

Sector Job Summit season

Labour has put Sector Job Summits (SJS) firmly on the agenda for 2001/2002. If labour's plans go smoothly there could be ten SJSs completed before the end of the year.

The timing of the initiative could not be better. Within Nedlac, government and even amongst business leaders industrial strategy is enjoying a revival. Alec Erwin announced at Nedlac that the Department of Trade and Industry (DTI) will be releasing a document that will set its agenda for industrial strategy both in terms of a vision of industrial strategy for South Africa and the region and also lay out the DTI's involvement in this process. The Millennium Labour Council has considered a document on implementing a new growth path and the role of skills planning in industrial strategy. The issue of growth paths and industrial strategy have been raised within the ANC and alliance structures.

What is clear is that all of the social partners are considering industrial strategy, defining visions, targeting sectors and developing policy. Within labour, the focus has been on industrial strategy in general and SJSs, as a vehicle for industrial strategy, in particular.

Sectors

In determining the sectors for SJSs, COSATU and affiliates utilised the following criteria:

by David Jarvis

- Sectors should be large enough so that they suit the creation of industrial strategy.
- Sectors should, however, be small enough to have common features that lend themselves to policy development.
- Sectors that are either facing job loss or have the ability to create jobs if not in the actual sector then downstream or upstream of the sector should be prioritised.
- Labour must be sufficiently organised in the sector to make an impact on policy development.
- Some sectors should be targeted because they have the ability to satisfy some other criterion that is an important part of the labour-directed industrial policy (such as the production of cheap wage goods).

Based on these criteria, the following sectors were identified as sectors in which SJSs should be held: food processing, automobile, engineering, petrochemicals, pulp and paper, pharmaceuticals, retail, hospitality and tourism, electricity, transport, communications, public service, local government, construction and building materials, footwear and leather and finance.

The Public Service Sector has subsequently taken place, joining clothing

and textiles and mining and gold mining.

There have been informal discussions around the appropriateness of sectors. At one level there are criticisms that the sectors that have been identified by labour are too broad. Questions have also been raised about the relevance of some sectors and their appropriateness for the development of industrial strategy. Within affiliates, the sectors sometimes do not correspond with their bargaining sectors or they do not have bargaining by sector.

Preparation for SJSs

The experience of previous SJSs is that there is a need for detailed preparation prior to the summit. Logistics have to be arranged to ensure that the process will be run smoothly. Research has to gather information that will inform labour's positions and proposals. Affiliates have to go back to their constitutional structures to receive mandates for their positions.

To facilitate this process, a major project has been established, that defines roles for COSATU, its affiliates and Naledi. COSATU will provide overall support, in part through monthly report-back meetings where affiliates will come together to strategise and also through quarterly strategy workshops. Naledi is providing technical assistance through research to develop claims and project management for the SJS. The affiliates are expected to establish capacity to develop demands, educate and mobilise their members, and mandate bargaining positions.

Besides developing research to support industrial strategy processes, the project also aims to create longer-term capacity within the affiliates involved in the process, so that they are able to monitor implementation of policies and influence new policy developments. This is being done through the training of researchers and ensuring that

the process remains an inclusive one that strengthens capacity within the union. At the same time the process is aiming to create structures in each sector that will lead to better information flow and establish a voice for the labour movement.

In addition, COSATU and Naledi are using the process to develop a framework across the sectors to inform future industrial strategy development. This will also include addressing issues outside of the specific sectors. For instance, in sectors that suffer from high input costs of raw materials, conditions in the supplying industry will have to be investigated. Likewise parastatal support (for example subsidised energy), transport costs and the impact of the finance sector will impact on the success of any industrial strategy determined at the SJS and, therefore will have to be addressed.

Government policies that cut across all sectors (such as Competition Policy, Trade Policy, Procurement, etc) will have to be taken up outside of SJSs, but the SJS can initiate these debates, and labour submissions will be co-ordinated across the sectors. SJSs will be important in identifying these cross-cutting areas and assist in developing strategies to rectify any impediments to strategic goals.

This process has already begun with the holding of workshops and various meetings. From these, the beginnings of a labour vision of industrial strategy have been asserted.

Labour vision

Labour's vision of industrial strategy includes the following:

Creating quality jobs

- Job protection and job creation (to protect jobs that do exist and to set in motion policies that will assist in the creation of jobs);
- support skills development;

- ❑ economic efficiency and productivity (it is important to increase productive efficiency in industries to bring down the cost of basic goods and manage balance-of-trade problems through increased exports and decreased imports);
- ❑ positive impacts on other sectors in up and down stream activities (all sectors should be aware of spin-offs for up and down stream activities, the industrial strategy needs to ensure that positive spin-offs are enhanced);
- ❑ sustainable development – measures must be viable in the long run, not just based on subsidies or incentives;
- ❑ trade policy to support industrial strategies (trade policy should be driven by the need to develop sustainable industries in a manner that gives companies time to adjust).

Meeting the needs of the poor

- ❑ Affordable wage goods (to produce wage goods for the working class that are of a high quality and affordable);
- ❑ targeted and large-scale infrastructural and housing development (infrastructural development is necessary within sectoral programmes, but may also lead to stimulation of growth in the general economy by increasing economic efficiency, raising living standards and increasing domestic demand).

Solidarity – broad developmental aims

- ❑ Improvement of the position of women in the sectors (the position of women should be taken into account when formulating policy so that their position in the sector is improved);
- ❑ rural development (policies should look to enhance the position of people living in rural areas);
- ❑ regional integration and development

(policies should assist the development of our neighbours in the South African Customs Union (SACU) and the Southern African Development Community (SADC) and foster increased integration);

- ❑ environmentally sound development.

Democratisation

- ❑ Empowerment of workers needs to take place at the level of the shopfloor (health and safety, skills development and worker control);
- ❑ increased collective ownership (especially to investigate co-operative and government ownership, and the role of pension funds and union investment companies);
- ❑ democratisation of government departments and parastatals involved in industrial strategy (such as BTT, IDC, etc can labour have an effective voice in these bodies), and democratisation of decision-making processes in the sectors (representation on boards and councils, etc);
- ❑ the development of an activist state (industrial policy should be based on a redistributive agenda, driven by the state).

These objectives demonstrate that for labour, industrial strategy has to go beyond increasing efficiency and exports within sectors, and even beyond short-term gains in employment. Strategies under labour's vision will go to the heart of transforming the economy. This vision will be refined as the research and policy development within the sectors is developed. The sectors will feed the vision as the vision feeds into their development of appropriate industrial policies. With this common vision, the impact of industrial strategies implemented in each sector should be felt across the economy as a whole. ★