

**PRO-CAPITAL MANDATORISM AND AUTOCRATIC
MANAGEMENT STYLE IN LABOUR RELATIONS;
THE TRANSKEI EXPERIENCE BETWEEN
1976 AND 1994.**

BY

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Declaration

I, the undersigned, hereby declare that this thesis is my own work and has not been presented for a degree in any other institution.

Signed 

Joseph Kwadwo Abankwa

Dedication

This work is dedicated to my daughter, Stella Akua Amankwaa Abankwa for her loyalty and support during the trying times of the research.

ABSTRACT

The aim of this research was to investigate labour relations in the former Transkei with the focus on work place relations and the role played by the state in regulating such relations.

The questionnaire instrument was employed in this study. Pilot studies were utilised in preparation for the administration of the questionnaires. Simple Random Sampling was employed to select the sample of the representative population for the questionnaires. The questionnaires were administered to 636 workers and 120 management staff. All the 636 workers and 80 management staff completed the questionnaires. Nine trade union officials and Dr Bikitsha a minister in Chief Matanzima's government between 1979 and 1983 were also interviewed. To achieve maximum returns assistants were employed to administer the questionnaires.

The study revealed that workers in the former Transkei, especially those in industry, were exploited by their employers. This was made possible by Chief Matanzima's refusal to allow the formation, let alone the operation of trade unions in the former homeland. It is worthwhile to note that, the government itself, the largest employer of labour in the Transkei, neither wished to consult nor negotiate with its workforce. Instead, liaison committees were established to liaise between workers and their employers in an attempt to bring about

industrial peace at the workplace. An inspectorate division was also established to monitor the goings-on at the various workplaces and to report back their

findings to the relevant authorities for action to be taken where and when necessary. Regrettably none of the two institutions performed its function as expected. As a result, workers' legitimate demands were ignored by their employers and in the absence of trade unions to intervene on their behalf, they (workers) had no means at their disposal to have their grievances attended to.

It was also revealed that the two governments that followed Chief Matanzima's government (Chief George Matanzima and Stella Siqcau governments respectively) did nothing to alleviate the plight of the workers until after the overthrow of Siqcau's Government in 1987 and the coming to power of Major General Bantu Holomisa.

Following the strike wave of 1989, Holomisa established the Wiehahn Commission in December 1989 to look into labour matters in the Transkei. The implementation of the recommendations of the Commission led to the emergence of trade unionism soon thereafter

The re-incorporation of the former Transkei into the Eastern Cape changed the landscape of labour relations in the former because labour matters in the Transkei now will have to be dealt with within the context of the broader South African labour laws.

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Author

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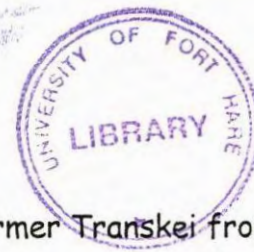
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INTRODUCTION



The focus of this study is on labour relations in the former Transkei from 1976-1994. However, to put the study in proper historical context, some events that took place before and after this period will be mentioned. This study will first and foremost describe the central characteristics and salient features of labour relations in the former Transkei. In so doing I will advance the argument that the Transkei state adopted a pro-capital mandatorist stance which allowed employers to unilaterally determine wages and conditions of service. Union suppression by the state and employer hostility towards unions characteristic of the unitarist management philosophy, effectively meant no trade union organisation in the Transkei before 1990. It should be noted, however, that in spite of this handicap, workers still resisted their exploitation through covert forms of industrial action. In the absence of trade unions to give workers the collective strength to challenge unilateral management decision-making by employers, the latter increasingly came to rely on authoritarian and paternalistic techniques of labour management.

DEFINITION OF TERMS: "LABOUR RELATIONS OR INDUSTRIAL REATIONS"

It has become conventional to use the expression "labour relations" and "industrial relations" as referring to what Wiehahn (1989:108) describes as the "complexities of the employer/employee relationship." The term "labour relations" should be seen as synonymous with "industrial relations" (Finnemore & Van der Merwe, 1992:1) hence both terms are often used interchangeably and it would appear that in most cases the use of one term in preference to the other is essentially an arbitrary decision based on personal predilection. Such choice

is mostly influenced by the subjective guidelines preferred by a particular writer or commentator. It must also be emphasised that this preference mentioned above is sometimes based upon one's occupation or background. Academics, employers and industrialists, for example, tend to prefer the expression "industrial relations" while trade unionists and politicians are predisposed to use the term "labour relations." It would also appear that ideological and therefore emotional factors dared not be ruled out as a determinant in the choice between the two terms. As Wiehahn (1989:109) argues, "the word 'industrial' seems to be unacceptable to those who regard capitalism and capitalist exploitation as dehumanising workers". The word industrial bears the connotation of 'machines' or 'robots' and consequently creates the impression that workers are in effect nothing more than 'cogs' in a machine. Hence industrial relations would imply a relationship between the employer and his machines. This, incidentally is one reason why trade unions often detest the word 'productivity' because, to them, it connotes mechanisation not only of workers but also their labour.

It would again appear that writers and commentators from the industrialised countries usually employ the expression "industrial relations" while by implication, from the less industrialised countries where the economy is by and large more labour intensive, the expression "labour relations" is preferable. The implication then is that the phenomenon of trade unionism and collective bargaining are said to be symptomatic of the developed and the sophisticated (and thus of the more industrialised) countries (Wiehahn, 1989:110) with the result that the term "industrial relations" would seem the most appropriate for such countries, while in countries where elements of "collectivism" in the relationship between employer/employee are not far advanced, the expression

"labour relations" would appear the most appropriate to be used. In spite of the views expressed above, there seems to be no consistency regarding the criteria to be followed in the choice of either expression "labour relations" or "industrial relations." The fact that the word "labour relations" is still widely used in a highly industrialised country like the United States, is a case in point.

It can, however, be deduced from the discussion so far that the former Transkei could not for any slightest doubt be conceived as an industrialised country and for that reason one has to be cautious when selecting the term which would be acceptable to majority of the people of the former homeland. Given the realities of the former Transkei as an underdeveloped society, attempting to employ the expression "industrial relations" under the prevailing conditions in the country then would be tantamount to nothing short of merely copying a popular trend for which insufficient grounds existed. This is consistent with Wiehahn's (1989:112) argument that the word "labour" has become firmly entrenched and accepted internationally as the more comprehensive of the two terms, as it encompasses both collective (macro) as well as individual (micro) relationship in the field of employment.

The field of labour relations as a multi-dimensional phenomenon is extremely difficult to define. Echoing the sentiments expressed above, Wiehahn (1989:113) argues that the dearth of accurate and all inclusive definitions of labour relations is understandable since the interdisciplinary character and dynamism of the relationship between employer and employee involves so many forces and factors in the vast field of human relations. While some writers regard labour relations as an ever growing set of relationships, rapidly enveloping other human relations, others see it in a much narrower sense as

consisting of only in-work matters such as trade unionism, work-related collective bargaining, shop-floor activities and so on. Bendix (1992:3) defines labour relations as the relationship between people who work and those for whom they work. The concept dates back to antiquity, at the inception of monetary economy when individuals first started to sell their mental and muscular energies in the service of others in order to make a living.

The state is a key player in labour relations, not only as an employer, but as a facilitator of the institutional frame work within which labour relations are practised. The state has diverse powers, functions and responsibilities, not only towards the two major parties, employers and employees, but also the labour object (task to be performed) in the particular society. This places the overall responsibility on the shoulders of the state to see to the design, legislation, implementation, regulation, protection and the development not only of the entire labour relations system but also with regard to the other poles and their interrelationships in the system (Weihahn; 1989:117). It is in this sense that one can argue that the state can, in accordance with the economic, social and political objectives it has set for the country, determine, in terms of its particular ideology, the nature and structure of the country's system of labour relations. For example, the labour relations system in a country with centralist or a more state-controlled economy will be strikingly different from the system in a country where the economy is predominantly in the hands of the private sector. The power balance in the former system will definitely tilt in favour of the state pole, the implication being that the relationship between the two primary poles (employers and employees) would be state-controlled where as in a country where the government of the day is socialist and the workforce plays a dominant role, the power balance is bound to lie largely between the state-

employee poles. In a country where the private sector dominates, the power balance tends to be between the employer and employee poles, to be further removed from state control. It is in the light of the discussion above that attention is now turned to the three different approaches to labour relations namely, Unitarism, Pluralism and Marxism.

THEORETICAL APPROACHES TO LABOUR RELATIONS.

The approaches to labour relations evolved largely in response to the growing power of workers and unions within the enterprise and the resultant more overt conflict between the participants to the relationship (Bendix 1992:48). Fox (1966) initially identified two basic approaches to the relationship - Unitarist and Pluralist but it is now accepted that a third, the radical perspective, is found in the approach of fundamentalist unions (first trade unions that came into being as a result of the industrial revolution) and their members. (Bendix, *ibid*).

THE UNITARIST APPROACH

The Unitarist frame of reference assumes that society is a holistic structure and that social processes are determined by a single source of authority, power and leadership. The organisation is viewed as a coherent group or team bound together by feelings of loyalty and trust, with a single, common aim: the continued, profitable existence of the enterprise (Bendix 1992:48; Ncube 1985:150; Salamon 1992:31). The assumption then is that in every work situation, employers and employees are thought of as having the same set of values, that is, general support for the free enterprise system, respect for the authority of management and an emphasis on loyalty and diligence. Which can,

therefore, mean that in an enterprise both sides of industry (employers and workers) should by necessity find themselves in a complementary partnership to the common aims of production, profits and pay in which everyone in the set-up has a stake (Farham and Pimlott 1986:52) hence Bendix's (1992:48) argument that all participants within the enterprise are supposed to strive for higher profits through greater productivity in order that all can share the rewards. In the system, management's prerogative is not only accepted as legitimate but also the managers who adhere to this approach do not accept as legitimate challenges to their authority.

The unitarist model is, therefore, predicated on the assumption that the unitary social system is a stable and orderly unit and relations are regulated through peaceful and harmonious process, hence the unitarists believe that there is no conflict between management and employees (Klerck, et al 1997:81). Conflict (i.e. the expression of employees dissatisfaction and differences with management) is viewed as irrational and anti-social (Bendix 1992:48; Salamon 1992:31) in the scheme of things, therefore, it should be non-existent (Ncube 1985:152; Farhan and Pimlott 1986:3) but when it occurs it is attributed primarily either to interpersonal friction within the organisation and poor communication by management of its plans and decisions; a lack of understanding on the part of employees that management's decisions and actions are made for the good of all within the organisation or by agitators (Salamon 1992:32) or by aberrants who enjoy causing conflict for conflict sake. It is believed that conflict can be resolved by either promoting better understanding amongst the participants, usually in a paternalistic fashion or through the use of authority and coercion. Hence the proponents of the unitarist model argue that the interaction of participants within the system

should be characterised by a spirit of give and take, a win-win situation as opposed to a win-lose one where the winner takes all. This is why factionalism within an enterprise is seen as a pathological social condition and collective bargaining as an anti-social mechanism (Farhan and Pimlot 1986:53) while the existence of trade unions is perceived not as a natural and inevitable outcome of sectional interest but as an illegitimate intrusion into what should be a private, unified and co-operative structure of members who by means of team spirit commit themselves to the organisation's goals (Finnemore & Van der Merwe 1992:6).

Trade unions are resented because they are not only perceived to be competing with management for the loyalty of employees (Salamon 1992:32) but also "as subversive, greedy and ignorant of elementary economics (Bluen 1984:33) thereby endangering distrust between the two parties. Hence employers see trade unions as little more than a historical anachronism that had a role within the framework of nineteenth century employer/employee relations but with the enlightened management in the twentieth century, are no longer necessary to protect the employees' interests (ibid: 32). The unitarists believe that the role of the state in industrial relations should be restricted to provide an enabling environment for companies to operate unfettered from external interference and to maintain law and order. In practice, however, a paradox emerges. While the unitarists would ideally restrict the role of the state to providing an enabling environment, they benefit directly from certain state intervention which restricts unions in terms of their organisational rights and the potential for industrial action such as anti-strike legislation (in Klerck, et al 1997:82).

Brassey et al (1957:151) assert that "it is employers not unions who generally espouse the case for voluntary bargaining" because they believe that if

collective bargaining becomes obligatory, trade unions would be operating at the factory floor where they would insist on being consulted on every issue before an action could be taken, thereby eroding managerial prerogative. The viewpoint expressed above seems to be shared by Wederburn, Lewis and Clark (1983:117) when they argue "that the two sides of industry should by agreement and practice develop their own norms and sanctions and abstain from compulsion in their collective relationship." Trade unions are, within this context, seen as little more than a political power vehicle used by a militant minority in order to subvert the existing and legitimate political, social and economic structure of society whose existence together with collective bargaining is suffered rather than welcomed and is to be resisted wherever possible (ibid:32).

Finnemore and Van der Merwe (1992:131) identify the following strategies associated with authoritarian governments, which benefit unitarist employers (such as those in the former Transkei):

- * Procurement of a cheap, docile and consistent supply of labour.
- * Conscious subduing of labour movement and the promotion of weak workplace structures.
- * Little or no labour regulation, with no minimum wage legislation.
- * Employer incentives which affect the efficient workings of the free market in a natural price formation, and
- * Promotion of individual labour contracts with minimal worker rights.

Fox (1966:4) rejects this unitary emphasis as having long since been abandoned by most social scientists as incongruent with reality and useless for purposes of analysis. He asserts that we should rather see the organisation as a "plural society" containing many related but separate interests and objectives, which

must be maintained in some kind of equilibrium. In place of a corporate unity in a single form of authority and loyalty, we have to accept the existence of rival source of leadership and attachment, which needs to be accepted, above all, by whoever is ruling the plural society in question. It should be noted that in spite of Maitland's (1980:361) argument that surveys of employees' attitudes show an underlying consensus that management and employees are on the same side, Salamon (1992:33) argues that where managers appear to consciously reject the unitary perspective as unrealistic, it still provides the subconscious foundation (the right to manage) to seek to maintain a clear distinction between those issues on which they are prepared to negotiate and those on which they are prepared only to consult. With the discussion of the unitarist perspective in place attention is now turned to the pluralist approach.

THE PLURALIST APPROACH

Pluralism in broad political terms accepts the concept of society as being composed of diverse competing individuals coalesced into a variety of distinct sectional groups, each with its own interests, objectives and leadership either formal or informal and extends to each of these freedom of association to pursue the interests of their constituents by any legitimate means (Finnemore and Van der Merwe 1992:6; Salamon, 1992:33-34).

The problem with pluralism is that while conflict is accepted as natural and unavoidable in the relationship between employers and employees, such conflict when it does occur must be managed in the interest of maintaining a viable collaborative structure (Fox 1973:49) This takes place within the framework of a limited purpose, that is, the continued profitable existence of the enterprise since if this was to be destroyed both parties would suffer (Bendix 1992:49).

This common interest in the survival of the organisation makes compromise both necessary and possible (Finnemore and Van der Merwe 1992:6). For this reason, the main participants within the system (employers and workers) willingly and jointly establish a basic procedural consensus founded on the belief that management and unions will always and everywhere be able ultimately to negotiate comprehensive codified system of regulation so as to ensure that the conflict inherent in their relationship does not assume destructive proportions (Hilton 1955). Thus employer organisations and trade unions are not only accepted as legitimate but also as functional organisations by which both parties protect and further their particular interests.

The existence of countervailing powers supported by the employee's right to strike and the employer's right to lockout is seen as the surest way of maintaining some balance of power between both parties. Since pluralism does not guarantee the existence of unequal balance of power or that every conflict can be settled by compromise, the process of collective bargaining as well as some measure of joint decision making are also accepted as a means of maintaining an equilibrium at the workplace (Wedderburn op cit:76;). It is again accepted that the law is not the ultimate and absolute authority and should therefore be seen to be balanced by considerations of interests, fairness and equity (Bendix 1992:49; Salamon 1992:35). Because compromise may not always be possible and there may be tests of strength leading to the emergence of winners and losers, parties may sometimes have to apply their potential power with restraint since they have vested interest in the over-all stability of the leadership as pluralism will not survive where gains become the monopoly of one of the parties at the expense of the other (Hawkins 1981:40).

Poole (1986) as quoted by Finnemore and Van der Merwe (1991:7) states the conditions under which pluralism flourishes: a cultural commitment to freedom of association; an ideological support for the notion of countervailing powers and distrust of one-party political system; an economic system that is mostly based on laissez-faire principles; a democratic political system with substantial powers vested in trade unions; a commitment by all parties to the rules, powers and outcomes of collective bargaining and an adequate material base that in Anstey's (1991) words "is perceived as equitably distributed and sufficient to allow the major groupings to have an interest in maintaining the society rather than disrupting it (cited in Finnemore and Van der Merwe (1992:7))." The common criticism of the system, according to Bendix (1992:49) is that it still accords no real power to employees and trade unions. Other critics also argue that the post-capitalist notion of society which underlines the pluralist perspective is wrong and that the issue of the nature of organisation and industrial relations should be approached from a more radical perspective (Salamon 1992:36) hence attention now is turned to the marxist approach.

THE CLASS CONFLICT APPROACH

Against the background of industrial revolution, economists such as Smith, Mill and Richard (cited by Finnemore and Van der Merwe 1992:2) emphasised the "natural laws" which shaped the conditions under which labour and capital interacted in the employment relationship. Labour then was seen as just another commodity subject to the laws of demand and supply. To them, there was no need or any special treatment for workers as this would constitute an interference with the workings of the market forces. It was their belief that "the invisible hand" of the market would inevitably work to the advantage of the largest number of workers and of society. This uncritical acceptance of "the

market" as the sole determinant of outcomes was unacceptable to social reformers, the most influential and strongest critic being an academic theorist, Karl Marx. He, among others, pointed out the social ills of slums, poor working conditions, long hours and the exploitation of workers, especially women and children. His ideas and criticism of the capitalist system led to the emergence of what is known as the marxist or class conflict approach.

Marx and his adherents reject the notion that the working class should bear "the pain of the market system" which they describe as leading to poverty and alienation through exploitation. The capitalist is seen as being driven by the need to make profit and accumulate more capital for further growth" (Finnemore and Van der Merwe 1992:83). The worker is paid subsistence wages for his labour since his intrinsic value to the capitalist is defined as the wage that is just sufficient to keep the former and his family alive thereby ensuring the continued supply of labour. To extract more from the worker, he is forced by the capitalist to produce goods whose market value far exceeds this intrinsic value. This Marx calls "surplus value" which he felt belonged to the worker because the excess profit was produced by his labour.

At this point it becomes imperative to touch on the "political economy approach". The approach examines the role of the state's political power in influencing the economic sector. The two are necessarily related and the political economy approach seeks to highlight how they operate jointly. The state in every society has been primarily the collective expression of the dominant class interest, providing both the legitimisation and coercion necessary to maintain that dominant class as a ruling class (Cole et al 1983:243). The state under capitalism performs several tasks and actually implements

policies which directly assist, protect and sustain the capitalist system. It supports the capitalist class by providing the legal framework and other forms of social services to reduce tension between workers and management. For example, the state builds expensive social projects like railway lines, roads, provides electricity and telecommunication system etc. to assist capitalist production. The state also seeks to legitimise the capitalist system through its ideology and propaganda. The central theme of the political economy approach therefore is that political power matters in economic life.

There is the perception of the state's role as a facilitator to bring equity at the work place so as to reduce tension between workers and management to boost production and enhance the economy. It is no secret that workers are treated, as Hyman (1975:20) puts it, "less as men and women with distinctive needs and aspirations than as dehumanised factors of production ... in the absence of an immediate use they are declared redundant, useless, unwanted, surplus to requirements."

The wages and conditions that a worker demands to enable him live a decent life are considered as cost to the employer which, in effect, reduces his profit margin. If an employer gives in to certain minimum standards of wages and conditions that are necessary in order to recruit and maintain labour and to sustain workers' morale perceived to be essential to enhance high productivity, this should not be construed as a matter of generosity other than a ploy to maintain the continued profitability of the enterprise.

In order to squeeze every possible cent from the worker's efforts, conditions of work become unbearable. The production process tends to degrade workers

to the level of "an appendage to the machine" thus stifling any creativity leading to alienation. Hence marxists support the formation of trade unions to increase wages and improve working conditions. At the same time though, marxists are sceptical about the evolutionary potential of trade unions, suggesting that a political party is necessary to mobilise the masses for the revolutionary transformation of the capitalist system.

The marxist approach does not accept the notion that there can be any meaningful balance of power within the capitalist system, hence the marxist perspective criticises pluralism for maintaining an illusion of balance of power between the various interest groups. This hides the reality of imbalance in social power despite claims by its supporters, such as Clegg (1975) that it does accommodate shifts in the aims and interests of the diverse groups ... and in the distribution of power between groups (Salamon 1992:37). The proponents of marxism are of the opinion that the main cause of the conflict between employers and employees is to be found not in the "narrow confines" of the employment relationship but in the wider society which supports the capitalist economic system and establishes social, political and legal structures which favour the employer (Bendix 1992:49).

The source of the conflict stems primarily from the disparity in the distribution of economic power within the particular society. The disparity is located between those who own the means of production and those who have only their labour to offer. The social and political institutions are determined by this economic disparity which also strengthens the position of the dominant class through differential access to education, the media, employment in government and other established bodies (Salamon 1992:36).

Hence, the balance of power tilts in favour of the employer at the expense of his employees, although the collective bargaining procedures may establish what Bendix (1992:49) calls, "the illusion of equality. "Collective bargaining is perceived as employers' strategy aimed at coaxing workers into compliance. Hence the adherents of this approach see the latter's participation in decision making processes as co-option. The marxists see no need for entertaining the slightest idea that there can be common interest between the countervailing parties, since in working towards increased profits and greater surplus value, employees would, in effect, be supporting their own exploitation. It was in this light that Marx advocated the overthrow of the capitalist system to be replaced by a system of shared ownership and communal control of the means of production.

THE RELEVANCE OF UNITARISM, PLURALISM AND THE CLASS CONFLICT APPROACHES FOR THIS STUDY

UNITARISM

The sphere of production under the unitarist approach is perceived as a harmonious, unitary reality which is self-maintaining, hence any intrusion from outside is seen as an interference (in Klerck et al, 1997:82). Thus trade unions are viewed as subversive, greedy and ignorant of elementary economics (Bluen, 1984:33). The state's role in labour relations should, therefore, be limited to providing an enabling environment for companies to operate unfettered from external interference and maintaining order. Hence, government policies which restrict unions in terms of their organisational rights and the potential for industrial action (such as anti-strike legislation) are clearly favoured by unitarist employers (in Klerck, 1997:82).

The relevance of the unitary approach to this study lies in the way it facilitates the understanding of labour relations as was practiced in the Transkei under Chief Matanzima, his brother, Chief George Matanzima and Stella Sigcau between 1976 and 1987. For example, the Transkei state's adoption of pro-capital mandatorism encouraged the employers adoption of autocratic management style in their relationship with their workers at the workplace. The 1977 Labour Relations Act 13 made no provision for the existence of trade unions which made it practically impossible for workers to organise themselves effectively to fight for their legitimate demands. All these will be highlighted in the state chapter, hence the relevance of the unitarist system to this study.

PLURALISM

Under this approach, the state is seen to play a neutral mediating role between employers and workers in their working relationship at the workplace. This neutral, mediating state is seen as a core institution in the pluralist framework. The neutrality of the state is said to be expressed through its role as an impartial mediator promoting social order and consensus (in Klerck et al 1997:82). When conflict arises between management and workers, this is resolved through the institution of collective bargaining between employers' organisations and trade unions with the state as a facilitator.

Under Major Bantu Holomisa's era (1988-1994) employers organizations and trade unions were legalised and the institution of collective bargaining was legitimised, though the state was said to have done not much to bring about industrial democracy at the workplace as adversarial management practices continued unabated. For the proper understanding of labour relations as

practised in Transkei between 1988 and 1994, needs a thorough knowledge of the pluralist approach as it operates at the workplace, hence its relevance to the study.

MARXISM

This approach is rooted in the class struggle which the marxists anticipated as the only means by which workers could be emancipated from their domination and abject poverty. It is a well known fact that at the workplace, especially within the capitalist system, inequality in power-sharing persists and tilts in favour of the employer. The state, therefore, exists as a mechanism to reduce the tension and contradictions inherent in the labour relations system. "The state in every society however has been primarily the collective expression of the dominant class interest, providing the legitimazion and coercion necessary to maintain that dominant class as a ruling class" (Cole et al. 1983:243). Hence the Transkei state's adoption of pro-capital mandatorism should not come as a surprise, more so when the state, the largest employer of labour in Transkei neither wished to consult nor negotiate with its own employees.

The marxist approach sees the trade union movement as a vehicle to reduce exploitation and domination at the workplace. In the former Transkei (as has been already stated) trade unions were not allowed to exist until after 1987. It would therefore be reductionist to deal with the former homeland's labour relations without reference to the marxist approach as the absence of trade unions impacted negatively on individual worker's ability to bargain effectively with his employer to strike any better deal from the latter.

RESEARCH DESIGN AND TOOLS - THE SURVEY

METHOD

According to Mouly (1972:234) "surveys are oriented towards the determination of the status of a given phenomenon; they identify present conditions and point to present needs". Commenting on the same issue, Smelster (1981:63) notes, "Probably the most common source of data for professional sociological researchers is the survey in which an interviewer asks a sample of a given population to answer one or more questions. These questions are designed in such a way that sociologists can analyse the answers that people give and determine people's attitudes towards various issues."

Due to the geographical area to be covered and the logistics involved in collecting the data needed for this study, the quantitative (questionnaire survey) procedure was adopted and administered to the two categories of respondents namely workers, management while trade union officials and Dr Bikitsha, a minister in Chief Matanzima's government between 1979 and 1983 were interviewed. According to Young, a questionnaire is: "a research technique which is used, inter alia, in normative survey researches for the purpose of securing responses to certain questions. The questions are said to be generally factual and are intended to elicit information about conditions or practices presumed known to the respondent. Besides, it may ask for an opinion as well as be used to afford insight into the attitudes of a group" (1956:178)). As Tuchman (1978:196) puts it, "Questionnaires are used by researchers to convert the information directly given by people into data. By providing access to what is inside somebody's mind makes it possible to measure what this person knows, likes and dislikes and what he thinks".

Commenting on the characteristics of a questionnaire, Davidson (1970) unequivocally states thus, "an ideal questionnaire possesses the same properties as a good law. It is clear, unambiguous and uniformly workable. Its design must minimise potential errors from respondents and coders. And since people's participation in surveys is voluntary, a questionnaire has to help in engaging their interest and encouraging answers as close as possible to the truth." Cited in (Cohen & Marion, 1989 :106).

The questionnaire and interview surveys as information gathering instruments for this study have been adopted with the view to gathering adequate data.

The researcher opted for a mixed strategy (a combination of structured and unstructured questionnaires). This is in agreement with Best's (1981:153) arguments that since each data-gathering procedure probably has its own particular deficiencies or biases, there may be merit in employing the mixed-strategy to counteract bias, and generate adequate data."

The structured questionnaire, also called "forced choice" (Bryman, 1989:49), does not offer the respondent the opportunity to explain his or her reasons for certain responses. This limits its value in measuring attitudes, feelings and certain aspects of behaviour (Turner and Robb 1971:131; Bailey 1982:124). On the positive side, it is easy to administer and fill in (Bailey 1982:123), it takes little time, helps tabulation and analysis, improves the reliability and consistency of the data, minimises the risk of interpretation and is relatively objective (Van Dalen 1979:154; Best 1981:169; Mahlangu 1987:80; Tuckman 1978:201).

The unstructured, open-ended, unrestricted, non-standardized questionnaire, on the other hand, permits free responses (Bailey 1982:26; Bryman 1989:49). Although this type of questionnaire demands, among other things, greater efforts and mental exertion from respondents, it gives them the opportunity to freely and fully answer in their own words, as well as reveal their own frame of reference and reasons for their responses (Best 1981:169; Bryman 1989:49). Besides, it is intensive and searching in character, and is used for detailed expression of social attitudes, convictions, motives or emotions (Engelhart 1972:99; Van Dalen 1979:155). For the reasons stated above, the mixed-strategy, although favouring the structured questionnaire, was deemed necessary for this study.

THE STUDY POPULATION

The following figures are all drawn from:

1. Transkei Industrial Survey - 1992 and
2. Department of Finance - Umtata - 1994

Population of Workers and Management Staff

in Umtata, Butterworth and Ezibeleni Professional

AREA	LECTURERS	TEACHERS	NURSES	ENGINEERS	TOTAL
Umtata	138	1 612	1 281	15	3 046
Butterworth	196	701	500	30	1 337
Ezibeleni	0	577	380	0	957
TOTAL	244	2 890	1 261	45	5 340

Population of Workers: Professionals, Factory

Workers & Clerks

AREA	PROFESSIONALS	FACTORY WORKERS	CLERKS	TOTAL
Umtata	3 046	5 400	241	8 687
Butterworth	1 337	9 299	52	10 589
Ezibeleni	957	1 500	4	2 461
TOTAL	5 340	16 100	297	21 737

Management

AREA	COMMERCE & INDUSTRIES	EDUCATION	HEALTH	OTHERS	TOTAL
Umtata	101	80	70	27	277
Butterworth	166	54	46	13	379
Ezibeleni	54	26	30	2	112
TOTAL	321	160	146	41	668

The Sampling Frame

The primary purpose of research is to discover principles that have wider generalisation and application. Consideration of size and instability of some populations coupled with expenses in money, time and effort, services and facilities, however, make it impracticable, if not virtually impossible, to study a whole population to arrive at generalisation (Best 1981:8; Beher 1983:11). With this in mind, simple random sampling was adopted for the selection of the respondents to be tested. The breakdown of the population and sample size of workers and management staff in Umtata, Butterworth and Ezibeleni is reflected in Tables 1.2.

Workers Sample Size

Table 1.2 The following figures are all drawn from:

1. Transkei Industrial Survey - 1992
2. Field Survey - 1993

No. of questionnaires set out in respect of workers	= 636
No of questionnaires returned in respect of workers	= 636
Percentage of questionnaires returned in respect of workers	= 100%

Breakdown of the Various Categories of Workers

PROFESSIONALS	SEMI PROFESSIONALS	NON PROFESSIONALS	TOTALS
184	36	416	636

MANAGEMENT: SAMPLE SIZE

No of questionnaires sent out in respect of Management staff = 120

No of questionnaires returned in respect of Management staff = 80

Percentage of questionnaires returned in respect of workers = 66,6%

DEPARTMENTS

COMMERCE & INDUSTRIES	EDUCATION	HEALTH	OTHERS	TOTAL
43	15	18	4	80

HIGHEST ACADEMIC/PROFESSIONAL QUALIFICATION

UNIVERSITY	TECHNIKON	TEACHER TRAINING	ACT	MATRIC	TOTAL
15	17	8	10	30	80

EMPLOYMENT STATUS

TOP MANAGEMENT	MIDDLE MANAGEMENT	TOTAL
50	30	80

TRADE UNION OFFICIALS: SAMPLE SIZE

Nine trade union officials were interviewed.

The three areas were chosen because of their important strategic position as the main industrial centres in the Transkei. Secondly it was impossible, logistically, for the study to cover the whole Transkei.

Because of the homogenous nature of the former Transkei labour force in terms of ethnicity (according to the Transkei Industrial Survey's (TIS 1990 Report, 95% of industrial workers were Transkeians (Xhosas), level of education, conditions of service, wages and salaries), the researcher felt compelled to make use of Simple Random Sampling in his investigation. According to Bailey (1982:29), "Simple Random Sampling is usually considered adequate if the chances of selection are equal at any give stage in the sampling process." Before the selection of the respondents in a particular industry or workplace took place, the researcher or his assistants visited the place to arrange with management and workers' representatives, the suitable date and time for the exercise. This was done with the view to telling them the rationale behind the study and thereby hopefully getting as many workers as possible involved in the selection exercise.

On the appointed date, the researcher with the help of his assistants, the shop stewards in the case of factories and commercial houses and workers' representatives in the case of the other work places, assigned to each of the workers present a number, after which the researcher or his assistants, picked the representative sample in random manner without as Bailey (1982:91) puts it, "showing bias for any personal characteristics." Commenting on the instrument of Random Sampling, Bailey (1982:92) again states, "The usual procedure in

Random Sampling is to assign a number to each person or sampling unit in the sampling frame so that one cannot be biased by labels, names, or other identifying criteria after which it would be possible for the investigator simply to pick numbers at random as they pop into his or her head without any pattern."

With regard to the Management staff, the questionnaires were administered to three management groups namely: management in Industry, Education, and Health respectively. At the industrial establishments, the researcher or his assistants, in consultation with the personnel manager administered the questionnaires to selected management staff whom he (personnel manager) considered had thorough knowledge of the history and administration of the particular undertaking. At the Colleges of Education, High and Junior Secondary Schools, the questionnaire were administered to Rectors and Vice-Rectors; Principals and Deputy Principles and Heads of Departments respectively while at hospitals, the Medical Superintendents and Chief Matrons were involved in the selection exercise.

Interviews were organised for the trade union officials and Dr Bikitsha who took part in the research. It should be noted that the few union offices that were operative at the time of the survey had just been established and were manned by skeleton staff.

DEFINITION OF INTERVIEW

The interview is sometimes referred to as a conversation with the definite purpose of obtaining certain information by means of the spoken word (Mouly, 1963:263-26) or as an oral questionnaire (Best 1981:164).

REASONS FOR USING THE INTERVIEW AS INFORMATION GATHERING TECHNIQUE FOR THIS STUDY

Although the interview technique poses problems, the most significant being costs in money, time and effort (Mouly, 1963:267; Behr, 1983:145; Mahlangu, 1987:91) greater unreliability (Tuckman, 1972:187) and bias (Behr, 1987:145) the researcher used it because the respondents involved were few (10). Secondly, to supplement the questionnaires not only to serve as a countercheck on the management and workers' responses but more importantly to enable the investigator to know the view of the significant others. For the reasons stated above the researcher felt the research survey was deemed appropriate for this study.

SECONDARY SOURCES OF DATA

The justification for using the secondary source is that they introduce the researcher to important primary sources, provided him with the background information for the investigation and they can also be used to obtain an overview of the problem area to enable him develop the general setting for his problem. The sources from which the data was collected were: newspapers, the Transkei Government Gazette and published as well as one or two unpublished works. The following are some of the sources used to gather the data needed:

1. Transkei Labour Relations Act 13 of 1977
2. Transkei Wage Act 15 of 1977
3. Transkei Workmen's Compensation Act 20 1977
4. Transkei Labour Relations Act (Degree No 12) 1990

5. Transkei Development Corporation - Information for Potential Investors in Transkei - 1977.
6. Transkei Industrial Survey 1990
7. Wiehann, NE, 1989. Report of Commission of Enquiry into Labour Matters in Transkei
8. Ekar, I. 1991. Unemployment situation in Transkei
9. Donaldson, AR. 1989-90. Transkei Development Strategy: An Interim Report.
10. Acheampong, K. 1992. Multivariate Regionalisation of Economic Development in Transkei (Unpublished M.A. Thesis, University of Natal)
11. Sarpong, E. 1990. Butterworth: A Growth Pole. (Unpublished M.A. Thesis, University of Natal).
12. Lawrence, P. 1976. The Transkei: South Africa's Politics of Partition

THE RESEARCH PROCESS

PILOT STUDY

According to Jack and Norman (1993) a pilot study is a small scale trial of the procedure whose purpose is to detect any problems so that they can be remedied before the study proper is carried out. Highlighting the importance of the pilot study Mahlangu (1987:82) states, "It is desirable to run a pilot test on a questionnaire and to revise it according to the results of the test." Echoing the sentiments expressed above on the pilot study, Engelhart (1972:87) observed that, unless a research was a follow-up study or a replication of earlier research by the same researcher, a pilot study was strongly recommended whether the data was to be collected from records, through the use of

interviews, by means of systematic observation or through the administration of tests. The pilot study becomes relevant in this research because to the best of the researcher's knowledge no research work has been done on labour relations in the former Transkei besides the 1989 Wiehahn Commission's Report on Transkei labour matters. Secondly, samples of the population to be tested were within easy reach in Butterworth (i.e. workers and management at Butterworth College of Education where the researcher works). agreeing with Bailey (1982:225) that, "A pilot study may be administered on a captive audience such as co-workers or students. "The researcher deemed it necessary to employ the pilot study in this research because it would help him to determine whether his questionnaire items possessed as Tuckman (1972:225) puts it, "The desired qualities of measurement and discriminability," besides providing a trial run-off of the questionnaire as a data gathering approach. It was also meant to uncover failings as well as sensitivity to enable the researcher to determine whether any of the questions needed revision thus enabling him to debunk his questionnaire. Lastly, it was to enable the researcher to gain experience in working with the respondents and being in a position later to proficiently analyse the data gathered.

It must be emphasised that the utilisation of the pilot study was not only to decide on the feasibility of the study prior to the distribution of the questionnaire, but also to demonstrate the adequacy of the research procedure. With these in mind, pilot tests were conducted. The respondents used for this exercise were excluded from the final application of the questionnaire.

The results of the pilot study were carefully analysed by the researcher. The attitudes and reactions of the respondents were noted so as to detect, for

example, boredom, exhaustion and the time taken to complete the questionnaire. The results of the pilot tests showed, among other things, that both managers and workers had pressed for time as they were preferred structured questionnaire. The questionnaire was, however, a mixed one as already indicated above, with the scale tilting in favour of structured items with the view to maximising returns. The final questionnaire was, therefore, considered suitable for the purpose of this study. A copy each of the list of industries visited, the questionnaires and maps are reflected in Appendices A, B, C, D, E and F.

ADMINISTRATION OF THE QUESTIONNAIRE

To effect maximum support and returns at reasonable cost in terms of money, time and effort, the researcher engaged the services of six assistants, two each to cover, Umtata, Butterworth and Ezibeleni. The questionnaires were administered to the respondents personally by the researcher or his assistants and or when necessary by both the researcher and his assistants. A letter of introduction written by the researcher's supervisor accompanied the questionnaire stating the rationale behind the research project with the view to getting the respondents to see the importance and the need to complete the questionnaire.

DATA ANALYSIS

For the sake of judicious analysis, convenience, tidiness and to avoid pitfalls, the researcher decided to take the following line of action: To make use of three columns: One for categories, one for frequencies and in the case of summary of results, each case was reduced to a percentage of the test population. Taking into consideration the length of the study, the researcher decided to present

only the frequencies and percentages (where necessary) of the responses of the trade union officials who took part in the research project.

CHAPTER OUTLINE

Chapter 1 offers a brief historical account of labour relations in the Bantustan Transkei between 1976 and 1994. The form of capitalism that operated in the Transkei then had been articulated through the system of working class domination by both state and employers. This was characterised by a "highly interventionist state, paternalistic and authoritarian management practices" (in Klerck et al 1997: XXIII) and covert forms of resistance by the working class. This historical account provides the basis against which to assess the position of workers vis-à-vis that of the state as well as employers within the Transkei labour context.

Chapter 2 looks at the role of the state in the Transkei with its pro-capital mandatorist stance which manifested itself in the regulatory framework of labour laws in the former homeland.

Chapter 3 focuses on the position of management within Transkei labour relations. Management in capitalist societies is continually confronted by the need to maximise labour (in Klerck et al, 1997:XXXIV). This was true of the extent of creating tension and animosity between workers and employers leading to obstacles to efficient capital accumulation (Ibid). The survey findings will help to assess how workers fared under such system.

Chapter 4 provides insight into the plight of workers in the Transkei in the light of their weak bargaining power vis-à-vis that of their employers, due partly to

the absence of trade unions to effectively organise the former to fight for their legitimate demands. There was also the hostile attitude of the state towards any form of industrial action (such as the strike option) as the latter, the largest employer of labour in Transkei neither wished to consult nor negotiate with its own employees. The survey findings will help throw more light on the plight of workers during this period (1976-1994).

Chapter 5 is devoted to the conclusion, summaries of the main findings of the study, and points to further areas of research.

CHAPTER 1

1. THE CONTEXT OF LABOUR RELATIONS IN THE FORMER TRANSKEI: PHYSICAL, GEOGRAPHICAL AND ECONO- SOCIO-POLITICAL FEATURES

1.1 Introduction

Labour matters in a country are influenced by other spheres of life which, though not directly related to the labour process, nevertheless have an impact on labour and manifest themselves in a marked manner (Wiehahn 1989:1). To single out labour for investigation as an isolated phenomenon, therefore, will be reductionist. For that reason, a brief overview of the physical, geographical, economic and socio-political structures of the former Transkei as factors which influenced and impacted on labour relations, is deemed essential for this study.

1.1.1 Physical and Geographical Features

As is illustrated in (map 1.1 see appendix D), the former Transkei is situated between Latitude 31 degrees 20; 32 degrees 45 South and longitude 26 degrees 48'; 30 degrees 15' East on the South Eastern corner of Africa (Acheampong 1992:12). It borders on the Indian Ocean in the South-East, Lesotho in the Northern Province in the North East and the Cape Province in the South-West. The boundaries are mostly clear, rigid, physical features such as, the Kei River in the North-East and a 270 kilometre shoreline of the Indian Ocean to the South East (Wiehahn 1989:2). The Transkei at that time consisted of 26 districts and 2 enclaves - Umzimkhulu in the North and Herschel in the West (map 1.2 see appendix E Dischl. 1982). The area of the Transkei, according to the Department of Agriculture and Forestry is 43653 kms (DBSA 1987) cited in Acheampong (1992).

The Transkei is characterised by mountain ranges and deeply incised valleys of rivers that flow eastward from the Drakensberg, constituting drainage basins for important rivers like the Great Kei-Butterworth (Qcuwa), Bashee-Umtata; Tina-Umzimvubu, Umtavuna etc. Approximately 75% of the area is mountainous or hilly while 11% is either flat or gently undulating. This means the area that can be used for agricultural purposes e.g. farming, is comparatively small. This has led to an increasing number of the rural population moving to the industrial centres like Umtata and Butterworth in search of jobs. This is in spite of the fact that jobs no longer exist due to the decline of industrial growth and the fact that many of the existing industries are closing down. In 1990 there were 107 industries in the Transkei and by 1993 the number had declined to 77 (Transkei Industrial Survey, 1993:13).

1.1.2 Socio-Economic Features

Information on population dynamics in the former Transkei remains elusive, although, indications are that the crude birth rate in the mid 1980s was about 38 per thousand and the crude mortality rate about 13 per thousand. This yields a national rate of increase of 25 per thousand or 2,5 percent (Muller 1995). It was difficult to establish the exact population of the former Transkei due to the widespread labour migration of Transkei residents to the industrial areas of South Africa. The last census conducted in 1985 gave a de facto population of 2, 876,122 m (Transkei 1985 Population Sample Census, September 1987). The breakdown of the enumerated population that made up the 28 magisterial districts is illustrated in Table 1.1.

Table 1.1 - Population by District, Rural and Urban By Sex (Defacto Population 1985)

DISTRICT	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	TOTAL POP.
Bizana	59268	80751	140019	232	389	621	140640
Butterworth	20973	28461	49434	11503	14491	25994	75428
Cala	18193	25291	43484	1222	1697	2919	46403
Centane	32281	48726	81007	117	129	246	81253
Cofimvaba	35123	56084	91207	358	568	926	92133
Ellitodale	23925	33129	57054	154	291	445	57499
Engcobo	58271	85814	144085	451	495	1046	145131
Flagstaff	32916	44908	77824	360	488	848	78672
Glen Grey	65213	88316	153529	13163	17173	30336	183865
Herschel	47431	65177	112608	327	420	747	113355
Idutywa	31042	44719	75761	651	841	1492	77253
Libade	39600	51817	91417	221	283	504	91921
Lusikisiki	69557	98136	167693	328	391	719	168412
Maluti	59999	76871	129870	-	-	-	129870
Mqanduli	47674	63993	111667	241	263	504	112171
Mt Ayliff	24636	35198	59834	455	645	1100	60934
Mt Fletcher	41074	60665	101739	173	242	415	102154
Mt Frere	43625	60945	104570	607	741	1348	105918
Nqamakwe	34503	48252	82755	154	181	335	83090
Ngqeleni	46545	64109	110654	279	354	633	111287
Qumbu	37863	55767	93630	335	404	739	94369
Tabankulu	35216	52326	87542	227	344	571	88113
Tsolo	32649	49456	82105	753	1077	1830	83935
Tsomo	29585	40372	69957	209	208	417	70374
Umtata	68711	96424	165135	22475	27606	50081	215216
Umzimkulu	49609	73914	122623	390	507	897	123520
Umzumvubu	19462	25096	44558	567	697	1264	45822
\willowvale	38767	58213	96980	180	224	404	97384
TOTAL	1136711	1612030	2748741	56142	71249	127381	2876122

Source: Transkei 1985 Population Sample Census (September 1987)

It is estimated that the potential economically active population totalled 1,5m of which an estimated 650 000 were actually economically active. The vast majority of the workers (64 percent) worked in an informal sector while the rest were spread as follows: Professional related 5%; managerial/administrative and clerical 2%; sales and services 10%; farm and forestry 0,5%; production and transport 20% and miscellaneous and unknown 3,5% (Wiehahn 1989:19). The unemployed numbered approximately 350 000, approximately 53.8% of the potentially economically active population of 650 000.

Compared to its immediate neighbours (East London, Queenstown and the KwaZulu Natal sub-regions) before the re-incorporation into South Africa, the former Transkei was and is still relatively poor. It was, therefore, welcome news when the South African policy of industrial decentralisation was instituted to find gainful employment for the "Bantu population" on the principle of taking employment opportunities to the areas where labour was readily available (Kutzenberg 1973:142; Zille 1983:65). The Transkei fell within two of the designated areas - regions D and E (See Appendix F and Table 1 -2).

Table 1.2 Development Regions ranked in Terms of Development Priority

REGION	DESCRIPTION
D	Eastern Cape, Ciskei and the southern part of Transkei
E	Natal, KwaZulu and the northern part of Transkei
G	Northern Transvaal, Lebowa, Gazankulu and Venda
F	Eastern Transvaal and KaNgwane
B	Northern Cape and a part of Bophuthatswana
J	Western Transvaal and a part of Bophuthatswana
C	Orange Free State, Qwaqwa and a part of Bophuthatswana
A	Western Cape
H	PWV, KwaNdebele and a part of Bophuthatswana

Source: Manual on the Implementation of the Regional Industrial Development Incentives Introduced on 1 April 1982.

Four industrial development points namely: Umtata, Butterworth, Ezibeleni and Lusikisiki - were designated as a result of the implementation of this policy. In terms of Regional Development Strategy formulated to provide economic growth in the regions earmarked for development in Southern Africa, some incentives were offered to industrialists who were prepared to operate at the selected regional industrial development centres (Dewar et al 1985:51): The following were some of the incentives offered: Transport rebates; interests and rental concessions; training grants; price preferences on tenders; employment and relocation allowance. The determination of the incentive scheme was the sole responsibility of the Transkei Industries Board. It is estimated that 15 000 employment opportunities were created by the establishment of industries under the incentive scheme (Wiehahn 1989:15).

Apart from the incentives that were offered to the industrialists who were prepared to operate in the Transkei sub-region, one of the main attractions that lured them was that no trade union would be allowed to effectively operate in the homeland for the foreseeable future (Wiehahn 1982:37; Innes & O'Meara 1976:75). Indeed, besides the incentives offered by the Transkei Industries Board, the abundance of unorganised, cheap labour in itself functioned as an investment incentive.

1.1.3 INDUSTRIAL PROFILE

The July 1993 report by Isaac Ekar, Senior Economic Researcher of the Planning and Research Unit of the Transkei Development Corporation will be used to highlight the main trends in the Transkei Industrial sector between 1990 and 1993. In the case of the "Rate of Establishment and Closure" of

industries in the Transkei, the period is backdated to 1983 to throw more light on the state of establishment/closure syndrome.

1.1.4 Location of Industries

The Number of Industries by Industrial Centre is Illustrated in Table 1.3.

Table 1:3 - Location of Industries in Transkei

LOCATION	1990 NO	%	1993 NO	%
Butterworth	51	48	35	46
Umtata	30	28	21	27
Ezibeleni	18	17	14	18
Others (Sawmills)	8	7	7	9
TOTALS	107	100	77	100

SOURCE: 1. Transkei Industrial Survey 1990.

2. Transkei Industrial Survey 1993

From Table 1:3 it can be seen that there are fewer industries Currently existing in each industrial location than the situation in 1990.

1.1.5 Rate of Establishment/closure of Industries

Table 1.4 - Establishment/Closure of Industries

YEAR	NEW FIRMS ESTABLISHED	FIRMS CLOSED	NET GAIN/ LOSS	BALANCE EXISTING
1983	-	-	-	64
1984	16	1	15	79
1985	6	3	3	82
1986	4	2	2	84
1987	9	3	6	90
1988	17	5	12	102
1989	16	3	13	115
1990	15	23	-8	107
1991	9	19	-10	97
1992	5	20	-15	82
1993	2	7	-5	77

Source: TDC: Transkei Industrial Survey 1990/93.

The number of industries existing in Transkei had progressively increased over the years reaching a peak of 115 as at 1989 (See Graph 1.2 on page 41). Since then the number of industries closing down each year outnumbered the new ones that were established resulting in a total number of 77 industries in 1993. The year 1990 in particular witnessed a large exodus of firms from Transkei (see Table 1.4). This situation may be due to the widespread labour unrest of 1989/90. The implication of the progressive closure of a number of key industries meant loss of jobs to many workers thereby aggravating the already grave situation as far as employment opportunities were concerned. This did not augur well for the newly formed unions in the Transkei, as they (unions) needed a dynamic and virile workforce for their continued survival and effectiveness.

1.1.6 Type of Industries

Table 1.5 and 1.6 show the various types of industries operating in Transkei and their locations as at 1990/1993 respectively.

Table 1.5 - Industries in Transkei: sector by location 1990

SIC: Standard Industrial Clarification.

SIC TYPE	UTA	BTW	EZB	OTHER	TOTAL	%
Food	2	2	1	0	5	4,7
Drink	2	2	0	0	4	3,7
Textiles	2	7	1	1	11	10,3
Clothing	3	6	4	0	13	12,1
Leather	0	3	2	0	5	4,7
Foot Wear	0	1	0	0	1	0,9
Wood	3	0	2	7	12	11,2
Furniture	1	0	5	0	6	5,6
Printing	1	2	0	0	3	2,8

Table 1.5 continued

Chemical	3	5	0	0	8	7,5
Rubber	0	1	0	0	1	0,9
Plastic	1	2	0	0	3	2,8
Glass/Pottery	2	2	0	0	4	3,7
Cement/ Iron/Steel	2	3	0	0	5	4,7
Non/ferrous/ Fab metal	0	7	3	0	10	9,3
Electronic/	7	3	0	0	10	9,3
Transport	1	2	0	0	3	2,8
Other Indus	0	3	0	0	3	2,8
TOTAL	30	51	18	8	107	100

Source: Transkei Industrial Survey 1990.

Table 1.6 - Industries in Transkei sector by location 1993

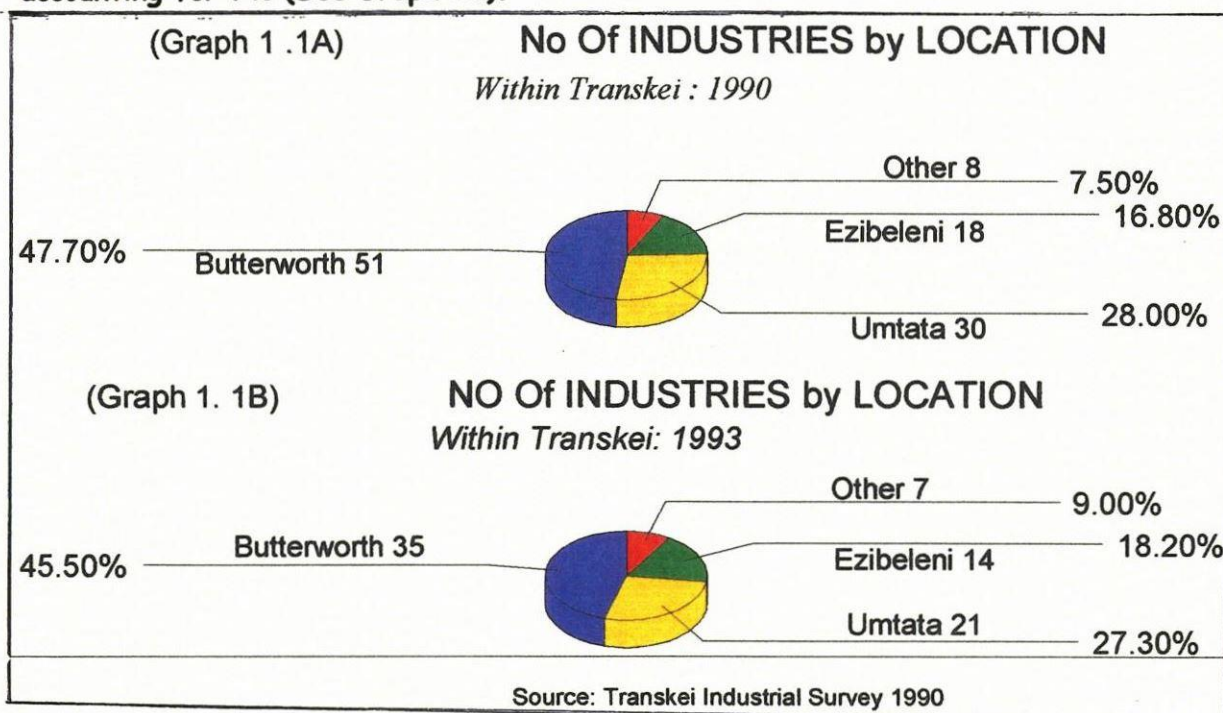
SIC TYPE	UMTATA	BUTTERWORTH	EZIBELEN I	OTHER	TOTAL	%
Food	2	2	1	0	5	6,5
Drink	1	1	0	0	2	2,6
Textiles	0	4	1	0	5	6,5
Clothing	2	5	3	0	10	13
Leather	1	1	1	0	3	3,9
Foot Wear	0	0	1	0	1	1,3
Wood	1	0	1	7	9	11,7
Furniture	1	0	4	0	5	6,5
Printing	1	0	0	0	1	1,3
Chemical	3	3	0	0	6	7,8
Rubber	2	0	0	0	2	2,6
Plastic	0	3	0	0	3	3,9
Glass/Pottery	2	3	0	0	5	6,5
Cement/Iron/Steel	1	2	0	0	3	3,9
Non/ferrous/Fab metal	0	6	0	2	8	10,4

Table 1.6 continued

Electronic/	3	1	0	0	4	5,2
Transport	1	3	0	0	4	5,2
Other Industries	0	1	4	0	5	5,5
TOTAL	21	35	14	7	77	100

Source: Transkei Industrial Survey 1990.

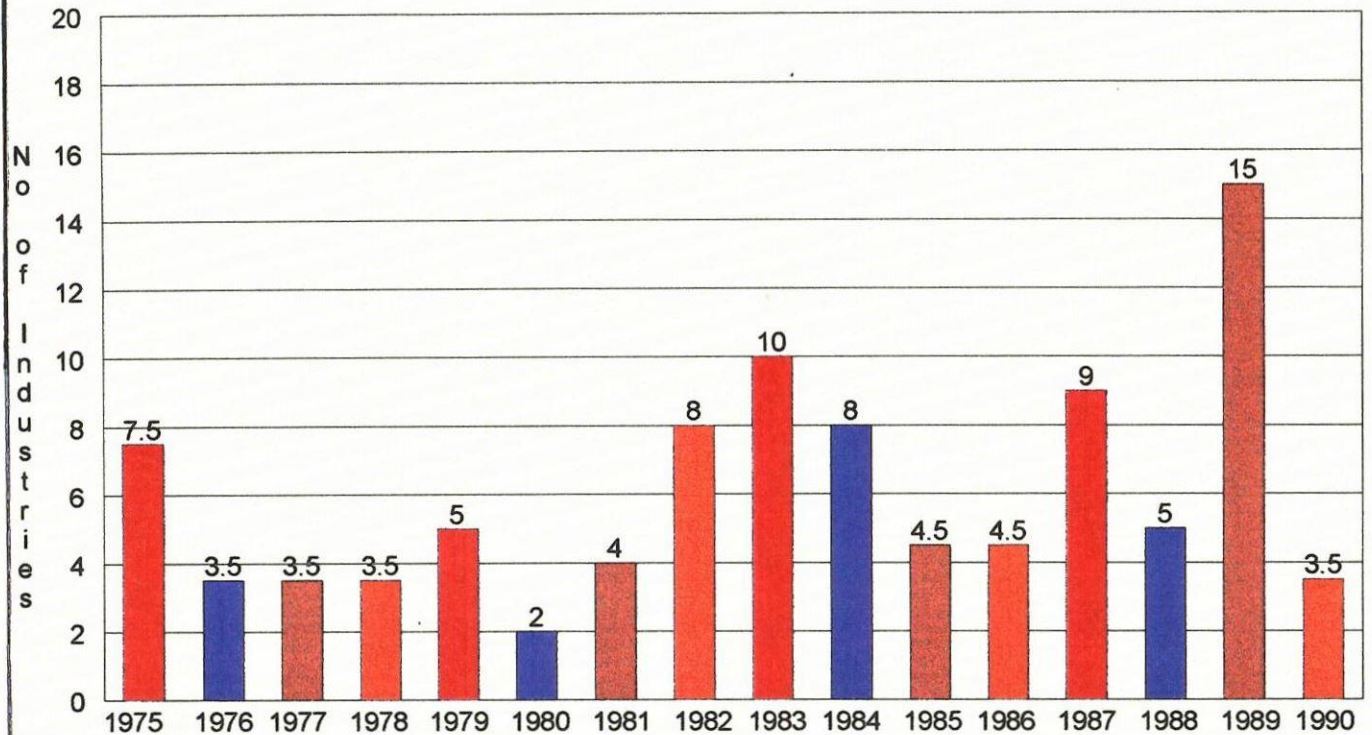
Comparing Tables 1.5 and 1.6 it becomes clear that in spite of the progressive closure of some industries, clothing maintained its position as the leading sub-sector according to the number of establishments. A closer look at the two tables will reveal that in 1990, clothing accounted for 12,1% of all industrial establishment compared to 13% as at 1993. Wood and fabricated metal sub-sectors also maintained their relative dominant positions. There was, however, a significant decline in the number of establishments that belonged to textiles (from 10,3% in 1990 to 6,5% in 1993) and electronic (from 9,3% in 1990 to 5,2% in 1993). Butterworth remained the main centre of industrial activity in the former homeland. The district Butterworth accounted for 48% of all industrial establishments as at 1990. Umtata at the same period accounted for 28%, followed by Ezibeleni's 17% and the sawmills operating in different forest areas accounting for 7% (See Graph 1a).



The position in 1993 was as follows - Butterworth 46%, Umtata, 27%, Ezibeleni, 18% and Sawmills 9% (See Graph 1b on page 40).

Graph 1.2 NUMBER OF INDUSTRIES BY DATE OF ESTABLISHMENT

1975 to 1990



Source: Transkei Industrial Survey 1990

The most distinct type of industry attracted to Umtata were the electrical/electronic type. In 1990, out of 10 such industries in Transkei, 7 were located in Umtata (TIS 1990:8). However, the number had been reduced to 3 as at 1993. Clothing and textile, chemicals and fabricated metal products were invested mostly in Butterworth. According to the TIS (1990:9), 83% of all furniture establishment were located in Ezibeleni in addition to some fabricated metal works and clothing. The same source says that only 7,5% of industries operating in Transkei as at 1990 were established before independence in 1976; 22,4% were established during the period 1976 and 1981 before the 1982 Cape of Good Hope Regional Industrial Development Plan (RIDP) incentive scheme. This implies that 70% of all industrial concerns operating in the Transkei as at 1990 were established under the RIDP incentive scheme - 1982-1990 (See Table 1.7).

1.2 Ownership of Industrial Establishment by Country of Origin

Table 1.7 illustrates the ownership of the industrial establishments by country of origin for 1990 - 1993.

COUNTRY OF ORIGIN	NO OF ESTBLISHMENTS 1990	% OF TOTAL 1990	NO OF ESTABLISHMENTS 1993	% OF TOTAL 1993
RSA	66	61.7	44	57.1
TAIWAN	16	15	12	15.6
TRANSKEI	9	8.4	12	15.6
TDC	5	4.7	-	-
HONGKONG	4	3.7	2	2.6
GERMANY	2	1.9	3	3.9
ITALY	2	1.9	2	2.6
RSA/TRANSKEI	1	0.9	2	2.6
RSA/TDC	1	0.9	-	-
RSA/ITAL	1	0.9	-	-
TOTAL	107	100	77	100

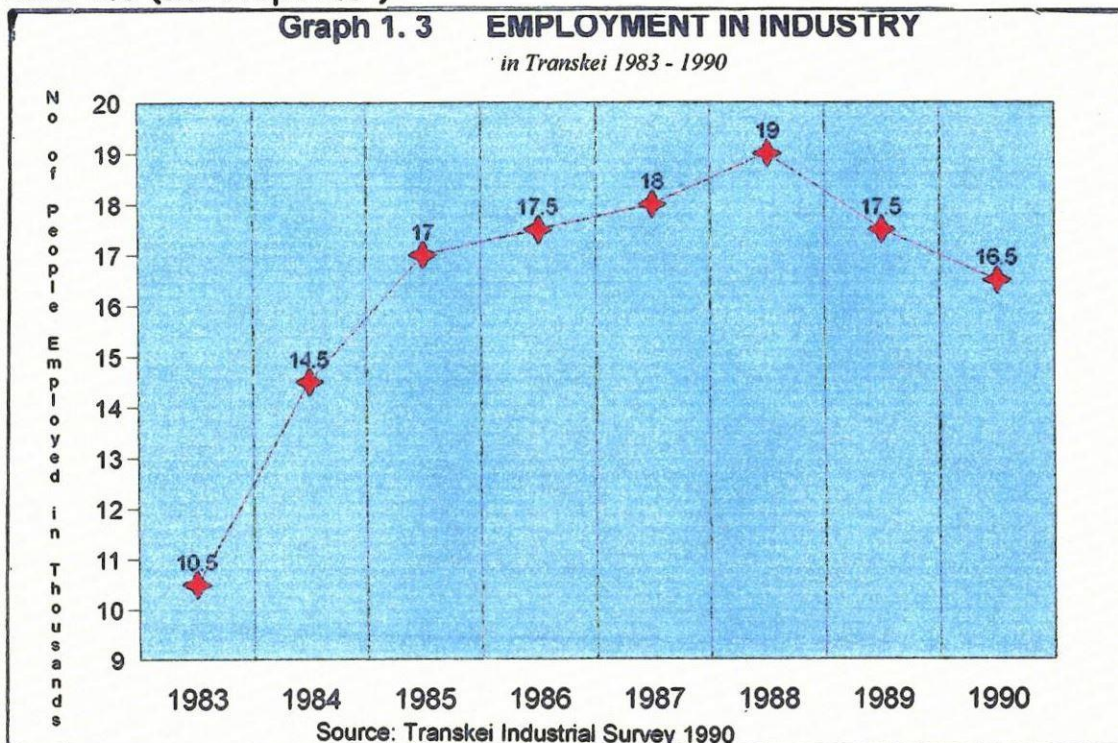
Source: Transkei Industrial Survey 1990 and 1993.

A noteworthy feature emerging since 1990 is the increase in the number of Transkei owned industries (8.4% of the total in 1990 compared with 15.6% of the total as at 1993). A rise in local entrepreneurship was indeed an encouragement. A notable feature is the exit of a number of Taiwanese firms. The number of Taiwanese establishments declined from 16 to 12 within the same year.

1.3 Employment Profile

According to the Transkei Industrial Survey (1990 report, the total employment in industry in Transkei as at the end of 1990 was 16 101. This was a decline of 1 351 (7.7%) over the previous year's total of 17 452. From 1983, the total employment in industry had been increasing at an annual growth rate of

11,8% reaching a peak of 19 202 in 1988. Since then the total employment had been on the decline. The current level of employment by location is shown in Table 1.8 (see Graph 1.3)



Over the period 1990 to 1993 employment in industry fell from 16 500 to 8672, a decline of 47.1%. For example, according to the Executive Director of the Transkei Chamber of Commerce, (now the Kei Chamber of Business) Mr. Les Holbrook, at its peak period, the Transkei industries had a total workforce of a little over 19 000. This number has since declined to 6 500 by 1994. This situation is due to a combination of the following factors:

1. Decrease in the total number of existing industries (from 107 to 77)
2. Retrenchments in a number of existing industries in the face of economic recession..
3. Inability of new firms to offer large scale employment opportunities.

Table 1.8 - Employment in Industries in Transkei 1993

LOCATION	NO OF INDUSTRIES	EMPLOYMENT	%
UMTATA	21	1382	15.9

Table 1.8 continued

BUTTERWORTH	35	4444	51.3
EZIBELENI	14	513	5.9
OTHER (SAWMILLS)	7	2333	26.9
TOTAL	77	8672	100

Source: Transkei Industrial Survey 1993.

A close look at the number of industries compared to the employment figures reveals that "the sawmills constituted the main labour intensive operation in the former Transkei. The largest employer by sector as at 1990 was the wood sub sector, employing 4 107 people (36% of the local employees) followed by the clothing sub-sector with 3 565 employed (22%); Textiles, 2008 or 12, 5% and fabricated metal products, 1 654 or 10.3%; the four sub-sectors account for 71% of the total employment in industry. As far as managerial aspect is concerned 736 Transkeians were in supervisory positions as at 1990 with a further 149 occupying managerial/professional posts. This is compared to the 1983 situation where a mere 18 Transkeians were in managerial/professional positions.

1.3.1 A Breakdown of Employment Figures into the number of Transkeian/ Non Tanskeians, and Male/ Females

Table 1.9 - Employment in Industry: Transkeians vrs Non-Transkeians, Males/Females 1990

No of Transkeians	Males	6 353
	Females	8 702
	Total	15 055
No of Non-Transkeians	Males	723
	Females	323
	Total	1 046

Table 1.9 continued

Total No of Employees	Males	7 076
	Females	9 025
	Total	16 101

Source: Transkei Industrial Survey 1990.

A close look at Table 1.9 shows that 94% of the 16 101 people employed in industry as at 1990 were Transkeians. According to the (TIS 1990) report, the dominance of Transkeian employees in industry over non-Transkeians had been the trend since 1983, the average for the period 1983 to 1990 being 95% Transkeians and 5% Non-Transkeians. Females employed in industry outnumbered their male counterparts with 44% of males employed against 56% females.

If the employment situation in industry in the Transkei was anything to go by then the over all Transkei unemployment situation assumed an unprecedented dimension. This is because as Ekar (1991:1) puts it, "having no job or losing a job leads to the prospect of reality of lapsing into extreme poverty." Rising and widespread poverty is one thing every country would like to prevent, if possible. With the lower income group, labour is often the only recourse to generate income and to increase their standard of living. This makes employment growth very desirable indeed. Transkei's economy was inter-linked with that of the Republic of South Africa. This implies that the labour and employment situation in South Africa would affect the situation in the Transkei.

Soon the labour absorbing capacity of the South Africa's formal economy began decreasing rapidly and this definitely had a serious repercussion for Transkei and its labour force. Making an observation about the absorbing capacity of

South Africa's formal economic sector, Ekar (1991:2) notes, "twenty years ago, almost 75% of the average number of entrants to the labour market was accommodated by the formal economic sector. This percentage had continuously decreased to 12,5% during the period 1985-1989. The implication is that only 125 out of every 1000 entrants to the labour market could be accommodated as full-time employees during the past recent years (see Table 1.10 below).

Table 1.10 - Change in the Workforce and Formal Employment in South Africa 1970-1989

AVERAGE ANNUAL INCREASE IN WORK FORCE '000	AVERAGE ANNUAL INCREASE IN FORMAL EMPLOYMENT '000	AVERAGE ANNUAL ABSORPTION CAPACITY OF FORMAL SECTOR	%
1965-1970	197	145	73,6
1970-1975	249	156	62,7
1975-1980	288	102	35,4
1980-1985	310	65	21,9
1985-1989	361	45	12,5

Source: Isaac Ekar - Senior Economic Research TDC 1991

With time the employment situation in South Africa was aggravated by the widespread retrenchment of workers on the gold mines due to the relatively low gold price since 1986. The formal sector was largely dominated by increasing number of blacks outside formal employment. The survey by the Central Statistical Services (1990:46) revealed that 80% of persons involved in formal activities received very meagre incomes, far below the R650 a month regarded as a minimum living level. Describing the impact, this development had on the Transkei unemployment situation, Ekar (1991:2) has this to say, "this situation has a serious bearing on the unemployment situation in the Transkei where

migrant labour to South Africa especially males had hitherto been the main source of employment."

Because in a developing country context many unemployed persons do not register, the rate of unemployment figures is difficult to establish. Nonetheless A A Ligthelim's figures on geographical distribution of unemployment in South Africa's development regions is a good guide to the gravity of the problem in Transkei. Ligthelim's study revealed that unemployment was particularly severe in Region D - 24.3%, followed by region E - 18.4%. The then Transkei falls into these two regions, the Southern part in Region D and the Northern part in Region E.

A reliable source of employment and unemployment statistics specifically on the Transkei is one provided by Andrew Donaldson based on the 1985 sample census (see Table 1.11)

Table 1.11 - Employment and Unemployment in Transkei 1985 ('000)

Total population (de jure)	3 612
De jure population 15 year ++	2 107
Not economically active	890
Transkei Labour Supply	1 217
Employment (remunerative work)	765
Unemployment (including subsistence agriculture)	452
Employment inside Transkei	156
Employment outside Transkei (migrants)	556

Source: (Ref Donaldson) 1985 Sample Census

According to Donaldson, the public sector, including government corporations, accounted for 47% employment inside Transkei in 1985. Private businesses and non-profit organisations accounted for 34% and households and informal employment 19%. Two thirds of all earners were employed in unskilled occupations. The BMR Survey (on Tsolo) established that 33% of the total labour force was unemployed as at 1980. Per capita household income was R252 (R194 for rural households) compared with R650 regarded as the minimum necessary for basic living. Estimated poverty index measure suggests that 77,6% of all households (and 83,5% of rural households) lived in poverty. Whereas an estimated 51% of the lowest income households received 15% of the total household income, the wealthiest 2.3% received 20% of the total income showing a high skewed distribution of household income in Transkei. To make matters worse, unemployment was increasing. The mines of South Africa had frozen employment, a serious setback for migrant labour from Transkei, and the massive influx of rural people to urban centres in search of jobs that did not exist compounded the problem (Ekar, 1991:3). The main formal sector employer, the public service, was full and was under pressure to retrench. Employment in industry which at its climax stood at about 19 000 had since began declining.

1.4 Wages and Salaries

The average salaries and wages in the manufacturing sector of Transkei increased from R6 750 per annum as at 1989 to R7 320 per annum as 1990, and increase of about 8,3% over the previous year. This works out to R563 to R610 per month. According to the TIS of 1990, the average salaries were fairly uniform across sub-sectors, the only exception being the non-ferrous/fabricated metal products sector with an average salary/wage of R 7

611 per annum or R 634,25 per month. This situation may be due to the relatively higher skill requirements by this sector.

There was a marked disparity in remuneration between Transkeians and Non-Transkeians (See Table 1.12). This may be attributed to the different levels of skills of the two groups.

Table 1.12 - Average Annual Salaries and Wages for Transkeians and Non-Transkeians: 1989 to 1990

EMPLOYEE CATEGORY	1989	1990
Transkeians	R 4 967	R 5 444
Non-Transkeians	R37 161	R31 929
All Employees	R 6 760	R 7 320

Source: Transkei Industrial Survey 1990.

Table 1.13 - Disparity in Monthly Remuneration between Male/Female, Transkeians and Non-Transkeians 1989 - 1990

EMPLOYEE CATEGORY	MALE/1989	FEMALE/1990
Transkeians	R 481	R 427
Non-Transkeians	R 3 601	R 719

Source: Transkei Industrial Survey 1990.

Table 1.12 shows that while the wage disparity on the basis of sexes was negligible, in the case of Transkeians workers of both sex, it was very pronounced in the case of Non-Transkeians, though the female Non-Transkeians was far better off than both the male and female Transkeians counterparts in remuneration. In terms of labour earnings in industries in Transkei, one would say that they were comparatively low compared to what was obtained in the

Republic of South Africa. While the average wage of the Transkeian factory worker in 1990 stood at R454 per month, that of the same worker in South Africa was about double this figure (Transkei Industrial Survey, 1990). Even more important aspect was how the earnings were spent. The real benefits of labour earnings would be felt only when they are spent on, or increase the demand for goods produced locally. Contrary to this expectation, the earnings to a large extent were spent on imports from South Africa.

Commenting on the problem of internalising market externalities, Sarpong (1990:226) notes, "With the exception of the lowly paid employees, whose salary barely pays for food, the vast majority of the highly paid staff with more disposable income to buy manufacture commodities, shopped in South Africa." This is a classic case of the former Transkei worker not benefitting from his labour earnings. Sarpong continues, "While recognising that the job-creation attributes of any development project or strategy requires sympathetic consideration, the low salaries in industry is a cause for concern." Ultimately, the objective of any meaningful development planning should be seen to cater for the needs of the people. Attracting industries to the former Transkei with the view of paying low wages did not benefit the people and much as an industry may have a good cause to offer low wages to its employees at the initial stages, support for industrial creation in the form of low wages, as a matter of fact, does not benefit either the people or the industry concerned as it ultimately contributes to a high staff turnover.

1.5 Investment Profile

The total capital investment in industry in the former Transkei at 1993 stood at R 284,1 million compared to R 489,2 million as at 1990, a shortfall of R 105,1

million within three years. A possible explanation may be that the investment drive in the region by foreign entrepreneurs was showing a down turn due to persistent picketing and stay-aways by workers. Capital investment per job for 1993 worked out to R 33 384 million. Table 1.14 below shows the capital investment in each industrial location.

Table 1.14 - Capital Investment in each Industrial Location

LOCATION	INVESTMENT (IN MILLION)	%
Umtata	R 70.8	18.4
Butterworth	R266.1	69.3
Ezibeleni	R16.4	4.3
Sawmills	R30.8	8.0
TOTAL	R384.1	100

Source: Transkei Industrial Survey 1993.

Table 1.15 - Closure of Industries - Transkei Industrial Sector Update

1997

YEAR	1993	1994	1995	1996	1997	1998	TOTAL
Umtata	5	3	2	0	1	0	11
Butterworth	10	8	5	3	2	0	28
Ezibeleni	4	4	2	0	0	0	10
TOTAL	19	15	9	3	3	0	49

Source: Transkei Industrial Survey 1998

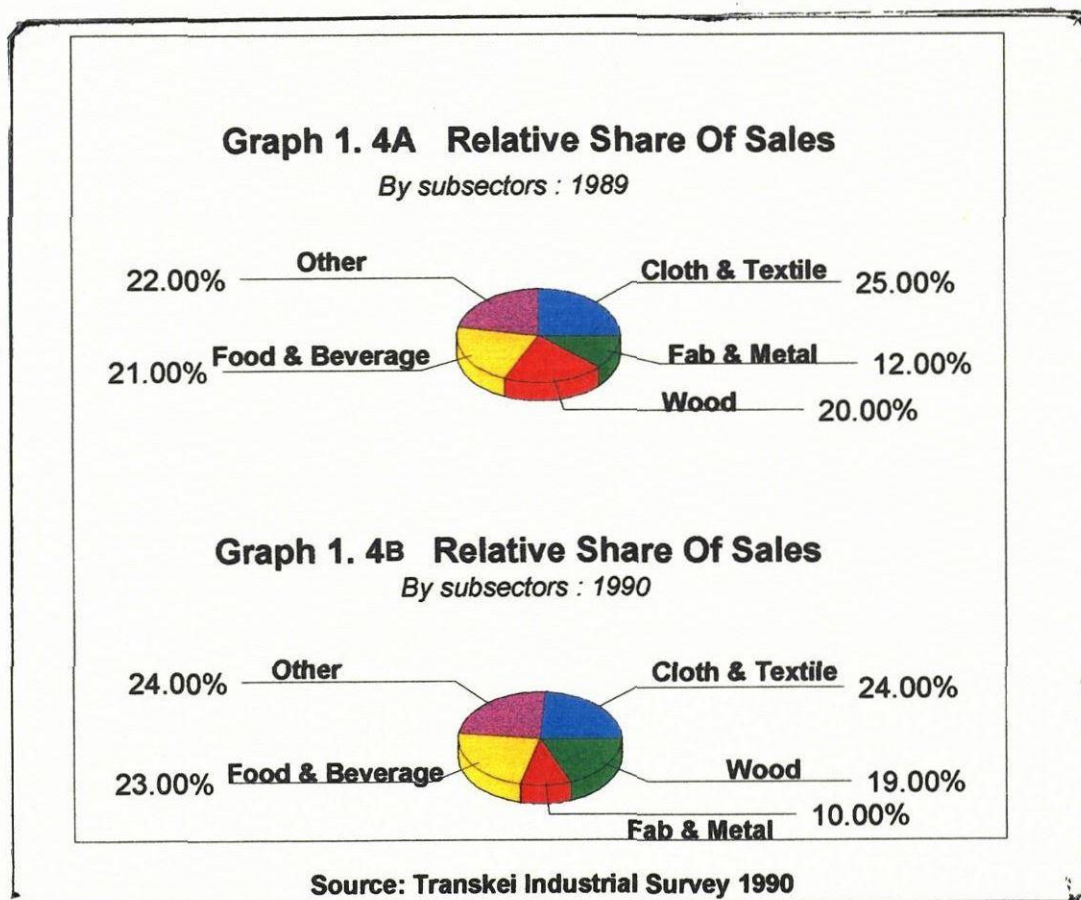
1.6 Input and Output Characteristics Sales

According to the 1992 TIS report, the total turnover made by the 107 companies as at 1990 was R 767.6 million compared to R 759.4 as at 1989.

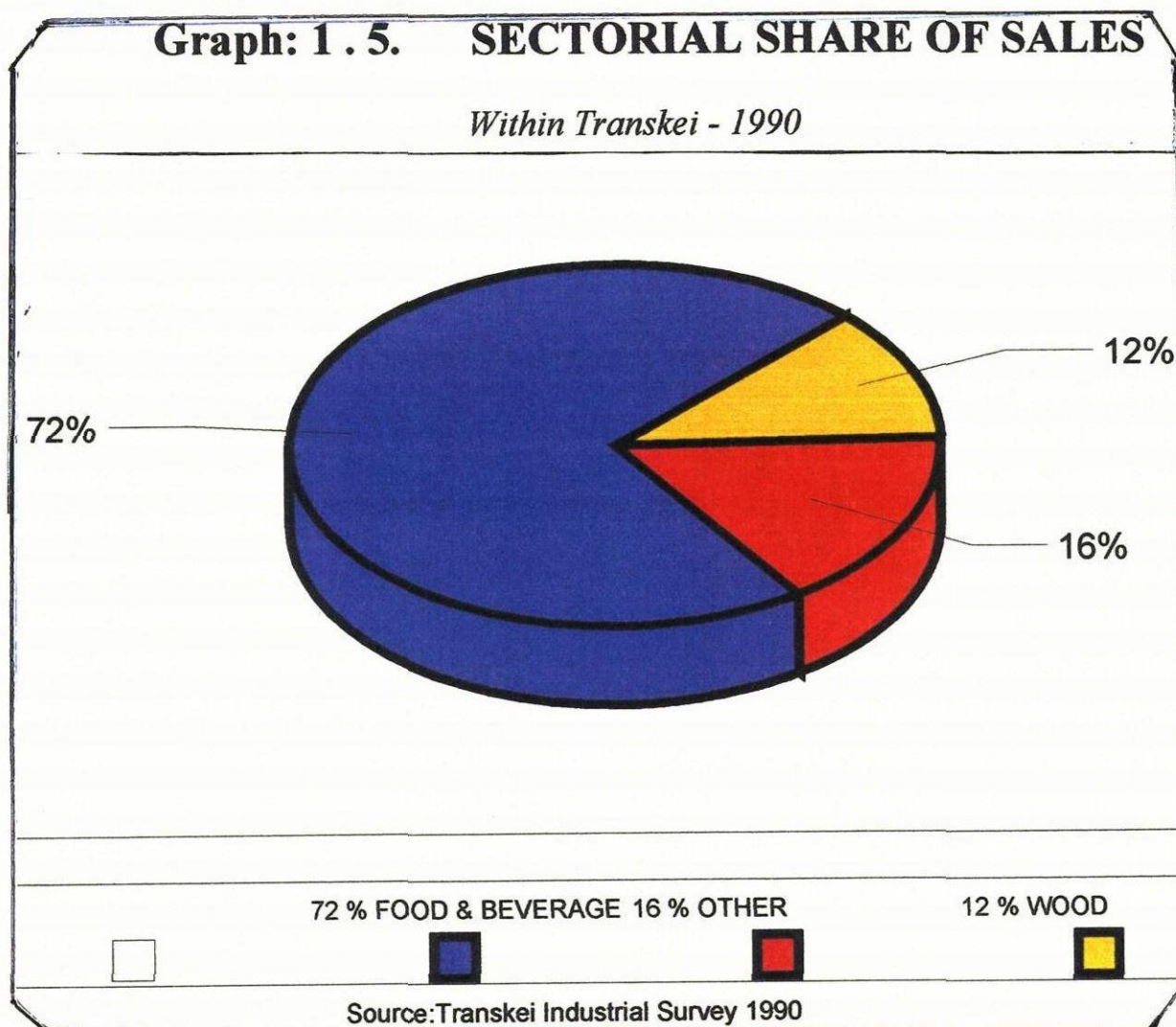
Analysis based on the 72 companies out of the 107 that supplied information

revealed the following:

- a) The total sales from these companies amounted to R654.4 million, 77.5% of which originated from Butterworth alone.
- b) 29.3% of the total sales constituted intermediate output to other manufacturing companies for further processing, while 70.7% constituted sales of final products.
- c) The destination of sales followed a similar pattern dating from 1985. Of the total sales, 31% was within Transkei, 60% within the Republic of South Africa, while 9% was sold as exports. The situation as at 1989 was 32.6%, 59% and 8.4% for Transkei, the RSA and exports respectively.
- d) 9% of the sales within Transkei constituted intermediate output while 91% were goods from final consumption. The relative share of sales by the sub-sectors is in a graph form as presented below (see Graph 1.4A and 1.4B).



The clothing and textile, food and beverages and wood sub-sectors remained the dominant contributors to turnover, accounting for 66% of sales in 1989 as well as in 1990. While the share of wood and clothing increased by 1%, those of food and beverages declined by 1%, each over the previous year. With regard to the sales within Transkei, food and beverages sector alone accounted for 72% with wood accounting for 12% (See Graph 1.5 below.)



1.6.1 Input

Inputs purchases by the 72 companies that supplied information amounted to R303.3 as at 1992 (Transkei Industrial Survey: 1992:18.)

Table 1.16 on page 54, shows the relative importance of the various sources of inputs for the periods 1988 - 1990

Table 1.16 Sources of Manufacturing Inputs 1988 - 1990

YEAR	% FROM TRANSKEI	% FROM RSA	% FROM ELSEWHERE
1988	7.5	73.5	19.0
1989	11.9	69.8	18.3
1990	13.0	70.0	17.0

Source: Transkei Industrial Survey 1990

By the analysis above 13% of the total input purchased was obtained from Transkei sources during the period 1990. Compared with inputs from South Africa then and elsewhere during the same period, Transkei's input was relatively small though the latter's share as source of inputs had been increasing since 1988. According to the Transkei Industrial Survey report, of all the inputs that originated from Transkei, 85% was from the wood sub-sector as at 1990. It was 88% the previous year. Raw material purchases during the same period accounted for 87% of the total input purchases for 1990, with 13% going into purchases of packing materials and consumables and maintenance stores.

For the realisation of agglomeration effects, it is desirable to adopt industrial policies that encourage the establishment of firms that impact on the economy by way of backward and or forward linkages (TIS 1990:19). Using the 1990 Transkei Industrial Survey Information, a simple 4 cell matrix analysis's is presented below to show the extent of linkages exhibited by the companies that existed in Transkei at the time.

Table 1.17 - 4 Cell Linkages Analysis: Value of Sales, 1990

	INPUTS FROM TRANSKEI		INPUTS FROM OUT TRANSKEI		TOTAL
Sales within Transkei	R 122,5 m	4%	R 152,5m	27%	R 175,0 m 31%
Sales Outside Transkei	R 50,8 m	9%	R 338,7 m	60%	R 389,5 m 69%
TOTAL	R 73,3 m	13%	R 491,2 m	87%	R 564,5 m 100%

Source: Transkei Industrial Survey 1990

The 4 cell matrix analysis above shows that out of the turnover of R564,5 m generated by the 72 companies that participated in the 1990 survey, 31% was sold within Transkei while 69% was sold outside Transkei. When one relates sales to the inputs used, it will be seen that 13% of all sales made use of inputs from sources within Transkei while 87% of the sales used inputs from outside Transkei. The analysis shows clearly that both forward and backward linkages were not strong, though forward linkages (at 31%) were comparatively stronger than backward linkages (at 13%).

It needs to be stressed that for the people of Transkei and especially the labour force, the most desirable cell in terms of linkages is cell number 1. This is because it represents sales within Transkei using Transkei inputs. The only disturbing fact is that this cell accounted for a mere 4% of the total sales from all the industries. Cell 2 represents sales within Transkei but using external inputs. This cell shows a comparatively forward linkage bias, 27% of the total sales. Cell 3 represents sales made outside Transkei using inputs from Transkei. These sales accounts for 9% of the total sales. According to TIS report (1990:20) this cell is particularly desirable because of the benefication of local inputs and backward linkages. Cell number 4 represents sales outside Transkei

that made use of external inputs as well. This cell is considered the least desirable option but accounting for a huge 60% of the total sales.

It is worthwhile to note that cells 1, 2 and 3 show linkages effects one way or the other with the local economy as the activities of the firms in these cells create further employment opportunities and incomes in the economy by way of the multiplier. It needs not to be over emphasised that these are the types of firms needed to attract a major industrial drive. On the other hand companies within cell 4 were those that though located in Transkei used external inputs and also sold mainly to outside markets. It needs other compelling factors to consider as incentives to induce a country to call in such firms for investment.

1.7 An Assessment of Benefits to the Former Transkei from Incentive-Based Industrialisation

Looking at what has been said so far it becomes critically important that an assessment of benefits, if any, to Transkei from industrialisation be done. In order to undertake a proper and meaningful evaluation of such an assessment, it becomes desirable to compare and contrast the Transkei situation with a set of conditions that according to the TIS (1990:20) report, "are adjudged as fundamental to a realistic and beneficial industrial development." The following conditions or criteria, as presented below, have therefore, been adopted for the assessment:

- Employment in industry must be significant (in terms of the former Transkei labour force) and should comprise mostly Transkeians.
- Average salaries and wages should be sufficient enough to provide basic necessities, improved living standards and should be in line with what obtained outside Transkei (RSA).

- Labour earnings should be spent on additional output of locally produced goods and services.
- Activities of industrialists should have a significant impact on local nationals, for example, upgrading the technical and management skills of Transkeians as well as creating new business opportunities for the local entrepreneurs.
- Companies should normally be profitable so as to improve the revenue situation of the government through the payment of corporate tax.
- A reasonable part of the profits, if not all, should be reinvested in the economy.
- Industries must exhibit strong linkages effects. Newly attracted industries should be those that had the potential to use local raw materials, locally produced components and local services; or develop further industries, using their products (TIS 1990:21).

With the above criteria in place, one would like to look at the former Transkei situation. As at 1990, employment offered by the 72 companies out of 107 which participated in the industrial survey stood at 13 157, which works to an average of 183 employees per company.

Of the employees 95% were Transkeians as against 5% non-Transkeians. These companies, according to the 1990 TIS report, paid a total of R86.7m in wages and salaries resulting in R6 587 p.a in average salaries. Corporate tax revenue that was paid to the government stood at R15.3m. Salaries and wages, plus corporate tax yield R102 m as direct benefits. In addition, there were excise duties, and workers benefits such as bonuses and medical aid etc. It is possible that direct benefits were in excess of the R102 m because the actual amounts

of the extra direct benefits from the companies were not known. The total concessions paid to the companies amounted to R26.2 m. during 1990. What this means is that direct benefits outweighed costs by more than R75 m. This picture might prompt one to conclude that industrialisation benefited the former independent homeland.

The picture might not be so rosy if one took other pertinent factors at play into account. For example, as far as corporate tax was concerned, a number of companies declared loss before concessions and therefore did not pay such tax. According to the TIS (1990:23) report, of the 72 companies that took part in the 1990 Transkei Industrial Survey, only 32 (44.4%) declared profit as at 1990. The total profits earned by the 32 profitable companies yielded R59.8 m. Sixty percent of these companies were subsidiaries of parent companies outside Transkei. The implication is that the profits earned by these companies, as expected but which should not have been the case, were not re-invested in the Transkei but transferred to the consolidated accounts at their head office. Other constraints that come to mind are the following:

- a) Because most of the industries in Transkei were foreign owned and in many cases formed part of a larger company that was vertically integrated, the raw material requirements of these industries were contracted to be supplied by one of the several plants within the group irrespective of whether local sources for the same raw materials were available or not. For example, the Beier industries manufactured shoes in Butterworth (in the former Transkei) from raw materials supplied by another plant of the same company based in Pinetown even though similar raw materials could be procured from the locally based tannery - Tannery Protea (Sarpong 1990:182).

- b. In addition to this, managers of these industries in other situations had no authority to purchase raw materials. They had to place orders for their requirements from the head office of the particular company which might be based in Pretoria or Johannesburg, for instance. What needs to be stressed is that in this case, the source of purchase of the raw materials, as Sarpong (1990:183) puts it, was not necessarily the cheapest nor the nearest.
- c. Thirdly, the vast majority of these industries also manufactured goods that were for final consumption only. What this means is that products from one industry had no use in another industry, a clear absence of linkage effects. And yet a very important factor that affects industry's contribution to an economy is the linkage effect.

A close look at the cost side reveals that costs were far in excess of the R26, 2 m paid to industrialists as concessions and subsidies on factory rentals, wages, housing key staff, outward transportation and interest payment on loans (TIS 1990:23). Other costs involved the construction and maintenance of factory buildings. With the picture painted above, the perceived direct benefits either diminished or are wiped off completely if consideration is given to all other costs involved. Considering the implications of cell 4 (see Table 1.14) to the economy and the people of the former independent Transkei, one cannot but agree with the Transkei Industrial Survey (1990:24) report "that real industrial development demands the use to a very large extent of local materials as inputs thereby creating further economic activity, employment and incomes downstream and or sell industrial products in the domestic market thereby creating further economic activity upstream. With the above picture in mind, it can be safely said that the former independent homeland was used as a conduit,

from which its wealth was siphoned to South Africa thus confirming the existence of internal colonialism.

It will be difficult to deny that industries in Transkei employing 19 101 people, most of whom were Transkeians, and who perhaps might have been unemployed in the absence of such investment in industries was not advantageous to the homeland. However, if one compared this figure with employment statistics on Transkei (Donaldson 1990:97), one would find that the figure paled into insignificance. The 1990 employment in industry (19 101 all the industrial sectors put together) constituted a mere 13% of the "de jure" labour supply of Transkei (1 217 000). Commenting on the employment situation in industry in the Transkei, the Transkei Industrial Survey report (1990:22) said, "while labour is growing at 1.9% p.a, employment in industry attained a peak of 19 000 in 1988 and has since been declining at an average of 8,4% p.a." In terms of employment inside Transkei, employment in the industrial sector accounted for only 9,8% of the total (164 000). From the picture painted above one can easily say that by all standards, employment generated by industry had been too negligible to have any meaningful impact on the employment situation in the former homeland. With the discussion above in place the next chapter (2) will discuss the Transkei state pro-capital mandatorism.

CHAPTER TWO

2.0 THE TRANSKEI STATE: PRO-CAPITAL MANDATORISM

2.1 Introduction

The state, with its instrument of government, represents a permanent institution which may change in nature and policy but not in essence (Bendix 1992:40). The role of the state in labour relations is largely determined by circumstances, however, with the shift from absolute free market principles to a support for mixed economies or social market system, it would appear that the state may be expected to play an increasing interventionist role in the conflict of labour relations.

2.2. Defining the State and Government

The state may be defined as the politically based and controlled institutions of government and regulation within an organised society (Salamon 1992:252; Finnemore and Van der Merwe 1992:100). Broadly speaking, these institutions include parliament, government, civil service, judiciary, police and the armed services. The government may be defined as the political system by which a nation or community is administered and regulated (Encyclopedia Britannica, Vol. 5, p.393).

Whereas it can be undeniably argued that in a democratic society parliament is the ultimate governing body, it is rather the government of the day that is the major driving force within the state and therefore determines the direction, policies and actions of the state machinery. For example, it is the government that influences the type of strategies and choices that the state will pursue in relation to the formulation of industrial relations policy and legislation

(Finnemore and Van der Merwe 1992:100). Crouch (1982:146) echoing the sentiments expressed above, argues that the importance of government as far as industrial relations is concerned, stems from the fact that it is the only actor in the situation which can change the rules of the system by virtue of its law making role. The state can therefore through legislation and other means at its disposal, exercise considerable power over the employer/employee relationship and especially over the fortunes of the union movement in any country (Finnemore and Van der Merwe Ibid).

2.3 Conceptualising the Transkei State: Dependent, Uneven Development

To be able to conceptualise the Transkei state, one needs to understand the former Transkei state's peripheral status vis-a-vis South Africa in the broad South African social formation. To achieve this objective, one has to briefly discuss the "Dependency Theory" and how it manifested itself in the relationship between Transkei and South Africa.

The marxist theory maintains that imperialism inevitably implies economic domination and submission and, therefore represents an essential phase in the expansion of capitalism (Hoogvelt 1982:163). Classical marxists, in their analysis of imperialism, emphasised the source of imperialism which in developed countries, lies in the dynamics of capitalist development. According to Human & Rainey (1983:23) this was the origin of dependency theory, though its emphasis falls mainly on the effects of imperialism on the overseas territories to which capital had been exported. Within the context of classical marxism, dependency theory attaches great importance to the historical dimensions, and explains the

problems of development and underdevelopment from a historical perspective (Foster-Carter 1974:82).

The use of the concept "underdevelopment" by the dependency theorists, does not in any way imply any lack of development, but rather refers to an active process of change through which industrialised countries enrich themselves at the expense of non-industrialised countries while at the same time underdeveloping their development potential (Emmett 1983:27). Hoogvelt (1982:165) mentions Baron as the first to make the point that "development and underdevelopment" is a two way street: that the advanced capitalist countries had become developed by expropriating economic surplus from those overseas countries with which they first traded, and they later colonised, while the latter became underdeveloped by aiding the ascendancy of the former. The intense trading activities with the industrialising capitalist states left the overseas countries with a limited specialised export-oriented primary production structure with an internal class structure dominated by a small, landed and mercantile *compradore* elite¹ whose economic interests became increasingly intertwined with those of the advanced capitalist states. Andre Gunder Frank (1967) in Hoogvelt (1983:166) argues that the ties of dominance and dependence run in a chain-like fashion throughout the global capitalist system with metropolitan states² appropriating the surplus from the satellites, their towns moving the surplus from their hinterland (core-versus periphery), their landlords from the peasants, their merchants from shopkeepers, and finally, their shopkeepers from the customers.

Hoogvelt (1982:167) associates the notion of dependent external structural relationships particularly with Paoul Prebisch whose centre-periphery model

preceded Frank's metropolis-satellite model of the world capitalist relationship by over a decade. According to Hoogvelt (ibid) Prebisch and the Economic Commission for Latin America (ECLA) equated the underdevelopment of Latin America to its unequal trade with industrialised world arising from the two historical distortions of the world market system namely:

- * the international division of labour which had reduced colonial countries to being producers and exporters of raw materials and food stuffs to the industrialised world while encouraging the latter to produce and sell manufactured goods to the former.

This pattern of international trade obviously favoured the industrial over the primary producers not only in the distribution of the benefits accruing from such trade but also in the general development impetus generating it. The *second historical distortion* was that the factor and commodity market at the centre of the capitalist system had become more monopolistic³ and oligopolistic⁴ than at the periphery which ultimately affected the terms of trade for the periphery unfavourably (Hoogvelt Ibid).

Palma (1978:885) argues, "this relationship has been deliberately maintained by the industrialised countries, as the only means by which they could satisfy the needs of capitalism. It must be emphasised that the underdevelopment of the third world countries was aided by the local elite whose complicity in the transfer of economic surplus from subordinate to international capitalist countries is mentioned by both Baran and Frank cited in Hoogvelt (1982:168) the same way the exploitation of Transkei was aided by the Transkei government (through its officials), chiefs and headmen, to serve the interest of the South African state and capital.

2.4 The Transkei States Peripheral Status vis-a-vis South Africa

The Transkei state's relationship with South Africa was a relationship of dependency and this manifested itself in various ways. When the National Party took over the reigns of government in 1948 in South Africa, its policy was the creation of ethnic homelands which would become independent Bantustan states. For example, Act 68 of 1951 ushered in a system of Bantu Authorities and under Proclamation 180 of 1956, the former Transkei fell under this system. Nine regional authorities and 129 district authorities were established besides the twenty six district authorities. With the promulgation of the Transkei Constitution Act of 1963, the latter was granted self-governing status on 30th May 1963 with a legislative assembly, made up of 5 paramount chiefs, 59 chiefs and 45 elected members, and elections took place in 1963, 1968 and 1969 (Carter et al 1967; Hammond Tooke 1975; Lawrence 1976).

The *Glen Grey* and *Herschel* districts (formerly part of *Ciskei*) were ceded to Transkei on the attainment of its independence on 26th October 1976 under the South African policy of separate development. This independence was, however, never recognised by any country except South Africa and the other five Bantustan states.

According to Innes & O'Meara (1976:69) "this event (Transkei independence) provoked much commentary from various sides, ranging from its epoch-making celebration in the National Party Press to its dismissal as a fraud by most groups left of the Progressive Reform Party". Those opposed to the independence saw the event as handing over of power in a chronically

underdeveloped region to a collection of paid functionaries of the South African State. These paid agents were said to have owned their existence since 1960 to the apartheid state. They also saw the independence as a phoney exercise of self-determination contrary to the claims made by the then government of Transkei that the homeland had achieved true and unfettered independence and naively believed or wanted others to believe that the Transkei region was an autonomous entity which served to mystify its position within the South African social formation.

To the then South African Government, the independent Transkei was nothing more than a comparador state intended to serve the interest of the South African state and capital. For example, the extension of the capitalist relations of production across the South African social formation proletarianised and or marginalised the Transkei peasantry and thus transformed the pre-capitalist relations of production into fully capitalist relations (Innes & O'Meara 1976:70). The role of South African State in restructuring relations of exploitation post 1948 is very crucial here, beginning with the 1951 Bantu Authorities Act as a precursor to the 1959 promotion of Bantu Self-government Act. It is pertinent to say that though the relations of production within which the Transkei population was incorporated were completely capitalist, the forces of production in the region were chronically underdeveloped. The underdevelopment of the Transkei region was therefore not only structural but more importantly an ongoing strategy to be maintained in the interest of South African capital. The "transformation" mentioned above was achieved, among other things, through, the land holding and ownership system that prevailed in the Transkei. Under this system while the land was communally owned, its allocation was the sole prerogative of the salaried chiefs and headmen acting as administrators on

behalf of the South African state. The rôle of the Transkei chiefs and headmen as agents of the South African state held two implications for the homeland. Firstly, the role played by the chiefs and headmen can be equated with that of the Chinese comparador elite in China in the late 18th, 19th and 20th centuries. It also means that their dependence on South African state (as paid agents of the latter) was absolute because as the saying goes, "he who pays the piper calls the tune."

Another dimension to this dependency scenario is that, the exclusive right the chief and headmen had over the allocation of land within the kinship group gave them *de facto* control over the means of production and operation. To compound the problem, attempts were made to restructure agriculture in the region whose major objectives were: to end the practice of a plot of land (between 1 and 2 hectares) being allotted to every family under the provision of Glen Grey Act (1894). The plan envisaged a drastic reduction in the total number of small farmers in the bantustans from 500 000 to 50 000. The aim of this exercise was, among other things, to create a large proletariat in the homelands as reservoir of cheap labour to serve the needs of South African capital (the migrant labourers). The implementation of this policy led to approximately 60% of all rural households being dependent on the sale of their labour power and actually seeking work in the centres of industrial production (Innes & O'Meara 1976:74); and secondly, to create a small class of rich peasant/capitalist farmers, on now much larger plots of land on "quit rent basis" (i.e. long term leases from the state) thus making this group dependent on the South African State.

A still more authentic picture of the political economy of development of Transkei could be seen from the development of two main parastatals, namely the Transkei Development Corporation (TDC) and the Bantu Investment Corporation (BIC). They had been established ostensibly with the intent of improving the lot of the people of Transkei, but functioned instead to serve the interest of the white industrialists who had been lured to Transkei through the South African policy of industrial decentralisation. This was confirmed in 1986 by the then Managing Director of TDC that the major aim of the two corporations, in the early years of their operation, was to protect the white industrialists investing in the sub-region. This explains why, they, TDC and BIC were continually engaged in the reproduction of the Transkei region in its primary role as a reservoir of cheap labour while at the same time reproducing the general racial division of labour. For example, the major incentives offered to white industrialists from wage determination under the Transkei Wage Act sanctioned among other things, even lower wage levels than the harsh South African norms prescribed (Innes & O'Meara 1976:74-75). Innes & O'Meara report that wages in the Transkei in the mid 1970s were as much as 50% lower than those paid to black workers for comparable work in factories in the industrial centres elsewhere in South Africa. Industry was thus lured to the former homeland by the prospect of a huge reservoir of cheap, docile labour.

The racial division of labour was reinforced in other ways. For example, out of the total loans granted by BIC from 1954-1974, 82% went to white owned enterprises. According to Rogers (1976:68) only 14% of all the applications for loans by blacks were successful. Besides, the terms of loans to white entrepreneurs were decidedly more favourable than those offered to blacks. To make the bond between the two parastatals and the South African Business

more secured, the former became increasingly tied to the Afrikaner capital through such financial institutions like Sanlam, Volkskas and Bonuskorf. Hence any development in the region sponsored by what Innes & O'Meara (1976:75) termed "these two misnumbered bodies⁵ was designed not only to further the interest of South African capital, but also to reproduce the subordination and acquiescence of the Transkei region's productive forces of capital.

It is clear from the views expressed above that the former Transkei independence was an attempt by the South African state and capital to relate with an internal dominant class made up of the then Transkei government, chiefs and headmen, as a means of underdeveloping the Transkei region. It is against this background that attention is now turned to the industrial decentralisation policy of the South African government and its impact on the economy of Transkei.

2.5 The South African Policy of Industrial Decentralization

This section attempts to examine the rationale behind the adoption and implementation of the South African policy of industrial decentralisation and their impact on the industrial growth in the former Transkei. The South African policy of industrial decentralisation as has been already stated was instituted to find gainful employment for the Bantu population with the least disruption of their home and communal life on the principle of taking employment opportunities to the areas where labour was readily available (Kutzenberg 1973:142; Whiteside 1989:125; Zille 1983:65). Because of the increasing unemployment and the pressure on the population to move to the cities, mostly in black areas in South Africa (Dr Verwoerd), the policy was largely aimed at these black areas (Zille 1983:65).

To achieve the twin objectives of:

- a) balanced spatial development and
- b) ensure a successful implementation of the policy, a commission of inquiry (Tomlinson Commission) was set up to investigate the issue and make recommendations. The acceptance of the Commission's recommendations by the government took place in 1956 and their implementation began in 1960.

The objective of the policy was the promotion of industries in areas bordering the native reserves (Whiteside 1989:125) so that native area inhabitants could live in a homeland and commute to a border area industry (Tomlinson 1983:546). These areas were designated as industrial centres also known as deconcentration points⁶ located within 52km of a homeland (Kutzenberg 1973). Through the recommendation of the Moolman Committee in 1960, tax incentives were offered to industries that were prepared to locate in border areas to stimulate the viability of border industry. The policy, however, achieved limited success (Wellings and Black (1986:2) due to lack of infrastructure and the marketing requirements of many industries. Besides this setback was the increasing social and political problems that were experienced at the four metropolis chosen, necessitating coercive measures being taken to control industrial expansion at the metropolis. The execution of the coercive measures was effected through the promulgation of the Physical Planning and Utilisation of Resources Act (Act no 88 of 1967) which limited the expansion of certain industrial activities in the industrialised areas of the country (Whiteside 1989:125).

With the foregoing in mind, it is not surprising that in 1965 the government decided that there was the need to extend the industrial decentralisation policy

to the areas where black labour surpluses existed if success was to be achieved in making use of industrial location with such labour surpluses. Hence in September 1968, it was announced that incentives would be made available to white industrialists who wished to invest in black homelands (Ibid).

To make the policy cost effective, it became necessary that infrastructure be provided at selected centres only, hence the selection of growth points. Because local authorities lacked adequate funds to execute the programme, government assistance became obligatory thus the establishment of the Bantu Homeland's Development Corporation to oversee the provision of the necessary infrastructure for the homelands to ensure that the industrial decentralisation policy succeeded (Dewar et al 1984:42). The initial government grant of R200 000 was made available to provide infrastructure at Rosslyn. By the end of 1973, the initial sum had increased to over R13m for both border and homelands centres (Kutzenberg 1973:147). The selected areas in the homelands were referred to initially as "decentralised areas" (Kutzenberg 1973:143) and in Transkei, Umtata and Butterworth were selected. New incentives were offered and differentiated according to how attractive or otherwise an area was (Dewar et al 1984:51).

Through the Native Land and Trust Act (1936) an "agency system" was set up which allowed whites to establish industries in buildings owned by the Bantu Investment Corporation at growth centres located in the homelands. The prospective industrialists were offered factory units, housing and other financial incentives "to cite their enterprises in the homelands. These were identified as "agents of development hence the name". The industries established under the "agency system" were, however, to be sold to black

entrepreneurs at a later date. The rationale behind the government assistance in the establishment of these industries was based on the understanding that manufacturing industries could provide a better utilisation of labour and raw materials to achieve better economic development for the benefit of the people in the homeland. It was in this light that when Transkei achieved her independence, the Bantu Investment Corporation was renamed the Corporation for Economic Development (CED) to co-ordinate development programmes in the homeland.

In spite of Transkei's independence in 1976, the South African Government realised in 1979 that there was a common economic system for the entire South Africa and the homeland's economic system therefore, could no longer be thought of as independent (Tomlinson 1983:549). This realization led to the reformulation of the policy of industrial decentralisation at the Good Hope Conference in 1981. To put the plan into effect, Southern Africa was demarcated into a number of development regions (functional regions). The implementation of this plan took into account the regions that required more development aid than others, hence new industrial decentralisation packages (concessions) were instituted. The concessions granted to each centre, however, depended on the position of the region along a scale of development priority regions (Map 1.2 see Appendix F). Region D was accorded the highest development priority and accordingly it has some of the most attractive concessions available (Sarpong 1990:134). Butterworth, Umtata and Ezibeleni happen to be located in this region. On the basis of three criteria namely:

- a) rate of employment;
- b) per capita income;

- c) development potential, eight functional regions were created (This has since been increased to Nine - Whiteside 1989:120) and a number of industrial development centres were identified within the eight regions. These centres were selected by the Growth Points Committee based on the following factors:
- a) availability of infrastructure which could create favourable conditions for private industry,
 - b) site availability for the creation of agglomeration advantages to counter-balance the then existing metropolis,
 - c) areas of depression where there was an urgent need to stimulate development and
 - d) some on an adhoc basis.⁷

Eleven points close to metropolitan areas were identified as industrial development points. Additional number of centres (20) outside the homelands were also selected as industrial developments points. Transkei was split into two - the Southern part in Region D together with Ciskei and the Republic of South African towns of East London, King Williams Town and Queenstown and the northern part in Region E together with Natal and Kwazulu. In Region E, Lusikisiki was identified as an industrial growth point in Transkei while in Region D, Umtata, Butterworth and Ezibeleni were selected as industrial development centres. For many reasons Umtata and especially Butterworth have been successful so far in attracting many industries probably because these centres are linked by road and rail to the harbour town of East London and the metropolitan centres of Queenstown and King Williams Town where industrial resources and market already existed. Besides, because these centres had long been recognised as growth points, a lot of effort towards the provision of infrastructure had already been concentrated there.

The need for a proper framework within which to obtain financial aid for the provision of the necessary infrastructure led to the replacement of the Corporation for Economic Development by the Development Bank of Southern Africa which began its operation in 1983. This bank was used as a multilateral agency to provide the needed funding for the infrastructural projects (Whiteside 1989:126). By March 1986, R55.3 million had been invested in Transkei providing infrastructure, building factories, housing key personnel and providing loans for working capital (Leading the way to Development, TDC paper on Industrialisation, p.1). The success of industrial decentralisation to Transkei (however limited it might be) was due to four major strategies namely:

- a) the development of infrastructure favourable to industry;
- b) the assistance given to industries;
- c) the establishment of own industries through the TDC;
- d) the offer of financial inducements to foreign industrialists to establish operations in Transkei through the Agency System (TDC 1979:1). The proportion of Transkeian and TDC owned industries to the total industrial output, though, has been very small (Benbo, 1976). With the above discussion in place, it is deemed appropriate to deal with the class formation in the Transkei and how this was manipulated to serve the interest of the South African State and capital.

TDC and BIC, the two wholly parastatals functioned during their early years of operation in two broad areas namely:

- a) Buying out the then existing white owned undertakings (mainly, trading and farming concerns and leasing)⁸ or selling them to black operators;

- b) Creating investment in the region for the re-siting and expansion of industrial undertakings centred in the major areas of capitalist production.

From the foregoing it would appear that the creation of the two corporations was done in good faith and that they had come to serve the interest of the people in the region especially Transkei workers. However, a close look at their activities, as they unfolded portray a different picture. (see pages 67 and 68 - for the activities under this discussion).

Perhaps the TDC, BIC and the South African capital would not have succeeded in what one might call "their unholy alliance" to destabilise and weaken the working class in the Transkei if they had not had the support of other class forces within the homeland hence the need to review the activities of the latter.

2.6 CLASS ALLIANCES

To compound the already unbearable situation as outlined above, there were elements in the system that propped up what one might call "this internal colonialism. These, Innes and O'Meara (1976:75) call, "class forces" and "class alliances." The first of these class forces comprised a small highly stratified peasantry - beneficiaries of state policy - made up of chiefs, headmen and their clients. These were functionaries of the South African state whose role was to mediate on behalf of South African capital and the reproduction of the Transkei region as a reservoir of cheap labour. They were agents whose relationship with the capitalist state protected them against the pressure of proletarianisation which capital could have exerted on them and whose role in

the distribution of land, the exercise of social control and the recruitment of labour (generally chiefs and headmen) was necessary for the South African State to fulfil its role as guarantor of the interests of capital in general. These class forces formed the basis as well as the bulk of the Transkei National Independence Party (TNIP).

Within the TNIP circle was also the second class composed of capitalist farmers who took over white farms incorporated into Transkei in areas such as Mount Fletcher, McClear, Ongelnksnek and Indiwe. This State Agricultural Policy was effected by the promulgation of the Bantu Self-Government Act (1959). These farms were owned by the Transkei state and were leased out on quit rent basis (on tenant rental basis). Members of this group occupied very high positions in the Transkei Government. They were the creation of the apartheid government and formed the core of the internal collaborationist bourgeoisie, dependent on both the apartheid state and its prop, the South African capital.

The rule of Chief Matanzima's government in the Transkei rested on a series of alliances formed at different levels within these class forces mentioned above. The regime for support, security and or protection also struck an alliance with the South African state through a relationship of dependence.

On the other side of the coin were those considered as victims of apartheid creation via Transkei independence. These were:

(a) A small class of petty-bourgeoisie - made up of both the traditional and the nouveaux riches (new bourgeoisie). The former were petty commodity producers (shopkeepers, garage owners etc) who owned their means of

the distribution of land, the exercise of social control and the recruitment of labour (generally chiefs and headmen) was necessary for the South African State to fulfil its role as guarantor of the interests of capital in general. These class forces formed the basis as well as the bulk of the Transkei National Independence Party (TNIP).

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On the other side of the coin were those considered as victims of apartheid creation via Transkei independence. These were:

(a) A small class of petty-bourgeoisie - made up of both the traditional and the nouveaux riches (new bourgeoisie). The former were petty commodity producers (shopkeepers, garage owners etc) who owned their means of

production yet themselves provided various parts of the labour embodied in the commodities produced. The latter were wage earners who neither produced commodities and hence surplus value nor exploited labour through the expropriation from and appropriation to themselves of surplus value. This group included such supervisory and mental labour as teachers, lawyers, bureaucrats etc. Buying the locally owned white trading concerns and passing them onto blacks by the TDC widened the scope for the development of the traditional bourgeoisie while the creation of what Innes and O'Meara (1976) call "the paraphernalia" of an independent state of Transkei, particularly the development of a local bureaucracy, expanded the opportunities for the nouveaux riches.

b) The other group within the camp consisted of those without any possibility of functioning in the capitalist production. According to Innes and O'Meara (1976:76) " This category comprised dispossessed and broken individuals, superfluous to and discarded by the apartheid system that had created them. The group existed as a type of rural lumpenproletariat⁹ on the margins of capitalism close to starvation and dependent for subsistence on hand outs, scrounging, theft and prostitution".

While the interest of the two groups of the petty-bourgeoisie had become increasingly tied to the apartheid state since 1959, the failure of the South African state to act decisively in their interest through a commitment to expand the then existing services and facilities generated strong antagonism between them and the former. The support the Transkei Opposition Democratic Party (DP) had in the 1963 general election from the majority of the petty-bourgeoisie elements thereby winning the bull of the urban

constituencies in which they (DP) congregated, testifies to the alienation of a large section of this group.

From the discussion above the question that needs answering is whether there did not exist the possibilities for accumulation through production, independent of South African state and imperialist capital, that would facilitate the emergence of a truly Transkei national bourgeoisie that could rally popular opposition to the South African capital in the region? The answer to the question of the basis for accumulation and emergence of a truly national bourgeoisie in the Transkei did not and could not exist because of the presence of the following factors:

- a) In the first place, any development of productive forces in the Transkei demanded massive investment which, according to Innes and O'Meara (1976:79) was available only from the South African capital, the South African state and its agents of foreign investments. Obviously the injection of capital from any of the three sources could not in any way establish an independent basis of accumulation.
- b) Secondly, the Transkei Development corporation that had been set up with the sole objective of promoting the development of the region instead functioned as an organ for the creation of a collaborationist, rather than a truly national bourgeoisie.
- b) Thirdly, for a truly national bourgeoisie class to emerge in the Transkei meant a complete severance of links with the South African and imperialist capital and more importantly the whole internal development of the region's labour resources. Rather the dependence on the South African state and capital increased considerably whilst the Transkei labour resources continued to be

drained from the region because the wealth produced by the industries sited in Transkei was appropriated by capital for consumption and or investment outside the region.

2.7 Working Class Paralysis

Elements of the petty-bourgeoisie whose interests and aspirations could not be catered for by the South African state and its internal collaborators became allies of the proletariat who like their South African counterparts had faced the same trade union restrictions and suffered greatly under Chief Matanzima's regime. Together, the two class forces would have been a formidable force to be reckoned with, however, given its position within the capital-labour dichotomy in the class struggle, the petty-bourgeoisie always saw the solution to its problems in purely political terms - that is, reform in the political structures rather than changes in the relations of production. The group was also said to be notoriously timid when it came to the presentation of its demands and was always more than eager to abandon such demands when offered concessions. This group's aim, therefore, was not the overthrow of capitalism, but a fairer share in its (capitalist) products and reformed political structures. The willingness of some former militants of the liberation movement to work within the apartheid structures in Transkei, exemplifies this point. As a result the South African state and its allied classes within Transkei were able to divide the petty-bourgeoisie and the proletariat and by so doing prevented a mass movement emerging in the region. This is not to say that the opposition from the two groups to Chief Matanzima's regime was completely wiped out. Rather it (opposition) was driven underground and operated anonymously. The activities of the opposition, whenever they surfaced, were met with extreme repression

under Proclamation 400. The subsequent detention of the Opposition Democratic Party leaders by Chief Matanzima's regime is a case in point.

It becomes clear from the discussion above that the independence of Transkei was essentially an aspect of the South African State intervention to restructure relations of exploitation within the broad South African social formation. It had been designed to maintain the Transkei region's function as a labour reservoir and to create and extend divisions within and between the proletariat and the petty-bourgeoisie. One of the weapons that capital had over labour and which it used with devastating results was the power to play upon the fracturing forces to intensify and formalise them so as to divide the working class against itself, thereby weakening it in the struggle against capital. One of the main political purposes of the Bantustan policy was to sow seeds of class division among the African proletariat and in this attempt the South African state and capital were assisted by the Transkei State, majority of chiefs and headmen and a collaborationist African bourgeoisie and other class forces.

With such a bleak picture as the one painted above it is understandable that workers in the Transkei did not receive any better deal from their employers, more so when the state which was expected through its officials to play its part in the tripartite system, not only shirked its responsibility towards its work force but also became "the exploiter" (through the activities of its officials) thereby abdicating its role as a facilitator in the labour relations system. It is in this light that attention is now turned to the Transkei government's pro-capital mandatorist approach to labour relations.

2.8 The Transkei State and Pro-Capital Mandatorism

The government of Chief Matanzima and those of Chief George Matanzima and Stella Siqcau made sure that no trade union should exist in the former Transkei because, firstly, none of them wanted to consult nor negotiate with their employees. Secondly, they had the perception that the non-existence of trade unions in the Transkei would entice industrialists to invest in the homeland. Thirdly, any move by workers to fight for better working conditions was perceived by the government as an attempt not only to destabilise the economy of the country but also to seek the overthrow of the government. As a result, the Transkei State adopted pro-capital mandatorist approach to labour relations. Commenting on the characteristics of pro-capital mandatorism, Bendix (1992:37) states, "pro-capital mandatorism prevails where a government favours capital to the exclusion of labour. In theory, a policy of pro-capital mandatorism is marked by government intervention to curtail employee rights. This manifests itself in the non-recognition of unions, in government curtailment of the right to strike; in laws promoting the cause of the employer and control of labour unions to promote the free enterprise and capitalist system.

Echoing the sentiments expressed above Hyman (1975:125) argues "economic stability is the precondition of goals which governments pursue, whatever complexion ... this inevitably entails the stability of a capitalist economy ... policies must be pursued which maintain what is termed "the confidence of industry" (which means, not the majority who work in industry but the minority who own and control industry); this sets rigid limits to permissible radicalism." This explains why Chief Matanzima and his immediate successors found it convenient to prevent the mobilisation of any group including workers which they thought was a threat to the capitalist system.

According to the radical/conflict school of thought, "In a capitalist society, the state is responsible for maintaining and strengthening the position of the capitalist class... the dominance of this class is maintained through the ability of the state to legitimise itself by presenting itself as neutral and acting in the best interest of society as a whole". (in Klerck et al, 1997:83). In Transkei, the state fostered this dominance through the help of the salaried chiefs, headmen, petty bourgeoisie and the South African state's agents and capital (in Transkei). Some of these salaried chiefs, headmen, petty bourgeoisie were members of the ruling Transkei National Independence Party (TNIP) as well as members of the Transkei legislature. Since the Transkei state did not succeed in its bid to achieve legitimacy from the population as a whole (as a creation of the South African apartheid regime, majority of the people of Transkei did not recognise the former homeland's independence and therefore perceived the governments of Chief Matanzima, Chief George Matanzima and Stella Siqcau as illegitimate) it was compelled to exercise its control by means of coercion through the use of the police, intelligence service, army and Proclamation 400.

Chief Matanzima's keen interest to create jobs for his people through the industrialisation of severely underdeveloped region such as Transkei (made possible by the implementation of the South African policy of industrial decentralisation) meant that he would be willing to go to any lengths to satisfy the demands of the entrepreneurs who were prepared to invest in the former homeland. One such demand, appears to me to be the provision of an enabling environment conducive to capital accumulation.

As Cole et al (1983:243) aptly state, "The state in every society has been primarily the collective expression of the dominant class interest, providing both the legitimation and coercion necessary to maintain that dominant class as a ruling class". The enabling environment facilitates the occupation of the capitalist class in positions of power, thus enabling them to influence state policies "on the basis of their superior resources" (in Klerck et al, 1997:83). As a result, the state tends to implement policies which directly promote the interests of the capitalist class (Ibid). In Transkei one can cite one or two examples such as (a) The absence in 1977 of any provision in the Transkei Labour Relations Act 13 which would have facilitated the formation of employers' organisations and trade unions and (b) the refusal of the state to either negotiate or consult its own employees which might have given employers the impression that they could deal with their employees as they wished.

Miliband (1968) cited by Finnemore and Van der Merwe (1992:103-104) argues that where a government has been pressurised to intervene in industrial relations by macro-economic forces, what is done in the name of the "national interest" is generally to the disadvantage of workers and their organisation." In such a situation, the capitalists are able not only to control but also subvert the electoral process itself as dominating positions of power and in so doing able to manipulate state institutions to their advantage. In the Transkei, employers were able to influence the state policy to pass legislation favourable to their interests i.e. the Transkei Labour Relations Act 13 of 1977 which made provision for the setting up of liaison committees, the Inspectorate Division to see to the formation and functioning of the former, the Department of Manpower Planning and utilisation, just to mention but a few but made no provision for the existence of the trade union organisation. As a result the Transkei became a

"comparator" state to serve the interest of South African state and capital. It is in the light of this that attention is now turned to the regulatory framework of the labour laws in the Transkei.

2.9 The Regulatory Framework: The Transkei State as Legislator

Before Transkei was granted independence, the character of labour relations was determined by, the South African laws, policies and practices. As a result, the institution of the master and servant contract, as derived from the Roman Law and developed through Roman Dutch Law, formed the essence of the homeland's system of labour relations (Wiehahn 1989:138). As far as statutory law was concerned, all South African legislation was generally applied in the Transkei as in the other parts of South Africa.

From available records Transkei became self-governing on 31 May 1963 and independent on 26 October 1976 in terms of the Transkei Constitution Act 48 of 1963 and the statutes Act 100 of 1976 respectively. In general, the statutes that were passed in the Transkei were closely modelled on South African legislation and where differences existed between the two countries' legislation, it was as a result of the statutes of South Africa having been amended or repealed while the Transkeian legislation remained intact. It is understandable that the system of Transkei labour relations should remain in close harmony with the South African system presumably because of the political history; the close proximity between South Africa and Transkei and the interwovenness of the two "countries" economies.

According to Wiehahn (1989:139) the objective of the 1977 Labour Relations Act 13, was to provide for an effective means of consultation and communication between employers and their workers. It was also aimed at the twin purpose of prevention and settlement of disputes between employer and employees as well as matters related thereto." The Act consisted of ten sections and provided for the following provisions with the achievement of its objectives. The most important of these provisions are outlined below.

- 1) The first of these provisions is the definition of the terms in which the meaning of thirteen expressions used in the Act was given;
- 2) The second provision was the exclusion from the application of the provision of the Act of persons in respect of their employment in the domestic services; officers of parliament; state employees; persons working in charitable institutions; persons performing work in or in connection with university, college, school or other educational institution maintained wholly or partially from public funds, and students at a university or technical college in respect of work during vacation if such work was required for the completion of their curricular.
- 3) The next, was the prohibition of strike action by those considered as performing essential services such as mine workers; employees who provided light, water, sanitation, passenger transport or fire extinguishing services etc. The prohibition of strike or lockout also applied to disputes referred to the Wage Board or agreements which were binding between the parties and which were less than one year's standing. This Act also made provision for a compulsory cooling-off period of thirty days.
- 4) The compulsory setting up of liaison committees by employers and their employees in establishment with twenty or more workers. Such as liaison

committees could have as many members as the two parties-management and workers - might decide, provided that half of the committee members represent the employers and the other half the employees. Either the employer or employees might appoint the chairman of the committee.

- 5) The functions of the liaison committees were to consider matters of mutual interest to both sides of production and to make recommendations to the employer on conditions of employment of employees or any other related matter. The Director General of the Department of Manpower Planning and Utilisation ought to be informed of the establishment of the liaison committee within thirty days of its formation. Failure to comply with this provision constituted a criminal offence, Ironically, according to most of the witnesses who appeared before the Wiehahn Commission, the Liaison Committee system did not serve the purpose it was designed for because in majority of cases it was a "club" consisting of the employer's favourite workers and any such committee members who dared to stand against an employer or management ran the risk of being victimised or even being dismissed (Wiehahn, 1989:33).
- 6) Inspectors appointed in terms of the Wage Act 15 of 1977 were so appointed to assist in the establishment of the liaison committees, maintain close contact with them and the District Commissioners and also to advise the Director General on any labour disputes and help settle them, and to perform any such function as might be assigned to them by the Minister.

- 7) The liaison committees and the employers were expected to report labour disputes in their establishment to their inspector and the magistrate of their district who were expected to assist in settling such disputes.
- 8) Disputes which could not be settled were expected to be reported to the Director General by the inspector concerned with an indication as to whether the matter ought to be referred by the Minister to the Wage Board for an investigation.
- 9) A contravention of the prohibition clause was an offence with a penalty of R1 000 or three years imprisonment or both.
- 10) There was a provision in the Act for the jurisdiction of magistrate's courts to try offences under the Act and to impose a penalty.
- 11) The Minister appointed to oversee labour matters had the power to make regulations under the Act pertaining to any matter he considered necessary for the purpose of the Act.

Most legal aspects pertaining to the contract of employment in the Transkei then were governed on common law principles which had developed from the Roman Law concept of *Locatio Conductia Operandum* (The letting and hiring of personal services in return for money payment) Wiehahn (1989:295). Equity as a factor in the employment relationship was completely ignored as a result of the harshness contained in employment under the common law principle. For example, until large areas of the original common law were displaced or modified an employer, as it happened in the Transkei, could unilaterally terminate the appointment of an employee and would not be required to give any reason(s) for the dismissal nor could he be compelled to compensate the employee in any way irrespective of length of service. The only obligation the employer had in this

regard was to give the required period of notice or payment in lieu of notice. There were no provisions or guidelines relating to matters such as paid leave, maximum required working hours, minimum employment age etc, all these were absent from the common law, leaving it entirely to the contracting parties to decide on whatever issue/s at stake. Besides, infringements of the common law employment contracts could only be legally redressed through civil legislation which in the former Transkei situation, was far beyond the financial means of an average aggrieved worker.

Notwithstanding the displacement or modification of large areas of the original common law, the contract of employment in the Transkei, unlike the industrial relations law which aims at a system of industrial democracy and self-government (Wiehahn, 1989:296) in which organised labour meets employers and their representatives on an equal footing to decide on matters of mutual interest, including terms and conditions of employment, was based on the autocratic paternalistic legislation under which workers were expected to negotiate individually with their employers. This arrangement left the individual worker vulnerable at the negotiation table thereby weakening his chances of extracting any better deal from his employer.

It must be conceded, however, that a number of Transkei labour laws regulated a number of conditions of employment. For example, the Shops and Offices Act 3 of 1979 made provision for the maximum number of hours a worker must work per week and per day; payment for overtime, Sunday and holidays; annual leave; sick leave; contracts of employment and termination thereof; certificate of service; calculation of wages; ban on work by persons under fifteen years of age; ban on employment of females near to their dates of confinement; the

appointment of inspectors and their powers; payment of amounts underpaid; ban on victimisation; records to be kept by employers and the making of regulations (Wiehahn, 1989:299-300). The Labour Relations Act 13 of 1977, also made provision for, inter alia, the regulation of the housing, feeding, treatment and health conditions of employees by the Commissioner of Labour and his Staff. The commissioner had wide powers to examine and investigate the proper treatment of employees and he could enter any premises and demand books, registers or other documents from employers for the purpose of performing his functions. There were other Labour Acts such as The Wage Act 15 of 1977; The Unemployment Insurance Act 11 of 1983; Workmen's compensation Act 20 of 1977; The Factories, Machinery and Building Work Act 35 of 1978 and the Machinery and Occupational Safety Act 24 of 1985. Apart from the provisions outlined above, there was no separate statute that specifically contained the entire spectrum of conditions of employment such as obtained in South Africa and other African countries.

All the Acts suffered some defects. One such inimical defect found in some of the Acts i.e. the Shops and Office Act; the Factories, Machinery and Building Work Act 35 of 1978 and the Wage Act, was the prohibition clause which excluded a wide variety of employees from their provisions. For example, the Shops and Offices Act excluded employees who fell under the provisions of the Factories, Machinery and Building Work Act, 35 of 1978 and a host of other workers such as, persons working in hotels, boarding houses, on farms, for the State, educational institutions, in health industry, in the mines, corporations etc. The main effect of this prohibition clause was that not only were thousands of workers excluded from statutory protection but also they could

not form or be represented by trade unions which would further their members' interests and protect their rights on a collective basis.

In spite of the stated provisions governing the terms and condition of employment in the Transkei which were supposed to protect workers against exploitation by employers, the vast majority of complaints of exploitation and non-compliance of the provisions of the various Acts by employers and state officials in charge of Labour matters in the Transkei as recounted by employee witnesses that appeared before the Wiehahn Commission (1989:303-308), centred around conditions of employment i.e.

- Hours of work - some workers worked far in excess of the reasonable number of hours prescribed by law;
- Overtime - some workers worked long hours overtime, often not remunerated and not given a rest period or meals;
- Leave - some workers were not granted annual leave nor were they compensated for the extra time worked;
- Sick leave - some workers did not get sick leave and when off sick, lost part of their wages. Often the medical certificates of certain doctors were not accepted by employers;
- Sundays and public holidays - workers were often asked to work on Sundays without being paid at the double or extra rates which they were entitled to;
- Late pay - workers were not paid on time and often had to wait days past the determined pay-day before they were paid;
- Meal intervals - workers often had to work long hours before they were allowed a meal break. In many cases they were not allowed to leave the premises to buy food;

- Minimum employment age - children, still of the school-going age were solicited to do arduous physical work;
- Letters of employment - very few workers were given "a letter" of appointment on the day they started work;
- Termination of appointment - Summary dismissals without just cause and mostly without disciplinary hearing, was the order of the day at many of the undertakings.
- Casual employees - casual employees working for years in that capacity were seldom if ever given permanent appointments;
- Sexual harassment of female workers by employers and the threat that they would be dismissed should they not succumb to the employers approaches or should they dare divulge;
- Workers training - Employers did not train Transkeian workers for jobs and very few Transkeians were indentured as apprentices over many years;
- Arrogant attitude of employers - The arrogant attitude of employers and management who showed no respect for human dignity or employees. Their approach to workers amounting to an "if you do not like it then lump it" attitude.
- Carrying of firearms - Firearms were alleged to have been carried at the work place and even brandished in the presence of workers possibly with the view to intimidating them to submission.

The 1977 Labour Relations Act interestingly did not make any provision for the existence let alone the organisation of trade unions. This omission is understandable because apart from the fact that he thought that the non-existence of trade unions in the Transkei would entice industrialists to invest in

the homeland, the indication is that Chief Matanzima detested the trade union organisation presumably because he perceived the latter as composed of aberrants and trouble makers who were hell bent on destroying the homeland's economy and overthrowing his government. With the regulatory framework of the 1977 Transkei Labour Laws in place, attention is now turned to implementing the laws .

2.10 Implementing the Labour Laws

It is interesting to note that although the 1977 Transkei Labour Act, the wage Act and Workers' Compensation Act of the same year contained provisions that explicitly explained the functions or role of the state institutions such as the Department of Manpower Planning and Utilisation and the Wage Board, none of them followed the guidelines contained in the three Acts mentioned above. On this issue Wiehahn (1989:29) has this to say, "The Department of Manpower Planning and Utilisation in particular did not perform the functions nor did it play the role of the state as it should be in the tripartite relationship. For example in spite of the existence of labour laws in the country, these were never fully applied. An even more serious case was the fact that many of the officials in the department had no thorough knowledge of the contents of labour laws nor were they aware of the general principles and elements of labour relations." There was also a serious lack of communication between the different state departments. It is alleged that when a licence to do business in Transkei was issued to the relevant entrepreneur, the Department of Manpower, Planning and Utilisation was often not informed. Consequently, the department did not know about the additional job opportunities that had been created or the new workplace where potential labour unrest could erupt. Again, in spite of the stated provision under liability for compensation in the Workers'

Compensation Act of 1977, which states, inter alia, that compensation shall be paid to any workman entitled thereto either:

- a) by the employer individually liable or;
- b) by the commissioner assigned for this job from the accidents' fund; and
- c) that periodical payments should be made at intervals not longer than twelve months (Workers Compensation Act 1977:83), such benefits were either not paid out, or payment to injured workers delayed for such a long time (in some cases even seven years) that many of the affected workers did not believe in the system any longer (Wiehahn 1989:30). It is also alleged that after signing document after document over a long period, officials at a certain stage actually included receipts among such documents for signature of the unsuspecting worker without paying the beneficiary at the time of signing and when the beneficiary eventually demanded his money he was told by the officials that he had already received it and his signed receipt was presented as proof of him having received the money (Ibid).

The apparent unwillingness of the Department of Manpower Planning and Utilisation to seriously investigate workers' complaints and the alleged refusal of the Attorney General to prosecute employers who contravened the labour laws unless he (Attorney General) had had approval from the Department of Manpower Planning and Utilisation - approval that rarely came (Wiehahn 1989) was to say the least, the most frustrating situation which could demoralise even the most devoted and loyal worker.

Inspectors appointed to visit the workplaces in order to ascertain the working conditions there and to report back to the appropriate authorities seldom did so. Some employers alleged before the Wiehahn Commission that they had

never seen a labour inspector of any kind at their businesses ever since they started operating in the Transkei. In cases where a visit had been made, such visit would have been once in four or five years (Wiehahn 1989:31).

2.11 The Transkei Military Council as Legislator

On 21st August, 1990, Decree No. 12 (Labour Relations) of 1990 was promulgated. The "Decree provided for the following: The registration and regulation of employers' organisations and trade unions, the promotion of the process of collective bargaining; the prevention and settlement of disputes between employers and employees; the regulation of terms and conditions of employment by agreements, mediation and arbitration; the establishment of a National Manpower Commission and the definition of its functions; the control of labour brokers and industrial matters (Decree No. 12 (Labour Relations) of 1990:2).

It is worthwhile to note that although the "Decree" made provision for the 'Regulation' of terms and conditions of employment, it had none (provision) for 'The terms and conditions of employment. The possible explanation is that the government of Major General Bantu Holomisa might have been satisfied with the terms and conditions of employment as obtained during the previous government and had therefore, decided to retain them.

The government of Major General Holomisa was described by the trade union officials questioned as a "benevolent dictatorship". Despite the fact that this government had facilitated the emergence of employers' organisations and trade unions and had replaced the 'draconian labour legislations' (in Klerck et al. 1997:170) i.e. Transkei Labour Relations Act 13; 1977 which governed labour

relations before 30th December 1987, with a new labour legislation, (Decree No. 12-Labour Relations) of 1990, adversarial labour relations persisted. The Transkei National Defence Force's take over of the government of Stella Sigcau on 30th December 1987 had brought with it great expectations that, for example, the exploitation and injustice at the workplace in Transkei would cease, rather 'paternalistic managerial practices remained'. (Ibid). Miss Nokuku Mity (SACCAWU), Mr Sydney Mpahele (NUMSA) and Mr Siyabulela Ndunge (SADTU) accused Major General Bantu Holomisa's government of being selective in the way it dealt with the determination of wages for the various categories of workers. They alleged that the government favoured 'general assistants' (labourers such as cleaners, gardeners etc.) against teachers and nurses. The Butterworth branch chairman of SADTU cited the case of withholding money meant for teachers by the government which led to the 1993 teachers' strike. Major General Bantu Holomisa was alleged to have called in soldiers to beat the striking teachers. Hence, the trade union officials did not see much difference between this government and the previous governments under Chief Matanzima, Chief George Matanzima and Stella Sigcau. They conceded, however, that for facilitating the emergence of trade unions in Transkei and allowing freedom of movement, association and speech, they were grateful.

The period witnessed an upsurge of the number of unemployed people. Over the period 1990 to 1993 employment in industry alone fell from 16 101 to 8 672 (Transkei Industrial Survey 1993). "By 1994 the number had further declined to 6 500" (Mr Les Holbrook, Executive Director of the Transkei Chamber of Commerce - now Kei Chamber of Business).

2.12 Conclusion

From the discussion so far, it becomes clear that instead of the Transkei State playing the role of a facilitator rather chose to side with employers hence its adoption of pro-capital mandatorism, hereby abdicating its responsibility towards its workforce. The state's anti-union stance is understandable when one comes to think of the fact that workers in the Transkei were perceived by the state as trouble seekers whose main objective was to destabilise the country's economy and then seek the overthrow of the government. Hence the government's refusal to either consult or negotiate with its own employees. The government's uppermost desire to entice industrialists to invest in the Transkei was also a factor that cannot be ignored. It is hoped, however, that in future the government of the Eastern Cape of which the Transkei now forms a part, will play the role of the facilitator in labour matters in the state and by so doing bring about industrial democracy and peace at the workplace. With the discussion of the Transkei state's pro-capital mandatorism in place, the next chapter (chapter 3) will be devoted to autocratic unitarism-employer strategies and practices in the former Transkei.

CHAPTER THREE

3.0 EMPLOYERS AND AUTOCRATIC UNITARISM

3.1 Introduction

The philosophy behind Transkei management practices between 1976 and 1987 was the maximization of profit and accumulation of capital for further growth, the former which would be transferred to the consolidated accounts of parent companies outside Transkei. Hence the need for cheap, abundant, illiterate and docile labour. This means long hours of work by workers and less pay. Workers were not allowed to form trade unions, thus they were hopelessly unorganized. There could therefore not exist a forum for collective bargaining at the workplaces in Transkei. Any workers' resistance that surfaced was met with extreme repression and dismissals by employers calling in the police to force workers concerned to resolve the dispute failing which the state intervened by invoking Proclamation 400, hence the perception of harmonious labour relationship between management and workers until the 1989 strike.

3.2 Defining Management

Management is a process whereby people in leading positions utilise human, financial, physical, informational and other resources effectively as possible in order to provide certain products and services with the aim of fulfilling particular needs and achieving the stated goals of business (Cronje et al 3 ed) 1995). Management also expresses the belief that economic change can be made into the most powerful engine for human betterment and social justice. Drucker (1986:4) commenting on the indispensability of management in the modern industrial society states, inter alia, "Management which is the organ of

society specifically charged with making resources productive, that is with the responsibility for organised economic advancement, therefore, reflects the basic spirit of the modern age."

3.3 The Origins of Management

According to Klerck et al (1997:118) "the origins of modern management can be traced back to the development of the joint-stock, limited liability corporation," which makes the concept, historically, a recent phenomenon. Kerr et al cited in Eldridge et al (1991:47) describe the transition in the development of industrial societies "as one of a shift from patrimonial¹⁰ to professional management."

As enterprises became larger and more complex ... and changes in technology, employee relations, international markets, and social and political conditions became increasingly complicated and demanded greater levels of co-ordination and control, it became more expedient to form joint-stock companies through which the enterprise acquired a separate jurisdictric personality (in Klerck et al 1997:118). Echoing the sentiments expressed above, Braverman (1974:60) argues, "the need for the provision of a workplace, the ordering of processes within it, the concentration of the supply of materials, scheduling of priorities and assignments, the maintenance of records of costs, payrolls, materials, finished products, sales, credit and the calculation of profit and loss, among others, required conceptual and co-ordination function which in capitalist industry took the form of management." The assumption of these functions as manager by the capitalist was by virtue of his ownership of capital, which in effect thrust upon him the control of the enterprise.

Like a rider who uses reins, bridle, spurs, carrot, whip and training from birth to impose his will, the capitalist strives through management to control (Ibid). Hence control has become the central concept of all management systems as implicitly or explicitly recognised by theoreticians of management. Urwich (1946:10-11) the rhapsodic historian¹¹ of the scientific management and himself a management consultant (Braverman, 1974:68) has this to say of the concept of managerial control;

"In the workshops of the Medieval "Master" control was based on obedience which the customs of the age required the apprentices and journeymen to give to the man whom they had contracted to serve. But in the latter phase of domestic economy, the industrial family unit was controlled by the clothier only in so far as it had to complete a given quantity of cloth according to a certain pattern. With the advent of the modern industrial group in large factories in urban areas, the whole process of control underwent a fundamental revolution. It was now the owner or manager of a factory i.e. the "employer" as he came to be called, who had to secure or exact from his "employees" a level of obedience and/or co-operation which would enable him to exercise control. There was no individual interest in the success of the enterprise other than the extent to which it provided a livelihood".

Control without centralisation of employment was, if not impossible, certainly very difficult, hence the foremost task of management was to gather workers under a single roof. The first effect of this move was the enforcement upon the workers regular hours of work in contrast to the self-imposed phase (of the Medieval era) characterised by interruptions, short days and holidays which prevented lengthening the working day. The rationale behind the grouping of

workers under one roof according to Grass (1930:77) was purely for purposes of discipline, so that the workers could be effectively controlled. For example, they could be started to work at sunrise and kept going till sunset, barring periods for rest and refreshment.

Within the workshops, the early management assumed a variety of harsh and despotic forms, since the creation of a "free labour force" required coercive methods to habituate the workers to perform their task and keep them working throughout the day and the year (Braverman, 1974:66). Pollard (1965:38) notes, "there were few areas of the country in which modern industries, particularly the textiles, if carried on in large buildings, were not associated with prisons, workhouses and orphanages." He disagrees with those who hold the notion that "new works" were contracted under free labour only, and concludes that "the modern industrial proletariat was introduced to its role not so much by attraction of monetary reward, but by compulsion, force and fear" (Ibid). It is therefore, not surprising that even today, a greater number of managers find it very difficult to let go their hold on the autocratic unitarism in their relationship with their employees.

3.4 The Managerial Prerogative

Managerial prerogative (also called managerial tasks or Man-Boss relationships)¹² has more to do with the specific problem of how best to control labour power that is bought and sold (Braverman 1974:90). The concept is usually grounded in either private property rights or in a perceived monopoly of knowledge and expertise to make the "right" operational decisions. It is the view of Storey (1976:41) that "managerial prerogative represents an area of

decision making over which management believes it should have (and acts as if it does have) sole and exclusive rights of determination and upon which it strenuously resists any interference." This includes the sole managerial discretion over issues such as investment, recruitment, retrenchment, plant closure and technological restructuring.

For a company to remain profitable and management to retain the overall control of the former means a constant pressure on the latter to resist any extension of joint regulation thereby enhancing the restoration of unilateral regulation whenever possible (in Klerck et al 1997:119).

The problem with the concept, however, is that its extensive application often leads to a lack of commitment, low levels of trust and high labour turn over, hence it cannot provide the basis for a long-term cooperative relationship between employers and employees. Because businesses seldom function according to initial plans, management is compelled to monitor all activities in a continuous basis to identify deviations in time in order to bring about the necessary modifications or corrections hence the need for managerial control (Kroon 1995). Control has been an essential feature of management throughout its history but with the advent of Taylorism, it assumed unprecedented dimension. Prior to Taylor's era, managerial control over labour had taken the form of gathering together workers in a workshop as well as dictating the length of the working day. Besides this, management supervised workers to ensure diligent, intense, or uninterrupted application; the enforcement of rules against distractions such as talking, smoking or leaving the work place, that were perceived to interfere with the application and setting of production

minimums (Braverman 1974). A worker was said to be under management control when subjected to these rules or any of their extensions or variations.

Taylor raised the concept of managerial control to an entirely new dimension by asserting an absolute necessity for management to dictate to the worker the precise manner in which work should be performed. Much as one admits that management's right to control labour before Taylor's time was not questioned this right meant only the general setting of the tasks with very minimal interference as to how the worker performed his task.

The adherents of Taylorism felt this approach was reductionist and insisted that management remained a limited and frustrated undertaking so long as it is left to the worker any decision about the performance of the work. Hence Taylor and his adherents favoured a system which gave management complete control of the actual mode of performance of every labour activity from the simplest to the most complex. This is consistent with Copeland & Grigg's (1986) observation that in India and Latin America those in authority believe that employees want a strong boss who gives orders and that workers dare not question a manager's word. This runs contrary to the belief that managerial prerogative cannot be seen as a fixed set of rights, but rather as a residue of management discretion left untouched by present laws and collective agreements (see Storey 1983:100-10).

The attempt to conceptualise the variations in managerial control is said to have led to the widespread adoption of the notion of 'frontier' of control. Klerck et al, (1997:123) assert that the concept 'frontier' allows a range of possible tactics by management with the degree of discretion conceded to workers being

dependent upon the levels of worker resistance and competitive market pressures. They argue further that the interplay of control and resistance is said to generate force which shapes the nature of the control system itself. Friedman (1977); Edwards (1979); Burawoy (1985); Keenoy (1985); Goodman (1984) and Purcell (1987) in an attempt to capture the interplay between control and resistance have constructed "broad typologies of managerial strategies "(in Klerck et al 1997:123-135) some of which will be discussed later.

A vigorous attempt to put into clear perspective the rival forms of control has been a permanent feature of the production process. Edwards (1979) affirms that, the workplace can be likened to a battleground where employers attempt to exact maximum effort from workers, who in turn necessarily resist their bosses' imposition. The employment relationship, it is argued, is inherently conflictual because, the interests of workers and employers collide, and what is good for one is frequently costly for the other. Control is rendered problematic because ... labour power is always embodied in people, who have their own interests and needs, and retain their power to resist being treated like a commodity (1979:12). Klerck et al (1997:123) argue that management and labour are involved in a give-and take- situation and the balance of power at a given time determines the frontier of control and that it is precisely the resistance of workers to Taylorised form of control which forced management to seek alternative strategies of control.

Friedman (1977) in Klerck et al, (1997:125) 'attributes the main shortcoming of Taylorism to its rigidity and argues that conditions are not always conducive to the adoption of such an approach'. That the one-sided emphasis on direct forms of authority is the outcome of Braverman's neglect of worker resistance.

Friedman identifies two broad forms of control, namely: 'direct control' - where almost every aspect of the worker's job is tightly controlled and predetermined by management, and responsible autonomy where groups of workers are given freedom within limits to control their own methods and pace of production. While responsible autonomy is said to be operational in an undertaking with relatively privileged and skilled workers imbued with elements of job control and discretionary powers, direct control is said to be most suited to firms with unsuitable product market and poorly organised ('peripheral') employees. (in Klerck, et al, 1997:126).

While Friedman views responsible autonomy as a major strategic form of management and a general trend in the overall strategy of the process, he concedes that neither strategy (direct control or responsible autonomy) is possible as an ultimate ideal since both contain fundamental contradictions. He argues that while the continued success of responsible autonomy depends on high levels of profitability ('which sometimes is not easy to achieve'), direct control is impossible in its pure form because workers cannot always be closely supervised and that even the most unskilled work still demands some degree of discretion on the part of the worker (Ibid). In response to the criticism that his model is too simplistic, Friedman argues that his dualistic framework reflects the fundamental tension between the need to gain co-operation from those who do the work, and the need to force them to do things they do not wish to do (1986:121).

Klerck et al (1997:12) attribute the strength of Friedman's argument to its emphasis on the links between management strategies and labour product market conditions. They cite his case study at the car industry in Coventry (UK)

and argue that doing subcontract work in small firms where the level of unionism was low, management hired and fired labour according to the rise and fall of demand while within the large car plants where there was visible strong unionism and the firms could offer relatively stable employment, management were predisposed to adopt more co-operative strategies. It can be seen from Friedman's argument that there are periods when contributions of high product demand, scarce labour and strong worker organisations compel some employers to implement forms of control which leaves considerable autonomy in worker's hands. Thus responsible autonomy reflects an attempt to harness workers own knowledge and abilities to achieve higher levels of production (Ibid).

Edwards (1979) identified three stages of control arising from the development of production and worker resistance in the USA (in Klerck et al, 1997:126). He argued that under conditions of competitive capitalism, employers were able to exercise authority directly which he called "simple control". This form of control was prevalent in small size industries. The predominance of the small, family firms led to the perception that employers have the exclusive right of 'control'. Hence employers/managers have the tendency to want to supervise the work and conditions of employment directly. This form of managerial control, according to Klerck et al (1997:127), "is characterised by personal control and paternalism.

The demise of the 'simple control' was not only due to the advent of experimentation which coincided with the rise of monopoly capitalism but also, according to Edwards (1979) 'the developments in technology which required planning and the delegation of authority; the concentration and centralisation of capital; an increase in the size and organisational capacity of the workforce and

"the increasing levels of unionisation" (in Klerck, et al, 1997:127). Emphasis was now placed on incentives like selected non-job benefits which Edwards calls 'welfare capitalism'. Incentives such as company housing, medical aid, leisure facilities and others reflected management's awareness of the need for positive incentives to integrate the workforce. The schemes failed because they were aimed more at legitimising the existing patterns of authority and masking the underlying causes of discontent rather than the integration of industrial unions (Ibid).

Edwards (1979) also talks about 'Technical Control' which corresponds to 'assembly lines and other forms of mechanisation'. This control was said to be rooted in the physical or social structure of the enterprise rather than being dependent on the personal power of the employer. The weakness of this form of control according to Edwards, lay in the way it created a homogeneous workforce by subjecting all employees to a common pace and pattern of work. This realisation led to the development of "institutionalised, hierarchical command structures based on systematic administrative procedures which Edwards calls bureaucratic control (in Klerck et al 1997:129). Edwards believed that fixed rules procedures and rewards were more effective forms of control than management by whim and command. Burraywoy (1985) on the other hand talks about 'despotic' and 'hegemonic' regimes¹³. The former is said to be characterised by arbitrary and authoritarian rule by management while the latter is signified by the shift to formalised bargaining and employee participation. Under the system of hegemonic control, consent prevails over coercion (in Klerck et al 1997:129). The problem with management by consent (hegemonic control) is that it has its own inherent problems. The constraints of profitability imposed by the adoption of 'hegemonic regimes' have, according to

Burrawoy, forced employers to rethink their commitment to participation and co-operation. What precipitated the shift away from hegemonic forms of control was said to be the increasing global capital flight. The ever-present threat of relocation laid the basis for what Burrawoy terms 'hegemonic despotism'¹⁴ (1983:150):

The interests of capital and labour continue to be concretely co-ordinated, but whereas before labour was granted concessions on the basis of the relative profitability of one capitalist vis a vis another - hegemonic despotism is not the arbitrary tyranny of the overseer aimed at individual workers - but the 'rational' tyranny of capital mobility aimed at collective worker ... The fear of being fired is replaced by the fear of capital flight, plant closure, the transfer of operations and disinvestment (Burrawoy 1983:602-3). The edge capital seems to have over labour as portrayed by Burrawoy above (hegemonic despotism) seems to reinforce Salamon's (1992:129) argument that "so far as management is concerned the primary purpose of labour relations is to support its objectives and strategies in the financial and productive aspects of the business". Hence employer's preference for, as Goodman (1984:82) puts it, "minimum unit of labour cost ensured internal certainty and the retention of maximum managerial control". Purcell's (1987:536-37) description of 'commodity' status and 'paternalism' under the 'individualism model' and the unitary and adversarial under 'collectivism' dimension runs parallel to Goodman's three models of managerial objectives mentioned above.

Under the 'commodity status', the employee is perceived as a unit of production to be hired and fired in accordance with demand, and therefore has little job security. Management's focus is on direct control and profit maximisation.

This was the case of the former Transkei under the governments of Chief Matanzima, his brother Chief George Matanzima and Stella Sigcau. Under 'paternalism' model, the employee is regarded as subordinate and in need of the guidance and welfare of a benevolent employer. The emphasis is on 'caring for' rather than developing human resources (Major Bantu Holomisa's era). Of the 'unitary model' under collectivism dimension, management is opposed to all forms of collective regulation and challenges the legitimacy of collective arrangements. This normally applies to non-union enterprises-reminiscent of the regimes of Chief Matanzimas and Stella Sigcau. Under the 'adversarial model', management's focus is on stability, control and the institutionalisation of conflict. Collective bargaining is characterised by a reluctance to compromise and clearly defined areas of collective decision-making (Purcell, 1987:536-37) characteristic of Major General Bantu Holomisa's era.

In summary, "the contradictory nature of employment relations rules out simple 'either/or' models" (in Klerk et al 1997:130). They argue that there are several different ways in which an enterprise can be made efficient and competitive. Employees and their unions, for example, may effectively oppose some approaches while demonstrating a preference for others. The real limits to consensual managerial strategies, according to Cressey et al (1985:171) "are found not in a determinist approach to management and organisations, which sees their choices as made for them by a logic of economic circumstances, but paradoxically, in a very pluralism of organisations, and the fact that alternative choices could be made".

3.5 Conceptualising Management in the Former Transkei : 1976 -1987

With the attitude of Chief Matanzima's and Stella Sigcau's governments towards the trade union movement as outlined in chapter two, it is not surprising that employers in the former Transkei employed the "traditional style" based on autocratic unitarism in their relationship with their employees.

Unlike the pluralist perspective which accepts the concept of society as being composed of diverse competing individuals coalesced into variety of distinct sectional groups, each with its own interests, objectives and leadership, the autocratic unitarist approach assumes that society is a holistic structure of authority and that social processes are determined by a single source, power and leadership. The organisation is viewed as a coherent group of team bound together by feelings of loyalty and trust, with a single, common aim: the continued profitable existence of the enterprise (Bendix 1992:48; Salamon 1992:31).

The perspective is, therefore, based on the classical economic viewpoint that the primary objective of any company in the capitalist system is perceived as the maximisation of profit and accumulation of capital for further growth. Hence labour cost must be kept to the minimum and collective worker action discouraged. Workers are regarded as another factor of production to be used and then discarded according to the dictates of the market. Because unionism is seen as an aggressive act by employees against management, the latter's control over the entire employment relationship is deemed essential. In the United States where non-unionism is a strategy favoured by many employers, the prospect of being unionised is described as the corporate equivalent of catching AIDS (Feuille 1991) as cited in Finnemore and Van der Merwe

(1992:82). As a result the labour relations strategy is generally union suppression coupled with an autocratic management style.

The situation detailed above was endemic in the former Transkei which makes the utilisation of the autocratic unitarism relevant to this study. Workers exploitation by their employers was rife in the Transkei but there was nothing the former could do to challenge employers' domination because of the hostile attitude of both the state and capital towards any form of industrial action and also for the fact that workers were hopelessly disorganised to be able to mobilize the entire workforce to fight for their rights (see the analysis under table 3.2 for confirmation of employees' exploitation by employers. The following were some of the complaints laid against employers when worker-witnesses appeared before the Wiehahn Commission of 1989 in the Transkei. As Wiehahn (1989:33-37) puts it, "Few employers followed legally accepted procedures when they applied discipline and in most cases workers were dismissed for negligible reasons or not reasons at all." The worst of it was that the most fundamental principles of natural justice such as giving an accused the opportunity to state his case were ignored. The wage given to workers was in most cases even less than the minimum laid down by a wage determination, award or other legal provision.

As already stated, whenever a labour dispute arose, employers and managers called in the police not only to harass the workers involved but also forced them to resolve the dispute. This confirms Bendix's (1992:40) argument that, "essentially the police has no role to play in labour relations because it is not supposed to side with either party except for example, one of the parties - employers or employees, poses a threat to the public or causes a public

disturbance. Unfortunately, it is usually employees and their unions who are seen as causing a disturbance or infringing upon the rights of other individuals. Consequently, the police are viewed as siding with the employers." It is imperative, therefore, that police intervention should be entertained or called for only in extreme cases and only for the purpose of public protection or preventing individuals from harming one another. There was also the arrogant attitude of employers and management who showed no respect for the human dignity of employees. Their employer attitude to workers amounted to an "if you don't like it then lump it."

When confronted by the Wiehahn Commission most of the employer- witnesses admitted that the allegation of workers exploitation by their employers was true but blamed the circumstances under which they operated for this state of affairs. These included "low profit margins; an over supply of labour; low productivity of workers; a negative work ethic in the Transkei; a relatively large, unskilled and even illiterate workforce and the lack of commitment on the part of the relevant state department. This confirms the argument by Kochan and Katz (1988) cited in Finnemore and Van Der Merwe (1992:83) that, "A number of environmental and organisational conditions appear to facilitate this type of employers strategy (union suppression and autocratic management style) among which are: the employment of unskilled workers with few local markets and an abundant supply of alternative labour; low recruitment and training costs; low profit but highly competitive industry; smaller firms and the lack of personnel management staff." In order to achieve maximum amount of profit employers need to control their labour force to make them as productive as possible. They therefore tend to make labour as unskilled as feasible, cheapen it and regulate it so that the workers are constrained to act according to the

specifications of the employer. Such tendencies create an increasing serious disadvantage, that is, the loss of employee good will, the emergence of worker resistance, and high levels of labour turnover.

One of the reasons why employers in the Transkei adopted the practice of autocratic unitarism and union suppression and got away with it may be due to the argument Hyman (1974:359-62) puts forward, that "workers have no hope of forcing management to accept their demands if they can be replaced easily and have little chance of finding a new job if sacked." Commenting on the same issue Edwards & Scullion (1982) state, "the degree to which workers consent to management direction or come into conflict with it depends upon the precise techniques of managerial control used and the circumstances of particular groups of workers." From the investigations they (Edwards & Scullion) conducted in seven factories in Britain, it came out that in the clothing factories, workers tended to accept the tight control as natural and inevitable because many of them had come straight from school and had no experience of other work. Dissatisfied workers tended to leave the companies because the workforce had not organised themselves to challenge management, and individual workers were too isolated to try to change the status quo.

In the large metal factory, however, management was in a much weaker position because the company proved not very profitable, hence the wages offered were comparatively low. Secondly, the company could not control the skilled workers because they were not easy to be replaced. Thirdly the skilled workers were well organised and saw management as incompetent and often came into conflict with them. This was because they resented the low wages and on a number of occasions, as skilled workers, they could successfully challenge management's

attempts to increase control over the labour process. To Edwards & Scullion (1982) neither conflict nor consent are typical of the workplace as both are possible depending on particular circumstances. In the former Transkei situation where majority of the factory and commercial workers were unskilled and could easily be replaced, unilateral decision making by management predominated.

It was not only economic factors that facilitated union suppression in the former Transkei but also the political history of the country. Portrayal of unions as part of the total onslaught against the capitalist system supported the policy of what is termed "union bashing" on a wide scale. Many employers in the Transkei found that the shift from their traditional autocratic management style to one of accommodation with the prospect of the existence of trade unions at the workplace would not only be intolerable but totally unacceptable (see the analysis under table 3.3 to confirm employers negative attitude towards trade unions). What compounded the problem was the idea of the imposition of collective bargaining which would bring in its wake additional issues being placed on the negotiating table and demands for more and more disclosure of information, which employers felt would erode their managerial prerogative to run their businesses in the manner they chose.

3.6 Post 1987

After the overthrow of Stella Sigcau's government and the legitimization of trade union existence in the Transkei by Major General Bantu Holomisa's government, it was expected that there would be a dramatic change in managerial practices - from the rigid autocratic management style to a humane, accommodating one. Employers had to accept that they could no longer

continue, intact, their erstwhile managerial practices. For instance, management could not take any decision that affected the production process at the establishment without consulting the workers. For the first time, workers could organise, unite and advance their legitimate demands through collective bargaining. Shop stewards, for example, represented workers at the plant level and liaised between them (workers) and the representative unions for their mutual benefit. The labour climate was less oppressive with unions being established to protect workers against intimidation and exploitation.

This is not to say employers/managers abandoned completely, overnight, their former managerial practices. As was put by Mr Gwadana (NEHAWU) and Miss Nokoku (SACCAWU), "employers were still not flexible. They could still dismiss their workers with ease as there was no legislation to prevent such dismissals". The Decree No. 12 (Labour Relations) of 1990 which was meant to set the pace for the implementation and or regulation of labour laws in the Transkei was reductionist. While it (Decree) provided for the regulation of terms and conditions of employment, it made no provision for 'terms and conditions of employment'. This loophole might have prompted employers/managers to be selective in the approach adopted to deal with individual cases as they cropped up.

According to the union officials who were interviewed, the government of Major General Bantu Holomisa, the largest employer of labour, besides facilitating the emergence and functioning of trade unions in the Transkei, did not do much to help workers in their fight against exploitation and had it not been the militant stance (the prospect of industrial action such as 'the strike option) taken by the emergent unions, authoritarian management practices would have continued

unabated. It is in this light that attention is now turned to the survey findings on the role of employers/management in the former Transkei.

3.7 Survey Findings

3.7.1 Introduction

The questions listed for the questionnaires administered to the management staff are reflected in Appendix B. The age range of the establishments (workplaces) involved in this study is from five to eighteen years. As to the size of the various undertakings, 31% of the respondents said they fell within the small category; 41% were of the medium size while the remaining 28% were large. The number of the workers in the individual workplaces ranged from 6 to 2 239.

3.7.2 Demographic Features of Management

One hundred and twenty questionnaires were administered to the Management staff from various sectors of the economy out of which eighty were returned which represents 66.6% number sent out. The age range of the respondents was from thirty two to sixty seven years. Of the eighty respondents, there were six females and seventy-four males. The age range of the females was from thirty-two to thirty-nine years. Seventy of the eighty respondents were married as against ten who were single. Of the married group, sixty-seven were males and the other three females.

The breakdown of their educational background is as stated below; thirty of them possessed the matric certificates; eight had teacher's certificates; fifteen of them possessed university degrees; seventeen had attained

Technikon education while the remaining ten had studied to the N 3 Level (National Technical Certificate).

With regard to the employment status fifty out of the eighty respondents were in the top executive management while the rest of (30) were in the middle level management status. The number of years as managers ranged from five to thirty five years. All of them received monthly income ranging from R2 500 to R9 000. As many as thirty of them were not prepared to divulge their income saying it was private and confidential.

3.7.3 Perception of Workplace Relations

Table 3.1 - Labour Relations Between Management and Employees

CATEGORY	FREQUENCY	PERCENTAGE (%)
Excellent	16	20
Satisfactory	39	49
Unsatisfactory	14	17,5
Very unsatisfactory	11	13,5
TOTAL	80	100

Source: Author's Survey- 1993/94

As indicated in Table 3.1 above, twenty and forty-nine percent of the eighty management staff said that the labour relationship between them and their employees was excellent and satisfactory respectively while 17,5% and 13,5% others said the relationship was unsatisfactory and very unsatisfactory. The analysis reveals that majority of the respondents (75%) felt that they had a very satisfactory relationship with their employees. The cause of the excellent relationship, according to this group could be attributed to the following

factors: The existence of face to face relationship leading to openness and therefore less conflict. When any problem cropped up, it was solved amicably through bilateral negotiation between management and workers to the satisfaction of all. There also existed mutual respect between management and labour. This relationship was symptomatic of medium and especially small size industries. The other group with the unsatisfactory labour relationship with their employees, on the other hand, said there was much agitation and conflict between management and workers sometimes leading to strike and even violence. This was more common in the comparatively larger companies.

Table 3.2 - Workers Exploitation

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	63	78,75
No	17	21,25
Don't Know	0	0
TOTAL	80	100

Author's Survey- 1993/94

Even though the majority of managers (69%) reported harmonious labour relationship with their employees at the workplace (see Table 3.1) most of them (78,75) admitted that workers in the former Transkei were exploited (see Table 3.2) but blamed the circumstances under which they operated in the Transkei for this state of affairs (see page 110 and 111)

3.7.4 Attitudes to Collective Organisation of Workers

Table 3.3 - Attitude to Trade Unionism

CATEGORY	FREQUENCY	PERCENTAGE (%)
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Table 3.3 continued

Very positive	0	0
Positive	30	37,5
Negative	45	56,25
Very Negative	5	6,25
TOTAL	80	100

Source: Author's Survey- 1993/94

As Table 3.3 indicates, 37,5% of the eighty respondents said that workers output at work had increased while the majority (62,5%) said there had been no change. The table shows that whereas in some industries there had been a positive sign of change for the better, in many others there had been no change. It is the view of the former group that workers in the Transkei had become aware of their rights and responsibilities and had realised that they had a heavy responsibility towards the existence and continued survival of the establishments in which they worked. The majority (62,5%) view was that trade unions that had just emerged in the Transkei had given management the impression that they (unions) controlled the businesses and that managers were at the workplace to do their bidding. They also said that workers had become too politicised and their expectations had reached unachievable levels hence their inability to deal with disappointments and were therefore less inclined to work harder to increase productivity. It is clear from the analysis above that the majority (62,5%) of managers in the former Transkei had a negative attitude towards trade unions.

Table 3.4 - Reaction to the Non-Existence of Trade Unions

CATEGORY	FREQUENCY	PERCENTAGE (%)
Very happy	11	13,75

Table 3.4 continued

Happy	34	42,5
Unhappy	26	32,5
Very Unhappy	9	11,25
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.4 above indicates that the majority of the managers (56,25%) were happy that trade unions did not exist in the Transkei while the rest (43,75%) were unhappy. The happiness of the managers who were opposed to the existence of trade unions in the Transkei emanated from the fact that they perceived the unions as nothing more than trouble makers who took delight in causing confusion and strife at the workplace which could lead to decline in production. On the other hand those managers who were unhappy with the state of affairs (43,75%) said that the non-existence of trade unions did no good to either employers or workers. They argued that a good and effective trade union if handled properly is an asset to industry. They went on to say that without trade unions to organise workers to enable them obtain a better deal from management can lead to misunderstanding, conflict and disorganisation at the particular industry or workplace.

Table 3.5 - Co-existence with Trade Unions

CATEGORY	FREQUENCY	PERCENTAGE (%)
Stay and continue with business as usual	43	53,75
Close down and move elsewhere	0	0

Table 3.5 continued

N/A	37	46,25
TOTAL	80	100

Source: Author's Survey- 1993/94

As the analysis in Table 3.5 above shows, forty-three of the eighty respondents (53,75%) said even with the emergence of trade unions in the Transkei, they would stay and continue with their business. The other thirty-seven respondents (46,25%) belonged to the Department of Education and the Civil Service. As to why they would stay and continue with their business, the forty three respondents said that business anywhere in South Africa, if not everywhere in the world has its problems so moving out of Transkei because of labour problems would be defeatist that will not do business any good.

It must be noted that of the eighty management staff, forty-three of them belonged to the business sector (see Table 1.2 in the introduction). It is this number (all the businessmen) that would stay on. The only sense one can make out of this situation is that either business in the Transkei had completely changed its negative attitude towards trade unions or it was prepared to co-exist with them (unions) because it (business) had no choice..

Table 3.6 - Existence of Liaison Committees

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	39	48,75
No	41	51,25
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.7 - Effectiveness of the Liaison Committees

CATEGORY	FREQUENCY	PERCENTAGE (%)
Very Effective	5	6,25
Effective	24	30,0
Ineffective	5	6,5
Very Ineffective	5	6,25
Don't know	41	51,25
TOTAL	80	100

Source: Author's Survey- 1994

According to Table 3.6 above, thirty-nine (47.75%) of the eighty management staff involved in the exercise had liaison committees in their undertakings while the remaining forty-one (51.25%) did not. As indicated in table 3.7 of the thirty-nine managers whose establishments had liaison committees, five of them (6,25%) said their committees were very effective, 24 others (30%) said they were effective while five each of the rest (10 managers - (12,5%) said their committees were either ineffective or very ineffective.

It is worthwhile to note that the majority of workers, four hundred and twenty five out of six hundred and thirty-six (66,8%) questioned on the issue of liaison committees (see Table 4.3.a) said they had no knowledge of their existence. Of the remaining two hundred and eleven workers (33,2%) who were aware of their existence, twenty eight of them (4,4%) said the committees were very effective, fifty (7,9%) said they were effective; fifty four others (8,5%) of the two hundred and eleven workers said they were less effective while the remaining seventy nine (12,4%) said they were not at all effective (see Table

4,6). The analysis, as outlined above, confirms Wiehahn commission's Report (1989:33) that states, inter alia, that the liaison committees system in the former Transkei did not serve the purpose it was designed for and that in majority of cases, it was a "club" consisting of the employers' favourite workers, such that any of these committee members who dared to stand up against the wishes of an employer or manager ran the risk of being victimised or even being dismissed. The conclusion from the analysis above shows that the liaison committees wherever they existed, were only cosmetic.

3.7.5 Determination of Terms and Conditions of Employment

Table 3.8 - Joint Determination of Terms and Conditions of employment

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	43	53.75
No	37	46,25
TOTAL	80	100

Source: Author's Survey- 1993/94

As indicated in Table 3.8 above, forty-three (53,75%) of the eighty respondents said they consulted their employees on terms and conditions of employment, while the remaining thirty-seven (46,25%) said they did not. The majority of the managers (53,75%) said that they held regular meetings with their employees on matters that affected the smooth running of their undertakings which produced good results. They ended by saying that their workers were given the choice to air their views on any labour matter at the workplace without any hindrance or fear of victimisation.

It is worthwhile to note that majority of the workers (62,9%) questioned contradicted the response from the forty eight managers in connection with

- matters affecting the smooth and effective running of their organisations (see Tables 4.3; 4,4 and Pages144-147).

Table 3.9a - Wage Determination and Transkei Wage Act 1977

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	36	45
No	44	55
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.9b - Wage Determination: Joint Negotiation

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	30	37,5
No	50	62,5
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.9a above shows that thirty-six (45%) of the eighty managers followed the guidelines as stipulated in the former Transkei Wage Act of 1977 while forty-four others (55%) did not. As to why they did not follow the guidelines mentioned above, the latter group (44) said the wages/salaries they paid their workers were far higher than the stipulated guidelines in the Transkei Wage Act of 1977 offered them. As shown in Table 3.9b, thirty of the managers (37,5%) said their establishments negotiated wages with their workers, while the other fifty (62,5%) said they did not.

The group of managers who said their organisations did not negotiate with their employees, thirteen (16,25%) belong to business while the remaining thirty-seven (46,25%) were from the Departments of Education and Health. The former group said that they negotiated with the particular unions concerned rather than individual workers, as that option was less time consuming and therefore cost effective. It is interesting to note that thirty of the managers (37,5%) preferred to negotiate with individual employees rather than with unions representing the workers concerned.

Table 3.10a-Wage Determination Existence of Female Employees

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	80	100
No	0	0
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.10b - Wage Determination - Equal Pay for Women

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	52	65
No	28	35
TOTAL	80	100

Source: Author's Survey- 1993/94

According to the analysis in Table 3.10a, all the eighty (100%) respondents (managers) said they had female workers in their employment. With regard to Table 3.10b, fifty-two (65%) of the managers said they paid their female workers the same wage as their male counterparts for the same job done. The

other twenty-eight (35%) said they did not pay the female workers and their male counterparts the same wage because they did not do the same job. It is worthwhile to note that the 1990 Transkei Industrial Survey Report contradicts the assertion made by the majority of the fifty-two (65%) respondents that they gave both their male and female workers equal pay (see Table 1,13 of this study).

Table 3.11a - Wage Determination: Range of Highest Pay for Workers

CATEGORY SALARY RANGE	FREQUENCY NO OF RESPONDENTS	PERCENTAGE (%)
R1 300-R1 500	10	12,5
R1 600-R1 800	22	27,5
R1 900-R2 200	28	35
R2 300-R2 600	10	12,5
R2 700-R3 000	6	7,5
R3 100 and above	4	5
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.11b - Wage Determination: Range of Lowest Pay for Workers

CATEGORY SALARY RANGE	FREQUENCY NO OF RESPONDENTS	PERCENTAGE (%)
R400-R600	37	46,25
R700-R900	20	25
R1 100-R1 200	12	15
R1 300-R1 500	6	7,5
R1 600-R1 800	5	6,25
TOTAL	80	100

Source: Author's Survey- 1994

Tables 3.11a and 3.11b above summarise the responses of the eighty respondents with regard to the highest and lowest ranges within which the pay

of workers in the former Transkei fell. It can be seen from the analysis above, as reflected in Tables 3.11a and 3.11b that the gap between the highest and lowest paid workers was such that one can hardly imagine how the latter group survived considering the inflationary levels at the time.

Table 3.12 - Workers Incentives

CATEGORY	GIVEN FREQUENCY	%	NOT GIVEN FREQUENCY	%	TOTAL	PERCENTAGE
i Rent Subsidy	7	8,75	73	91,25	80	100
ii Transport Allowance	0	0	80	100	80	100
iii Meals	26	32,5	54	67,5	80	100
iv Maternity leave with pay	20	25	60	75	80	100
v Sick Leave with pay	80	100	0	0	80	100
vi Medical Aid Scheme	5	6,25	75	93,75	80	100
vii Subsidy for Education	3	3,75	77	96,25	80	100
viii Other	8	10	72	90	80	100

Source: Author's Survey- 1993/94

Table 3.12 above summarises the responses of the respondents in respect of incentives given by management to their employees. The analysis in the Table 3.12 reveals that with the exception of (v) sick leave with pay and to a limited extent items (i) rent subsidy, (iii) meals, (iv) maternity leave with pay, (viii) other and rent subsidy, the impression that one gets from the table is that majority of the establishments or workplaces did not give their workers any meaningful incentives that could motivate them to give of their best at work so as to increase productivity. Only a few of the respondents (3) said their undertakings gave bursaries towards their workers' children education and another eight mentioned incentives like loan assistance, sports and social club membership, driver performance bonus and funeral insurance scheme.

It is worth noting that the analysis that is given in Table 3.12 above confirms the account given by an overwhelming majority of workers questioned on the issue of incentives see Table 4.2 of this study for the analysis of workers' responses to the same issue, incentives. (See Table 4.2 of this study for the analysis of workers' responses to the same issue, incentives).

Table 3.13 - Workers Training

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	28	35
No	52	65
TOTAL	80	100

Source: Author's Survey- 1993/94

According to the Table 3.13 of the eighty respondents, twenty-eight (35%) said they offered their workers training while the remaining fifty-two (65%) said they did not. Those who did not offer their workers any training gave the following reasons for not doing so:

- a) Their workers developed themselves through further education privately.
- b) They used to have a training unit but had stopped operating.
- c) Some said they did not have the facility for training purposes, and
- d) Others said such training was the responsibility of the Transkei Development Corporation.

From the responses of the respondents, one is inclined to suspect that some of the managers had no intention of training their workers for obvious reason/s, that the labour market requirements of Transkei employers were (cheap) unskilled labour.

3.7.6 Grievance Mechanisms and Procedure

Table 3.14a - Grievance Mechanisms and Procedure: By Frequency of Occurrence

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	54	67,5
No	26	32,5
Don't know	0	0
TOTAL	80	100

Source: Author's Survey- 1993/94

The analysis in Table 3.14a above shows that there existed mechanism by which workers grievances were dealt with, in the majority of workplaces.

Table 3.14b - Grievance Mechanisms and Procedure - Kind of Mechanism Adopted

CATEGORY	FREQUENCY	PERCENTAGE (%)
Bilateral negotiation between employers and workers	34	42,5
Unilateral decision by employers	0	0
Unilateral decision by employees	0	0
Unilateral intervention/decision-making by State	0	0
Unilateral decision by management and state	20	25
Don't know	26	32,5
TOTAL	80	100

Source: Author's Survey- 1993/94

The twenty-six respondents mentioned in tables 3.14c refers to the administrative staff (Rectors, Vice-rectors, Principals, Heads of Departments) of colleges of education, senior and junior secondary schools and medical superintendents and chief matrons of hospitals in Umtata, Butterworth and Ezibeleni.

Table 3.14b above indicates that of the fifty four management staff (67,5%) who were aware of mechanism to redress workers grievances, thirty four (42,5%) of them said such grievances were resolved through bilateral negotiation between employers and workers while the remaining twenty (25%) out of the fifty four respondents said the grievances were resolved by the liaison committees. The remaining twenty-six (32,5%) out of the eighty management staff had no idea how grievances were resolved. The analysis reveals that there were some mechanisms in place by which workers grievances were resolved at least in majority of the workplaces.

Table 3.14c - Efficacy of Grievance Procedure

CATEGORY	FREQUENCY	PERCENTAGE (%)
Very Effective	5	6,25
Effective	29	36,25
Less Effective	20	25
Ineffective	0	0
Don't know	26	32,5
TOTAL	80	100

Source: Author's Survey- 1993/94

The analysis in Table 3.14c indicates that of the fifty-four managers who said their establishments had mechanism/s to redress workers grievances, five of them (6.25%) said the mechanism they employed were very effective; twenty-nine others (36,25%) said theirs were effective while the other twenty (25%) said theirs were less effective. The affirmative group's reasons for saying that the mechanisms were effective emanated from the fact that by applying those mechanisms, gave both sides of production - workers and employees - the forum to iron out their differences and by so doing came to amicable settlement. Those (20 managers) who said the mechanisms were less effective said that management felt that they had the prerogative to have the final say in the decision-making at the workplace and in most cases reneged on decisions mutually agreed upon by both parties thereby bringing the situation to square one. The remaining twenty-six (32,5%) were not aware of the existence of any mechanisms to redress workers' grievances and therefore could not comment on the issue.

It is worth noting that the response from workers on the issue of grievance mechanisms and procedure contradict the assertion by a section of the management staff (42,5%) to the effect that the mechanisms were effective (see Tables 4,12 and 4,13 of this study for a detailed account by workers on this issue).

3.7.7 Industrial Action

Table 3.15a - Instances of Industrial Action

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	43	53,75%

Table 3.15a continued

No	37	46,25
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.15b - Suffered Damage as a Result of Industrial Action

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	13	16,25
No	67	83,25
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.15c - Extent of Damage

CATEGORY	FREQUENCY	PERCENTAGE (%)
Minor	5	6,5
Extensive	8	10
Very Extensive	0	0
N/A	67	83,25
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.15a indicates that the majority of the workplaces had witnessed labour unrest. Forty-three (53,75%) of the respondents said that their establishments had witnessed labour unrest as against thirty-seven (46,25%) who said they had not. It must be noted that during the latter part of 1989, the Transkei witnessed militant labour unrest leading to the setting up of the Wiehahn Commission of Inquiry to go into labour matters in the former Transkei on 20th

December 1989, the culmination of which led to the legalisation of the trade union organisation and its formal and factual existence in the former homeland on 21 August 1990 (Decree No. 12 - Labour Relations Act of 1990).

Table 3.15b shows that of the forty-three respondents whose undertakings had witnessed labour unrest, thirteen of them (16,25%) said their workplace had suffered damage. As Table 3.15c indicates, of the thirteen respondents who said their workplace had suffered damage to their property, five of them said the damage was minor while the other eight said the damage was extensive. It is even surprising that only a few establishments suffered some damage considering the degree of exploitation meted out to the workers.

Table 3.15d - Other Impacts

CATEGORY	STRONGLY AGREE		AGREE		DISAGREED		STRONGLY DISAGREE		TOTAL	%
	FREQ	%	FREQ	%	FREQ	%	FREQ	%		
Damage to some industries and commercial houses	22	27,5	58	72,4	0	0	0	0	80	100
Closing down of some industries	48	60	27	33,75	0	0	5	6,25	80	100
Create disruption in the economy of Transkei	65	81,25	9	11,25	0	0	6	7,5	80	100
Loss of jobs by some workers	60	75	16	20	0	0	4	5	80	100
Setting up of Wiehahn Comm of Inquiry	44	55	36	45	0	0	0	0	80	100
Emergence of trade Unions	57	71,25	23	28,75	0	0	0	0	80	100
Other	0	0	0	0	0	0	0	0	80	100

Source: Author's Survey- 1993/94

Table 3.15d above summarises the responses of the eighty respondents in respect of the events that cropped up as a direct result of the labour unrest. The analysis shows an overwhelming agreement among the respondents that the unrest had a devastating effect on every aspect of the economic life of the former Transkei especially the three industrial areas of Umtata, Butterworth and Ezibeleni.

Table 3.15e - Closure of Industries

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	68	85
No	12	15
TOTAL	80	100

Source: Author's Survey- 1993/94

Table 3.15f - Number of Industries/Commercial

Houses Closed Down

CATEGORY NO OF INDUSTRIES	FREQUENCY NO OF RESPONDENTS	PERCENTAGE (%)
15	14	17,5
10	10	12,5
8	6	7,5
6	5	6,25
5	13	16,25
4	10	12,5
3	10	12,5
0	12	15
TOTAL	80	100

Source: Author's Survey- 1994

The analysis of Table 3.15e shows that majority of the respondents (85%) were aware of some industries and or commercial houses that had closed down while the rest (15%) had no idea of any close down.

Table 3.15f summarises the number of industries/commercial houses that had closed down - ranging from three to fifteen. The result was loss of jobs by some workers. The exact number of workers that lost their jobs is not known however, according to Ekar, Senior Economic Researcher of the Transkei Development Corporation over the period 1990 to 1993, employment in industry alone fell from 16 109 to 8 672. (See table 1.15 for the number of industries that have closed down since 1993 to 1997).

**Table 3.15g - Closure of Industries - other Reasons
Besides 1989 Labour Unrest**

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	58	72,5
No	10	12,5
N/A	12	15
TOTAL	80	100

Source: Author's Survey- 1993/94

As indicated in Table 3.15g above the majority of the respondents (72,5%) knew of other reasons besides the 1989 labour unrest why some industries/commercial houses closed down. Ten others (12,5%) had no idea of any other reasons for their closure. The remaining twelve respondents (15%) could not comment on the reasons for the closure of some industrial/commercial houses because they had said already that they were not aware of any such closure.

As to the reason/s for their closure, besides the 1989 labour unrest, the fifty eight (72,5%) respondents' said, the reasons were:

- a) Withdrawal of incentives by the government;
- b) Recession; low productivity; increasing production cost and an excessive and unreasonable demands by workers for wage increases.

3.7.8 Regulatory Environment

Table 3.16 - Visits by Labour Inspectors

CATEGORY	FREQUENCY	PERCENTAGE (%)
Never	56	70
Once	12	15
2-4 Times	8	10
5-7 Times	4	5
Other (please specify)	0	0
TOTAL	80	100

Source: Author's Survey- 1993/94

As shown in Table 3.16 above, fifty six (70%) of the managers said they had never seen a labour inspector of any kind at their workplace ever since the establishment of their undertakings, twelve (15%) of the rest had seen a labour inspector once; eight others (10%) had seen one between two and four times, while the remaining four (5%) had seen one between five and seven times. It must be remembered that some of the establishments had been in existence for, at least, between five and eighteen years. With regard to the issue of labour inspectors' visits to establishments or workplaces in the former

these inspectors did not do their work the way it was expected of them (see Wiehahn 1989:31 for a detailed account given on this issue).

3.7.9 Retrenchments

Table 3.17 - Instances of Retrenchment

CATEGORY	FREQUENCY	PERCENTAGE (%)
Yes	37	46,25
No	43	53,75
TOTAL	80	100

Source: Author's Survey- 1993/94

According to the account given by Isaac Ekar, Senior Economic Researcher of the former Transkei Development Corporation, over the period 1990 to 1993, employment in industry fell from 19 109 to 8 672, a decline of 54,6%. The reasons given for this state of affairs were:

- a) Decrease in the number of the then existing industries (from 107 to 77);
- b) Retrenchment in a number of the then existing industries in the face of recession; and
- c) The inability of the new firms to offer large scale employment opportunities (see page 43 of this study for confirmation of the account given above).

It is therefore not surprising that, as indicated in the Table 3.17 above, thirty-seven (46,25%) out of the eighty respondents said their establishments had to reduce their workforce through retrenchment. They argued that they had no option but to retrench some of their workers in the face of Recession and the

persistent demands by workers of what they (employers) termed unreasonable high wages.

3.7.10 Final Destination of Finished Products

Table 3.18 - Destination of Products

CATEGORY	FREQUENCY	PERCENTAGE (%)
In Transkei	10	12,5
Outside Transkei	33	41,5
NA	37	46
TOTAL	80	100

Source: Author's Survey- 1993/94

The analysis of Table 3.18 above shows that thirty-three of the respondents (41,5%) had their products sold outside the former Transkei. This is consistent with the 4 cell linkage analysis: Value of Sales, 1990 (See Table 1.17 of this study).

As to why the greater portion of the products from the industries based in the Transkei should be sold outside, the answer given was that their products were meant for export only and that the motivation behind this stand was the generation of the needed foreign exchange. Incidentally, the profits from the sales of the products never benefited the people of Transkei as they were transferred to the consolidated accounts of parent companies outside Transkei.

As to their future plans, all the forty-three industrialists said they would stay on in Transkei and continue with their business (see Table 3.5 of this study for confirmation of the account given above). They argued that business anywhere

in the world has its own peculiar problems hence leaving Transkei because of labour unrest or the emergence of trade unions would be a defeatist attitude that will not do business any good.

3.3 Conclusion

Management in Transkei between 1976 and 1987 was characterised by autocratic unitarianism and union suppression. Management's main goal of maximisation of profit and accumulation of capital for further growth meant workers would be expected to work long hours for less pay. Workers exploitation and domination by their employers were, therefore, the logical consequence. For example, few employers followed legally accepted procedures when they applied discipline and in most cases workers were dismissed for negligible reasons or no reason at all. The wages paid to workers were in most cases less than the minimum laid down by a wage determination, award or other provision. Whenever a labour dispute arose, employers and managers called in the police not only to harass the workers involved but also forced them to resolve the dispute. Workers could do nothing to challenge employers' domination because of the hostile attitude of the state and capital towards any form of industrial action, and the fact that the former were hopelessly unorganised.

The analysis under table 3.2 confirms the exploitation of workers by their employers during this period. Management's response (after the emergence of trade unions in Transkei) that the emergent trade unions had created the impression that they (unions) controlled the businesses and that managers were at the workplaces to do their bidding is an indication of their negative attitude towards trade unions (see table 3.3). The implication is that with a well

organised trade union in the Transkei to intervene on workers' behalf, it would not have been easy for employers to continue with their autocratic management style-a situation they could not tolerate. It was, therefore, an unwelcomed news to them that the overthrow of Stella Sigcau's government changed the Transkei labour relations landscape to facilitate the emergence and functioning of trade unions in the former homeland. With the employers autocratic unitarianism and union suppression as well as the survey findings on the role of employers in the former Transkei labour relations in place, the next chapter (chapter 4) will be devoted to workers and trade unions paralysis: Transkei experience.

CHAPTER FOUR

4.0 WORKERS AND TRADE UNIONS PARALYSIS

4.1 Introduction

Employers and their organisations are together with unions and their membership, the major actors in industrial relations. However, unions are more often defensive against having to react to management's policies and strategies than protagonists of new direction (Finnemore and Van der Merwe 1991:80). In the former Transkei, trade unions did not exist officially until 21st August 1990 (Decree No. 12 (Labour Relations) of 1990). The governments of Chief Matanzima, his brother, Chief George Matanzim and Stella Sigcau, the largest employer of labour in Transkei, neither wished to negotiate nor consult their own employees. It was the perception of Chief Matanzima's government in particular that the non-existence of trade unions in Transkei would entice entrepreneurs to invest in the former homeland. Another perception Chief Matanzima's government had of the trade unions was that they were political tools that could destabilise the economy of Transkei, and eventually seek the overthrow of the government. Not having unions to protect their interests meant that workers were severely exploited by their employers. This is confirmed in the 1993/94 Author's survey. The absence of collective labour relations mechanisms and procedures (other than liaison committees) also meant that workers could not express their grievances. Due to state repression, levels of industrial action remained low until the 1989 strike.

This chapter deals with 'Trade Union' Theory and Practice; the factors (external and internal) which precipitated the intensity of industrial action in

Transkei during the latter part of 1989. This is followed by an examination of survey evidence to substantiate arguments.

4.2 Trade Unions: Theory and Practice

Trade unions are 'first and foremost an agency and medium of power' which have developed primarily as a means for workers to redress the imbalance of power in the workplace (Hymen, 1975:64). As Salamon puts it, 'the employment relationship is never an equal one, with individual employees always at a power disadvantage:

Not only do they lack resources in terms of knowledge and expertise to negotiate their terms and conditions of employment on an equal basis, but also the individual is one out of many potential employees who may, as source of labour, be more easily substituted by management than he may substitute the employer as the source of wages. (1992:92).

Trade unions, therefore, provide for workers the collective strength not only to defend but also to advance the latter's interest against management. Thus, trade unions, pursue the following aims and objectives (Salamon, 1992:97-98):

- To enhance the material conditions (wages and working conditions) of their members.
- To establish a joint rule-making system protecting their members from arbitrary managerial actions.
- To facilitate the participation of its members in the organisation for which they work.
- To express the aspirations and political ideologies of their members.

From the foregoing, it can be safely surmised that the trade union organisation forms an integral part of the modern urban industrial society and yet its existence is only accepted as a necessary evil. A typical example of the hostility of trade unions is the British experience against the background of the passage of the 13th century conspiracies law which made combination of workers unlawful (Hepple 1957:36). In the context of the former Transkei, Chief Matanzima's government and its immediate successors had an image of the trade union organisation, (in the words of Wiehahn in the South African Journal of Labour Relations Vol. 6 No. 2. 1982:36) "a highly destructive pound of gunpowder" - a phrase coined from a 19th century British court; a grain of gunpowder is harmless but a pound of it can be highly destructive." The inference here is that whereas the action of individual workers may be weak and negligible, the collective action of workers organised into a trade union would be a formidable force to be reckoned with. No wonder many African governments have taken various steps to stifle the activities of trade unions. For example, Liberia and Kenya's pro-capital economic policy towards business ... which has resulted in difficulties for trade unions there gaining acceptance by foreign controlled businesses (Shane 1989:9). On the other hand a country such as Tanzania, among others, had at a time subverted its unions by bringing them into the party structure and making them part of the establishment presumably to make them tow the line.

One of the characteristics of unions in Africa is that they do not enjoy the freedom and scope for independent action seen in Western Europe and America. To give credence to this anti-union stance by African governments some writers on Africa seem to feel that the source of the problem is that the trade union is an alien institution which has not been sufficiently adapted to the specific

needs of Africa. Hunder (1962:216) states that "trade unionism came into Africa from above" and, "in most African societies, there is no precedent for the type of organisation embodied in modern trade unions" (Ibid:p.222). Warmington suggests that the membership is "ignorant of the nature ... of voluntary societies of this sort" (in Onyelemukwe 1973:156) forgetting that as Pelling (1971:20) puts it, "It was also not uncommon for workmen to combine as early as the late seventeenth century for the purpose of mutual insurance against sickness, old age, or death. Similarly Onyelemukwe (1973:90) argue, "In Africa, there is a tradition of activities which underline effective trade unionism, such as consensus." This means that trade unions which were opposed in the nineteenth century were not new organisations at all, but the products of earlier social developments.

Commenting on the restrictions placed in the way of trade unions in African by African governments, Damachi et al (1989:14) point out that "governments in Africa have lost an important channel of communication with workers when they subverted the union movements for their own political purposes." Thus, the action of workers and unions, though aimed at rectifying problems of pay and conditions of work, are perceived by the ruling powers as forms of rebellion. This perception was reinforced by laws and regulations which virtually outlawed strikes and by the absence of an effective means to institutionalise the handling of conflict of interest" (Shane 1989:14).

4.3 Era of Chief Matanzima, Chief George Matanzima and Stella Sigcau (1976-1987)

It becomes necessary at this stage to touch on the salient features that characterised the era of Chief Matanzima (1976-1985), his brother, Chief

George Matanzima (1986) and Stella Sigcau (1987). The period was characterised by the Transkei state's pro-capital mandatorism and autocratic management style. The state's pro-capital mandatorist stance, characterised by the widespread suppression of workers, is understandable when it is realised that the majority of Transkeian workers did not recognise the independence of Transkei, hence they perceived the government of Chief Matanzima and those of his immediate successors, as illegitimate. As Klerck et al (1977:79) put it, "coercion and oppression are normally the last resort for state intervention, but are increasingly relied upon in a situation where the state is perceived as illegitimate by majority of the population".

The violent repression of Chief Matanzima's government under proclamation 400 against workers perceived to be militant resulted in only short term benefits since these workers were soon to learn from their counterparts working in South Africa, a few kilometres just across the border, that the strike action was not only an economic but also a political tool to be used to liberate themselves. It must be remembered that majority of the people of Transkei spearheaded by workers, neither favoured nor recognised the independence of the former homeland (Wiehahn 1989:22).

The Transkei state's attitude towards its employees seemed to have given employers the green light to do as they pleased with their employees. As was explained by Dr C L Bikitsha, Minister of Health in Chief Matanzima's government between 1979 and 1983, the Transkei state, the largest employer of labour, neither wished to negotiate nor consult its own employees. It must be remembered that when confronted by the 1989 Wiehahn Commission as to their presence in Transkei, all employer-witnesses who appeared before the

commission, without exception admitted that one of the incentives that lured them to Transkei was that no trade unions existed and that none would be allowed to operate in the Transkei in the foreseeable future (Weihahn, 1989).

From the foregoing it would not be far-fetched for one to suggest that it was the Transkei state's attitude towards its own workers that led to the easy application by employers of their autocratic management style which enabled them to exclude their workers from the decision making process at the plant level. Workers could neither complain about wages given to them nor their conditions of employment. As Miss Nokoku, an official of SACCAWU puts it, "Job seekers had no opportunity to sell their labour power as they wished because they had been employed on the employer's own terms on the dictum - 'Take it or leave it'. Workers were hired without employment contract. In most cases, female employees were preferable to their male counterparts as the former were seen as more malleable" - all in the name of cheap and docile labour. Any attempt by workers to organise themselves against management exploitation was met with extreme repression through the use of police, intelligence service, army and Proclamation 400. According to Dr Biskitsha, the only positive aspect about this period was that compared to Major General Bantu Holomisa's era (1987-1994) the unemployment situation at the time was not that bad. According to the Transkei Industrial Survey (1993), employment in industry as at 1990 was 16, 101. By 1993 it had declined to 8, 672; and according to Mr Les Holbrook, the Executive Director of the Transkei Chamber of Commerce (now Kei Chamber of Business), 'at its peak period

(1988) the Transkei industries had a total workforce of a little over 19 000 (see Graph 3) the number has since declined to 6 500 as at 1994".

In response to the statement in the 1989 Wiehahn Commission Report that apart from the South African Congress of Trade Unions (SACTU) which was banned in 1977, trade unions were never out-lawed in Transkei, Dr Bikitsha emphatically stated that Chief Matanzima's government and its immediate successors were in no mood to countenance the formation of trade unions in Transkei and that if an attempt had been made by workers to form one, such an attempt would have been quelled. According to him, this explains why the 1977 Transkei Labour Relations Act 13, made no provision for the formation of either employer-organisations or trade unions. He went on to say that the fact that there was no Minister of Labour to take care of labour matters is a clear indication of the degree of importance Chief Matanzima attached to labour matters in Transkei.

Dr Bikitsha's statement was confirmed by the following trade union officials based in Butterworth: Miss Nokoku Mity (SACCAWU); Ms LN Gcilisthana and Mr K Gwadana (NEHAWU); Mr Sydney Mpahela and Miss S Sikwebu (NUMSA); and Messrs. Siyabulela Ndunge and CK Mtiya, Chairman and secretary respectively (SADTU). To these trade union officials, the hostile, intolerant state and its ally (employers) did all they could to stifle any attempt by workers to establish trade unions at the workplace. For example, employers who perceived the formation of trade unions as a direct challenge to their authority, had at their disposal coercive apparatus of the state (police, intelligence service, army and proclamation 400) to quell workers' activities such as picketing, sit-ins, go-slows and strikes and enforce the status quo. Hence,

according to Miss Nokoku (SACCAWU) the focus of supporters of ANC and PAC within the Workers Co-ordinating Committees shifted from addressing the immediate concerns of workers at the workplace to the national liberation struggle.

Miss Nokoku explained that the Workers Co-ordinating Committees were based mainly in Umtata and Butterworth, the two most important industrial centres in Transkei. Within these committees existed supporters of the liberation movements such as, the African National Congress (ANC) and the Pan African Congress (PAC). From these groups sprang other groups such as "Umtata Youth Congress' and Butterworth Women's Congress. These organisations were supporters of either ANC or PAC. According to her, initially the aim of the Workers Co-ordinating Committees was to concern themselves with only issues affecting workers at the plant level but their attempts were thwarted by the government's and employers refusal to negotiate with the committees or consult them. The government and employers' bluff of the Workers Co-ordinating Committees' legitimate demand to be consulted on issues affecting workers, was the main contributing factor to the lack of the committees' penetration at the shop floor until after the overthrow of Stella Sigcau's government on 30th December 1987.

It was for this reason, according to Miss Nokoku, that supporters of ANC and PAC within the Workers Co-ordinating Committees concentrated on the mobilisation of workers covertly in support of the national liberation struggle. Members of these groups (Butterworth/Umtata Women's Congress, Butterworth/Umtata Youth Congress) worked covertly in singles. They either visited their members at home or at a convenient place that could not be

detected by either employers or the government. Workers suspected of furthering such activities described above were arrested, detained and even tortured.

It should be seen from the argument above that the interests of workers were effectively subordinated to those of management. Until at least 1987, workers had little or no say in the organisation for which they worked, other than through the liaison committees which were generally perceived as ineffective (see page 110). With the discussion above in place attention is now turned to why workers join trade unions.

4.4 Why Workers Join Trade Unions

The awareness of the ineffectiveness of the individual worker to bring about change in his abysmal working conditions and the blatant exploitation by the capitalist during the early stages of industrial revolution led to the spontaneous combination of workers at that time. Workers consciousness of the need to defend their interests still persists and is a driving force to get them organised as effectively as possible against management onslaught. As Finnemore and Van der Merwe (1992:54) argue, "It is only through unity of purpose and control of the supply of labour that workers can counter managerial power." For example, if it were not for the fear of being easily replaced by the unemployed, workers would refuse to work under poor working conditions offered by employers. From the foregoing it can be safely said that combination as a strategy by workers is not only meant to obtain benefits from employers but more importantly to reduce the preponderant power of unilateral management control over the work place decision-making.

Through the collective voice and muscle of the union, not only can retrenchments and dismissals be fought, but also unilateral action by management in changing job descriptions and working conditions can be more readily challenged through shop stewards and union officials while individual members who wish to protest are thus protected from exposing themselves to victimisation (Finnemore and Van der Merwe 1992:56). Van der Vall found this factor as constituting a major reason for joining the union among 204 Dutch union members who said they had joined to avoid personal problems in interactions with management and labelled this reason "conflict insurance" (cited in Wheeler and McClendon 1991).

In countries where workers are deprived of political rights, unions are also seen as instruments for attaining political goals (Finnemore and Van der Merwe 1992,56). In such a situation the motives that drive workers to join unions are not only egöcentric or economic but also a sense of commitment to the upliftment of the social community of fellow workers and the oppressed.

Echoing the sentiments expressed above Wiehahn (1982:36) argues, "workers use their power base (the trade union) very effectively not only in industrial societies but increasingly also in the broader society since the beginning of this century to protect and promote their economic position vis a vis their employers and to increase their political power in society so as to better the quality of life of the worker, the utopian and theoretical goal of trade unionism is the eventual abolition of man's dependence on man for existence in a state of economic and social justice for all. " With the discussion of Trade Unions: Theory and Practice in place, attention is now focused on "workers responses in a so-called "trade union free" workplace.

4.5 Worker's Responses In "Trade Union Free" Workplace.

The South African Industrial Conciliation Act 28 of 1956 was repealed in 1977 and was replaced by the Transkei Labour Relations Act 13 of 1977. The Act, however, did not make any provision for the establishment of trade unions in the Transkei and as a result they (trade unions) never officially existed. With no legal structures, rules and mechanisms within and according to which the concepts of freedom of association, collective bargaining, the settlement of labour disputes, and other aspects of labour relations could be regulated, Transkei was devoid of a properly functioning system (Wiehahn 1989:160).

In spite of the fact that the Act did not make provision for the establishment of trade unions in the Transkei, trade unions were never outlawed in the homeland except the South African Congress of Trade Unions (SACTU) which was banned in 1977. Yet despite this factual situation, namely that they were not banned, the general belief in the country had been that trade unions could not exist or operate in the Transkei.

There was no evidence to suggest any organised resistance by workers against employers/management. This state of affairs gave the impression that all was well between capital and labour. As Wiehahn (1989:iv) states, "From available evidence it would appear that prior to this industrial action (of 1989) the relationship between employers and employees was, perceptually at least, relatively peaceful and harmonious and that Transkei in this regard, was immuned to the industrial upheavals which its neighbour, South Africa, had been

experiencing during the past years. A close examination however, proved that dissatisfaction and unrest among workers had been brewing over a long period and that the situation had developed to a stage where only a single spark was needed to set the power keg off." That the anticipated labour upheaval did not take place until after the overthrow of Stella Sigcau's government was not because workers until then had been satisfied with the status quo, but because of factors such as:

- a) the application of Proclamation 400 by the state to quell any labour unrest that attempted to surface;
- b) workers fear of losing their jobs should they embark on any labour unrest to demand higher wages and better working conditions was compounded by the large number of unemployed people (350 000) (Wiehahn 1989:20) waiting at the wings to be employed;
- c) abundant supply of cheap and docile labour;
- d) the absence of provision in the 1977 Transkei Labour Act 13, for the establishment of employer organisations and trade unions. This is not to say that the opposition to the state and capital by workers was abandoned completely, rather the activities of the latter were driven underground and operated anonymously because whenever such activities surfaced, they were met with extreme repression under Proclamation 400 (Innes & O'Meara 1976:84).

Typical of the South African context where the capitalist demanded the imposition of the capitalist social relations previously characterised by pre-capitalist mode of production, it was deemed necessary to create and control a stock of labour power base that was achieved through wars of pacification, imposition of hut and poll taxes, the use of forced labour and the application of

a high legal code that equated worker mobility with criminality. The response by African workers to this imposition was the adoption of various strategies among which were: desertions; community withdrawal or revolt; sabotage; target working (go slow); task efficiency and time bargaining; accidents; drug use; sickness and accidents, and theft.

In the recent past, what documentation there was of workers dissent with management was confined to overt labour actions. This could be measured, according to Cohen in Webster et al (1994:135-6) by the number; scope and duration of strikes; the number of man-days lost; the rate of labour turnover; the extent of worker participation in union organisation as well as radical social movements and street demonstrations.

In a situation where workers have no avenue left for them to show dissent or dissatisfaction openly against exploitation and the iron law of oligarchy, such as happened in the former Transkei, they (workers) are compelled to resort to what Cohen calls "less dramatic, silent and often unorganised responses called "hidden or covert" labour actions. They are so-called because it is difficult for employers and the state to detect or suppress such labour actions.

For purposes of documentation it is necessary to touch on one or two examples of hidden or covert resistance namely:

4.5.1 Desertion

Stichter cited by Cohen in Webster et al (1994:139) regards desertion as the chief mode of protest in Kenya at the time of labour recruitment where in Nyaza in 1907, railway workers had the tendency of throwing down their tools and running away on the slightest pretext. In 1903, thirty-one out of forty-eight complaints received by the Nairobi Labour Office concerned cases of

desertions. Mr Gill, a political officer in charge of the railway in Southern Zaria Province in Nigeria and another officer (not named) reported between them 300 and 800 desertions (Cohen in Webster et al, 1994:140). In South Africa, Van Onselen cited by Cohen (ibid) states that, "In spite of police efforts, gangs of Mashona Land mine workers could and actually absconded and were never traced or heard of again". In the former Transkei situation, workers dissatisfied with their conditions of work left unannounced to seek employment in South Africa where wages were decidedly higher in protest against the low wages paid in the Transkei.

4.5.2 Task, Efficiency and Time Bargaining

A "work-to-rule" and "job demarcation dispute" are typical examples of these forms of protests. Here a worker deliberately decides either to restore his traditional skill or craft in the face of management attempts to detail, de-skill (cheapen) and massify the productive process. He may also do it in an attempt to reduce his exploitation by keeping strictly to job specifications and rules that detail his work. While the quota restriction, an example of "task efficiency and time bargaining" restriction, was regarded by white supervisors as "laziness" and further argued that such an action was not only illogical but also counter productive as it cut into the underground workers' bonus, workers saw the action in a different perspective. Adoption of this strategy, they argued, enabled workers to avoid fatigue by allowing them to work at a comfortable pace. By this, they were able to establish a degree of control over their own work targets. Furthermore, quota restriction not only prevented competition at the workplace which would have disturbed established interpersonal relationships but also protected slower "brothers" thus preventing white pressure because it was believed that if one worker worked

harder, the white managers would expect other workers to put in more effort into their tasks. Gordon, cited by Cohen (in Webster et al 1994:144) argues that, "walk-offs were quite frequent and entailed considerable "brotherhood solidarity."

4.5.3 Sabotage

Cohen argues that as a form of resistance, sabotage carries to the extreme conclusion, time/efficiency and task bargaining (in Webster et al 1994:144). The strategy is aimed at slowing down the production process (go-slow) thereby preventing redundancies occasioned by the introduction of labour saving machinery. Sabotage is also seen as a means of cutting down profits so as to reduce inequality. Cohen again argues, "After a wage demand had been refused in a Lagos plastic factory in December 1968, the workers systematically jinxed the machinery, the vats, the moulds and the firm's transport. When later they decided to occupy the factory and sell the goods themselves, they regretted having taken such a drastic action, however the fact still remains that their initial anger was directed against what they perceived as excessive managerial profits". Sabotage can therefore be linked with other forms of resistance with regard to differential rewards inherent in the capitalist labour process.

4.5.4 Sickness and Accidents

While managers perceive sickness as "malingering", workers use it as a weapon to deny labour power to their employers, as well as enabling them to cope with the unfavourable conditions provided by the employers. Accidents are used deliberately to evade work or slow it down. In the former Transkei, the employer witnesses that appeared before the 1989 Wiehahn commission

complained about lack of work ethics in the former homeland - an indication that workers there might have resorted to the sickness/accident strategy.

4.5.5 Theft

Workers resort to theft as a strategy to legitimise their action as a wage supplement. This strategy varies in volume according to the rise and fall in real wages. Van Onselen, commenting on this strategy, argued that "the volume of illegal trade in the Rhodesian (Zimbabwe) mines appeared to have increased as the wages of black miners fell. Theft, therefore, is regarded not as a legal or moral offence. Rather it is seen as a form of labour protest to reduce the rate of exploitation of workers by an informal wage supplement" (cited by Cohen in Webster et al 1994:148). From this perspective, theft is perceived as an act of recovering some "surplus value" which otherwise would have been appropriated by the employer.

Much as there is no concrete evidence to support the rumour to the effect that much thievery went on in many of the supermarkets and some industries in the former Transkei, it is an open secret that at the tills, in the case of supermarkets, there was collusion between some customers and the cashiers to cheat employers by the latter not recording the correct prices on the items being sold and in some cases no recording was registered against some items. The fact that even now there are security personnel at the entrance of almost all the supermarkets and other firms to cross-check receipts with the items bought gives some credence to the veracity of the allegation. The rationale behind this strategy, it is argued, was meant to compensate for the low wages paid to the workers.

Because of their latent and subterranean nature, these forms of resistance can be applied with devastating effects which employers dare not take lightly because their persistent application can affect the productive capacity of their enterprises.

These clandestine activities by workers were given a boost by the South African Black Trade Unions based in Queenstown and East London that had been operating across the border into the Ezibeleni area and the Butterworth region respectively. These unions did not recognise the independence of the Transkei as they regarded the latter as part of South Africa and therefore saw no reason why they could not extend their influence there. The massive exploitation of workers in the Transkei, therefore, offered them (South African Black Trade Unions) an ideal opportunity to fill the vacuum where no trade union existed.

From the discussion above, there can be little doubt that the underlying sense of exploitation and injustice at the way in which the contribution of the labour force is so often ignored (as in the case of the former Transkei) lies behind much of the labour unrest that has so bedevilled relations between employers/management and the labour force for so long in the industrial world.

The situation described above could not go on unchallenged indefinitely so when widespread industrial action broke out towards the end of 1989 it was no surprise to anybody.

4.6 The 1989 Strike

On 15th October 1989 about 15 000 workers took to the streets of Umtata, Butterworth and other centres in Transkei in protest against unjust labour laws and employer practices. According to Wiehahn (1989:viii) "these marches according to newspaper reports turned into violence and a rampage". The outcome of the unrest was the setting up of the Wiehahn Commission by Transkei government to look into labour matters in Transkei with the view to designing and creating a new labour relations system for Transkei. There were factors that precipitated the intensity of industrial action in the Transkei during the latter part of 1989. These were external and internal.

4.6.1 External Factors

The external influence was a micro dimension of the wave of change that swept across the world during the same time, from Eastern Europe, through many parts of the world (Wiehahn 198 iv-v) that brought in its wake peace negotiations in Angola, independence of Namibia, all which coincided with the inauguration of a new State President in South Africa which ushered in the long awaited reform process in the country.

4.6.2 Internal Factors

Internally, Wiehahn (1989:v) states, "A number of factors which had been developing for some time in the labour field were waiting in the wings for the right moment to disprove the perception of peace and harmony between employers and employees." The factors were:

- a) The growing plight of workers throughout the Transkei which arose from serious exploitation of workers at their workplaces;

- b) There was also the dissatisfaction arising from the disparity and big difference in wages and conditions of work between workers in South Africa and their counterparts in the Transkei;
- c) The third internal factor was the exposure of labour in the Transkei to the South African and International trade unions;
- d) The next factor was that despite the fact that labour laws existed in the Transkei, most employers were either ignorant of them or if aware of their existence, reluctant to comply with them, and workers were even more ignorant about the existence of these laws or their contents;
- e) The worse of it all was that the Department of Manpower Planning and Utilisation appeared not in a position to administer these laws and policy presumably because of a serious lack of financial and human resources;
- f) The main factor that heightened the intensity of industrial action by workers was the appeal by the President, Paramount Chief T N Ndamase, on the occasion of Transkei's thirteenth anniversary on the 26th of October 1989, to all workers of Transkei to organise themselves into worker unions and to establish structures for negotiation in good faith between employers and employees.

The combine effects of both external and internal factors led to the march of over 15 000 workers in the street of Umtata and Butterworth on 15th of October 1989 that brought in its wake the setting up of the Wiehahn Commission on 20th of December 1989 to look into labour matters in the Transkei. The implementation of the recommendations by the Commission led to the official recognition of and therefore, the emergence of trade unions in the

former homeland on 21 August 1990 (Decree No. 12 -Labour Relations Act of 1990).

From the discussion above it can be safely said that one of the most important theoretical issues we have to consider related to the fact that ideas cannot be suppressed geographically. Transkei could not function as an island in the greater political economy of South Africa. The diffusion of ideas across space is one of the fundamental laws in social change and one has to recognise the role of transport and communication systems in influencing the rise of trade unionism in the former Transkei. This phenomenon may be described as the globalisation of trade unionism. The Matanzimas' and Stella Sigcau's governments, in collaboration with business tried to repress the rights of workers in the Transkei, but after several vicissitudes the policy failed and had to be abandoned through the timely intervention by the Transkei Defence Force led by Major General Bantu Holomisa on 30th December 1987 through a bloodless coup de'tat which saw the overthrow of Sigcau's government. With the discussion of employer/employees labour relations in the Transkei in place, attention is now focused on the survey findings on the role of workers and trade union officials in the Transkei labour relations between 1976-1994.

4.7 Empirical Findings

Attention is now focused on the survey findings. Use will also be made of evidence collected through interviews with trade union officials from Butterworth.

4.7.1. The Samples

The questions listed for the questionnaire administered to workers are reflected in Appendix C.

While it was originally intended that 800 questionnaires be administered to workers, time and financial constraints saw this number reduced to 636. The sample size for each of the three industrial sites (Butterworth, Umtata and Ezibeleni) more or less corresponded with the size of the workforce in these areas. Most of the respondents were drawn from Butterworth (343), followed by Umtata (167) and Ezibeleni (126). Out of the six hundred and thirty six, four hundred and thirty (67,6%) were females and the other two hundred and six males (32,4%).

4.7.2 Educational Background of Respondents

The breakdown of the educational level of the respondents was as follows: One hundred and six (16,7%) possessed standard six certificate while one hundred and fifty others (23,6%) had junior secondary education. One hundred and sixty respondents (25,1%) had studied to the matric level while ninety others (14,2%) possessed teacher's certificates. Forty of the rest (6,3%) were nurses; fifty-four (8,5%) had university degrees, while the remaining thirty-six (5,6%) had studied to the technikon level. The survey found that on the whole, public sector workers had attained higher educational qualifications than their counterparts in the private sector.

4.7.3 Employment Status

Four hundred and sixteen (65,4%) were non-professionals, made up of clerks, security personnel, receptionists, supervisors and factory workers. Thirty-six

others (5,6%) were semi-professionals like sales personnel and prison warders. The remaining one hundred and eighty four (28,9%) were professionals made up of nurses, teachers, lecturers and engineers. Whilst all the professions and semi-professionals were in full employment about half of the non-professionals were employed on part-time basis.

4.7.4 Terms and Conditions of Employment

4.7.4.1 Wages

Table 4.1 - Salary Range per month

CATEGORY	FREQUENCY	PERCENTAGE %
R300-R500	256	40,3
R600-R990	160	25,2
R1 000-R2 000	120	18,9
R2 500-R3 500	46	7,2
R4 000-R4 500	40	6,2
R5 000-R9 000	14	2,2
TOTAL	636	100

Source: Author's Survey 1993/94

As Table 4.1 indicates, all the respondents received monthly incomes. The income per head ranged from R300 to R9 000. Two hundred and fifty-six (40,3%) of them received between three hundred and five hundred rand. One hundred and sixty (25,2%) received between six hundred and nine hundred and ninety rand. One hundred and twenty (18,9%) received between one and two thousand rand, while forty six others (7,2%) earned between two thousand five hundred and three thousand five hundred rand. A further forty respondents

received between four thousand and four thousand five hundred rand, while the remaining fourteen (2,2%) received between five and nine thousand.

4.7.4.2 Other Terms and Conditions

Table 4.2 - Workers' Benefits

CATEGORY	GIVEN		NOT GIVEN		N/A		TOTAL	%
	F	%	F	%	F	%		
Rent Subsidy	10	1,6	626	98,4	0	0	636	100
Transport Allowance	0	0	636	100	0	0	636	100
Meals subsidy during working hours	0	0	636	100	0	0	636	100
Maternity Leave with pay for female workers	0	0	206	32,4	430	67,6	636	100
Sick leave with pay	636	100	0	0	0	0	636	100
Medical Aid Scheme	0	0	636	100	0	0	636	100
Subsidy towards children's education	56	8,8	580	91,2	0	0	636	100
Other	66	1,4	570	89,6	0	0	636	100

Source: Author's Survey 1993/94

Table 4.2 above summarises the responses of the six hundred and thirty six respondents with regard to terms and conditions for workers. The table shows clearly that employee's benefits in the former Transkei, (except sick leave with pay and to a very limited extent rent subsidy and subsidy towards children's education) was almost non-existent. Besides these, the respondents mentioned funeral insurance scheme, loan assistance; driver's performance bonus and sports and social club membership.

It is no wonder that the employer/manager witnesses that appeared before the Wiehahn Commission (that had been set up in 1989 to look into labour matters in the Transkei) alleged that the productivity of workers in the former homeland was low. One does not expect workers to give of their best where and when they are given starvation wages and on top are denied almost every form of incentives. To demand maximum output from such demotivated workers would be asking for the impossible.

4.7.5 PERCEPTIONS OF TERMS AND CONDITIONS OF EMPLOYMENT

Table 4.3 - Levels of Job Satisfaction

CATEGORY	FREQUENCY	PERCENTAGE %
Very satisfied	73	11,5
Satisfied	167	26,2
Unsatisfied	208	32,7
Very unsatisfied	188	29,6
TOTAL	636	100

Source: Field Survey 1993/94

The Table 4.3 shows that three hundred and ninety-six (62,3%) of the respondents were not happy with their terms and conditions of employment. The remaining two hundred and forty (37,7%) had no objection to their working conditions at their respective workplaces as reflected in the table. The table shows that the vast-majority of the workers were not happy with their terms and conditions of employment. A few reasons, they gave, for their unhappiness,

concern wages, working hours, safety at work, lack of incentives, and promotion prospects.

The majority of the two hundred and forty (37,7%) respondents who felt satisfied with their terms and conditions of employment, was made up of nurses, teachers/lecturers, supervisors, engineers and university graduates, i.e. the professional and skilled categories. Their salary scales were significantly higher than other categories like factory workers, security guards and clerks (396 in all). The disparity in pay is indicative of the degree of exploitation meted out to the majority of workers in the Transkei as reflected in Table 4.3 (62,3%) thereby confirming the commonly held belief that without trade unions to intervene on behalf of workers, there is always the tendency for semi-skilled and especially unskilled workers, to be exploited by their employers for maximum surplus value from the production process.

Table 4.4 - Perceptions of Exploitation

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	588	92,5
No	48	7,5
TOTAL	636	100

Source: Author's Survey 1993/94

Table 4.4 above indicates that an overwhelming majority of five hundred and eighty-eight respondents (92,5%) agreed that there was widespread exploitation of workers by management in the Transkei as against forty eight (7,5%) who said the allegation was not true. Table 4.5 below shows the particular areas in which workers felt they were exploited.

Table 4.5 - Areas in Which Exploited

CATEGORY	VERY SATISFIED		UNSATISFIED		SATISFIED		TOTAL	%
	FREQ	%	FREQ	%	FREQ	%		
Workers' Wages	498	78,3	124	19,5	14	2,2	636	100
Injured Workers' Compensation	390	61,3	226	35,5	20	3,2	636	100
Workers' Safety at Work	316	49,7	276	43,3	44	6,9	636	100
Discipline of Workers	310	48,7	290	45,6	36	5,7	636	100
Hours of Work	398	62,6	220	34,6	18	2,8	636	100
Overtime allowance	362	56,9	234	36,8	40	6,3	636	100
Job Security	424	66,7	170	26,7	42	6,6	636	100
Training Programme for Workers	354	55,7	246	38,7	36	5,6	636	100
Workers Promotion	450	70,8	168	26,4	18	2,8	636	100
Maternity Leave for Female workers	330	51,9	250	39,3	56	8,8	636	100
Sick Leave for Workers	0	0	0	0	636	100	636	100
Transkei National Holidays	114	17,9	272	42,8	250	39,3	636	100
Sexual Harassment of female workers by Management	184	28,9	242	38,1	210	33	636	100

Source: Author's Survey 1993/94

The Table 4.5 reveals an overwhelming amount of exploitation meted out to workers by their employers. Except in sick leave for workers, where there was no evidence of exploitation and then sexual harassment of female workers by management, where almost one-third of the respondents said there was no exploitation, in all other areas, the table reveals massive exploitation of workers. The trade union officials interviewed all confirmed that workers were

massively exploited but there was nothing they could do to fight for their legitimate rights. They attributed this state of affairs to the following:

- workers were hopelessly disorganised ;
- there were no trade unions to intervene on their behalf ;
- any attempt by workers to organise themselves was met with extreme repression by the state and capital.

4.7.6 Collective Labour Relations

Table 4.6a - Existence of Liaison Committees

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	211	33,2
No	425	66,8
TOTAL	636	100

Source: Author's Survey 1993/94

As to the awareness of the existence of liaison committees, two hundred and eleven respondents (33,2%) stated that they knew liaison committees functioned in their workplace while four hundred and twenty five (66,8%) reported no liaison committees in their workplace

Table 4.6a above reveals that only one third of the respondents knew of the existence of the liaison committees. The possible explanation one can offer is that, either the majority of the workers and employers did not make use of their liaison committees or the committees did not make their presence felt or there were no causes that called for the existence of such committees in some undertakings or workplaces.

Table 4.6b - Effectiveness of the Liaison Committees

CATEGORY	FREQUENCY	PERCENTAGE %
Very Effective	28	4,4
Effective	50	7,9
Less Effective	54	8,5
Not at all effective	79	12,4
Don't Know	425	66,8
TOTAL	636	100

Source: Author's Survey 1993/94

The Table 4.6b shows that of the two hundred and eleven respondents (33,2%) who had liaison committees, twenty-eight of them (4,4%) said the committees were very effective; fifty (7,9%) of them also said they were effective; fifty-four others (8,5%) said they were less effective while the remaining seventy-nine of the two-hundred and eleven (12,4%) said they were not at all effective. The analysis in Table 4.6b indicates that the liaison committees were effective in only a few workplaces. In others, their presence seemed to be only cosmetic. It was the view of the nine union officials interviewed that the liaison committees were less effective collaborating the view of majority of workers. They perceived the committees as the mouth piece of management.

Table 4.7a - Non-Existence of Trade Unions

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	636	100
No	0	0
Don't Know	0	0
TOTAL	636	100

Source: Author's Survey 1993/94

Table 4.7b - Reasons for Their Non-Existence

CATEGORY	AGREE		DISAGREE		TOTAL	%
	F	%	F	%		
Government, the largest employer of labour neither wanted to consult nor negotiate with its own employees	636	100	0	0	636	100
So as to entice industrialists to invest in the Transkei	636	100	0	0	636	100
Government's view of trade unions as tools to destabilise the Transkei economy and to overthrow the government	536	84,3	100	15,7	636	100
Workers seemed unaware of their collective power to organise themselves into an effective organisation to fight for better working conditions	236	37,1	400	62,9	636	100

Source: Author's Survey 1993/94

Table 4.7a reveals that all the six hundred and thirty six respondents (100%) were aware of the non-existence of trade unions in the former Transkei.

Table 4.7b above summarises the reasons given by respondents as to why trade unions did not exist in the Transkei until after the overthrow of Sigcau's government in 1987, culminating in the appointment of the Wiehahn Commission of Inquiry on 20th December 1989, to look into labour matters in Transkei. The implementation of the Commission's recommendations led to the formation (officially) of trade unions in the homeland in 1990. For example the South African Democratic Teacher's Union was established on 6th of October 1990 (SADTU 1998:1).

The summary overwhelmingly indicated that:

- a) the governments of Chief Matanzima, his brother Chief George Matanzima and Stella Sigcau, the largest employer of labour in the

then Transkei, neither wished to consult nor negotiate with their own employees;

- b) secondly, the perception of Chief Matanzima's government of trade unions as tools to destabilise the economy of Transkei and to eventually overthrow the government meant, the idea of allowing the formation of trade unions in the sub-region should not be entertained at all cost;
- c) the other reason was that industrialists would be very happy and willing to invest in an area where trade unions did not exist as the former needed not only abundant but also cheap and docile labour to enable capital make maximum profit. Chief Matanzima's government's overzealousness to open Transkei to industrialization was enough reason to justify the prevention of the existence of trade unions in the former homeland;
- d) as to the perception that workers were not aware of their collective power to organise themselves into a strong and effective organisation to enable them to fight for better terms and conditions of employment, majority of the respondents (62,9% as against 37,1%) disagreed with such perception. They argued that the three previous governments before Major General Bantu Holomisa's era used the enormous state power at their disposal (the police, the security forces through proclamation 400 (Innes & O'Meara 1976) assisted by South Africa's Intelligence Service to clamp down on workers' activities and the formation of trade unions. The fact that soon after the overthrow of Stella Sigcau's government, labour unrest erupted throughout Transkei by

workers agitating for their rights, goes to prove that workers (at least majority of them) were not unaware of their collective power.

Table 4.7c - Workers Reaction to Trade Union's
Non-Existence in Transkei

CATEGORY	FREQUENCY	PERCENTAGE %
Very Happy	40	6,3
Happy	20	3,1
Unhappy	230	36,2
Very Unhappy effective	346	54,4
TOTAL	636	100

Source: Author's Survey 1993/94

It is a well known fact that before 1989, trade unions were not allowed to operate in the Transkei. Table 4.7c above summarises the responses of the respondents as to their reaction to the non-existence of trade unions in the former homeland. Forty (6,3%) and twenty (3.1%) of the 636 (100%) respondents said they were very happy and happy respectively that trade unions did not exist in the Transkei while two hundred and thirty (36,2%) and three hundred and forty-six (54,4%) of the respondents said they were unhappy and very unhappy respectively. The first group who said they were happy argued that they had a very happy relationship with their employers and therefore saw no reason for the existence of trade unions at their workplace.

The Table 4.7c clearly shows that the overwhelming majority of the respondents (90,6%) were against the non-existence of trade unionism in the Transkei. They were unhappy, they said, because their non-existence (trade unions) gave room for workers to be massively exploited by their employers as

they (workers) had no legitimate organisation and or mechanism that gave them a strong bargaining power to negotiate with management/employer for a better deal for workers.

Instead, workers were hired and fired at will without any effective opposition, confirming Richard Hyman's (1974) point that workers have no hope of forcing management to accept their demands if they can be replaced easily and have little chance of finding a new job if sacked. These respondents (576) said that workers in the Transkei had no say at their workplaces and could not complain for fear of drastic action being taken against them (ie outright dismissal), a situation Kahn Freund (1983) describes thus: "the relationship between an employer and an isolated employee or worker is typically a relation between a bearer of power and one who is not a bearer of power, one of submission and subordination".

When asked to comment on the non-existence of trade unions in the Transkei prior to Major General Bantu Holomisa's era, all the trade union officials said they were very unhappy. They argued that human nature being what it is, it would be naïve for workers to expect that employers on their own free will, irrespective of how magnanimous some of them might be, would go out of their way, without any pressure being exerted on them to give their employees a better deal, otherwise there would be no sit-ins, stay-aways and outright strikes by workers.

Table 4.8 - Need for Trade Unions

CATEGORY	TRUE		UNTRUE		TOTAL	%
	FREQ	%	FREQ	%		
Workers' weak position against their employers	602	94,7	34	5,3	636	100
Non-participation by workers in the decision making process affecting the smooth running of the workplace	580	91,2	56	8,8	636	100
Irrespective of the number of years a worker has worked at a particular place he can be fired without any good reason.	584	91,8	52	8,2	636	100
Any complaint about his working conditions could lead to his dismissal and he could be replaced by a scab.	582	91,5	54	8,5	636	100
Lack of Unity amongst workers	572	90	64	10	636	100
To overcome this weakness workers in the former Transkei were expected to unite in order to have more power to defend themselves	636	100	0	0	636	100

Source: Author's Survey 1993/94

It is a well-known fact that workers need the trade union organisation in order to strengthen their bargaining power since as individual workers they stand no chance of negotiating a better deal for themselves. Table 4.8 summarises the responses of the respondents involved in this study as to why workers in the former Transkei needed the trade union organisation (though they did not have one for reasons already discussed).

The analysis in the Table 4.8 proves beyond any reasonable doubt that workers in the Transkei like workers anywhere in the world should have had the trade union organisation to assist them to overcome their weak position vis-a-vis that of their employers in order to fight for their rights. Because they never had this organisation until after the overthrow of Stella Sigcau's government,

workers in the Transkei suffered massive exploitation at the hands of their employers.

The trade union officials confirmed that workers are always in a weak position in their relationship with their employees, hence they need trade unions to strengthen their bargaining power. According to them unions are in a better position to bargain for higher wages and better working conditions. The unions also protect workers against exploitation and all forms of unfair labour practices such as discrimination against female workers and wrongful dismissals. They also mentioned the assistance given by unions in promoting the material, educational and cultural well-being of their members, not forgetting the provision for a formal basis and procedures to settle disputes and the ability of union members to protect their rights and human dignity. The analysis shows how helpful a well organised trade union can be to its members.

Table 4.9 - Trade Unions and the National Development

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	636	100
No	0	0
TOTAL	636	100

Source: Author's Survey 1993/94

The analysis as reflected in Table 4.9 above shows complete unanimity amongst all the six hundred and thirty six respondents that when handled properly, trade unions can contribute immensely towards the national development effort. As to why they came to that conclusion, all of them said that if well motivated

union members develop a positive attitude not only towards management but also towards their work and then tend to work harder to increase productivity which in turn enhances the national development effort.

In the former Transkei situation, however, evidence abounds that management/employers did not handle workers well, especially those suspected to be union members. They were treated with contempt, given starvation wages and were harassed if they dared to complain. This situation led to workers' dissatisfaction and its end-product low productivity. Thus confirming the third perception that massive exploitation of workers by employers has the tendency of demotivating workers leading to discontent apathy and low productivity at the workplace. It must be remembered that one of the complaints made by the employer/manager witnesses who appeared before the 1989 Wiehahn Commission of Inquiry, was low productivity by workers. The union officials confirmed the workers' view that if properly and well handled, trade unions would contribute meaningfully towards the national development effort. Asked to motivate their response they explained that trade unions assist workers to increase productivity which in turn enhances national development. They mentioned the recent move by COSATU in alliance with the National Council of Trade Unions and the African National Congress to forge strategies for a sound economic policy for South Africa as typical example of how trade unions can contribute meaningfully to the national development effort. The analysis confirms that if trade unions are properly handled they will be vehicles for national development.

Table 4.10 - Need for workers to form Trade Unions

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	576	90,6
No	60	9,4
TOTAL	636	100

Source: Author's Survey 1993/94

Table 4.10 above summarises the responses of the respondents relating to the need for workers to form trade unions. The analysis shows that five hundred and seventy six (90,6%) of the respondents felt the need for workers to mobilise themselves to form trade unions. As to why they took that stand, they argued that by forming trade unions, workers would be:

- a) organising themselves against all forms of unfair labour practices and exploitation by management;
- b) able to obtain expert assistance which they could not afford as individual workers;
- c) trade unions represent the collective strength of many workers and thus offer greater hope of success than many individuals acting separately in their own interest.

They argued further that in a well run trade union office, there are trade union officials who study the laws that affect workers and always keep a constant watch over the interests of their members. This is consistent with Hepple's (1957:14) argument that, "there are many laws affecting workers and their employment. The number of such laws increases every year. Besides, most of these laws are very complicated and workers suffer because they do not know

their rights. Hence, by belonging to trade unions workers are able to have trained and experience people to advise them as to their rights and to help them get higher wages and better working conditions."

The analysis, therefore, confirms not only the awareness but also the acceptance by the workers in the Transkei the important contribution trade unions could bring to make their lives worth living.

Table 4.11 - Trade Union Membership

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	576	90,6
No	0	0
Not sure	60	9,4
TOTAL	636	100

Source: Author's Survey 1993/94

As revealed by Table 4.11 above, five hundred and seventy six (90,6) of the six hundred and thirty six (636) respondents said that they were trade union members while the remaining sixty (9,4%) said they were not. The positive respondents said that being a member of a trade union meant protection against exploitation by management/employers. The sixty respondents who said they were not, argued that their preparedness to be members of a union would depend on the ability of a particular union to perform or deliver. It is clear from the analysis above that much as the overwhelming majority of the respondents were committed unions members their continued membership would depend on the degree of protection the unions concerned could offer them (workers).

4.7.7 Grievance Procedure

Table 4.12 - Existence of Grievances Mechanism/s

CATEGORY	FREQUENCY	PERCENTAGE %
Yes	140	22
No	488	76,7
Don't Know	8	1,3
TOTAL	636	100

Source: Author's Survey 1993/94

In Table 4.12 above, one hundred and forty (22%) of the respondents were aware of some mechanisms by which workers grievances were redressed. Four hundred and eighty eight (76,7%) of the respondents said there were no mechanisms while the remaining eight (1,3%) said they were not sure whether such mechanisms existed or not.

The table reveals that the procedures by which workers grievances were redressed worked in only a few establishments. An indication that there was rampant disregard of workers complaints at the majority of the workplaces. Such a situation breeds frustration and discontent among workers, leading to a state of entropy in the undertaking concerned, hence the need for workers organisation to fight for their rights such as the right to be consulted on issues affecting the interests of workers, thus confirming the commonly held perception that without increased trade union power, there would always be the tendency towards maximum entropy ie. the tendency towards increased disorganisation at the particular workplace.

On this issue the union officials said they could not think of any such mechanism. This is because there were no structures i.e. workers' representative such as shop stewards to represent workers interests. With regard to their views on bilateral negotiation between management and workers, they explained that it was a sham if not completely useless and could therefore not be said to be a mechanism to cater for workers legitimate aspirations.

Table 4.13 - Procedure Adopted to Redress Grievances

CATEGORY	FREQUENCY	PERCENTAGE %
Bilateral negotiation between employers and employees	138	21,7
Unilateral decision by employers/ Management	400	62,9
Unilateral decision by workers	8	1,3
Unilateral decision by the State and employers	40	6,2
Don't Know	50	7,9
TOTAL	636	100

Source: Author's Survey 1993/94

As to how workers grievances were solved Table 4.13 above shows that one hundred and thirty eight (21,7%) of the respondents said that their grievances were redressed through bilateral negotiation between employers and employees. Four hundred others (62,9%) said a unilateral decision was taken by management/employers. Another eight (1,3%) said that workers took unilateral decision to redress their complaints. Forty others (6,2%) said a unilateral decision was taken by the state and employers, while the remaining fifty respondents (7,9%) were not sure how workers grievances were resolved.

It is clear from the analysis of Table 4.13 that the decision as to how workers complaints should be resolved, except in few cases, was taken unilaterally by management. Workers had very little or no say as to how the problems affecting them should be resolved whether the decision taken by management was in their favour or not contrary to what Wiehahn (1982:37) avers, "it is a manifestation of democratic imperative, the contents of which is, that those who will be substantially affected by decisions made by social and political institutions must be involved in the making of those decisions."

4.7.8 Regulatory Environment

Table 4.14 - Labour Inspectors

CATEGORY	FREQUENCY	PERCENTAGE %
Never	302	47,5
Once	64	10,0
Twice	40	6,3
Thrice	38	6,0
More than three	32	5,0
Use to be but not now	160	25,2
TOTAL	636	100

Source: Author's Survey 1993/94

As indicated in Table 4.14 above, three hundred and two (47,5%) of the respondents had never seen a labour inspector at their workplace; sixty-four (10%) of the others had seen a labour inspector once; forty (6,3%) had seen one twice; thirty eight (6%) thrice; thirty two (5%) more than trice and the remaining one hundred and sixty (25,2%) said they used to see one long ago but not at the time the questionnaires were being administered.

The table reveals that while some visits to some establishments were made by labour inspectors, such visits were erratic and few. There were some industries or workplaces that had never had the privilege of seeing a labour inspector on their premises, as indicated by three hundred and two respondents (Table 4.14). The plausible explanation that can be given is that the labour inspectors, for one reason or another, did not do their work the way they were expected to do it, confirming the allegation against them not visiting establishments to see what was going on there in order to report back to their superiors for an action to be taken where necessary. This is consistent with the evidence by the majority of the employers who appeared before the 1989 Wiehahn Commission of Inquiry that they had never seen a labour inspector of any kind at their businesses since they started operating in the Transkei, thus confirming the evidence of the majority of the respondents (workers) that labour inspectors did not visit the majority of the workplaces.

4.7.9 Industrial Action

Table 4.15 - Reason/s for the absence of Industrial Action

CATEGORY	AGREE		DISAGREE		TOTAL	%
	FREQ	%	FREQ	%		
Workers' satisfaction at their terms and conditions of employment	36	5,5	600	94,5	636	100
Workers fear of losing their job should they embark on any form of industrial action	570	89,6	66	10,4	636	100
The hostile attitude of the state (Previous governments before Holomisa) towards any form of labour unrest	558	87,7	78	12,3	636	100

Source: Author's Survey 1993/94

Table 4.15 above summarises the responses of the respondents relating to the absence of labour action and the perception that there existed relative peace between employers and their employees prior to the 1989 labour unrest. The analysis above shows that the notion of the relative peace between capital and labour at the workplace was a hoax. The truth of the matter is that, it was nothing more than:

- a) workers fear of losing their jobs should they take any labour action; and
- b) the hostile attitude of the state towards a strike action, sit-ins and go-slows.

In the face of such potential threat, and the fact that there were no trade unions to assist workers to fight for their legitimate rights meant they were at the mercy of their employers and had to accept the situation as a matter of fact and make do with it, hence the perception that relative peace and harmony existed between employers and their employees prior to the 1989 labour unrest.

On this issue the union officials said the industrial action that took place during the latter part of 1989 disproved the perception of peaceful and harmonious labour relations between employers and their employees. They argued that the absence of industrial action before 1989 was mainly due to the state's and employers' repression of any attempt by workers to organise themselves to fight for their legitimate demands.

Table 4.16 - The 1989 Industrial Action

CATEGORY	AGREE		DISAGREE		TOTAL	%
	FREQ	%	FREQ	%		

Table 4.16 continued

Damage to some industries	408	64,2	228	36,8	636	100
Disruption of the economy of the former Transkei	504	79,3	132	20,7	636	100
The Closure of some industries	558	87,8	78	12,2	636	100
Loss of jobs by some workers in some industries and commercial houses.	576	90,6	60	9,4	636	100
The setting up of the Wiehahn Commission of Inquiry in the Transkei in 1989	576	90,6	60	9,4	636	100
The emergence of Trade Unionism in the Transkei	576	90,6	60	9,4	636	100

Source: Author's Survey 1993/94

During the latter part of 1989, labour unrest erupted in the former Transkei. Table 4.16 summarises the responses of the six hundred and thirty six respondents involved in this study. The table reveals the negative impact the unrest had on the economy of Transkei and the subsequent closure of some industries and commercial houses leading to loss of jobs by some workers. The aftermath of all these events was the setting up of the Wiehahn Commission of Inquiry on 20th of December 1989, to look into labour matters in the Transkei and the consequent emergence of trade unions in the latter in 1990. When asked about the effectiveness of their unions in limiting the scope of arbitrary action by management against their members, the response of the union officials was not unanimous. While four of them said their unions were effective, the other five said their unions were effective in some areas and less effective in others. According to the last group they had greater measure of success in areas such as workplace participation in decision making, disciplinary action against workers, health and safety at work and discrimination against female workers but were less effective concerning retrenchments, and issues involving recruitment, and the innovation of technology. The analysis shows that

problems. When asked of their future plans, the summary of their responses was that they had a mission to fulfil and that was to continue to fight and work relentlessly towards the achievement of better life for their members and for that matter indirectly, the people of the Eastern Cape in particular and South Africa in general.

4.8 Conclusion

In this Chapter the analysis of the responses from workers and trade union officials from the former Transkei was done.

The analysis clearly shows that workers in the former Transkei suffered massive exploitation at the hands of their employers. For example, they were paid "starvation wages" and what is worse, they could not even complain about their plight as that meant victimization or instant dismissal by the employers.

It came out clearly from the analysis that the labour unrest that took place in the latter part of 1989 was not unexpected. This was as a result of the legitimisation of freedom of association and movement by Major General Bantu Holomisa's government after the overthrow of Stella Sigcau's government in 1987. The Wiehahn Commission of Inquiry on 20th December 1989 and the resultant emergence of trade unions in the former homeland on 21 August 1990 should be seen as the best thing that could happen to the people in the sub-region. With the analysis, as outlined above in place, the conclusion will be devoted to the summary of the findings and further areas of research.

CHAPTER FIVE

5.0 CONCLUSION

5.1 INTRODUCTION

In this final chapter, an attempt is made to review the research project with the view to drawing conclusions. Before this study began, there was a perception that until after the overthrow of Stella Sigcau's government by the former Transkei Defence Force led by Major General Bantu Holomisa, workers in Transkei were unorganised, helpless and left at the whims and caprices of their employers. It was later alleged that Major General Bantu Holomisa's government, apart from facilitating the emergence and functioning of trade unions in Transkei, did not do much to help workers in their fight against their exploitation by employers. This conclusion, therefore, is concerned with labour relations in the Transkei with the searchlight on the lot of workers of Transkei between 1976 and 1987, and 1988 and 1994. The conclusion deals with (a) the alleged Transkei state's pro-capital mandatorist stance and its role in regulating the employment relationship, and (b) the autocratic management style during the era of Chief Matanzima, his brother Chief George Matanzima and Stella Sigcau (1976-1987) and the era of benevolent dictatorship under Major General Bantu Holomisa (1988-1994), and (c) the response of workers labouring under such conditions .

5.2 Summary of Main Findings

5.2.1 Introduction

Considerable attention was devoted to the three basic approaches to labour relations, namely the unitarist, pluralist and the marxist (also know as the radical approach). This was done in order to identify which of the three

approaches could be utilised in the former Transkei situation, while unitarism and pluralism facilitated the understanding of how labour relations system was practised in the former Transkei, the marxist approach was adopted in preference to the two. Unitarism for example, does not accept trade unions as legitimate at the work place and wish they do not exist while pluralism, though accept trade unions, does not in Bendix's (1992:49) words accord any real power to employees and unions. The marxist approach is utilised because, in spite, of its shortcomings, it is still relevant to the study of labour relations. The approach is rooted in the class struggle which the marxists anticipated as the only means by which workers could be emancipated, not only from their domination and exploitation, but also from their abject poverty. The marxists also see the trade union movement as the vehicle for the achievement of the stated objective above. It would, therefore, have been difficult to deal with the former homeland's labour relations, in a situation where trade unions did not exist without reference to the marxist approach.

5.2.2 The Role of the Transkei State in Regulating the Employment Relationship Between 1976 and 1987.

The study revealed that behind the perception of the Transkei state's role as a facilitator to bring equity at the workplace so as to protect workers against the power of employers (Wiehahn, 1989:296) thereby enhancing a humane co-existence between employers and employees, the state's intervention was always aimed at reproducing the capitalist system. This means the maximization of profit and accumulation of capital for further growth at the expense of workers' interest. This explains the former Transkei state's pro-capital mandatorist stance with the result that workers, as stated earlier in this

chapter, were left at the mercy and dictates of their employers and were treated as Hyman (1975:20) puts it, "less as men and women with distinctive needs and aspirations than dehumanised factors of production, who in the absence of an immediate use, could be declared redundant, useless, unwanted and surplus to requirements".

It should be noted that the Transkei Labour Relations Act No 13 of 1977 made no provisions for trade unions. Instead, it created the liaison committee system. The system, however, did not serve the purpose it was designed for because in majority of cases it was a "club" consisting of the employers' favourite workers. Any such committee's members who dared to stand against an employer or manager ran the risk of being victimised or even being dismissed (Wiehahn, 1989:33). The state officials who were supposed to implement the labour laws of Transkei never did so. An example, is the then Attorney-Generals' refusal to prosecute employers who contravened the homeland's labour laws unless they had had approval from the Department of Manpower Planning and Utilisation, an approval which rarely came forth. Another example was the abuse of trust reposed in some of the state officials in-charge of the workmen's compensation benefits who defrauded the very workers they were supposed to protect. There was also the invocation of Proclamation 400, under which the police and the intelligence service were used to suppress any attempt by workers to fight for their legitimate demands.

The study also revealed that the Transkei state's pro-capital mandatorist stance was not accidental but should be seen as a purposeful strategy by the state. For example, the state, the largest employer of labour in Transkei neither wished to consult nor negotiate with its own employees. There was also

the Transkei state's perception of trade unions as agitators and political tools to be used by workers not only to destabilise the economy of Transkei but also to eventually seek the overthrow of the government. Chief Matanzima's eagerness to open Transkei to industrialisation meant that he would take whatever steps necessary to entice entrepreneurs to invest in the former homeland. It is on record that all the employer-witnesses who appeared before the 1989 Wiehahn Commission conceded that one of the reasons why they had agreed to invest in the Transkei was that trade unions did not exist and they would never be allowed to do so in the foreseeable future (Ibid:37). From the discussion above it becomes clear as to why the Transkei state adopted pro-capital mandatorism in the former homeland between 1976 and 1987.

5.2.3 The Approach of Employers to Labour Relation in Transkei Between 1976 and 1987.

The study also revealed that in the absence of an effective implementation of the Transkei labour laws, coupled with the fact that there were no trade unions to organise workers to fight for their rights, employers and managers had the opportunity to act as they pleased between 1976 and 1987. The strategy adopted by employers was generally an autocratic management style and union suppression. This was done to induce increased output of work by workers in order to boost productivity while at the same time stifling workers attempt to obtain a better deal from the employers with regard to better working conditions. Some of their practices as recounted by worker-witnesses who appeared before 1989 Wiehahn Commission and later collaborated by workers and trade union officials interviewed by the researcher have been summarised below:

There was no mechanism whereby workers could collectively negotiate their terms and conditions of employment with their employers. This means decisions affecting the running of the workplace were unilaterally taken by employers or management. Few employers were said to have followed legally acceptable procedures when applying discipline. In most cases workers were fired for negligible reasons or no reason at all. According to Wiehahn, "Even the most fundamental principles of natural justice such as giving an accused the opportunity to state his case were completely ignored (1989:33).

Though workers worked long hours often exceeding the maximum number per week as laid down by law, they were said to have been grossly underpaid. In most cases the wage they received was below the minimum laid down by a wage determination or other legal provision. In certain cases, workers did not know what their actual wages were because the amount they received fluctuated considerably from month to month and in some instances they signed an amount which was much higher on the wage sheet than what they actually received in their pay envelopes. Workers did overtime on Sundays and public holidays without being paid the stipulated rates for such time and days. Neither were they given annual increment over many years despite the steep rise in cost of living and in many cases those who dared to ask for increment were dismissed.

Pregnant workers who took maternity leave often lost their jobs and whenever a labour dispute arose, employers/management called in the police not only to harass the workers but also, forced them to resolve the dispute. As Wiehahn (1989:35) puts it, "There was the arrogant attitude of employers and managers who showed no respect for human dignity of employees. Their approach to workers amounted to "if you don't like it then lump it". Evidence was also given

of firearms being carried at the workplace and even brandished in the presence of workers presumably with the view to cowing them to submission. (Ibid: 36).

It is on record that when Wiehahn Commission (1989) confronted most of the employer-witnesses with the accusation from employees, namely that exploitation of workers was rife in the Transkei, all of them without exception admitted that it (accusation) was true. They, however, blamed the circumstances under which they operated in the Transkei for this state of affairs namely-low productivity of workers, low profit margins, an oversupply of labour, a negative work ethic in Transkei, a relatively large unskilled and even illiterate workforce and the lack of commitment from the relevant state department.

From the discussion above it would appear not far fetched to conclude that employers/managers took advantage of lack of implementation of labour laws in the Transkei coupled with the fact that there were no trade unions to organise workers to fight for their right, to give their employees a raw deal by treating them as disposable commodities who could be hired and fired as it pleased the former.

5.2.4 Workers Responses: 1976 and 1987

The study revealed that during this period workers were hopelessly disorganised and therefore could not match the superior bargaining power of their employers. This state of affairs was reductionist in so far as workers' attempt to obtain a better deal from their employers with regard to terms and conditions of employment was concerned. The importance of trade unions in this regard is summed up in the words of Hyman (1975:64) thus, A trade union

is, first and foremost, an agency and medium of power. Its central purpose is to permit workers to exert collectively, the control over their conditions of employment which they cannot hope to possess as individuals; and to do so largely by compelling the employer to take account, in policy and decision-making of interests and priorities contrary to his own. In the course of analysing the responses of respondents, one of the trade union officials affirmed that before trade unions were allowed to operate in the Transkei, homeland workers were lambs to be slaughtered, as they were hopelessly disorganised and therefore stood the risk of being exploited at all times". This view was confirmed by Dr Bikitsha and is consistent with Hyman's (1974b) argument that workers had no hope of forcing management to accept their demands as they could be replaced easily and had little chance of finding a new job if sacked. It was also revealed that any attempt by workers to embark upon an industrial action would have been ruthlessly suppressed by the state invoking proclamation 400.

The study again revealed that workers' frustration, bitterness and discontent had been simmering for a long time and it was only a matter of time for these to manifest themselves into collective militant action. When, therefore, the Sigcau's government was overthrown in a bloodless coup d'état on 30th December 1987, as stated already, and the freedom of movement and association were legitimised by Major General Bantu Holomisa's government, workers did not only begin to assert themselves but also made a bold attempt to exercise their new found freedom to the full.

The factors that precipitated the fall of Sigcau's government can be summed up as follows:

- (a) The plight of workers throughout Transkei arising from serious exploitation of workers at their workplaces;
- (b) the dissatisfaction arising from the disparity and by the differences in wages and conditions of employment of workers working in South Africa and those working in Transkei;
- (c) The exposure labour in Transkei had from the growing influence of South African and international trade unions;
- (d) The announcement by the President of Transkei, Paramount Chief T.N. Ndamase, on 26th October 1989 urging workers in Transkei to organise themselves with the view to forming workers' organisation ;
- (e) With the activities of the democratic movements all over the world, it was inevitable that political instability and uneasiness in Transkei would increase to the extent that workers there would be the first to demonstrate this by way of industrial action.

The cumulative effect of the events mentioned above was the march of more than 15 000 workers including students and pupils on the 15th October 1989 in the streets of the three industrial towns of Umtata, Butterworth and Ezibeleni. These activities culminated in the setting up of the Wiehahn Commission on the 19th October 1989 and gazette on 20th the same month by Paramount Chief T.N. Ndamase. The implementation of the commission's recommendations led to the legalisation and official recognition of trade unionism in the former homeland on 21st August 1990.

5.2.5 Bantu Holomisa's Era - 1988-1994

The study revealed that Major General Bantu Holomisa's era was characterised by what one might call "benevolent dictatorship". Though the workers and trade

union officials questioned were somewhat grateful to his government for facilitating the emergence and functioning of trade unions in the Transkei, they had harsh words for him and his government for not doing enough to assist them in fighting against their exploitation by employers. The government was accused of being intolerant and dictatorial and cited the 1993 teachers' strike in which Major General Bantu Holomisa was alleged to have sent in soldiers to harass and beat the striking teachers. It was also revealed that adversarial management practices continued during this period but the government did nothing to stop the alleged practices. The workers and union officials argued that in spite of the fact that the trade unions could intervene whenever a labour dispute arose, employers could dismiss workers with ease. It should be noted that the 1990 Decree No 12 (Labour Relations) did not make provision for any legislation that prevented such practices by employers.

It emerged during the course of the study that the emergence of trade unions in Transkei had heightened workers expectations. They had expected that from then on their collective strength and bargaining power through their representative unions would be recognised by their employers and as a result their legitimate demands acceded to with the state as a facilitator. Such high expectations and euphoria soon became moribund. The demand by workers through their unions for a living wage could not be met by some of the firms, especially the small and medium size industries. The inability to pay the new rates drew sharp protests from workers in the form of intensified labour unrests. This situation, coupled with the alleged intent of the new government to be ushered in after the 1994 general elections, to withdraw the incentives in the form of concessions that the South African industrial decentralisation policy offered them, led some of these firms mentioned above folding up and

relocating in more friendly environment elsewhere. They argued that doing business in Transkei was no longer profitable contrary to their response to the questionnaire that they would not leave Transkei as that would be defeatist.

According to Isaac Ekar, senior Economic Researcher of the Planning and Research Unit the Transkei Development Corporation, over the period 1990 to 1993 employment in industry fell from 19 101 to 8 672. The number had since declined to 6 500 as at 1994, according to Les Holbrook, Executive Director of the Transkei Chamber of Commerce (now Kei Chamber of Business). Isaac Ekar, attributed the situation to a combination of the following factors:

- a) Decrease in the total number of existing industries (from 107 to 77);
- b) Retrenchments in a number of existing industries in the face of recession; and
- c) the inability of new firms to offer large scale employment opportunities.

The closing down of some industries meant loss of jobs by many workers as shown above, thereby aggravating the already critical unemployment problem. The outcome was an increase in the crime rate in the sub-region. The anticipated peace, prosperity and better life for all the people of Transkei remained a mirage. Rather, the atmosphere turned into a nightmare of fear, insecurity and helplessness, hence the demand for effective police presence in that part of Eastern Cape.

From the discussion above, one cannot but agree with the workers and trade union officials questioned that the attempt by Major General Bantu Holomisa's government to bring about industrial democracy at the workplace was

reductionist. They had argued that apart from facilitating the emergence and functioning of trade unions in the Transkei, this government had not done much to stop the exploitation of workers by employers. The government's handling of the 1993 teachers' strike is indicative of its stand on industrial action such as the strike option. The points raised above make it difficult for one to dispute the argument by the workers and trade union officials questioned that there was not much difference between Major General Bantu Holomisa's government and its predecessors.

5.3 Limitation of the Study

The study was designed and implemented within the limits stated below:

The wide distribution of the workers throughout the former Transkei made it virtually logically impossible in terms of transport, finance, time and effort to contact all the potential respondents. The selection of the sample was therefore limited by the extent of the geographical distribution of the three main industrial centres in Transkei. The specific areas earmarked for the investigation were Umtata, Butterworth and Ezibeleni. Lusikisiki one of the main industrial centres other than Umtata, Butterworth and Ezibeleni was not included in the present study because of logistical problems and though its functional role may be different but not its industrial status.

5.3.1 The Place of South Africa in the Study

The study deals with the labour relations in the former Transkei between 1976 - 1994, however, the inter-wovenness of the labour matters in both the Transkei and South Africa was such that it was not possible to limit the discussion to only the former homeland.

Another limitation is that the questionnaires as one of the research techniques is fraught with problems such as the reluctance of respondents to provide information. The difficulty of collecting information from industrial firms has been noted in several studies (Tomlinson, 1983). In the former "independent" Transkei, this had been a persistent problem to the Department of Commerce and Industry and to the former Transkei Development Corporation. A report in the Daily Dispatch of 19th April 1989, (attributed to the former Transkei Minister of Commerce and Industry, Mr. Mguldwa) mentions the non-returns of questionnaires as one of the most formidable problems facing his department. The researcher had very frustrating experience when collecting information for this research especially from the management of commercial houses. The use of the assistants as well as the persistent efforts by the researcher, however, went a long way to counteract the problems highlighted above.

The use of assistants was yet another limitation. The problem here is the absence of uniformity of approach. Again the structured items together with the briefing and training sessions that the assistants had and their regular contacts with the researcher helped immensely to offset the anticipated handicap.

5.4 Further Areas of Research

The findings of this study have shown that follow-up studies are necessary. The present study focused its attention on labour relations in the former Transkei with the spotlight on management/worker relations and the role played by the state in this regard.

Another limitation is that the questionnaires as one of the research techniques is fraught with problems such as the reluctance of respondents to provide information. The difficulty of collecting information from industrial firms has been noted in several studies (Tomlinson, 1983). In the former "independent" Transkei, this had been a persistent problem to the Department of Commerce and Industry and to the former Transkei Development Corporation. A report in the Daily Dispatch of 19th April 1989, (attributed to the former Transkei Minister of Commerce and Industry, Mr. Mguldwa) mentions the non-returns of questionnaires as one of the most formidable problems facing his department. The researcher had very frustrating experience when collecting information for this research especially from the management of commercial houses. The use of the assistants as well as the persistent efforts by the researcher, however, went a long way to counteract the problems highlighted above.

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5.4 Further Areas of Research

The findings of this study have shown that follow-up studies are necessary. The present study focused its attention on labour relations in the former Transkei with the spotlight on management/worker relations and the role played by the state in this regard.

There is also the other factor which is that the Transkei's reincorporation into the greater South Africa makes it obligatory for any labour-related issue concerning the Transkei to be tackled within the context of the imperatives of the South African laws and industrial and employment policies. An example is the passage of a new labour law (*Labour Relations Act*) which came into effect in January 1996 and meant to govern South Africa's labour relations system. This new labour law was a total break with the past in terms of deadlock breaking and dispute resolution. For example, instead of the delay process of the Industrial Court, it rather emphasised on the use of the more efficient commission for Conciliation and, Mediation and Arbitration.

With the above points in mind, it is suggested that follow-up studies be done on

- (a) The functioning of the emergent trade unions in the Transkei within the broader Eastern Cape setting;
- (b) The state of affairs concerning the existing industries in the present Transkei sub-region in view of the continued closing down of some of the industries there;
- (c) The state of affairs in the industries which still refuse to allow trade unions to operate on their premises.

APPENDIX A

The List of Industries Visited

<u>Name of Industries</u>	<u>Location</u>	<u>Products</u>
1. Autocat	B	Catalytic Convertors
2. Beier Industries	B	Canvas Shoe
3. Braun Engineering	B	Exhaust Systems, Parts
4. Chin-Ho	E	Socks
5. Clutch & Brake Supp.	U	Clutch and Brakes
6. Dist. & Castle Wine	U	Wine and Brandy
7. Crown Products	E	Entrance Doors
8. Home Chem	U	Detergents
9. Ingotex	B	Fabrics
10. Kei Plastics	U	Plastic Bottles
11. Formosa A. Knit	E	Jerseys, Tracksuits
12. Formosa Enterprises	E	Clothes
13. Kuyasa Memorials	B	Tombstones
14. Golden Company	B	Cutlery and Knives
15. Leopard Brewery	B	Xhosa Beer
16. Lu-Ler Electronics	U	Speaker Dampers
17. Mbonde Furniture	E	School Furniture
18. Ohlssons Cape Brew	B	Beer
19. Paramount Fashions	B	Clothes, Bags
20. PEP	B	Blankets, Clothing
21. Royal Master Co.	U	Car Radios
22. Sarah Wade	B	Curtains, Duvet Covers
23. Sunson Electronics	U	Radio, TV, Cassettes
24. R.D. Timbers	E	Office Furniture
25. Sun Manufactures	U	Garments, Lighters
26. Tally	B	Wind
27. Tanda Milling	B	Millie-Meal
28. Tramatex	B	Yarns
29. Tannery Protea	B	Leather
30. Transkei Knitting	B	Knitwear
31. Transkei Wire Ind.	B	Wire, Nails, Gates
32. TRICO Enamelware	B	Enamel Kitchen Ware
33. SANKEI Speakers	U	Speakers
34. SUNTEX	B	Polyester Fabrics
35. Vaughan Hartley	E	Furniture
36. Vulindlela Furniture	U	School Furniture
37. Blokmolasses Feeds	E	Cattle Feed
38. M & S Holdings	B	Jute & Cotton Flop

B	=	Butterworth	-	22
E	=	Ezibeleni	-	8
U	=	Umtata	-	10

APPENDIX B

Sociology Questionnaire to Management in Industrial, Commercial, Public as well as Private Sectors in Umtata, Butterworth and Ezibeleni.

Instructions to Respondents

1. Here are some questions concerning you and your work.
2. Kindly circle the letter or number preceding the correct answer.
3. Choose one answer per question.
4. Where there is the need to express your own opinion do please use the space provided to do so.
5. Your name is not required, therefore feel free to answer all the questions with sincerity.

Demographic Features

1. Sex: (a) Male (b) Female
2. Age: In complete years
3. Marital Status: (a) Single
(b) Married
(c) Divorced
(d) Widowed
(e) Remarried following widowhood.
(f) Remarried following divorce.
(g) Cohabiting
4. Highest standard of education attained.
(a) No formal education
(b) Primary
(c) Junior Secondary
(d) Senior Secondary
(e) Training College
(f) Technikon
(g) University
(h) Other (Please specify)

B. Employment

5. What position do you hold in you establishment or workplace?

C. History and Size of Establishment

6. For how long have you been in this position? (Please state the period in completed years)

7. What is the size of your enterprise/school/college/hospital etc?

(a) Small (b) Medium (c) Large (d) Very large

8. How many workers do you have in your establishment?
Please state the number.....

D. Items Produced and Their Destination

9. In the case of industrial establishment what items/goods do you produce? (Please specify)

10. Are your products meant for home or external consumption?
(a) Home (b) External

11. If not for home consumption, why? (Please explain)

12. If they are for external consumption, state their final destination.
(Kindly state the country/ies concerned).

E. Perceptions of Workplace Relations

13. What type of labour relations exist between you and your employees?
(a) Very happy (b) Happy
(c) Unhappy (d) Very unhappy

14. Why do you say so? (Please explain)

15. It is alleged that before trade unions were allowed to operate in the Transkei, workers' exploitation by employers was very rife. What is your opinion about this? Please explain)

F. Attitudes to Collective Organisation of Workers

16. Liaison committees were set up by the 1977 labour Relations Act to liaise between employers and employees to bring about industrial peace at the workplace. Were you aware of this?

- (a) Yes (b) No

17. If yes, how effective were these committees?

- (a) Very Effective (b) Effective
(c) Ineffective (d) Very Ineffective

18. Why do you say so? (Please explain)
.....

19. What was your reaction to the non-existence of trade unions.
(Please explain)

20. Why do you say so? (Please motivate your answer)
.....

21. Since the emergence of Trade unionism in Transkei what has been the state of workers' output at work?

- (a) Very Positive (b) Lukewarm
(c) Negative (d) Very Negative

22. Why do you say so? (Please motivate your answer)
.....

G. Regulatory Environment

22. As far as you can remember, how many times has a labour Inspector visited your workplace?

- (a) Never (b) Once
(c) Two to four times (d) Five to Seven times

(e) R1 600 - R1 800

(f) Other (Please specify).....

34. Within what range does your lowest paid worker fall?

(a) R 400 - R 600

(b) R 700 - R 900

(c) R1 000 - R 1 200

(d) R 1 300 - R1 500

(e) R 1 600 - R 1 800

(d) Other (Please specify).....

35. What incentives, if any, do you give your workers to motivate them to give of their best at work? Please circle the appropriate number.

	Given	Not Given
(a) Rent subsidy	1	2
(b) Transport allowance	1	2
(c) Meals subsidy during working hours	1	2
(d) Maternity leave with pay for female workers	1	2
(e) Sick leave with pay	1	2
(f) Medical Aid Scheme	1	2
(g) Subsidy towards children's education	1	2
(h) Other (Please specify)	1	2

36. Does your undertaking or establishment offer any training for your workers so as to improve their competence at work as well as enhance their promotion prospects?

(a) Yes

(b) No

37. If no why?

(Please explain)

I. Grievance Mechanism and Procedure

38. Before trade unions were allowed to operate in the Transkei were there any mechanisms by which workers grievances could be resolved?

(a) Yes

(b) No

39. If yes, by which mechanism/s? By

(a) Bilateral negotiation between employers and employees.

(b) Unilateral decision of employers

- (c) Unilateral decision of the state.
- (d) Other (Please specify)

J. Industrial Action

40. Has your establishment or workplace ever witnessed labour unrest since its operation?

- (a) Yes
- (b) No

41. If yes, how many times?

Please specify

42. Did your enterprise suffer any damage during the course of the labour unrest?

- (a) Yes
- (b) No

43. If yes, what was the extent of the damage?

- a) Minor
- b) Extensive
- c) Very extensive

44. It is believed that the 1989 Labour Unrest in Transkei led to the following developments. Do you agree?.

	Strongly Agree	Agree	Disagree	Strongly Disagree
(a) Damage to some industrial commercial houses.	1	2	3	4
(b) The closing down of some Industries.	1	2	3	4
(c) Disruption in the economy of Transkei.	1	2	3	4
(d) Loss of jobs by some workers In commerce and industry.	1	2	3	4
(e) The setting up of the Wiehahn Commission to look into Labour matters in Transkei.	1	2	3	4
(f) The emergence of Trade Unionism in Transkei.	1	2	3	4
(g) Other (Specify)				

45. Are you aware of any industry/ies or commercial house/s that has/have closed down in Transkei?

(a) Yes

(b) No

46. If yes, how many are they? (Please state the number)

(a) Industries

(b) Commercial Houses

47. Do you know why they closed down? (a) Yes (b) No

48. If yes, will you please explain why they closed down.

.....
.....

K. Retrenchments

49. Have you ever had a cause to reduce the number of workers in your undertaking or workplace since it was established?

(a) Yes

(b) No

50. If yes, by what means was it done?

a) Dismissal

b) Retrenchment

c) Other (Please specify)

51. Why did you take such action? (Please explain)

.....

L. Perception of the Future

52. With the advent of fully fledged trade unionism operating in the Transkei what do you intend to do?

(a) Close down your undertaking and leave Transkei for elsewhere

(b) Stay in Transkei to continue your business operation

(c) Other (Please specify).....

53. Why do you say so? (Please motivate your answer)

.....

Thank Your For Your Time

APPENDIX C

Sociology Questionnaire to Workers in Industrial, Commercial, Public as well as Sectors in Umtata, Butterworth and Ezibeleni

Instructions to Respondents

1. Here are some questions concerning you and your work.
2. Kindly **circle** the number preceding the right answer.
3. Choose **one** answer per question.
3. Where there is the need to express your own opinion do please use the space provided to do so. (Dotted lines i.e.)
4. Your name is not required, therefore feel free to answer all the questions with sincerity.

(a) Demographic Features

5. Sex: (a) Male (b) Female
6. Age (in complete years)
7. Marital Status:
 - (a) Single
 - (b) Married
 - (c) Divorced
 - (d) Widowed
 - (e) Remarried after widowhood
 - (f) Remarried after divorced
 - (g) Cohabitation
8. Highest Standard of Education attained:
 - (a) No formal education
 - (b) Primary
 - (c) Junior Secondary
 - (d) Senior Secondary
 - (e) Training College
 - (f) Technikon
 - (g) University
 - (h) Other

B. Employment

9. Which of the following applies to you?
(a) Worked for short periods (b) Full time employment
(c) Part time employment
10. Where is your last place of work? (Please specify)
11. What is your status in the industry or workplace?
(a) Professional/Technical (b) Supervisor
(c) Clerical (d) Sales
(e) Skilled category (f) Unskilled category
(e) Other (Specify)
12. What is your monthly salary? (Rough estimates)

C. Perceptions of Terms and Conditions of Employment

13. Are you satisfied with your terms and conditions of employment?
(a) Very satisfied (b) Satisfied
(c) Less satisfied (d) Not at all satisfied
14. Why do you say so? (Please explain)
15. It is alleged that before trade unions were allowed to operate in Transkei workers' exploitation by their employers was rampant.
Is the allegation true?
(a) Yes (b) No

16. If yes, in which of the following areas were workers exploited?
Please circle the letter preceding the correct answer.

	Heavily		Not
	Exploited	Exploited	Exploited
(a) Workers' wages	1	2	3
(b) Injured workers compensation	1	2	3
(c) Workers safety at the workplace	1	2	3
(d) Discipline of workers	1	2	3

(e) Hours of work	1	2	3
(f) Overtime allowance	1	2	3
(g) Job security	1	2	3
(h) Training programme for workers	1	2	3
(i) Workers' promotion	1	2	3
(j) Maternity leave for female workers	1	2	3
(k) Transkei national holidays	1	2	3
(l) Sick leave for workers	1	2	3
(m) Sexual harassment of female workers	1	2	3
(n) Other (Please specify)	1	2	3

17. What incentives, if any, are you given by your employer to motivate you to give of your best at work? Please circle the letter preceding the appropriate answer.

	Given	Not Given
(a) Rent subsidy	1	2
(b) Transport allowance	1	2
(c) Meals subsidy during working hours	1	2
(d) Maternity leave with pay for female workers	1	2
(e) Sick leave with pay	1	2
(f) Medical Aid scheme	1	2
(g) Subsidy towards children's education	1	2
(h) Other (Please specify)		

D. Workers and Their Collective Organisation

18. Liaison Committees were set up by 1977 Labour Relations Act to liaise between employers and employees to bring about industrial peace at the workplace. Do you know of this?

- (a) Yes (b) No

19. If yes, how effective were these committees?

- (a) Very effective (b) Effective
(c) Less effective (d) Not at all effective

20. Why do you say so? (Please explain)

21. Until after 1990 trade unions were non-existence in the Transkei. Were you aware of this?

22. If yes, what was/were the reasons for their non-existence?
(Please explain).....
.....

23. What was your reaction to the non-existence of trade union in the Transkei?

- (a) Very happy (b) Happy
(c) Unhappy (d) Very unhappy

24. It is believed that Trade Unions, if properly handled, could contribute a lot towards the National development effort.

Do you agree?

- (a) Yes (b) No.

25. Why do you say so?

(Please motivate your answer)

.....

26. Given the nature of Labour Relations that previously existed in the Transkei, do you think it is worthwhile for workers to form trade unions?

- (a) Yes (b) No

27. Why do you say so?

(Please explain)

.....

28. If yes, are you a member of a trade union?

- (a) Yes (b) No

29. Why do you say so? (Please explain)

E. Regulatory Environment

30. As far as you can remember, how many times has a labour inspector visited your workplace since you started working there?

- (a) Never (b) Once (c) Thrice
(d) Other (Please specify).....

F. Grievance Procedure in the Former Transkei

26. Before the emergence of Trade Unions, were there any mechanism/s by which workers' grievances could be resolved?

- (a) Yes (b) No

27. If yes, by which mechanism/s? By

- (a) Bilateral negotiation between the employer and employees
 (b) Unilateral decision of employer
 (c) Unilateral decision of employees
 (d) Unilateral decision of the state
 (e) Other (Please specify)

28. If not why? (Please explain)

G. Industrial Action

29. It is alleged that the 1989 Labour Unrest in the Transkei led to the following developments. Do you agree? Please circle the appropriate number.

	Strongly Agree	Agree	Disagree	Strongly Disagree
(a) Damage to some industries and commercial houses.	1	2	3	4
(b) Disruption of the economy of Transkei	1	2	3	4
(c) The closing down of some industrial establishments	1	2	3	4
(d) Loss of jobs by some workers in commerce and industries.	1	2	3	4
(e) The setting up of Wiehahm Commission to look into labour matters in the Transkei.	1	2	3	4
(f) The emergence of Trade Unionism	1	2	3	4

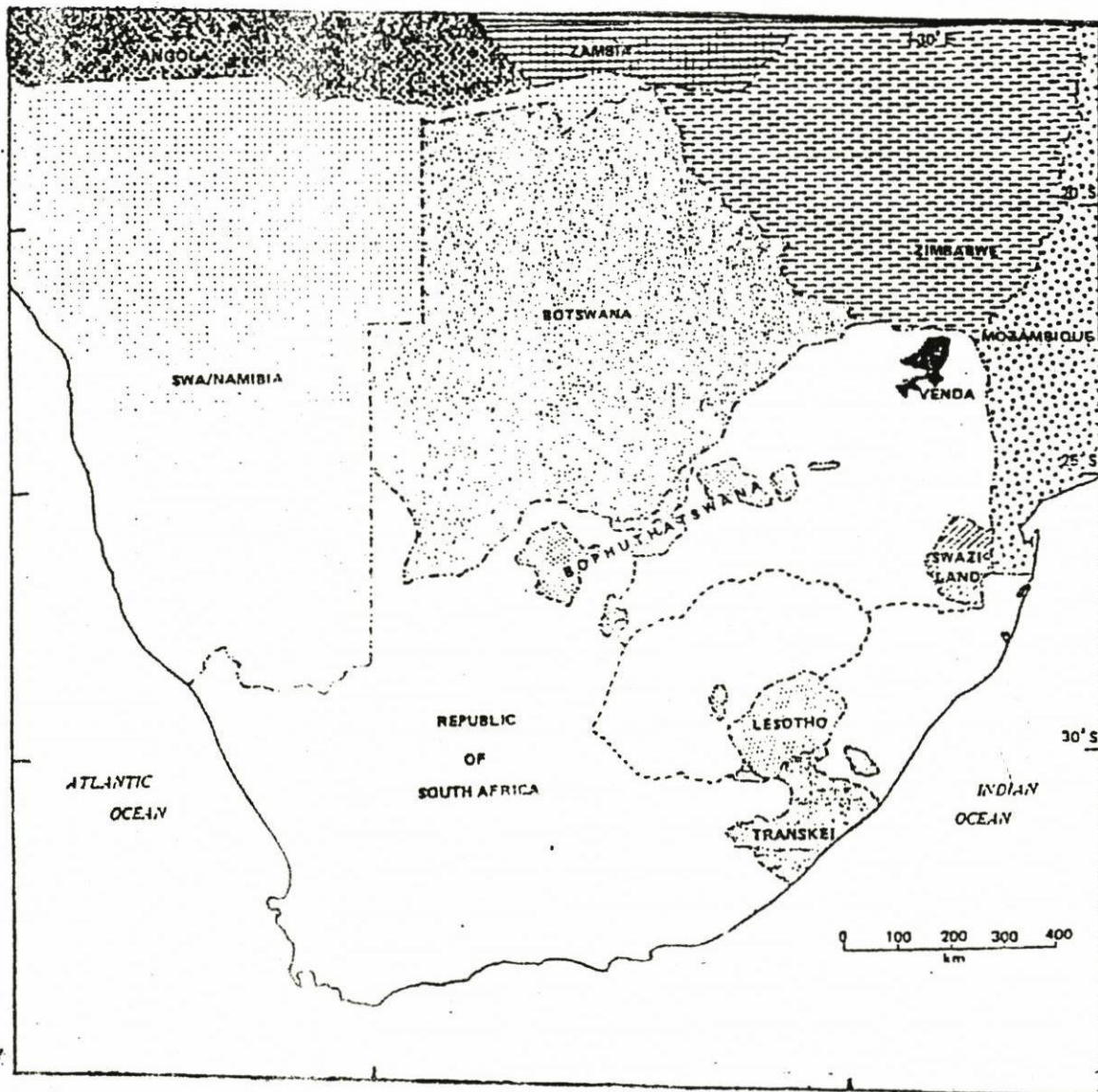
	in Transkei on 21 st August 1990.	1	2	3	4
(g)	Other (Please specify)	1	2	3	4

32. It is believed that the reason/s for the relative peaceful and harmonious labour relations that existed between employers and their workers prior to the 1989 labour unrest was/were the following. Do you agree? Please circle the appropriate number.

		Strongly Agree	Disagree	Strongly Disagree	
		<u>Agree</u>		<u>Disagree</u>	
(a)	Workers' satisfaction with their Working conditions.	1	2	3	4
(b)	Workers' fear of losing their jobs should they embark on any form of industrial action.	1	2	3	4
(c)	The hostile attitude of the State Chief Matanzima & Stella Sigcau's government) towards any form of Industrial action	1	2	3	4
(d)	Other (Please specify)	1	2	3	4

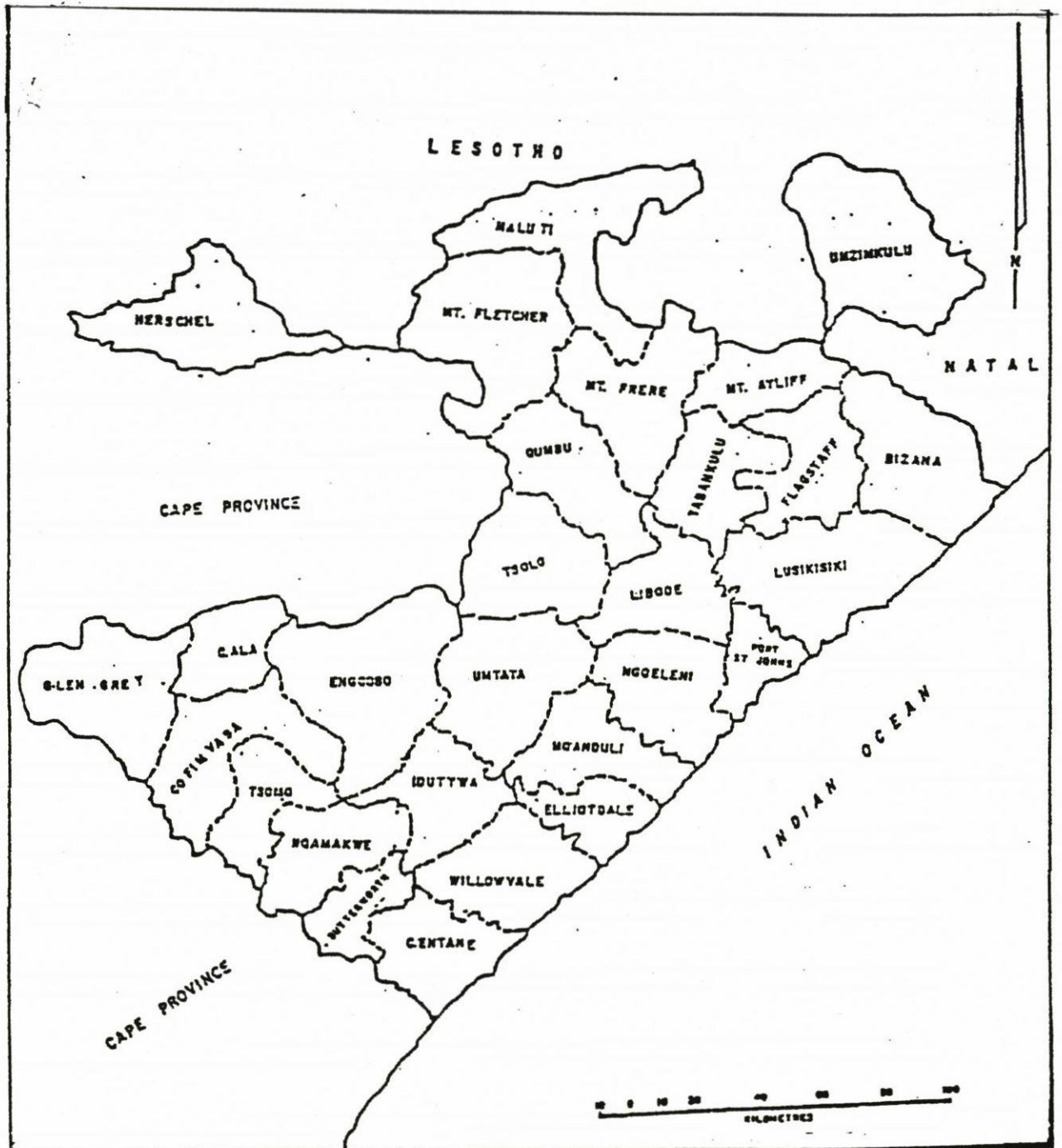
Thank You For Your Time.

APPENDIX D: Geographical situation of Transkei to Republic of South Africa.



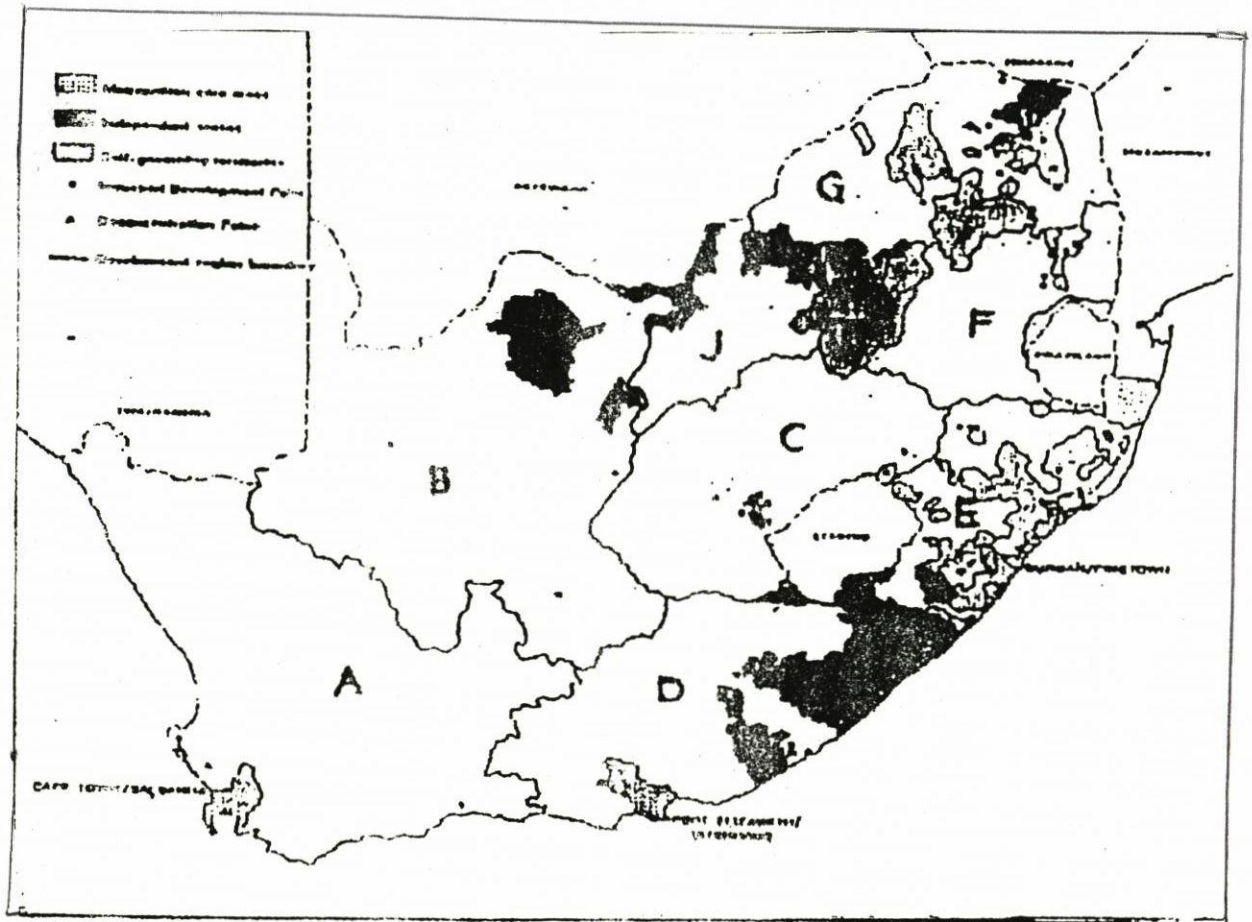
SOURCE: MA Unpublished Thesis " MULTIVARIATE REGIONALIZATION OF ECONOMIC DEVELOPMENT IN TRANSKEI - 1992 " by K. O. Acheampong

Appendix E: The 28 Magisterial Districts of Transkei



Source: MA. Unpublished Thesis on " MULTIVARIATE REGIONALIZATION OF ECONOMIC DEVELOPMENT IN TRANSKEI " by K. O. Acheampong

Appendix F: Development Regions - South Africa.



Source : Manual on the Implementation of the Regional Industrial Development Incentives introduced on 1 April 1982

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ENDNOTES

- 1 Comparadore, also spelled comparadore means a member of the Chinese merchant class who aided Western traders in China in the late 18th, 19th and 20th centuries. Hired by contract the Comparador was responsible for a Chinese staff of currency exchange specialists, interpreters, coolies and guardsmen. Many of these Comparadores became extremely wealthy and established businesses of their own. In recent times the term Comparador has come to denote those people who aided Western exploitation of China (The new Encyclopedia Britannica, vol.3 p.505)
2. State of belonging to forming part of a mother country as distinct from its colonies (The Reader Digests Oxford Complete Wordfinder 1993:960).
3. The act of obtaining exclusive possession or control of trade or commodity etc.
4. A state of limited competition between a small number of producers or sellers.
5. The wrong use of a name or term.
6. Defined as points adjacent or close to the metropolitan areas towards which industrial growth could be deconcentrated to lessen the pressure of over concentration on metropolitan areas (Whiteside, 1989:126)
7. Defined as where certain industries may be granted incentives on merit at locations other than established growth points (South Africa, 1983:4)
8. An agreement by which the owner of a building or land allows another to use for a specific time, usually in return for payment.
9. Defined in Marxist terminology as the unorganised and impolitical of lower order of society, not interested in revolutionary advancement (Readers Digest, Oxford Complete Word Finder 1993:910).
10. Referred to as a heritage ie. Property position inherited from ones father or ancestor from generation to generation.

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