionist has said, only the trade union negotiator can ensure, through acceptable compromise, that a policy of moderation be adopted.

IV. IS A BROADER PERSPECTIVE EMERGING?

The somewhat discouraging conclusion emerging from the above analysis requires assessment. The decision by the Tongaat/Hulett's/S.A. Breweries Groups to publicise their objectives and approaches is commendable. It demonstrates appreciation of the responsibility of a Group or Corporation to let society know what its approach is regarding matters of public concern, and to submit itself to critical comment.
On the other hand a number of companies have taken industrial relations seriously but have not yet publicised their programmes. In one specific instance a company has built into its management and committee training programme the clear cut objective, implied in its industrial relations policy, of negotiating with a Black trade union and has started the process of forming a relationship with the emerging union in terms of stages which are realised as the strength of that union grows. The Black union concerned has approved of the training programme for committee representatives. This programme clarifies for the committee representatives their role vis-à-vis the trade union. The subsidiaries of a number of multi-national corporations have indicated that they will deal with Black trade unions, but they have not yet been put to the test.

Furthermore, some managers responsible for the industrial relations function are beginning to accept the reality of Black trade unions. Their hope and objective is that their perspective will be considered and incorporated in industrial relations policies. But companies are still in a dilemma regarding Black trade unions. As D. Keenan-Smith said, 'The committee system is offered by legislation as a vehicle for regulating Black labour relationships and as a substitute for the official recognition of Black trade unions. However, a satisfactory solution is urgently sought to management's dilemma of facing de facto African unions on the one hand and Government's stated policy on non-recognition for negotiating purposes on the other hand'.

Mr. D. van Coller, at the time in the Manpower Resources Division of the Anglo American Group, identifies a number of weaknesses in the position of the worker representative on the committee. These are: the weak power base because of the divided constituency; the lack of financial, administrative or research resources; and the fear of victimisation because of lack of independence.

Keenan-Smith supports the contention that collective bargaining is beyond the scope of the committee agenda. He identifies joint determination of wages and working conditions for a sector as that
management/labour activity which cannot be carried out by the committee structure. He assumes that the industrial committee system constitutes a possible answer. The effectiveness of the industrial committee system must be judged by the extent to which it can influence management decisions. Management's decisions are influenced when workers have the following rights: the right to information, the right to a hearing, the right to make proposals, the right to be consulted, the right to negotiate, the right to veto and the right to strike.

The industrial committee cannot exercise more than the first three rights and even those within the limits of management's authority. It is an organisation of the people elected but it is not an organisation of the workers. It is only when workers sign a membership form that they achieve the status of unionist and accept commitment to the objectives of their organisation.

In neither of the papers mentioned above is the implication of accepting the trade union system examined. Rather, the options are left open although the West German model, with its complimentary mechanism of committees and trade unions, is mentioned. It is, nevertheless, a significant breakthrough, given South African management's inability to 'manage fear and distrust', that these papers were publicly presented.

However, subsidiaries in both Groups of Companies, when approached by Black trade unions, have maintained that the committee system is adequate and there is no need to meet the trade union officials. This suggests that the assessment of industrial relations consultants in a Group is not incorporated in employment practices of subsidiary companies, if there is no clear-cut Group policy. This poses the question of whether such policies will be formulated and publicised in the near future.

A constructive development aimed at resolving the dilemma created by de facto Black unions and their incorporation within the industrial relations system, is the establishment of the joint management-labour Institute for Industrial Relations, which will improve the industrial relations' skills of both parties.
V. DISTRUST OF THE COLLECTIVE POWER OF BLACK WORKERS

In all spheres of societal activities in South Africa and their expression through organisations a shift in the definition of collectivity is required. The representative base of organisations can no longer be solely White South Africans. The permanence of the African people in urban areas can no longer be denied. All organisations from churches, to professional associations and sporting bodies are redefining their boundaries. The most significant breakthroughs are occurring in sport, but not without pressure from international co-ordinating bodies and direct power confrontations within South Africa between organisations representing the different race groups. In order to establish their identity and promote their interests, which have been totally neglected, the African people are establishing their own organisational base for the various societal activities and group interests. But there is a willingness to co-ordinate with their White counterparts through umbrella bodies, in pursuit of common goals.

The collective action campaign against inflation represented an interesting case study of the need for a society to institutionalise collective forces, but not having the organisational base to do so. To combat inflation it was essential to have as many relevant organisations as possible commit themselves and their members to the terms of the programme. The registered trade unions suddenly found themselves involved in a broader role than serving on apprenticeship boards or unemployment committees. However, the terms of reference given by the Government as to who constitutes the 'collectivity' excluded African workers and their organisations. Yet those most hard hit by inflation are the African people as they experience the impact of a drop in standard of living most severely, as well as the consequent increase in unemployment due to slow down in economic activity.

The inability of South African society to come to terms with the implications of whom constitutes the collectivity, and how the boundary lines are to be redrawn on the organisational level of collective
expression, is reflected in the perspective adopted by management. The analysis given above reveals that management is embarking on a policy whereby the organisation of Black workers through their trade unions is being prevented. By not recognising Black trade unions, or starting on a process of entering into a relationship with them, management is demonstrating a distrust of institutionalising conflict through independent organisations and is creating, instead, a safety valve mechanism. This distrust can be explained in a number of ways.

First is the fear that if Black unions are recognised, power will be given to Black workers. As Professor F. Kurnstenburg said at the 3rd World Congress of the International Industrial Relations Association; 'There can be no doubt that industrial relations are primarily a power phenomena and that therefore the power relations structures of the parties involved need thorough consideration'. Management assumes it is faced with the choice between the organised power of Black workers or retaining unilateral control over the decision-making process regarding wages, working conditions and quality of life. However, by selecting the latter approach, management is forced to keep order and discipline through coercion and not consent. The actual choice facing management is between the organised power of trade unions or unconstructive conflict in the form of hostility, resentment and open aggression.

Secondly, it is assumed that by keeping African workers powerless management retains power. But the more unequal the power structure of management and labour, the greater the chance for power to be expressed through hostility and resentment instead of finding organisational expression. For the resolution of conflict the parties need to be of equal power.23

It is also assumed that power has a fixed value. This argument has it that if management gives in it loses control over the factors of production. This need not be so. If power is legitimised into authority, the role of the manager is not curtailed. Kenneth Walker has pointed out that in practice an effective system of workers' participation increases the
scope of direction which managers have over workers' actions. The role of manager is accepted. The negative reaction of workers when management's power is not acceptable to them is well documented, namely, the impact of go-slow, work to rule, absenteeism, etc. on the production process. Brown states 'Once a policy was agreed, the management would have full authority to make the decisions necessary to implement that policy. In experience over many years I found that once the necessary institution was created then participation was felt by employees to be real and the authority of managers was increased'.

A third explanation for the resistance shown by management to Black unions is that its experience of dealings with the registered trade unions in the last three decades has failed to demonstrate the importance of the institutionalised collective expression of worker solidarity. The registered trade union movement has operated primarily from the privileged position of white workers with a consequent relationship pattern based on collusion. It has been a matter of solving problems instead of facing the reality of issues: namely distribution of wealth to and improvement of social security for all workers. Management has not been forced to give more than it believed it could afford, for during negotiations the White unions have just taken a greater proportionate share from the total wage hand-out at the expense of African workers. The five surveys of the National Productivity Institute have consistently demonstrated that productivity can be improved by a significant percentage if only management had applied basic principles to the production process. But management has not been pushed, in the distributive bargaining sense, to improve productivity.

The implications of management's distrust of workers expressing organised power through trade unions is reflected in the proposition made by D. Sutton, Group Personnel Manager of S.A. Breweries, in his formulation of a model for industrial relations presented at a National Development and Management Foundation Conference in November 1975. The incorporation of these propositions in the industrial relations policies of any companies would be a matter for concern. Sutton expresses the conviction that, 'acceptance of the wider concept of joint problem solving as the
essence of labour relations will systematically lead to elimination of the term collective bargaining with the implications of conflict and confrontation, from the vocabulary of labour relations. This assumption can be challenged not only in terms of developments in other industrialised countries, but more specifically because it ignores the heritage of institutionalised violence in employment practices towards African workers. The industrial African worker has been excluded from the definition of employee for more than half a century and his union has not been involved in the decision-making process regarding wages, social security benefits and working conditions, nor has the latter had a chance to seek redress for industrial injustices. How can it be assumed that a period of distributive bargaining, even in the win/lose sense, is not structurally a reality in the years ahead?

A sober reflection on the quality of life of the people in Soweto compared with that of people in the White suburbs of Johannesburg, indicates that a fundamental shift in perspective is required by management. There are basic issues to be faced and not only problems to be solved.

The Engineering and Allied Workers' Union (9 000 African members) has made its objective the closing of the Black-White wage gap. As stated in its memorandum for the 1975 negotiations for the iron, steel and engineering sector, unskilled wages in South Africa are only 21% of skilled wages compared with at least 70% in other countries. The union was not able to state its case at the industrial council negotiations. But this does not mean it has not formulated objectives which will be voiced to an increasing extent and have to be taken cognisance of. And this union, like others, is concerned with items which can only be reconciled by the distributive sub-process. The point is that integrative bargaining through joint problem solving cannot be exercised effectively unless the reality of distributive bargaining is faced. The realisation of the one depends on the manifestation of the other. The ritual of distributive bargaining in the positive sense, which is a cardinal feature of collective bargaining
in other countries, cannot be denied its symbolic relevance in terms of
the institutionalisation of conflict through the sub-processes of
collective bargaining.

Sutton assumes that the committee system gives the right of association.
This suggests a refusal to recognise the implication of membership
rights and responsibilities as being the crux of freedom of association,
a quality committees cannot provide. The following section deals with
the misconception underlying this assumption of what the right of
association means. The model of industrial relations envisaged by
Sutton is based on the Tongaat/S.A. Breweries proposal, and explicitly
assumes that the lack of legal recognition of Black trade unions means
employers can ignore them. This attitude is a challenge to African
workers to assert their collective strength in order to have their union
recognised as an equal partner in industrial relations.

Sutton's model of industrial relations ignores the crucial issue of
strike action which even the 1973 amended Bantu Labour Relations
Regulation Act recognised, albeit in a form difficult to implement.
To be legal a strike has to be organised. What organisational pro­
cedures in terms of legal advice, strike ballot, organising pickets,
strike funds, information about a strike decision, etc. can be set in
motion by a committee of full-time employees? He does deal with the
issue of victimisation. Because African trade unions successfully
assisted members who were victimised for being involved in establishing
work committees, Sutton suggests that an independent arbitration body
be constituted. This sounds fair but overlooks the basic feature of
employment on which any model of industrial relations should be built,
namely the power of management.

It is the exercise of this arbitrary power which prevents the individual
worker from accepting that the 'independent' arbitration body will
redress his perceived injustice. The idea of an independent body
or Labour Court is acceptable but the worker, as an individual -
particularly in the highly authoritarian structure of South African
society - needs a trade union to assist him in bringing the matter
before the arbitration body. Grievances that are not immediately and effectively dealt with become union matters. Many industrial disputes lie beyond the scope of common law principles.

Sutton states that 'decisions and agreement reached in the Committee must also be communicated to individual members of the labour force'. Why the stress on communication to the individual member and not the labour force as a collectivity? It is not a matter of communicating decisions but of gaining the acceptance of the agreement by workers as trade union members. This approach smacks of the ideology of 'Boulwarism' which Walton and McKersie describe and which aims at undercutting the union by emphasising the management/employee axis.

The simple communication of decisions is not how agreements, irrespective of legal requirements, become binding amongst workers. A trade union deals with the collectivity and, if it is organisationally effective, institutionalises consent to an agreement with the ensuing application of sanctions to make it binding. The enterprise committee and its representatives can apply no such sanctions and cannot claim that workers consented to an agreement and have a moral obligation to adhere to it.

The concept of decentralised bargaining used by Sutton to argue for negotiating at the level of enterprise committees confuses the trend in other countries. Whereas it is true that the decentralisation of industrial relations has occurred elsewhere, this has taken place in terms of agreement at the centre and has not replaced collective agreement on sectoral and national levels. After all, one of the most essential functions of the Industrial Conciliation Act for employers is that it prevents unfair competition between companies in the same sector by providing certain minimum conditions in terms of wages, working conditions and social security benefits.
VI. THE INSTITUTIONALISATION OF THE WORKER COLLECTIVITY

Implied in the sub-processes of negotiation presented by Walton and McKensie is the basic assumption that it is the trade union which represents the institutionalised form of worker interest. The intra-organisational sub-process assumes the existence of the trade union.

Management requires enforceable agreements, covering specific industrial sectors, which will be accepted as binding by both parties, and not merely by their representatives. This is why the Tongaat/ S.A. Breweries proposals were made. The system of representation, those proposals state, would achieve the following:

- Black representatives would help resolve labour disputes;
- Black representatives would hold themselves accountable for breaches of agreements;
- Black representatives would represent with dignity and confidence the workers who elected them.

But the committee system will not achieve this as the analysis based on Walton and McKensie has shown. Committees even if extended vertically to the sectoral level, cannot achieve consensus or apply sanctions.

Management is making the same mistake as the former Minister of Labour when he addressed organisations, including the Prime Minister's Economic Advisory Council, to prepare the ground for the amending legislation to provide for industrial committees. The Minister compared trade union membership with the number of workers employed in factories where committees are registered. He said 'The 2 200 registered liaison and works committees represent 30% of the African labour force in those areas where the Act applied. The recognised trade union membership is 31% of Whites and 32% of Coloureds and Indians'. The Minister in comparing the two felt the committees had proved themselves and implied they were of greater benefit than trade union membership.
The interpretation given by both Government and management to the right of association is poorly defined and has led to the misunderstanding of the dynamics of labour relations. Sutton argues, without clarification, that industrial committees extend some form of freedom of association. The question is an association of what?

An association is a voluntary but organised coming together of persons, who, in order to achieve stated objectives, adopt a constitution to mark the separate existence of their organisation. That constitution lays down the rights and responsibilities of members as well as those of the elected office bearers and officials and the mechanism whereby they are linked.

The trade union extends the right of association to workers as its constitution contains a membership clause; membership is the pivot round which the union functions. Not only are the leaders elected but they have a structural obligation to account to members for what they have done in terms of policies laid down. The worker can choose to be a member or not. If he so decides, he acquires a new status which has certain obligations. The constitution provides sanctions for members who do not comply with requirements. In fact, the constitution is in the form of a contract between members and the elected office bearers or leaders. It is in terms of this contract that the leaders, after gaining acceptance from the members for the terms of the agreement through the intra-organisational sub-process, have authority to sign that agreement for a particular period of time. In this way, the peace obligation, for the specified duration, is written into the agreement. The union, in terms of this consent from the members, cannot call a legal strike during the currency of the agreement. Conflict of interest is reconciled.

Should the application of the agreement give rise to further conflict because of different interpretations of the clauses, the agreed upon dispute procedure is brought in. Should the workers be involved in spontaneous strike action because of actual or perceived unjust action by the employer, the union leaders immediately come in to determine the causes. Either the employer is advised where he has not adhered to the agreement, or the workers are reminded of their undertaking in terms of their status as union members, or probably both steps are taken. This is the mechanism whereby the 'accountability' which the Tongaat/S.A. Breweries proposals hoped to achieve, is institutionalised.
A plant based committee is not an association and does not extend that right to workers. Whereas the committee is a legal requirement for a place of work, the union is a voluntary grass-root expression. The committee strength and relevance lies in being a reflection of the social structure of the labour force; - or it should be - hence the concern to make them multi-racial. But the committee, plant based or industrial, cannot be compared with the executive committee of the union, as its constitution does not extend membership status to workers. The executive committee of a union has structural obligations to the members. The representatives of committees are not so bound to the workers who elected them.

The African worker does not belong to a committee, even if he cast a vote during elections. The elected committee member might feel a moral obligation to workers but how he exercises this obligation is at his discretion. Because the committee reflects the social structure of the factory or place of work, the factory forms the reference group for a committee, not primarily the interests of the workers. This is the relevance of the committee structure. It facilitates the identification by both management and workers of common concern, namely the effective functioning of the company.

The members of a committee, i.e. the elected and appointed representatives can amongst themselves accept a wage offer made by management, but they cannot commit the workers to the terms of such an agreement. The intra-organisational sub-process cannot be activated as there are no members whose consensus can be gained. The objective set by the Tongaat proposal, namely that the committee representatives be accountable for breaches of the agreement, cannot be achieved by the committee. The peace obligation principle can not be institutionalised by the committee. The industrial committee system, built on the work-place committee, only magnifies the inability of a committee to act as a bargaining unit. From this fundamental distinction of membership and independence a number of others are derived which have been elaborated in another article.30

The term 'organised power' of the trade union has been employed. The process whereby the conflicting interest between management and labour is institutionalised to consolidate the power of labour, depends on four interrelated variables:

1. A clear definition of the parties in terms of this organisational expression and the parameters of the conflict for which reconciliation is sought. The significance of the Institute for Industrial Relations, for example, is that the labour party in industrial relations has been defined as the trade union - and not the committee.
2. Acceptance by both parties that conflict of interest does not deny identification of common objectives. The common objective derives from the concern of both parties that the production process or service provided, should continue.

3. Arising from (1) and (2) is willingness by both parties to enter the processes of collective bargaining as the mechanism for establishing and maintaining a sound relationship. That is, a relationship pattern based on co-operation which includes respect for each others' organisations.

4. A willingness on the part of management to decide jointly with the trade union the wages, working conditions, social security benefits, and matters relating to the quality of life of workers. In return for management's willingness to be influenced in this decision-making process, the trade union allows management to organise the factors of production. Balance is achieved through mutually agreed upon procedures whereby conflicts arising from the different interests and perspectives can be resolved or reconciled. Four basic procedures need to be instituted:

   (a) a grievance procedure whereby workers who have a problem can bring this to the attention of various levels in the management hierarchy. In their representations, they are assisted by union officials;

   (b) a disciplinary procedure which lays down the penalties; usually with a system of warnings, which management can impose on a worker who does not adhere to the requirements of employment conditions or instructions. However, disciplinary action constitutes a process. The charge must be clearly formulated, the worker must be able to defend himself and, if necessary, appeal against a penalty imposed;

   (c) a disputes procedure where differences in interpretation of a clause of an agreement perceived by a number of workers can be resolved;

   (d) negotiating procedures to activate the sub-processes described above, must be acceptable to both parties. Agreement must be reached on the procedures to be adopted whereby the two parties meet to negotiate another agreement.
VII. POLICY CONSIDERATIONS AND JOINT RESPONSIBILITIES

Professor Kachelhoff, Professor of Law at the University of South Africa, stated in his inaugural address given in 1975, that legislation regulating labour relations for African workers was not based on the principles of industrial relations. He averred that the labour laws applicable to African workers were enacted to promote separate development and State Security. This observation raises the question of the compromising stance on trade unionism for African workers adopted by management in South Africa. It suggests that part of the dilemma perceived by Denis Keenan-Smith stems from a refusal by companies to acknowledge the universally recognised rights of workers identified by Professor Kachelhoff, namely the right to associate, the right to negotiate and the right to strike. Until recently management associations or trade associations have not formulated a clear policy statement regarding the rights of African workers in the employment situation.

Since 1973 the National Development and Management Foundation has paid specific attention to the question of African worker representation. It has done this in close co-operation with the authorities. Four conferences were held to discuss the committee system and the Minister of Labour was present on three occasions. Besides the conferences, which attracted wide attention, courses are run for committee representatives and video-tapes prepared to explain to the labour force what committees can offer. However, the papers presented at the conferences assume that the committee system is the answer to problems of labour representation. That the conferences had some value and that the involvement of the authorities was a breakthrough is undeniable. But the lack of guidance on the dilemma posed by legally operating Black trade unions was a serious fault.

The Institute of Personnel Management did formulate a policy on the committee system but not on Black trade unions. This policy issued in 1975 stated that 'the IPM Council expresses its continued support for the Works and Liaison Committees system as providing a worthwhile
vehicle for the development of healthy industrial relations in South Africa'. The statement went on to observe that 'it is the policy of the IPM to work within the existing labour laws of the country and to liaise closely with government in offering its professional expertise on labour matters'.

As a professional organisation it is surprising that the IPM did not formulate a policy in terms of the universally recognised rights of workers. This is all the more surprising because personnel managers are being used by companies to implement structures which cannot accommodate the bargaining processes.

Yet a further response was that of the Steel and Engineering Industries Federation of South Africa (Seifsa) which took a concrete stand in 1973 against African trade unions as well as works committees and supported liaison committees instead. The 7,000 companies in that vital sector were advised not to grant African trade unions any facilities.

Since 1973 a number of crucial disputes and strikes between management and Black workers have occurred in this sector - not surprising in view of its size and labour force of 450,000 Black workers. Whether insights gained from these strikes have changed the anti-Black trade union stand is not yet evident. Seifsa had in 1961 favoured the recognition of Black trade unions. The fact that Seifsa accepted a seat on the Board of Trustees of the Institute for Industrial Relations in 1976 is encouraging.

The S.A. Federated Chamber of Industries has adopted a more realistic stand and in a policy statement issued in May 1975 accepted that 'Black workers are manifesting increasing interest in organising themselves into trade unions', but believed that premature recognition should not be granted although obstacles should not be placed in the way of African trade union development. The importance of this policy statement is that it acknowledged that 'it is in the national interest to develop the collective self-awareness of the Black worker in industry'. Here, again, however guidelines for a policy enabling management to formulate the complementary nature of trade unions and committees were not given.
The Tongaat/S.A. Breweries proposals as well as the hesitantly formulated statements by employers and management associations reflect considerable poverty both in their conception of, and planning for, equitable industrial relations. According to Cuthbert, industrial relations policies should be defined in terms of the following variables: objectives; framework; standards and principles. The items dealt with under each of these variables are summarised in Annexure 'A'. The objectives of developing mutual trust, prevention of problems under agreed procedures and strengthening of legitimate managerial control are not met by the Tongaat proposals and employers' statements. This is because the fundamental principles of freedom of association and collective bargaining are being denied.

There is a basic lack of consensus amongst employers and all trade unions regarding the nature of an acceptable and equitable industrial relations system. As a step towards identifying such a consensus the question of their respective responsibilities towards industrial relations could be explored with good purpose. Annexure 'B' deals with the nature of the responsibilities which management, individual employees, trade unions and employers associations must accept in order to develop an equitable industrial relations system. The crucial point about joint responsibility, drawn up in the form of a code of practice, is the definite distinction between the bargaining function of the trade union and the purely supportive role of in-plant committees. Acceptance of these principles would ensure that in a situation where trade unions are not recognised there would be no attempt to set up pseudo-collective bargaining structures. Instead workers would be supported in exercising their right of organisation aimed at attaining recognition in order to be able to negotiate acceptable agreements.

Black trade unions have not yet rejected plant-based committees, and neither have union members been urged to boycott these communication systems. However they are uneasy about their function and the intentions of government about them. It is still possible for agreement to be reached on the role of committees and the nature of the linkage to the trade union. Some suggestions regarding this linkage are dealt with elsewhere.
Employers can be challenged on their support for the principle of 'freedom of association'. This principle, embodied in ILO Conventions, guarantees that workers shall have the right to establish and join organisations of their own choosing, without interference, in order to achieve common goals by means of collective action. The South African Employers' Consultative Committee on Labour Affairs has adopted an international stand in support of this principle. This body, which represents 90% of all employers, is a member of the International Organisation of Employers, the employer party to the International Labour Organisation. The spokesman of this body committed his organisation and specifically SACCOEA to the rights of freedom of association, at the 1977 Annual Conference debate of the ILO when the 13th Report on the Declaration on Apartheid was unanimously adopted.

Kahn-Freund points out that freedom of organisation means two different things: the absence of prohibitions or restraints and the presence of positive guarantees for its exercise. The African worker enjoys neither. It is not sufficient for workers to have the freedom to establish and to join organisations of their own choosing. Positive guarantees are required to protect workers and their organisations against adverse social forces. If employers try and prevent workers from exercising the right of freedom of organisation - and hence membership - the unions should be in a position to enforce it through the law of contempt of court.

This is a realistic requirement. Only if workers have the freedom and the right of organisation can they be expected, as union members, to exercise responsibility in their organisation and expectations. If management is required to concern itself about social responsibility, trade unions can be required to accept the need for rules of conduct.

Through the acceptance of rules of conduct by both management and labour and establishment of a relationship, arbitrariness in employment practices is reduced and a process of rationality and legality is embarked upon. As Selznick states in his book, Law, Society and Industrial Justice, 'rationality is most securely based and most fully achieved, if it emerges from below and is not merely a system imposed from above'. To achieve rationality the parties should base their interaction on a morality of co-operation and not a morality of constraints.
Cuthbert suggests that in the design of the industrial relations policy of a company the following variables be considered. 38

Objectives

Proposed objectives cover the following areas: development of mutual trust and co-operation; prevention of problems and disputes through agreed procedures; reduction of labour costs; strengthening of managerial control; development of manpower skills and management of productivity.

Framework

The framework for industrial relations policy has four features: management accountability; management initiative; acceptance of both the legitimate functions of management as well as the trade union; distinction between policy and practice.

Standards

The standards of an industrial relations policy include: universal applicability to all departments or subsidiaries; in writing; broad terms to ensure consistency; justifiable in terms of impact on profit; approved and authorised by the highest authority so that it carries the weight of a directive; inviolate.

Principles

The practice of industrial relations must conform, inter alia, to the following principles:

1. Practices conform strictly with applicable law and government regulations.
2. Management recognises employees' freedom of association and vice versa.
ANNEXURE A Continued

3. The collective bargaining structure enhances the negotiating strength of the company and facilitates management initiative.

4. Employees collectively represented to negotiate with management have an appropriate community of interests and otherwise comprise a practicable bargaining unit.

5. Management concessions in collective bargaining are made in return for gains.

6. Management avoids expedient settlement of disputes that prejudices its long range interests.

7. Collective agreements are for fixed terms and prescribe 'interest' disputes for their duration.

8. The obligations and binding force of agreements are respected and breaches are subject to sanctions.

9. Management does not negotiate or make concessions under illegal or non-procedural economic coercion or the explicit threat of it.

10. It is recognised that management is accountable for overall results and its function is to make operating decisions, while the function of employee representatives is to act in the interests of their constituents and to protect their constituents' rights under agreements and law.

11. Each of the parties to industrial relations can accurately predict the response of the other.

12. Management's industrial relations practices are known and understood by employees and their representatives and are consistent with the company's general personnel policy.
Western industrialised countries accept that trade unions are necessary organisations not only to protect and promote the rights of workers, but essential to ensure the necessary distribution of wealth and power through participation in decision-making with management.

But in South Africa the Black trade unions are neither part of the industrial relations system, nor seen as answering a social need by the White community. Even registered trade unions increasingly feel threatened. What is required for managers and the trade union to reach consensus regarding each other's legitimate functioning? As an initial step the operational definition of their respective responsibilities towards establishing and maintaining an equitable industrial relations system may well assist the process of reaching consensus on each others' rights and duties.

The draft code of Practice, drawn up in terms of the British Industrial Relations Act, defines this joint responsibility. Extracts from this code, tentatively amended to rectify shortcomings of present industrial relations practice in South Africa, are produced below:

**Responsibility of the Employer**

1. Good industrial relations require to be developed within the framework of an efficient business undertaking. Such practices will in turn help managers to achieve this aim.

2. Effective industrial relations policies will command the confidence of all employees. This requires that managers give as much attention to industrial relations as to other management functions.

3. Good industrial relations are the joint responsibility of management and of employees and the trade union representing them.
4. Where trade unions are recognised for negotiating purposes, management should:

(i) maintain jointly with the trade unions, effective arrangements for negotiation, as well as procedures for settling grievances and disputes which are not reconciled through the committee system;

(ii) take all reasonable steps to ensure that managers observe agreements and use agreed procedures;

(iii) make clear to employees that it welcomes their membership of an appropriate recognised union and their participation in the union's activities;

(iv) accept that it is of joint advantage to the employers and management that plant-based committees perform a complementary function to the trade union.

5. Where trade unions are not yet recognised for negotiating purposes, management should:

(i) maintain effective arrangements for consultation and communication and procedures for settling disputes;

(ii) take all reasonable steps to ensure that managers use those arrangements;

(iii) make clear to employees that it respects their rights to organise and join a trade union, and to take part in its activities which include recognition for negotiating purposes.

6. The effective arrangements for consultation and communication referred to in 4 and 5 require the establishment of plant-based committees, as a joint venture of management and employees of all race groups, with the understanding that:
ANNEXURE B Continued 3/

(i) the committee is not used as an alternative to the development of a trade union;
(ii) if the committee has both employee elected and management appointed representatives the employee representatives can meet independently;
(iii) the committee has facilities which ensure workers can identify with its purpose;
(iv) training of committee representatives is conducted by or with the approval of the trade union concerned.

7. Effective organisation of work is an important factor in good industrial relations. Management should therefore ensure that:

(i) responsibility for each group of employees is clearly defined in the organisational structure;
(ii) each manager understands his responsibilities and has the authority and training necessary to do his job;
(iii) individual employees or work groups know their objectives and priorities and are kept informed of progress towards achieving them.

8. All managers should receive training in the industrial relations implications of their jobs. This is as necessary for line managers, including supervisors, as for personnel managers.

9. The supervisor is in a key position to influence industrial relations. Management should ensure that he can operate effectively.

Responsibility of the Trade Union

10. The principal aim of trade unions is to promote their members' interests. They can do this only if the undertakings in which their members are employed prosper. They therefore have an interest in the success of those undertakings and an essential contribution
ANNEXURE B Continued 4/

...to make to it by co-operating in measures to promote efficiency. They also share with management the responsibility for good industrial relations.

11. Trade unions should therefore:

(i) where appropriate, maintain jointly with employers' associations, effective arrangements at industry or other levels for settling disputes and for negotiating terms and conditions of employment;
(ii) maintain jointly with individual managements, effective arrangements for settling grievances and disputes;
(iii) take all reasonable steps to ensure that their officials, including shop stewards, and members observe agreements and use agreed procedures;
(iv) maintain effective procedures for resolving particular issues with other unions, registered or not;
(v) accept the advantages of plant-based committees for all racial groups.

12. Trade unions should ensure that officials, including shop stewards:

(i) understand the organisation, policies, and rules of the union;
(ii) understand their powers and duties;
(iii) are adequately trained to look after their members' interests in an efficient and responsible way.

13. To ensure their organisation is effective, trade unions should also:

(i) employ enough full-time officials to maintain adequate contact with management and with their members in every establishment where the union is recognised, and with any employers' associations concerned;
ANNEXURE B Continued 5/

(ii) maintain effective communication, including the exchange of information and views, between different levels in the union;

(iii) encourage their members to attend union meetings and to take part fully in union activities by holding branch meetings at times and places convenient to the majority; and where there is a large enough membership, consider basing the branch organisation on the establishment;

(iv) maintain effective procedures for settling disputes within the union.

14. Members of a trade union should be prepared to provide their union with the authority and resources needed to carry out its functions.

Responsibility of the Employers' Association

15. The principal aim of employers' associations is to promote those interests of their members which can best be served by co-operation at industry or other appropriate levels.

16. Employers' associations should therefore:

(i) where appropriate, maintain jointly with the trade unions concerned effective arrangements at industry or other levels for settling disputes and for negotiating terms and conditions of employment;

(ii) encourage their members to develop effective arrangements for settling grievances at the level of the establishment or undertaking;

(iii) take all reasonable steps to ensure that their members observe agreements and use agreed procedures.

17. Members of an employers' association should be prepared to provide their association with the authority, resources and information needed to carry out its functions.
Responsibility of the Individual Employee

18. The individual employee has obligations to his employer, to his trade union if he belongs to one, and to his fellow employees. He shares responsibility for the state of industrial relations in the establishment where he works and his attitudes and conduct can have a decisive influence on them.

19. The legal relationship between employer and employee derives from the individual contract of employment. Often many of its terms are fixed by collective bargaining and stated in collective agreements. With certain exceptions, employees are entitled to a written statement about their main terms and conditions of employment.

20. Each employee should:

(i) satisfy himself that he understands the terms of his contract and abide by them;
(ii) make himself familiar with any arrangements for dealing with grievances and other questions which may arise on his contract, and make use of them when the need arises.

NOTE
1. Either in the Code of Practice or as an addendum to it, the respective functions of trade union and committee would be identified. Information from the Institute for Industrial Relations suggests that the following division of tasks is being considered in order to decide what agenda items should appear on union-management meetings and what agenda items can appear on committee-management meetings.

* Extracts from Draft Code of Practice laid before Parliament under the Industrial Relations Act 1971, S 3(i) - HMSO, 1971.*
ANNEXURE B Continued 7/

A. Union-management meetings for annual negotiations.
   Conditions of service: pay, shift, overtime, leave, job evaluation; medical and job insurance; working hours;
   annual and sick leave; incentive and productivity bonuses; training loans and educational assistance.

B. Committee-management ongoing meetings.
   Work related matters - work targets, complements, procedures; working time; safety and housekeeping, protective clothing;
   work environment, heat, noise.
   Employee services - accommodation; canteens, transport, recreation, health.

   Personnel matters - recruitment and selection; introduction and training; performance assessment and promotion; grievances and disciplinary procedure; absenteeism; turnover; redundancy.

2. The Graduate School of Business Administration at the University of the Witwatersrand initiated in 1978 an on-going joint labour-management programme. The purpose of the programme is to bring representatives from registered trade unions, African trade unions and management together, in order to identify areas of mutual concern and, through a series of consultations, hopefully get them to agree on the principles of a mutually acceptable industrial relations system.
REFERENCES

   National Development and Management Foundation (NDMF):
   (iii) 'Works and Liaison Committees', 1974.
   (iv) 'Black Labour Relations', 1975.

2. (i) Institute of Labour Relations, University of South Africa, 1975.
   (ii) Southern Africa Labour and Development Research Unit, University of Cape Town, 1975.
   (iii) Institute for Industrial Relations (private training institute for management and trade union representatives, controlled and financed by a joint management and labour board), 1976.

3. A number of Groups of Companies have appointed an Industrial Relations Manager, or Personnel Manager, with a specific industrial relations function.


5. At the 1975 Annual Convention of the Institute of Personnel Management a panel discussion was held on the topic, 'The Committee Structure - Is it an effective bargaining instrument?'. Papers were presented by D. van Coller (Anglo American Corporation); N. Steenkamp (General Mining); L. Douwes-Dekker (Urban Training Project) and L. Mbonqwe (N.D.M.F.).


10. The decline in the standard of living of Coloured garment workers in Cape Town caused agitation for a change in leadership. The Action Committee claimed, as an argument against the leadership of the Garment Workers' Union of the Western Province, that real wages had decreased over 30 years by 20% and sick pay had decreased in real terms by 50%.


13. An industrial council does not only function every two years when negotiations take place. The decision-making process of industrial councils operates continuously through numerous committees and an administrative machine is required to police the agreement and service the social security benefit schemes. What influence will African Council representatives have on these levels?

14. Research at present being undertaken has confirmed difficulties of report back. In the one instance committee representatives feared reprisals from workers, for instance, during the bus ride to the township. In the other instance the committee representatives refused to report back unless a management representative was present.


20. Keenan-Smith, D. The specific labour/management activities discussed are: employees to be informed; employees to be consulted; employees to participate; labour and management to be jointly involved in determination of wages. These categories are similar but do not correspond to the rights of workers as entrenched in German legislation and described by Markham. See Douwes-Dekker, L. 'Possible Relationship Between Workers' Committees and Trade Unions', presentation to Seminar on Black Labour, organised by Young Progressives, July, 1975.


25. The National Productivity Institute has conducted investigations into productivity performance in key industries such as Clothing, Knitting, Garages, Foundry, Furniture, and has consistently shown considerable productivity improvements could be made if managerial principles are applied.


29. The Honourable, the Minister of Labour, Mr. Marais Viljoen, address to Prime Minister's Economic Advisory Council, 2nd September, 1975.


33. See Footnote (1).

34. Since 1973 a number of organisations such as NMF as well as consultancy bodies offer courses for committee representatives. Employers organisations such as Steel and Engineering Industries Federation of S.A. are reported to have allocated considerable resources to the development of training courses. Individual companies such as S.A. Breweries, Tongaat, General Mining, Coronation Brick and Tile, etc. run courses, using audio-visual equipment, for committee representatives.

35. Letter from President of the Institute of Personnel Management to the members on the official policy statement adopted by the Council regarding works and liaison committees dated 30th June, 1975.

37. Because engineering companies affiliated to S.E.I.F.S.A. as well as other companies denied Black workers the choice between a liaison or a works committee, a number of strikes occurred whereby workers demanded the right to form a works committee. The following companies were involved: Raleigh Cycles, van Leer, Consolidated Brass, Weston Biscuits, Roberts Construction.

38. Policy statement issued 19th May, 1975, by the South African Federated Chamber of Industries on that organisation's attitude to current and future industrial relations, ronned.


40. An attempt to define the operational implications of the linkage between works committees to trade unions is made in, Douwes-Dekker, L. 'Principles of Negotiation and grievance procedure' in Grey Coetzee, S.A. editor Industrial Relations in South Africa, Juta, 1976.

41. Statement made by Mr. Bergenström on behalf of the International Organisation of Employers during the debate prior to the adoption of the Thirteenth Special Report on the Application of the Declaration concerning Apartheid, June, 1977.


To anybody interested in what is happening in Southern Africa at the present time, it is clear that an understanding of changes taking place in the field of labour is crucial. The whole debate about the political implications of economic growth, for example, revolves very largely around different assessments of the role of black workers in the mines and factories of the Republic. Many of the questions with which people involved in Southern Africa are now concerned relate, in one way or another, to the field generally set aside for labour economists to cultivate. The impact of trade unions; the causes of unemployment; the economic consequences of different educational policies; the determination of wage structures; the economics of discrimination; all these and more are matters with which labour economists have been wrestling over the years in various parts of the world.

At the same time there are many who would argue that these issues are far wider than can be contained within the narrow context of 'labour economics'. These issues, it is pointed out, go to the heart of the whole nature of development. In recent studies, commissioned by the International Labour Office, of development problems in Columbia, Sri Lanka, and Kenya, for example, leading scholars have identified the three crucial issues facing these countries as being poverty, unemployment, and the distribution of income. Thus the distinction between labour and development studies is becoming more blurred as economists come face to face with problems of real life in the Third World.

It is here too that an increasing number of people are coming to see that study of the political economy of South Africa must not be done on the assumption that the problems there are absolutely different from those facing other parts of the world. Indeed it can be argued that far from being an isolated, special case, South Africa is a model of the whole world containing within it all the divisions and tensions (black/white; rich/poor; migrant/nonmigrant; capitalist west/third-world; etc.) that may be seen in global perspective. Be that as it may, the fact remains that the economy of Southern Africa (for the political and economic boundaries are singularly out of line with each other) is one of the most fascinating in the world. It is one on which far more research work needs to be done, and about which further understanding of the forces at work is urgently required. It is in order to attempt to contribute to such an understanding that Saldu is issuing these working papers.

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