

Secretariat Report to the Third Central Committee

COSATU

August 15-18, 2005

**Taking the 2015 Plan to New Heights –
Celebrating the 20th Anniversary of COSATU**

Secretariat Report to the Central Committee.....	1
COSATU	1
August 15-18, 2005.....	1
Part 1: Political Report	5
1 Introduction.....	5
2 Progress in the National Democratic Revolution.....	6
2.1 The pillars of our 2015 Plan.....	6
2.2 Fifty Years of the Freedom Charter	6
2.3 Who has gained from democracy?.....	7
2.4 Class Formation and Contestation	9
2.5 Lessons from Zimbabwe.....	11
2.6 Engaging the Transition.....	12
2.7 Other Developments.....	13
2.7.1 Unity and cohesion of our movement	13
2.7.2 Corruption	16
2.7.3 Attacks on workers' gains	18
2.8 The International Situation.....	18
2.8.1 The balance of power	18
2.8.2 The international labour movement	20
3 Taking forward the NDR: Strategy and Tactics.....	20
3.1 The ANC's overwhelming victory.....	20
3.2 Shifts in Government Policy.....	22
3.3 Development Strategy	22
3.4 Rising workers' militancy	23
3.4.1 The Jobs and Poverty Campaign – A class struggle	23
3.4.2 A new wave of Living Wage Struggles.....	24
4 Selected Engagements	25
4.1 The Alliance	25
4.2 The ANC and its leagues.....	27
4.2.1 Debate on the Liberation Movement versus Political Party	27
4.2.2 Changes in the Composition of the ANC Leadership	29
4.2.3 Bilateral Relations	29
4.2.4 The ANC National General Council	30
4.2.5 Relations with the ANC Women's and Youth League	30
4.3 The SACP.....	31
4.3.1 Raising the profile of the SACP	31
4.3.2 SACP and contest of power.....	32
4.4 One Union One Industry – One Country One Federation	32
4.4.1 FEDUSA and NACTU	32
4.4.2 CONSAWU	33
4.4.3 Solidarity	33
4.4.4 Organising farm workers.....	33
4.5 Social Movements	34
4.5.1 Collaboration with the Churches and NGOs.....	34
4.5.2 The State of SANCO.....	34
4.5.3 New Social Movements	35
4.5.4 The Student Movement.....	35
4.6 Social dialogue	35
4.7 The ANC Deputy President	36
4.8 The Local Government Election Campaign.....	37
Annexure 1. Engagements on legislation and policy, 2003-2005.....	39
Part 2: Organisational Report.....	47
1 Introduction.....	47
2 The organisational challenges.....	47
2.1 The Context: Twenty Years of COSATU.....	47

2.2	The state of COSATU.....	51
2.2.1	Poor Service.....	51
2.2.2	Organisational discipline	54
2.2.3	Public coherence.....	57
2.2.4	Addressing the organisational challenges	58
3	Organisational programmes.....	62
3.1	Demarcation of provinces.....	62
3.2	Interventions to assist unions overcome internal problems.....	62
3.3	Building Unity.....	62
3.3.1	Campaigns.....	63
3.4	Gender work – building women leadership and addressing inequities	64
4	Education.....	65
5	Communications.....	66
5.1	External media.....	66
5.2	Internal media.....	67
5.3	Archive and Information Centre.....	68
6	Engagements on policy.....	68
6.1	Industrial policy.....	68
6.2	Trade policy and negotiations.....	69
6.3	Financial sector.....	69
6.4	Fiscal policy	70
6.5	Economic policy and research.....	70
6.6	Retirement funds	70
6.7	Labour Policy	71
6.8	Public sector	72
6.9	Occupational health and safety	72
6.10	Environment issues	72
6.11	HIV/AIDS.....	72
6.12	Skills development.....	73
6.13	Health.....	73
6.14	Agriculture and land:.....	74
6.15	Co-ops	74
6.16	Parliamentary work.....	74
7	Associated institutions.....	75
7.1	NALEDI.....	75
7.2	Chris Hani Institute	76
8	International Relations.....	77
8.1	African Regional Organisations	77
8.2	South-South Co-operation.....	78
8.3	Bilateral co-operation in Africa.....	79
8.4	Other Bilateral Relations.....	79
8.5	World Social Forum	80
9	Administrative and management issues	81
9.1	Finances	81
9.2	Information technology	81
9.3	Cubah Properties.....	81
9.3.1	Rentals	81
9.3.2	Monthly expenditure and investment account	82
9.3.3	Projects accounting.....	82
9.4	Merchandising	83
10	Provincial Reports.....	83
10.1	Western Cape.....	83
10.1.1	Functioning of structures and locals	83
10.1.2	Campaigns and programmes.....	84
10.1.3	Strengthening the Alliance and other mass formations	85
10.2	Gauteng.....	86

10.2.1	Functioning of structures and locals	86
10.2.2	Campaigns and programmes.....	87
10.2.3	Strengthening the Alliance and other mass formations	88
10.3	North West.....	89
10.3.1	Functioning of structures and locals	89
10.3.2	Campaigns and programmes.....	90
10.4	Mpumalanga	90
10.4.1	Functioning of structures and locals	90
10.4.2	Campaigns and programmes.....	91
10.4.3	Strengthening the Alliance and other mass formations	92
10.5	Free State/Northern Cape	93
10.5.1	Functioning of structures and locals	93
10.5.2	Campaigns and programmes.....	93
10.5.3	Strengthening the Alliance and other mass formations	94
10.6	KwaZulu Natal	94
10.7	Eastern Cape.....	95
10.7.1	Functioning of structures and locals	95
10.7.2	Campaigns and programmes.....	96
10.7.3	Strengthening the Alliance and other mass formations	96
10.8	Limpopo	97
10.8.1	Functioning of structures and locals	97
10.8.2	Campaigns and programmes.....	98
10.8.3	Strengthening the Alliance and other mass formations	99
10.8.4	Socioeconomic.....	99
Part 4:	Socio-Economic Report.....	101
1	Employment.....	101
2	Wages and conditions	102
3	Growth	103
4	Investment	103
5	Trade	104
6	Policy engagements on the economy	104

Part 1: Political Report

1 Introduction

This is the third Central Committee of the federation. It is the first since the Eighth National Congress amended the constitution to replace annual central committees with a single one to take place halfway between congresses.

The Central Committee is the highest decision making body of the federation after the National Congress. It can develop new policy, but may not change policies adopted by the National Congress. It occurs between National Congresses so as to provide a chance for a mid-term review of the programme adopted in the previous Congress. In addition, this Central Committee is mandated to develop a more detailed and comprehensive industrial policy for COSATU.

This Third Central Committee is timely in that the current period is pregnant with many possibilities, yet also littered with pitfalls that if not properly handled could derail the federation altogether.

We dedicate this report to four outstanding individuals whose contribution to building our movement has been immense.

- a. Firstly to Gwede Mantashe, who is attending this Central Committee for the last time as the General Secretary of the NUM. He has been with the NUM for its entire 23 years of existence. In the process, he climbed the ladder and occupied all possible positions - as a worker, secretary of the Highveld region of NUM and chairperson of COSATU, the NUM National Organiser, Assistant General Secretary and General Secretary. He has grown from an ordinary worker into one of the most respected organic intellectuals produced by the trade union movement.

It is hard to imagine a CEC without Gwede's voice, sense of humour, emotions and political and organisational instincts and contributions. When there is class war, no one can ever doubt which side Mantashe stands on. He has been consistent in supporting the federation and its leaders when they come under fire. It is hard to imagine an NUM and COSATU without him at the helm. We are sure he will never be lost to the labour movement or the working class.

- b. Guy Mhone, who passed away on March 1 this year, was a towering yet such a simple and down-to-earth intellectual, who worked closely with COSATU and the democratic movement. His ability to simplify and give political and historical context to complex labour market and development issues was a rare quality, and the union movement will forever miss his contribution. We are poorer without Guy Mhone in our midst.
- c. We also dedicate this report to Wilson Hlongwane and Selina Phuza.

Wilson is a worker for Metrorail in Gauteng and a SATAWU shop steward. He joined SARHWU in 1985 and was elected a shop steward in 1987. He is from Washbank, near Ladysmith, in KwaZulu Natal. He is married to Andriena, who regrettably

passed away on March 31 this year. He has two kids.

Selina Phuza is a NEHAWU shop steward working at Chris Hani Baragwanath Hospital. She started to work in Hillbrow Hospital in 1977, where she joined her first union. She doesn't recall which it was, but she joined GAWU in 1986, and was elected shop steward that year. She is from Dlamini in Soweto, and is married to William Phuza.

Both Comrades Phuza and Hlongwane represent one best of our traditions – the willingness to make sacrifices without seeking praise and gratitude. Together, with countless others, they have been in every march, picket or demonstration in Johannesburg. Every time we have huge or small gatherings, you will not miss the love and commitment to the movement and the cause of the working class. They run up and down as marshals sweating but not losing either their emotions or their focus.

Through these two comrades, we pay tribute to all marshals throughout the country for maintaining our reputation for high levels of discipline.

2 Progress in the National Democratic Revolution

2.1 The pillars of our 2015 Plan

The 2015 Plan defines priorities, benchmarks and core strategies for taking forward the National Democratic Revolution. The two central pillars of our strategy must be to build working class power and ensure quality jobs. These twin thrusts must be linked and reinforce each other. In particular, engagement on policy issues must support organisational development, rather than overshadow it. Our long-term approach has defined, above all:

1. Strategies to build the power of the organised working class in South Africa, in our region and continent as well as internationally.
2. Strategies to make our relationship with the Alliance work.
3. Priority areas for intervening on socio-economic policy in the short term to stem the job-loss bloodbath and fight for quality jobs.

We here analyse how COSATU has positioned itself in line with the visions of the 2015 programme. The 2015 programme itself is a dynamic and living document which should be adjusted if new conditions and new challenges so demand.

2.2 Fifty Years of the Freedom Charter

For fifty years, the Freedom Charter has served as a manifesto for a new democratic, non-racial and non-sexist society. It espoused our peoples' aspirations for a future with the following claims:

- Common nationhood and a country that truly belongs to all who live in it;
- A democratic political system in which the people shall govern and all enjoy equal rights and treatment;

- A prosperous economy in which all have a share in the country's wealth; have secure jobs and access to productive land for housing and other needs;
- Peace and security, including peaceful coexistence with our neighbours;
- Equal opportunities and access to education and a thriving culture that will express the diverse and dynamic culture of our people.

The Charter is a radical document that goes beyond narrow civil and political rights. It reflects the radical nationalism that characterised our movement for the better part of its history. As such, it underlines the fact that democracy without radical change in the socio-economic conditions faced by our people would be hollow.

This perspective was reinforced by the ANC in the historic 1969 *Strategy and Tactics* adopted in the Morogoro conference. It combined aspirations for political democracy with far-reaching goals for social and economic transformation to change the material conditions of our people.

In the last ten years, the ANC-led democratic movement ascended to political office. It had the opportunity to realise many of the aspirations of our people expressed in the Charter. The first decade of democracy recorded many remarkable achievements that together have laid the foundation for a democratic, non-racial and non-sexist society.

Nonetheless, many challenges remain to be tackled. We need to debate what set of policies and strategies will accelerate the realisation of the Charter's claims. To help in finding answers, we must assess progress in the National Democratic Revolution (NDR).

From this perspective adopted by our Congress in 1987, we see the Freedom Charter as containing important demands of the working class to tilt the balance of forces in our favour. We are however acutely aware that the Freedom Charter and the NDR contain minimum demands of the working class, and do not seek to resolve class contradictions altogether.

It is in this context that as we celebrate the Freedom Charter we also assess the broader balance to achieve our longer term goal to attain socialism. We declare that we shall build socialism now. We must assess how our demands and campaigns connect the struggles to attain the Freedom Charter demands and the longer term goal of socialism.

In the current period, the Charter demands translate into a programme to radically alter the colonialism of a special type that defined racial capitalism. Though not destroying capitalism as such, the charter envisaged a mixed economy that contains elements of socialism.

2.3 Who has gained from democracy?

We need to analyse carefully our progress and setbacks since 1994. Two conclusions stand out. First, national subordination no longer defines our political reality or the policy of the state. Second, the combination of national, race and gender oppression remains basic to the economy and our society as a whole.

The law no longer divides people by race. The balkanisation of apartheid has been

overcome by a single nation-state. But the basic power relations in the economy remain virtually unchanged.

Today, the market has replaced state policy in determining who has access to better education and health and who lives in well-off communities with quality public services, decent jobs and cultural opportunities. Private wealth, largely created under apartheid and aligned on racial lines, has become the locomotive to access all that is best in our society.

This situation means that the majority, overwhelmingly African and disproportionately women, is still trapped in apartheid ghettos facing unemployment and poverty. Poverty is particularly severe in the rural areas, especially the former Bantustans where almost half of all Africans still live.

In political and social terms, the working class is right to celebrate ten years of freedom and democracy. It has met many of its historic political and social demands, including the right to vote, access to basic services and progressive labour laws. Nonetheless, in economic terms white and foreign multinational capital has gained most. The economy has reintegrated into global markets, and the powerful have taken advantage of this opportunity. Four factors lead us to conclude that capital was the main beneficiary of economic growth since 1994.

First, capital has gained relatively high profits in the past ten years largely because of high productivity and access to new markets. Between 1993 and 2004, workers' share in the national income dropped from 51% to 45%. In contrast, the share of profits increased from 26% to 30%.

Second, the apartheid wage regime remains fundamentally in place, with a widening gap between the minimum wage and the vast returns reaped by management. Even today, one worker in four in the formal sector earns under R1000 a month. Some 40% of union members earn less than R2500 a month. Meanwhile, the bosses of the banks, mines and factories earn packages worth millions, even tens of millions. Packages in the public sector have also grown disproportionately, reaching well over a million in government, and over ten million in the big parastatals.

In many cases, employers have undermined the quality of work through outsourcing and casualising jobs. Outsourcing and casualisation has three other objectives. First it is a way of holding down wages and conditions, second it is a means for employers to sidestep their responsibility to their employees; and lastly to weaken workers' organisation.

Third, unemployment increased from around 16% in 1994 to about 26%, even if we only count workers actively seeking paid jobs. If we use the expanded definition, which counts as unemployed those who are too discouraged to search, this figure jumps to over 40%. This is far higher than any other comparable country.

Unemployment, casualisation and stagnant pay have hit African women hardest. Most remain trapped in poverty, with access only to poorly paid and insecure jobs. Domestic work is still the largest single source of employment for black women.

Fourth, economic policy has not fundamentally challenged the position of white capital. For much of the 1990s, government's main aim seemed to be to drive even much more

export oriented economy than inherited from apartheid, deregulate, commercialise and privatise. Never in its wildest dreams did capital anticipate things would go so much in its favour in the new South Africa. After all, the Freedom Charter calls for the wealth of the country to be shared, with an explicit commitment to nationalisation of the mineral wealth and banks.

The arrogance of business grew quickly once it realised nothing of the kind was going to happen. Government leaders prioritised reconciliation at all costs and quickly adopted the international wave of liberal economic thinking. The property clause in the Constitution safeguarded the wealth of the rich over the landless and property less.

This situation is not sustainable in political, social or economic terms. Sections of the working class communities are losing their patience with lack of, or slow delivery around employment, wages and basic services. The budget cuts in the late 1990s, which slowed down provision of basic services, hit women hardest because they still bear the burden of fetching water and wood, cooking over fires, and caring for people with AIDS.

Issue-based social movements have grown, and many communities led by the very ANC members and leaders have burned tyres and blockaded highways in protest. Our own structures have sometimes been unable to lead these actions, but that does not stop them. Instead, ANC and Alliance members march as concerned residents or youth.

It is quite clear that in most cases the demands of our people are genuine. They highlight the continued use of the humiliating bucket systems, *amatyotyombe*, etc. They also demonstrate that some of our councillors have lost touch with their constituencies. We agree with the ANC that it is ridiculous to claim that these protests may be the work of a third force. The only solution is political engagement and stronger efforts to address the problems still facing our communities.

2.4 Class Formation and Contestation

The SACP's recent document on class formation argues that both capital and labour have changed in the past ten years. In particular, capital has undergone two major transformations.

First, it has been transnationalised, with a significant number of former South African-based conglomerate corporations moving abroad. This move has subjected the companies involved to the pressure of global market forces, particularly pressures to deliver "shareholder value" in the market to which they shifted their primary listing. These forces seem destined to lead at least some former South African conglomerates to becoming minor transnational corporations. By extension, South Africa will become only one – and probably a progressively less significant – focus of their operations.

The second major development at the level of capital has been the rise of a small, but increasingly influential, stratum of black capital. Increasingly inter-related and inter-connected with this stratum is a larger black professional middle stratum, including significant numbers of senior state officials for whom a career in the private sector is increasingly seen as a logical progression. In the words of the SACP paper,

Although still proportionately small in relation to the capitalist and middle classes as a whole (which remain largely white) and miniscule in relation to the black population as a whole, black capital is clearly an increasingly influential force. Together with the somewhat larger

black managerial and professional strata it is an important focus of state policy (black economic empowerment) as well as increasingly influential ideologically.

Whilst the emergence of such a stratum was long anticipated and indeed widely seen as a welcome sign that “job reservation” in the bourgeoisie was being ended, this phenomenon raises a number of fundamental questions for the direction of the NDR.

In much of the discourse of liberation movement politics, the terms black bourgeoisie (or more likely black business) and patriotic bourgeoisie are used inter-changeably. Yet in reality the two terms have quite distinct meanings. The term *black* bourgeoisie refers to a particular component of the bourgeoisie defined in terms of its national character. The term *patriotic* bourgeoisie, strictly speaking, would refer to the conduct of a section of the bourgeoisie, implying that it acted in a qualitatively different way from other sections of the bourgeoisie – in seeking to promote the development of productive forces in South Africa and in looking to the country as the major focus of its activities in contradistinction to former white conglomerate capital now increasingly looking to trans-nationalise.

This raises fundamental questions. How has black capital emerged and conducted itself? Has the pattern of corporate empowerment deals that occurred in the first ten years of the NDR created conditions conducive to the rise of a capitalist stratum willing or able to act in any way different to that of the rest of the bourgeoisie? Is there any real evidence of patriotic or developmental conduct? Why has “black economic empowerment” – defended programmatically as a broad concept intended to impact on the mass of black people – had such limited success in promoting small business activity in disadvantaged areas?

The SACP also notes that the working class has been affected by increased unemployment, casualisation and informalisation.

In this context, how do we maintain working-class hegemony of the broad democratic movement, and prevent other strata from being won over to the agenda of white monopoly capital? How do we maintain the working-class values of solidarity in the context of the inevitable accumulation by a few among the oppressed masses? These issues have led to intense contestation about Black Economic Empowerment (BEE). There is growing evidence that the class contradictions are increasingly competing with the national contradiction as the primary source of conflict in society.

The sale of the 15.1% Thintana shares in Telkom to the Elephant consortium demonstrated new class contradictions within the democratic movement. The use of the PIC to fund a discredited transaction highlighted the risk of both parasitic and crony capitalism. It brought to the fore COSATU's historic demand that workers should have full control of their retirement funds so that these are used to improve their living standards.

COSATU does not oppose the deracialisation of the economy, in particular when a mere 5% of the companies listed in the Johannesburg Stock Exchange is in black hands. The crucial question is how this aim should be aligned with the broader aim of transforming the economy to benefit all our people. How can government support the inclusion of a few individuals in the capitalist class without supporting speculation and corruption, and without accepting measures that could impact negatively on employment? These questions arise, for instance, when privatisation is touted as a way to expand black ownership.

What is certainly wrong and worrying is the stark contrast between the headlines on progress by a few individuals and the deepening levels of unemployment and

casualisation of workers, as well as rising inequalities even within the former black communities. Whatever else, we must ensure that the state does not spend so much effort on opening the door for black capital that it neglects the imperative of driving development for all our people.

2.5 Lessons from Zimbabwe

We presented a comprehensive report on our solidarity work with Zimbabwean workers and the tensions that arose. In this report we highlight strategic lessons that can be drawn from the Zimbabwean experience. This is not for the sake of analysis but to sign post several problems that must be avoided in South Africa. The lessons are:

- The Zimbabwean revolution is off the rails. It is no longer serving the interests of the working class and the peasantry. A revolution ceases to be progressive if its main beneficiaries are not workers and the poor but a new ruling class with close relations to capital. The regime has now turned the state machinery against ordinary people as manifest in the recent campaign to demolish properties without any plan to provide better housing. Moreover there is no democratic space to operate in Zimbabwe and any attempt at social mobilisation is dealt with ruthlessly.
- Poor management of the economy has led to untold suffering to workers and the rural poor. With unemployment estimated at about 70%, inflation at over 600% coexisting with chronic food and petrol shortages, the government only helps to multiply enemies of the revolution and forces its own constituency into desperation. The source of the economic crisis is not external debt but a failure to restructure the colonial economy as a means to finance social expenditure. Zimbabwe for a long time depended on an unchanged colonial economy to pay for its social programmes. The strategy has had two contradictory outcomes. On the positive side Zimbabwe invested in human capital through its education and health policies. However, by failing to change the economy inherited from the Smith period, the society suffered major setbacks when the prices of their export commodities collapsed. That led to dependence on foreign loans and the introduction of structural adjustment programme. This in turn set the state directly against the working class and peasants.
- The use of left rhetoric to justify rightwing solutions. The government is known for its strategy of using progressive rhetoric as a mobilising tool, for example espousing militant anti-imperialist slogans, and its strategy of condemning the Bretton Woods institutions before elections while embracing their structural adjustment programmes thereafter.
- The ZCTU played a central role in the creation of the MDC as an alternative to the ZANU-PF. Many thereafter complained that the MDC was hijacked by intellectuals and even by elements of white capital, and adopted some policies that shamed the ZCTU.
- The ZCTU has not escaped divisions within its own ranks because of different loyalties of members, leaders and staff. Currently these divisions threaten to undermine the coherence of the ZCTU with government suspected to be using its loyalists to disrupt meetings and assault prominent leaders who are known backers

of the MDC. The lesson to be drawn here is that political allegiance can undermine the unity and cohesion of the trade union movement if not carefully managed.

- There is a race factor that makes the Zimbabwe situation attract so much attention from the South African media and the world. Zimbabwe gets a disproportionate share of attention compared to the situation in Swaziland. Is this because whites were amongst the first victims of the regime's ill-considered programme on land? In South Africa there is a fear that this might happen here too, and the focus on Zimbabwe is used to get guarantees from our government.

The chronic economic crisis has now forced Zimbabwe to seek a loan from South Africa and other sources. These funds would serve several purposes, including paying the IMF and buying food and fuel. President Mbeki is on record that South Africa is considering taking a portion of Zimbabwe's international debt.

The Zimbabwean government must take full responsibility for this crisis. However, South Africa cannot sit idly as the situation deteriorates. For that reason, COSATU understands that the total collapse of Zimbabwe will affect South Africa directly. Already many Zimbabweans are living in South African and other SADC countries as economic refugees.

We need to discuss whether there should be conditions attached to the loan. In addition, we need to sustain solidarity work, including through SATUCC.

2.6 Engaging the Transition

Against this background, we return to the strategic questions with which we started. The basic aim of our 2015 Plan is to consolidate working class power and ensure that all our engagements focus on economic transformation. What are the possibilities and obstacles that shape our engagement strategy as we enter the second decade of freedom?

The 2015 Programme defines the core of our strategies. As always, the key challenges are:

- To define the balance of forces and ensure it is tilted in our favour, above all by building alliances with all forces for change in society, and by improving our work with the Alliance. Asserting our hegemony must also mean isolating the most reactionary elements of capital, while cooperating with certain fractions, to the extent we share joint concerns, for instance on the exchange rate. The 2015 Plan says that building COSATU and strengthening working-class leadership in the Alliance is the critical task in this context.
- To identify short-term and long-term objectives and align all our work around them. We must never adopt immediate demands that undermine our overall goals.
- To combine power appropriately with direct engagement with capital, mostly at NEDLAC and through bilaterals with the state.

In terms of our engagement strategy, we have to admit that we allowed capital to get off too lightly during the transition. We need a more co-ordinated strategy to use the leverage of our organisational might and political power to discipline capital. It is only

now that we have launched a campaign against racism. It is only during this campaign against job losses that we threatened to blacklist retail bosses from borrowing money from union-controlled retirement funds.

COSATU must address its biggest weakness of opening the doors but not walking through them. Too many of our gains on paper, in the law - including on the transformation of the labour market - are not being used systematically to improve the lot of workers.

Furthermore, we must avoid putting all our eggs in one basket. We need a strategy to use all possible tools to advance our aims, combining the use of power, lobbying, the courts, Parliament and negotiations with government and capital, as well as working through the Alliance and relying on ANC support.

We must also think about how we manage our relations with government leaders and ensure we maintain consistent and sustained contact at the highest level. Too often, we rely on our historical bonds and *ad-hoc* contact on specific issues. In contrast, both black and white capital have concerted lobbying strategies, which combine wining and dining with formal meetings.

Finally, we have to review our work at NEDLAC. We place too much reliance on a few officials and have no coherent strategy to guide our engagements.

In our assessment we must also evaluate the many external obstacles that we face. In particular:

- Business plays a key obstructionist role. It relies less and less on open forums such as NEDLAC, aiming instead to influence government through consultants, golf-course lobbying, and even simple corruption.
- Mid-level officials throughout government often had no experience of the struggle. In developing new policies, many rely on free-market theories and commercial consultants, who neither support nor will benefit from the national democratic revolution as conceptualised in the Freedom Charter.
- In this context, foreign governments, aid agencies and multilateral organisations have a huge influence through their ability to provide technical resources and ideas.

The central discussion in the political session of this Central Committee must be to determine how, given this complex balance of forces, we can further shift them to win more space for organised labour and the working class in general.

2.7 Other Developments

2.7.1 Unity and cohesion of our movement

One of the biggest assets of the COSATU is its unity and cohesion. The loyalty of its unions to the centre runs so deep that unions are prepared to go way beyond the call of duty to take forward the programmes of the federation. This strength should be nurtured so that we never find ourselves in the difficult situation facing many federations around the world.

From time to time, our affiliates have faced challenges to ensure factions do not

become destructive or threaten the cohesion of the union. A number of interventions by COSATU are underway in these situations. Every union and indeed every union federation has to deal with disagreements and factions without letting them become destructive. The critical measures to this end are:

- a. Ensuring genuine democracy, so that everyone feels they have a voice and a chance to convince others and influence the policies and direction of the union. Should a group of leaders, officials or members feel that they are no longer able to do so the disaffected groups will form and try to go outside the union structures to gain power.
- b. Unions must not lose focus as a trade union representing the interests of members. At all times there should be clear programmes to unite the union beyond the annual wage negotiations. It is unity behind programmes that makes factions not that pronounced. But when there is no clear programme – with little or nothing to spend energies on, the organisations or faction eat the organisation up.

Factors contributing to divisions amongst the NOBs of COSATU and affiliates include:

- a. The hangover from mergers which includes blending different traditions and cultures which often takes time.
- b. COSATU and its unions are extremely powerful organisations. Consider the role we play in the elections, in society and in the political system of our country. As the labour movement has a critical role in support of the Alliance elections effort, it can also cause an immense damage to those efforts. It can shape or destroy political careers of individuals.
- c. All over the world unions that have close relations with political formations hardly escape the divisions and factions in those political parties. When political movement split, unions may not survive. The difficulties facing the ZCTU provide the latest lesson in this regard. The assault on leaders by thugs suspected to be employed by or acting on behalf of a political party or the state or factions within the union can completely destroy the cohesion and eventually cause a split. The KMU of Philippines, one of the greatest allies of COSATU split few years ago following a division in the party with which they had close relations. The KMU never regrouped from this split and remains a shadow of its former self.

It would be naïve not to assume that all manner of factions within the Congress movement and outside would not seek to have an influence and support of COSATU and its unions. Individual leaders within the union do have allegiance to factions that exist in the Alliance. These factions contest the direction of the movement and project themselves as the true custodians of the correct line, the main defence of our progressive character, or the practical pragmatists. The ANC and COSATU are broad churches attracting in their ranks all manner of different schools of thoughts or traditions. The ANC has for nine decades managed these well. The judgement is out for all younger formations such as COSATU and its unions. We have not openly debated this reality in the past.

- d. COSATU unions grew very rapidly in their first 10 to 15 years. This growth has increased the demands on NOBs and makes service to members, communication

and mandating processes more difficult. This becomes a fertile ground for divisions and disenchantment.

- e. The South African trade union movement has developed its own brand of unionism centred on the principle of worker control and collective leadership. Unlike Europe and the USA trade unions, which confer all executive power on either a full-time President or General Secretary, our version straddles the two models in order to enforce collectivism. The President is the political head. Traditionally this meant exercising political oversight from a workplace. A full-time General Secretary with executive power is responsible for all operations, coordination and oversight of the staff and programmes. As the unions grew, however, unions introduced the concept of full-time release of worker NOBs in recognition of the increased load on the office bearer collective. Divisions often arise out challenges in maintaining a collective approach in these circumstances.

We have not managed these developments at all times correctly. We have at times created two centres of power at a huge cost to the cohesion of the organisation. This is caused by failure to define the roles and responsibilities much more clearly, leading to bickering about who should do what.

The political implications of managing union investment companies pose serious challenges to our cohesion. A number of our unions and the Federation have established union investment in line with the vision set in the September Commission and the Central Committee. We established investment companies for the following objectives:

- To transform the racial character of the South African capitalism and increase participation of black people in the economy.
- To harness social capital under the control of workers for social objectives including job creation.
- To ensure collective ownership in the economy through cooperatives and other forms of ownership.
- To provide benefits to members.

The Central Committee set up guidelines to control the behaviour of union investment companies. This section is not a report on the activities of the investment companies but rather seeks to highlight political challenges that have come to the fore.

NALEDI carried our research on investment companies which was tabled initially at the CEC and subsequently at the Investment Council. NALEDI was directed to carry forward the research. Obviously even when we generalise we should not lose sight of the successes recorded by some of our unions or companies they have established. They provide a model of how to control and direct unions investment companies as well as ensuring that these institutions bring real benefit to the members and their families. In addition they have tried to operate within the guidelines set by the Central Committee.

Irrespective of the successes and failures including public embarrassment there are trends and political lessons to which we draw the attention of the Central Committee.

- Have we managed these companies in a manner that take us to socialism or are we being absorbed into capitalism? Our vision is lay the building blocks to socialism including transforming the beast that is capitalism. Are we managing it or being managed?
- Failure to coordinate systematically has opened us up to bids from capital. The perverse outcome is a disjuncture between talk of solidarity in the CEC. However outside our investment companies are pursuing the dog-eat-dog mentality of capitalism – an injury to one is an opportunity for another? Of course politically we are still cohesive however if this situation is not controlled it is going to erode our political cohesion.
- Does the position of not investing in your own sector fundamentally resolve the conflict of interest? Extraction of surplus value in a capitalist society is based on exploitation of workers regardless of the sector. Are we bringing a change in labour relations wherever we invest? The NALEDI report points out that unions investment companies are small players and unable to set the direction of the companies in which they invest. Given, a journey of a thousand miles start with one step, the question is how long will it take for union linked companies to be influential thereby changing the material conditions of workers in companies in which they invest? At that time will our credibility still be intact?

2.7.2 Corruption

The issue of BEE is linked to the broader discussion on how we deal with perceptions and reality of corruption that has so often accompanied accumulation, especially when supported by the state. In this regard it is worth raising for debate by the members some of the points made by the COSATU General Secretary in his address to the SACTWU Congress in 2004.

Certainly the transition to democracy brings a host of new economic as well as social and political opportunities for our people. The question is how we manage these opportunities to ensure a positive outcome for society as a whole.

International experience shows the risks as well as some success stories. We do not want to end up with the sort of short-sighted, selfish predator state we have seen in some parts of Latin America and Africa – and which indeed seems to have emerged today in the United States, with the close ties between the Bush Administration and big oil companies. In the USA the real ruling elite collude and use political leaders in pursuance of their greed and drive for profits.

A number of questions arise for thorough discussion within COSATU, the Alliance, and the broader democratic movement. These are:

- How can we end competition amongst our leaders around consumption – who has the biggest house, car or vacation - and return to competition around service, solidarity and activism? How do we put an end to this big hurry to get rich faster and quickly? How do we stop the use of political office to pursue wealth and opulence? How can we stop the discrediting of politics in the eyes of ordinary people if political office translates into living way beyond the hopes of those people that put us into the office in the first place?

- Corruption will soon become endemic unless we drive an active campaign against it. Yet we know too often that the media and the opposition dramatise stories that are proven later to have been incorrect. We also know that where there is smoke there is often fire. Corruption will only be ended by the creation of strong ANC, SACP, COSATU and other organs of people's power. Only ordinary people can make a difference. The challenge is to empower ordinary people to get our organisations to focus on their historic missions.
- At a practical level, if an individual has substantial private business interests, can she or he realistically carry out full-time service obligations in government, political formations or in unions? There is a problem where people are simply distracted from their core work by their investments.
- Most fundamentally, how do new opportunities for ownership affect the class position and interests of our leaders? Class position is not defined only by ownership. Rather, it relates to the entire complex of economic interests and integration into social groups. Above all, then, how can we ensure that our leaders in the unions, government, service organisation and other structures maintain organic links to workers and the poor, even if they no longer share workers' economic and social conditions in the townships, informal settlements, villages and farms? At what point and how does investment in private enterprise change the class interest of those involved?
- Another fundamental question arises. Are the salaries the society pays to its public representatives not adequate? If they are adequate, why then it seem that it is becoming a norm that public representatives also have all manner of outside activities and investments to earn more money? COSATU has longed argued that our public representatives are remunerated more than adequately.

Conducting this debate does not suggest that the problem of corruption has become endemic in the movement. Overwhelmingly, our MPs and cadres inside and outside government remain loyal to the best of our traditions. The spirit of *batho pele* and solidarity remains the binding force. But clearly it would be naïve not to raise alarm bells at this stage.

A particular concern arises around the current proposals on BEE. In effect, these proposals compel virtually all large companies to sell substantial shares to black partners, especially to individuals rather than collectives.

A specific need is to define clearly when it is appropriate for high-level state officials and even ministers to use their power to advance particular interests in the economy, and when it is actually corrupt. The obvious indicator is when state power is used in exchange for economic gain. But there are other, less unambiguous cases, for instance when black entrepreneurs use their friends from the struggle to influence deals purely on the basis of friendship.

All of this points to the need for much clearer guidelines and regulations on when it is acceptable for the state and those in power to support particular companies or individuals. Otherwise we risk losing the struggle, not to the might of big business arrayed against us, but to a series of small, creeping decisions that undermine

transformation because individual companies and entrepreneurs use their influence and money to sway officials and leaders in their favour.

The recent ANC NGC resolution, including the closing remarks of President Thabo Mbeki, is extremely important and they should be integrated in this discussion. The call for a cooling-off period before government ministers and senior state bureaucrats join business sits comfortably with the calls we have made in the past. The challenge is to introduce the necessary legislation as a matter of urgency.

2.7.3 Attacks on workers' gains

Capital both local and international as well as the IMF has consistently piled pressure on the democratic state to dilute workers protections contained in the labour laws. Government introduced proposed amendments in 1999 that would have unravelled the architecture of our labour regulation. The threat of action plus astute negotiations prevented what could have been the worst attack on workers' hard-won rights. Subsequently a much more progressive package was agreed upon that among others included the right to strike over retrenchments.

However, capital has persisted with its call to water down labour regulation without offering concrete proof that labour laws hinder growth. President Mbeki announced that government will review the impact of regulation on small businesses. In addition, the ANC produced a paper that proposes exemptions from certain provision of labour legislation on the basis of age, geography and company size. The sections cited include extension of collective agreements to non-parties and of hiring and firing provisions of the labour law.

The ANC NGC has rejected the notion that labour regulation is the fundamental obstacle to growth and that our labour laws are inflexible. Yet there are contradictory pronouncements by government spokespeople who suggest that labour law review for small business is still on the table. This means that it is not yet time to lower our guard against possible revision of the labour laws. To that end, we must unleash a programme to educate our members about the flaws contained in the proposals to weaken labour laws as part of an overall mobilisation effort.

2.8 The International Situation

2.8.1 The balance of power

Since the fall of the Soviet Union, popular forces around the globe have been grappling with a uni-polar world, with the US unequalled by any other power. At the centre of US national security strategy is an imperialist strategy to impose its hegemony. It will stop at nothing to model the world in its own image, even if it means going to war.

In this context, the re-election of George Bush in the US marked a sad development in international affairs. The US electorate returned to power a very conservative President and supported the pre-emptive war doctrine and unilateralism. Bush's re-election has ominous implications for peace, stability and the environment. Moreover, it means the US will continue to pursue a selfish and uncompromising approach in negotiations at the WTO.

The international community now has a greater duty to rein in the US and to hold it accountable for its actions. It is in this regard that we must define a political struggle working with others to prevent war and unilateralism.

Though we live in a capitalist-dominated world, the balance of power is now very fluid. Ordinary people have risen throughout the world to reject neo-liberalism, which has reached a stalemate. A number of factors underpin this delicate balance of power:

- Neo-liberalism has reached a stalemate with no obvious alternative to replace it. The IMF and World Bank been forced to question the blind commitment to free markets in theory, although in practice they have not discarded the dogmatic approach of the Washington consensus. Specifically, they now agree on the need for a strong state that can pursue anti-poverty measures, provide infrastructure and education, and protect property rights. But they continue to oppose industrial policies that seek to diversify and restructure developing economies.
- The defeat of rightwing forces in some countries in Latin America has restored hope that workers are fighting back against neo-liberal globalisation. However, we need to study this process to draw strategic lessons and define what we can do to reinforce this progressive shift. Already in Brazil (where there is a resurgence of conservative parties in some PT strongholds) the progressive Lula government has been forced to make concessions to international capital to the dissatisfaction of some in the PT and the trade unions.
- In its recent summit the G8 was forced to place issues of debt write offs and fair and equitable trade on its agenda. The actual promise falls far short of what was expected but we should not lose sight of the political significance of this development. Combined pressure from below and the united front of developing countries led to this limited concession. But we should also not lose sight of the fact that rich countries have been hard at work to undermine the victories scored at the WTO level to impose their narrow free trade agenda through bilateral trade agreements.
- The emergence of China as a powerful political and economic force. On the positive side China has the potential to serve as a buffer for developing countries at a global world similar to the role of the Soviet Union. However, it has been more interested in pursuing markets and sources of raw materials and capital than in leading a movement to fight for fairer trading conditions for the South, much less to support democratic movements. Its relatively cheap labour, undervaluation of its currency and heavy investment in infrastructure, basic industry and skills mean China is displacing producers in the developing countries especially in supplying European and US markets.
- Debates on the UN reform are an illustration that developing countries are challenging the dominance of the developed countries and the cold war arrangement that still define the UN.

COSATU condemns recent attacks on innocent civilians in London and Egypt. This was an abominable act and discredits whatever cause the attackers are pursuing.

2.8.2 The international labour movement

The ICFTU held its congress in Miyazaki, Japan, in December 2004. The congress again demonstrated that the ICFTU is shifting toward a more progressive role and vision. Increasingly, it is proving to be a real home for progressive trade unionism. For the first time, the ICFTU elected as its president a woman, a leftwing ally of COSATU - Sharon Burrow, President of the Australian Congress of Trade Unions.

The ICFTU adopted a resolution calling for unity and coordination between progressive trade unions, political parties, governments and civil society formations in pursuance of a just and more equitable world. Based on this vision it adopted its minimum platform and demands that it would pursue. These demands are consistent with most of the issues COSATU has over years campaigned for.

Further we are standing on the eve of another major development. The ICFTU and WCL will merge to form a single new world body after June 2006. This brings to the fore the question of the future role of the WFTU. A more sober discussion is necessary on the matter and research is required to analyse its remaining affiliates and the role that it has played since the end of the cold war.

3 Taking forward the NDR: Strategy and Tactics

Against this overall assessment of progress in the NDR, lessons from the Zimbabwe revolutions and the international balance of forces, how do we advance the NDR? The picture that is emerging from the above analysis is one of a complex, contradictory and fluid reality, in which there are possibilities for progress. The NDR is now entering a new phase characterised by the following key elements:

- Consolidation of the ANC's hold on political power
- Possible shifts in government policy
- Potential convergence around a development strategy
- Rising workers militancy.

We consider each of them separately.

3.1 The ANC's overwhelming victory

The ANC was returned to power in 2004 with a two-thirds majority and it also for the first time captured KZN and the Western Cape. This has opened up the possibility of accelerating change in favour of the working class.

COSATU's role in the 2004 elections demonstrated not only its organisational might but its political clarity. As a result, it was able to lead a range of forces in support of a fairly progressive electoral platform.

For weeks, thousands of COSATU cadres spent hours beyond their workplaces, in the rural areas, shoulder-to-shoulder with ANC activists drawn mainly from working class communities, doing door-to-door canvassing and engaging in countless peoples' forums. They helped to mobilise the broader working class and the poor to return the ANC to power with an improved majority.

In the case of KwaZulu Natal, we knew that canvassing and lobbying would not be enough without stopping fraud in the rural areas. We sent many shop stewards from Gauteng and Mpumalanga to back up those from KwaZulu Natal to serve as ANC election agents deep in the rural areas.

We took a huge risk in exposing our cadres to danger, often with inadequate security. But this move was absolutely decisive. Many attribute the ANC victory in the province to this single act of heroism. We salute those “*amadela kufa –amaqobokazana anagalel’endlini alahlekile.*” The Congress movement as a whole will always be deeply indebted to them.

Following a major victory of the democratic forces with an unprecedented 70% majority and the capture for the first time of KwaZulu Natal and Western Cape, Comrade Thabo Mbeki, the President of the ANC, captured the challenge well when he said:

“As a movement we must celebrate our victory with humility. We must not allow the decisive mandate we have received from the people to encourage an attitude of arrogance among ourselves. What our people have said is that they charge us with the responsibility to work with them and other organisations of the people to ensure that we achieve a goal of a better life for all.”

The 70% mandate weighs heavily on all our shoulders. We emphasize ‘our shoulders’ because even though we have ensured that COSATU is independent from the ANC and government, the reality though is that a failure of the ANC government is equally a failure of COSATU and its 2015 programme.

Success in the next four years and decades will depend on how we internalise President Mbeki’s warning. We correctly declared that the victory belonged to the working class – the workers and the rural poor. It is they who toiled most to achieve it and it is their demands that informed the manifesto. Dynamic contact with them increased their confidence in the movement and promised a changed of political landscape from a representative and aloof political style to more organic contact with leaders.

The key strategic challenge for the working class, after playing a crucial role in securing the victory, is how to use its organisational and political muscle to further tilt the balance of forces for a much more radical transformation. To what extent did the unity forged during the elections translate into providing more space for the working class to drive transformation that can meet its demands? To what extent did the elections campaign help COSATU realise the vision in its 2015 Plan?

This Central Committee must debate these questions in a manner that avoids two extremes. On the one hand, we cannot accept the defeatist view that we have just been punching bags and are now punch drunk – isolated and marginalised from political power. That would not be true. At the same time, we cannot adopt a triumphalist stance and claim a massive increase in our influence in line with the 2015 programme to place the working class in the in the driving seat of transformation.

At our ten year review conference, we warned against these two extremes. As we assess the political environment of the past two years, we must continue to be guided by Amilcar Cabral’s popular saying: “*Tell no lies and claim no easy victories.*”

3.2 Shifts in Government Policy

There is no question that government policy has shifted somewhat since 2000, signalling the possibility of moving into a qualitative new phase in terms of substance and process. We must neither ignore these changes, nor exaggerate them.

In many ways the basic principles of GEAR remain in place, in particular the commitment to an essentially market-driven development strategy, the reliance on international capital, and the unwillingness to take radical steps to transform the economy. Still, changes have emerged in the government's views on the role of the state in general, fiscal policy, and the need for an industrial strategy.

The conceptual framework of "two economies" demonstrates the contradictory nature of this change. On the one hand, it re-emphasises the need to address problems of marginalisation, poverty and underdevelopment. It acknowledges that growth in itself will not overcome these problems. On the other hand, it has often been presented by arguing that the dominant, formal economy does not need transformation – that only the "second economy" of the unemployed and underemployed must be uplifted.

A number of factors are behind the shifts in government policy.

First, it is clear that the only real success stories of the past ten years have been where government intervened and played a leading role. Business largely failed to reciprocate government's efforts to create a conducive environment, and showed an endless appetite for more concessions.

Second, it is becoming untenable to underplay the extent of unemployment and poverty, which have stubbornly remained key social and economic features some 11 years after the democratic breakthrough.

Third, internationally the neo-liberal "Washington consensus" has been discredited, leading to greater acceptance that the state has an important role to play.

Last, our campaigns against job losses and privatisation struck a chord with the ANC's main constituencies. Many have lived to regret joining the chorus attacking COSATU during the 2001 and 2003 Alliance tensions.

Still, we should not exaggerate these shifts. Without question, the government has recommitted itself to a more developmental path. But it clearly has not yet developed a common vision on how to achieve this aim. These gains could easily be reversed. The working class needs to keep on its guard at all the times. The discussion document for the ANC NGC, which proposed a two-tier labour market similar to that under apartheid, shows the potential for zigzags in government's approach.

3.3 Development Strategy

We cannot allow our freedom to become freedom for some, and our popular slogan of "A Better Life for All" practically reduced to a better life for capital and the tiny new black elite. That is why we must ensure that the current COSATU campaign against job losses, casualisation and racism and for job creation is strengthened and taken to new heights.

The recent ANC NGC resolution on a strong developmental state with an active and

coherent industrial strategy must lay the basis for practical efforts to define a new development strategy that will put South Africa onto a trajectory of job creation and strong economic growth. Indeed, it would be naïve to believe that a racist capitalist market can by itself transform apartheid capitalism.

Our work on industrial strategy tomorrow and the next day should lay out our demands around establishing a developmental state and a strategy to transform our economy. Here, we should reflect on the political implications of this demand. In particular, we must ensure that our immediate aims around addressing unemployment and poverty align with our longer-term claims for socialism. How do we ensure that development:

- Strengthens the power of the working class and the poor in politics and in society as a whole?
- Builds collective ownership through the state, a co-operative movement and worker ownership and control, including through our pension funds?
- Specifically addresses the position of working-class and poor women?

A second political question around the development strategy relates to class formations. What is the role of different fractions of capital, of workers, of the self-employed and the unemployed? Realistically, we will not displace capital immediately. How then do we effectively coerce big business, through a mixture of power and negotiation, to achieve our aims? How do we ensure that the ambitions and aspirations of the black middle strata do not lead to alliances that undermine our aim of real broad-based empowerment?

The political task is to unify the broadest groupings of the oppressed and historically oppressed in order to attain our development goal. It is for this reason that the decision that the ANC remains a liberation movement is significant. This will allow it to marshal its social and state power towards the goal of radical transformation of our society.

3.4 *Rising workers' militancy*

Workers' struggles are important for they can tilt balance of forces and reshape national agenda towards the interest of the working class. Against this background we consider two recent struggles waged by workers; namely the general strike against jobs losses and battles around wages and conditions of employment.

3.4.1 *The Jobs and Poverty Campaign – A class struggle*

The resounding success of the June 27 strike demonstrated COSATU's continued strength and its wide appeal to workers. Equally, it demonstrated that the issues of unemployment, casualisation and racism are of great concern to members and the unemployed.

The campaign itself is a first salvo to ensure that this is the decade of the working class. This means development of an engagement strategy to ensure that indeed we address the crisis of unemployment, stagnating wages, and casualisation. Eventually we should reverse the declining trend of workers share in the national income as a means to reduce the widening inequalities in our society. We have made gains through the campaign as follows:

- Competitive currency: The Eighth National Congress identified the rapid appreciation of the rand as one of the key challenges that leads to job losses. Since we campaigned on the matters we have made the following progress. The Alliance Summit in April, the Reserve Bank and the recent Cabinet Lekgotla are all in agreement that the currency must be placed at a competitive level. The main task remaining is to define that competitive level. The MLC is currently debating the matter and we hope to open a more direct discussion with the new Deputy President on this and other matters.
- The strike saved 3000 jobs from the initial 12 000 that were to be retrenched in Harmony. About 3800 and a further 2500 out of total of 6500 jobs may be saved in DRD which liquidated in March this year, through a take over by Simmers and Jack. SACTWU has also engaged with BEE company called Brinkstone to save 1000 jobs that were to disappear in Rex True Form with a possibility of about 5000 new jobs created in the future by the new company.
- The Alliance established task teams on clothing and textile, mining, food processing and the commitment made in the GDS to invest 5% investible income on new infrastructure. The task team on clothing has made tremendous progress, holding a real possibility that we may see restructuring of the clothing industry including meeting most of our demands to review tariffs and deal with the China threat through WTO measures, etc. A possibility now exists that we may use the model to restructure most of the manufacturing sector. However, other task teams have not reported and their work programmes are not clear, requiring that the Alliance Secretariat cracks the whip.
- The Alliance Summit and to an extent the NGC of the ANC recognised that our economy has structural deficiencies that must be addressed amongst others through a new industrial strategy. Above all both these important forums recognised the need for a new development path to place our economy at higher growth and greater labour absorption path. The challenge is to use the presence of our Alliance partners in the CC to take forward these debates.

The campaign goes until February 2005. This Central Committee must decide whether the progress we have made thus far necessitates a review of the remaining part of the programme. However, considering that our campaign is linked to the long-term goal of ensuring that the second decade of freedom belongs to the working class, it may be premature to let the pressure subside. For that matter we are still far from realising all our demands.

3.4.2 A new wave of Living Wage Struggles

As we prepare for this CC, the country has been gripped by a wave of mass militancy with workers demanding fair remuneration and reversal of the growing apartheid wage gap. More strikes are looming in other industries. These struggles must be placed in the context where wages of workers have stagnated and the share of workers in the national income has declined whilst the share of profits is on the rise.

The strikes signal the rising confidence of the working class and its rejection of the poverty wages that workers still earn. The economy has been growing through workers'

productivity but the gains are reaped by managers and their shareholders. Moreover, forcing workers to accept inflation-linked increases basically amounts to entrenching starvation wages, despite increased profits in the current period.

We add our voice to the call to reopen the debate on the inflation-targeting system. Further we should open a debate on what constitutes a living wage for workers in South Africa, to avoid the blanket entrenchment of poverty wages in the name of holding down inflation. In addition, we need a serious debate on pay for executives in this society.

Another development worth discussing and investigating from the recent wave of strikes is the increasing but uneven collaboration between our unions and Solidarity as well as FEDUSA affiliates. It is clear that workers are now feeling the pinch of management cost-containment strategies. The question is whether this cooperation can lead to durable unity across race and class - and thus across federations?

Regrettably these struggles are not co-ordinated and workers are now fighting isolated struggles tiring them and sometimes forcing them to settle before they have achieved their demands. An attempt to co-ordinate through General Secretaries of affiliates did not materialise due to poor attendance on the meeting we called. We deal with this matter again in the organisational section.

4 Selected Engagements

4.1 *The Alliance*

The 2015 Programme argues that the Alliance is central to any transformatory programme. At the same time, we cannot take it for granted. Rather, we must engage actively to ensure that the working-class continues to lead the Alliance.

The Secretariat report to the Eight National Congress contended that, “the Alliance does not give active leadership to the struggle or work consistently to mobilise our people. Instead as we reported in 2000, it continues to act as a ‘crisis manager’ and elections machinery.”

In November 2004, our assessment of the period since the Congress asserted that the period following the elections was one of optimism and high expectations, based on the close relations forged during the campaign. We stated that the ANC not only won by a decisive margin, but its leadership was signalling a change of political style to one of inclusiveness, social dialogue and partnership. To us this held the promise that finally the Alliance would act together to define the strategy to take the Manifesto forward.

The mood of camaraderie created political space for positive interaction with some individual ministers. In October 2004, the CEC in Cape Town held 20 meetings with ANC study groups and developed relations with them. We held a historic meeting with the ANC Parliamentary Political Committee – even though the resolutions of this meeting are being frustrated, apparently by inefficiency or possible lack of political will. A number of Ministers whom we intend to have most strategic relations with have been invited to CEC meetings since August 2004.

This mood was suddenly undermined by the Zimbabwe question as well as public disagreements on the PIC decisions to house shares from Thintana for a BEE

consortium that included some senior leaders of the movement. The acrimonious discussion between Archbishop Desmond Tutu and the ANC President over the lecture delivered by the archbishop in the Nelson Mandela Foundation worsened matters.

Since January 2005 we pursued a process through the extended Alliance Secretariat and it promises to pay off. Relations have improved. This view is confirmed by consistent work to prepare for the Alliance summit in April 2005, although attendance at the summit itself was poor. The summit declaration contained major advances as it agreed on the following:

- The urgent need to address the crisis of unemployment and poverty. The Summit endorsed COSATU's demands on jobs and poverty, including the need for a competitive value for the rand. It agreed to take forward discussion on programmes that will place South Africa onto sustainable growth and development path that creates and protect jobs and that ensures decent work and livelihoods for all
- The call to build the Alliance as a force for political change and mobilisation, including through stronger organisation in communities and on the shop floor.

Unfortunately, practically before the ink could dry on the Alliance declaration, some Ministers made public policy pronouncements that went against its content and the spirit. COSATU therefore suggested that an Alliance Secretariat be convened to brief Ministers that were absent from the Summit on the resolutions. This proposal, which was agreed, sought to avoid public spats on the issues while ensuring movement forward.

After some debate, the Secretariat meeting established four Alliance task teams to develop urgent measures on clothing and textiles; mining; food processing and agriculture; and on the commitment made by business to invest 5% of the investible income on new infrastructure. These task teams have made considerable progress, including strong proposals on the clothing and textiles industry as noted in the discussion document on industrial strategy. We congratulate the task team members, the General Secretary of SACTWU and the Minister for Public Enterprises, on this success.

The consistent pattern of questioning and/or contradicting decisions arrived at democratically illustrates a worrying tendency for government leaders to try to use their positions to reverse decisions by ANC and Alliance structures. In another example, COSATU was invited to attend a seminar hosted by the Economic Transformation Committee of the ANC NEC on April 2, 2005. The aims of the workshop were to discuss proposals on labour market reform contained in the document prepared by the ANC. These proposals to formally exclude some worker from labour laws were roundly rejected by the ETC workshop. Nonetheless, a few days later the same document was presented to the media by the ANC without any changes.

The NGC also rejected the proposals on the labour market. Nonetheless, in the media, some leaders are still punting for it in the name of the government. A number of observations arise out of these developments.

1. "The ANC is a broad church that brings together different perspectives, classes and

strata. Nonetheless it seeks to unify these divergent groups toward the goal of dismantling apartheid colonialism and replace it with a non-racial, non-sexist and democratic society.”

2. If leaders ignore decision made in structures, internal democracy within the ANC will decline. It is disastrous if some leaders feel that they can ignore the majority view and espouse their own, defeated standpoint, justifying such on the basis that the membership and structures do not have a full comprehension of the complex challenges of our time. It is even worse when leaders do not take the time to inform the membership of these facts but use them to try to circumvent democratic decisions.

3. Some leaders are not keen to take the time to convince Alliance leaders but instead use their power in government to impose a line. Sometimes this makes attending Alliance meetings or even the ANC structures a waste of time and resources.

4. We have not managed the relationship between the ANC and government well. Sometimes, for reasons of convenience, we say the ANC is in power and it governs. That means there is no ANC inside and outside the government – there is only one ANC. But when it suits us, we say that the ANC must do more to control the government. In fact, some government leaders act like they are faction within the ANC, trying to drive a particular line, rather than representing the party and taking forward its official positions.

A particular problem is that COSATU has still to develop a more direct relationship with the President. In contrast, both FEDUSA and NACTU claim a cordial personal relationship. We should discuss the matter and its strategic implications.

Finally, we cannot claim to have succeeded in swelling the ranks of the ANC and the SACP, as agreed in the 2015 Plan. We still need to pursue this goal, as the basis for a qualitative improvement in the functioning of the Alliance and the state.

4.2 The ANC and its leagues

4.2.1 Debate on the Liberation Movement versus Political Party

The ANC remains the biggest political formation underlined by its decisive victory in the 2004 elections. It is the oldest liberation movement in the continent. It is progressive in character and continues to analyse the society from a class perspective with a historic bias towards the working class. Notwithstanding the problems highlighted by the Secretary General’s report to the recent NGC, the ANC remain organisationally basically sound with branches across and length breath of our country. Its membership has grown to above 400 000 and could have been even bigger if the membership system was sorted out earlier.

The ANC has been undergoing a major transformation since 1994 from an extra-parliamentary liberation movement to ruling party. The ANC has had to face all manner of new challenges in the past eleven years. These challenges include balancing slow policy formulation through its constitutional structures with the demand to respond rapidly to policy issues in government; the need to balance the culture of militancy including directing this militancy to the very government and the need to solve community problems by the society; and managing the Alliance and the need to align

governance to Alliance policies without micro-managing.

The ANC is now attempting consciously to manage the transition from a liberation movement to a political party. It is not predestined that political parties should lose their militant traditions and become divorced from their mass base. Political parties can creatively merge state power and their mass character to further pursue change even in the context where it is in power. Alternatively the political party machinery can be useful purely as a means to garner votes. In this regard, the political party ossifies into an election machine with no clear strategy for change or to mobilise motive forces. The latter is what has led to disenchantment with political parties in other countries.

In this regard, the question is how should the ANC retain its mass and multi-class character and for what purpose beyond election campaigns. At the core is the question of how it should harness its social and state power to advance the social transformation. It must be borne in mind that the ANC's social power does not exclusively reside in its internal structures but within the broad democratic mass movement.

If this social power is to be kept alive then we must manage two negative tendencies. The first tendency is the danger to bureaucratically manage this diverse movement by subordinating it to the government plans. In this process the mass movement would become a conveyor belt for predetermined state policies. The second danger is for the ANC to be divorced from its mass constituency by becoming a mere electoral machine virtually indistinguishable from the state.

The conditions under which the ANC operates have vastly changed from when it was a movement seeking power to one that is now in power. In this context what can be retained and what is not possible? This is a debate that we should contribute to as the ANC is attempting to reshape its organisation.

Having said this, COSATU wants an ANC with the following characteristics:

- Philosophical and programmatic bias to the working class and the poor. While it will retain its multi-class character, the ANC should overwhelmingly be driven by the aspirations of the working class for a better life. To that end, it must retain its capacity to maintain multi-class solidarity as a means to marshal society's efforts for transformation.
- An ANC with a strong internal democracy both in formulation of policy and selecting cadres for deployment. This means that all ANC structures should have a voice in determining the policies of the movement and selection/election of cadres for positions within the movement and the state. In this regard it must involve the alliance and the mass democratic movement in the formulation and monitoring of policy on number of issues.
- The ANC must have internal capacity to formulate policy for the state as well as hold the comrades in government accountable. In the last ten years, the ANC tailed policy set by the state rather than the other way round. This was partly because the ANC's internal policy capacity was collapsed into the state machinery.
- The ANC should retain its anti-colonial and anti-imperialist stance and invest resources in the mobilisation of democratic forces against the agenda of imperialism.

At a local level, this also means a critical approach to capitalism. Though the ANC is not socialist, neither does it have an uncritical approach to capitalism hence it seeks to transform property relations developed under apartheid capitalism.

We must continue to monitor whether, through the 2015 programme, we are able to keep the ANC biased to the working class with the characteristics outlined above. It will be tragic if the ANC bureaucratise itself and become a political party in the normal Western bourgeois democracy sense where political parties do not have an organic and active mass base. Further these parties commission research to understand the key concerns of the people instead of having an organic link with their constituency. If this happens to the ANC it would certainly not help workers to continue leading it or to retain its historic biasness towards the working class.

4.2.2 Changes in the Composition of the ANC Leadership

Another development worth noting is that the ANC leadership is mainly constituted by comrades who serve in government structures, Parliament and business. We must accept that their social position has changed and many are now leading middle-class lifestyles. How do we then ensure that they remain committed to the struggle for broader and radical change instead of being too comfortable and turning against the working class?

Theoretically the middle strata are renowned for vacillating between workers and capital. Its loyalty is influenced by the balance of power at a given time. They may throw their weight with the capitalist class if they believe they would gain more materially from that relationship. In contrast, in the past the black middle strata threw its weight with the working class since at the time they stood to benefit from the liberation struggle that the working class was leading.

Finally, the hurry to get rich mentioned earlier means that many of our leaders have business interests directly or indirectly through their family. We ask a question again that we asked in the section on corruption:

How do new opportunities for ownership affect the class position and interests of our leaders? Class position is not defined only by ownership. Rather, it relates to the entire complex of economic interests and integration into social groups. Above all, then, how can we ensure that our leaders in the unions, government, service organisation and other structures maintain organic links to workers and the poor, even if they no longer share workers' economic and social conditions in the townships, informal settlements, villages and farms? At what point and how does investment in private enterprise change the class interest of those involved?

4.2.3 Bilateral Relations

No bilateral has taken place between the ANC and COSATU since 2002. The Eighth National Congress directed us to organise a number of campaigns together with the ANC at the bilateral level. This included political education. Early this year we formally asked that this bilateral takes place but have not vigorously pursued to ensure a response. This means this work remains incomplete.

4.2.4 The ANC National General Council

The NGC of the ANC met in Tshwane from June 30 to July 3 2005. The purpose of the NGC was to assess progress in implementing Conference resolutions. Several papers were developed prior to the NGC and debated within ANC structures. This included issues of strategy and tactics, development policy, unity of the movement, the national question, and the organisational redesign of the ANC. The “Development and Underdevelopment: Learning from Experience to Overcome the Two-Economy Divide” paper received attention from business and the media because of its proposals to weaken labour laws as a strategy to enable more people to gain employment.

Key outcomes of the NGC include:

- The resolution that Deputy President Comrade Jacob Zuma should take an active part in ANC activities, from which he had earlier recused himself.
- The Secretary General should spearhead a process for organisational development. In this regard delegates did not accept recommendations that could further centralise power. The NGC rejected proposal to establish an Electoral Commission; a separate Parliamentary wing of the ANC; branches based on occupations; and granting the NWC original powers. Further the NGC called for the review of the President’s power to appoint premiers and mayors. ANC branches will be strengthened.
- The NGC further under-scored the centrality of the ANC in shaping policy for the state. To that end it also re-emphasised the importance of the Alliance as the political machinery to advance the NDR under the leadership of the ANC.
- The NGC proposed a raft of anti-corruption resolutions, including protocols to ensure a cooling off period for Ministers and senior state bureaucrats before they join private business in sectors that they were overseeing while in public office.
- A call for a more integrated and active development strategy, with explicit rejection of the proposal to legislate the “two-tier” labour market.

Once again the NGC reaffirmed the ANC’s character as a progressive national liberation movement with the historical mission of advancing the interest of the working class and the rural poor. The challenge now is to ensure that the progressive policies that emerged out of the NGC find expression in government programmes.

4.2.5 Relations with the ANC Women’s and Youth League

Our relations with the women league are largely based on the common work to build a women movement. At the branch level we have cooperated to highlight the abuse of women and children through joint pickets and demonstration in Courts to demand stiffer sentences for those involved in these acts. Both COSATU and the ANCWL can do more to improve on campaign work.

Our relations with the ANCYL were initially characterised by their systematic attacks on COSATU and its leaders in particular during the anti privatisation struggles and last year in response to COSATU campaign to highlight the plight of the Zimbabwe workers.

Since then our relations with the ANCYL has continued to improve following a bilateral

meeting held late in 2004. This year saw us agreeing and cooperating on three major issues. We have cooperated to highlight high unemployment, we have both rejected the proposals for two tier labour market and we have both expressed our discomfort on how the ANC Deputy President, comrade Jacob Zuma has been treated.

4.3 The SACP

4.3.1 Raising the profile of the SACP

The SACP has continued to strengthen its own profile over this period. It has run a number of excellent campaigns including on the transformation of the financial sector and recently on sustainable livelihoods that led to the holding of the recent land summit. It has championed the Alliance campaign “know your neighbourhood.”

The SACP held its historic Special Congress in April 2005. The congress underlined the rising strength of the Party at a time when many communist parties are facing ideological and organisational challenges. It also testified to revival of Communist activism to challenge the hegemony of capital.

The SACP has undergone a profound metamorphosis in the past few years and is increasingly leading popular struggles against capital. These campaigns are imbuing the party with a new sense of confidence.

The establishment of the Young Communist League has also contributed to bolstering the image of the Party among young people. The YCL will also play an important role in instilling socialist and communist ideas among the youth.

Going forward, the Party issued a call to the Alliance and the progressive movement to be at the forefront of community struggles through the Know Your Neighbourhood Campaign. This campaign aims, not merely to mobilise voters for local government, but to re-occupy the space and to entrench communists and Alliance formations within the daily struggles facing our people.

COSATU also has a responsibility to support the SACP in its endeavour to build a sound organisation. To that end, a call is made to all comrades to contribute to the debit order campaign. Furthermore, the political fund has been established to support the Party and joint programme in the Chris Hani Institute.

It would be an error, however, to approach the SACP through the lens of a donor and beneficiary. The central question posed in the bilaterals between the SACP and COSATU is how the working class should use the democratic space to advance a more radical transformation of our society. Linked to this is what programmes should define working-class politics to counter the hegemony of capital.

Already, there are a number of synergies between our medium term visions. What is lacking is a concrete programme to articulate these aspirations. The political task confronting the working class as we enter the second decade of democracy is to recast national politics in the interest of the downtrodden, so that by 2014 workers and the rural poor benefit most from democracy.

4.3.2 SACP and contest of power

Of all the debates at the Special Congress, the discussion about the Party contesting elections was the most significant. Prior to the congress there was robust debate within the party ranks on this question. The congress resolved to establish a commission under the auspices of the Central Committee to table a more coherent proposal at the 12th Congress on this matter.

The essence of this debate, to which COSATU should contribute, is how the Party should position itself to contest power at all levels as part of its programme for laying the foundations for socialism. It revolves around what would constitute independent working-class action to ensure democracy benefits the workers and the poor and opens up the space to advance to socialism. In that context, what is the role of the party and the future of the tripartite alliance? There are no easy answers to these complex questions and the CC should discuss the way forward.

4.4 One Union One Industry – One Country One Federation

In the recent past we have observed a contradictory process which also opens up the possibility of unity of the labour movement. First is a conservative agenda to isolate COSATU by combining NACTU and FEDUSA. It should be noted that even together, these federations would be dwarfed by COSATU. Second is the increasing level of collaboration between workers across the racial, class and union divide at the point of production. This can serve as a catalyst for a unity process that can take workers' unity and struggle to a higher level. As such, any move to form unity based on excluding COSATU goes against this increased cooperation between workers at the point of production.

Against this background, the CC should lay down the minimum principles and process to guide unity at sectoral and federation level. We stand at a precipice of a historic moment and we have to seize the moment to unify rather than fragment the labour movement. Worker unity against the bosses is the most important principle and history will judge us severely if we fail to grasp this historic movement.

4.4.1 FEDUSA and NACTU

COSATU, NACTU and FEDUSA continue to cooperate well in the NEDLAC, President Working Group, MLC, etc. Co-operation at this level has however not helped us cement the large areas of agreement between ourselves into campaigns and co-operation outside these structures.

Naturally there is a degree of competition between the federations. Both FEDUSA and NACTU resent the profile of COSATU and the manner it dominates national and international debates. This is natural.

This fear of domination by a big brother appears to have thrown the two federations closer to one another. Press reports confirmed by the leaders suggest that the federations are closer to establishing a new federation. We are scheduled to meet NACTU to debate this and other developments.

There is also a clear clash of cultures that play a role in this respect. NACTU seems to

find more accommodation with FEDUSA than COSATU, which has remained militant and robust in its engagement style. Leaders of both NACTU and FEDUSA boast of wonderful relationship with the President, with monthly exchange of telephone discussion and meetings. COSATU on the other hand has not managed to develop this relationship as reported elsewhere in this report. The question that arises is whether we beginning to witness the emergence of a “new worker” divorced from engaging with the political transformation in favour of only focusing narrow workplace issues.

4.4.2 CONSAWU

CONSAWU continues to put pressure to be admitted in NEDLAC. They will be allowed in once they produce proof that they have 300 000 members. Once they are in, the voice of organised labour will be further fragmented. Fragmentation can play into the hands of employers and politicians who may be enticed to use divide and rule tactics.

COSATU will have to confront CONSAWU once the merger with the ICFTU and WCL is completed. The memorandum of understanding between the two world federations is that the national federations will not be forced to merge. However, if the merger of ICFTU and WCL takes place we will all now belong to the same world confederation.

4.4.3 Solidarity

Solidarity is a small federation of about 120 000 members. Despite its reputation of being the champion of white and Afrikaner fears in particular against affirmative action, increasingly it has eclipsed both NACTU and FEDUSA in the public discourse. It has a very aggressive style and the media likes it. In fact Solidarity sometimes appears in the media as out-performing some COSATU unions in championing the workers' cause.

Significantly Solidarity participated in the recent 27 June strike with its members freely interacting with our members. In contrast, both NACTU and FEDUSA refused to participate in the strike citing lack of consultation as their excuse.

The CC must discuss these development in the context of our historic dream to achieve “one union one industry – one country one federation” in our life time.

4.4.4 Organising farm workers

Today only one in 19 farm workers is organised. It is estimated that farm workers number between 900 000 and a million. Attempts to effectively organise them have all not yielded serious results.

This is a serious indictment to COSATU and the democratic movement as a whole. Farm workers remain trapped in a master and slave relationship. Farm bosses vent their frustration at losing power on defenceless farm workers and their families. This takes the form of murder, evictions, extremely low pay and other measures to escape the new labour rights.

Government has introduced a number of measures to protect farm workers. But each new strategy has caused a wave of revenge by the farm bosses. Workers are actually killed in some instances with farm bosses getting a slap in the wrists from the courts. The cruel murder and feeding of Nelson Chisale to the lions in Limpopo highlight this brutality.

Unfortunately, FAWU is increasingly proving that it has little capacity to take up this challenge. Its current turmoil bears testimony to this.

Organising farm workers is part and parcel of the NDR. Failure to protect farm workers means that their basic freedoms are delayed. In fact there is no freedom and democracy enjoyed by the farm workers already – they hear us talking freedom and democracy, it does not apply to them. They know abuse and humiliation every day.

We need a concerted effort by COSATU, the Alliance, social movements and government at all levels to liberate farm workers from semi-feudal relations of production. We must unleash a campaign with the following elements:

- Stronger enforcement of legislation around security of tenure. To that end the Department of Land Affairs should have capacity to enforce existing legislation.
- Provision of basics services to the rural poor combined with an accelerated land redistribution programme.
- Intensify inspections by the Department of Labour in partnership with COSATU to ensure compliance with all labour laws.
- Stronger efforts to recruit farm workers.
- Local government should step up its inspections around health and related matters on farms.
- Focus on farm schools to ensure proper infrastructure and adequate resources.

The campaign to liberate farm workers must serve as a catalyst for struggles to liberate workers from authoritarian management. In this context, we must also begin to target small business in all sectors of the economy. A recent report on casualisation indicates that small businesses are the worst transgressors of labour laws.

4.5 Social Movements

4.5.1 Collaboration with the Churches and NGOs

COSATU has continued to work with a range of progressive civil society formations, including the churches through the SACC, SANGOCO and the TAC. We collaborate through the People's Budget Campaign, the Treatment Action Campaign, the Coalition for Jobs, and the Basic Income Grant Coalition. Still, we cannot claim that this now constitutes an organic movement working constantly together to realise common objectives.

COSATU needs to rethink its strategic approach to coalitions, including with the mass democratic formations. With some exceptions, we have turned to our friends at the highest level only when we need them, rather than setting up durable joint programmes. In the long run this could alienate them. At the very least, leadership should put some time to engage our allies outside of campaign work.

4.5.2 The State of SANCO

SANCO has undergone dramatic changes in the past years and is stronger on the ground, albeit unevenly. At the provincial and national level, however, capacity

constraints are more acute. As a result, national leadership is unable to provide sufficient and consistent leadership. The terrain has also become highly contested as other groupings have emerged from both the right and the left. SANCO now has more rivals on the ground and incapacity at the centre meant that national structures are unable to assist local structures.

In short, SANCO remains relatively weak. It is working hard to organise a national congress to renew the mandate and revitalise the organisation. This will include asking hard question about the organisation make up and mission of SANCO in post-apartheid South Africa.

4.5.3 New Social Movements

New social movement emerged in the past few years to occupy spaces left by the mass democratic movement. COSATU agrees the issues raised by these social movements are legitimate concerns of grass-root communities. They range from demands around access to basic services and evictions to demands for land, and so forth. In many respect these movement are dealing with the consequences of neo-liberal policies such as cost-recovery at a local government level. These policies have resulted in soaring costs for basic services as well as slow delivery.

COSATU has found it impossible to co-operate with some of these movements because of their extreme opposition to the Alliance and the ANC, and because of their inconsistency in both practical work and political debates. In turn, some within these movements regard COSATU as a reactionary force and part of the new ruling class. The rational core of their argument centres on a possibly excessive willingness on our part to excuse mistakes by the state, inconsistent support for community struggles, and the failure to define how day-to-day engagement can help build a socialist movement.

4.5.4 The Student Movement

We have failed to honour an agreement with the student formations to hold further political debates on common demands and concerns. We held a bilateral with SASCO on the April 2005. We have not managed to transfer funds to their coffers as previously agreed since our financial crisis two years ago. Our assistance is *ad hoc* and not consistent. Still, many affiliates are directly assisting the student movement.

4.6 Social dialogue

Social dialogue is a cornerstone of participatory democracy. COSATU has throughout its history engaged and won countless victories through engagement with business and the state. But central challenges remain, especially:

- Ensuring report-back and mandating procedures work, with adequate material provided to empower members as well as leadership;
- Defining priorities amongst the host of different policy issues that arise from the economy and government;
- Maintaining strong and focused teams on key issues, without dragging NOBs continually into the policy discourse and away from organisational imperatives and broader mobilisation and campaigns.

For the first time in many years, a labour caucus for NEDLAC was convened in mid-2004. It evaluated NEDLAC and the role of the labour constituency. The caucus adopted important decisions aimed at improving co-ordination within the labour constituency, strengthening NEDLAC as an institution and reviving the GDS process.

A number of trends have developed that are worth noting.

- While some government Ministers and Departments are open to engaging at NEDLAC, there are certain Ministers and departments who are reluctant to table policy and legislation for debates. The general excuse is that NEDLAC processes are cumbersome and cause delays. Where they do engage, often the quality of the engagement leaves much to be desired.
- More and more Ministers are not keen to participate. This was highlighted in the recent NEDLAC annual Summit where only the Minister of Labour and his DG attended, together with the keynote government speaker the Deputy President.
- Business leaders or real captains of industry continue not to attend or participate in most NEDLAC forums.
- Labour, COSATU in particular, is not faultless in this regard. Most of our key leaders do not participate in NEDLAC, and almost no affiliate NOBs come to chamber meetings.

Given this state of affairs, we should ask whether the MLC and the Presidential Working Group are not beginning to displace NEDLAC as the key site of social dialogue. We have long agreed that this would be disastrous, since neither group has any legal standing or institutional back up. Yet even COSATU's own leaders are more likely to come to the Presidential Working Group than to NEDLAC. In the last meeting, the top who's who of business, labour and government were all present. Yet it works only as a sounding board, certainly not as social dialogue where we can genuinely affect policy. In fact, two of the key decisions in the last meeting, held on July 12, 2005, were to refer Social Health Insurance and BEE back to NEDLAC.

The MLC does create real space for dialogue. But it too is beginning to witness dwindling numbers from both labour and business. The main achievement of the MLC has been to focus attention on the need to restructure investment, and to deal with issues of concern to employees and employers, notably Social Health Insurance and the value of the rand.

We attach as Annexure A a list of engagements with the state on legislation and policy since the Eighth National Congress.

4.7 The ANC Deputy President

It is now a matter for history that Comrade Jacob Zuma was relieved of his duties as the Deputy President of South Africa following the conviction for corruption of his financial advisor, Shabir Shaik. We shall not go into the details leading to this eventuality. But we owe it to our members to explain the position we took in public on this matter.

To be clear: COSATU only supported the right of Comrade Zuma, as a matter of principle, to be treated fairly. Like all South Africans, he must be presumed innocent

until proven guilty. Should he be found guilty after due process of law, COSATU position shall be unwavering in demanding that the law must take its course.

COSATU has and will always have a strong and principled stance against corruption. We have repeatedly urged that those found to be misusing their position of power should be punished in a manner that shows no mercy.

We recognise that we have not at all times succeeded in communicating our admittedly complex and nuanced position to the public. As a result, our position has been misunderstood as an unprincipled support for corrupt leaders, blind loyalty, etc.

Our concern stems from the manner in which the Constitutional right to a fair trial and dignity have been trampled upon. These events smack of an orchestrated political campaign to politically discredit Comrade Zuma. In our view the following events are problematic and fuel allegations of a political conspiracy.

- He faced a hysterical trial by media driven in large part by leaks from the prosecuting authorities. This led to the widespread perception that the case aimed to eliminate him politically, rather than to address the problem of corruption.
- Instead of charging him, he was labelled guilty on a *prima facie* basis, and then effectively tried through the Shabir trial, which denied him the chance of defending himself formally. It is manifestly unfair to find a defendant guilty *in absentia*. It goes against the Freedom Charter's promise that "all shall be equal before the law" and the Constitution's commitment that any person accused under the law shall be presumed innocent until proven guilty in a fair, and given the right to remain silent and to refuse to testify during court proceedings.

Having said this, we welcome the fact that Comrade Zuma will now be given the chance to give his side of the story in open court. The CEC has called on affiliates and members to donate on a voluntary basis to his legal costs and wellbeing. The ANC NGC made further pronouncements on this issue and COSATU will respect the resolutions of that important gathering.

4.8 The Local Government Election Campaign

The local government elections are scheduled to take place sometime between December 2005 and March 2006.

The ANC has established campaign structures at national and provincial levels. Local structures are in the process of being established and training is currently taking place throughout the country. COSATU is participating in the national election secretariat, which has been meeting every two weeks.

The national election strategy workshop was held in March and agreed on the following campaign objectives:

- Restore public confidence in local government sphere
- Win elections decisively in context of high turnout
- Consolidate our power base in strategic municipalities
- Intensify direct voter contact and mobilise youth and first time voters

- Strengthen ward committees and other democratic forums
- Strengthen ANC branches.

The primary campaign method is door-to-door work from first phase to the last. The key tasks that have been identified for the next three months are:

- Regional General Councils and Branch General Meetings to report back on NGC
- Mobilise communities around issues of gender and emancipation of women
- Strategic deployment of leadership
- Intensify local campaigns including “know your neighbourhood”
- Finalise candidates’ lists
- Nationally launch manifesto, candidates, communications strategy and local campaigns.

We expect nominations of candidates and list process to open from the middle of August, and regional list conferences will take place in September and October. The national list conference is scheduled for the end of October.

The CEC in May decided to on a levy equal to 10% of the levy paid for the national elections in 2004. In addition, affiliates will contribute directly to the provincial/regional and local campaigns worked out at these levels. They will respond to the requests made by their structures to pay levies set out by the provinces. COSATU head office will however ensure proper co-ordination of these levies to ensure that they are fair and equitable.

COSATU must effectively participate in the development of the manifesto and list conferences to select candidates of the ANC. Our demands for job creation and for job retention should be integrated into the manifesto. These demands include:

- Rejection of retrenchments
- Commitment to local procurement
- No to privatisation
- No to pre-paid water and electricity for the poor.

Annexure 1. Engagements on legislation and policy, 2003-2005

Policy Issue	Content and issues	Process
Agri BEE Charter	The Charter is being redrafted and has been submitted to a steering committee set up for this purpose.	On-going joint engagement with FAWU as well as collaboration with relevant civil society organisations.
Draft Code of Good Practice on Who is an Employee-Draft	The Code was tabled at the NEDLAC LMC and aims to address independent contracting and atypical forms of labour.	Labour input was submitted to the LMC. Tentative agreements subsequently reached by NEDLAC task team. Government to redraft the Code accordingly and to submit to task team for consideration.
Home Affairs Ministerial Legislative Committee.	COSATU's focus in this structure includes immigration, electoral systems, refugees, HANIS ("smart card" programme, public holidays etc).	Committee's function is to review Home Affairs legislation in order to identify possible areas of reform. Parliamentary office has representation on Committee
Immigration Legislation	<p>1. <i>The Immigration Amendment Act</i> was passed in August 2004. Gains for workers include the removal of automatic lapsing of work permits on termination of employment contracts and provision for relatives to replace migrant workers who are injured or die from workplace injuries.</p> <p>2. <i>Draft Immigration Regulations</i> The Immigration Act was amended in 2004 and draft immigration regulations were published in 2005.</p>	<p>1. COSATU/NUM submissions to NEDLAC and parliamentary processes in 2004. <i>(NB. Comprehensive immigration legislative and policy overhaul still forthcoming.)</i></p> <p>2. COSATU/NUM submission to Home Affairs Department. Final Regulations came into operation on 1 July 2005.</p>
Insolvency Reform Process	<p>1. <i>Insolvency and Business Rescue Bill</i> - Priority Bill that will overhaul insolvency law and introduce new systems aimed at saving businesses (therefore jobs). Of particular relevance noting recent affiliate interventions in the case of Rex Trueform.</p> <p>2. Justice Ministry <i>Committee of Enquiry into corruption and abuses in the liquidation industry.</i></p>	<p>1. Labour submission made to NEDLAC LMC in 2004. However, process has stalled for more than a year awaiting government decision as to which department has authority over legislation. Although the Justice Department initiated the process, this is being contested by DTI.</p> <p>2. Written and oral submissions by COSATU, NUMSA and SACTWU to the hearings in October. Awaiting report and findings.</p>
Occupational Health and Safety review and Bill	An internal process has been initiated in the DOL, with initial document and Bill aimed at overhauling Occupational Health and Safety legislation.	The policy desk and Parliamentary Office monitoring the process. Process being led by Health and Safety Co-ordinator with consultations with affiliates and regions underway.
Mineral and Petroleum Resources Development Regulations	This brings Mineral and Petroleum Resources Development into operation, which forms the overall framework for transformation of the mining industry.	COSATU/NUM submission to the draft regulations in 2003. Regulations finalised in May 2004, and operational since.
Draft Precious Metals Bill and Diamonds	Originally dealt with in a single Bill, that has been subsequently split into two. Aims to promote local beneficiation of diamonds and	COSATU/NUM submission made to DME on original draft Bill. Studying new redrafts for engagement with Parliamentary process.

Policy Issue	Content and issues	Process
Amendment Bill	precious metals.	
Protected Disclosures Discussion Paper -Draft	The Discussion Paper intends to extend protection of whistleblowers beyond employment relationships, which will eventually result in amendments to the Protected Disclosures Act.	NEDLAC LMC process has been completed. South African Law Reform Commission to incorporate discussions into a draft Protected Disclosures Amendment Bill that will be tabled at the LMC.
Superior Courts Bill	Revised Bill available, which seriously undermines earlier NEDLAC agreement. Key concern is complete removal of NEDLAC involvement in designation of labour judges.	The Bill was revived by new Parliament. NEDLAC task team agreed that there is an urgent need for meeting with Justice Minister. <i>Also imperative to implement earlier decision to meet with Minister as COSATU, in addition to participation in NEDLAC delegation.</i>
Unemployment Insurance Fund	A review of the fund was tabled at the NEDLAC labour market chamber for discussion.	Written Labour Input submitted to NEDLAC LMC in response to Review. Awaiting response from Government/UIF Commissioner.
(Anti-terrorism Bill) Protection of Constitutional Democracy against Terrorist and Related Activities Bill	COSATU identified serious concerns with this Bill in the Parliamentary stage, particularly in relation to the inclusion of unprotected strikes, unprocedural protest action and ordinary crimes in the definition of terrorism.	As a result of a series of interventions by COSATU (including through Parliament, engagement by leadership with Minister and CEC resolutions to embark on strike action and possible court action) some of the most problematic provisions were redrafted. The Bill has now been passed and is now in operation. The concessions made as a result of COSATU's intervention constitute a major victory. However, the implementation of this law remains a priority area for us to monitor to ensure that labour and human rights are not compromised.
Communal Land Rights Act	The Act attempts to regulate and provide for legally secure tenure of communal land, primarily located in former homelands. There are serious problems with the Act, particularly the administration of the communal land through traditional councils that comprise membership that is 60% selected by traditional leaders and 40% elected by communities.	COSATU/NUM submission made to parliament. Despite our concerns, shared by other civil society organisations, the Bill was passed in 2004. COSATU is following developments around the Act, which is not yet in operation. We are also engaging with civil society organisations, currently preparing a constitutional court challenge to the Act.
Public Holidays Review	Department of Home Affairs initiated a review/investigation into the current package of public holidays.	COSATU submission (opposing the review) was made to the Department in July 2004. This matter has been suspended and is unlikely to be revived again.
Draft Electoral Systems Bill	The Bill proposes substantial amendments to current electoral system.	Written submission was prepared but not submitted to the Department. It was decided that there is a need for technical discussion by leadership to first assess the extent to which Bill is (in)compatible with COSATU's 2003 Congress resolutions.

Policy Issue	Content and issues	Process
Convergence Bill	Several submissions made to Parliament thus far raised a number of concerns, particularly regarding functions, powers and independence of Regulator (ICASA) and powers of the Minister.	COSATU and CWU engaged with PC Communications in June 2005 re Bill. Hearings scheduled for August 2005. Preparing submission with CWU.
Assignments and delegations – regulations Municipal Systems Act	Regulations published regarding assignment and delegations in terms of S 120 of Municipal Systems Act	Joint Submission between SAMWU and COSATU. Submission to DPLG to be finalised shortly.
National Credit Bill and Consumer Credit Policy Framework Task Team	After several versions of the Bill, finally tabled as Bill in Parliament. Addressing attempts by dti to divert from original policy statements without consultation with labour, but accommodating some last minute proposals by business. In final June 2005 NEDLAC Task Team, it was agreed that issues of notification of debt process e.g. date, actual delivery and receipt of the summons/notifications, the manner of delivery, areas of residence, regular changes of address in the case of many low end consumers, and other related constitutional rights that were available in the process.	National Credit Policy and draft Bill shaped by Credit Law Review findings commissioned in 2002 and published in finalised in 2003. Encountered problematic processes at a NEDLAC level. Some of this was resolved, but several issues need to be tabled, listed in Parliamentary hearings. Extensive engagement with civil society and faith-based organisations, particularly SACC and Black Sash during Policy and Bill formulation. Several inputs and revised reports tabled at NEDLAC. National Credit Bill tabled for hearings during 1 st week in August 2005
Consumer Policy Green Paper	The policy document, tabled at NEDLAC outlines the framework for overall consumer policy, including advertising and marketing standards, consumer protection, information dissemination and privacy.	Draft Green Paper on the Consumer Policy Framework published by dti in September 2004. Separate process from National Credit Bill (previously named Consumer Credit Bill) Feb 2005 - Labour input made to Consumer Policy at NEDLAC An initial report was tabled by the Consumer Policy Task Team, but requires further engagement. April 2005 - Subsequently, further input was made to NEDLAC by COSATU Policy Desk and Parliamentary Office re how consumer policy affects the poor – to be considered in drafting revised policy.
Co-Operatives Policy and Bill	Since 2000, COSATU had several NEDLAC and dti engagements. The process culminated with the Bill was tabled in Parliament in 2005. A submission was made to PC Trade and Industry – Bill passed by both	Labour Submission to NEDLAC on Draft Co-operatives Bill – Jan 2004 An oral and written submission was made to the Portfolio Committee for Trade and Industry on 16 March and 23 March 2005.respectively.

Policy Issue	Content and issues	Process
	<p>Houses, but not yet enacted.</p> <p>In October 2004, a NEDLAC study tour on co-operatives took place – countries visited were Spain, Italy, Japan and Kenya.</p>	<p>Dates of the Parliamentary hearings coincided with a Co-operatives Conference of the dti, hence key community stakeholders could not make submission. As a result, mainly business submissions were considered at length.</p> <p>COSATU called for the Bill to be discussed for a final round at NEDLAC – request declined.</p> <p>COSATU's attempts to formally engage NCOP to raise ongoing concerns were not accommodated (May 2005).</p> <p><i>July 2005 - Labour and Community concerned that dti is not forthcoming with Co-operatives Strategy documents at NEDLAC. Expressed serious concerns and requested principals to engage and intervene on impasse.</i></p> <p><i>Finalisation of NEDLAC Co-operatives Study Tour Report – being edited for publication as popular piece through NEDLAC.</i></p> <p><i>Bill passed by NA and NCOP on 22 June, despite concerns expressed. Bill not as yet assented to/ enacted</i></p>
Co-operative Banks Bill	Several presentations made to PFMP Chamber in NEDLAC by National Treasury.	<p>Endorsed for public comment by Cabinet in November 2004</p> <p>Originally scheduled to be submitted to Parliament in May 2005</p> <p>Current status for presentations and hearings in Parliament unknown.</p> <p><i>Status to be clarified, since it was reported in April 2005 to Parliament by State Law Advisor that the Bill had been withdrawn.</i></p>
Corporate Law Reform – policy framework	COSATU welcomes overall policy proposals.	<p>Labour Position paper tabled in NEDLAC in October 2004</p> <p>Feb 2005 – Special NEDLAC TIC meeting convened to discuss Corporate Law Reform</p> <p>March 2005 - Draft of the final report tabled at NEDLAC – sent back by MANCO for further engagement</p> <p>May 2005 - 2nd round of drafting and consultation with dti at NEDLAC</p> <p>Envisaged that the new Company law comes to Parliament towards the end of 2005.</p>
Intergovernmental Relations Framework Bill	Aims to promote coherent governance, effective provision of services; monitoring implementation of policy and legislation; and the realization of national priorities,	<p>Submission made to the PC for Provincial and Local Government on 15 March 2005.</p> <p>Important legislation to address intergovernmental communication, planning</p>

Policy Issue	Content and issues	Process
	<p>within concept of co-operative government.</p> <p>Specific recommendations, including a request for a formal public participation process for organised labour and community - not favourably considered.</p>	<p>and dispute resolution.</p> <p>Enacted 22 June 2005</p>
Retirement Fund Discussion Document	<p>COSATU broadly supportive of the progressive recommendations re membership control, shareholder activism and powers of the Regulator.</p> <p>Called for further details re funding mechanisms, management and implications of the National Savings Fund (NSF) model proposed.</p> <p>Disturbed by the skewed inputs at the outset, viz. the large preponderance of business and industry representatives, to the exclusion of equally important stakeholders.</p>	<p>16 February 2005 – COSATU submission to PC for Finance made on Retirement Fund Discussion Document made on, with the assistance of the Pension and Provident Fund Policy Co-Ordinator.</p> <p>“Public consultations” in 5-6 cities excluded workers. Secured through NEDLAC, further consultations.</p> <p>Awaiting 2nd version – i.e. revised document published by NT in July 2005.</p> <p>Labour Conference in mid-July to develop positions and strategise for October 2005 Trustees Conference.</p>
Review and progress report by municipalities and public entities to PC Provincial and Local Government:– 31 May – 21 June 2005	<p>COSATU was invited by the Portfolio Committee for Provincial and Local Government to engage and make inputs in a series of briefings and review regarding Electricity Distribution Industry Restructuring; Restructuring Water Distribution: Department and Municipalities’ briefings; Debt Collection and Billing Systems; Provision of Free Basic Municipal Services: briefings.</p>	<p>Several memos prepared on briefings below and forwarded to Committee and ANC Study Group.</p> <p>Way forward to be formalized at next meeting, but includes DPLG and SALGA to provide written assessments of the meeting for Members and produce recommendations to introduce effective implementation.</p> <p>Members would determine the optimal way forward at the next Committee meeting.</p>
FAWU – request for support on Draft Fishing Policy and assistance with research to prepare for filing of section 77 notice at NEDLAC	<p>Request raised recently by FAWU.</p> <p>Clarifying details and nature of support requested by FAWU – to be finalised with FAWU and Parliamentary Office</p> <p>15 June 2005 Detailed DEAT notices and policy published for:</p> <p>Rights to undertake commercial fishing on several lines of fish, lobster and prawns</p>	<p>Filing of Section 77 notice scheduled for mid-April 2005</p> <p>NEDLAC TIC awaiting 1 pager on Draft Fisheries Policy from Labour, but not clear on filing of s 77 notice.</p> <p><i>Matter to be expedited</i></p>
Social Assistance Bill	<p>In the wake of the recommendations of the Taylor Committee, the DSD introduced this legislation purportedly</p>	<p>The parliamentary process leading up to the passing of the Bill was highly participatory. However, it failed to yield any major policy</p>

Policy Issue	Content and issues	Process
	to move social assistance away from welfarism towards social development. However, the Bill remained within the piecemeal welfare reforms framework that has been introduced since 1994 – characterized by an incrementalist approach to the extension of coverage - without moving out of the welfarist paradigm. It remained narrowly constrained by a means-testing approach focused on the most vulnerable groups.	shifts other than some tweaks in a number of areas, notably in the definitions. This shortcoming was particularly caused by the peremptory role played by the Treasury – which was vehemently opposed to the extension of the Child Support Grant beneficiaries to 18 years BIG and emphasised the constraints of the fiscal envelope.
Social Security Agency Bill	This legislation was intended to effect the reassignment of the of the Social Development function from the provincial to the national sphere. However, this reassignment meant that the administration of social assistance will be shifted from the Public Service to a national stand-alone agency - transferring staff, assets and liabilities of the provincial departments and the national DSD to a new Social Security Agency.	There was an extensive process of engagement between COSATU, NEHAWU & the DSD – through the cooperation of the Portfolio Committee on Social Development. This process helped to shape the outcome of the parliamentary processing of the Bill - resulting in agreements on issues pertaining to implications of the Bill on the rights of public servants given the impending restructuring process arising from the formation of the agency. In the end, many of the labour's concerns were addressed – including the demand that this agency must be subject to the direct departmental and ministerial authority, rather than becoming autonomous.
National Environmental Management: Air Quality Bill	This legislation is a marked improvement on the preceding version and in particular on the old Atmospheric Pollution Prevention Act itself. In the Bill there were provisions calling for the setting up of minimum standards for emissions of listed activities. In addition, there are also provisions calling for Pollution Prevention Plans and a requirement for the submission of Atmospheric Impact Reports by particular industries involving listed activities or emissions.	A COSATU submission was made and tendered to the Portfolio Committee on Environmental Affairs. The Committee could not hold the second leg of public hearings as originally planned due to changes caused by the national elections of 2004. However, the submission was considered by the ANC Study Group.
Water Services Amendment Bill	The Umgeni Water Board and to a some extent the Rand Water Board have already been engaged in business deals beyond the South African jurisdiction, which was a violation of the law defining their mandate and respective jurisdictions. Hence, this amendment Bill was introduced to give these water boards the liberty to tender for contracts abroad, particularly on the	Despite the fact that the Chairperson of the Portfolio Committee on Water Affairs invited COSATU to make a submission, discussions in the committee were steam-rolled, and a decision in favour of the amendment Bill was summarily taken. In fact, despite the fact that the ANC Study Group shared COSATU's concerns and views about the Bill, our submission was ignored.

Policy Issue	Content and issues	Process
	African continent.	
Railway Safety Management Regulations	The Regulations were particularly introduced to improve railway commuting safety. COSATU's submission was broadly in line with the 23 - 25 February 2004 Central Executive Committee decision (No. 31) regarding the road safety issues. Some of the provisions of the Regulations included requirements for railway operators to establish structures, policies and procedures of rail safety, including the involvement of the employees and / or their representatives; the establishment of operational risk management processes; prescriptions on the safety management report.	A COSATU submission was prepared and tendered to the Department of Transport. Despite several efforts on our part demanding responses to our submission and some engagement, there has never been any positive response.
Children's Bill	This was a section 75 Bill intended to repeal the 1983 Child Care Act. Amongst other things, the legislation provides for: the means for promoting and monitoring the sound physical, intellectual, emotional and social development of children development of community structures to assist in providing protection for children protection of children from maltreatment and abuse care and protection for children in need	The earlier 2003 Bill was comprehensive as it included elements pertaining to the provincial sphere. According to the Department of Social Development, all the provisions applicable to the provincial sphere which have been taken out of the Bill will comprise the main content of an Amendment Bill to be introduced in the National Council of Provinces as soon as the President assents to the current Children's Bill. The Bill was eventually passed by Parliament at the end of the Second Session in June 2005.
Electricity Pricing Policy	This policy proposes the introduction of market pricing of electricity supply at wholesale (for large energy users) and at retail (for households and businesses) based on competition in generation and distribution. In addition, the policy sought to eliminate cross-subsidies within the industry to reduce the cost of doing business in South Africa	After the 2004 national elections and the establishment of a new government, this policy has been withdrawn – seemingly because of an apparent shift in government policy regarding the restructuring of public enterprises. However, some of the elements of this policy have since been given expression in the Electricity Regulation Bill released in 2005.
Older Persons Bill	The Bill criminalises certain actions committed against older persons; manage acts of neglect, exploitation, abuse, etc.; promotion of community-based care and support services in multi-purpose community centres. The Bill repeals the Old Aged Persons Act of 1967.	The Bill was before the Select Committee on Social Services. The committee has received provincial mandates. However, the parliamentary processing of the Bill has been put in abeyance as the committee awaited cost-estimates from the department's scoping exercise. The Bill is still to be considered having been delayed by the 2004 elections and the tabling of the Children Bill which preoccupied the Select and Portfolio Committees' attention.

Policy Issue	Content and issues	Process
Circular Instruction Regarding Compensation for Occupationally Acquired HIVAIDS- Draft	The Circular Instructions seeks to establish clarity and certainty in the extension of COIDA's coverage - to include HIVAIDS. It sets out reporting, diagnosis, benefits, impairment and claiming requirements and criteria.	A COSATU submission has been made and tendered to the Compensation Commission. We are still awaiting a report-back from labour (COSATU) representatives at the Compensation Commission Fund Board.
Electricity Regulation Bill- Draft	The Bill codifies the government's end-state vision of the electricity supply, distribution and reticulation restructuring. It seeks to clarify the roles of different government spheres, frameworks for tariffs and price administration. It outlines the wholesale trading mechanism and provides for the role of private Independent Power Producers.	A final report of the Development Chamber's Energy Task Team is being drawn. Government made some concessions, including the fact that Inter-tariff and Intra-tariff subsidisation will be maintained and the removal of some market-oriented aspects which were mooted in the Electricity Pricing Policy. A COSATU submission is being prepared ahead of the tabling of the Bill in the Third Session of Parliament in August 2005.
Farm Housing Policy	The policy seeks to deal with housing in commercial farms in the light of tenure insecurity for farm-dwellers and farm-workers. It also seeks to deal with the policy conundrum i.e. the constitutional mandate – housing for all vis-à-vis the provision of state subsidies and municipal services for housing on private land.	A submission has been developed and tendered to the Department of Housing. To date there has been a preliminary meeting with the DOH consultants. The DOH has committed itself to a bilateral meeting with COSATU as soon as a new version of the policy is available following submissions from stakeholders.
Draft Position Paper on Water Allocation Reform	The Policy seeks to introduce transformation in the allocation of use of water in the catchment areas by providing a strategy providing some guidelines to ensure equity, sustainability and efficiency in line with the National Water Resource Strategy.	We are still considering the document in order to determine whether or not it is necessary to make a submission.
Road Accident fund amendment Bill	Transport PC requested us to resubmit earlier submission on this matter – which was basically the same document previously submitted in the public hearings before.	This Amendment bill reflected some marked improvements from the original bill. Public Hearings took place, COSATU could not attend, however the COSATU's submission was considered by the Portfolio Committee.

Part 2: Organisational Report

1 Introduction

The key elements of the Organisational Review Programme adopted by the Eight National Congress were:

1. A recruitment drive that would increase our membership by 10% every year, working towards an overall target of 2,6 million by 2006 and four million in 2009.
2. Ensuring greater support for shopstewards, in terms of both organisational service and education.
3. Building institutional capacity for effective organisation and ideological cohesion. The core task is to build the education capacity of affiliates and the Federation, as well as DITSELA and the Chris Hani Institute.
4. Ensuring better financial and personnel management in each affiliate.
5. Unifying the three federations so that by 2009 we realise our vision of one country – one federation, one industry – one union.
6. Promoting women leadership, taking up gender struggles much more effectively, and monitoring progress consistently. Congress has adopted a quota for women representation in leadership structures and by 2006 we must see visible improvements in representativity.
7. Improving management of the deployment process. We should ensure consistent development amongst leaders and retain experience and expertise within the broader labour movement.
8. Translating gains in legislation into coherent organisational strategies.
9. Providing quality benefits to workers, improving their lives and those of their families, and bolstering COSATU's reputation as a movement that cares for and provide a home for all workers.

This report first reviews the broader organisational challenges. It then provides an overview of the Federation's activities since the Eighth National Congress. The final sections review organisational work, education, communications, policy engagements, international work and administrative support.

2 The organisational challenges

2.1 The Context: Twenty Years of COSATU

At the height of the struggle against apartheid, a new giant arose to represent the interests of workers. That giant was COSATU. Its birth signalled both the confidence of the working class in its struggle against employers and the apartheid state, and the coming of age of the post-1973 labour movement.

Our movement broke with the reformist agenda of the unions then in existence and reconnected with the militant, progressive labour history that was embodied in the South

African Congress of Trade Unions (SACTU).

At its foundation, COSATU faced three interrelated challenges that marked its distinct form of trade unionism. They were, first, building a strong and militant union movement that would be a home to all workers; second, representing workers' interests against the employers; and third, challenging the might of the apartheid state. From the start, COSATU blended political and workplace struggles to unify workers and build a strong and vibrant movement.

Although the context has changed, since the transition to democracy COSATU continues to play a central role in shaping the political, economic and political landscape as well as advancing the interest of workers in the workplace.

The first ten years of COSATU, from 1985 to 1995, was a period of consolidation and the fight for recognition by both employers and the state. It was also shaped by hectic political activism, in which COSATU's vital role attracted repression and violence from the apartheid state.

In the world of work, COSATU fought for recognition from employers and led spectacular battles to advance the interests of the working class. COSATU's Living Wage Campaign took forward workers' yearning for better pay and working conditions. COSATU also challenged apartheid labour laws and successfully blocked the imposition of the apartheid Labour Relations Act in 1989.

COSATU played a central role in the mass democratic movement that took on the apartheid government in the 1980s. Activists and shopstewards from the labour movement led community struggles. They were active in almost all formations of the democratic movement. When scores of activists from the democratic movement were detained or forced underground by the state of emergency, COSATU remained as the main force still able to carry high the liberation flag.

COSATU challenged the economic agenda of the apartheid state through the anti-privatisation, fuel-price and anti-VAT campaigns. The apartheid state grudgingly came to the table to discuss these matters, leading to the formation of the National Economic Forum, the predecessor of NEDLAC. This concession was historic, as it forced the apartheid government to negotiate economic policy. It stopped attempts fundamentally to restructure the economy on the eve of the democratic breakthrough.

The Reconstruction and Development Programme (RDP), the Alliance programme of action from 1994, started in vigorous debates within COSATU. The RDP was adopted by the ANC as its electoral platform in 1994. Subsequently the state moved away from key elements of this progressive vision, notably through GEAR. Still, the RDP continues to provide a core vision for the Alliance.

In the past ten years, with the transition to democracy, COSATU had to adjust to a qualitatively new political climate. This period was fraught with political and organisational challenges.

COSATU faced the dual reality of a democratic government combined with largely unchanged socio-economic relations. Local and international capital used its power to lobby for conservative economic policies, with overt and covert threats against the ANC government. COSATU had to combat the agenda of capital and manage the intricate

politics of supporting an ally in government, while simultaneously challenging deviations from progressive policies.

The fact that the state employs many COSATU members further complicated the situation. Particularly in the late 1990s, COSATU public sector unions were pitted against the democratic state's policy of holding down wages as part of its conservative fiscal policy.

The history of the 1990s will go down as one in which COSATU challenged the ANC's government macroeconomic policy and privatisation and increasingly represented public-sector workers. Ultimately this set of challenges led to acrimonious debates between the ANC and COSATU, and almost plunged the Alliance into annihilation.

By the mid-2000s, the democratic movement and the Alliance had found new ways to live with the conflict. On the one hand, the state began to admit the need for stronger intervention to ensure equality and employment creation. On the other, the Alliance became more willing to tolerate disagreements. Still, maintaining the unity of the democratic movement in the face of growing class differentiation remained a central challenge.

Organisationally, the last ten years showed first extraordinary growth and then stagnation and even decline. Between the Eighth National Congress and July 2005, membership in the Federation dropped by 2,7% or almost 50 000 members. The biggest declines were in NEHAWU, which lost 50 000 members or almost one in four, and in NUM, which lost almost 40 000 members. CEPPWAWU lost 8000 members. While NUM and CEPPWAWU suffered at least in part from job losses, the decline in NEHAWU needs more analysis, since it probably reflects the recent divisions.

Trade union density in South Africa is high – close to 40% - a remarkable achievement compared to other developed and developing countries. Still, some of our unions, particularly in the private sector, are battling to represent over 50% of the workers in their sectors. Even in the formal sector, some industries are barely organised, notably agriculture, domestic work, retail and security services.

Casual workers are also not fully organised by the labour movement. The 2003 SACCAWU Shoprite strike was historic for championing the interests of this section of the working class. NUM and NUMSA also concluded deals to protect these workers.

The labour movement remains fragmented with over three federations scrambling for members. Unions are also competing with bogus organisation that seeks to represent workers. Some lawyers and unscrupulous individuals masquerade as trade unions.

The recruitment campaign should contribute towards the goal of organising two million members to achieve the goal of four million members by 2015. Unity talks with independent unions as well as the Federations are also essential and in practice workers are beginning to act together. COSATU, NACTU and FEDUSA act together at NEDLAC. NACTU and FEDUSA unity talks are a positive development, though so far they have chosen to exclude COSATU.

In racial terms, COSATU still represents the black and predominantly African working class. Increasingly, however, white workers are also joining COSATU unions. Many still prefer FEDUSA aligned unions or more recently Solidarity. We need a better

understanding of the changing role of white workers in the labour movement. Presumably they are forced by the loss of protection from the apartheid state, which exposes them to the brutality of capitalism from which they have been shielded for decades.

COSATU is still a male-dominated organisation, despite sizeable portion of women members. Given the size of its women membership, COSATU has the potential to form the bulwark of a mass women's movement. It is an ongoing challenge to translate the mass participation of women into an organic force that can pursue women's demands in the workplace and in society.

Visibility and representation of women members in the senior leadership structure has improved somewhat. However, we are far from achieving gender parity, and the advances we have recorded are always under threat. We did not ensure adherence to the quota system adopted by Eight National Congress. Because there are relatively few women in leadership or the shopsteward movement, when one leaves they are often hard to replace.

Moreover, COSATU must still mount significant battles to take forward the aspirations of women workers. Because women's issues are subordinated to the broader strategic goals rather than addressed specifically, the movement is failing to take up gender struggles in earnest.

COSATU's key strength is its ability to be far-sighted and from time to time reflect on the challenges it faces. The September Commission Report was the first comprehensive analysis of the challenges facing COSATU after 1994 and how to confront them. It laid out a bold and ambitious programme for political, social and economic policy reforms, as well as a programme for improving and reforming the organisation. The establishment of the Central Committee is directly linked to the recommendations for the September Commission Report in 1997. The establishment of the Organisational Review Commission in 2000 resulted in an ambitious programme for Organisational Development and laid the foundation for the mid-term vision contained in the 2015 Plan.

In short, despite the many challenges we face today, COSATU remains a dynamic and vibrant trade union movement that can boast many achievements through its 20 years. Some observers thought that COSATU would not survive the loss of experienced activists through the 1990s. After all, many other formations of civil society have gone under. In contrast, COSATU is stronger now than at its founding. Its resilience testifies to the depth of leadership developed over the past two decades. It is ordinary members and thousands of shopstewards that keep the Federation intact.

COSATU is the biggest organisation in civil society after the faith-based organisations. It boasts a coherent and vibrant internal organisation and has adapted relatively well to the new dispensation with very limited casualties. It faces many challenges yet it is willing to confront them honestly, with the sometimes brutally open debates for which it remains famous.

We raise our red flags in salute of countless leaders and members who made an immense contribution to the strengthening of COSATU. We salute Elijah Barayi, Chris Dlamini, Jay Naidoo and all NOBs elected at the founding Congress for laying the

foundation that ensured we travel the first twenty years.

As part of these celebrations, we have and we will salute the tremendous role played by our predecessors in SACTU, including its leaders John Nkadimeng, Steven Dlamini, Moses Kotane, JB Marks, Steven Dlamini, Ray Alexander Simons, Vuyisile Mini and Oscar Mpetha. We also hope our provinces will recognise many others as part of our 20th Anniversary commemorations.

2.2 The state of COSATU

Against the background of the twentieth anniversary of COSATU we need to assess our main strengths and weaknesses today. COSATU must be judged only by the high standards it set in its 20 years of existence. To respond to weaknesses by pointing out shortcomings in other organisations is a guarantee that we won't celebrate another twenty years.

COSATU must only compete against its own history and the best of its own traditions. No other organisation can compete with these traditions except COSATU itself.

The General Secretary this year visited six of the nine provinces and presented a report to the May 2005 Central Executive Committee, whose programmatic proposals are incorporated in this report. The main concerns arise from the following key weakness:

- Service to members and recruitment
- Organisational discipline
- Public coherence.

2.2.1 Poor Service

Poor service to members is a central problem, since it can make unions lose favour with workers and ultimately shrivel the union's power and size. We cannot hope for a successful recruitment campaign if our current members feel disempowered and disappointed. Symptoms of poor service to members include:

- failure to attend to worker's grievances;
- failure to put improve their wages and conditions of employment;
- failure to stop managers from exploiting workers with impunity;
- failure to respond strongly to retrenchments and dismissals;
- failure to use legal framework to tilt the balance at the workplace in favour of workers
- failure to develop systems to run unions more efficiently so that they can be more responsive whilst eliminating dead wood at all levels;
- failure to keep a dynamic contact with members

Interaction with members proves that COSATU, as the federation, remains extremely popular with workers. Indeed, some workers want to join COSATU and not some of its unions. But even this popularity will fade unless COSATU is seen to champion service to workers cause and to act decisively against unions failing to take up their issues.

Unions now face competition from legal companies that promise workers better service. If we do not improve on service, rival unions or law firms like Scorpion may dislodge us.

The causes of poor service vary by union. Nonetheless, we can identify some key causes, which ultimately relate to the rapid restructuring of employment combined with changes in the legal environment.

First, the restructuring of employment across the economy means that most affiliates have lost members in large companies while new employment has been in smaller enterprises, and often outsourced or casual. Moreover, recent employment growth has focused on retail and construction – two sectors with many small employers and a lot of casual work.

Economic restructuring means that unions have to rethink their organising and recruitment strategies. In particular, the shift to smaller employers means unions must allocate more resources to organisational work than in the past. How many unions have reviewed their staffing levels to take into account changes in the workplace demands in their sector over the past ten years?

Serving members in smaller companies is more labour intensive. We need more organisers per member in small companies, to manage negotiations as well as grievances. Recruiting workers in small enterprise also requires more people.

Organisers need more resources for transport and communications when they have to serve a lot of smaller enterprises. They also need far more training on issues than before.

Yet during a provincial visit, the COSATU General Secretary met an organiser who had no adequate transport allowance to visit workplaces at all, while the amount allocated for his cell phone was wholly inadequate.

Shopstewards need more support than in the past. They face far more complex tasks, ranging from workplace reorganisation to having to comprehend the new labour laws. Many shopstewards do not get full-time status. Those in smaller companies cannot develop collective expertise comparable to the shopstewards' councils in large companies, which have more full-time stewards. Yet the challenge is the same.

On occasions we have failed to diversify our membership base. CWU provides a classic example of a union that concentrated on two big employers – Telkom and the Post Office. When these employers started to retrench, the union's membership plummeted. Yet smaller, private companies in the industry, including the cell phone companies, Postnet and advertising agencies, remain almost entirely unorganised.

Similar problems faced SACCAWU when companies closed down outlets in the CBD and moved to shopping malls. NUMSA is finding it hard to organise and sustain workers in petrol stations. NUM is battling the phenomenon of seasonal and casual construction workers.

Second, we need to upgrade the management skills of union leadership. Office bearers are elected, not because they are good managers, but because they have political and organisational skills. That means that the induction for NOBs must ensure a better understanding of financial and personnel management.

Weak management appears in poor human-resource management, making it hard to retain competent personnel while tolerating poor work from staff; repeated crises as a result of weak financial planning; and the failure to allocate sufficient resources and effort to key organisational programmes, especially education, organising and recruitment.

This problem has become particularly pressing because unions have multiplied in size as a result of both the massive expansion in the 1980s and 1990s and the spate of mergers. Management skills that sufficed for a union in a few workplaces with several thousand members cannot manage a union with tens of thousands of members spread across the length and breadth of the country.

Third, the skill needs of organisers and shopstewards have increased, but unions have not ensured an equivalent expansion in access to training and advice. Various factors cause this situation.

The shift to legal dispute settlement for most grievances means that union representatives must understand and manage complex conciliation, mediation and arbitration processes, where before they looked first to power. Most unions do not ensure either sufficient training for shopstewards or strong backup from legal departments.

In addition, the rapid expansion of unions in the 1990s meant that many organisers and shop stewards are relatively new in the job. They need much more consistent access to induction training. This is particularly true for shop stewards in small companies.

Success in the recruitment campaign will make all these challenges much greater, as we bring in hopefully millions of new members, requiring thousands of shop stewards and organisers.

COSATU Education has been forced to run shopsteward training in the provinces after realising that, despite official policy to the contrary, many shopstewards must look to the federation to capacitate them. In 2001 NEDCOM commissioned a study to check amongst others how unions were allocating budgets for education and training. The study uncovered that there some unions sparing little or no resources for education – both trade union and political education. In response to this the Seventh congress of COSATU decided that unions must put aside 10% of the unions' subscriptions on education and training. It is now clear how unions have responded to this policy.

Some unions expect Ditsela to make up the gap between their programmes and shop stewards' and organisers' needs. But Ditsela trains only about 1000 people a year, and many of them are leadership or administrators, not shop stewards.

Fourth, the federation placed the issue of organisational development on the agenda, through the September Commission in 1997 and through the Organisational Review Commission after 2000. We recognised the problems facing unions as a result of the changing environment and economy, and agreed on the need to develop responses. But many unions have not followed up, and COSATU itself failed to drive the OD project consistently and systematically.

We have also not found effective mechanisms to ensure that strong unions can support weaker ones, by sharing experiences or even seconding leadership to help develop

better systems. Now some capable leaders have decided not to stand for re-election. We should explore how their future career paths can support weaker affiliates and the OD project.

The main reason for COSATU's failure to support OD effectively has been a lack of resourcing. COSATU lacks the capacity to sustain its interventions to support affiliates. We need to add some resources in the short-run to drive OD and at the same time to review and bolster COSATU's educational and organisational units. We must also ensure that policy personnel are drawn in more directly to support organisational work.

The failure to implement the OD process has plunged few of our affiliates into crisis. It is apparent that OD became a slogan and something fashionable to talk about rather than a serious effort to improve our organisation. We need a clear strategy to revive this process, which will define priorities and deliverables.

2.2.2 Organisational discipline

Poor organisational discipline manifests itself mainly in the failure to implement decisions that have been agreed on collectively at CEC and even Congress. But is also includes failure to attend important meetings or to obtain mandates for meetings and report back after them. Critical problems areas include:

1. **The recruitment campaign.** Our impression is that most of our unions have not established the structures, procedures and resourcing for the campaign agreed in repeated resolutions, including at the CC 2001 and 2003 and in the Eight National Congress also in 2003. We postponed the launch from December 1, 2004, to February 22, 2005. Yet many leaders of affiliates did not bother to attend, even though it was included in the year planner adopted in November 2004. The first reports were due on March 31, yet only five unions bothered to send anything, despite repeated phone calls and text messages reminding them of the deadline. The CEC in May decided to recommit itself to the campaign yet only one union submitted the reports at the end of June. At the beginning of July 2005 only four unions submitted reports. We said the campaign should be bigger than the 2004 elections. The fanfare we envisaged has not happened.
2. **The organisational development programme.** Most affiliates have still not established an organisational review process, despite the Congress resolution to that effect. We have already circulated NALEDI's research on progress in implementing the Congress resolution.
3. **The Living Wage Campaign.** We agreed that unions would submit wage agreements to Naledi. That has not happened, hindering our efforts to ensure a strategic approach to annual negotiations. Because of this, the NALEDI report in the November 2004 CEC lacked substance and could not be used to provide informed demands for the 2005 campaign. This effectively means the end of a coordinated Living Wage Campaign by the federation. Yet we agreed that this campaign should play a significant role in improving negotiations outcomes for members.
4. **The merger and cartels process.** By now we should have concluded the merger between DENOSA and SADNU, and PAWE and MUSA. The former has moved very slowly due to several political problems and the latter has been abandoned

because of PAWE's withdrawal. The merger process between SAMWU and NEHAWU has not taken off the ground mainly due to the workload on the General Secretary, who should coordinate this process of establishment of cartels and super unions in the public sector. Process to establish cartels and super unions in the private sector in particular is not even being discussed. Only the public sector cartel has been meeting.

5. **FEDUSA and NACTU:** Every congress we religiously repeat our desire to realise our long-term goal of "one union one industry – one country one federation". Yet we have not been aggressive in forging unity with the two federations. Our affiliates have generally failed to ensure mergers with unions in their sectors. Yet we know that as long as the trade union movement is fragmented, our full strength will never be realised. Now we learn from the news papers that despite earlier denials, FEDUSA and NACTU are moving closer to one another and it appears that they may form an alternative federation to COSATU soon.

6. **The political fund.** The fund was created after four years of forward and backward movement. Yet to date there remain unions that have either paid not at all or not in full. No union has ever outside the CEC approached the federation to explain its problems. Deadlines set in each and every CEC are routinely ignored. Yet the CEC decides on new levies without enforcing compliance with the previous agreed to levies. So far we have received:

- Only 66% of the political levy for 2004
- Only 18% of the political levy for 2005
- Only 52% of the levy in support of the Jobs and Poverty Campaign
- Only 13% of the levy for the up-coming local government elections.

7. **Pensions administration.** In 1998, following the victory of the new Pensions Act, we enthusiastically embraced a resolution that we must with necessary speed ensure control of union members' retirement funds. We realised that if we were to gain this control we would overnight gain huge leverage to dictate terms of economic development and labour relations. Through the carrot and stick approach – we would reward companies that respect our claims and punish those who don't. We are talking of resources that are just below a trillion rands.

We decided to create a single administration company so that unions and members directly benefit instead of continuously fattening Old Mutual, Sanlam, NBC, etc. Today that vision lies in tatters. (See Annexure B) We have allowed fragmentation, with these companies roping unions in as subordinate BEE partners. They have learnt the art of using sponsorships, including football and cricket match tickets, to control strategic comrades in the unions. They get some leaders to believe that a great victory has been won when the union receives bags and attends important games. To add injury to insult, Old Mutual listed in the London Stock Exchange and demutualised.

8. **Severing ties with NBC.** Last year, following a forensic report on transactions that robbed COSATU of its stake in NBC, the CEC decided to sever ties with it, by removing the funds linked to the unions that it administers. By the next meeting some unions were questioning existence of the very decision that they had just confirmed

through declaring that minutes that captured this decision were correct. It appears that there was a non-stop lobbying by the very person who stands accused of ensuring that COSATU loses its stake at the NBC. The matter declined into a personal clash between the COSATU General Secretary and the NBC chief. Today that decision lies in tatters and the matter may be better left to die since it is clear the federation would not succeed to implement the August 2004 CEC decision on the matter.

9. **Old Mutual.** In August 2004, the CEC instructed the NOBs to approach Old Mutual and inform it that COSATU unions preferred to coordinate their discussions on the empowerment deal through the federation. This was done in order to realise the collective strength in our numbers. Since then, every time the matter has been discussed you can't miss the dishonesty of some of the unions involved. Eventually Old Mutual, assured of unwavering support from some affiliates, essentially ignored the voice of the federation. It threw peanuts in the direction of workers whilst empowering its managers and black economic empowerment partners.

10. **The COSATU CD.** As part of the effort to expand working class hegemony, COSATU decided to record music that would reverse the cultural imperialism promoted by public and private broadcasters. With great fanfare, we recorded a music album in our last Congress and agreed to promote it within our ranks. Affiliates agreed to bulk buy the CD to support fundraising whilst strengthening workers' culture. Today that strategy lies in tatters.

11. **Thintana Shares and Elephant:** This year (2005) COSATU nearly faced a huge embarrassment when the PIC and the Elephant consortium jointly announced BEE partners that included three of COSATU unions.

Last year, in response to COSATU criticism President Mbeki as well as Comrade Smuts Ngonyama suggested that two COSATU affiliates (SADTU and DENOSA) stand to benefit from the PIC's decision to warehouse the 15% Thintana share (formerly Telkom share). This was situated in a context of defending the broadness of the empowerment deal as well to show our inconsistency in our rejection of privatisation

COSATU CEC in February discussed this insinuation. DENOSA clarified that it had just joined WIPHOLD the previous week and that the President might be referring to that relationship. When the deal was announced, COSATU did not know that some of its unions benefited from the deal through WIPHOLD. SADTU has subsequently announced that it will not take up its shares. DENOSA and SASBO, however, are said to be still in the deal.

In some cases, affiliates raise questions about CEC decisions even when they themselves were present in the meeting. Generally, it has become a major effort to get decisions implemented. COSATU head office must chase affiliates to implement collective decisions. On average, it takes ten calls to get a response from a union.

A related problem is poor attendance at meetings with other organisations. For instance, only about 11 affiliates sent delegates to the Alliance Summit, about ten sent delegates to the SACP Special Congress, and only eight sent delegates to the bilateral with the SACP. At the recent ANC NGC, we were allocated 60 delegates. Hardly half of that arrived. This despite on average ten calls and countless text messages from the

General Secretary.

The CC must discuss in depth why these problems have emerged. Reasons include the following.

First, affiliates do not come to constitutional structures with mandates and sometimes do not defend their mandates strongly. If affiliates object to proposals or need time to get a mandate, they must say so during the meeting. If they agree to proposals, however, we expect leaders to put together a plan to ensure implementation. We cannot accept that leaders of unions can agree to programmes and then simply ignore their own decisions or worse not inform their lower structures which then depend on COSATU regions for information.

Second, affiliates agree to programmes without evaluating whether they can afford to resource them. Then they simply let them fall off the table. It would be better to fight in CEC and admit to funding shortages than to develop a culture of ignoring collective resolutions and undermining the work of the Federation.

Third, the CEC agenda is often very long, making it hard to discuss all issues completely. Some of the items are just reportbacks, while others require substantive debate. We need to ensure that proposals that will require substantial effort from affiliates are ring-fenced and debated at greater length. We should find other forums to deal with less important items.

Fourth, some of the problems arise because affiliates' investment companies lobby or even lie to them. This problem is now becoming a serious public embarrassment. The fact is that unions are supposed to control their investment companies, and not the other way around. CEC must now debate very seriously how we can ensure consistency around the investment companies.

2.2.3 *Public coherence*

On balance we are still speaking with one voice at the public level. Still, the increasingly complex political situation means that we need to be extremely careful to maintain our unity and coherence. Above all, where we have publicly announced agreement on a POA, we must back it up with action. We should not issue a threat that we know is empty and that the organisation has no capacity to take forward.

First, the poor response from unions on the Zimbabwe solidarity actions almost humiliated the Federation. We agreed on a major blockade and demonstrations. In fact, we saw at best a few hundred people, and virtually no union buses.

Second, the spectacle around Deputy President Jacob Zuma suggested a split between the Federation and affiliates. The COSATU general secretary told a newspaper that in his assessment Zuma's popularity in the federation and the in movement as a whole mean he like a Tsunami is unstoppable. Admittedly, this was a mistake, since it could be read as indicating that COSATU backs him in the race for President. But that did not justify public responses by junior or unelected union spokespersons to lambaste the COSATU General Secretary and create an impression of absolute disunity. One Johannesburg daily enthusiastically ran a headline that there was "turmoil" in the federation.

Attempts to set the record straight did not reverse the damage that may have been caused. Solidarity and common sense demand that we verify the facts or inform the union or individual involved before we respond to each other in public. Otherwise we will come across as a divided house in the public arena.

Third, the President addressed the congress of Solidariteit and called on them to join COSATU in the blockade of the Zimbabwe borders, to which they chanted in response “*Beit Bridge, here we come*”. The NOBs had an extensive discussion on the matter and decided that it was an error of judgement to address the Solidariteit congress for a number of political reasons. Attempts to manage the matter in the media suggested that there were different points of view on matter in the federation.

Fourth, the First Deputy President expressed his personal views in KwaZulu Natal on the matter of Zimbabwe, contrary to the CEC position. Again the background of claims made by some in the media, those who want to believe the federation was divided on this question could have used this as evidence. Luckily this matter never went into the public but it became an area of controversy in KwaZulu Natal.

Fifth, the President in an interview with the Mail and Guardian suggested that we should work more with the Anti-Privatisation Forum, even suggesting that we would have defeated the iGoli 2002 programme if we had joined forces with them. This builds on the media’s misinterpretation of our Eighth National Congress resolution as well as the Ten-Year Review Congress. Luckily the actual resolutions are clear.

Sixth, the General Secretary addressed the NUMSA National Bargaining Conference rather frankly, unaware that the media was present. He spelt out the problems facing CWU to give an example of the organisational challenges facing the federation. The media sensationalised the matter and ran headlines that COSATU was to disband CWU. This caused damage because new members panicked, and we had to issue a clarifying statement. Again we appeared incoherent in public.

All these examples point to the need for the leadership to have their guard up all the time and not allow lapses. Organisational discipline means no leader must be allowed to make personal comments in public. The public can’t accept the excuse that these were personal opinions when the profile of all leaders is raised as spokespersons of the federation. Leaders must at all times stick to union policy instead of wandering around making personal comments – they are not analysts who are free to say whatever they want but leaders elected to advocate union policy.

2.2.4 Addressing the organisational challenges

It is not the aim of the report to suggest that everything that is wrong is attributable to affiliates. In some instances, it may be because COSATU itself lacks a strategy or does not follow up consistently. In analysing the basic causes we must look critically at both the Federation and affiliates. On that basis we can effectively confront problems. We must consistently open up discussions in the Federation in order to develop more effective solutions.

It is a year since the Eighth National Congress discussed these same challenges and adopted comprehensive responses as summarised in the 2015 plan. Perhaps the most striking lesson is that instead of starting another long and emotional debate that would

repeat everything we said in the September Commission, in the Organisational Review Commission, we must start by reviewing our Congress resolution and come up with concrete plans to implement it.

The May CEC agreed on the following POA, which includes both longer-term organisational development and some short-term measures. It is important that the Central Committee debate the proposals in this POA and explore their implications. We do not want another POA that only remains on paper. Our problem has never been a lack of good plans, but rather the lack of willingness or capacity to implement them.

The POA includes the following steps.

1. Listening to members

- a. COSATU should launch a campaign on “listening to members’ concerns.” COSATU office bearers at all levels must spend more time trying to understand the nature of unions they are leading and the problems they face. All organisational focus and future debates in the CEC should be based on addressing weaknesses of the organisation both at affiliate and at the federation level.
- b. COSATU will organise a weeklong series of visits to workplaces with affiliate NOBs, POBs and local structures including organisers servicing these workers. At these meetings, we will probe workers’ needs and, where possible, develop short-run solutions. We are not suggesting that affiliates leaders make no time to do mass work, but we do believe that a concerted effort to show members that we care and that we want to address the problems would be a very important message. At the same time, this process should sensitise leadership to the problems shop stewards and organisers face on the ground, and help guide our longer-term organisational development programme.
- c. The question of deployment and retention of skilled and experienced leadership must be discussed in the August CC.

2. Capacity building

- a. COSATU must expand its capacity to assist unions to review their management systems and improve them. It needs a person or persons with appropriate expertise to drive the organisational review programme. That programmes has long been agreed, with steps set out for fulfilling it. We propose setting up one or two three-year positions at COSATU head office to monitor and support implementation of the Organisational Development process. We are raising funds from outside to support this process. Without the OD being taken forward more practically we are doomed.
- b. COSATU will develop a management course for leadership, which will be accredited. We will engage with Wits P&DM to see if they can support this effort.
- c. We must not fall victim to legalistic trappings in conducting our struggles. Our culture of militancy and use of power of organisation must guide our approach at all time.

3. Supporting organisers and shop stewards

- a. NEDCOM and Ditsela should develop a menu of courses for organisers, shopstewards and every layer of leadership. In this menu there should be ideal

programme that every leader, organiser and shop stewards should be taken through, starting with induction. The training should include workplace restructuring, knowing the sector and elements of industrial policy, all agreements the union has with employer, management skills, the legal framework, and political education.

- b. The different roles of the unions, COSATU, Ditsela and other institutions we work with should be further clarified. Over reliance on Ditsela by some union must end. Every union must build its own internal capacity.
- c. COSATU NEDCOM should conduct another research to check the level of compliance to the Seventh Congress calling for 10% of the budget to be set aside for education and training.
- d. COSATU will develop a handbook for members, shop stewards and organisers on key union demands, representing members, negotiations and workplace democracy.

4. Structures and systems

- a. There should be a renewed commitment to internal democracy and worker control. Leaders must at all costs avoid the temptation to take decisions that they have not canvassed with members. The new culture of neglecting report backs must end.
- b. Once a decision is taken the leadership must commit to implementation. This is simple organisational and political conduct or discipline. It requires a recommitment to the real and tradition of the movement.
- c. We must consider more frequent meetings between affiliates' General Secretaries and the COSATU Secretariat so as to co-ordinate implementation of CEC decisions and other programmes. The temptation to decide on policy must however be avoided at all times.
- d. The resolution on cartels and mergers from the Eighth Congress should be implemented as soon as possible. The resolution identifies some short-run steps.
- e. The capacity that exists in affiliates must be marshalled and utilised properly. Over-centralisation of decision-making and implementation should be avoided.

5. Recruitment

- a. Affiliates must live up to the commitments we have all made on the recruitment programme. If they cannot fulfil the plan, in terms of allocation of personnel and resourcing in particular, the reasons should be raised in CC and discussed.
- b. We will re-launch the Sense of Belonging Campaign that encourages affiliates to share resources in the rural areas and at regional level in order to improve service. It should also define a comprehensive strategy to service rural areas and small firms. Every COSATU Provincial Secretary will submit a proposal where coordination is required for considerations by the November CEC.
- c. We will review systems and procedures around CEC to ensure that participants are mandated and have time to discuss proposals. In particular, every agenda item requiring action will be circulated with draft resolutions as part of the CEC documentation, and where possible will point clearly to the implications for resourcing and time. In addition, we will continue to improve the annotated agenda, which

provides the basis for obtaining mandates.

6. Organising farm workers and other vulnerable workers

- a. The precondition for us organising farm workers is the attainment of unity, cohesion and organisational development in FAWU. The CEC established a task team that was to lead into a major workshop of the leadership of FAWU and COSATU to look at how this work can be carried forward. Regrettably the current crisis of the union emerged side tracking us and eventually throwing that work in disarray.
- b. In 2005, we convened a workshop develop strategies on how best to organise informal workers and take the National Congress resolutions forward. At the core is the sustainability of the project – can they stand on their own? We also have to ensure that we don't undermine affiliates, bearing in mind the linkages between some activities of the informal sector such as home base work and both the retail sector and manufacturing. We agreed that where there are clear linkages we must ensure that the informal sector workers are integrated into the union. Where informal workers are self-employed, we will have to explore appropriate structures.

7. Managing social dialogue

- a. COSATU should improve coordination of social dialogue, in particular at NEDLAC and in state institutions, and in particular improve report back and mandating processes and general information. COSATU will publish a short monthly report on key issues arising in these engagements.
- b. We live under brutal capitalist conditions whose morals and system test the resolve of working class leaders and workers. The view that our engagement in social dialogue vacillates between corporatist and revolutionary trade unionism must be discussed. At all times COSATU should channel the workers' anger against the system that fails human kind – the capitalist system and the capitalist class.

8. In defence of unity and cohesion

Every union and indeed every union federation has to deal with disagreements and factions without letting them become destructive. The critical measures to this end include the following.

- a. Ensuring genuine democracy, so that everyone feels they have a voice and a chance to convince others and influence the policies and direction of the union. Should a group of leaders, official or members feel that they are no longer able to do so the disaffected groups will form and try to go outside the union structures to gain power.
- b. We must not lose focus as a trade union representing the interests of members. At all times there should be clear programmes to unite the union beyond the annual wage negotiations. It is unity behind programmes and ideals that stops factionalism from getting out of hand. If there is no clear programme, leaders have too little to spend their energies on and factions can eat the organisation up.
- c. We must openly debate the challenge we face to unity in our movement, and in that process review the lessons from Zimbabwe.

This discussion and development of concrete steps to address weaknesses will form

part of the mid-term assessment at the CC on whether we are succeeding or not in implementing the Eighth National Congress resolutions and the 2015 Plan. As a first step in this programme, COSATU has published a booklet to help shop stewards and organisers fight retrenchments. We will publish further materials to help shop stewards and organisers improve their efforts to represent and protect workers.

3 Organisational programmes

3.1 Demarcation of provinces

With support from Naledi, we took forward was the re-demarcation of COSATU regions into provinces. This has improved coordination of campaign and political work substantially.

The project had three phases that were all completed within the projected timeframes. The final stage of the demarcation process, subject to approval by the CEC in November 2005, will be to work with provinces on the implementation of the new boundaries within all provinces. This involves the transfer of some locals into different provinces.

A more detailed implementation programme with clear implementation timeframes for each of the provinces will be undertaken before the end of the year and is aimed at ensuring the next provincial congresses take place within this new dispensation. Priority in terms of provinces on the re-demarcation will be as follows:

- Gauteng, Limpopo, North West and Mpumalanga: September 2005
- Eastern Cape, Western Cape and KZN: October 2005
- FS/NC: November 2005

3.2 Interventions to assist unions overcome internal problems

Over the period we intervened to support NEHAWU, which is now on road to recovery. We also intervened in SAFPU, which now has new leaders drawn from soccer players, where before key positions of leadership were drawn from POPCRU. We also assisted PAWE with various problems. We support SATAWU and CEPPWAWU in dealing with splinter groups. We helped CWU draft a new programme, which will be evaluated by the November CEC. Interventions to support FAWU and NUMSA are currently underway.

3.3 Building Unity

We have sent letters to both FEDUSA and NACTU calling for unity talks. They have not yet responded. The section on the state of COSATU and the political section deal with this matter in more detail.

COSATU facilitated a conference of the public sector unions and made an assessment of the bargaining strategy. We are now in the process of hiring a coordinator who will support the cartel and mergers process, in line with our long-standing resolutions. PAWUSA affiliated to COSATU in November 2004 with a membership of 18 000. We also facilitated the merger between DENOSA and SADNU.

Finally, COSATU facilitated the successful conclusion of unity between FAWU and SAAPAWU. This should provide a springboard for a significant improvement in farm workers' organisation.

3.3.1 Campaigns

Elections Campaign: We report on this campaign in the political section. It took up most of our attention from the Eighth Congress until the elections themselves in April the next year.

Recruitment Campaign: The campaign is dealt with in the report on the state of COSATU. It forms a central part of the 2015 programme, but has not been successful at all. Of the few reports submitted, SACTWU has been doing serious work and has already exceeded their quota for the year.

COSATU activities in support of the campaign included the following.

- In 2004 we produced a framework outlining the central tasks of the campaign and the responsibilities for both the Federation and affiliates. The framework was adopted by CEC in August 2004 and currently guides the campaign.
- We co-ordinated the official launch of the campaign in February hosted by Carletonville local and North West province.
- We produced a recruitment manual and convened workshops. The extent to which these workshops have been able to arm and ensure provinces take forward the campaign is still to be assessed.
- We provided detailed research on union density in each sector and province to help them develop more informed targets.
- We have supported affiliates around organising vulnerable and informal workers.

Picking Up Workers' Gains: We have long recognised that when our campaigns open doors, we have sometimes failed to walk through them. In particular, we have not ensured implementation of favourable labour laws. We therefore signed a partnership with the Department of Labour to educate as many workers as possible about the rights they have, to ensure employers know their responsibilities, and to enforce compliance with all the provisions of the law. This campaign has still to gather enough speed.

Jobs and Poverty Campaign: The campaign is reported in the political section.

Solidarity with Zimbabwe workers: The campaign is reported in the political section. Following the harassment of COSATU's fact-finding mission to Zimbabwe, pickets were held outside the Zimbabwe Embassy in Pretoria, leading up to the night vigil and march to Beit Bridge on March 30, 2005.

May Day: In 2004, May Day activities were decentralised in all the regions with a national rally held in Kimberley. The Kimberley Mayday marked the first anniversary of the Saulspoort Dam Bus Disaster where 51 workers lost their lives, with the unveiling their tombstones. The day was also integrated as part of the celebrations of Ten Years of Freedom. The 2005 May Day was also a great success, with major rallies in all the urban centres. Still, many of members do not attend. Gauteng attracted 12 000 people,

although we have over 300 000 membership in this province alone.

BIG coalition: COSATU remains an active member of the BIG coalition.

ISILILO Campaign: Giving focus on violence on women and children and spearheaded by prominent artists and superstars.

HIV/AIDS: We have not succeeded in implementing COSATU campaigns on HIV and AIDS. The 2004 partnership programme with NMF was not a success

Support for Rasuge family: We gave a better profile for the case and mobilised communities and the Women's League. We need to find a way of ensuring that this linkage is maintained by ensuring that the NGCC continues to participate.

World Day for Safety and Health at Workplaces: We co-ordinated the commemoration held in Richards Bay on May 7, 2005.

Women's and Youth Days: We played an important role in commemorating International Women's Day on March 8, International Children's Day on June 1, National Women's Day on August 9, National Youth Day on June 16, and the 16 Days of Activism Against Women and Child Abuse.

3.4 Gender work – building women leadership and addressing inequities

The National Gender Co-ordinating Committee (NGCC) developed a POA for 2003 to 2003. It also established draft guidelines to assess the functioning of gender structures and mainstreaming within COSATU and affiliates.

As part of our plan to support affiliates and provinces, an assessment report was done for the NGC about the status of gender structures in provinces and affiliates, to assess their adherence to COSATU Programme framework, NGC decisions, and policy stipulations. We have formulated a questionnaire to help affiliates assess the state of their gender structures and policies.

We were invited and made presentations on our work and perspective to the following unions: SASAWU, MUSA, SACCAWU SAFPU, SADTU, PAWE, SATAWU, SASAWU, SACCAWU, SADTU and NEHAWU, and all COSATU provinces.

In 2005, February-March 2005 we held provincial induction workshops with the aim of reconstituting gender structures. We observed that most participants in these workshops were not aware of any NGC decisions or policy positions.

The Gender Coordinator is part of a task team working towards an annual general meeting of the Women's National Coalition (WNC). The long outstanding audit of the financial status of the organisation, which has been a hindrance to funding, has been finalised and now we can seek funding for the AGM, which we hoped to be held in March 2005. An Alliance task team has been established to coordinate the launch and the first AGM of the women's movement and work towards the holding of an AGM for the WNC, as noted above.

The Pan African Women's Organisation was founded on 1962 on the basis of the pursuit for prosperity, freedom, peace and justice for the African People. A meeting was held in July 2004 in Maputo where a paper to be presented at the AU Summit was

discussed. The ANCWL decided to involve the Alliance partners and therefore we discussed and tabled the matter at the NGC.

The ICFTU campaign “Trade Unions for Women and Women for Trade Unions” is gaining momentum. National Centres are urged to focus on the informal economy, youth and EPZ to ensure that they contribute to their recruitment drive.

4 Education

The main task of the Education Unit was to revive our education and ensure mass delivery of education programmes for leaders, members and staff. To that end we need proper systems; a defined programme to deliver education; a programme to educate our members about our gains; a strategy for ideological contestation; and a strategy to recruit, train and deploy 20 commissars.

Following successful planning that started at the 2003 Education Conference, we have seen a turnaround in our education co-ordination and delivery. This rise in education delivery was linked to the three-year education plan adopted by Congress.

Because of the elections in 2004, however, we had to suspend the roll-out of programmes. Coupled with a congested education programme, this limited our ability to deliver programmes in 2004.

During the period under review, we achieved the following.

We revived several education structures. As will be shown in this report, most education substructures are back and working. To support planning and monitoring of all our programmes, we established four NEDCOM task teams. These task teams have built up teams of educators that specialize/focus and have helped bring the work of the federation closer to affiliates. Whilst this is uneven, with some affiliates participating less, the experience has brought most educators together to confront common education planning and delivery challenges.

We established COSATU's first political education commissariat known as the Chris Hani Brigade. The brigade stands out as one of the central pillars on which COSATU's 2015 plan rests. Made up of a large group of 160 members from whom 25 trainers were selected, the brigade launched itself in May 2004 and is now entering the 7th block of train-the-trainer programme having successfully completed six rounds of training.

2004 also saw the revival of schools in the federation. We have already held two winter schools in two successive Mays and a summer school in October. This brings together shop stewards, officials and office bearers and gender co-ordinators. The schools have helped put back trade union education on the map and ensured that it can reclaim its role in the trade union movement.

During this period, we also gave fresh priority to shop steward development. With DITSELA's support, we have launched a federation-wide support project for affiliates and locals. This saw a large scale train-the-trainer programme and a materials development process that produced a new shop steward induction manual. Shop steward training was conducted in a number of locals. The process has brought to the fore the huge challenge of sustaining the good work done in rebuilding and strengthening strong locals and improving worker participation in the work of the

federation at local level.

Gender education is at the centre of our three-year programme. In 2003, we completed a four-block training for the first leadership layer of women and men leaders. In 2004 we recruited the second leadership layer and to date, we have recruited the third layer, who are now in their second block.

We coordinated the Socialist Forums in all our locals with uneven success. The Socialist Forums is one of the joint programmes we run with the SACP. It is one of the innovations of providing mass education at no cost to the organisation whilst engaging the cadres of the movement with analytical tools and deepening their understanding of developments.

Finally, we have also engaged with the skills development strategy from a trade union education standpoint. We spent the last three years struggling about how best to interact with the new skills development strategy. In 2004, we introduced a programme of learnerships. We went further to mobilize money from the SETA to help us carry out our own staff and leadership development programme, although the process has been delayed by both red tape and misunderstandings.

The area of service providers for education and training requires attention. We have worked well with some traditional service providers, such as DITSELA. But a host of others with unproven technical and political credentials are queuing for offers and tenders from the federation. Most claim to be working with affiliates already, which points to the amount of work to be done in setting common standards regarding service provision.

We also need to define more clearly our relationship with SATULA and APADEP, which are institutions meant to provide worker education in the region and continent. We need to explore how far we interact with them towards a stronger regional and continental worker education movement.

5 Communications

5.1 External media

We send media statements on a range of topics virtually daily, and sometimes several a day. The coverage of these statements by the media has been improving. In particular, the reporting of the Zimbabwe campaign, the launching of the recruitment campaign, the visiting of the factories, plants and various workplaces by the General Secretary of COSATU, and June 2005 strike action has been outstanding, with good coverage all over the world.

We are also forwarding many more good statements from a growing number of affiliates, in particular POPCRU, NUMSA, NUM, DENOSA, SAMWU, SACTWU and FAWU. The regions have also been sending out more statements about local issues and this must be encouraged further. Notably, though not properly co-ordinated by the Head Office, the vigilance of the Western Cape and Limpopo is to be commended.

We continue to give hundreds of interviews to other radio stations, in all the main languages. On the international level we have made some advances as well, with calls

from news agencies all over the world.

The City Press has now agreed to a weekly half-page of labour news and comment in their Careers section. It will include a regular column written by leaders of COSATU, FEDUSA and NACTU, and coverage of labour stories by their reporters. It started at the end of April, in time for May Day.

The bi-weekly column of the fiscal/monetary co-ordinator in Business Day is still reaching a wider audience than we can through our own publications. We also now have a monthly column written by Bheki Ntshalintshali in Business Report.

The weekly SABC3 TV Labour Focus show continues at lunchtime on Wednesdays, though the unions still have no say in the topics discussed. We have increased our presence in discussion shows such as Asikhulume, Fokus and Round Table.

We are continuing to lobby the SABC for more and better labour coverage on TV. We took our concerns about how SABC 1 in particular went out of its way to conceal truth when covering June 16 events in KwaMashu and 27 June 2005 strike.

e-tv, on the other hand, is providing less and less labour coverage and we struggle to get them even to attend press conferences. We have suggested that the affiliates who own shares in its parent company could bring pressure to bear on the board of directors.

On March 2, 2005, the SABC started a regular half-hour labour programme on SAFM, "Workers on Wednesday," during the Vuyo Mbuli Show at 10:00 a.m. We have agreed on a list of topics with FEDUSA and NACTU. So far NACTU have not participated and COSATU has had easily the largest number of presenters so far. We are however concerned at the lack of callers from the labour movement during the show

The Labour-Community Radio Project is broadcasting its latest series of hourly labour programmes, which are flighted on 40 community radio stations. Each programme has a specific theme and consists of news, a brief insert on the topic and then a phone-in.

We also secured other radio station programmes' slots. For instance, from April 24, 2005 until December 18, 2005 we shall have an hour slot between 13:00 hours and 14:00 hours, every second Sunday (fortnightly) in Ukhozi FM. Umhlobo Wenene provides us with a 30-minute slot from 20:00 on the first and second Sunday of every month. This programme will run from May Day in 2005 until the March 12, 2006.

5.2 Internal media

We are determined to produce the six scheduled issues of the *Shop Steward Magazine*, including a special anniversary edition for the celebrations at the beginning of December. The *Shop Steward* has a crucial role to play in the Recruitment and the Jobs and Poverty campaigns.

We will be asking many CC participants and affiliate leaders to contribute articles. We appeal to the CC members to encourage members to send regular reports, articles, letters, poems, photos and so on.

The Daily Labour News, with labour-related stories from Internet news sites, is produced every Monday to Friday and e-mailed to affiliates, regions and other

subscribers. The News stories are then forwarded to Labourstart, an international labour movement internet news site.

The four-page COSATU Weekly, which includes media statements from COSATU and affiliates, is faxed and e-mailed to affiliates and others and then posted on to the web site. We are still trying to make the Weekly more of a campaigns bulletin, with a calendar of upcoming events to mobilise the membership, and weekly updates on the recruitment and other campaigns.

In order to co-ordinate the work of the federation and the affiliates we have revived the Media Forum, with representatives from affiliates and Naledi, but with no travel expenses for comrades outside Gauteng. Attendance is improving and we believe this forum has a major role to play in campaigns, especially recruitment. We are looking into the possibility of turning the meetings into teleconferences so that union representatives from other provinces can be involved.

We are also involved in the Labour Media Consortium, which plays a similar role but is also supposed to involve NACTU and FEDUSA. Given that neither of the other federations plays any real role, however, this arguably just duplicates the Media Forum.

5.3 *Archive and Information Centre*

On February 15, 2005, the COSATU Archive and Information Centre was officially opened. It will house COSATU's treasures – all our historic archives - and will be a source of information, enlightenment and inspiration for generations to come. The long job of storing and displaying our historical documents is now underway and we have just hired an administrator to take over the day-to-day running of the project. All CC members who have not yet seen the Centre are urged to spare some time and visit the site.

6 Engagements on policy

6.1 *Industrial policy*

We made a considerable effort to support affiliates who engage on sector strategies. This has included a three-year NALEDI/COSATU programme, ending this year, to provide technical support, as well as political work at NEDLAC to ensure business and government co-operate. Periodic workshops were held with affiliates to discuss sectoral strategies and industrial policy.

We have on-going engagements on issues related to industrial strategy at NEDLAC, including on import-parity pricing, BEE and co-ops. Extensive engagement has also taken place with the Competition Commission, both through the Commission's discussion forum and in support of affiliates. An industrial strategy conference was held jointly with Naledi and the dti.

Through NEDLAC, we participated in a series of studies focused largely on sectoral issues, including support for the auto and metal/engineering sectors as well as an investigation into procurement by large companies and government agencies. We have also commissioned a report from Naledi that will provide baseline data for sectors and regions.

In addition, specific efforts were made to assist affiliates in the chemical, ICT and financial sector summits in particular. We are engaging with business in an effort to ensure the successful launch of the retail sector summit process.

We engaged officials from PCAS in the Presidency in an effort, so far not very successful, to ensure that government takes more of a leadership role in developing sector strategies.

With NUM, we represent labour on the Securities Regulatory Panel, including the appeals panel in Harmony-Goldfields matter.

6.2 Trade policy and negotiations

NEDLAC now provides a forum for extensive (although not always very effective) engagement on trade, with considerable participation by affiliates. COSATU managed to reach agreement on a framework for negotiations that requires government to do more to protect and create employment. In addition, we co-ordinated engagement on specific agreements as well as the WTO negotiations with a team from affiliates, with support on services from the fiscal and monetary co-ordinator.

We held workshops with affiliates on technical training for trade; trade agreements; and non-agricultural market access (NAMA), which was hosted together with SANGOCO. We are seeking closer links to NGOs working on trade, in particular SANGOCO, through the Trade Strategy Group.

We are active in the ICFTU's efforts to influence WTO negotiations, including regular participation in the meetings of the relevant ICFTU groups and representation of labour at meetings of the WTO and OECD.

We conducted detailed and exhaustive work to back up engagements on trade agreements. We published research on South African trade patterns in position papers, in an article published by TIPS, and in the media. We also sit on the steering committee of the Southern African Trade and Poverty Project, which is funded by the UK, managed by the Trade and Industrial Policy Strategies (TIPS), and overseen by a board representing the Department of Trade and Industry, COSATU and BUSA. Through this project, we have commissioned an extensive baseline project on the impact of trade on poverty and employment.

COSATU's trade and industry co-ordinator represents labour on the International Trade Advisory Commission, which advises the government on specific tariff and trade decisions.

6.3 Financial sector

We now participate extensively in the Financial Sector Charter process, together with SASBO. We have negotiated substantial representation for labour in the process. We are continuing to work toward finalisation of targets, primarily through work on task teams. We have been able to use the council to support engagement on the BBEE Codes.

6.4 Fiscal policy

We continue to publish a detailed document on fiscal issues every year through the People's Budget. In addition, both COSATU and the People's Budget develop responses to the annual budget and the Medium-Term Budget Policy Statement. These processes provide a back up for engagement at NEDLAC on fiscal issues.

6.5 Economic policy and research

The Policy Unit developed a framework for provincial development policies and participated in workshop in provinces. We also support individual regions on request.

With Naledi and the Parliamentary Office, we have initiated a strategic review of government policy. Some of the papers are available for CC.

We developed position papers and discussion documents for the Alliance Summit, ANC National General Council, and the Central Committee. Further we drafted inputs for the campaigns bulletin and leaflets for the Jobs and Poverty Campaign.

6.6 Retirement funds

Support for trustees: A long-term aim of the labour movement has been to empower retirement fund trustees and ensure their more active engagement in fund governance and investment policy. Considerable progress has been made toward this goal. As agreed at the GDS, a national Trustees Conference was held under the auspices of NEDLAC. We are also working with the Registrar of Pension Funds, NEDLAC's PFMP Chamber on the establishment of a trustee forum and to resolve FSCC financial targets committed by Institute for Retirement Funders without trustees' mandate a few years ago.

We are also working with the Insurance SETA on training for trustees on retirement funds issues, participated in appointment of an institution to do needs analysis for trustee training with the skills development coordinator.

The National Treasury published a discussion document on retirement funds in 2004. NEDLAC established task team to deal with this matter and we are actively participating and working with all constituencies. We completed a draft labour response to the discussion paper with Parliamentary office, and NALEDI which was submitted to the NEDLAC PFMP chamber after endorsement by CEC. We have held several workshops with affiliates.

We also participated in the launch of the paper and the Portfolio Committee of Finance hearings on both the cost of running retirement funds and the reform process and in NEDLAC.

Work with statutory bodies on retirement funds: We are a member of Advisory Board of Financial Services Board (FSB) and participates in interventions in retirement funds issues and helped establish the mechanism to deal with unclaimed benefits for dormant members and surplus distribution for former members with affiliates.

We work with the Registrar of Pension Funds, Adjudicator, and other industry stakeholders on Retirement Annuity Funds problems – to assist members whose

savings were depleted by the Life Insurance companies.

Support for affiliate funds: We assisted the National Union of Mineworkers in preparations of its conference and participated fully in the conference. We assist affiliates with retirement funds matters, in particular metal workers trustees who are challenged by employer trustees who requested high court to declare that surplus distribution in this fund is outside the frame-work and guidelines as imposed Pensions Fund Second Amendment Act. We maintained work on the JB Marks Trust Fund and participated as a board member of the SATAWU Provident Fund.

We worked on the Joint Municipal Pensions Fund, which faced financial disaster. We helped in its report submitted to the Registrar of Pension Funds, as required by the high Court order. Some work is still required particularly the potential civil and criminal action against various parties that caused the fund to lose more than 40 per cent of its assets speculating in maize, and assisted with a process of electing trustees.

6.7 Labour Policy

We produced a booklet on Retrenchment. With the high degree of retrenchment facing workers across all industries, the Federation identified the need to build capacity amongst shop stewards and organisers to deal with job losses. A booklet on dealing with retrenchments in the workplace was developed and distributed to all provinces. The booklet describes, in a simple and easy-to-read format, the procedures that must be followed, the need for the employer to disclose information, exploring alternatives to avoid retrenchment and negotiating a retrenchment package and support for workers affected through operational dismissals.

We work at NEDLAC on numerous issues. They include the Superior Courts Bill, social plan, code of good practice on who is an employee, Immigration Bill, employment equity, skills development, casualisation and atypical forms of work. A task team to deal with the casualisation and atypical forms of work has been established but has not met. Some time is taken by many task teams taken Section 77 of the LRA.

Employment Promotion Programme (EPP): The three-year project is funded by the UK, managed by the Development Planning Research Unit (DPRU) at UCT, and overseen by a steering committee comprised of representatives of the Presidency, business and labour. The project focuses on enhancing employment creation in South Africa.

The project has three key outputs:

- Research on a number of areas that include understanding the regulatory environment, developing industrial policy that creates jobs and utilising parastatals as a vehicle to growth and employment creation.
- Capacity building for stakeholders, including NEDLAC and labour.
- Exploration of a Labour Market Development Fund

The project has been initiated with the development of terms of reference on the regulatory impact especially on small businesses; the role of the CCMA and bargaining councils; and methodologies for employment-oriented sector strategies. The main researchers include Halton Cheadle, Anton Roskam and Paul Benjamin.

6.8 Public sector

Meetings were held with SADTU, DENOSA and SAMA on career pathing and related issues. The public-sector policy co-ordinator made presentations to PSCBC conference, the national department of education, and the Labour Law Conference on career pathing in the public service.

The public-sector policy co-ordinator provided support for a public-sector workshop convened by the Secretariat to evaluate collective bargaining.

6.9 Occupational health and safety

With affiliates, work has been conducted on regulations concerning construction, General Safety, Occupational Exposure Limits for Hazardous Substance Regulation, Electrical Installation, Electrical Mechanical, Pressure Equipment, Lift Escalator and Passenger Conveyors.

We convened a NEDLAC strategic workshop to formulate a labour response on the OHS policy and bill, as well as COSATU meetings and assistance to affiliates in developing a strategy and programme for the COSATU response. We assisted in the appointment of compensation assessors and later will convene workshops at provincial level on this topic.

We participated in the Department of Labour partnership with COSATU, which included World Health and Safety Day on April 28, 2005. Work was also done on the Department of Labour guidance on application of SABS standards, the global harmonisation of systems for classifying and labelling chemicals, and the elimination of Silicosis programme.

At an international level we coordinated an input for the ILO health and safety discussion paper and participates in the meetings of the AU Social Commission and supported affiliates engagement on SADC strategies on transportation of chemicals within the region.

6.10 Environment issues

We developed a discussion paper on GMOs that the CEC adopted.

We convened a workshop to develop a COSATU strategy on the development of the Pebble-Bed Nuclear Reactor. The meeting agreed on the need to mobilise communities against development of nuclear energy and to discuss alternative mechanisms and inform communities of the options. COSATU, NUMSA, NUM and CEPPWAWU are working together with EarthLife on the matter.

We also worked with affiliates on a submission on Environmental Impact Assessment Regulations

6.11 HIV/AIDS

With affiliates, we developed a submission on the Circular Instruction regarding the Compensation for Occupationally Acquired HIV infection and AIDS, No.183. We obtained from the Aids Law Project a comparison of national targets as opposed to the actual number of patients receiving ARV medication. This matter is also addressed at

SANAC. A discussion paper on ARV and tax is still being prepared.

We engaged the ILO on its workplace policy, programmes and the establishment of the board. The board finalised a mapping exercise and plan of action and is now conducting a workplace survey. So far, the Free State/Northern Cape region has been involved in getting companies to sign a memorandum of cooperation

The South African Code of Good Practice on Key Aspects of HIV/AIDS and Employment has been translated into all official languages.

We coordinate COSATU's participation in SANAC – the body that was supposed to coordinate a national stakeholders' campaign on HIV. SANAC has, however, proven unable to make a real contribution to work on HIV; for instance, it has yet to discuss our concerns about the roll out of ARV treatment, which we have raised repeatedly. COSATU wrote a letter to ANC Secretary General and the Deputy President arguing that SANAC must be made more effective. Most recently, the majority of participants refused to sign the Department of Health's application for funding from the Global Fund for AIDS, because of a complete lack of prior consultation or interaction.

We participate in the TAC NEC meetings and all its activities.

6.12 Skills development

The National Skills Development Strategy, finalised in March 2005, sets set a number of challenges for the federation and its affiliates, specifically those that are in deputation structures like the SETAs, NEDLAC, the NSA, the EEC, the UIF, SAQA, FET and HE, and so on. These institutions need to be treated with caution, for if they operate in silos we will end up only chasing events driven by other stakeholders.

The co-ordinator for skills development worked with affiliates, through extensive provincial and national workshops, to develop a response to the National Skills Development Strategy. In addition, he has spent a great deal of time helping to manage the administrative crisis at the NSA.

The COSATU Skills Development Committee has agreed on the need for a SETA representatives' forum, which can maintain a consistent campaign on skills development, based in workplace and sectoral negotiations. The forum will include representatives of all affiliates as well as representatives in all relevant statutory bodies, including the NSA, EEC, SAQA and UIF. We aim to hold a skills development conference for COSATU by October.

We are exploring the possibility of setting up provincial skills development forums to support engagement at provincial level.

6.13 Health

We have begun a process of policy development on health with affiliates, although we have not been able to work on it as rapidly as hoped due to lack of capacity. We participated in National Health Summit that was organised by the Department of Health.

We continue to engage on Social Health Insurance. We developed a position paper for CEC, which mandated tabling of the issue at NEDLAC. This has since been done, and

the tax aspects of the government's proposal will be discussed in the Fiscal and Monetary Chamber in September.

Together with health unions, we participated in and provided an input for the conference on Health and Informal Economy which, was organised by Naledi and the ILO. Our input will be published by the ILO.

6.14 Agriculture and land:

We participated in National Consultative Agricultural Sector Workshop on Labour with FAWU, organised by Department of Agriculture in order to involve labour on the government strategy. We also participated in the recent Land Summit.

6.15 Co-ops

We have engaged extensively with the legislation on co-ops, both overall and for the financial sector. We now have a mandate from CEC to workshop the establishment of financial co-ops through the labour movement.

6.16 Parliamentary work

Since the last congress we engaged with close to fifty areas of policy and legislation considered to be of strategic importance to the Federation. A summary of these engagements are outlined in the attached appendix.

In addition to overall work on legislation, we have also:

- Worked with affiliates on legislation of concern to individual sectors, for instance minerals and energy, local government etc.
- Organised a series of successful Parliamentary bilaterals and CEC held in Cape Town from 24-26 August 2004. These meetings are dealt with in the political section of this report.
- Coordinated meetings of COSATU leadership with new Government Ministers and DGs (or their deputies) in portfolios of key concern to COSATU in the run-up to the August 2004 CEC and at the CEC itself. Further bilaterals, on a far smaller scale, are being considered for later this year, possibly between the CEC Political Commission and the ANC Political Committee.
- Produced a CD-Rom containing all the submissions on policy and legislation made by the Federation in the first ten years of democracy, which was launched at the Cape Town CEC. It contains an impressive record of COSATU's inputs on 230 issues made to over 20 portfolios in government and their Parliamentary Committees.
- Embarked on an assessment of the performance of our allies in parliament and government. An initial report was submitted to the November 2004 CEC. This is an ongoing process and further reports will be developed.

7 Associated institutions

7.1 NALEDI

Ravi Naidoo resigned after ten years of service to Naledi. He was produced by Oupa Bodibe, the coordinator in the Secretariat.

Since the Eighth National Congress, NALEDI has produced a variety of practical and non-academic, policy papers, advisory work and presentations to a variety of audiences. NALEDI's primary aims are to:

- Support the deepening of democracy in South Africa.
- Improve the organisational ability of the working class.
- Encourage coalitions between organised labour and other segments of working people and civil society.
- Promote redistribution and sustainable economic growth and development.
- Promote the development of global approaches to global governance.

The organisation is fairly stable with a relatively new board of trustees and management. Members of the board are drawn from COSATU and its affiliated unions, academia, the state and other friendly organisation.

Currently NALEDI employs 13 people, of whom seven are researchers. NALEDI depends largely on donor funding, with COSATU providing at least 5% of its income every year.

NALEDI's work is structured around the following programmes.

Organisational review — This three-year project continues on schedule. The project conducts research on and supports COSATU's organisational review process. To date it has produced a Report on Demarcation for COSATU and established a collective bargaining data base. It is currently conclude research for SADTU on three themes, namely effectiveness of structures, conditions of employment in higher education, and SADTU's impact on policy. It also provides regular support to other unions. A survey of members and non-members is in the pipeline and it is anticipated that work will be concluded in time for the COSATU anniversary.

Sector Job Summits – The project has worked closely with a number of unions engaged in sectoral strategy negotiations. It has developed 40 research reports and has supported sectoral negotiations at NEDLAC. As the dti funding has come to an end, the project is being wound down.

Workplace reconstruction unit – The WRU has been working mainly on Chris Hani Baragwanath Hospital (CHB), where it has been requested by the Gauteng Health MEC, CHB Board, and unions to play a role in the transformation of that institution. Work in other WRU pilots, such as Plascon, has ground to a halt through lack of engagement by the unions, taking pressure off management to proceed with the workplace reconstruction initiative. The unit has supported engagement at Spoornet and will now support labour's engagement with Transnet restructuring.

Poverty eradication and People's Budget Coalition project – The People's Budget work is now combined with NALEDI's research on poverty eradication. The team focuses on fiscal policy through the People's Budget campaign and research on poverty eradication strategies.

Pension funds and MNC strategy unit – The main focus in terms of pension funds currently is to establish a database that will be used by the union movement. Research for the near future includes the cost structure in the retirement industry and the impact of HIV. The MNC component focused on South African multinationals in the hospitality sector across eight African countries. The unit is also conducting research, advice and capacity building work in Unilever.

Media unit - The media unit deals with both internal and external communication both electronic and print based. It also manages the organisational resource centre.

Training and development work is being consolidated to focus on delivering ongoing researcher training to researchers from trade unions in South Africa and the rest of Africa. The Researchers Forum, established in 2002, has been running well. Practically all COSATU affiliates and structures have been involved. It would help if the event were included in the COSATU calendar.

South-South and International Work – The unit aims primarily to establish links with labour-support institutions like NALEDI on the African continent and elsewhere in the developing world. NALEDI was instrumental in the establishment of the African Labour Researchers Network and serves at its secretariat. Furthermore, it participates in a number of networks including the Global Policy Network and the Global Union Researchers Network.

Review of government policy - NALEDI is working with the COSATU Policy Unit and Parliamentary Office to audit shifts in government policy and define a strategy of engagement on that basis.

7.2 Chris Hani Institute

The CHI board consists of: Zwelinzima Vavi, Hlengiwe Bhengu, Rob Davies, Gasa Nomboniso, Pallo Jordan, Gwede Mantashe, Blade Nzimande, Jenny Schreiner, Ebrahim Patel, Eddie Webster and Joyce Mashamba. The high profile nature of the members means that the board battles to hold meetings regularly.

The Institute has employed a project officer and a project administrator. We plan to have hired a director by October 2005.

Activities to date include:

- A series of debates on the class formation in memory of the tenth anniversary of Joe Slovo
- Production of a Chris Hani fact sheet to mark the month during which Comrade Chris Hani was murdered.
- The Chris Hani memorial lecture addressed by the COSATU General Secretary to mark the 63rd birthday of Chris Hani on the June 28.

- Assistance in the conceptualisation of a conference on Sustainable Livelihoods, which is being hosted by the community sector of NEDLAC.
- Providing support to the Research Subcommittee of the BIG Coalition.

The board held a strategic session on August 4 to refocus the work of the CHI and decided as follows.

Vision, mission and role of the Chris Hani Institute: The current international and national situation challenges the working class to develop its capacity, skills and analysis. We need a multiplicity of leftwing voices in the public domain.

In this context, the overall aim of the institute is to develop ideas and responses that make the vision of socialism real, from slogans to concrete demands. Specific aims are that the Institute should be a thinktank that provides critical political analysis from a Marxist standpoint. The institute seeks to build the intellectual capacity and strength of the working class.

Realising these aims requires a programme with three pillars: strategic analysis, research and education. Elements of this programme exist but need considerable work to ensure a focus on a long-term vision, critical analysis and the study of trends and developments within the working class, capital and the state.

Review the strategic plan, programmes and activities: Based on the decisions regarding the vision, mission and scope of the institute, the board will review all planned activities to ensure alignment with these. A team has been set up for this purpose.

Roles, responsibilities and relations with allies and friendly organisations: The Institute is set up to complement work done by education and policy units of both COSATU and the SACP, as well as Naledi and Ditsela. The institute's work focuses on long term outcomes, for the entire working class (beyond the trade union movement) and specifically studies socialist alternatives and responses. Practically, the complementary relationships among these formations need to be managed properly.

Relationship with COSATU and the SACP: The Institute enjoys relative autonomy from its founding organisations. Achieving this requires the mobilisation of mobilise resources. The new logo gives a separate identity for the institute.

Legal Status: Agreed to register the institute as a Section 21 company and apply for accreditation as a non-profit organisation

Management and leadership: Within the next three months, the board will appoint an executive director. This aims to establish the organisation independently from its founders and to remedy the current situation where leadership is only through the board of trustees.

8 International Relations

8.1 African Regional Organisations

The continental organisations – that is, the Organisation for African Trade Union Unity (OATUU) and ICFTU-Afro – have not improved since the last congress. Both these centres enjoy consultative status with the AU.

OATUU held its ordinary congress in Khartoum, Sudan in 2004. Many of our resolutions were not tabled without any explanation except to undermine the leadership and denigrate our delegates. The congress was such a disaster that, at the start, before any elections could take place, the Secretary General announced the President of the local federation as *de facto* president of OATUU. We have since requested a meeting with the OATUU leadership, which is yet to take place.

The leadership of OATUU has learnt the habit of dependence on governments. The Sudanese government in part funded the Congress, our leaders now boldly declare that there was never a genocide in Sudan or that the idea that a genocide is a propaganda of the Western powers and imperialists to discredit Africa.

That suggests how difficult it will be to transform the African trade union movement, given the Sudanese government's appalling record on human rights. The fact that many of the affiliates are not paying their subscriptions does nothing to help this ailing organisation.

Still, OATUU's relations with the ICFTU-Afro have been cordial since our initiative of getting them to co-operate more.

The ICFTU-Afro will hold its Congress in September 2005 in Tunisia. In the last Congress in 2001, we made progress in getting the Executive Board to accept our resolutions for consideration by Congress. Amongst the accepted resolution was one that includes the unity of the African trade union movement. None of those resolutions were implemented.

In line with our Eighth Congress resolution, reforms of ICFTU-Afro remain urgent. We had agreed the possibility of his retirement with the current (founding) General Secretary of ICFTU-Afro, but he has already broken his commitment. We are making a slow progress in breaking down language barriers and progress has been undermined by the coming congress.

SATUCC is still in more or less the same position. There have been attempts to strengthen its capacity with projects that are funded by sister unions, but they have not improved the situation. Still, our cooperation with the unions of SADC has remained good. In the recent past, with the support of trans-africa and the International Labour Organisation (ILO), SATUCC ran affiliate support workshops on various issues that affect the labour movement in Southern Africa, especially in Swaziland.

The President of SATUCC is now Lucia Matibenga from the Zimbabwe Congress of Trade Unions.

8.2 South-South Co-operation

We continue to support the growth of the South-South co-operation with our participation in Southern Initiative on Globalisation and Trade Union Rights (SIGTUR).

SIGTUR held a congress in 2005 in one of the most repressive countries of the South East Asia, Thailand. It was therefore critical that the congress was held in Bangkok with major coverage from both local and international media. The highlight of the congress was taking to the streets in support of the Australian workers who are facing labour law reform as well as visiting numerous factories in Thailand where workers were on strike

demanding an equivalent of R2 for transport allowance.

8.3 *Bilateral co-operation in Africa*

Since the Eighth Congress we have scaled up co-operation with unions of SADC and Africa as whole. Still, most of our support has taken the form of solidarity rather than the material assistance many would have wanted.

In particular, we strengthened our solidarity with the Zimbabwe Congress of Trade Unions against the repression they face. Unfortunately, as is well known, our CEC delegation to Zimbabwe last year was sent out of the country on the second day of their weeklong visit. They were ferried by bus to the Musina border in defiance of a Zimbabwean court interdict. The second delegation was barred at the airport and subsequently COSATU organised protest marches in the border with Zimbabwe on the eve of the flawed Presidential elections in 2005. We have now agreed to bring two ZCTU their officials for an internship in our Parliamentary Office.

The Swaziland Federation of Trade Unions has been having internal organisational problems, which made it impossible to carry out campaigns for democracy and union rights. We have however involved them alongside the unions of Zambia and Malawi in our events and activities, especially on political education.

We were supposed to develop a formal bilateral with the Mozambican OTM. This was impossible, however, due to lack of preparation and changes of dates.

We currently have a troika relationship with Nigeria Labour Congress (NLC) and Ghana Trades Union Congress (TUC). Exchange programmes as well as solidarity actions have taken place since the Eighth Congress. Amongst others, our General Secretary visited Nigeria at the time of promulgation of the new labour laws. As a result, we received a delegation from the labour committee of the Nigerian Parliament. We lobbied them to support the NLC, which the bill was seeking to dissolve. In addition, we hosted several pickets at the Nigerian embassy to highlight the plight of the Nigerian workers.

8.4 *Other Bilateral Relations*

We continue to have countless relations with all major unions all over the world. We need to do more to service these relationships – a change of guard in the international department must change this situation.

Our bilateral relations with the Italian trade union movement remain strong. Exchange programmes are yet to take place while other affiliates are continuing to have fraternal relations with the affiliates of the main centres of the Italian trade union movement. The Progetto Sviluppo is looking into measures to support Chris Hani Institute.

Our co-operation with the Canadian Labour Congress is also very good. We continue to exchange speakers for workshops and programmes. In addition the Canadians helped to finance COSATU's conference for ten years of democracy in March 2005.

Mostly through the Solidarity Centre, the AFL-CIO has been supporting a lot of our projects ranging from co-operation work in SADC to HIV/AIDS programmes in the federation and work on retirement funds. Their support continues not only to ourselves but to the rest of the trade unions in Africa and SADC.

The relationship with the Scandinavian trade union movement is still very strong. They have supported the federation primarily through research projects that are often taken up by NALEDI. We continue to follow the development of trade unionism in that region and they still follow the organisational development in South Africa. In addition, they have become to some extent the financial bedrock for SATUCC projects. Our GS attended the Congress of the Swedish LO this year.

The Dutch FNV celebrated 100 years in 2005 by electing the first woman president at its last congress. In this congress, which was attended and addressed by the Second Deputy President, Violet Seboni, we consolidated our relations with the Dutch as well as other world trade unions.

Relations with the KCTU and CUT have been resuscitated and we look forward to a lasting trilateral of the South. We work with these two federations in both SIGTUR and the World Social Forum. However, there is a clear need to rebuild our relations with the CUT, taking into account that the CUT has recently elected an entirely new leadership, while the majority of its former officials and leaders have joined the government.

The Cuba CTC has also been an area of focus in the period under review. We have unfortunately not succeeded to find space for another bilateral co-operation meeting since the last one in Havana, Cuba. A number of affiliates have played a substantial role in supporting their sister affiliates in Cuba and should be commended for this sacrifices.

We have begun to build new strong bonds of friendship with the CC.OO of Spain since the last Johannesburg summit. The CC.OO is also a founding organisation for the international labour trust which is responsible for union actions toward the WSSD's Johannesburg Programme of Action (JPOA).

We have also been asked by a range of other unions ranging from Malta, Portugal, Pakistan, China as well as other African trade unions to participate in their events with a view to develop relations. We have not succeeded in part because of many other commitments at home and abroad, and in part because of resource constraints.

8.5 World Social Forum

The World Social Forum (WSF) meets annually on almost the same dates as the World Economic Forum of Davos. The World Economic Forum is a gathering of all major corporations' CEOs; the WSF is a meeting of thousands of civil society, unions and NGOs focused on issues of the poor and alternatives to neo-liberalism. The WSF positions itself as a countervailing force against big business and imperialism. It is however subject to intense lobbying by non-representative NGOs, however, including some from South Africa.

COSATU has joined the governing body of the WSF, the International Council. In both 2004 and 2005, both COSATU and affiliates were well represented at the Forum itself. In contrast, the African version of the WSF, the African Social forum, is in complete disarray. We have taken a resolution to participate actively in the African Social Forum so that we can help democratise its management and guide its programme.

9 Administrative and management issues

9.1 Finances

As discussed in the section on the state of COSATU, membership of the Federation has declined by 2,7% since 2003. The increase in affiliation fee per resulted in a breakeven cash flow. Even more important, payment from the affiliates has improved immensely, with virtually all affiliates now in good standing.

Given the financial restraint of the past few years, fundraising from outside the Federation, mostly from the Department of Labour and foreign donors, has become a regular activity. Mostly it is spearheaded by the various units. This poses the risk of a dependency syndrome.

We have improved our savings ratio to close to 1% of affiliation income in order to cover major constitutional events. Our recovery plan should go beyond saving towards main events, and steer the Federation towards creating a general reserve so that we also do not need to impose levies on affiliates every time there is a big task at hand.

Levies decided at constitutional meetings are usually paid very late. This has a negative impact on the cash flow and sometimes sours our relationship with creditors. Only 53% of the affiliates paid earlier levies. If we look at more recent levies, only 23% of the affiliates have paid.

9.2 Information technology

A programme to overhaul our entire computer network has now been implemented in the regions and head office, including moving to Telkom as our sole service provider. Given the huge increase in cost, Telkom assured us that we would receive the very best service. Scandalously, however, the service in the first three months was dreadful. We had a high-level meeting with Telkom and have seen some improvement as a result. As a result of these problems, the website and email have had technical problems, for which we apologise.

9.3 Cubah Properties

The financial situation of Cubah Properties has improved compared to the previous years. It is not a dramatic improvement, however, as we are still experiencing some problems especially around rental collections, which form our main source of income.

9.3.1 Rentals

We have managed to rent out spaces that have been vacant for a long time and we have reliable tenants who are able to pay their rental on the monthly basis. We still have vacant space on the seventh floor, with room for four offices (around 150 square metres), which would rent for R3750.

The following table shows that we are still losing over R60 000 a month due to non-payment of rentals.

Tenants and monthly rental

	Budget	Receipts	Difference
1. COSATU	138,690.20	118,788.00	19,902.20
2. SACP	19,537.72	0	19,537.72
3. ARHIVES DEPARTMENT	11,500.00	0	11,500.00
4. SAFPU	3,671.01	0	3,671.01
5. MUSA	3,300.00	0	3,300.00
6. SANCO	2,250.00	0	2,250.00
7. SASAWU	4,922.50	4,922.00	0.50
8. SA BULLETIN	1,725.00	1,725.00	0.00
9. NTHUNXA	1,750.00	1,750.00	0.00
10. NALEDI	28,938.46	28,938.46	0.00
11. DORA TAMANA	11,754.00	11,754.00	0.00
12. DRAMATISTS AGAINST CRIME	1,479.82	1,479.82	0.00
13. JOB CREATION TRUST	3,850.00	3,850.00	0.00
14. UHURU PRODUCTIONS	2,320.22	2,320.22	0.00
TOTAL	235,688.93	175,527.50	60,161.43

The following table gives a list of debtors and their accumulated debts. If we can receive the funds due, we will be able to take forward our renovation project. As it is, the debts are reflected in the deterioration in the quality and value of the building.

Debtors and amounts owed as of July 2005

Debtor	Amount owed
1. SACP	1,175,293.44
2. COSATU	1,055,766.16
3. SAFPU	64,045.70
4. MUSA	22,516.00
5. SANCO	14,917.50
TOTAL	2,332,538.80

The SACP wrote a letter to ask COSATU to settle their outstanding debts out of the levies due to them. It is now up to COSATU now to transfer that money into Cubah Properties investment account.

The amount that COSATU owes is the arrears on their monthly rental for escalation fees. MUSA and SAFPU have been making promises since our last audit that they will pay. So far only MUSA has paid in part, and SAFPU has not paid at all.

SANCO has not used the office since March 2005, but their stuff is still there.

We were promised that the funders would pay rent for the archives, but nothing has come through so far.

9.3.2 Monthly expenditure and investment account

On average, our monthly expenditure is R108 733. When we compare this expense with income on a monthly basis we obtain a surplus of R66 795.

We have opened an investment account and anticipate the transfer at least R200 000 every month as savings and for the building renovation project.

9.3.3 Projects accounting

In the current year we have not received much from the external funding. We received R460 000 from LO-TCO, which has been accounted for. Only the audited report is

outstanding, as they require a separate audited report for all their monies. We also received of R 97,601 for the workshop on organising the informal sector. Accounting for this project is still outstanding, but it should be finalized before August 15, 2005.

9.4 Merchandising

Merchandising has focused on the materials from the Eighth National Congress. The original project leader has now left, and the work has been carried on by COSATU administrators. We must develop more specific terms of reference, capacity and responsibilities to take the project forward.

The video and DVD stock is not moving at all. We have managed to sell tapes and CDs worth R2415 since the project leader left. We have 862 videos and 769 DVDs of the Congress, plus 115 CDs, 55 videos and 106 tapes of the Solidarity Forever concert. This includes new stock for the conference CDs and tapes.

We plan to expand sales of t-shirts and track suits, and are getting quotes. We are now negotiating directly with factories, which is causing some delays but will reduce the purchase price for COSATU. We sold t-shirts worth R110 000 for the strike, but have so far only received R65, 720, with R42,280 outstanding.

10 Provincial Reports

10.1 Western Cape

The biggest strength of the province is its ability to keep our name in the media through consistent innovation in the running of the campaigns, although on few occasions it encroaches on national issues, which could undermine our public coherence. The province has run countless high profile campaigns that have increased our credibility with members as a caring federation that confronts problems of members.

The province has strong, robust and dynamic leadership that has managed to work well with affiliates. The PEC is constituted of equally mature leaders from affiliates, who play their political oversight of the region well.

The province still has to find a way of getting its campaigns to spread all over Western Cape instead of mostly centred around Cape Town.

10.1.1 Functioning of structures and locals

The REC has functioned well. The business meeting was held as well as two special RECs. The ROBs hold on-going meetings, but we still need to hold a bosberaad and by-elections.

The provincial gender structure is moving, with a new focus on affiliates and locals. Our main aim is to consolidate the gender POA throughout the federation. The structures in the affiliates need a dedicated focus from unions.

International Children's Day was marked, in collaboration with NUM, by visits to children's homes by the gender structures. For National Women's Day, we arranged a train trip for all key participants in gender structures, in order to build the team and focus of the structure.

We maintain a Provincial Educators' Workshop that meets on a monthly basis. It has developed a POA for the province and maintains implementation and monitoring. But attendance is not good and we need greater co-operation.

The province has 24 locals, of which just under half are functioning well. We plan to relaunch six. We are working to establish local education committees. We have also held various workshops on induction for LOBs. This will be a special focus in future work, as part of the programme to rebuild locals.

10.1.2 Campaigns and programmes

The programmes for re-launching of locals, induction and industrial units are contained in detailed POA at the end of this section.

The province is seeking to establish health, safety and environment structures. Shop stewards training was undertaken to empower them to set up structures at their workplaces. The programme requires greater union support.

Shop stewards were also trained in setting up employment equity and skills development forums in their workplaces. Again, these programmes could use more support from affiliates.

The recruitment campaign is being processed by the organising committee. Participation by affiliates is uneven.

On HIV/AIDS, the province has an on-going POA with two full-time trainers going to workplaces. The trainers cover treatment as well as providing some counselling. Funding for this very valuable programme was provided by Sanlam and TAC. We also held a joint programme on HIV/AIDS with TAC on World AIDS Day.

On Proudly South African, the province distributed pamphlets during the Christmas period in 2002 and 2003. We need stronger engagement here from union leadership.

We are part of the Basic Income Grant Coalition in Cape Town. Work is proceeding well.

We have undertaken campaigns around public transport and education, which aim to establish negotiated policies in these areas to meet the needs of working families. Through struggle and strong action, we have made a number of advances in both areas.

We have also undertaken a campaign on tourism, in order to ensure that policy in this area benefits workers and poor communities. We have played a central role in defining the discourse in this area.

We have also worked with our locals to support local economic development in rural areas, which have been facing an economic decline. Our COSATU locals are playing an active role in these initiatives.

The region is negotiating with unions to develop a genuinely broad-based paradigm for BEE, as demonstrated by the work on the KWV deal. This engagement is precedent setting not only for the wine industry but for the whole of agriculture and the economy

COSATU has led the anti-war movement in the province. This work helps us assert our

hegemony in civil society. We have been able to assert a leadership role, but need more support from the unions.

The organiser development course involves workshops on the last Friday of every month. There is a programme for the year, which involves bringing in top-level lawyers to brief the participants. The organisers' attendance is uneven, however, although those who do not attend make mistakes for which they should be disciplined.

Shop steward training has been conducted at the COSATU office every two weeks, drawing between 60 and 80 participants. It seeks to cover for a lack of training capacity in unions. Training covers health and safety, dismissal, AIDS and the law, employment equity, skills development, the LRA and BCEA, as well as other areas.

We have built a women development course into the shop stewards training programme. The aim is to ensure shop stewards know about women's rights under the law. It is proceeding well.

There is an ongoing POA to ensure shop stewards' training in the rural areas. The current focus is to prepare shop stewards to engage in new challenges like local economic development.

We have undertaken a series of radio, television and print interviews to promote the views and insights of the federation. The chairperson has taken to this new area like a fish to water. The other office bearers and union officials are becoming increasingly visible in this area too. In the newspapers, we are expanding our work into opinion pieces and letters to the editor. We must get more people to write in from labour.

The POBs have also undertaken speaking engagements locally nationally and internationally on behalf of the federation. We need to expand this area of work.

We have published various pamphlets to promote the views of the federation. This is an important area of communication with our members that we should expand.

10.1.3 Strengthening the Alliance and other mass formations

We have achieved joint policy making within the Alliance, which was a big difference from our earlier experience. We are concerned, however, that the new approach depends on personalities rather than on a principled commitment.

We have good relations with the provincial government since the elections. Meetings are held regularly on a range of areas. The battle to get here was hard, but we now have an institutional arrangement that entrenches our right to engage, won through struggle.

The SACP Congress has strengthened relations with us. We have a commitment to co-operate in our Alliance dealings. Many COSATU activists are members of the new leadership.

We are improving relations with the ANC, providing scope to influence its policy direction. But greater activism in the ANC by COSATU members is necessary.

We want to develop a structure where pensioners can engage on social issues. We need to encourage a senior citizens' grouping with a working-class bias. Currently about 4000 pensioners are active in events. They recently elected office bearers who will lead

engagements with our support.

We are working with the student movement to encourage support for a working class agenda. We are supporting both long-standing and new student groups.

10.2 Gauteng

The province is in the economic hub of our country, but our organisation here has never truly reached its full potential. It has most of our members but has no independent actions or profile outside the head office.

The province does pull the biggest marches during the big COSATU campaigns. There were reportedly up to 80 000 people in the march on June 27. This was, however, a national effort, with some affiliates - in particular NUM - pulling workers from other provinces to join the Johannesburg march with no less than 100 buses. At the May Day rally in Gauteng, there were only 12 000 people.

A new leadership now exists following the departure of the chairperson through retrenchment and the provincial secretary who joined Gauteng legislature. The new leadership needs support in order to develop stronger independent action.

10.2.1 Functioning of structures and locals

All our PECs have quorated and been held in line with our year planner. The major focus has been on campaigns and engagement with political developments in Gauteng. The main strength of the PEC had been its unity and collectivism in dealing with issues and abiding by the decisions of the broader federation. It has also been able to rally affiliates behind the provincial programme and campaigns defined by the CEC. We experience challenges, however, in capacitating weaker affiliates meaningfully and robustly to engage in all the discussions. This amongst others includes SADNU, SASAWU and PAWUSA.

The other weakness of the PEC is a lack of commitment to building the COSATU locals. We have introduced many initiatives, amongst others the "Adopt a Local Campaign" by all the provincial leadership, but with little success. However, this is not a train smash, and we can still make progress in this area.

Due to rapid political and organisational developments, we had to create a secretariat able to respond as required. Like our POBs, it sits fortnightly and basically deals with co-ordination between PECs. It remains a pillar of strength for both political and organisational work in the province.

The gender structure in the Province has undergone major revival. It functions well and has a very clear and elaborate programme. We need to give credit to the provincial administrator, who dedicated quality time to ensure achieve this success. The gender coordinators meet once a month, with two representatives per affiliate and one per local. Every quarter the gender structure engages in political discussions. Alliance structures are invited, including the Chris Hani Brigades.

An Alliance gender campaign committee sits once a month. It has been involved in the Find Rasuge Campaign and the court case over abuse of a domestic worker that will be heard in Randburg in July 2005. The build-up to Women's Day on August 9 will include

campaigns on the plight of women in the farms and domestic work. In August, too, we will launch gender structures in all locals.

The organisers' forum has been integrated with the educators' forum because in most affiliates organisers are also educators. The forum has run with all major provincial and national campaigns, conducted workshops for the PEC and assisted in Socialist Forums that sit once a month.

We convene all our locals to one forum which is called the LOB/ROB forum that sits monthly. Through this structure we have run the Socialist Forum, and expect the Local Office Bearers will cascade the process to their locals.

We are currently developing a programme with the SACP and the ANC to run joint political schools in the province. With the SACP, we started ideological education programmes with some of our affiliates, including SADTU, NUM, NUMSA and CWU. We are working on a plan to ensure that all our affiliates engage in some ideological education work with the assistance of the ANC and SACP.

We recently formed the campaigns committee which consists of the deputy chairs of the affiliates. This was done to relieve the Organisers Forum from dealing with campaigns in order to concentrate on building affiliates, recruitment and locals. The campaigns committee will concentrate on defining provincial campaigns as well as taking forward campaigns defined by the CEC.

Since 2003, the region has had 12 locals. Over half are functioning well. Besides the existing locals, we have engaged at Alliance level to form locals in Alexandra, Ivory Park, Diepsloot and Lenasia. We have developed a programme jointly with the ANC constituency office and the SACP district to launch these locals.

Other locals that have been incorporated into the region on the basis of the new demarcation of the federation are Babelegi, Rosslyn, Tshwane, Vanderbiljpark and Vereeniging. We have scheduled the meeting with the COSATU provinces that used to co-ordinate these locals. In addition, we already had some interaction with the comrades in these locals during the mobilisation for the June strike.

In sum, we have taken serious initiatives to ensure that our locals are fully functional. Amongst others, this includes allocation of both leadership and organisers in locals; allocating or clustering locals to the POBs in order for them to account in every Office Bearers meeting on the state of locals and what are they doing in support them; and deployment of the Chris Hani Brigades in re-launching the locals

10.2.2 Campaigns and programmes

As noted above, the province is working to develop its own campaigns. It has, however, succeeded in taking forward the national campaigns. Moreover, the locals reports points to some actions by locals around their concerns.

The recent provincial GDS reinforced our understanding that reducing poverty can only be addressed through an equal two-pronged approach of creating opportunities for the poor to engage in economic activities and provision of necessary social infrastructure and service. Key mechanisms of the strategy include SMME support, skills development, broad-based BEE, growing and transforming the economy, ensuring a

shared economy, poverty alleviation, efficient government, and global city region.

Currently all the stakeholders in the province except government propose convening a Civil Society Indaba to deliberate on the best strategy for ensuring that government does not deviate from its mandate as captured in the declarations of the summit. Government has proposing an agency including all stakeholders to monitor progress in these tasks. We are concerned that this type of agency may give bureaucrats leverage to run with all the issues without consulting their political principals. If disagreements arise, we are not sure what our recourse will be.

Other engagements in the province include summits on the public service, education, land and health. In these processes, we were unable to ensure the Alliance was the driving force. Instead, they were driven by government to the exclusion of COSATU and the other Alliance partners. The MECs and Heads of Department run with the show. COSATU affiliates in the relevant sectors may attend, but their inputs were not taken adequately into account.

10.2.3 Strengthening the Alliance and other mass formations

At the provincial level we had agreed that the Alliance secretariat would meet once a month, Provincial Office Bearers every quarter, and Alliance bosberaads twice a year. So far we have been able to adhere to this programme only with regard to the secretariat meetings.

We must still develop a programme of action and systems for discussing policy development in the province. The outcome of this discussion should be that we co-own decisions and gain leverage on areas where we do not agree.

The ANC in Gauteng has been able to overcome the factionalism that besieged it from early 2000. It remains a centre where all decisions are taken. The constitutional structures are functioning well, including subcommittees where COSATU also participates. There are some organisational weaknesses in particular around membership, which is steadily declining. This is coupled with the low voter turnout experienced in last year's general elections. We need to find solution to these problems as we prepare for the upcoming local government elections.

On campaigns we have been able to work very well particular on the issue of the elections. Except for May Day, however, on major COSATU campaigns the ANC only makes pledges without effectively participating and mobilizing their forces.

In terms of the members of the federation swelling the ranks of the movement, we have over the past two years seen a significant number of COSATU cadres occupy strategic position in both regional and ward leadership of the ANC. We are currently compiling data as to exactly how many of our shopstewards and provincial leaders are in strategic position within the ANC.

The current leadership of the SACP is capable of taking the Party to new heights in the Province. SACP structures are functioning fairly well at district level.

What is critical to both COSATU and SACP is to ensure that we find synergy in terms of our programmes and ensure that Alliance programmes are implemented. We held a bilateral that discussed the Know Your Neighbourhood Campaign; building the co-

operative movement; land and agrarian reforms; the financial sector; local government elections; and political schools.

SANCO is still reeling from structural weaknesses in the province. Currently the comrades are engaged in the process of reviving their branches, which in most cases are operating at best through individuals. We agreed in the last Alliance secretariat that ANC, COSATU and SACP should assist SANCO to build its structures and ensure that we close space for the mushrooming of counter-revolutionary organisations that are today perceived to be the voice of all residents in our townships because of SANCO's weaknesses. A programme has been defined so that as Alliance partners we ensure the re-launch of all the branches of SANCO.

The transitory nature of the leadership of the student movement makes it difficult for all of us to have a programmatic relationship. Instead, our relations are mostly event-based, with Congress attendance or addresses at marches. Nonetheless, we need to support longer-term struggles, such as for transformation of the educational system and deployment of graduates in ways that can support the struggle. We have agreed on an audit to assess our participation in SGBs, college and university forums.

We believe the discussions that took place at the conference on ten years of democracy gives some direction on how to relate with all social movements that share our objectives, strategy and tactics. Currently, the only other social movement with which we have some relationship is the TAC. We have not, however, engaged in a systematic programme that can deliver ARVs to all the members that need them.

10.3 North West

For years, North West has been one of our weakest provinces. Work in the 2004 elections exposed us to serious problems in the province, leading to the resignation of the provincial secretary and subsequently the chairperson.

Under the new leadership, the province has shown more potential than in the recent past. It had the biggest May Day this year; it hosted the launch of the recruitment campaign, which was well attended; it hosted the commemoration of Moses Kotane successfully, and will host a commemoration for JB Marks on August 13. The marches on June 27 were wonderful. The leadership is clearly on top of all campaigns.

The North West has developed an aggressive programme to revive locals. The Alliance has begun to work well, overcoming tensions that sometimes arose in the past mainly as a result of different styles and poor standards.

10.3.1 Functioning of structures and locals

Our office bearers had been running with three elected officers since October 2004. On May 27, 2005, the PEC elected Comrade Alfred Nebe from NUM to be the acting chairperson until the next congress. It has been very difficult to maintain our provincial year planner.

Virtually all affiliates are participating in the provincial activities. Still, three affiliates do not have an office or proper structures except shop stewards – SACTWU, CEPPWAWU and SASBO, so we are dealing with their members' issues.

There are 24 locals in our province, but less than half are working properly. Brits, Mogwase, Rustenburg and Ganyesa have interim structures, which should have been replaced but processes were disrupted by the national strike action. Some COSATU locals that used to be strong, such as Vereeniging, Vanderbijlpark, Potchefstroom, Vryburg, Lichtenburg and Klerksdorp, are in the process of collapsing due to poor co-ordination and lack of commitment by individual officials.

10.3.2 Campaigns and programmes

The recruitment campaign has suffered from a lack of affiliate reports. It appears, however, that some unions have made progress.

The province has a POA to relaunch locals by the end of September.

The national action on job losses in June was very successful. The province held four marches, with massive participation by workers. The action enjoyed the support of the SACP, SANCO and the ANCYL.

In early June 2005, the visit of the General Secretary highlighted problems with service delivery by some affiliates. Indeed, the provincial office is often swamped by members who cannot get the support they need from their unions.

The province's education programme was not fully implemented due to a lack of co-ordination. Mafikeng, Zeerust and Venterdorp carried out successful programmes led by the Chris Hani Brigade. The province also held two successful training programmes for shop stewards and organisers on conciliation and arbitration, led by the provincial secretary and CCMA commissioners.

The gender structure is weak due to a lack of support from affiliates. The only action was to negotiate donations of toys from municipalities for international children's day.

10.4 Mpumalanga

The leadership is experienced and assisted by an able provincial organiser/educator leading a largely stable province. The REC has been stable and ensured strong political oversight of the programmes of the elected office bearers.

Still, the province has not built much of a profile for its activities and claims outside of national programmes. This points to the need for more consistent campaign and political work. There needs to be a stronger effort to organise and support agricultural workers through campaigns to highlight their continued abuse, which is discussed in the political section of this report.

The province has seen a number of marches to councillors by disgruntled residents. This points to broader Alliance weaknesses. In Secunda earlier this year, for example, no one in the Alliance was aware that there would be a mass stayaway to protest over lack of delivery and grievances against Sasol.

10.4.1 Functioning of structures and locals

The POBs showed unity, cohesion and organisational discipline. They have worked well with affiliates, visiting a number of meetings as well as leading marches, addressing strikes and joining picket lines.

The POBs worked as a full complement until 2005, when the Deputy Provincial Chairperson took deployment with the Provincial Department of Education and the Provincial Gender convenor was replaced. Still, challenges arose around the availability of office bearers because they are not fulltime shop stewards. A further problem has been the lack of resources to convene meetings, since office bearers work far from the COSATU office.

Despite some personalities, the PEC was able to operate as a collective, united and with a high degree of cohesion. Debates in the PEC are always characterised by openness, frankness and candidness. The PEC has set up three substructures – a secretaries' forum, a political commission and an economic commission – which have functioned fairly well despite the lack of administrative support.

A weakness relates to affiliates absenting themselves from structural meetings without even sending apologies. Another serious problem, which borders on organisational indiscipline, is that affiliates do not always implement decisions of the executive in whole or in part. Moreover, they often leave the task of reporting back to COSATU locals.

The provincial gender structure was undermined by poor attendance by affiliates until it was re-launched in February 2005. Since then it has met consistently and developed a program to guide its work. It has been very active in the work of the federation, including campaigns.

Since the Eight National Congress in 2003 we have convened about three Regional/Provincial Shopstewards Councils, with no less than 1800 shopstewards from the four districts of the province. A concern has been that poor preparation by affiliates. As a result, the councils become reportbacks, rather than building on factory general meetings and affiliates' shopstewards meetings to consolidate our programs.

The province has 30 COSATU locals, but only half are fully functional. Since early 2004, we have relaunched 24. To sustain the locals' activism, we have developed a strategy that combines education and deployment of PEC comrades. We are beginning to see progress in the interventions by the Ditsela Pool Pilot Project, the Chris Hani Brigades and the Socialist Forums.

In terms of affiliates' work in the province, most are stable and strong. CWU, SADNU and SACCAWU remain dysfunctional and weak, with only weak organisational capacity. POPCRU, SACCAWU and NEHAWU have changed their entire leadership in their two previous provincial congresses.

10.4.2 Campaigns and programmes

The province has played an active role in all COSATU campaigns. On June 27, mining, manufacturing and construction were brought to a standstill on June 27. Over 15 000 people marched against job losses, with strong support from the unemployed and community members

For many years, our province has topped the list in the recruitment campaign. We have been able to form recruitment structures at local, regional and provincial level. We complied with the COSATU HQ targets set for recruitment for 2005, recruiting over 4000

new members.

An inaugural Workers' Parliament was convened under the guidance and leadership of the PEC. This event, which will be on the annual calendar of the Legislature to celebrate May Day and the achievements of workers' struggles, will continue to inspire the members. It constitutes another platform for COSATU to raise challenges with lawmakers. We also draw on this core for other political interventions like interacting with regional and district structures of the Alliance.

After good initial work, locals were inconsistent in holding socialist forums in 2004/5. The unconditional support from the SACP helped in this regard. The three-month program developed by the Chris Hani Brigades is aimed at reviving the socialist forums in the Province.

The Ditsela Pool Pilot Project was formed in April 2004. It aims to create a pool of educators in the province, provide low cost education, reach out to workers even in the most rural areas and provide an educational response to trade union challenges. On its inception we had 72 South African and six Swazi participants. To date the PEPP has trained over 400 shopstewards in political economy, gender and labour law. We are confident that this is the best approach to delivering education.

In the past years, we have developed a relationship with the CCMA whose purpose is to empower COSATU shopstewards on the best use of the law to protect and defend the rights of the workers. For the past two years we have been able to reach out to more than 200 shopstewards from different affiliates. In January 2005 we extended the program to cover the COSATU locals.

In line with the 2015 programme, our members and the leadership have swelled the ranks of the movement. We participated actively in the run up to the ANC Provincial Conference as well as the conference itself.

COSATU PEC leadership is serving in structures formed to ensure the implementation of the Provincial GDS decisions. The federation enjoys cordial relations with strategic and relevant departments in our province. It is active in most summits and conferences geared towards finding sustainable solutions to the key challenges of the social deficit or backlog in the province. We have standing quarterly meetings with the Premier. Affiliates have direct contact with relevant departments on matters affecting their sectors.

After months of negotiations, the Province hosted its GDS in February 2005. The COSATU positions were captured in the final declaration and thereafter the declaration found concrete expression in the Premier's State of the Province address in 2005. Since the Summit, COSATU has played an active role in the working groups established to drive the implementation.

10.4.3 Strengthening the Alliance and other mass formations

The Alliance has not achieved reach cohesion or dynamism except during elections. During elections, meetings takes place religiously every week, thereafter it retreats to *ad hoc* crises management. It has become largely a seasonal affair, punctuated by ceremonial appearances like addressing each other's conferences and shaking hands

at government meetings. Although we develop an Alliance program of work very year, the Alliance does not drive any programmes.

Our members have swelled the ranks of the movement, as agreed in the 2015 Programme. We played an active role in the run-up to the provincial ANC Conference as well as in the conference itself.

10.5 Free State/Northern Cape

The province is one of the most reliable provinces for our campaigns. Its locals are active and attract huge numbers. It has led a major campaign that saved thousands of jobs at Harmony Gold Mine, working with the Alliance.

The Alliance in the Free State has worked well because of the stature of its leadership as well as the province's significant political profile. In contrast, the Northern Cape is clearly not as strong, in part because the COSATU office is situated in the Free State. The distances between locals in the Northern Cape makes it hard to service them. The demarcation process will hopefully address these weaknesses.

10.5.1 Functioning of structures and locals

Since 2003, the REC/PEC has met according to the calendar adopted by the CEC. The POBs have also met regularly. POBs attend meetings of the PEC/REC of affiliates and intervene from time to time.

Provincial Shopstewards Councils were held in line with the year planner in both 2004 and 2005. In 2004 the council was held in Kimberly and in 2005 we had two councils, in Bloemfontein and Kimberly.

The gender structure has assisted the affiliates and launched gender structures in CEPPWAWU, CWU and NUM in the Free State. Although it has no budget, it participated in the 16 Days of Activism, Children's and Women's Day in 2003 and 2004.

For the Chris Hani Brigade, 20 stewards were identified and workshops were held to capacitate them. They are currently in the process of rolling out the programme of capacitating the locals.

The number of locals in the region has increased from 19 to 30, as reported to the 2003 National Congress. Almost all are functional, with gender and campaigns committees.

To support the locals, we conducted capacity-building workshops throughout the province from April 2005. The locals were clustered together. In addition, PEC members are deployed to specific locals. They conducted excellent work for the general elections in 2004 and for May Day in 2005.

10.5.2 Campaigns and programmes

The provincial Recruitment Campaign was launched in February 2005, with local launches across the Free State and Northern Cape. A problem has now arisen because of affiliate's failure to report to the federation.

For the Picking Up the Gains Campaign, joint inspections were held with the Department of Labour in April and May 2005 in the Free State and Northern Cape.

In terms of May Day, in 2004 the national celebration was held in Kimberly at Galeshewe stadium and between 15 000 and 20 000 workers attended. In 2005 the celebrations were decentralised across the two provinces, with strong attendance at a number of events.

10.5.3 Strengthening the Alliance and other mass formations

In both provinces the Alliance was committed. Most secretariat meetings took place and we have developed an Alliance programme. The programme was dominated by the elections, with participation by the Alliance partners at all levels. As the Federation, we also had a programme of workplace meetings. Members of our PEC availed themselves for nomination by the province, including Comrade Peter Maloka, the former Regional Chairperson.

No Alliance summit was held in 2004, and in 2005 a summit was held only in the Northern Cape.

In terms of support for the SACP, we encouraged shopstewards to become members, resulting in an increase in membership from about 1500 to 2500 in the Free State. In addition, we mobilised leaders in COSATU to make themselves available for the Party's PEC. Most COSATU PEC members were subsequently elected into the Party PEC in July 2004. We also assisted the SACP in launching Xhariep and Fezile Dabi District in the Free State and the Pixley ka Seme region in the Northern Cape. Finally, the PEC ensured that the SACP could hold political schools in the affiliates targeting stewards. The SACP also held a political school for SADTU in the Free State, which was funded by SADTU.

10.6 KwaZulu Natal

The province has an ability to attract numbers in its activities such as May Day. It worked well to help the democratic forces win KwaZulu Natal from the reactionary forces in the last elections.

The Alliance, which historically functioned well while in the opposition, has begun to experience the same challenges found in the rest of the country since the 2004 elections.

The province must improve its consistency in campaigns and political programmes as it on occasions witnesses lapses. The province biggest test will be in November and December, when it will host the 20th anniversary of COSATU.

1.6.1 Functioning of structures and locals

The POBs are working very closely as a team and take each other into confidence and respect. The only problem is that we are to lose the treasurer as she has become a victim of the job loss bloodbath. The PEC is functioning well, with a commitment to unity to take forward the Federation's programmes.

The Provincial Educator Forum (PEF) is supposed to be the educational thinktank of the Federation, but affiliate educators have largely failed to co-operate. Though some serious induction and training programmes have been undertaken at local level, very little has been done with affiliates. The situation should improve now that we have

appointed a new educator.

10.7 Eastern Cape

The province experienced a set back with the tragic death of its former provincial secretary, who was particularly good at co-ordinating campaigns. This resulted in the province coming fully to the party in the anti-privatisation campaign and May Day rallies. This year the province saw mass and improved participation in the Jobs and Poverty Campaign.

The province's strongest point is a deep-rooted culture of robust political engagement and political activism. The leadership has a huge political depth and ideological clarity as a result of this tradition.

The province must continue to improve in spreading its activities to cover its vast geographical and rural base.

10.7.1 Functioning of structures and locals

The PEC is able to provide strategic leadership to the Federation at all levels, but development is uneven amongst unions and locals. The immediate challenge is to ensure that all COSATU affiliates pay attention to locals in order to sustain activism amongst our members. The success of the June 27 strike in the province can be attributed to the efforts of the REC and locals.

The organisers' forum has been established in all our four major service centres - East London, Port Elizabeth, Mthatha and Queenstown, but attendance is poor. We would like to suggest that apologies to these meetings will only be accepted if they are made by the Provincial Secretary.

The gender structure was launched in March in a two-day workshop. It is functioning and is developing a programme for actions and education.

Many of our locals are not in a good state of organisation for various reasons, although most are functioning to some degree. Some collapsed soon after they were launched. There are cases where some locals' functioning depends on the local chairperson and secretary. Affiliates are playing little or no role in building and strengthening the locals.

A major contribution to the killing of our locals is that leaders who emerge from them get elected to provincial or national structures and start looking down on the locals. They seem to feel that locals are for new shopstewards and that the level of debate is too low for them. They forget that they must set an example, guide, advise and help give direction to the locals.

Even organisers regard attending and participating in locals as an extra-mural activity. They feel that they have a choice to attend or not to attend. They tend to separate this responsibility and obligation from the overall service they render in terms of negotiating wages and working conditions and defending workers from unfair dismissals.

Many of the problems in the locals are being addressed by the Organisers Forums, but some of the problems are as a result of the absence and non-functioning of the structures and sub-structures within the affiliates and above all the lack of ownership and monitoring by the leadership. Do we ever ask ourselves as affiliate leaders in our

PECs or RECs about the performance and participation of our shopstewards and organisers in the COSATU locals?

10.7.2 Campaigns and programmes

There are no regular reports from affiliates on progress in the recruitment campaign. The national strategy (affiliate driven and COSATU co-ordinated) has proven to be unworkable for our province. The province feels it would be more effective if affiliates pooled their resources, including organisers and released shopstewards, under the Federation.

The education programme remains mostly on paper, without a budget. We still continue to talk to our fraternal organisations and friends to fund our programmes.

Twenty comrades were selected to be part of the Chris Hani Brigade. It held its induction in May last year and has completed six training blocks. Attendance ranges between 16 and 18. Participants are excited about the training and have shown a tremendous potential. The process to roll out the programme in the locals is underway.

A COSATU AIDS Council was launched on November 18-19, 2004, in East London. The launch was attended by all affiliates except SACCAWU and SASBO as well as a number of locals and guests from Department of Health, Eastern Cape Aids Council, AIDC, Solidarity Centre and Treatment Action Campaign. It agreed that structures to co-ordinate and drive the campaign on HIV and AIDS should be established at all levels including the workplace. Every workplace and union should have policy. Every union should appoint coordinators at all levels (workplace, local/branch, region and province). The COSATU AIDS Council should monitor workplace policies as well as the roll out of treatment and care. Shopstewards should promote safe sex, and every workplace should have a support group.

Only SATAWU, SADNU, NEHAWU and SADTU had HIV/AIDS structures in place, although several others had workplace policies. We agreed that structures should be set up by the end of April 2005.

For the partnership with the Department of Labour on Picking Up the Gains, the Provincial Executive Manager and the COSATU Regional Secretary will provide strategic leadership. Structures were established at provincial and local levels to bring together COSATU and Department of Labour officials.

10.7.3 Strengthening the Alliance and other mass formations

The overall political environment in the Province remains very fluid as a result of the dichotomy between the state and the structures of the movement. The Alliance secretariat has not been able to convene the Alliance Summit to deal with these issues, opting instead for an incremental approach.

The recent sporadic incidents of mass protest by our people indicate the ending of patience for non-delivery of houses and other basic services by local authorities. Despite the spontaneous nature of these events, some comrades decided to delegitimise the aspirations of our people by chasing their own shadows through unfounded allegations of a third force.

We have good working relations with students' organisations, and our interaction with the Youth League of the ANC has improved as a result of the joint campaign against unemployment.

10.8 Limpopo

The provincial leadership is constituted by an experienced leadership. Yet in recent times the province has seen dwindling numbers in our activities as showed in the solidarity with Zimbabwe, Nigeria, etc.

This demands a much closer monitoring of the PEC. The General Secretary will spend a week in the province after the CC.

10.8.1 Functioning of structures and locals

The POBs function as a cohesive unit and meet regularly to direct the affairs of the province. The PEC continues to provide strategic leadership on all issues affecting the province. However, some unions do not send elected officials to its meetings, which undermines its work. The PEC has established two sub-committees, focusing on political work and socio-economic developments. PEC members have been deployed to various locals to assist in the development and strengthening of our locals.

Bilateral discussions with most affiliates were undertaken during the period under the review. Attendance at affiliates' activities by the POBs has vastly improved. We are working very closely with FAWU to ensure that the process of integrating SAPPWU is smooth and to unlock the potential of growing the union. We also continue to work very close with DENOSA.

The Provincial Gender Forum was only recently launched. New office bearers were elected and a programme to develop similar structures at local and affiliate level is currently being developed for roll out towards the end of 2005.

Due to poor attendance, we extended the organiser forums to include all full time shopstewards and campaign coordinators. The meetings convened to prepare for the job losses campaign were successful. We hope to build on this strength to deal vigorously with organisational matters, particularly our campaigns and service to members.

The state of our locals has not improved uniformly, despite our efforts to strengthen them. Poor attendance by shopstewards remains a major challenge that denies the locals the necessary muscle to develop.

We are in the process of handing over locals that do not fall within Limpopo Province to the relevant provinces. All locals in the Tshwane Metropolitan will now be transferred to Gauteng and locals under Bojanala Region will go to North West.

The introduction of socialist forums has added the necessary impetus to strengthening our locals and developing capacity.

The province has 19 locals, of which about two thirds are functioning. Most of those that function maintain socialist forums and gender structures. New locals will be launched in Musina and Burgersfort in the next half of 2005.

10.8.2 Campaigns and programmes

The Province was able to carry out the campaigns of the federation.

In the elections, we participated fully in ensuring that the ANC secures an absolute majority in Limpopo and recorded a slight improvement in votes in Pretoria. Our intervention in the Rustenburg district played a pivotal role in overall improvements in the North West Province.

Although the turnout was not satisfactory, we carried out the campaign on Zimbabwe with demonstrations at the High Commission in Pretoria and Beit Bridge border post.

We have not attracted substantial numbers to our May Day rallies. There was a slight improvement this year, but it was far from convincing. We experienced problems in implementing co-operative organising with the Department of Labour, but those problems are not insurmountable.

Our recruitment campaign was launched on February 26, 2005. Sectors that will be prioritised are agriculture, cleaning and security, retail, public service and construction, as there is huge potential for growth in these sectors. All unions have submitted their recruitment plans to the federation, but only FAWU, NUM and SADTU have submitted an updated progress report. Co-ordination of the campaign is located in the office of the Provincial Secretary together with a coordination team composed of the organisers and office bearers of affiliates.

Meetings with the Department of Labour to discuss our joint Picking Up the Gains Campaign have made very little progress. Together with FAWU, however, we have embarked on a campaign focusing on the agricultural sector with a particular focus in the Waterberg Region. A march was held early in June 2005 that forced the Department to address our concerns about violation of basic rights in farms. On health and safety, we only implemented two parts of the campaign – the training of shopstewards and conducting health and safety inspections with the Department of Labour.

Although the Jobs and Poverty campaign kicked off on a very low note with poor attendance of pickets targeting retailers, the June 27 strike action was widely supported. The march in Polokwane was attended by close to 10 000 workers, youth and the unemployed. The ANCYL, the YCL and SACP also participated actively in the march.

The provincial education forum was launched on February 21, 2005, and various task teams were established to focus on shopsteward training, leadership development, etc. Each team has a team leader.

As part of the national programme on shopstewards education, pilot training was conducted in the Lephalale local, with roll out to other locals to follow. A shopstewards' and office bearers' induction workshop was conducted in the Groblersdal local, and other locals will also follow.

There has been turnover in the Chris Hani Brigade due to non-attendance, which was mainly caused by lack of support by some unions. The development of members has continued, however, and with the intervention of the office bearers we were able to replace those that deserted. The re-demarcation process will have to arrange for a special dispensation for those who are lagging behind to catch up on lost ground.

10.8.3 Strengthening the Alliance and other mass formations

The functioning of the Alliance in the province has generally improved, although it remains unsatisfactory. The Alliance secretariat meetings are supposed to be held every month, but some are postponed because officials are unavailable. The Provincial Alliance Summit was held in 2003 and a second one will be held towards the last quarter of the year 2005. Preparations are currently underway.

We have not held bilaterals with the ANC except when there are specific events and issues to be discussed. As a result, there is no common programme. We are also not able to measure our success in ensuring that COSATU leaders and members become active members of the ANC. COSATU was a factor in the recently held ANC Provincial Conference, which also elected new leadership.

Our relationship with the ANCYL had vastly improved, whilst the working relationship with YCL is well established. Our co-operation during the Jobs and Poverty Campaign and Jobs for the Youth Campaign bears testimony to this fact. There are discussions to establish joint political school in the Province, which will be coordinated by the Chris Hani Brigade and the YCL.

Our work with the SACP is not satisfactory at all despite the huge support that COSATU and our affiliates provide to it. We have not been able to implement together programmes agreed at national level, including the Know Your Neighbourhood Campaign. We have invited the SACP to all meetings of the federation and affiliates.

SANCO is not visible at all and our attempts to develop a working relationship with them have all but failed. Its participation in Alliance meetings is very inconsistent.

We are working closely with other formations such as the SACC, TAC, and NAPWA. Our work with COSAS and SASCO continues to be cordial, and we continue to do our best to provide support to progressive student formations.

10.8.4 Socioeconomic

Policy issues remain under the government and the Alliance is excluded. Our improved interactions at the informal level have not yet translated into spin-offs at the formal level.

We were able to meet the ANC caucus in the Provincial Legislature. All ANC MPLs and MECs attended, with COSATU represented by the PEC political sub-committee. The meeting agreed that the Alliance Secretariat should work with the Office of the Chief Whip to develop proposals for a programme of engagement.

The Limpopo GDS was held on October 15, 2005. COSATU withdrew from the summit on the grounds that government did not intend to engage meaningfully. Following the intervention of the Alliance Secretariat, the provincial government has agreed to discuss the strategy after it was adopted by the summit. Several meetings with the economic cluster have taken place to discuss the concerns of the federation, especially the need to focus on aspects of growth that would help create jobs in the Province, although progress is very slow. The reconfiguration of government departments has further thrown the spanner in the works.

We also participated in many summits convened by government departments on policy

matters such as corruption, safety and security, and land. COSATU leaders serve in various sub-committees convened by government, including on Provincial and Local Economic Development and anti-corruption.

Currently, Limpopo is lagging behind in terms of rolling out the governments' comprehensive plan on health. Despite having raised these issues with the department, their responses have been negative. The matter will be placed on the agenda for the Alliance Summit.

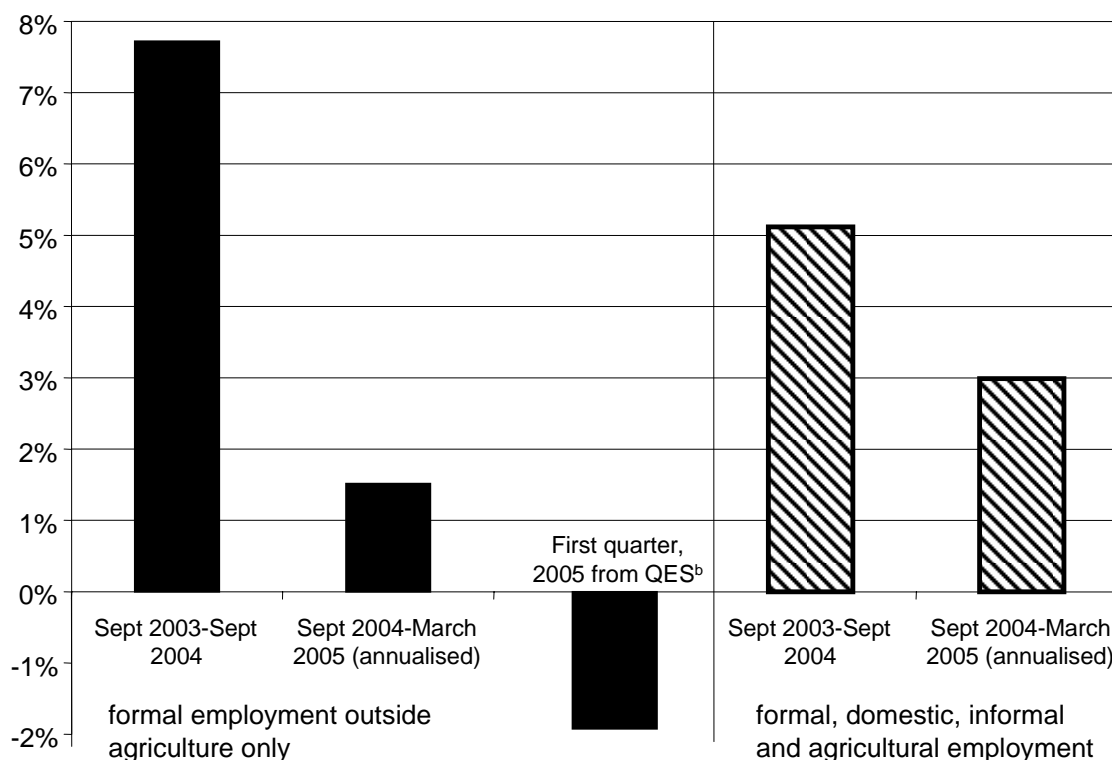
A Provincial Health Summit was held on November 13, 2004. It was organised by the TAC with COSATU, and involved other civil society organisations. The Department of Health in the Province refused to participate. Our attempts to get the MEC to work the TAC continue to be rebuked by department officials with the MEC showing no political will to overrule his subordinates.

Part 4: Socio-Economic Report

1 Employment

The latest survey of employers, a new survey called Quarterly Employment Statistics, shows a decline of 135 000 in formal non-agricultural jobs from December 2004 to March 2005. That means formal employment shrank by 1,9%. These data are reinforced by the March 2005 Labour Force Survey, which shows only slow employment growth in the six months to March 2005.

Estimated^a employment growth, 2003-2005



Note. a. Statistics South Africa reweighted the household-based Labourforce Survey as population estimates changed in 2003 and 2004. It also redesigned and renamed the employer survey, now the Quarterly Employment Survey. As a result, the official figures for employment will likely change somewhat in the coming months. The figures provided here for 2003-'04 are based on the published growth rates, rather than the absolute figures, which are discontinuous. b. These data are from the Quarterly Economic Survey, which was first conducted in December 2005, and are not comparable with the other data. *Source:* Calculated from, Statistics South Africa, *Labourforce Survey*, September 2003, March 2004, September 2004 and March 2005, and *Quarterly Employment Statistics March 2005*. Downloaded from www.statssa.gov.za in July 2005.

Most of the decline reported by the Quarterly Employment Statistics occurred in retail and private services, and was probably seasonal – security services and retail employ more people over Christmas. Still, mining and manufacturing lost a reported total of 5000, which points to deeper problems: that is, the retrenchment wave that started toward the end of last year.

Not surprisingly, given these job losses, the official unemployment rate rose from 26,2% to 26,5% between September 2004 and March 2005, having fallen from 27,9% in March 2004. These figures exclude discouraged workers. If they are included, the unemployment rate was 40,5%, having remained virtually unchanged for the entire previous year.

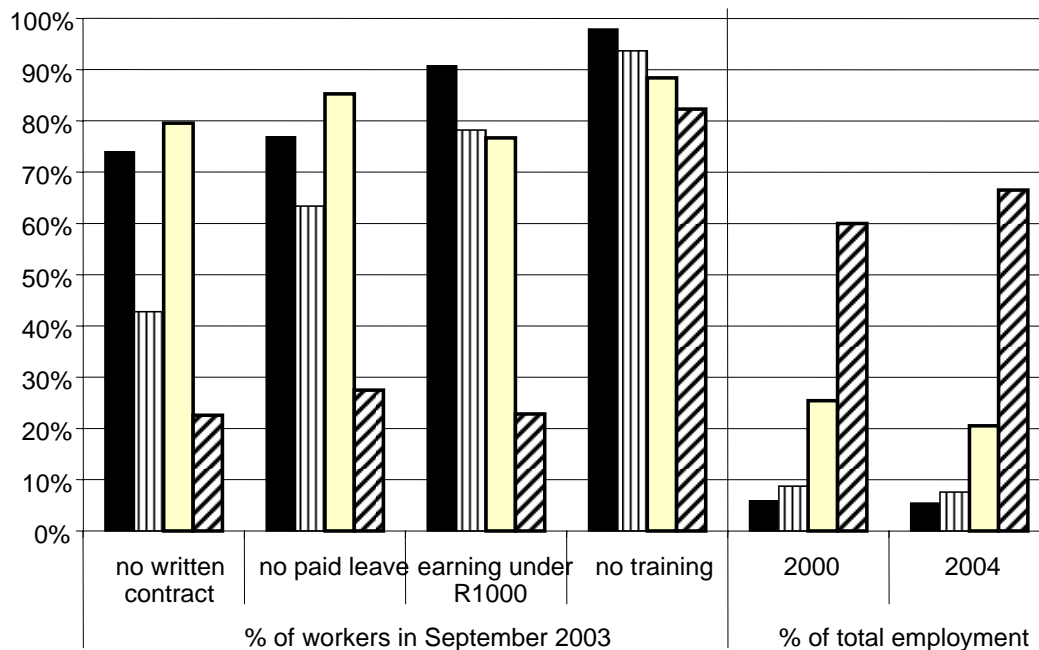
We have argued that this employment growth is not sustainable unless it is accompanied by much more robust growth in manufacturing and mining. That view appears to be borne out by the latest data.

2 Wages and conditions

Since 2000, the share of the informal sector in the economy has stagnated, while the share of formal employment has grown. Still, the share of workers earning under R1000 a month has remained virtually unchanged. Two out of five workers overall, and one in four in the formal sector alone, earns under R1000 a month. The following table indicates the longer-term shifts in pay, access to benefits, enforcement of labour laws, and employment.

Pay, employment and benefits and structure of employment, 2000-2004

■ domestic ▨ formal agriculture □ informal ▩ non-agricultural formal

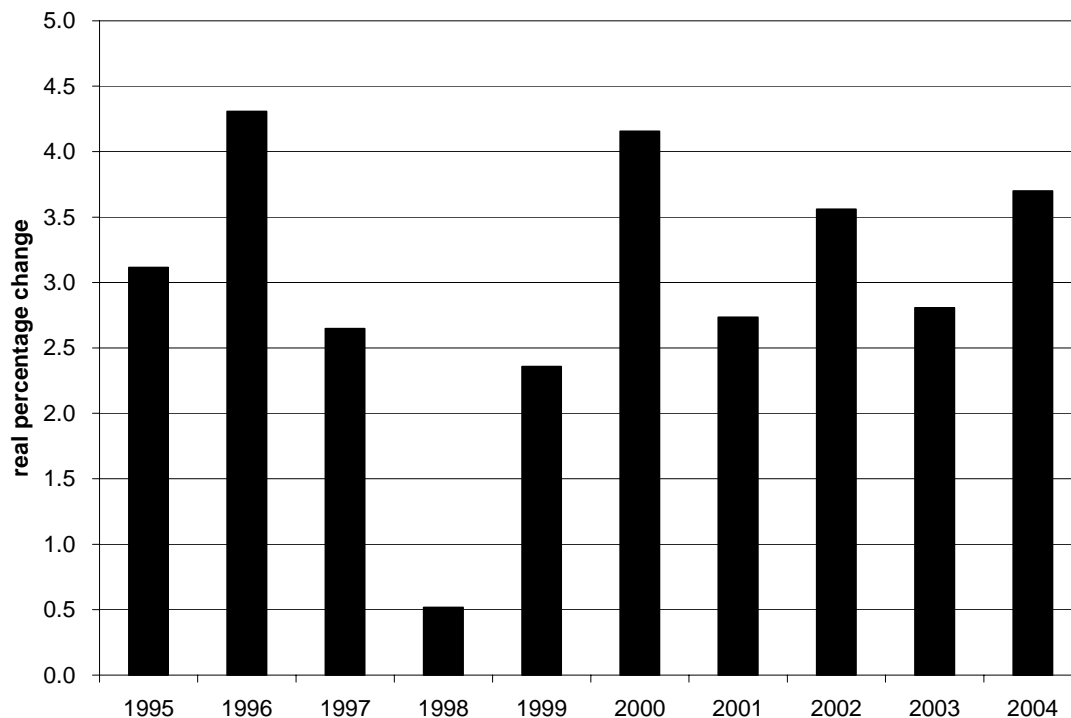


Note: Written contracts and paid leave are legally required for all workers by the BCEA. Due to changes in weighting, the actual numbers employed by sector cannot be calculated. *Source:* For conditions of employment, calculated from, Statistics South Africa, Labourforce Survey, September 2003. Database on CD-ROM. For share of total employment, calculated from, Statistics South Africa, Labourforce Survey September 2002, Table C, p. iv, and September 2004, Table A5, p. xxiv. Downloaded from www.statssa.gov.za in May 2005.

3 Growth

As the following table shows, growth has stabilised at between 3,5% and 4%. This is better than in the late 1980s and late 1990s, but not as high as most middle-income countries. The data do not support government's argument that South African growth rates have improved substantially in the past two or three years.

GDP growth, 1995 to 2004



4 Investment

Domestic investment remains low, although it has recovered somewhat from the trough seen in 2003. It is now around 17% of GDP, having fallen below 15% in 1999/2000.

In large part, the recent growth in investment is due to two factors:

- The reduction in the interest rate, which both stimulates demand and makes it easier for companies to finance investment.
- The substantial improvement in state investment, through both the government and the parastatals. In 2002, government investment was at its lowest point since 1946 relative to GDP, but it has since recovered somewhat. Government plans to continue

to increase its investment in the next three years, which will almost certainly stimulate private investment further.

In terms of foreign investment, portfolio inflows into South Africa remain high, fostering the rise in the rand and permitting a persistent balance of trade deficit. Much of this short-term inflow goes into mining shares, because of the high gold and platinum prices, as well as government bonds.

5 Trade

South Africa's current account moved strongly into a deficit in the second quarter of 2004 due to a rapid increase in domestic expenditure on imports financed by an inflow of short-term capital – which also maintained the overvaluation of the rand. As a ratio of GDP, the deficit increased from 1.1% in the first quarter of 2004 to 3.8% in the second quarter of 2005.

6 Policy engagements on the economy

Critical policy engagements around the economy have centred on:

- Fiscal and monetary policy, and in particular the continued high interest rate, which in turn pushes up the rand – at the cost of thousands of jobs. NUM and SACTWU in particular have played a central role in these debates, with some success in gaining interest-rate cuts. A broader concern is that the government continues to drive these policies with greater regard for stability than for development and employment creation.
- Continued engagement on sector strategies. Although critical and unavoidable, these processes have proven very slow and frustrating. We need a more thorough review and a debate on how to improve our impact. Still, some progress has now been made, with the Presidency beginning to engage on the need for sector strategies, including in the services.
- Engagement on trade policy and negotiations. We have succeeded in reaching agreement at NEDLAC on a framework policy for trade that prioritises employment creation and retention. Despite this, government negotiators seem enamoured of free-trade solutions, with little regard to the impact on the economy.
- Engagement on BEE. Negotiations on the Broad-Based BEE Act and the draft regulations under the Act have led to the requirement that labour be consulted extensively on sectoral charters. But the current proposals would still exclude pension funds from black ownership, and the incentives for broad-based ownership remain weak.
- Engagement on the Financial Sector Charter Council, which seems likely to lead to substantial gains in investment, but which has been heavily delayed by mixed signals around the applicability of the regulations under the Broad-Based BEE Act.
- Work on co-ops, in particular the Co-ops Development Act and the support strategy, and the draft bill on financial co-ops. Considerable progress has been made, despite the frustrating lack of capacity and understanding on the part of the relevant officials

in the dti.

- Engagements in the Alliance, with the Presidency and with the dti and National Treasury on strategic issues around industrial policy and the developmental state. This interaction reflects the efforts of parts of the state to define a new, more effective and transformatory development strategy.

Generally, COSATU has had a growing impact on economic policies. But we have still failed to ensure a common Alliance vision and economic development path. As a result, even progressive measures, including those in the GDS, remain largely fragmented and unable to ensure a qualitative improvement in job creation, equity and investment.

