A “Negotiated Revolution”? Trade Unions and Companies in South Africa in the 1980s

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Overcoming the racist and globally outlawed apartheid system in South Africa is often linked to the release of Nelson Mandela in February 1990 and the subsequent four-year transition phase that ended with the first free elections in April 1994. The occurrence at the same time as the collapse of the socialist countries suggests that the transition from apartheid to a democratic society was a result of the end of the Cold War between East and West. This is not completely wrong, as South Africa was a hotspot in the Cold War: the apartheid regime was a strategic outpost of the West, despite all the criticism of racial discrimination made by Western states. The largest liberation organization, the African National Congress (ANC), had a socialist approach and received logistical and ideological support from the Soviet Union and socialist countries. Because the South African Communist Party (SACP) was represented in the governing bodies of the ANC, the apartheid regime's anti-communist propaganda received support.¹ Nevertheless, the transition process was not a direct reaction to the disintegration of the socialist state world, but instead to a longer process of change in South Africa itself; a process that began in the early 1980s and had a great deal to do with new strategic orientations of the South African parties in conflict, especially the ANC and white elite circles. South Africa's political transition is considered a “negotiated revolution,”² and in the context of the current volume, this chapter examines the influence of industrial relations on strategic reorientations.

The term “revolution” for the South African transition involves systematic contradiction. Yet the political system changed fundamentally, so some

1 SACP cadres played an important role in the beginning of the armed struggle in 1961, and some authors still try to answer the question of whether or not Nelson Mandela was a member of the party. Cf. Stephen Ellis, “The Genesis of the ANC's armed struggle in South Africa 1948–1961”, *Journal of Southern African Studies* 37 (2011): 657–676.

2 Heribert Adam, *The Negotiated Revolution: Society and Politics in Post-Apartheid South Africa* (Johannesburg: Jonathan Ball Publishers, 1993).

authors stick with the term.³ The transition phase was a negotiation process accompanied by civil war-like events. As a result, racial discrimination was lifted in South Africa, and a constitution based on international human rights was adopted in 1996. However, capitalist rule was not overturned and no company was socialized. Instead, the ANC in government pursued a relatively neoliberal oriented economic policy, sharply criticized by the radical left.⁴ Immense social inequality, closely linked to racial stereotypes, still characterizes South African society today. Despite the socialist rhetoric of the ANC, it was not a socialist revolution, but a transition to parliamentary democracy and the end of apartheid's institutional violations of human rights. However, at no time was it the ANC's strategic plan to achieve a revolutionary takeover by military force. The formulated goal was the abolition of legally enshrined racial disenfranchisement and discrimination, and a democratic society for all South Africans, as proclaimed in the 1955 Freedom Charter. The aim was therefore always negotiation, with the armed struggle supporting this. The mass militancy of the 1980s, which made South Africa almost ungovernable by the Boer regime, was not integrated into a long-term and revolutionary strategy. The transition can therefore also be understood as a "negotiated settlement", in which all sides made compromises.⁵ Negotiations were decisive for the political solution of the conflict. Politically, it was a revolution in the sense that the previous political institutions were abolished or democratized. However, it was not a social revolution. As argued below, industrial relations in the 1980s also contributed to this. In the theory of revolution, labour relations and revolutions are perhaps more reminiscent of strikes and social struggles in companies. These played an important role in South Africa, but a brief glimpse at the strike waves in South Africa in the 1980s easily risks overlooking the fact that the growing black and non-racist trade union movement in the factories had established everyday practices of negotiation and compromise. In 1987, the South African sociologist Eddie Webster saw the trade unions as offering an opportunity for companies and a model for a necessary transition process: "they offer management an opportunity to participate constructively in the process of negotiated

3 Christoph Marx, *Südafrika: Geschichte und Gegenwart* (Stuttgart: W. Kohlhammer GmbH, 2012), 290.

4 See Dale T. McKinley, *South Africa's Corporatised Liberation: A Critical Analysis of the ANC in Power* (Black Point: Nova Scotia, 2017).

5 Merle Lipton, *Liberals, Marxists, and nationalists. Competing interpretations of South African history* (New York: Palgrave Macmillan, 2007), 1.

change”.⁶ Nevertheless, not only for the companies, but also for the resistance movement, industrial relations offered spaces of experience that should have had a positive impact on the “negotiated settlement”. Before discussing the operational situation in the 1980s, the political development in South Africa should first be roughly outlined.

1 The Rise and Fall of Apartheid

With the election victory of the Boer National Party, Apartheid became the official government programme in 1948.⁷ The population was classified according to racial criteria, and South Africa was only democratic for the white population who were entitled to vote. The black majority of the population, as well as Indian and coloured population groups, had considerably limited rights, which were gradually reduced further. The “grand apartheid” aimed for territorial division. The existing black settlement areas, already established as a type of reserve at the beginning of the twentieth century, were assigned to the various ethnic groups and were to lead to the establishment of formally independent homelands. All South Africans classified as black were assigned to an ethnic group – the largest were the Zulus, Sotho, Tswana and Xhosa – and a homeland, which deprived the vast majority in the “white” areas of all civil rights. This policy was never successful; only four of the ten homelands became formally independent from the 1970s onwards and they were not recognized internationally except by South Africa. However, it had considerable political and social disadvantages for the black majority of the population in the white areas. In the heydays of Apartheid in the 1960s and early 1970s, everyday life was marked by “petty apartheid”, under which public and private spaces were strictly segregated. A large number of laws separated the classified groups from each other; through the prohibition of marriages between ethnic groups, separate benches and sports fields in public areas, and separate canteens and better jobs only available to whites in the factories. In addition, blacks were banned from buying land in “white” areas and constantly threatened with expulsion to the homelands. This institutionalized racism led to worldwide condemnation of the apartheid regime.

6 Eddie Webster, “The Independent Black Trade Union Movement in South Africa. A Challenge to Management”, in *A Question of Survival: Conversations with key South Africans*, ed. Michel Albeldas and Alan Fischer (Johannesburg: Jonathan Ball Publishers, 1987), 21–29.

7 See in general, William Beinart, *Twentieth Century South Africa* (Oxford: Oxford University Press, 2001); Marx, *Südafrika*.

There had always been resistance against apartheid, and to the deprivation of rights for the black majority and the coloured groups. The African National Congress (ANC), founded in 1912, had long been influenced by Christian socialized actors, and in 1955, it and other organizations in the "Charter of Freedom" made a non-racist, democratic society their goal.⁸ After the 1960 ban of the ANC and the Pan-African Congress (PAC), the ANC took up an armed struggle, but was soon considerably weakened by arrests and flight. The ANC and the South African Trade Union Congress (SACTU), which was close to it, in the end acted mainly from exile. They created international publicity and at the same time tried to reanimate the armed struggle in South Africa. Though the ANC and the imprisoned Nelson Mandela were political reference points in South Africa, for a long time it was difficult to establish structures in the country because of the illegality this could involve. The "Black Consciousness Movement", which began in 1968 with the charismatic Steve Biko (who was murdered in 1977) as its spokesman, was somewhat sceptical about the ANC's Congress Movement. After a wave of strikes in the textile industry in Durban in early 1973, black workers began to organize in independent trade unions, and after the massacres in Soweto in 1976, the militant struggle in South Africa itself increased.⁹

The ANC remained the liberation organization that was supported by most black South Africans, but in the country, the ANC could only organize itself clandestinely. Groups that were critical of apartheid could be found in churches, in liberal white circles and lastly in the newly emerging independent trade unions. In parallel with increasing resistance – which in the mid-1980s led to the townships in particular becoming effectively ungovernable – the Boer government attempted to modernize apartheid through reforms; ultimately without success. Pieter Botha, who was elected as prime minister in 1978, relaxed the apartheid regulations for some areas of society. This included new labour legislation in 1979 and the abolition of "petty apartheid"; that is, separation in everyday life. Independent unions could now also operate in companies and organize black workers who previously had no status as employees. However, the new labour legislation required people to register with state authorities, a requirement that was only dropped some years later. Independent unions that only organized black worker and came together in the Council Unions of South African (CUSA) had fewer difficulties in the beginning than the non-racist unions, which – although mostly comprising black workers – had

8 See Sylvia Naeme, *The Congress Movement: The Unfolding of the Congress Alliance 1912–1961*, 3 vols. (Cape Town: HSRC Press, 2015).

9 Saul Dubow, *Apartheid 1948–1994* (Oxford: Oxford University Press, 1994), 171–172.

openness to all as a principle, and thus contradicted the ideals of apartheid. Political activities against apartheid were always part of the activities of independent trade unions, since they were also able to create articulation spaces for anti-apartheid interests. The Federation of South African Trade Unions (FOSATU), founded in 1979, took care in the first years of its foundation not to put political goals in the foreground, but to build up grassroots democratic structures in companies and to fight for social progress. This “workerist” position began to relax somewhat after the founding of the United Democratic Front (UDF) in 1983. In 1985, FOSATU merged with others, notably the National Union of Mineworkers (NUM) – which had emerged from CUSA – forming the Confederation of South African Trade Unions (COSATU). This confederation, in which the affiliated unions gained influence in companies, became one of the important forces in the UDF, which developed into South Africa’s largest legal resistance alliance. COSATU and the UDF followed the then banned ANC, and in 1987, COSATU officially accepted the Freedom Charter of 1955.¹⁰

The reform of the labour market 1979 was linked to the “total strategy” proclaimed by Botha, with the aim of both the military defeat of black resistance and of winning over moderate blacks.¹¹ Although the economic easing brought articulation and higher wages for black workers, it was also intended to promote a black middle class that was regarded as less susceptible to leftist goals. Botha adhered to the idea of “grand apartheid”, and in 1983, established a three-chamber system of parliament representing white, coloured and Indian population, but excluding the black majority. Thus, the principle of “One Man, One Vote” was intended to have been permanently prevented. However, the new constitution only increased the de-legitimation of the apartheid state, increasingly also among whites. After Botha announced claimed reforms in a speech in August 1985, but then stuck to his previous policy, the apartheid regime seemed no longer reformable, even in white circles – apart from Boer hardliners. Botha reigned increasingly through martial law – and with a state of emergency from 1985 – and maintained the goal of the military defeat of the black resistance through a covert war in Angola. Especially in parts of the secret service, but also in the Boer secret organization “Broederbond”, the view prevailed that the South African apartheid model would not survive for long and radical changes were needed. By contrast, the viewpoint that apartheid could survive by military strength remained strong among the military leadership and the domestic secret service.

10 Marx, *Südafrika*, 270–272; Dubow, *Apartheid*, 206–210.

11 Beinart, *Twentieth Century*, 246.

The ANC armed struggle was never designed to be, or near to becoming a military victory. As South African forces were defeated 1988 in Angola, the military wing of the ANC was losing its bases there. In fact, the ANC never saw an end to apartheid through armed struggle. The mass unrest in the 1980s was important to make some areas nearly ungovernable for the Boer regime and to mobilize the "street", but had no strategic goals in terms of revolution.¹² Talks had begun from 1985, partly between ANC representatives and Boer intellectuals and business elites, but also between government representatives and the imprisoned Nelson Mandela and the exiled leadership of the ANC.¹³ These mostly secret talks helped to prepare for a phase of transition, since on the one hand they reduced Boer fears about a communist ANC, and on the other, increased the willingness in influential circles of the white population to divide power. However, it was only the replacement of the sick President Botha by Frederik De Klerk in the summer of 1989 that cleared the way for the release of Mandela and the re-admission of the ANC and other organizations.

2 Labour Relations and the Decline of Apartheid in the 1980s

These rough outlines of political development still say little about the practices and developments in labour relations. The reform of labour legislation in 1979 was not only a consequence of growing black resistance, but also of reform demands from the economic elite. With regard to the South African situation, it has to be considered that the industrial economic elite was strongly influenced by South Africans of English origin, who kept a certain distance from the Boer National Party and its government. Beinart emphasizes that "Capitalists ... lived with apartheid rather than advocated it".¹⁴ The most prominent example is Harry Oppenheimer (1908–2000), CEO of the Anglo-American Corporation, South Africa's largest investment trust and mining and diamond group. In the 1950s, Oppenheimer was a temporary member of parliament and later a financier of the white liberal opponents of apartheid. Liberal economic circles long followed the so-called "Oppenheimer thesis", which suggested that apartheid would become superfluous with increasing prosperity.¹⁵ This liberal

12 See Lipton, *Liberals*, 81–87.

13 See, mostly based on interviews: Allister Sparks, *Tomorrow is another country: The inside story of South Africa's negotiated settlement* (Johannesburg: Jonathan Ball Publishers SA, 2003).

14 Beinart, *Twentieth Century*, 252.

15 With regard to Oppenheimer, see David Pallister, Sarah Stewart and Ian Lepper, *South Africa Inc: The Oppenheimer Empire* (Sandton: Simon & Schuster, 1987); regarding

thesis proved unsuccessful, as social and legal discrimination could hardly be offset by a very slow rise in wages for black workers from the mid-1970s. At the time, criticism of apartheid and the regime's rigid policies was nevertheless growing in economic circles. In an internal position paper in 1977, the Midland Chamber of Industries stated "For far too long the political philosophy of the government has been based on a paralysing fear of the future under a government with Blacks in it and the need now is urgent for education on the ideological and business sides to bring about the changes which are essential".¹⁶ It was also in the interests of companies to promote a black middle class and moderate forces, in order to prevent radicalization through social improvements and to cushion full democratization through the protection of white privileges. In 1977, the "Urban Foundation" was launched, financed mainly by Harry Oppenheimer and other wealthy industrialists. The aim was to improve the living conditions and training for the black population in urban areas, but within the framework of legal requirements. For most industries, there were also strong economic motives for reform pressure. Black employees were subject to a training ban, and various apartheid laws – supported by the white, racist unions – prescribed the so-called "job reservation": a ban on black people working in the same wage group as white people. These regulations exacerbated the constant shortage of skilled workers in South Africa, and as industry grew, so did the proportion of black employees.¹⁷ From the companies' point of view, the growth in industrial employment and the increasing international isolation of South Africa therefore needed to be compensated for by skilled black workers. Many companies, including Volkswagen and the Swedish SKF, had already started imparting specialist knowledge to black employees in internal training courses around 1970. In 1974, a British automotive journalist wrote about Volkswagen of South Africa and the German CEO Rudolf Leiding: "He and the South African directors share a conviction that Volkswagen of South Africa can only progress by giving Bantu and Coloured workers the training to equip them for more skilled jobs and greater responsibility".¹⁸ The contradiction with

'Oppenheimer-thesis' see Norman Bromberger, "Economic Growth and Political Change in South Africa", in *South Africa: Economic Growth and Political Change. With Comparative Studies of Chile, Sri Lanka and Malaysia*, ed. Adrian Leftwich (London: Allison and Busby, 1974), 61–123.

- 16 Midland Chamber of Industries to All Members, (*Discrimination on a racial basis*), 2 September 1977, in: Landsarkivet Göteborg, CO267 Svenska Kullager Fabriken, F19 A: 1.
- 17 Jeremy Seekings and Nicoli Nattrass, *Class, race, and inequality in South Africa* (New Haven, London: Yale University Press, 2005), 99–111.
- 18 "Inside Volkswagen. Supplement der Zeitschrift Car", March 1974, in: *Unternehmensarchiv Volkswagen*, 69/616/2.

the apartheid government was not necessarily fundamental on the part of the companies, but was also due to the government's sometimes volatile policies. Back in 1973, the then president of the government, Vorster, had publicly announced that blacks could also perform skilled labour, and in 1975, the South African army lifted the ban on blacks standing hierarchically above whites.¹⁹ These signs of change, sometimes formulated only as hints, were understood by companies and often driven forward. This included, in particular, the expansion of company training programmes, which also qualified black workers for higher wage groups.

Apartheid proved economically dysfunctional for many industrial companies, as the deprivation of the majority of the population also made it more difficult for a black consumer class to emerge. This aspect was certainly more significant than political empathy with regard to explaining the slow change of attitude in South African industry. This applied to both domestic and foreign companies, although foreign companies were also being put under public pressure from anti-apartheid movements in their country of origin. In particular, many subsidiaries of multinational companies shaped industrial production, such as the automotive and metal industries. About 50 per cent of industrial production was provided by foreign companies, with South African subsidiaries that were legally subject to South African corporate law and with management who mostly came from South Africa itself.²⁰

The South African labour law reform of 1979, together with efforts to improve working conditions, also raised expectations among black workers, who began to create their own interest groups with a new trade union movement. One of the centres of industrial production was in the city of Uitenhage, near Port Elisabeth. Many car manufacturers had located there, including Ford, General Motors and Volkswagen, as well as suppliers such as Continental and Hella, and other metal industries including the Swedish ball-bearing manufacturer SKF. In 1976, SKF was one of the first companies to hold talks with an independent union. In July 1977, some legal tricks enabled one union, the United Automobile Rubber & Allied Workers of South Africa (UAW), to engage in wage negotiations with the management. At Ford, a strike in 1979 ended successfully for the workers, as the management accepted the unions as negotiating partners and even assumed responsibility for the loss of earnings during the strike. In June 1980, the region was hit by a new wave of strikes for higher

19 Merle Lipton, *Capitalism and Apartheid. South Africa, 1910–1984* (Aldershot: Gower Publishing Ltd, 1985), 60.

20 For the motor industry, see David Duncan, *We are Motor Men. The Making of the South African Motor Industry* (Caithness: Whittles Publishing, 1997), 63–78.

wages. While production continued at Ford, employees at Volkswagen went on strike for several weeks, work stopped at other plants, and around 70 per cent of the black and coloured employees in the region went on strike. Higher wages were supposed to lead to a decent standard of living; therefore a 90 per cent increase to 2 rand per hour was demanded. This sum was not introduced immediately, but in stages.²¹ The Johannesburg public relations agency, Errol Fyfe, was engaged by several companies²² and summarized its impressions of the strike in July 1980. Even if employers were not always happy about it, the black, non-racist unions were anchored in the workforce and therefore it was more reasonable to accept the militant unions as negotiating partners: "If employers accept that unions are essential to channel conflicts, their chief concern should be the extent to which unions enjoy workers support. All other considerations are secondary".²³ The PR agency's analysis did not necessarily reflect management sentiment, but is evidence of management voices seeking solutions beyond apartheid. After the wave of strikes in Uitenhage in 1980, the independent trade unions became more and more accepted by the companies as partners in discussions and negotiations. After lengthy disputes and delaying tactics until around 1984, the majority of industrial companies eventually had internal agreements with independent trade unions. In particular, the rapidly growing union membership of black workers increased the ability to strike.²⁴

The process of recognition was controversial in the independent trade unions themselves, as the South African trade union movement has traditionally been highly fragmented. In addition to the purely white and racist unions, the largest association in the Trade Union Council of South Africa (TUCSA) – which had been equivocal in its rejection of apartheid and support for black workers – had excluded the last black unions in 1969, and a few years later, black workers reorganized into "parallel unions" under white or coloured leadership.²⁵ Disappointments about the behaviour of the TUCSA, which

21 Gottfried Wellmer, "Die nicht-rassistische Gewerkschaftsbewegung Südafrikas 1973–1981", in *Metallgewerkschaften in Südafrika*, ed. Eugen Loderer (Köln: Bund-Verlag, 1983), 59–114, 102–104.

22 For example BMW, see Annika Biss, *Die Internationalisierung der Bayerischen Motoren Werke AG. Vom reinen Exportgeschäft zur Gründung eigener Tochtergesellschaften im Ausland 1945–1981* (Berlin/Boston: De Gruyter, 2017), 732.

23 "Summing up. A look at important news events in South Africa produced for members of the Institute of Directors (Southern African Division), July 1980", in: Landsarkivet Göteborg, CO267 Svenska Kullager Fabriken Fig A:4.

24 Duncan, *Motor Men*, 97–98.

25 Wellmer, *Gewerkschaftsbewegung*, 61.

belonged to the International Confederation of Free Trade Unions (ICFTU), and the growing self-confidence of black workers, led to organizational efforts for black and independent trade unions. It was not forbidden to organize at that time, but black workers could not become members of a union that was recognized by a company, and was therefore a negotiating partner, since they had no official employee status until the 1979 reform. Starting from local foundations in the industrial centres around Durban, Port Elisabeth, Pretoria and Johannesburg – as well as in Cape Town – smaller trade union groups emerged that sought to network.²⁶ The independent trade unions grew from 90,000 to over 320,000 members between 1979 and 1983, and the non-racist trade union movement united to form COSATU in December 1985, with some 400,000 members. In addition, the CUSA and the Azanian Congress of Trade Unions (AZACTU) existed as purely black organizations, influenced by the Black Consciousness Movement and close to the PAC. These three confederations had around 520,000 members in the mid-1980s, and continued to focus on industrial centres and companies. They were represented in over 3,000 workplaces, and 450 companies had signed recognition contracts. The operational basis was formed by around 12,000 shop stewards.²⁷ Most of the unions were also represented in the Industrial Councils at the time, and the resulting negotiation routines contributed to mutual acceptance. The membership only amounted to around 10 per cent of all the black workers, and branches such as agriculture and domestic service – in which almost half of the five million black employees worked – remained largely unorganized. However, the independent trade unions showed themselves “as a disciplined and highly effective vanguard of resistance”.²⁸ In addition, industrial production was a leading, economically important industry with a workforce of qualified and skilled employees. This leading function also applied to the trade unions, although the trade union movement was likewise divided by the racist segregation of the labour market.

The rise of the independent trade union movement was offset by the white trade unions' loss of importance. The all-white South African Confederation of Labour Associations (SACLA), a strong guarantor of white privileges and supporter of racist politics since the 1950s, lost its influence in the early 1980s. TUCSA had been inconsistent towards black workers and more liberal in its basic orientation. After 1979 and the reform of the labour-market, TUCSA continued to protect white interests, and the confederation lost its influence almost everywhere. In particular, the coloured and black members turned away

26 Beinart, *Twentieth Century*, 239–242.

27 Webster, *Black Trade Union*, 23–24.

28 Beinart, *Twentieth Century*, 250.

from TUCSA.²⁹ In 1982, the International Metalworkers' Federation (IMF) also excluded two TUCSA unions, as they continued to hold racist positions.³⁰ The independent trade unions were on the other hand strongly supported by international organizations such as the IMF and ICFTU. In particular, the willingness of the independent trade unions to strike and their strategy of enforcing improvements through company agreements rather than through higher chambers brought them approval. Their willingness to fight also increased their popularity among the members. In 1979 there were 101 strikes, the number increased tenfold to over a thousand in 1987 and 1988.³¹ Although they could not reach all of those suffering from social and racial discrimination, industrial unions in particular were of great importance for the development of labour relations. Workers' approval of non-racist trade unions also came from a grassroots democratic orientation. Before the strike at Volkswagen in 1980, for example, the families of VW were asked about their wage demand, rather than just being based on statistical calculations.³² In particular, however, a system of shop stewards as the democratic controlling body of trade union leaders was established and expanded. In the eyes of management, the militancy of the trade unions also lay in the fact that the results of negotiations were discussed and coordinated with their members. The shop stewards were increasingly recognized as the backbone of the trade unions by the companies, with some of them exempted from their work by internal regulations.

Conflicts between the independent trade unions arose primarily over questions of registration (meaning state recognition), which was necessary in order to be represented in the industry's own industry committees. This political debate in the non-racist trade unions declined somewhat after 1981. The majority of the unions in FOSATU decided to register, especially as the government in return accepted its statutory commitment to be non-racist and thus to go against the basic principles of apartheid.³³ Some other unions refused to register, because their focus was on general political objectives in trade union work. A certain pattern had thus been established in South African industrial relations. The government repressed trade unions and political organization, but

29 Sonia Bendix, *Industrial relations in South Africa*, 9 (Lansdown: Juta and Co, 2007), 77–80.

30 Herman Rebhan and Werner Thönnessen, "Der IMB und die Metallgewerkschaften in Südafrika 1951 bis 1982", in: *Metallgewerkschaften*, ed. Loderer, 115–171, 168–170.

31 Bendix, *Industrial relations*, 78.

32 Wellmer, *Gewerkschaftsbewegung*, 103.

33 Beinart, *Twentieth Century*, 248–255; Fred Sauls, "Reform oder Kontrolle? Die Befreiung der neuen südafrikanischen Arbeiterbewegung", in *Metallgewerkschaften*, ed. Loderer, 173–182, 180–181.

increasingly accepted the establishment of relations between management and non-racist unions. The unions used the scope for social improvements through a relationship of strikes and negotiations, without giving up their goal of abolishing apartheid. The reference point of South African labour legislation, which employers had used for a long time, became increasingly fragile due to the dilatory behaviour of government agencies, and more room for manoeuvre opened up in individual companies. This could be observed, for example, in the acceptance of strikes for the purpose of political demonstrations. Surveys of industrial companies in the Johannesburg area in 1985 showed that with regard to one-day political strikes – for example on 1 May or the anniversary of the Soweto uprising – over 90 per cent of management did not penalize participation.³⁴ Due to the political situation, the management accepted when trade unions organized symbolic actions to protest against apartheid. Foreign companies in particular were under public pressure in their country of origin and tried to react to this in their operational processes. For example, on 1 January 1986, the Swedish SKF company introduced a support fund for relatives of arrested black workers. This measure was also taken because white workers continued to receive wages for the period of their compulsory military service, which was publicly criticized in Sweden.³⁵ In the summer of 1988, Volkswagen's human resources management department complained to trade union representatives that there had been many political actions and unscheduled meetings of employees during working hours. They asked to discuss reducing the number of incidents.³⁶

Nevertheless, it was not only in the plants that the climate changed, as business associations also started to publicly call for an end to apartheid. In September 1985, some 91 CEOs of South African companies published a newspaper advert under the heading "There is a better way", calling on the government to abolish racial discrimination, negotiate with recognized black leaders about power sharing and introduce full citizenship for all in South Africa. The campaign was eventually supported by over 1,000 CEOs and senior managers.³⁷ The political goal was to prevent further bloodshed, and negotiations with the

34 Webster, *Black Trade Union*, 25.

35 Brochure "Verksamheten i Sydafrika", Göteborg 1986, in Landsarkivet Göteborg, CO267 Svenska Kullager Fabriken Fig A: 10.

36 Memo from W. B. Robinson, Human Resource Manager, to Messrs: Gonomo, Hardt, Johnson, Lilia, Magidimesi, 12.7.1988, in: Historical Paper, University of the Witwatersrand, AH2960 B1.4.

37 D. A. Buchana and A. V. Pienaar to State President P. W. Botha, 12 February 1986, in: Landsarkivet Göteborg, CO267 Svenska Kullager Fabriken Fig A: 10.

representatives of the majority of the population were indispensable for this. On the other side were some conservative business leaders, who agreed with Botha's martial law in 1985 to keep the situation calm. The advert in September 1985 was also a reaction by younger and liberal CEOs,³⁸ who realized that trade unions had become an important force in the plants. In September 1985, there was also a meeting between some business leaders and ANC representatives in Lusaka, in which the former were told that a mixed economy would be possible under an ANC government. Oliver Tambo, then president of the ANC, declared in a speech at the end of the year that business leaders could be an "additional leverage" to overcome apartheid, even if they just wanted to protect their profits.³⁹ In the second half of the 1980s, when the Soviet Union and the socialist countries began to change, anti-communism as a core political argument against apartheid became less convincing. With hints from the ANC leadership in exile, it also became clear that an ANC government would not mean nationalization and a planned economy.

However, the black trade unions had great reservations about the companies. For example, Cyril Ramaphosa, chair of the NUM, declared in 1987 that despite their claims about reform, the companies were "part of the government, therefore they are part and parcel of the oppression that the majority of people are experiencing in this country".⁴⁰ Ramaphosa still emphasized the socialist perspective at the time – the working class should take over the means of production. However, the ANC no longer pursued this goal, with all its attendant consequences, but indicated in talks at the end of the 1980s that the interests of industry were already being accepted. After 1990, COSATU publicized a "relatively moderate social democratic programme of 'growth through redistribution', that prioritized higher government spending on training, welfare, and infrastructure" instead of the nationalization of industries. Ramaphosa became chief negotiator with the ANC in the transition phase.⁴¹

The politicization of management in the 1980s did not mean that companies became political supporters of the ANC; rather, they sought connections with the Inkatha Freedom Party and its leader, Buthelezi. Inkatha, which was mainly formed from Zulu in Natal, rejected apartheid, but belonged to moderate black political forces and remained an opponent of the ANC. However, the companies also tried to assist the respective communities of their employees

38 Anthony Sampson, *Weißes Geld und schwarzer Widerstand: Apartheid und Big Business* (Reinbek bei Hamburg: Rowohlt TB-V, 1987), 18.

39 Sampson, *Geld*, 228.

40 Cyril Ramaphosa, *Interview*, in *Question*, ed. Albeldas and Fischer, 284–294, 290.

41 Beinart, *Twentieth Century*, 275.

through extended social programmes. In addition, during the period of martial law, some companies still offered facilities for meetings, which were already forbidden in public spaces at that time. A further step was taken in 1988 with the 14 points developed by the German trade union IG Metall for German subsidiaries. In this, the companies undertook to forego any benefits from apartheid, as well as regularly reporting to non-racist trade unions on company development and a comprehensive schedule for consultation by the stakeholders.⁴² The automobile companies, for example, signed working agreements on this basis in the course of 1989.⁴³ In fact, this step meant that management committed to introducing more or less German co-determination, and this was part of the declining influence of the apartheid regime on labour relations. German companies were also under public pressure, however, as their importance for the South African economy increased after the US Congress decided in 1986 to disinvest US companies in South Africa – despite a veto by President Ronald Reagan. Accordingly, companies always promoted their supposedly positive influence on South Africa's development. The 1986 disinvestment decision by the United States was nevertheless not tantamount to a deterioration in industrial relations at companies such as Ford or General Motors. The managers there, who came from South Africa anyway, usually took over the companies and continued the previous industrial relations policy. Since South Africa's economic isolation was an essential demand of the global anti-apartheid movement, this also led to extensive sanctions by the European Community and the Scandinavian countries in 1986. The pressure for companies operating in South Africa to adopt a critical approach against apartheid was immense, and thus needed to be taken into account.

3 Conclusion

South African industrial relations were characterized by racial segregation and discrimination. Due to large deposits of raw materials, however, the South African economy experienced an economic boom after the war, which had the potential to bring social advancement, at least for skilled workers. "Economic

42 Michael Kittner, "Arbeitsbeziehungen in Südafrika und die Forderung nach Mindeststandards in deutschen Tochterunternehmen", *Gewerkschaftliche Monatshefte* 39 (1988): 490–500, 498.

43 Minimum Standard of Labour Relation, Volkswagen of South Africa / National Union of Metalworkers of South Africa, 8 September 1989, in Historical Papers, University of the Witwatersrand, AH2960 B1.4.

Growth and technological change were motors of social change in the towns as well as in the countryside”, which were developments described by Jeremy Seekings and Nicoli Nattrass.⁴⁴ The exclusion of black workers became an economic problem in the 1970s, as racial segregation became an obstacle to the development of industrial productive forces.⁴⁵ Accordingly, demands for reforms were made by larger companies, as well as foreign-owned ones and associations. With the parallel rise of non-racist trade unions and black resistance, a strong negotiating position emerged, which increasingly shaped industrial relations in the 1980s through their membership base and anti-apartheid policies. The non-racist trade unions were also an important part of the resistance movement against apartheid, and they made political articulation spaces and negotiation routines possible. The apartheid regime became weaker and weaker regarding industrial relations, but it remained a threat for militants. Members of the trade unions were in danger of being imprisoned or killed. John Gonomo and other shop stewards at Volkswagen in Uitenhage were arrested in August 1985 and the workers went on strike. The human resources officer from Volkswagen supported the intervention and helped to get the shop stewards released from police custody.⁴⁶

The goal for the companies of forming a black middle class that would turn against revolutionary aspirations was not achieved. This should also be understood as not only a classic anti-insurgency programme, as the apartheid government also pursued it. The opposition politician Mthato Motlana pointed out in 1984 that companies could contribute to the formation of a black middle class, and from history, it is known that “all great revolutions were carried by the middle class”.⁴⁷ Historically, revolutions and changes are not expected to come from the most oppressed circles, but from social groups that rise socially yet remain excluded from power. This also applied to the black workers and their union leaders. In the negotiations during the transition phase, which were accompanied by bloodshed and unrest, the experiences also proved to be helpful in building trust among all the parties involved.⁴⁸ The “negotiated revolution” was a surprising success, conducted by the political leadership on both

44 Seekings and Nattrass, *Class*, 99.

45 Marx, *Südafrika*, 257.

46 “Probleme in Südafrika”, in: Autogramm Nr. 9, 3.9.1985, 15. Jg. (VW-company-newspaper).

47 German Embassy Pretoria to Ministry of Foreign Affairs, 24.4.1984, in: Politisches Archiv des Auswärtigen Amtes, Bestand Pret.

48 Cyril Ramaphosa from the National Union of Miners and Rolf Meyer from the National Party rapidly formed a close working relationship that was important in some times of crisis during the process, Sparks, *Tomorrow*, p. ix-x.

sides. However, it was also based on trade union experience and the willingness on the part of white management to compromise and change their racist attitude. The South African example also confirms the thesis that reforms cannot sustain a genuinely criminal regime in the end, as politically strong groups emerge that can no longer be excluded from participation in power.

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