Lucien van der Walt
Against Corporatism
The Limits and Pitfalls of Corporatism for South African Trade Unions”
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ABSTRACT

This paper reflects upon the experience of corporatism in South African and other contexts. It argues that the prospects for the establishment of corporatist arrangements in South Africa are quite high. However, it also takes issue with a central orthodoxy in discussions of corporatism in South Africa, viz., the notion that corporatism is the key to the empowerment and material upliftment of the broad South African working class. It argues that corporatism is highly unlikely to deliver material gains to the South Africa working-class, and that its achievements on other fronts have hitherto proved minimal and are almost certain to remain so. There is thus little basis for claims that corporatist forums can provide a site for reconstruction and redistribution, let alone a route to social-democracy or socialism. In addition, corporatism imposes a range of costs on the labour movement, including an erosion of trade union democracy, the development of tensions between the leadership and the rank-and-file and the involvement of the unions in the co-management of capitalism. It is suggested that the trade unions should abstain from corporatist arrangements, and instead focus their energies on the consolidation of workplace organisation and rely on struggle as a means of pressing demands- both reformist and transformative.

Is corporatism[1] either a viable or a desirable strategy for the South African labour movement? In this paper I reflect on the experience of corporatist arrangements in both South Africa and other countries, and argue in the negative. Although I argue that corporatism is viable in South Africa in the sense that it seems likely to persist, I dispute whether corporatism is a desirable strategy for labour. While it is possible for functioning corporatist structures to develop in South Africa, these will not be in the best interests of either the unions or of the broad working-class, who will receive all of the costs and none of the benefits usually associated with corporatism. It is suggested that an extension of the historic policy of "militant abstentionism" — by which I mean a refusal to identify with, or take responsibility for achieving, the goals of management (Webster 1995)- in the direction of militant independent trade unionism is essential to the development of a powerful union movement capable of fighting for the needs of the whole working-class.

[1] By corporatism I mean "the process of negotiation and implementation of agreements between sectors of the state and powerful monopolistic interest groups [primarily employer associations and trade unions] whose co-operation is indispensable if desired [public] policies are to be introduced" (Maree 1993: 25). I will use the term "corporatism" interchangeably with "multi-partism", but distinguish it from a "social contract"- a negotiated agreement between at least two major actors in the economy, typically over a series of measures to which the parties agree in order to achieve the goals of the contract, and a trade-off between the actors based on mutual compromises (Maree 1993: 27). A social pact involving wage restraints and price controls in pursuit of full-employment and welfare benefits is a characteristic, but not inevitable, product of corporatist structures at the national level (Panitch 1986a: 146). Corporatism can operate at a variety of levels — local, sectoral, national — I will focus on national-level corporatism.

this approach , a strategy which combines building of a strong workplace organisation, mass struggle as a key tactic for pressing demands, and a refusal to identify with the goals of capital may be a more rational approach to the struggles of the broad South African working-class. The trade unions should not necessarily confine themselves to simple economic demands. The hegemony of capitalism in South Africa, and the necessary acquiescence of the State in that domination indicates that the unions should address both "political" and "economic" issues, and struggle for both immediate reforms and a broader anti-capitalist project. What this project could mean in the 1990s is unclear — one possibility could be what the American dissident Noam Chomsky (1971) has called "libertarian socialism" (anarcho-syndicalism) — but the key issue is surely that it is chosen through democratic union processes. A free future demands no less.

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these outcomes reflect the continuing power of capitalism in the South African social formation.

IN CONCLUSION

This paper has examined whether engagement in corporatist structures and practices is either a viable or a desirable strategy for South African trade unions. Regarding the first issue, I have argued that the conditions do in fact exist in South Africa for corporatist-type decision-making. But as for the second, argue that corporatism is highly unlikely to deliver material gains to the South Africa working-class, and that its achievements on other fronts have hitherto proved minimal and are almost certain to remain so. There is thus little basis for claims that corporatist forums can provide a site for reconstruction and redistribution, let alone a route to social-democracy or socialism.

However, corporatism is far from a harmless irrelevance. On the contrary, it exacts a range of costs from the labour movement, including an erosion of trade union democracy, the development of tensions between the leadership and the rank-and-file and the involvement of the unions in the co-management of capitalism. In contrast to arguments which suggest that trade union "influence" through direct involvement in policy-making bodies like NEDLAC can complement the unions' "power" to take mass action mobilise for gains (Webster 1996), I argue that such "influence" and "power" stand in fundamental contradiction to one another. In contrast to the connotations of the concept of an "interpretation gap" -that divisions within the unions are simply a matter of outlook between leaders and members (Webster 1996)- I suggest that the short-term predilections of the rank-and-file are more rational than the acquiescence in corporatism favoured by union leaders.

Given that corporatism in South Africa is thus likely to provide all of the costs and none of the benefits usually associated with

THE TREND TOWARDS CORPORATISM IN SOUTH AFRICA

Actors supporting corporatism

Corporatism has been a subject of much discussion, not least in the pages of this journal. Overall, opinion has been favourable, and a variety of arguments have been advanced in support of corporatist arraignments. Support for corporatist arrangements has been forthcoming from the trade unions, from business, from the State, and from the intelligentsia.

The unions have played an absolutely pivotal role in the move towards corporatism in South Africa. The Congress of South African Trade Unions's support for coporatism followed the majority view in the federation (opposed by some affiliates and activists) that unions could use such structures to restructure the capitalist economy in the interests of organised labour, and Black people more generally, by actively intervening in the development of economic and labour policies (see Joffe, Maller and Webster 1993: 2,28–32; von Holdt 1995; Webster 1995). This was associated by COSATU with a vision of a labour-led reconstruction path with an activist State role ("growth through redistribution") that would increase the international competitiveness of the economy, create jobs , and redress the imbalances of the past by meeting basic needs (Joffe, Maller and Webster 1993; Webster 1995). In addition to this left-Keynesian programme was the notion that union participation in policy arenas would help deepen workers' control of economic decision- making and democratise the workplace (Joffe, Maller and Webster 1993: 28–9).

This vision of change — christened "strategic unionism" -could be interpreted in a variety of ways. On the one hand, it could be presented as a pragmatic strategy providing material benefits to workers, and democratising the economy. Thus, Marcel Golding, then of the National Union of Mineworkers (NUM), justified union

proposals for multipartite restructuring of the mining industry, and the negotiation of a national framework for productivity agreements, on the grounds that it would help improve the performance of the mining industry as well as increase workers' control over the production process (Joffe, Maller and Webster 1993: 29–30). A more maximalist interpretation of the potential benefits for trade unions of engagement in corporatism was that such a strategy could provide a "building block" for socialism. Thus, Enoch Godongwana, of the National Union of Metalworkers of South Africa (NUMSA), argued that social contracts were a strategic necessity for "further advance" to socialism as long as involvement leads to improvements in working-class conditions, and unions guard against co-optation and bureaucratisation by making sure their engagement in restructuring is "informed by a socialist perspective and characterised by working-class politics and democratic practice and accountability of leadership" (1992: 23). Indeed, for Bird and Schreiner of NUMSA, corporatist bodies "should become permanent institutional features of a democratic socialist South Africa" (1992: 25, 23; emphasis added).[2]

Such socialist aspirations notwithstanding, corporatism and social contracts also garnered support from capital and the State. Sections of capital had shown an interest in engaging labour in a range of issues above and beyond those of routine collective bargaining as far back as the mid-1970s. For example, in the early 1980s the Federated Chambers of Industries expressed an interest in joint approaches to labour law, whilst in the mid-1980s SACCOLA negotiated substantial revisions to the Labour Relations Act with COSATU and NACTU (Friedman and Shaw 1996). Such processes re-emerged towards the end of the 1980s and, by the early 1990s, some employer strategists were reportedly at least

[2] Why Bird and Schreiner (1992) regard a system characterised by a mixed economy and by tripartite forums involving different classes as "socialist " rather than merely capitalist is unclear.

say that the unions made no gains at all in the forums. The NEF's concrete achievements, for example, included a revision of the Department of Trade and Industry's offer to the General Agreement in Trade and Tariffs (GATT), overturning a government attempt to raise the petrol price, agreement on the parameters of a public works programme, and a commitment to centralised bargaining arrangements at a time when such practices were under severe threat (Friedman and Shaw 1996).

However, even if these agreements can be regarded as union victories which signal, inter alia, unprecedented involvement in trade policy, they remain highly limited: the GATT agreement served the interests of capital and the State as much as it served those of labour, and will still result in retrenchments; the revision of the petrol price was in part premised on the general weaknesses of the relevant State authority; the public works programme was hardly a challenge to either capital or the State; and both employer and union negotiators agree that the unions did not in fact win the commitment to centralised bargaining which they sought (Friedman and Shaw 1996).

These outcomes reflect, in part, lack of viability of some union objectives under corporatism, and the need to make compromises and acceptance of "second-best" options. Also relevant was the unions' failed to develop an adequate strategy for involvement in the new forums and a failure to devote the resources needed to win gains (Friedman and Shaw 1996).

Moreover, labour lacked the research and educational capacity to engage in technical issues raised at the NEF and NMC, so ensuring that they would be consistently out-bargained (Friedman and Shaw 1996: 6; also see Joffe, Maller and Webster 1993). At the industry level, too, many union affiliates struggle to be efficient and develop effective policy and strategy, while locally, shop-stewards express concern about their (in)ability to deal adequately deal with the issues raised by the workplace restructuring (Buhlungu 1995; Joffe, Maller and Webster 1993; Webster 1995). But just as surely

simply to 'think on their feet', trying to deduce what union policy might be were the issue debated" (Friedman and Shaw 1995: 8). Calls for the implementation of democratic procedures as a safeguard against the development of an unaccountable and authoritarian top leadership have proved inadequate due to the structural constraints which operate to hinder such solutions: for example, the technical nature of many of the issues discussed in corporatist forums such as NEDLAC has not only strained union capacity, but proved difficult to convey to the unions' constituency, particularly the least educated (Friedman and Shaw 1995; also Joffe, Maller and Webster 1993). The complex nature of many union policy documents acts to limit the participation of ordinary members in union decision-taking, as few trade unionists at any level have confident and full grasp of the immediate aims of these and other strategic options for the labour movement (see Keet 1992: 32).

Nor have great efforts been made to overcome these communication problems. Thus, surveys taken at the time of the 1994 general elections indicate that 80% of COSATU members knew nothing about the National Economic Forum and had never been had present at a report-back on the Forum (Adler and Webster 1996; Webster 1995). A similar percentage knew nothing about the RDP (Reconstruction and Development Programme) (Webster 1996), despite the fact that the document was as a union initiative and presented as the product of consultative processes amongst grassroots constituencies.

In addition, the experience of the National Economic Forum (NEF) and the National Manpower Commission (NMC), however, indicate that labour gained far less from engagement in these structures than it had hoped (Friedman and Shaw 1996). Although its is true that the unions helped set the initial agenda for both forums, few union goals, including a social plan, a commitment to industrial restructuring on terms favourable to labour, and a moratorium on retrenchments, were achieved by the time that the NMC and the NEF merged to form into NEDLAC. This is not to

as enthusiastic about the idea of a negotiated social contract as their union counterparts (ibid..). With the negotiated transition from racial capitalism and political Apartheid to a parliamentary system, major employers' desire to establish stable relationships with the unions increased markedly (Joffe, Maller and Webster 1993).

Although the apartheid State continued to express strong reservations about such arrangements in the period before the pre-1994 elections period, its successor- the ANC-led Government of National Unity (GNU) — has come out strongly in favour of such arrangements. Thus, the Reconstruction and Development Programme (RDP) base document explicitly called for "the democratic government, the trade union movement, business associations and the relevant organisations of civil society" to co-operate in the formation of economic policy" and emphasises the importance of discussions with "holders of wealth … to persuade them of the harmful effects their actions are having on the economy" (cited in Fine and van Wyk 1996: 20).

This support for corporatism was also expressed in concrete actions, the key example of which is the establishment of NEDLAC noted above. Similarly, the new Labour Relations Act (1995) is explicitly designed to re-engineer South African labour relations in a more co-operative (and globally competitive) direction through, inter alia, a drastic overhaul of dispute resolution procedures which actively promotes the resolution of disputes through conciliation, and the establishment of joint management- worker workplace forums whose brief includes joint problem-solving and participation (Webster 1995).[3]

[3] However, the workplace forums established by the Labour Relations Act are not corporatist structures, at least in the sense in which this term is deployed in here, as they make no formal provision for the involvement of either union or State representatives.

The establishment of corporatist institutions in South Africa

This formal support by all actors has been paralleled by the actual emergence of corporatist arrangements. A watershed moment in this process was the May 1990 "CNS accord" between COSATU (Congress of South African Trade Unions), NACTU (National Council of Trade Unions) , and the employer body SACCOLA (the South African Consultative Committee on Labour Affairs) workers (Finnemore and van der Merwe 1992; Joffe, Maller and Webster 1992). This was followed by an agreement between these organisations and the Department of Manpower, called the "Laboria Minute", which repealed the objectionable aspects of the LRA, and extended basic union rights to farm-workers, domestic workers, and public sector workers.

These changes were included in the 1991 LRA. The Laboria Minute established the principle that the labour movement participate in shaping the industrial relations system, including labour law, collective bargaining institutions, and multipartite forums, a principle that assumed an institutional form in the shape of a restructured, tripartite, National Manpower Commission (NMC), that submitted recommendations to the Minister of Manpower on employment law, human resources, and labour market institutions, and the multipartite National Economic Forum (NEF) that dealt with macro- economic policy (Benjamin 1992; Finnemore and van der Merwe op cit. ; Joffe, Maller and Webster 1993; National Manpower Commission Annual Review 1993).

One of the first acts of the ANC-led GNU was to merge the NMC and the NEF to form a new statutory body -the National Economic, Development and Labour Council (NEDLAC)- with four chambers designed to achieve consensus between capital, labour and State representatives on issues of monetary and fiscal, trade and industry, labour market, and development policy before these are submitted to parliament (Adler and Webster 1996; Business Day 18

discuss purely "technical" matters which require "expertise", but rather different routes to capitalist development; COSATU's own macro-economic plans may not be neo-liberal in the true sense of the word, but they are certainly no different than a "rational capitalist agenda" (Harris 1993: 96).

Yet the ultimate incompatibility of class interests is signified by the negative consequences for union organisation and workers' conditions typical of industrial restructuring: "downsizing", the closing of inefficient plants, speed-ups and even reductions in wages (Callinicos 1992a). Nor do economic growth and improved productivity necessarily benefit workers. Not only is there no automatic link between increased output and worker incomes, but the products of improved performance are neither necessarily useful to workers (for example, gold) nor, indeed, more readily available to the majority of the population due to continued price manipulation by monopolistic companies (Mohamed 1989). Where a company is producing for a limited market, productivity increases may even lead to job losses as fewer workers are needed to produce the same number of commodities (Mohamed 1989). As the laments of the World Bank indicate (cited in Webster 1995), it is trade unions who have played the central role in reshaping income distribution in South Afrifa- yet it is precisely the trade unions which are undermined by corporatism and industrial restructuring.

EXPERIENCES WITH CORPORATISM IN SOUTH AFRICA

Most of the problems I have outlined with corporatism have already become evident in South Africa. For one, a loss of internal union democracy as a result of entering forums such as NEDLAC has been noted: "[n]egotiators were often forced to take positions within very broad policy directives agreed at union congresses or

different national contexts due to factors such as labour law and union capacity (1993: 39–40). However, the assertions of corporatist theory are by no means self-evidently true. It could be argued that corporatism is embedded in the relationships of class inequality intrinsic o capitalism. Despite the implications of the term "social partnership", the different classes do not enter into corporatist arrangements as equals: one the one hand, capital not only owns and controls the predominant part of the means of production, including the media and key sources of information, but has the extremely sympathetic ear of a State apparatus financed by taxes on the accumulation process and loans raised on the financial market; on the other hand, labour's power is restricted to its ability to work and its negative ability to disrupt production (Panitch 1986; Vally 1992; Yudelman 1983). Consequently, labour movement attempts to exercise an influence over the entire policy of the capitalist class place workers' representatives at a great disadvantage, as they lack the resources possessed by employers and the State, ranging from information relevant to policy-making to the power to mount an investment strike (Callinicos 1992a; 1992b).

Even the Swedish LO was obliged to demand in the early 1970s that employers provide information on their recruitment policy and labour-force planning (Panitch 1986a: 150). Without direct access to managerial information, and with a staff of 90 at LO headquarters, the labour movement remained highly dependent for expertise on its "partner" (ibid..).

An acceptance of the notion of a partnership and joint policy-making between workers and employers implies trade union acquiescence in the capitalist mode of structuring society (Vally 1992)- any agreement necessarily recognises the continuing existence of a society based on unequal and antagonistic classes, and thus also the continuing domination of labour by capital.

Thus, the very system which played such a key role in immiserating the South African working-class is seen know as the saviour of the Black impverished! Concomitantly, corporatist forums do not

August 1994). NEDLAC allows participation by labour, capital, the State, and, unusually for a corporatist structure, community representatives. While not a statutory decision-making body, it would be difficult for government to ignore agreements reached within NEDLAC (Adler and Webster 1996). Finally, industry-level corporatist summits have been established in the mining, clothing and textile, whilst the metal and engineering sectors have been involved in economic restructuring through industry-level forums (Joffe, Maller and Webster 1993; Maree 1993).

The significance of these developments needs to be underlined. Capitalist development in twentieth-century South Africa was historically characterised by the "super-exploitation" of the Black working class, secured in turn through the migrant labour system, and extra-economic forms of coercion (such as the compound system and proscriptions on African unionisation (see, inter alia , Bundy 1972; Callinicos 1980; Legassick 1974; Johnstone 1970; Webster 1995). By contrast, although conflict and racism remain very much part of industrial relations in South Africa in the 1990s (von Holdt 1995; Webster 1995), steps have been taken to establish consultative corporatist structures and a posited partnership between capital and Black labour for economic development.

The prospects for corporatism in South Africa

Can such structures and practices continue to develop and consolidate in future? There are several reasons to believe so. As comparative studies have indicated, corporatism does not develop in a vacuum, but is instead premised on certain material and political preconditions (Vally 1992). One such condition is a societal crisis- typically in the form of persistent economic problems or chronically high levels of social and class conflict (Callinicos 1992a; Panitch 1986a; Vally 1992). Although these conditions do not inevitably result in corporatism, they provide an impetus for the search for new modes of policy-formulation that can help secure the reproduction

of capitalist society. Secondly, it is vital that the key economic actors are willing to co-operate with one another to try resolve the country's problems, and assume that corporatism will be of benefit to all the parties (Vally 1992). Finally, it seems that both capital and labour need to be organised in a manner that will allow them to both engage in these forums and bind their members to any agreements reached (Vally 1992). Capital needs to be either highly centralised (in the economic sense), or at least cohesively organised in employer bodies. Labour unions should be well-organised and centralised in that individual affiliates cede considerable negotiating power to the central federation (also see Webster 1995; Macun 1995; Maree 1993). "The reasoning is simple: in countries with centralised labour movements, the search for wage restraint is easier, and where union leadership is united, labour unrest, which may destabilise transitions, is less likely" (Webster 1995: 39).

The first precondition — a societal crisis — was clearly evident in South Africa in the 1980s. The close partnership of capitalism and racism began to disintegrate in the 1970s under the twin blows of structural weaknesses (the limits imposed on industrial expansion by the racially stratified consumer market, by an endemic skills shortage which lowered productivity and efficiency, and by destabilising levels of unemployment) and conjunctural events (both economic (the global downturn that began in the early 1970s) and political (the resurgence of domestic resistance in this period)) (Moll 1991; Saul and Gelb 1986). The economic slowdown and popular resistance that emerged on the 1970s placed the issue of restructuring the South African political economy on the agenda of both the State and its capitalist allies, and the popular classes. Secondly, as noted earlier, there is definite support from the key actors for forms of joint policy-making.

Finally, although the record is somewhat more uneven as regards question of appropriately structured employer and labour organisations, several important trends may be discerned. Although employer organisations remain fragmented in racial, ethnic and

(ibid..). Overall, then, the inability of local corporatist structures to improve conditions for ordinary workers could undermine the sustainability of corporatist structures, lead to the de facto abrogation of union democracy, or erode the unions' very power.

Does corporatism compensate the unions for these costs by increasing their influence over national policy? Maree argues that it does, and, whilst approvingly quoting Taylor's (1989) claims about the performance of Swedish corporatism, is at pains to distance himself from Taylor's key conclusion: corporatism always results in the subordination of the unions to the interests of capital. Maree cites Australia as a counter-example- here corporatism in the 1980s was "definitely dominated by the labour movement" , and "had some definite positive achievements" including improved manufacturing performance, job creation, labour law reform and the establishment of a national health system (1993: 42).

However, Maree paints a misleading portrait of the experience of the corporatist "Social Contract" in Australia: real wages fell by 7% from 1983, whilst union membership, which stood at 51% of the workforce in 1976, had declined to 35% in 1991 (Business Day 25 September 1992). Such figures are hardly the signs of a "labour dominated" corporatist system. What is truly surprising, however, is that Maree himself (1993: 42) cites these statistics, but declines to discuss either their implications for his claims that workers benefit from multipartite arrangements, or why they should be regarded as of less import when discussing the impact of corporatism than a few legal reforms and improved economic performance. The experience of labour in Australia is by no means unique: other studies attest to the continued inability of corporatism to provide a mechanism whereby unions are able to challenge employer agendas- in Britain, Sweden and elsewhere (e.g. Panitch 1986a, 1986b; Taylor 1989; Vally 1992).

It could be argued that these cases are exceptions- according to Maree, corporatist theory shows that capital does not necessarily dominate these forums, and the balance of power varies between

ficial strikes and impose penalties on those breaching the statutory collective bargaining framework (ibid..). Whether these are signs of "strong" (Maree) trade unions is certainly questionable.

To the extent that union democracy implies that ordinary union members can democratically shape union policy, such practices undermine workers' control in place of bureaucratisation which defers the capital/labour conflict into vitriolic infighting between leaders and the rank-and-file (Vally 1992: 46–8). This infighting may be particularly acute when corporatism is not associated (however loosely) with improvements in working-class conditions.

As the leadership proves unable to "deliver" concrete gains in return for members' acquiescence in wage restraint and other policies serious internal conflicts may result as the rank-and-file demand a withdrawal from co-operative behaviour in broader economic policy forums (Panitch 1986a: 151). Thus, after the 1964 victory of the Labour Party, the British Trade Union Congress joined in a voluntary multipartite policy on the promise of full employment, a national economic plan and extensive trade union input in decision-making (Panitch 1986a: 152). However, these decisions were undermined by statutes which resulted in the de facto abandonment of planning, full employment and price control policies, turning corporatism into a mainly symbolic process from which the unions were forced to withdraw by massive rank-and-file dissent culminating in an explosion of wage demands and strike action in 1969 (ibid..).

Only high levels of bureaucratisation in the trade unions seem to be able to offset such tendencies towards instability (Panitch 1986a, 1986b). However, this approach may result in widespread apathy and demoralisation amongst ordinary members of the labour movement affected by declining real wages and accelerating unemployment (Callinicos 1992a). The effect could be a diffusion of workers militancy and erosion of workplace organisation which allows employers to abandon consultative approaches in favour of confrontation: the rise of Thatcherism in Britain is a key example

sectoral lines, with 191 such bodies in registered in 1994, there is a trend towards unification and co-operation at both the sectoral and national levels. Many smaller employer associations are federated into larger structures, such as SEIFSA (Steel and Engineering Industries Federation of South Africa), whilst in 1994 Business South Africa was established, representing the bulk of employer organisations in macro-level negotiations in 1994 and has become the spokesperson for capital in all major forums such as NEDLAC (Webster 1995).

Like business, the unions remain characterised by significant divisions between different unions and different union sectors- divisions on occupational, racial lines, and political lines are common, with COSATU, for example, continues to represent mainly African semi-skilled workers (Macun 1995). However, although these divisions may undermine the ability of trade unions to operate in corporatist forums (Macun 1995), there are a number of countervailing tendencies. Precisely because of the marked unevenness that exists within the trade union movement in terms of size and occupational base, most union members are represented through one or two powerful union centres: the bulk of the organised workforce is concentrated within a few large unions. COSATU's 1994 membership of 1,317,496 exceeded that of the country's five other union federations combined (Macun 1995). In addition, COSATU continues to attract new affiliates from outside of its traditional support base: in 1995, for example, the largest FEDSAL affiliate, SASBO (the South African Society of Bank Officials), seceded to join COSATU.

There has also been a tendency towards centralisation in COSATU (this will be discussed below in detail). Finally, there is a marked tendency for the 3 main union centres- COSATU, NACTU and FEDSAL- to co-operate in corporatist forums and public arenas.

THE CASE FOR CORPORATISM OUTLINED

Corporatism as the key to reconstruction and development

South Africa is characterised by extreme levels of class and race stratification, in large part a consequence of its coercive industrialisation path. Perhaps 80% of the country's wealth is owned by 5% of the population, whilst four large corporations own 81% of share capital (Turok 1993: 239). At the same time, more than 90% of the total instruments of production are controlled by Whites (Giliomee and Schlemmer 1989: 165; Hartley 1996; South African Institute of Race Relations 1996: 5). The other side of the coin are the dismal living conditions of the majority of the population: in 1993 47% of African households were living at or below the relevant Household Subsistence Level, compared with 19% of Coloured households, 6% of Indian households and 2% of White households (cited in Schlemmer 1996). In 1991 Whites, who comprise about 13% of the population, earned 61% of total income, whilst Africans, 75% of the population, earned only 28% (Whiteford 1994). Inequality does not, however, take place only on racial lines: the richest 20% of African households increased their real incomes by over 40% between 1975 and 1991, whilst the incomes of the poorest 40% of African households decreased by nearly 40% over the same period (Whiteford 1994). A similar decrease in incomes was reported for the poorest 40% of Whites (ibid.; see also Schlemmer 1996: 22). Such disparities are certain to increase apace with the expansion of the Black bureaucratic and commercial bourgeoisie after 1994.

Corporatism as a lever for social transformation

Give this context, it is perhaps not surprising that corporatism has found favour with a large part of the intelligentsia as a possible lever for social transformation in the direction of a more equitable society. Overall, it is striking that the vast majority of scholarly

"provide the possibility" that the benefits of growth will improve living standards for the workers and the poor (Adler and Webster 1996: 17). Finally, it is argued, labour's influence in multipartite forums can be reinforced by its alliance with the ruling party, the ANC, and complement its power on the shopfloor (Webster 1995).

In this section, I will examine two dimensions of this purported empowerment: firstly, the consequences of corporatism for workers' control over the unions themselves; and, secondly, the extent to which corporatism provides unions with a basis for shaping national policy..

There is a great deal of evidence that corporatism greatly increases the gap between union leaders and union members. As outlined earlier, highly centralised union federations are a precondition for engagement in corporatism as only such structures allow a united union leadership to negotiate with employers, and bind members to wage restraint and other agreements typical of corporatism.[4] Thus Panitch (1986a: 152): It is no coincidence that those societies most commonly listed as corporatist- Austria, Norway, Sweden and the Netherlands- contain the mist highly centralised union confederations in the Western world.

The control of the leadership over the rank-and-file is secured, inter alia, by central bargaining and control over strike funds, purposive atrophy union locals and the under-representation of dissident elements at the national levels, on the one hand, and reinforced, on the other, by the State's use of its coercive powers to prohibit unof-

[4] Regini (1996) argues that the resurgent corporatism in Italy is characterised by less centralised, and more workplace-based forms of representation,. This suggests the emergence of a "new" and less bureaucratic form of corporatism than that which emerged hitherto. However, it is possible, as Regini himself concedes (1996) , that the "new " model is the product of unique Italian circumstances, A question must also be raised over the sustainability of the system itself: Regini notes that the "new "co-operation between the "social partners" rests not on the "exchange of economic resources" but on "the solution of urgent and shared problems (mostly regulative policies)" (1996: 18). If our earlier arguments were correct, such a system is likely to be highly unstable.

sheer magnitude of the education and training backlog, combined with the ANC-led government's conservative fiscal policies, mitigates against short- to medium term solution to the country's human resource problems (cf. Ginsberg 1996). On the other hand, attempts to expand the market for local products are hampered both by continuing levels of endemic poverty in South Africa, and by the country's poor productivity and competitiveness record, particularly with relation to human resource development vis-à-vis comparable actors in the world economy (on the latter point, see Webster 1995). Finally, in contrast to the situation that prevailed in the West in post-war period, South Africa's transition to corporatism takes place in a context in which "the world's financial system is volatile and fragile; the growth of world trade has slowed conflict between trading blocs is unlikely to benefit South Africa; and there will be no [capital] inflows into South Africa comparable to Marshall Aid in Europe" (Harris 1993: 97).

Corporatism and workers' empowerment?

Can corporatism at least empower South African labour? Bird and Schreiner, for example, assert that "significant gains have been achieved through … national negotiations" (1992: 24). Maree claims that "the trade union movement has already had a significant impact on labour relations legislation in South Africa by steering it in a more progressive decision" (1993: 50). And Webster, who acknowledges that workers are unlikely to receive direct economic concessions from engagement in corporatism, argues that we must "rethink class compromise in less economistic ways": through a social accord "labour will have sacrificed sectoral income for enhanced class power, through both the enlargement of the working-class (as employment expands), and an institutionalised role in determining economic policy in determining economic growth policy" (1996: 59–60). If labour is given increased influence over investment policy and process this will

accounts confine themselves to suggesting remedies for perceived imperfections in the functioning of an institutional arrangement whose overall utility is not itself questioned (e.g. Friedman and Shaw 1996; Webster 1995; for an exception, Lehulure 1996).

Here, one finds, for example, a pragmatic approach: for Maree, the trend towards social contracts is an accomplished fact, and all that remains is to "draw some of the salient lessons" of similar experiences elsewhere for South African trade unions (1993: 24). These "lessons" take the form of an argument in favour of the necessity of corporatism as the key to improved economic performance and living standards. Maree (1993) claims that South Africa's economic difficulties -listed as stagnation, inflation, unemployment, and uncompetitive productivity levels-"point to" (self-evidently?) "the urgent necessity for all the major economic actors to reach agreement on a strategy to tackle the problems" (1993: 30).

In addition to the case that corporatism is a necessity for economic growth and social upliftment, several other arguments may be made in its favour. One is that corporatism can help consolidate South Africa's transition to a parliamentary democracy through matching political reforms with economic advances (Webster 1995). More ambitiously, Webster and Von Holdt (1992) argue that union engagement in macro-economic policy can constitute a "radical reform" which will reshape the South African political economy in the direction of social-democracy. In this way, corporatism will empower workers to exercise an increasing influence over their won, and the country's, destiny.

In contrast to these optimistic projections, it has been argued by some that corporatism can actually undermines workers' power by bureaucratising the unions (for example, Panitch 1986), a finding that may be confirmed by evidence of an increasing gap between the union leadership and the rank-and-file in South Africa (for example, Friedman and Shaw 1996; Keet 1992). This objection is dismissed by the supporters of corporatism: a gap of this sort is often as a "normal" part of the process of institutionalis-

ing trade union conflict (Webster 1995), as well as a purely technical problem that can be solved by a rigorous application of democratic principles. Thus, Maree (1993: 49) argues that while there is an "inherent risk" that the top-level negotiations by corporatism and the social contract could exclude the rank-and-file, this "potentially undemocratic" feature can be avoided by implementing procedures and principles which ensure that the leadership remains accountable to the membership. Maree dismisses the notion that corporatism undermines the organisation and self-confidence of the labour movement on the grounds that such a claim ignores cases such as Sweden where long-term engagement in corporatism has not hampered the formation of one of the "strongest" union movements in the world, and that this position underestimates the ability of unions to win gains by engaging with the State (1993: 50). Bird and Schreiner claim that "procedures have [already] been developed to contain the dangers of workers losing control over the negotiations process and secret bureaucratic deals" (1992: 25). For Webster (1995), there is only an "interpretation gap" between leaders with an eye on long-term union strategies (presumably of benefit to workers), and workers' own short-term perspective.

THE CASE FOR CORPORATISM REJECTED

In the following section, I critically assess the key propositions outlined above viz.,

- that corporatism can provide material benefits to the working class
- that union democracy is not sacrificed in corporatist arrangements
- that corporatism empowers workers and provides a basis for social transformation

"Swedish miracle" broke down due to wage pressure in the public sector (Maree 1993) is to ignore the profound changes underway in Swedish capitalism (see, for example, Pontusson 1992).

Moreover, the studies of the impact of corporatist policies on economic performance and social welfare deal cited as evidence of the utility of corporatism (Cameron 1984; Maree 1983; Taylor 1989) deal almost entirely with advanced capitalist countries before the 1980s. Whether such studies remain accurate representations of the West itself- let alone provide a model applicable to South Africa- is highly questionable. The mistake that writers such as Maree (1993) make is to assume that the experience and "salient lessons" (1993: 24) of advanced capitalist countries are directly applicable to our context; they focus on relatively marginal differences in economic performance between different advanced capitalist countries (such as unemployment rates of 2,1% in Sweden versus 5,2% in Great Britain (Cameron 1984: 144)), to the exclusion of an adequate assessment of the qualitative differences that exist between the social formations of metropolitan countries and those of the semi-periphery; they assume that a single policy dimension taken in isolation from its context provides a miracle cure for a wholly different socio-economic situation in a different decade.

There is little reason to suppose corporatism will be able deliver on its promises in the crisis-ridden semi-peripheral economy of South Africa. Whilst economic growth has increased slightly, the economy remains in a deep structural crisis which places severe limits on future growth levels, and operates in a recessionary, liberalising world system. Unemployment, in particular, continues to increase, despite higher levels of economic growth in the 1990s: since May 1993 126,052 jobs were lost in the manufacturing, mining and construction sectors (Desai and Bohmke 1996: 57). Although other aspects of the crisis such as the chronic skills shortage and the small local market seem to face a greater likelihood of being resolved in the post-apartheid era than they did under the previous regime, considerable obstacles remain. On the one hand, the

which could either cause inflation or lower national competitiveness, requires that attempts be made to induce the unions to enter a social pact (Panitch 1986a: 145–8).

Several key points follow from this analysis. Firstly, improved living conditions reflected less the inevitable consequences of corporatism than they did prior autonomous trade union-led class struggles that resulted in the redirection of greater amounts of public resources to the working class, a shift premised in part on unprecedented levels of economic growth. Secondly, just as corporatism cannot therefore be given all the credit for improved living standards, neither can it claim credit for the economic boom as it was less a cause than a consequence of increased economic growth. Thirdly, corporatism was associated with (although not causative of) growth and development only in very specific historical and regional circumstances: on the one hand, the ability of the nation-state to provide an institutional framework for the economic development and the welfare State (itself premised on the existence of nationally based capital and the ideological acceptability of State intervention in the economy); on the other, on high (indeed, unprecedented) levels of sustained economic growth in the metropolitan countries (Teeple 1995: 17–18; Panitch 1986a: 144–7).

Overall, then, the conditions under which corporatism was associated with growth and a rising living standards (at least insofar as the latter actually took place at all!) were highly historically specific. Indeed, a powerful case can be made that such conditions no longer obtain: the end of the capitalist boom in the early 1970s (and subsequent attempts to maintain the rate of profit by an attack on the wager and welfare bills), the emergence of transnational capital operating beyond the effective regulation of the nation-state, and the rise of neo-liberalism as a hegemonic discourse have laid the basis for attempts to replace the welfare State with neo-liberal policy regimes centring around economic liberalisation and deflationary macro-economic policies in the late 1970s (Lehulere 1996; Mouffe 1990; Teeple 1995: 53,55–6). To say, for example, that the

Corporatism's material benefits?

The argument that corporatism is directly responsible for the improved economic performance and rising living standards which took place in countries which have adopted such a strategy is difficult to sustain. This argument is premised on the assumption that there is a causative relationship between the establishment of corporatist relationships and particular material outcomes.

Maree, for example, relies heavily on a number of international studies to support his argument that corporatism can improve economic performance and benefit workers relies on a number of international studies. The first such cited study is Taylor (1989), who looks at the rise and fall of corporatism in five metropolitan countries, arguing, inter alia, that corporatism "worked well" in Sweden as it supposedly resulted in low levels of inflation, high levels of employment, and international competitiveness. Maree also cites Cameron's (1984) study of the factors influencing economic performance in 18 advanced capitalist countries between 1965 and 1982 to bolster his claim that the working-class can benefit from corporatist arrangements.

Cameron (1984) divides his case studies into two groups with distinct patterns of economic performance: the first group, which included countries such as Sweden and West Germany, was characterised by relatively low levels of strike activity, and modest increases or decreases in the level of earnings as well as modest increases of prices and relatively full employment; the second group, comprising inter alia Britain and Spain, experienced relatively high levels of strike activity and large increases in nominal and real earnings as well as relatively high levels of unemployment (cited in Maree 1993: 42–3). Cameron suggests that where full employment is maintained, labour is relatively quiescent, resulting in low increases in earnings and prices, whilst high levels of militancy increases inflation and provide employers with a rationale for layoffs. This suggests an implicit trade-off between the immediate

economic gains of organised workers and the long-term likelihood of jobs for all workers (cited in Maree 1993).

Cameron went on to examine the social and political bases for the two clusters' varying economic performance, and concluded that there was a positive correlation between the superior economic performance of the first cluster of countries and the presence of corporatist structures (Maree 1993: 43–4). Cameron also concluded that labour in these countries was compensated for its relative quiescence and acceptance of wage restraints by a rising social wage and full employment over an extended period (in ibid..),

Nonetheless, a statistical correlation not necessarily indicate a causative relationship. Indeed, Cameron's argument ignores several countries that deviate from the expected relationship between corporatism and material advance. Contradicting Cameron's model, both Great Britain and Spain had functioning corporatist structures for much of the period of his study, (see Callinicos 1992a; Panitch 1986a, 1986b), yet both countries are among those Cameron himself regards as characterised by high inflation and high unemployment. Nor did either case provide obvious benefits to the working class. To take an example from Great Britain, the Social Contract between the Trade Union Congress and the Labour Government of 1974–9, which covered wage restraint, price controls and food subsidies, was associated with a continual fall in real wages (5,5% in 1974, 1,6% in 1975 and 1% in 1976), an increase in unemployment of almost one million, and deflationary budgets that cut public expenditure programmes (Panitch 1986b: 118–9). Finally, it needs to be noted that even within that cluster of countries identified by both Maree (1993) and Cameron (1984) as exemplars of the benefits of corporatism, working-class gains have been exaggerated: even in the famed Swedish, a report submitted to the Landsorganisationen (LO- the main union confederation) in the late 1960s found that not only had there been no marked change in income distribution since 1948, but the fraction

of persons with 40% or less of mean income had considerably increased, whilst the group with "normal" income decreased and the proportion with higher incomes increased (cited in Panitch 1986a: 149). This was matched by a growing concentration of wealth (ibid..; also see Teeple 1995: 38–50).

Thus, no clear correlation between corporatism and given material outcomes can be established. This suggests that factors other than corporatism account for the economic growth that took place throughout the West in the period discussed by Cameron. Not only are corporatist systems associated with a rather more differentiated set of social and economic conditions than their more enthusiastic proponents contend, but the causative role and impact of this form of policy formulation is difficult to discern with any precision.

It could instead be argued that the association of corporatism with economic growth and rising employment was a complex one in which tripartite structures interacted with a variety of different developments in a complex historical juncture (1940s-1970s) specific to the Western heartland's of capitalism. The development of corporatism in these regions took place in the context of the establishment of Keynesian-welfare States characterised by unprecedented levels of State intervention in the formal provision of most of the social needs pertaining to the reproduction of the working-class, and of the high (and unprecedented) levels of national economic growth of the post-war period (Teeple 1995: 16–7, 40–1). Such regimes emerged primarily as a response to chronically high levels of working class disaffection and revolt and capital's unprecedented need to "socialise" the costs of reconstructing the devastated national economies of Europe (and Japan) (Teeple 1995: 17, also 19, 27–31; see also Panitch 1986a: 134–5). This economic growth not only helped the welfare State finance social benefits but provided an impetus for the establishment of corporatist arrangements which functioned to develop incomes policies: the considerable bargaining power of labour in a situation of full employment,