

Chapter 5

Interest Group Participation and Democratisation: The Role of the National Economic Development and Labour Council

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Introduction

The advent of a new democracy in South Africa has led to the transformation of policy making and the introduction of new policy-making institutions. One of the key new institutions is the National Economic Development and Labour Council (NEDLAC) which, amongst other things, is charged with enhancing democratic participation in policy making.

NEDLAC is a statutory body that came into existence after the NEDLAC Act was passed by parliament in 1994. It was established as a forum for consensus seeking and inclusive decision making on national economic and social issues. The government is committed to placing all issues and legislation relating to labour market, social or economic policy before NEDLAC before introducing them in parliament or implementing them. NEDLAC's main objectives are to reach consensus and conclude agreements amongst all major stakeholders towards shaping policy on economic, labour and development issues, and promoting sustainable economic growth and greater social equity in the community and the workplace.

A number of scholars recommended a corporatist approach to policy making in South Africa in order to enhance participation in decision making.¹ For example, in 1992 the formation of a national policy-formulating body was suggested in the following terms:

[A multipartite] model ... would be based on guaranteed representation for the organisations of civil society, with a mass base and definable national interests, which are independent of the state and not contesting Parliamentary power. In this conception, women's groups, associations of the unemployed and the aged, consumer and rural organisations, and so on, would be guaranteed the right to participate in ongoing negotiations in appropriate bodies on key aspects of state policy, together with the Big Three. (Bird & Schreiner, 1992, pp. 28-29.)

Baskin (1993, pp. 66-68) argued that a corporatist approach would place socio-economic policy making in the open and acknowledge the influence of key players. He added that corporatism provided labour with a meaningful say in policy making while warning against an elite bargain—a social contract between employees, employers and the state to the general disadvantage of groups such as consumers and taxpayers, other weaker interest groups, and marginalised groups who are unable to organise. Douws Dekker (1987, p. 26) pointed out that societal corporatism in South Africa would reinforce democratic values and processes in the socio-economic arena.

Representatives of the social partners in NEDLAC made a number of statements regarding NEDLAC's contribution to enhancing democratic participation. The general secretary of the Congress of South African Trade Unions (COSATU), Sam Shilowa, stated that

NEDLAC will survive as one of the institutions that are necessary for democracy to flourish in our country and to ensure participation of workers in decision making around economic issues. (Shilowa, 1998, p. 47.)

This sentiment was echoed at the 1998 NEDLAC summit by the labour spokesperson:

One of the gains of the democratic process, a fine achievement of our country's people, has been the extensive processes of social dialogue, which has deepened our democracy and given

effect to the goal of greater economic participation. (September, 1998.)

Labour Minister Tito Mboweni added that NEDLAC certainly promoted participation in economic decision making. In this sense it contributed to the credibility and legitimacy of labour legislation and promoted debates on economic, social and developmental issues (Mboweni, 1998).

Friedman and Reitzes (1996, pp. 61-63), by contrast, argued that the incorporation of civil society in the state through forums allowed those who had not submitted themselves to the test of election to exert as much, if not more, influence as those who had. Likewise, Von Holdt (1993, p. 48) argued that some of the critics of corporatism saw it as “anti-democratic” to the extent that “it centralise[d] power in the hands of a small elite of labour bureaucrats, businessmen and government officials”; and to the extent that “tripartite forums only represent[ed] a minority of the population” since a large proportion of the population was outside formal employment. Furthermore, critics argued that “decisions [of corporatist institutions] may reflect the shared interests of employers and employed workers, at the expense of the interests of the unemployed, the informal sector, women, rural dwellers, etc.”

This chapter analyses NEDLAC’s role in enhancing democratic participation and points out some of the challenges facing it. It is fairly obvious that the inclusion of organised labour, business and community organisations in policy making enhances the potential for participatory democracy among certain sectors of society. However, it has to be determined whether the participation of powerful monopolistic interest groups in a policy-making institution like NEDLAC is compatible with democracy. In this respect, NEDLAC will be evaluated in three broad ways:

- First, it will be determined whether or not (1) NEDLAC includes all the relevant interest groups for the purposes of the institution; (2) it is capable of generating policies that are in the public interest rather than the interest of powerful sectors of the community; (3) the participating interest groups are representative of their broad constituencies; and (4) they are responsive to the views of their constituencies.

- Second, it will be determined whether or not NEDLAC has provided the participating interest groups with an effective role in policy making.
- Third, it will be determined whether NEDLAC serves as a complement to the democratically elected parliament, and not as a substitute.

Inclusion and representation

In the first place, it must be shown that NEDLAC consists of all the interest groups that are crucial for increasing the participation of all major stakeholders in shaping policy on economic, labour and development issues, and promoting sustainable economic growth and greater social equity in the community and the workplace. In this respect, NEDLAC must be as inclusive as possible to avoid the danger of powerful interest groups making decisions at the expense of others not represented in the institution.

NEDLAC is made up of four constituencies. *Organized labour* is represented by COSATU, the National Council of Trade Unions (NACTU) and the Federation of Unions of South Africa (FEDUSA), who directly represent over two million workers. *Business* is represented by Business South Africa and the National African Federated Chamber of Commerce (NAFCOC). The *government* is represented by ministers, deputy ministers and director-generals from several ministries and departments including Labour, Finance, Trade and Industry, Public Works, and Mineral and Energy Affairs. The *community* is represented by the South African National Civics Organisation (SANCO), the Women's National Coalition (WNC), the South African Youth Council (SAYC), the National Rural Development Forum (NRDF), and the Federal Council for the Disabled (FCD) (NEDLAC, 1998a, p. 4).

The participation of organised labour and business in any corporatist policy-making institution is crucial. In the first place, the state on its own cannot promote economic growth, while organised labour and business are both strong enough to undermine any growth strategy.² In the second place, co-operation between government, business and labour (the "Big

Three”) facilitates the promotion of social equity in the community and the workplace. Finally, NEDLAC offers the “Big Three” an opportunity to cooperate in the formulation of policy in the areas (economic, labour and development) where labour and business are the two most important interest groups.

Trade unionist Geoff Schreiner (1994, pp. 18-19) argued that there was a need to go beyond the tripartite corporatist practices found in the National Economic Forum (NEF) and the National Manpower Commission (NMC) to include other unrepresented members of society. For Schreiner the answer was to be found in placing “greater emphasis on seeking to enhance the capacity of the weakest and most marginalised interest groups to impact on the processes of state policy formulation”, “guaranteeing representation of these groups (as an incentive to organise), and offering them material resources to organise and participate in these processes”. The inclusion of the community constituency in the Development Chamber of NEDLAC, the provision of funds to the community constituency, and support to initiatives that culminated in the launch of the South African Youth Council in August 1997, support to National Rural Development Forum initiatives to broaden the scope of the rural sector’s representation in NEDLAC, and logistical support to the WNC summit held in February 1998 contributed to meeting these requirements (NEDLAC, 1998a, p. 32).

Civic organisations, women’s organisations, youth organisations, rural development forums and organisations for the disabled represent significant sectors of South African society, and their participation in NEDLAC significantly broadened the potential for *direct* participation in policy making. These organisations also have members who are unemployed, consumers, workers in the informal and small business sector or people making a living in the undeveloped rural areas, that is, people from the most marginalised sectors of society, as well as members of political parties, trade unions, church groups, etc. Thus it would be incorrect to argue that NEDLAC does not contain people who belong to groups that are normally marginalised. However, some of these groups are not organised in a way that meets NEDLAC’s criteria for participation

(see below). Indeed, Lagadien, a representative of the community constituency, pointed out in 1998 that this constituency believed that unemployed job-seekers and the informal business sector “[did] not enjoy any significant representation within the activities of NEDLAC”. The challenge for NEDLAC would therefore be to promote the independent organisation of unemployed job-seekers and informal business people, and provide for their representation in NEDLAC structures.

South Africa’s total labour force in 1996 was 13 286 700 (35,15% of the total population), of which 6 955 200 (18,4% of the total population) were in employment, including self-employment and employment in the informal sector. An estimated 3 892 000 (29,3% of the total labour force) were unemployed (NEDLAC, 1998b, pp. 26 and 44). The latter figure approaches double the number of workers in formal employment represented by the labour constituency in NEDLAC.³

There is also no equality of representation in NEDLAC. The highest decision-making structure of NEDLAC is the Executive Council, which is charged with considering the recommendations of the chambers and arriving at agreements on the basis of these recommendations. The Executive Council comprises four overall convenors, one from each of the four constituencies, and 17 other delegates per constituency. NEDLAC has four chambers which meet at least once a month to negotiate issues placed before NEDLAC towards reaching agreement (see below). Each chamber is made up of a number of convenors (three or four) based on the number of constituencies participating in that chamber as well as five other delegates from each constituency. The work of NEDLAC is guided by the Management Committee, which is made up of the convenors of each chamber and one delegate from each constituency. The government, organised labour and organised business are equally represented in all these structures. The community constituency only has representation in the Development Chamber, Management Committee and Executive Committee.

The community constituency has consistently raised concern about being confined to the Development Chamber. They feel that they have substantial interest in the budget and taxation issues in the Public Finance

and Monetary Policy Chamber; in basic conditions of employment, equity and conventions of the International Labour Organisation (ILO) in the Labour Market Chamber; and in small business development in the Trade and Industry Chamber (Douws Dekker, 1996, p. 8). SANCO, in particular, which claimed equal status with government, business and labour, felt insulted when it was assigned community representative status in the Development Chamber (Gumede, 1996, p. 16).

Although NEDLAC has not responded to these concerns in a formal way, in practice the community constituency has been able to make inputs in the other three chambers through its informal links with the labour constituency. Representatives of this constituency participate in the labour caucus, and the labour caucus takes the position of the community constituency into consideration when it determines its positions on issues in the three chambers in which the latter has no representation. The Employment Equity Bill serves as an illustration of this. Establishing affirmative action goals for the employment of women and disabled workers accommodated the special needs of these two groups. The establishment of women's forums in the union movement and the participation of trade union and business organisations in the community organisations also promoted the consideration of the interests of the community constituency by the other constituencies. For example, COSATU, NACTU, the African Council of Hawkers and Informal Business, the South African Black Business and Professional Women's Network, the National Association of Women Business Owners, and the Foundation for African Business are all member organisations of the Women's National Coalition.

Nevertheless, the community constituency continues to have a subordinate status in NEDLAC. The challenge here is for NEDLAC to extend the participation of this constituency to participation in the other three chambers.

The second step in this section of the analysis is to show that NEDLAC is "capable of generating policies that are in the public interest rather than the interest of some 'faction' of the community" (Anderson, 1979, p. 278).

The NEDLAC process allows for reference to the interests of those sectors of the population excluded from the process, for example through the tabling of public submissions in the chambers. Furthermore, when formulating policy, certain government departments participating in NEDLAC take into account the interests of a much wider range of sectors of civil society than those represented within NEDLAC (see below). It has also been argued that some of the most significant agreements reached in NEDLAC, for example the Basic Conditions of Employment Bill and the Employment Equity Bill, are designed to protect the most vulnerable members of South African society. Other examples include the ratification of International Labour Organisation conventions on forced labour, discrimination, part-time work, and freedom of association (Mboweni, 1998).

Nevertheless, the protection provided to workers through some of the new labour legislation is seen by others as placing some groups at a disadvantage, such as the small business sector and the unemployed. In particular, organised business has argued that agreements on labour legislation have been the main factor behind the destruction of many small businesses and employment opportunities in them, because the agreements have failed to provide for labour market flexibility. Indeed, small industries are unable to provide conditions of service as set out in the Basic Conditions of Employment Bill.

NEDLAC's success in this regard is thus undecided—ultimately a decision depends on what one considers more important: protecting the interests of the most vulnerable workers, or creating different types of labour standards to stimulate the growth of small industries and job creation. Organised labour has an interest in the former, because it ensures job protection, high wages, and protection against unsafe and unhealthy working conditions. Organised business has an interest in the latter, because it allows for lower standards on minimum wages, working hours, occupational safety and health requirements, and therefore lower labour costs for employers (see Douws Dekker, 1995). Both are in the interest of marginalised sectors of society—the former in the interest of farm and domestic workers for example, and the latter in the interest of small business and the unemployed.

This brings us to the third step in this section of the analysis, that is, showing whether the labour, business and community organisations participating in NEDLAC are representative of their broad constituencies. The participation of organised interest groups, even though they may be the most important *type* of interest groups for the purpose of the institution, is only compatible with democracy when the membership of those groups is a significant proportion of the categories they represent.

COSATU was formed in December 1985 by 33 unions with a membership of approximately 450 000. By the end of 1998 COSATU's membership had grown by more than 400% to approximately 2 million, with a paid-up membership of 1,8 million workers grouped into 18 unions. NACTU was formed in 1985 with the merging of the Congress of Unions of South Africa (CUSA)—with a membership of 180 000—and the Azanian Confederation of Trade Unions (AZACTU)—with a membership of 79 230. In 1994 NACTU claimed a total of 330 000 paid-up members, organised mainly in the chemical, food and beverage, transport, and building and construction sectors. FEDUSA grew out of the Federation of South African Labour Unions (FEDSAL), a federation of predominantly white, conservative, white-collar workers. FEDSAL claimed a membership of 270 000 members in 17 unions, consisting of both white and blue-collar workers in mid-1993. The federation claimed that 70% of its members were white and 30% were black, and 80% were white-collar workers and 20% were blue-collar workers in that year (Von Holdt & Zikalala, 1993, pp. 56-60).

Of particular importance here is the phenomenal growth in trade union membership since 1985. South African trade union membership grew by approximately 130% between 1985 and 1995. However, only an estimated 40,9% of wage and salary earners in South Africa belonged to unions in 1995, compared to 91,1% and 80,1% in Sweden and Denmark respectively, countries with extensive experience in corporatism.⁴ Thus the majority of formal sector employees (59,1%) were not represented in NEDLAC when it was formed in early 1995. It becomes crucial, then, to examine the penetration of organised labour in the various sectors of the economy in order to determine its capacity to represent the interests of workers in formal employment.

Empowerment through Economic Transformation

COSATU has unions in virtually every sector of the economy and every category of formal employment in South Africa. These include construction, building material manufacturing, civil engineering, building, petrochemicals, consumer chemicals, rubber, plastic products, glass and ceramics, communications, telecommunications, postal services, autpage and data energy, computing and broadcasting, milling, baking, biscuit and confectionery, poultry, eggs, meat, dairy, sweets and chocolates, cold drinks, breweries, beverages and wine, fruit and vegetables, snacks and nuts, cold storage, distribution and fresh markets, fishing, salt, sugar and tobacco, state, health, education and welfare, mining and energy, motor industry, tyre and auto assembly, South African Police Service, correctional services and traffic departments, printing, pulp and paper, plantation and forestry, commercial services (wholesale, distributive and retail), catering, hospitality and finance sectors, garment manufacturing, textile production, wool/mohair, municipalities, railways and harbours, aviation and airports, banks and insurance companies, transport, cleaning and security.⁵

Although the other unions do not match COSATU's organisational capacity, the union constituency as a whole represents virtually every category of worker in formal employment.

Business South Africa (BSA) was launched in April 1994, bringing together employer and business organisations in all important spheres of economic activity. As one commentator pointed out, the formation of BSA meant that "business is now in the same position as organised labour in respect of mandated representation on tripartite bodies such as the NEF and NMC".⁶ At the time of its formation BSA's membership was drawn from small and emerging black business (FABCOS and NAFCO), organisations which traditionally represent their sectors of economic activity (the Council of South African Bankers, the Building Industries Federation of South Africa, the South African Agricultural Union, the Life Offices Association, and the South African Property Owners Association), employers' associations which represent their sectors and are involved in collective bargaining with trade unions (the Steel and Engineering Industries Federation of South Africa, the Automobile Manufacturers Employers' Organisation, and the Sugar Manufacturers and Refiners Employers' Association), and traditional

umbrella bodies, involved in lobbying and regarded as the “political wing” of business (the South African Chamber of Business, the Afrikaanse Handelsinstituut and NAFCOB).⁷ NAFCOB eventually withdrew from BSA after rejecting limited representation in NEDLAC and now functions as a separate business entity.

The Steel and Engineering Industries Federation of South Africa (SEIFSA) was the largest employer association in the country and had a membership of 2 800 companies in 1994, each belonging to one of 43 SEIFSA associations.⁸ The South African Chamber of Business (SACOB) was formed on 1 January 1990 following a merger of the former Federated Chamber of Industries (FCI) and Association of Chambers of Commerce (ASSOCOM). SACOB represents over 40 000 small, medium and large businesses through local chambers of commerce and industry (approximately 90), direct members (approximately 175 large corporations) and national associations (approximately 85). FABCOS was established in 1989 and had an official membership of 100 000 at the end of 1993 (estimates of its actual membership run to approximately 1,2 million). FABCOS regarded itself as the development agency for emerging businessmen and for the African consumer. The majority of FABCOS members were active in the informal sector, and included employees of FABCOS members, such as taxi drivers. NAFCOB was formed in 1964 and had an estimated membership of 100 000 through its affiliated chambers at the end of 1993. NAFCOB functioned as the main spokesperson for African business during the apartheid era. Its initial organisational base was in the retail sector, but after restructuring in 1989 its membership included hawkers and agriculture, education, housing, industry and transport workers.⁹

The determination of who should participate in the community constituency presented immediate problems for the convenors of NEDLAC. South Africa has a relatively highly developed civil society, with organisations representing a diversity of groups, for instance political, youth, women, sport and consumer groups. A careful selection took place to constitute the community constituency. The organisations participating in this constituency had to meet three criteria: they had to represent a

significant interest on a national scale; have a direct interest in reconstruction and development; and be democratically constituted. It was pointed out, however, that the organisations making up the community constituency were not representative of all the people in their various sectors (Friedman, 1995). Douws Dekker (1995) added that the

organisations represented in the Development Chamber are not national institutions in the sense that COSATU, NACTU, FEDSAL and BSA have been structured with membership, mandatory processes, subscriptions

SANCO was launched in March 1992, bringing together a large number of civic organisations that proliferated during the late 1970s and throughout the 1980s. By late 1987, the number of civic organisations in the country aligned to the United Democratic Front (UDF) was approximately 200. These consisted of large township-based mass organisations such as the Port Elizabeth Black Civic Organisation (PEBCO) and regional mass formations such as the Northern Transvaal People's Civic Organisation (NOTPECO), as well as the activist-based Cape Areas Housing Action Committee (CAHAC) and the Soweto Civic Association (SCA) (Houston, 1999). However, in the early 1990s Steven Friedman (1991, p. 87) questioned the representativeness as well as absence of "diversity of opinion or interest" in some of these organisations. In his view, civic associations did not "represent all of 'township opinion'" because of the existence of other organisations in the townships with a different membership and interests.

SANCO itself now objects to the conflation of "civic" with "community" (Chipkin, 1996, p. 221). Its leaders acknowledge that civic associations represent sectional interests and that they have failed to demonstrate representativeness. SANCO's membership in March 1997 was a "mere 5 000". Many civic associations enjoy considerable community support, but "it is passive rather than active, often intermittent rather than sustained, and contingent on an issue at hand" (Seekings, 1997, pp. 10-11). Nevertheless, the civic movement "remains one of the few actors with a national infrastructure and reach at the grassroots level" (Pieterse, 1997, p. 6).

The WNC was launched in September 1991 when a range of women's organisations, service groups, political parties and church groups met to ensure that women's equality, and the means to enforce it, would be entrenched in a future constitution (Roberts, 1992; Sadie & Van Aardt, 1995; Meintjies, 1996). By April 1994 the WNC consisted of 90 organisations and 13 regional coalitions, including the South African Communist Party, the Women's Bureau, Women for South Africa, COSATU, the Rural Women's Movement, the Association of University Women, the Black Sash, the Executive Women's Club, the ANC, the National Party and Inkatha. The organisation thus consists of women from diverse socio-economic and educational backgrounds as well as radically different political perspectives. In addition, the WNC has a number of mass-based member organisations, including the ANC Women's League and the Inkatha Women's Brigade.

The Federal Council for the Disabled is made up of ten organisations: the Association for the Physically Disabled, Deaf South Africa, the South African Federal Council for the Blind, the South African Federal Council for Mental Health, the South African National Epilepsy League (SANEL), the Disabled People of South Africa (DPSA), the Quadriplegic Association, Cheshire Home, the Independent Living Centre and the National Council for Persons with Physical Disability. Some of these are service organisations such as the Association for the Physically Disabled, while others are organisations of physically disabled people such as the DPSA. The DPSA was launched in 1984 in recognition of the need for disabled people to directly promote the human rights and development of all South Africans with disabilities. The DPSA consists of 150 organisations throughout the country, representing the interests of people with a broad range of physical, sensory and mental disabilities. These include disabled people in rural areas and peri-urban townships as well as a number of national organisations of disabled people. The affiliates are organised into representative leadership structures in each province, called provincial development teams, who in turn appoint representatives to the DPSA Council (DPSA, 1997).

The South African Youth Council was launched on 2 August 1997 as national organisation for the youth, a sector which represents 52% of the

country's population and has the highest levels of unemployment, low educational levels, and severe social problems. This followed the formation of the National Youth Commission, a statutory body which coordinates government programmes and policies aimed at the youth and acts as a link between government and the youth sector. The SAYC is a co-ordinating body of youth from approximately 44 representative organisations, including the ANC Youth League, Inkatha Freedom Party (IFP) Youth Brigade, National Party Youth Action, Democratic Party Youth, South African Students Congress (SASCO), South African Council of Churches, Student Union for Christian Action, Muslim Youth Movement, South African Youth Chamber of Commerce, Junior Rapportryersbeweging, and NAFCOC Youth Chamber. It thus represents a broad spectrum of South African youth and includes a number of mass-based organisations such as the ANC Youth League, IFP Youth Brigade and SASCO.

The sheer magnitude of organisational participation in the various constituencies and the size of their membership demonstrate the interest-group representation of a very significant proportion of the South African society in NEDLAC.

However, democratisation is not necessarily best served by allowing a wide range of representative interest-group organisations to participate directly in policy making. For such an institution to be compatible with democracy the participating organisations must be responsive to the views of their membership in order for their interests to be reflected in policy. Democracy can be undermined by the failure of the leadership to base their decisions on mandates from their rank-and-file members. The nature of the various organisations, their capacities and their practices, as well as policy making in NEDLAC undermine the capacity of the organisations to arrive at common positions or to obtain mandates.

The nature of the business constituency, for example, with its diverse and sometimes contradictory interests, makes it particularly difficult to reach consensus on issues in a short space of time. During the short life span of the NEF, for example, it became clear that the mandating procedures of the business constituency were extremely complicated because of the diversity of interests within this group. The Business Forum was made up of 17

member organisations drawn from “different sectors, industries, markets and constituencies” (Brink, 1993, p. 50). How, for example, does one arrive at a common policy on tariffs for textiles given the contradictory interests of textile and clothing manufacturers? Similarly, there are differences in the interests of highly skilled, semi-skilled and low-skilled workers (Naidoo in Ryan, 1995, p. 13).

Within the community constituency, the WNC serves to illustrate a similar problem. One of the main problems of the WNC is its diversity and the allegiance of its membership to political organisations rather than to the WNC. The latter was demonstrated by the National Party’s threat to withdraw from the WNC in early 1994 in protest against what it regarded as the hijacking of the WNC by the ANC.¹⁰ It becomes rather difficult, then, to arrive at common positions.¹¹ The problem becomes even more complex when the five different organisations in the community constituency have to arrive at common positions.

The differing capacities of the various organisations, that is, the unequal access of the different partners to resources such as expert advice, skilled leaders, strong grassroots structures etc. lead to a failure in the consultative process at the grassroots level in some cases. Most of the community organisations have few centralised institutional structures, and are unable to accommodate researchers, lawyers, etc. The unions and business, on the other hand, have lawyers and other competent people who advise them. These groups have established institutions that continuously undertake the kinds of activities that the community organisations are unable to do. COSATU, for example, has the benefit of research institutes such as the National Economic Policy Institute (NEPI), Naledi and a wide range of trained and skilled personnel and leaders to assist in research and the development of policy. By contrast, the problem of capacity is stark in the community constituency.

Most civic associations are relatively weak in institutional and organisational terms, including the local and national levels. They have also been weakened by the attrition of their most competent leaders while the proliferation of consultative and policy-making institutions has stretched their institutional and resource capacity (Pieterse, 1997, p. 6). SANCO’s

claim as to its mandate is also queried because its strength on the ground is uncertain (Gumede, 1996, p. 16).

The nature of organisational practices has also been a critical factor undermining the capacity of organisations in NEDLAC to effectively obtain mandates from their rank-and-file members, *or to do so within strict time frames*. COSATU, for example, has 13 affiliates, each with its own national executive committee and central committee meeting at different times of the year, which have to be consulted to obtain a mandate to take to the labour caucus consisting of three federations, which then meet to reach a common position. Avril Joffe (1991, p. 44) raised the question of organisational capacity in an article on COSATU's Economic Policy Conference in May 1991 (where it was unanimously accepted that the labour federation participates in policy formulation on macro-economic issues):

The big question is whether COSATU has the capacity to negotiate economic policy successfully: are all the affiliates able to keep up with the increasingly complex procedures, the schedules and agendas? Are the constitutional structures of the federation themselves adequate to ensure democracy, worker participation and control?

The proliferation of forums during the early 1990s (the NEF, NMC, National Housing Forum, etc.) revealed some of the limitations of the organised labour movement. Patel (1993, p. 12) outlined the following problems which were identified by COSATU:

- bottlenecks in decision making in the federation's national structures;
- an overload on individuals who retained their traditional trade union functions in addition to accepting the new tasks;
- lack of co-ordination in policy formulation;
- a weakening of the report-back arrangements to constituencies, which affected democratic decision making and mandates;
- a documentation flood, but a dearth of communication; and

- limited participation by worker leaders, women and local organisations in the process.

Finally, the main constraints arising from the NEDLAC process were the lack of co-ordination in the negotiation process as well as the time frames. In particular, there was a problem with the way issues were introduced and the pressure placed on the social partners to reach agreement within an unreasonable time frame. Such pressure was seen to arise largely from the differing schedules of NEDLAC, cabinet and parliament.¹² These main constraints give rise to two challenges for NEDLAC: consistently working towards improving the capacity of the community constituency;¹³ and the virtually impossible task of co-ordinating the schedules of the mandating processes of the constituencies, the NEDLAC negotiation process, cabinet and parliament.

Effective role in policy making

Having dealt with inclusion and representation issues in the previous section, it must now be shown that NEDLAC has provided the various interest groups with an effective role in policy making. Interest group participation enhances democracy only when the institutions they participate in play an important role in policy making. In addition, NEDLAC as an institution will only remain significant if it is given an important role in policy making, and if government and parliament take its agreements seriously. Otherwise, business and labour will see no relevance in giving time, resources and leadership to NEDLAC. Furthermore, if NEDLAC decisions are not taken seriously, the constituencies will believe that their interests are better served and secured through by-passing NEDLAC and lobbying state agencies (Douws Dekker, 1994, pp. 19-21).

NEDLAC has four chambers which meet at least once a month to negotiate issues placed before it for reaching agreement. These are:

- the Labour Market Chamber, which is charged with seeking consensus and reaching agreements on all matters pertaining to work and the associated institutions of delivery;

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- the Public Finance and Monetary Policy Chamber, which is charged with seeking consensus and reaching agreements on all matters pertaining to the framework within which the financial, fiscal, monetary and exchange rate policies are formulated, the co-ordination of fiscal and monetary policy and related elements of macro-economic policy, and the associated institutions of delivery;
- the Trade and Industry Chamber, which is charged with seeking consensus and reaching agreements on all matters pertaining to the economic and social dimensions of trade, industrial, mining, agricultural and services policies, and the associated institutions of delivery; and
- the Development Chamber, which is charged with seeking consensus and making agreements on all matters pertaining to urban and rural development, implementation strategies, financing of development programmes, campaigns to mobilise the nation behind the Reconstruction and Development Programme, and associated institutions of delivery.

An HSRC survey of leading members of South African society provides a picture of their perceptions of the level of influence exerted by NEDLAC on socio-economic policy making (Alence, 1998).¹⁴ The survey shows that the Ministry/Department of Finance, the Reserve Bank and Cabinet exert above-average influence on aspects of macro-economic policy making. Parliament and NEDLAC were seen to have relatively little influence, with NEDLAC's influence on policy formulation on macro-economic policy being seen as below average.

However, the Ministry/Department of Labour and NEDLAC were seen to exert above-average influence on labour policy making. NEDLAC scored above average for its involvement in both defining policy objectives and formulating policy in this area. NEDLAC and the Ministry/Department of Trade and Industry were seen to exert above-average influence on aspects of trade and industrial policy making. However, the trade and industry policy area lacked the strong cabinet influence seen on macro-economic policy making and the strong NEDLAC influence seen on labour policy. The result is that the Ministry/Department of Trade and

Industry was seen to play a particularly prominent role within its policy area. In short, NEDLAC was seen to be a minor forum for macro-economic policy making, a major forum for labour policy making, while its influence on trade and industrial policy was seen to be moderate.

NEDLAC's role in the various policy-making areas can be assessed by examining the agreements and various other activities of the chambers. Each of the chambers is linked to a particular ministry, or set of ministries, and the various agreements and activities can indicate how active each chamber has been since the NEDLAC's formation. The following agreements have been reached in the Labour Market Chamber.

- The Labour Relations Act, which established a coherent industrial relations system by promoting collective bargaining and co-operative relations between unions and employees, in 1995, including subsequent amendments to the Act, changes to Schedules 7 and 9 of the Act, regulations for an Essential Services Commission established under the Act, etc.
- Amendments to the Insolvency Act, in terms of which workers' financial claims against an insolvent employer will receive greater preference than other claims, in June 1996.
- Amendments to the Compensation for Occupational Injuries and Diseases Act, which are aimed at rectifying certain omissions from the principal Act, making provision for alternate members to the Compensation Board, and expressing certain provisions more clearly, in 1996.
- The Basic Conditions of Employment Act, which provides for the protection of vulnerable workers and improves conditions of employment by reducing hours of work, increasing annual leave and maternity leave, extending notice periods, and introducing family responsibility leave, in October 1997.
- Various codes of good practice that provide guidelines for the implementation of the Labour Relations Act and the Basic Conditions of Employment Act, including the Code of Good Practice on retrenchments, the Code of Good Practice on the Handling of Sexual

Harassment Cases, the Code of Good Practice on Picketing, the Code of Good Practice on Dismissals based on Operational Requirements for the Labour Relations Act, the Code of Good Practice on the Protection of Pregnant and Breastfeeding Employees, and the Code of Good Practice on the Arrangement of Working Time for the Basic Conditions of Employment Act.

- The Employment Equity Act, which aims to achieve a diverse workforce that is broadly representative of the South African population through the elimination of unfair discrimination in employment and through ensuring the implementation of employment equity to redress the effects of unfair discrimination in the past, in 1998.¹⁵
- The Skills Development Act and Skills Development Levy Act, which are aimed at addressing the skills shortage in South Africa through the creation of institutional mechanisms and a financing mechanism.¹⁶
- Recommendations to parliament that 13 conventions of the International Labour Organisation be ratified, including conventions dealing with freedom of association, the right to organise and collective bargaining, forced labour, and discrimination, part-time work, equal remuneration for men and women for work of equal value, the minimum age of employment, safety and health in mines, and occupational health and safety.

The Labour Market Chamber has also been involved in policy implementation. The most significant example of NEDLAC's role in policy implementation is in the establishment of new structures, regulations, schedules and rules under the provisions of the Labour Relations Act. The Act gave NEDLAC a central role in the formation of new structures, such as the labour courts, the governing body of the Commission for Conciliation, Mediation and Arbitration, the Essential Services Committee, and the Rules Board for labour courts. NEDLAC was also made responsible for drawing up a set of regulations that define the functions of the Essential Services Committee, established to conduct investigations into services and to decide whether a service can be designated an essential service, to

resolve disputes about whether a service is an essential service and to determine whether or not the whole or part of any service is a maintenance service, as well as procedures for conducting such an investigation. NEDLAC played a consultative role in drawing up a schedule of the Labour Relations Act which listed the institutions whose recommendations were essential in appointing members of an independent exemptions board. The establishment of the board was aimed at making bargaining councils more accommodative of the concerns of small, micro and medium-sized enterprises (NEDLAC, 1997).

The Trade and Industry Chamber has agreed to the following:

- The implementation of the Workplace Challenge programme, aimed at bringing labour and business together to enhance efficiency, equity and promote global competitiveness, in 1996.¹⁷
- The formation of a National Investment Promotion Agency, which is charged with providing information and assistance to potential investors and co-ordinating investment-promotion activities, in 1996.¹⁸
- The implementation of a new tax incentive scheme, which provides for qualification criteria relating to human resource development, job creation, and regional and sectoral priorities, in September 1996.¹⁹
- The National Small Business Promotion Act, which provides an institutional and regulatory framework to promote small, micro and medium-sized enterprises, in June 1996.²⁰
- The establishment of the Fund for Research into Industrial Development, Growth and Equity, which is aimed at conducting research that produces implementable policies that enhance the competitiveness and efficiency of sectors, and build both individual and institutional capacity, in August 1997.
- Competition Policy, including suggestions on institutions to implement a new Competitions Act, to promote the efficiency, adaptability and development of the economy by addressing anti-competitive behaviour and increasing ownership participation in the economy, in 1998.

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- A framework agreement and implementation proposal on a Social Plan, which is aimed at avoiding job losses and employment decline by providing for the management of retrenchments to lessen the negative impact on individuals and local economies, in 1998.
- The National Environmental Management Act, which provides for the establishment of principles, institutions and procedures that will promote co-operative government on issues affecting the environment, in 1998.
- A number of agreements, as well as the tabling of reservations, on the White Paper on Energy Policy, which is aimed at consolidating a range of energy-related policy processes that have been initiated since April 1994, in 1998.

The Trade and Industry Chamber has also participated in South Africa's on-going trade negotiations with the European Union. NEDLAC's constituencies contributed to the negotiations by providing input on the implications of the trade deal for specific sectors, that is, the potential costs and benefits that would emerge from pursuing different options, thereby informing both general principles and specific issues in the negotiations (NEDLAC, 1999, p. 48).

Agreements in the Development Chamber include:

- Support for the establishment of a National Development Agency, which is charged with providing resource support to organs of civil society, in February 1997.
- Guidelines for the establishment of local development structures, which seek to facilitate more effective consultation between government and civil society at the local level, in February 1997.²¹
- A framework agreement on jobs creation in public works programmes and the construction industry, with special reference to community-based public works programmes in February 1997.
- A Water Services Act, which is aimed at securing the right of access to basic water supply and sanitation to all South Africans, in 1997.

- A National Water Act, which provides for water resource management aimed at ensuring the sustainable use of water for the benefit of all users, in March 1998.
- A National Presidential Lead Project on Housing, which is aimed at piloting affordable mass housing delivery and alternative forms of tenure and rental, at the Jobs Summit in October 1998.
- A Memorandum of Understanding on Service Tariffs, which advocates cost-sharing strategies that would result in the reduction of costs for the service (electricity, water) consumed by communities, in May 1998.
- A Public Works Programme to enhance the creation of sustainable employment, at the Jobs Summit in 1998.

No agreements have been reached in the Public Finance and Monetary Policy Chamber. The chamber's work has largely been a process of interaction with the government during which labour and business were able to air their views on the Budget; the development of a submission focusing on health and education on the Medium-term Expenditure Framework (which outlines government spending for a three-year cycle); and briefing sessions by the Katz Commission on taxation. In large part, this chamber has been confined to

developing an informed policy dialogue through holding educational sessions, conducting briefings and developing a close interactive relationship with bodies such as the Financial and Fiscal Commission and the Katz Commission (NEDLAC, 1996).

Thus NEDLAC has not played a policy-making role in certain critical areas of socio-economic policy. This can be attributed to the nature of some of the issues arising in the policy-making arena, and the nature of the various government departments involved in NEDLAC and their policy-making processes.

Some policy issues have such a potential for heightening conflict that presenting them for negotiation in NEDLAC would place constraints on the government's capacity to act. The government's failure to place its

macro-economic policy framework, the Growth, Employment and Redistribution (GEAR) policy, before NEDLAC demonstrates this point. The introduction of this macro-economic policy by the Minister of Finance in mid-1996 provoked an outcry among some of the constituencies in NEDLAC, particularly the labour constituency. Most importantly, GEAR was developed and introduced without widespread consultation, including the by-passing of NEDLAC, and the refusal of the minister to place the policy before NEDLAC for consideration. But the significance of the minister's refusal to submit the policy to NEDLAC for consideration lies in the nature of the policy, and the conflict it gave rise to between government and organised labour.

GEAR placed emphasis on growth as a necessary condition for both employment and redistribution. The government focused on supply-side measures to stimulate private investment by emphasising policies conducive to macro-economic balance and a stable policy environment. This would arise largely from a tight fiscal policy and a drastic reduction of the budget deficit, the privatisation of state assets, a change in the labour market system to increase wage flexibility, tax incentives and support to small and medium-scale enterprises, increasing tariff reduction, maintaining a real exchange rate at a level ensuring international competitiveness and strengthening competition policy (Lundahl, 1999).

By contrast, the labour constituency emphasised demand-side measures, most of which were based on the Reconstruction and Development Programme (RDP) that initially underpinned most government policies. This included a job creation strategy through public works, housing programmes, demand expansion, training and land reform, and a redistributive strategy to alleviate poverty and provide in basic needs by increased taxation of corporations and high-income individuals, coupled with a reduction of value-added tax on necessities consumed by the poor. The labour constituency argued that GEAR, by aiming for fiscal discipline, labour market flexibility and privatisation, would undermine the redistributive thrust of the RDP. These contrasting approaches to economic growth gave rise to an extended period of tension between organised labour and the government.

GEAR demonstrated the tendency of the Department of Finance to ignore widespread consultation. In addition, most of the representatives of the department in NEDLAC were technocrats with limited experience of negotiating. The Public Finance and Monetary Policy Chamber never discussed macro-economic issues, and the quality of dialogue within the chamber was noted in the NEDLAC report for 1998 (NEDLAC, 1998a, p. 23). The chamber was largely involved in discussions with the departments of Education and Health with a view to enhancing the efficiency, effectiveness and equity of government spending on education and health in the medium term. Such a process was also aimed at influencing the budget, which included a submission in response to the medium-term expenditure framework, which set out government spending for 1997-2000, focusing on expenditure on health and education (NEDLAC, 1998a, pp. 23-24). In short, this chamber had a very limited impact on macro-economic policy.

An examination of the main responsibilities of the Department of Finance also demonstrates the low involvement of NEDLAC in its activities. The department is largely concerned with drawing up the budget, determining tax policy, and drawing up macro-economic policy. NEDLAC has made no agreements on the budget, has played no role in determining tax policy, while the department refused to place its macro-economic policy before the NEDLAC chambers.

By contrast, the Department of Labour has been noted for its extensive consultative process with both business and labour, even before introducing a bill in NEDLAC. The Skills Development Bill, for example, arose from a process that began in 1992, initially giving rise to a discussion document called the National Training Strategy Initiative after consultations with business, labour and other stakeholders. This was followed by consultations with every industrial training board in the country, with community organisations, with education and training providers, with non-governmental organisations involved in career services and career guidance before a green paper was drawn up. Briefing sessions were then held throughout the country before the bill was developed and finally submitted to NEDLAC for negotiation. The type of government

representatives in the Labour Market Chamber also facilitated the negotiations in NEDLAC. Many of them were former trade unionists who had extensive experience in negotiations. Thus NEDLAC provided the government with the opportunity to present labour legislation to a national bargaining forum that included organised labour and business. Although there were incidents of extended disagreement, notably during negotiations on the Labour Relations Bill and the Basic Conditions of Employment Bill, the Labour Market Chamber has been a significant part of policy making on labour legislation.

The Department of Labour lists a number of achievements during the first term of the democratic government in South Africa.²² Among these was the initiation of legislation enabling the promotion of sound and stable relations at the workplace, protecting the rights of workers and employers, and providing a range of services to the jobless, vulnerable workers, and big and small business. Every piece of legislation initiated by this department during this period passed through NEDLAC, while other initiatives such as the Presidential Jobs Summit, aimed at addressing unemployment, were presented in NEDLAC and conducted under the latter's auspices.

We can conclude, then, that NEDLAC has provided certain interest groups with an important policy-making role in a number of areas. However, in other important areas of socio-economic policy making NEDLAC has played a minor to a moderate role. The challenge for NEDLAC is therefore to improve the quality of dialogue in some of its chambers and to heighten the impact of their agreements on socio-economic policy.

Compatibility with the democratically elected parliament

This section addresses the third objective of this analysis, namely to show that NEDLAC serves as a complement to the democratically elected parliament, and not as a substitute. Democratic elections are one of the cornerstones of democracy; hence interest group participation in policy making should not supplant the parliamentary process.

NEDLAC's first year of operation saw certain tensions between itself and parliament, particularly during the negotiations on the Labour Relations Act (Deloitte & Touche, 1995, pp. 1-2; Naidoo, 1995). In particular, parliamentarians were informed that they were not permitted to touch the Act after it had passed through NEDLAC because any amendments would destroy the agreement reached in NEDLAC. This led to criticisms that NEDLAC was actually undermining the sovereignty of parliament. NEDLAC's executive director pointed out that there were three essential problems in the relationship between NEDLAC and parliament (Naidoo, 1995, pp. 4-5). First, there was tension between the sovereignty of parliament and the need of the social partners to feel confident that parliament would not change agreements reached in NEDLAC. Second, there were no procedures for dialogue between negotiators in NEDLAC and the standing committees of parliament. Third, there was no demarcation of "significant" areas of policy which were relevant to the social partners, and those which should more properly be left to parliament and government.

NEDLAC responded to the criticisms and perceived problems in its relationship with parliament by sending representatives to parliament in August 1996 to brief parliament on its first 15 months of operation. This included a number of meetings between the NEDLAC chambers and the corresponding parliamentary standing committees to discuss the current work and activities of the chambers (Butcher, 1996, p. 18). However, the Labour Relations Act and all proposed legislation which passed through NEDLAC thereafter followed the normal parliamentary process without being bound by any agreements made in NEDLAC.

Thus in 1997 a difference of opinion arose between NEDLAC officials and leading members within government and the Department of Labour about the specific role of NEDLAC in policy making. Whereas NEDLAC officials regarded NEDLAC as a bargaining council (Naidoo, 1995, p. 4; Bethlehem, 1997), the Minister of Labour, Tito Mboweni, and the Department of Labour's director-general, Siphon Pityana, emphasised the consultative role of NEDLAC (Singh, 1997, p. 32; Pityana, 1997). Moreover, NEDLAC's executive director stated in 1995 that NEDLAC

was formed as a negotiating and not an advisory body, whose brief was to produce agreements, not recommendations, with government being one of the partners and not the only decision maker (Naidoo, 1995, p. 4).

For Pityana, however, the central mission of NEDLAC was to *facilitate policy consultation* with a view to securing agreement among the constituencies (Pityana, 1997). Pityana questioned, first, whether consultative approaches to policy making had to be manifest in centralised structures such as NEDLAC; whether such methods of policy development averted adversarial approaches; and NEDLAC's relationship with parliament. He argued that consultative bodies should be linked to particular ministries to enable consultation beyond the few—but powerful—stakeholders in NEDLAC. Furthermore, he pointed out that the NEDLAC process was inefficient and held up the policy-making process. In this respect, the NEDLAC process proved inefficient in minimising adversarialism and lacked a deadlock-breaking mechanism to deal with situations of extended disagreement. Pityana also asserted that parliament, as a democratic institution, should not be subordinate to such institutions as NEDLAC. The challenge, then, was to develop clear mechanisms to strike a balance between inclusive policy making and government's delivery commitments, address the tension between policy consultation and bargaining-type approaches to this, and define NEDLAC's relationship with parliament. The subsequent debate was characterised by calls for a radical revision of NEDLAC and calls for its disbandment (Douglas, 1997).

NEDLAC has functioned as both a bargaining chamber and as a consultative forum. This has largely been determined by the nature of the issues arising in NEDLAC. The issues dealt with in the Labour Market Chamber, such as the Labour Relations Act and the Basic Conditions of Employment Act, often give rise to "line-by-line" bargaining between organised labour and business. These Acts involve basic rights that often emerge as national collective agreements between business and labour on terms and conditions of employment. Since these issues are critical to the interests of these two parties it comes as no surprise that they would (separately or together) resist any attempt by the government or parliament to alter any agreements arrived at in NEDLAC. By contrast, the other

chambers deal with policy frameworks instead of draft legislation, which tends to promote a consultative role. In this respect, issues of trade and industry, public works, housing, health, etc. raised in NEDLAC lead to negotiations around broad policy frameworks, with an emphasis on seeking consensus around these issues rather than agreements.

NEDLAC has made a number of changes to accommodate the criticisms that it has attempted to undermine parliament and that it holds up the functioning of government by extending the process of policy formulation.

In the former sense, NEDLAC participants have accepted that all agreements arising in NEDLAC that give rise to Acts should follow the normal parliamentary procedure. This implies that legislation can be altered by parliament irrespective of the nature of the agreement arising in NEDLAC. NEDLAC's Protocols for Tabling Issues in Parliament provides the means for the labour market social partners to demonstrate the importance of an agreement to parliament. In such cases the social partners are allowed to jointly present the contents of the NEDLAC Report to parliament, giving them the opportunity to convince parliament that they have arrived at an agreement on a substantive issue which should be tampered with as little as possible.

In the latter sense, parties have "agreed to disagree", by providing for the submission of a report to parliament after an agreement has been made, which includes any major areas of disagreement. Thus, there is recognition in NEDLAC that the social partners cannot reach agreement on every issue tabled, or every aspect of an issue tabled, and that NEDLAC should not hold up any legislative or governing processes unduly because of this.

In addition, the protocols stipulate that parties have the right to raise issues in parliament on which there has been no agreement, or on which a NEDLAC agreement was silent. These measures are designed to remove the obstacles to the passage of legislation or policy arising from extended disagreements in NEDLAC, thus allowing the government to govern.

It is widely held by representatives of the social partners in NEDLAC that the policy-making process of this institution is essential because it eases the passage of legislation, through a process of consensus-seeking and

agreement-making that gives rise to *agreements which are not binding on parliament* but which resolves conflict prior to the legislative stage of policy formulation. There is common agreement among participants that NEDLAC should not undermine parliament's role, with the latter having the prerogative to alter any proposed legislation that has passed through NEDLAC; nor should it restrict the government in the performance of its functions. COSATU President John Gonomo (1997, p. 17) stated that:

As Labour we never saw NEDLAC as a replacement for parliament as some argue. Nor does it take away the right of government to govern as one minister would want the country to believe. Instead it provides a platform for the governed to engage with the government directly, and for the government to explain its policies and to justify them.

Business convenor in NEDLAC, Raymond Parsons (1997, p. 3), put it as follows:

At no time was NEDLAC envisaged as encroaching on the sovereignty of Parliament, anymore than tripartism elsewhere has done so. Despite its difficulties, NEDLAC constitutes an important interaction which is complementary, and not competitive, to the Parliamentary process. NEDLAC does not govern the country, but it helps to keep the country governable.

In cases where the social parties have reservations on the agreements reached in NEDLAC, or where no agreements arise, the legislative process allows them another chance to influence the policy-making process. Thus, the sovereignty of parliament has not been undermined and it continues to serve as the ultimate authority in the policy-making process. In addition, the NEDLAC social partners have committed themselves to processes that prevent its inability to reach agreements from restricting the government from acting. These include the NEDLAC reports and the Protocol for Tabling Issues in Parliament, which are both aimed at removing obstacles to both parliament's and the government's legislative and executive roles that arise from extended disagreement in NEDLAC.

Conclusion

From the above analysis of NEDLAC's role in enhancing democratic participation in policy making the following can be concluded:

- Some significant sectors of South African society are not included in NEDLAC structures as independent constituencies;
- The community constituency is given a subordinate status in NEDLAC;
- NEDLAC has had mixed success in terms of its capacity to generate policies that are in the public interest rather than the interest of powerful sectors of the community;
- The constituencies participating in NEDLAC represent a broad spectrum of South African society and include many mass-based organisations;
- The nature of the various organisations, their capacities and their practices, as well as policy making in NEDLAC undermine the capacity of the organisations to arrive at common positions or to produce mandates;
- NEDLAC enables the social partners to play a significant role in the formulation of labour policy, a moderate role in the formulation of trade and industry policy, and a minor role in the formulation of macro-economic policy;
- Despite initial disagreement on the precise role of NEDLAC vis-à-vis parliament, NEDLAC has not undermined the sovereignty of parliament and there is general acceptance of NEDLAC's complementary role.

Thus, the challenge for NEDLAC is to encourage and actively promote the organisation and independent participation of the unemployed work seekers and the informal business sector; to extend the participation of the community constituency to the other three chambers; to increase the capacity of the constituencies to obtain mandates; to co-ordinate the mandating processes of the constituencies, the NEDLAC negotiating process and the

schedules of cabinet and parliament; and to improve the quality of dialogue in some of the chambers and the impact of their agreements on socio-economic policy.

Notes

- ¹ It was argued that corporatist approaches became necessary to transform the polity from an authoritarian to a democratic one, or to promote state legitimacy by mobilising participation, leading to the enhancement of participation and democratic decision making. See Schmitter, 1979, pp. 29 -30; Trebilcock, 1994, pp. 24 -28; Robinson, 1985, p. 169.
- ² Organised labour's opposition to the government's Growth, Employment and Redistribution macro-economic policy led to tensions between the two but the alliance between COSATU and the ANC proved strong enough to contain resistance.
- ³ It is important to note that a number of organisations of the unemployed made brief appearances in the news during the past two years. These include the Unemployed Masses of South Africa (UMSA) under the chairmanship of Godfrey Debeila, the Malamulela Social Movement for the Unemployed (MSMU) led by its secretary-general Mohlolo Kgopane, and the Unemployed Graduates Union. However, it is not clear whether or not these are significant actors among the unemployed although they demonstrate a potential for the mobilisation and organisation of the unemployed.
- ⁴ The International Association of Machinists and Aerospace Workers, *The Global Challenge to Trade Unions*, <http://204.243.96.51/facts/globalchallenge.html>.
- ⁵ Some COSATU unions, such as the National Union of Mineworkers (NUM) and the National Union of Metal Workers of South Africa (NUMSA), had a union density of around 70% of the workforce in the categories in which they organised in 1997. The other large unions in COSATU, the National Education Health and Allied Workers Union (NEHAWU) and the South African Democratic Teachers Union (SADTU) had a union density above 60%. See Jardine, 1998.
- ⁶ "Employers" Associations: Establishment of Business South Africa, in *Bilateralism Review*, vol. 3, no. 1, March -May 1994, p. 51.
- ⁷ *Ibid.*, p. 52.
- ⁸ *Ibid.*, p. 54.

- ⁹ NAFCOC and FABCOS: Fostering Black Empowerment, in *Bilateralism Review*, vol. 2, no. 3, September-November 1993, pp. 38-41.
- ¹⁰ See Co-operative Creation Credit to Coalition, in *Negotiation News*, no. 15, 20 April 1994, pp. 8-9.
- ¹¹ This does not mean that they did not find much to agree upon. See Meintjes, 1996, pp. 49ff.
- ¹² See for example the presentation by Raymond Parsons, SACOB director-general, to the Johannesburg Chamber of Commerce and Industries, in *The Voice of Business*, May 1998, p. 13.
- ¹³ It must be noted that NEDLAC has played a significant role in this area. Some of the assistance given to this constituency has been pointed out above. NEDLAC has also provided funds to build the administrative capacity of this constituency, and organised training courses to develop facilitation and negotiation skills and a course on macro-economics.
- ¹⁴ This was a survey of a number of informed individuals holding formal positions in organisations or public institutions directly involved in policy making (cabinet ministers and senior officials in the offices of the president and deputy president, members of the portfolio committees for finance, labour, and trade and industry in the national assembly, members of the executive council of NEDLAC and the chambers for public finance and monetary policy, the labour market, trade and industry, senior officials in the departments of Finance, Labour, and Trade and Industry, along with the Reserve Bank) and professional observers affiliated with universities, non-governmental organisations and the media (political scientists, economists, policy researchers and journalists).
- ¹⁵ The Act calls on companies to draw up "equity plans", which include numerical goals (to increase the representation of blacks, women and the disabled in the workforce so as to approximate their proportional representation in the South African population) a timetable to remove discrimination, mechanisms to bring about equity, and union-management consultation procedures.
- ¹⁶ The Skills Development Act aims to forge a closer link between training and the needs of industry and the labour markets; greater co-ordination of training at sectoral level; and increasing the level of investment in training by industry. The Skills Development Levies Act, which provides for a levy on business for training purposes, replaces obligatory national levy scheme.
- ¹⁷ The first phase involved a number of provincial workshops aimed at generating dialogue between business and labour on productivity, competitiveness and employment creation. The aim was to develop understanding among the social partners of the need for workplace restructuring, and to develop

strategies that would enhance efficiency, equity and promote global competitiveness. The second phase is aimed at encouraging co-operation between employers and workers to generate better performance by a company, with the benefits shared by all. The general aim is to facilitate processes within sectors that will culminate in broad agreements on workplace change goals and mechanisms at sector level, with specific goals, mechanisms and gain-sharing procedures being negotiated at individual firms.

- ¹⁸ Such an agency would be tasked with providing a point of contact and assistance to local and foreign investors before, during and after investment; organising investment-promotion activities in foreign countries; developing a database for economic and investment-related information (sectoral, geographical, financial, and investment enquiries and offers to facilitate joint-venture matchmaking); and monitoring inward investment and investment trends nationally and internationally.
- ¹⁹ The competitiveness fund for SMMEs, a tax holiday scheme, a small/medium manufacturing development programme, a technology and human resources for industry programme, and a programme for industrial innovation (NEDLAC Report, 1997).
- ²⁰ The Act made provision for, amongst others, the establishment of the National Small Business Council to represent and promote the interests of SMMEs at national, provincial and local levels, and to advise organs of government on economic policy affecting SMMEs; the establishment of the Ntsika Enterprise Promotion Agency to expand and co-ordinate the provision of non-financial support to SMMEs through intermediaries; and an overall framework providing guidelines to the executive organs of the state at national, provincial and local level for assessing the impact of laws and policy on SMMEs (NEDLAC Report, 1997).
- ²¹ The agreement identified two levels of development structures that could be established at local level: local government-led development structures, which would include representation by community structures, labour, business, non-governmental organisations, the local authority and other local stakeholders; and community-led development structures, comprising all stakeholders in a particular community within a local authority, for example, civics, resident structures, church groups, etc. (NEDLAC Report, 1997). These structures were tasked with promoting, guiding and facilitating the implementation of local development.
- ²² This is to be found in the department's *Fifteen Point Programme of Action*, <http://www.labour.gov.za/docs/policy/15pointplan.html>.

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