# CHAPTER 1

## INTRODUCTION AND THE AIMS OF THE STUDY

### 1.1 INTRODUCTION

Since the new government came to power in 1994 there has been a steady movement to democratise the South African society. It is therefore not surprising that democratic principles and human rights are expressed as the fundamental values of the South African Constitution (The Constitution of the Republic of South Africa Act No 108 of 1996). In order to provide substance to these values the government, amongst other means, uses the legislative processes at its disposal to amend existing laws or introduce relevant new legislation.

One of the areas of society earmarked for transformation and democratisation is the workplace. The intention is the creation of a democratic work environment i.e. enhancement of industrial democracy. It follows that one of the earliest acts passed by parliament to achieve this objective is the Labour Relations Act (No 66 of 1995) (the LRA).

### 1.2 THE STUDY IN HISTORICAL PERSPECTIVE

In order to gain an understanding of the development of democracy, and much later, of industrial democracy, it is necessary to briefly sketch the history of remunerated work in South Africa.

The colonisation of South Africa in 1652 was initiated by commercial interests and not by a government wishing to govern the country politically. The settlement at the Cape became a remote branch of a very large and flourishing business enterprise, the "Vereenigde Geoctroyeerde Oost-Indische Companjie" (VOC). The VOC (English: the Dutch East India Company) was granted a charter for overseas trading by the Netherlands parliament, the States-General, in 1602. In terms of this charter the States-General delegated its sovereign power over specified overseas dependencies to the VOC. In accordance with this arrangement the VOC established a virtual empire in the spice-rich Dutch East Indies (now Indonesia) with its headquarters in Batavia. The

settlement at the Cape fell under control of the VOC officials in Batavia whose major concern was with making profits for their company.

Initially all the new residents of the Cape were employees of the VOC and were subject to its rules, regulations and discipline which included harsh physical punishment and imprisonment. This situation changed in 1657 when a number of VOC employees were allocated land to farm as freeburghers. The motivation for this was to provide the VOC with a better supply of produce for its trading ships when they docked at the Cape. Although the burghers were encouraged to participate in local administration, they had no say in policy-making. It was only in 1778 that they demanded representation in the central administration when the "Kaapse Patriotte" directly petitioned the States-General in the Netherlands after their complaints to the Governor-in-Council in Batavia had failed. Their agitation was in reaction to the abuse of power by the then Governor and his clique in the Political Council which administered the Cape. The ordinary citizens enjoyed virtually no democratic rights - a situation which continued for almost two hundred years.

Between 1795 and 1815 when the Napoleonic Wars were waged in Europe, the Cape experienced a period of political turmoil as it changed hands three times during this period. The VOC lost ownership of the Cape to the British in 1795. It then briefly reverted to the newly established Batavian Republic in the Netherlands. It is interesting to note that this was the first time that the Cape was ruled by a government. However in 1806 the British again took control by military occupation. Reversion to British rule brought a return to autocratic political control which was the norm in Britain's colonies of conquest (Wilson and Thompson, 1985: 212-214).

Many colonists were disgruntled at being subjugated by a foreign power, Britain, and moved further and further away from the Cape to get away from British control. The desire for self-government or democracy, was also later given by the *Voortrekkers* as one of the reasons why they decided to leave civilisation behind and to trek into the wild hinterland. The *Voortrekkers* introduced their own democratic governing institutions in the Republic of Natalia and also later in the Orange Free State and the South African Republic. The constitutional system of the Orange Free State was an amalgam of the Cape Colonial system of local administration, the legislative system that existed in the short-lived Republic of Natalia and several parts taken over from the United States

Constitution (Wilson and Thompson, 1985: 429). The Boer republican constitutions were noted for their sovereignty of the people, a one chamber parliament and an elected head of state. The benefits of these provisions were however only the privilege of white male citizens. These democratic and republican ideals were also of limited duration as they stood in the way of powerful British imperialist policies that eventually subjugated the two independent republics to British rule (Van Schoor, Oberholster, Coetzee and Pienaar, undated: 461, 470 and 473).

After the Anglo-Boer War (1899-1902) the diversity of customs, rail tariffs and race policies made unity amongst the then four British colonies essential. At a suggestion of the Inter-Colonial Conference in 1908 a National Convention was called to come to agreement on unification. This National Convention serves as an early example of the democratic process at work in South Africa albeit only for the white population. Unification occurred on 31 May 1910 when the Union of South Africa was constituted. With the acceptance of the Union Constitution full independent democratic governance was given to South Africa. The Union Constitution had most of the characteristics of a democracy except that democratic rights were only applicable to the white population group of the country.

After a referendum among the white population in October 1960, South Africa left the British Commonwealth and became a republic on 31 May 1961. The ruling National Party was then in a position to implement its apartheid policy through various parliamentary acts. Apartheid laws made the possibility of democracy for the non-white population even more remote. With the introduction of the three chamber parliament following the 1983 Constitution, the Coloured and Asian population groups experienced a limited form of political democracy (Van Schoor et al, undated: 490-502; Cameron and Spies, 1986: 314). Even for the white population group, democracy was largely limited to the political arena. In many instances democratic principles were not present in other spheres of the South African society such as the workplace. It can be said that industrial democracy was not a feature of the South African workplace prior to 1994.

With the African National Congress (ANC) coming to power in South Africa in April 1994 a totally new political era commenced. The ANC's political model is one of democracy for all citizens of South Africa and not a type of democracy limited to a minority of the total population. The new South African Constitution aims to extend

involvement and participation in matters which affect them as widely as possible among all persons concerned. Often the opinion of people at grass roots-level who were previously ignored are actively sought e.g. in the building of infrastructure in the remote areas of the country. This approach of participation and involvement is taken further by also seeking the opinion, involvement and participation of non-governmental organisations (NGOs) and other civil institutions in various issues of concern to society, such as health matters.

The government led by the ANC uses legislation to create an institutional framework through which democratic objectives can be achieved. The South African Constitution, as the supreme law of the country, makes several references to the values underlying a democratic state and other institutions supporting a constitutional democracy. The values on which the Constitution of South Africa is founded are stated as follows:

a.    Human dignity, the achievement of equality and the advancement of human rights and freedoms.

b.    Non-racialism and non-sexism.

c.    Supremacy of the constitution and the rule of law.

d.    Universal adult suffrage, a national common voters' role, regular elections and a multi-party system of democratic government, to ensure accountability, responsiveness and openness.
(The Constitution of Republic of South Africa Act No 108 of 1996).

Institutions supporting constitutional democracy in SA include the Constitutional Court, the Office of the Public Protector, the Human Rights Commission, the Commission for the Promotion and the Protection of the Rights of Cultural, Religious and Linguistic Communities, the Commission for Gender Equality, the Auditor-General and the Independent Electoral Commission.

The following examples of legislation serve as illustration of the democratic/participative framework and processes provided by parliament for the citizens of South Africa.

Section 32(1)(a) of the Constitution provides that everyone has the right of access to any information held by the State. Furthermore section 32(1)(b) of the Constitution provides for the horizontal application of the right to access of information held by another person to everyone when that information is required for the exercise and protection of any rights. These rights are given to all citizens by the Promotion of Access to Information Act (No 2 of 2000) which aims to foster a culture of transparency and accountability in public and private bodies.

Chapter Two of the Basic Conditions of Employment (Act No 75 of 1997) refers to the regulation of working time. Sections 10, 11 and 12 all provide for the joint conclusion of an agreement between the employer and the employees in order to regulate overtime work, a compressed working week and averaging hours of work. This cooperative process between the employer and the employee(s) may be an individual or a collective agreement between the parties to vary overtime hours and pay, vary the daily working hours and averaging hours of work and overtime over a four month period provided in each instance that the requirements of the applicable section of the Act are complied with.

The Employment Equity Act (No 55 of 1998) will have a critical impact on transforming workplaces in South African organisations. Its objectives are to achieve equity in employment through promoting equal opportunities and implementing affirmative action to redress disadvantages experienced by people from designated groups. It is superior among all labour legislation in that if there is conflict between acts, the Employment Equity Act takes precedence.

The Skills Development Act (No 97 of 1999) seeks to develop the skills of the workforce, improve productivity of the workplace, promote self-employment and the delivery of social services. A special focus is improvement of the employment prospects of previously disadvantaged persons through education and training.

The Labour Relations Act (No 66 of 1995) (LRA), as the cornerstone act of the South African labour relations system, also serves to promote democracy. Section 1 of the LRA sets out the objectives of the Act and together with section 1d (iii) demonstrates the government's promotion of democracy and particularly democracy in the workplace (in other words, industrial democracy). It reads:

" to promote

(i)     orderly collective bargaining;
(ii)    collective bargaining at sectoral level;
(iii)   *employee participation in decision-making in the workplace ; and*
(iv)    the effective resolution of labour disputes."
(My italics at (iii))

To revert to historical developments the sections that follow examine some of the reasons for the interest shown by many individuals and institutions in employee participation.

Two of the main characteristics of human beings are their desire to be free and their struggle against domination. It is therefore possible to see employee participation in decision-making as an essential component of the struggle for control of one's own self.

Most work is performed by two or more parties who enter into a work agreement. The employment relationship that thus comes into existence is characterised by the domination exercised by the owner of the business or his representative and the subordination of the worker who has to take orders.

This type of employment relationship became particularly strained in the nineteenth century and deteriorated further early in the twentieth century with the emergence of Taylorism and Fordism and recently by the development in technology. These circumstances resulted in the alienation of employees from their work because employers unilaterally determined how work was to be performed. Employees were therefore not in a position to take part in decision-making. Greenberg (1989:16) writes that humans are purposeful beings, capable of intelligent decisions and that denying them these opportunities is to sever them from their humanness. The prerogative of the owners of business and their representatives to determine the nature of work is regarded as a serious threat to the freedom of workers and is consequently continually resisted.

The idea that workers should participate in decision-making is not a new one and can

be traced back to the Industrial Revolution. In Vanek's (1975:16-17) view this idea came about as an intellectual reaction to the negative consequences of modern capitalism on the working conditions of employees. The earliest ideas of employee participation was formulated by the utopian socialists, a group of scholars and social reformers in Europe and Britain who believed that democracy should also be applied to the world of work. Later both world wars contributed to the advancement of employee participation through the introduction of factory committees and councils in the aftermath of the wars. More recently the adoption of the social charter in member countries of the European Union (EU), requires that employees in large businesses be represented on their boards (Bayat, 1991: 22).

Japan and the United States of America also experienced the push for employee participation. In Japan it was felt that because of new technology in the workplace a greater understanding of the overall operation of an enterprise was necessary. This was to be achieved through the involvement of employees in decision-making (Kazuo,1988: 8-9). In the USA technology advanced employee participation in two ways: through economic pragmatism, that is, a trade-off between the employment of new technology by the employer and some involvement in the organisation of the work by employees. Secondly, there is evidence that manufacturing technology will work better if it formed part of a total system of participative management in which employees are involved (Steven,1986: 529-539).

The United States General Accounting Office (1988:2) indicated that most US companies supported employee participation programmes and almost nine million full-time employees were involved.

The above examples serve as indicators of the advancement of different forms of industrial democracy in some parts of the world.

The drive towards employee participation reached South Africa especially through the trade union movement. Worker control and socio-economic transformation to achieve employee participation have long been a strategy of the union federation, Congress of South African Trade Unions (COSATU) (Ramaphosa,1986). Some employers in South Africa realised that the winds of change had started blowing and introduced different forms of employee participation. Notable in this regard were the programmes at

Volkswagen (Smith in Anstey,1990) and at Toyota (Dewar in Anstey, 1990).

This desire for employee participation in decision-making only found statutory expression once the LRA came into effect and Workplace Forums were introduced. The Act contains provisions for the establishment of Workplace Forums (WPFs) aimed at enhancing industrial democracy. The implementation of these provisions could profoundly change human activity and relationships in places where people work together in South Africa.

The introduction of WPFs in the industrial relations system has two other main objectives, namely, (a) to promote the interests of employees and (b) to enhance the efficiency of South African workplaces. The country now faces competition as never before and the government is fully aware that South Africa needs to become internationally competitive if the aims of the Reconstruction and Development Programme (RDP) and especially economic empowerment of the people are to be achieved. In order to become more competitive, employers on their side, are striving for employment situations in which employee participation as established through WPFs will provide greater flexibility in work organisation and deployment of labour, leading to increased productivity.

There is increasing evidence to support the excitement about management systems utilizing employee involvement. Hoerr (1989: 56) cites productivity gains of between 30 and 350 percent. Employee-management relations, customer satisfaction, quality control and profitability all seem to improve through employee involvement.

The current study will focus on some of the components of industrial democracy as contained in the LRA, namely, disclosure of information, collective bargaining, joint consultation and decision-making as well as Workplace Forums as a new structure.

## 1.3    THE RESEARCH PROBLEM

It is now more than five years since the Labour Relations Act No 66 of 1995 has been promulgated in South Africa. This qualitative study investigated whether the workplaces in the participating organisations have become more democratic in this time, in terms of four specific aspects the Act namely: disclosure of business information; collective

bargaining; joint consultation and decision-making as well as Workplace forums as a new structure. These aspects were examined from the perspective of management as well as the workers of the participating organisations representing various sectors of the economy.

## 1.4 DEFINITIONS OF CONCEPTS

Democracy
- "a system of government by the whole population, usually through elected representatives" (The Concise Oxford Dictionary,1995)

Industrial Democracy
- " a social-political concept or philosophy of industrial organisation of democratic procedures to restructure the industrial power and authority relationship within organisations" (Salamon,1998: 50)

Disclosure of Business Information
- the making available of business information to employees and employee representatives in order to take part in decision-making and labour relations processes.

Collective Bargaining
- the process through which a trade union or employee representatives collectively negotiate with an employer on behalf of its members.

Worker Participation
- "the perceived degree of influence which workers have on decisions affecting them". (Horwitz, 1981)

Joint Consultation
- "the independent formulation of problems concerning any aspect of management

policy by elected members on behalf of workers and from the point of view of the employees, its discussion with top management and the attempt to influence top management policy on such a basis" (Hovels & Nas, 1977: 119).

Joint Decision-making

- a system of joint decision-making between management and worker representatives through means of structures such as works councils, works committees or enterprise committees.

View

- "a particular way of regarding something: an attitude or opinion" ( Word Power Dictionary: 2001). For purposes of the investigation the word "views" refers to how both the management and the worker representatives regard the selected aspects of industrial democracy.

## 1.5    OUTLINE OF STUDY

The thesis consists of ten chapters. Chapter two discusses the research methodology. In chapter three the development of democratic societies and a brief history of South African labour relations are examined. The fourth chapter describes the concepts democracy and industrial democracy and worker participation. Chapter five, six and seven respectively discuss some of the components of industrial democracy: disclosure of information, collective bargaining, worker participation, joint consultation and decision-making. In chapter eight of the thesis the Workplace Forum system as a South African model of industrial democracy is examined. In chapter nine the results of the investigation are discussed. The final chapter sums up and contains conclusions and recommendations.

# CHAPTER 2

## METHOD OF RESEARCH

## 2.1 INTRODUCTION

The term methodology refers to the method by which one approaches problems and seeks answers. In the social sciences, the term applies to how one conducts research. Debates on methodology are essentially debates on purposes, theory and perspective.

Mouton and Marais (1990:8) describe research methodology as ".... *a communal activity, by means of which a particular phenomenon is studied objectively in reality in order to present a valid understanding of the phenomenon*". They explain the five dimensions of research as follows:

a       The sociological dimension which accentuates scientific research as a collaborative activity;

b       The ontological dimension which states that research must focus on an aspect or aspects of social reality;

c       The teleological dimension which regards research as intentional and purposeful and aimed at the explanation of phenomena;

d       The epistemological dimension which is concerned with an understanding of phenomena but also attempts to offer valid and reliable explanations of reality;

e       The methodological dimension which emphasizes criticism, balance, unbiasedness, systematism and collaboration to ensure the objective nature of research.

Throughout this research attention have been given to all the above-mentioned dimensions of research.

Two major theoretical perspectives have dominated the social science scene (Bruyn, 1966; Deustcher, 1973). The first, positivism, traces its origins in the social sciences to the great theorists of the nineteenth and early twentieth centuries and especially to August Comte (1798-1875) and Emile Durkheim (1858-1917). The positivist seeks the facts or causes of social phenomena separate from the subjective states of individuals. The second major theoretical perspective, which, following the lead of Deutscher

(1973), is described as phenomenological (naturalistic or qualitative), and has a long history in philosophy, sociology, anthropology and psychology. The phenomenologist is committed to understanding social phenomena from the person's own perspective. The phenomenologist (qualitative researcher) seeks understanding through qualitative methods such as participative observation, in-depth interviewing and others that yield descriptive data. However, many naturalistic or qualitative researchers are making use of a combination of methods often even combining quantitative and qualitative methods (Taylor & Bogdon, 1984: 2-3).

In 1970 Kuhn wrote that we are living in a time of paradigm revolution. Most students and researchers grew up in a positivist or empirical era in which the claims of empirical research were held to be absolute. Within the last few decades, however, the empirical world view has been challenged by an alternative paradigm, frequently referred to as naturalistic. Those who work within the naturalistic paradigm operate from a set of axioms that take for granted a simultaneous and mutual shaping of perceiver and known and see all enquiry, including the empirical, as value-bound (Ely; Anzul; Friedman; Garner and McCormack Steinmetz 1991).

Qualitative data, the use of words rather than numbers, have always been the research method of choice for certain social sciences such as anthropology, history and political science. However, since the 1970s more and more researchers in basic disciplines and applied fields with traditional quantitative emphasis such as psychology, sociology, public administration, organizational studies and policy analysis, market research (Mariompolski, 2001) and health services (Smith, Gerteis, Downey, Levy and Edgman-Levitan, 2001:643) to name a few, have shifted to a more qualitative paradigm (Miles and Huberman, 1984: 15 ; 1994:1)

Qualitative data are a source of well-grounded, rich descriptions and explanations of processes occurring in local contexts. This type of data can preserve the chronological flow, assess local causality and derive fruitful explanations. Sound qualitative data are likely to lead to unexpected findings and to new theoretical integrations. Findings from qualitative studies have a quality of so-called "undeniability". Words when used as incident descriptions or stories have a concrete, vivid meaning that often have a definitive significance which proves far more convincing to a policy-maker or other researchers than pages of summarised numbers.

Qualitative research is no longer the domain of a lone researcher immersed in a local setting. This type of research is now often part of "multi-site, multi-method" projects (Smith & Louis, 1982 and Schofield, 1990) or a combined quantitative and qualitative enquiry carried out by a team of researchers whose data collection and analysis methods must be performed in a formalised, comparable way (Herriot & Firestone, 1983; Rossman & Wilson, 1984; Yin, 1984).

Miles & Huberman (1984:19-20;1994:4) believe that social phenomena exist not only in the minds of people but also in the objective world where some lawful and reasonably stable relationships between phenomena are to be found. In their view the traditional positivists have been too concerned with internal validity and conceptual certainty and often found that their data lacked authenticity and meaning i.e. external validity. In support of their views they refer to some premier positivists such as Campbell, Bronfenbrenner, Crobbach and Snow who have been searching for more fruitful methodologies. More and more "quantitative" methodologists are operating from a logical positivist stance, utilising naturalistic and phenomenological approaches to complement tests, surveys, and structured interviews. Few "post-positivists" now dispute the validity and importance of subjective meaning and few phenomenologists still practice pure hermeneutics. In other words, social research has been and is undergoing a paradigm shift.

## 2.2 VALIDITY AND RELIABILITY: CREDIBILITY, TRANSFERABILITY, DEPENDABILITY AND CONFIRMABILITY

In their attempt to provide criteria for assessing the trustworthiness of a qualitative research project Lincoln and Guba (1985:20) use the terms of the conventional positivist paradigm, namely internal validity, external validity, reliability and objectivity. However, in doing so they successfully demonstrate how inappropriate these constructs are for naturalistic or qualitative enquiry. As an alternative they propose four more appropriate constructs: credibility, transferability, dependability and confirmability which reflect the assumptions of the qualitative paradigm.

### 2.2.1 Credibility

Credibility refers to attempts to demonstrate that the enquiry was conducted in such a

manner as to ensure that the subject was accurately identified and described. The strength of qualitative study aims to explore a problem or describe a setting, a process, a social group or a pattern of interaction. A qualitative researcher should therefore adequately state those parameters, thereby placing boundaries around the study. (See paragraphs 2.3.2.1 and 2.3.2.2)

## 2.2.2  Transferability

The second proposed construct is that of transferability, in which the applicability of one set of findings to another context must be proven. The generalization of qualitative findings to other populations, settings and treatment arrangement - its external validity - is seen by traditional canons as a weakness in the qualitative approach. To counter such challenges, the researcher can refer back to the data collection and the analysis will be guided by concepts and models. By doing so, the researcher delineates the theoretical parameters of the research. This allows the reader to determine whether or not the cases described can be generalized and how the research agrees  with the body of theory (Marshall and Rossman, 1995:144).

Another strategy to enhance a study's generalizability is to triangulate multiple sources of data; data from different sources can be used to corroborate, elaborate or illuminate the research in question (Denzin, 1978). Designing a study in which multiple cases, multiple informants or more than one data gathering method is employed, can greatly strengthen the study's usefulness for other settings. For this reason the current study makes use of a multiple case, multiple informant and multiple data gathering method design.

## 2.2.3  Dependability

The third construct proposed by Lincoln and Guba (1985:5) is dependability, in which the researcher attempts to account for changing conditions in the chosen study as well as changes in the design created by increasingly refined understanding of the setting. This represents a set of assumptions very different from the positivists' notion of reliability that assumes an unchanging universe wherein an enquiry could quite logically be replicated. The qualitative/interpretive assumption is the exact opposite; the social world is seen as continually being recreated. Concept replication is in itself problematic

in the qualitative paradigm (Marshall and Rossman, 1995:145).

### 2.2.4 Confirmability

The final construct, confirmability, corresponds to the traditional concept of objectivity. Lincoln and Guba (1985:20) stress the need to question whether the findings of the study could be confirmed by another. Evaluation is no longer dependent on the objectivity of the researcher, the data themselves have to help confirm general findings and consequent implications of the specific study.

## 2.3 RESEARCH PARADIGM AND METHOD OF QUALITATIVE ANALYSIS

Miles and Huberman's (1984; 1994) approach to qualitative analysis is the approach employed in the current study. This approach views data analysis as concurrent flows of activity: data collection, data reduction, data display and conclusion drawing/verification. The interactive model of the components of data analysis in figure 2.1 best illustrates the relationship between the various components: data collection; data reduction; data display and conclusion drawing/verification. As result of the interactive nature of the model, data reduction and data display could take place concurrently.
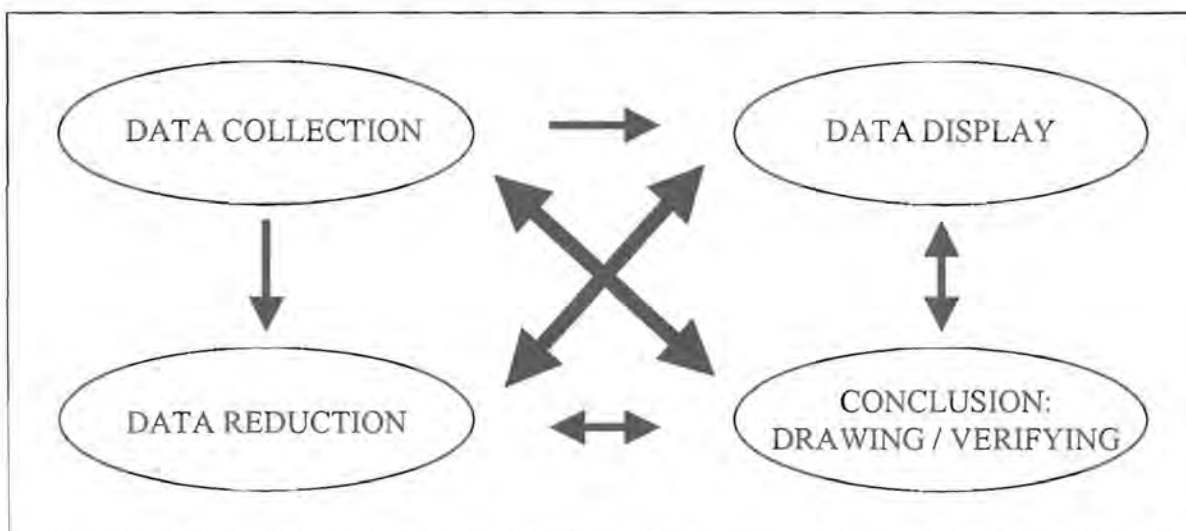


Figure 2.1:    Components of Data Analysis: An Interactive Model

Source: Adapted from Miles and Huberman, (1984, 1994)

2.3.1    Data collection

Three methods of data collection were employed in the research, namely, a literature study, a survey questionnaire and in-depth interviews within the qualitative research tradition.

An extensive investigation was undertaken in order to obtain background information for execution of the research. Cozby (as cited by Smit 1995:9) remarks in this regard: "*before any research project is conducted, the investigator must have a thorough knowledge of earlier research findings. Even if the basic idea has been formulated, a review of past studies will aid the researcher to clarify his idea and to design the study*".

An examination of the literature made the following contributions to the investigation:

- It assisted in identifying the research needs

- Identified previous research that extended the knowledge boundaries regarding the research themes

- It brought the researcher up to date with reference to relevant theories, definitions and theoretical approaches dealing with democratic societies; the disclosure of business information; collective bargaining; worker participation, consultation and joint decision-making and workplace forums

The second source for data collection was   the seven organisations which agreed to participate in the study. These organisations were handled as separate cases and are members of the agricultural research (case A), the tertiary education (case B), the private security (case C), the manufacturing (case D), the research and development (case E), the private hospital (case F) and  the armaments (case G) sectors of the economy. All seven of these cases are  located within the Gauteng Province. (See also 2.3.2.3 and 2.5).

To meet one of the criteria of good qualitative research, namely generalizability triangulation of multiple sources of data was applied, as suggested by Lincoln and Guba (1985: 20). Each organisation that indicated its  willingness to participate in the study,

was requested to have two questionnaires completed, one by management representatives and one by worker representatives. All the management respondents were requested to give the view of management and the shop stewards/worker representatives the views of the workers in their respective organisations. In other words, multiple views were obtained in each case as well as multiple views across different cases in various sectors of the economy.

Further data for analysis were obtained from in-depth interviews with respondents from cases that were amenable to requests for more data. Where possible available agendas, minutes of meetings and any other documents related to participation between management and workers were also obtained.

### 2.3.2 Data reduction

This component of the qualitative analysis process refers to selecting and transforming the "raw" data that appear in written field notes or sources of data that could be utilised for research purposes. Data reduction occurs continuously throughout the duration of any qualitative oriented project. In the qualitative analysis process this often starts when a researcher decides which conceptual framework, which sites, which research questions and which data collection approaches to utilize. Data reduction further entails such activities as making summaries, coding, teasing out themes, making data clusters, partitioning data and writing memoranda.

### 2.3.2.1 Focussing and bounding the collection of data

One of the first decisions a researcher has to make, whether working from a positivist-quantitative paradigm or a naturalistic-qualitative paradigm, is to limit the enquiry. The researcher has to decide what the focus of the particular enquiry is going to be and what is to be included or excluded from the enquiry.

The conventional image of qualitative field research is one in which pre-structured and tight designs are kept to a minimum. When one is interested in some better understood social phenomena within a familiar culture or sub-culture, a loose highly inductive design is unproductive. Most qualitative research now being done lie between the two extremes of tight and loose inductive designs (Miles & Huberman, 1984:36 ). They also

make the following two points: the looser the initial design the less selective the collection of data. Everything looks important at the outset to someone waiting for key constructs or regularities to emerge from the site and could leave the researcher awash in data. Secondly, as much current field work involves multiple-site or multiple-case research, different field workers without a common framework or instrumentation could end up with data overload and lack of comparability across cases. The focussing and bounding activity in qualitative research generally consists of building a conceptual framework, formulating research questions, sampling and instrumentation.

## 2.3.2.2 A conceptual framework

A conceptual framework explains either graphically or in a narrative form, the main dimensions to be studied - the key factors or variables and the presumed relationships. A framework can be rudimentary or elaborate, theory driven or commonsensical, descriptive or causal.

One way of constructing a framework is to start with different "bins" or diagram blocks to which labels can be given. Bins derive from theory, experience as well as from the general objectives of the study. Going through the process of constructing a conceptual framework forces the researcher to be selective. Decisions have to be made as to what is more important, which relationships are likely to be most meaningful and what information should be collected and analysed. The conceptual framework thus serves a focussing and bounding function (Miles & Huberman, 1984: 28; 1994:18).

The conceptual framework used in the current study is presented in figure 2.2. The study commences with an examination and description of the development of democratic societies. From there the focus of the enquiry changes to political democracy and then to industrial democracy and worker participation.
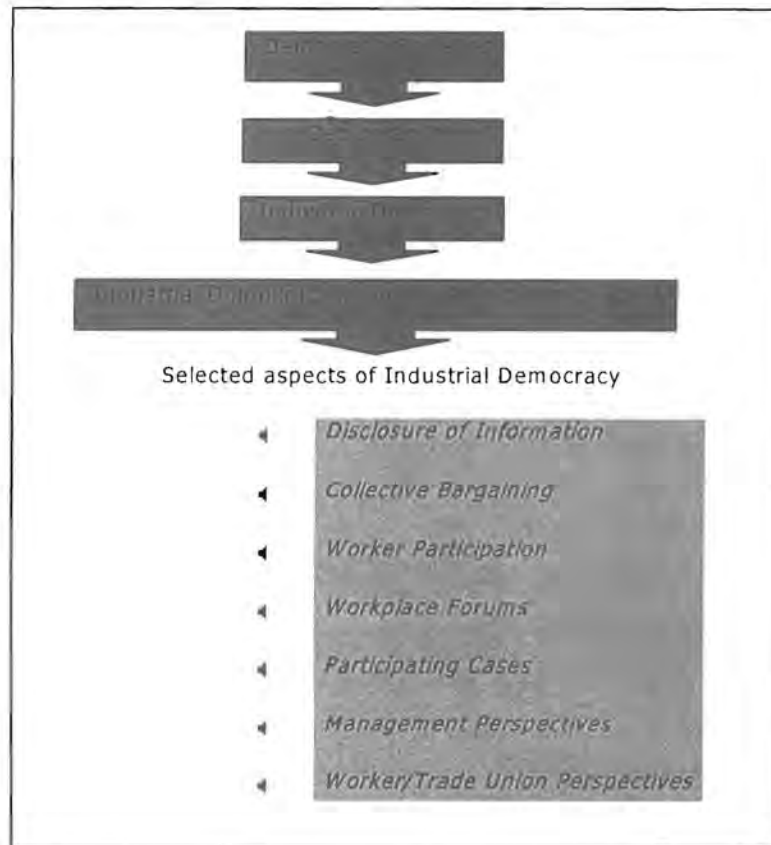
Figure 2.2:   Conceptual Framework of the Study

## 2.3.2.3 Research questions

The formulation of research questions can precede or follow the development of a conceptual framework. They serve the purpose of demarcating those facets of an empirical domain which the researcher wants to explore most thoroughly. Research questions can be general or particular, descriptive or explanatory and may be refined or reformulated during the course of the fieldwork.

The utilization of research questions in qualitative research holds certain advantages for qualitative researchers. Firstly, they make the theoretical assumptions more explicit than they have been in the conceptual framework. Secondly, they assist the researcher in clarifying that which he/she wants to know first or foremost. Lastly, it allows for the rough setting of boundaries of analysis (Miles and Huberman, 1984:33; 1994:22-27).

From the literature studied and current labour relations practice in South Africa, four very specific areas of industrial democracy were chosen as focus areas: disclosure of business information; collective bargaining; worker participation; joint consultation and

joint decision-making and workplace forums. Each of these four aspects of industrial democracy also serve as the four research questions of the study, with each having several sub-questions which form part of the survey questionnaire (Annexure A).

2.3.2.4 Sampling: bounding the collection of data

The qualitative researcher encounters the same dilemma as the quantitative researcher in that not all facets of an important problem or social phenomenon can be studied. Decisions have to be made in this regard. Limiting the enquiry to one case as qualitative researchers often do is also not the answer, as each setting has sub-settings which in turn create endless parameters. Fixing the boundaries of a qualitative study is a challenging decision for qualitative researchers to make.

The answer to deciding which parameters to include in a study is derived from the nature of the study itself. Qualitative researchers usually work with smaller samples of people, in fewer global settings than do quantitative researchers. Qualitative samples also tend to be more purposive than random because the initial definition of the research is circumscribed.

Miles and Huberman (1984:37) cite Douglas (1976) who has described qualitative research as essentially an investigative process, similar to the process followed by police detectives. The qualitative researcher makes sense of a social phenomenon by contrasting, comparing, replicating, cataloguing and classifying the object of the study. These activities can all be regarded as sampling activities. The qualitative researcher performs these activities progressively and iteratively.

Sampling in the qualitative research paradigm may involve decisions about which people to observe or interview as well as those settings, events and social processes that to should be included in the study. The conceptual framework and research questions dictate the foci and boundaries within which samples are selected.

In the case of the current study the sampling activity commenced with reference to a report of the Commission for Conciliation, Mediation and Arbitration (CCMA) which is the institution created by the LRA of 1995 *inter alia* to facilitate the establishment of Workplace Forums (WPFs). WPFs are the vehicle of choice to institutionalise industrial

democracy in South African workplaces, with advancement of industrial democracy being one of the primary objectives of the LRA of 1995.

In terms of chapter V of the LRA, all trade union organisations that wish to establish a WPF have to apply the CCMA. Unfortunately, not all applicants have thus far fulfilled all the statutory requirements for registration and consequently failed in establishing statutorily recognised WPFs.

All the applications received are registered by the CCMA according to the nine provinces and are given corresponding case numbers. For purposes of the current study, the Gauteng Province was chosen as the setting of the investigation as it is the province with the greatest economic activity. In the CCMA report seventeen cases where registered for the Gauteng Province. One of the cases registered had incomplete organisation and contact details which rendered that particular case unusable for research purposes.

Of the original sixteen cases that were registered with CCMA only two organisations agreed to participate in the study. Reasons for the non-participation of the sixteen original cases range from some organisations no longer being in business, committed to other research, to not being interested in participating in the study. As it was felt that two cases were too few for even a qualitative study it was decided to approach other organisations that were subsequently placed on the CCMA's register or met the requirements for registration but decided not to apply for registration for various reasons. This second attempt added another five cases to the study.

2.3.3   Data display

Data display refers to organising data in such a fashion that conclusion-drawing and action-taking becomes possible. The most common form of data display in the past has been the narrative text. Unfortunately humans are very inadequate when processing large volumes of information. The human mind tends to reduce complex information into selective and simplified or easily understood configurations. Using data displays such as matrixes, graphs, networks and charts are much better means of presenting large amounts of data that are comprehensible to humans.

The first step in display of the data in the current study was to build a cross-case compilation of the management and the worker views on the four selected aspects of industrial democracy. Miles and Huberman (1994:178) refer to these cross-case displays as meta-matrixes. They are master charts that gather descriptive data from each of several cases in a standard format. Tables 9.1 and 9.2 illustrate the result of this step.

Having completed the meta-matrixes each question's data was displayed in either a list or in a table format. This was done with management representatives' responses as well and the responses of the worker representatives.

### 2.3.4   Data analysis: conclusion drawing/verification

From the start of data collection the qualitative analyst makes decisions on what things mean, noting regularities, patterns, explanations, possible configurations,  causal flows and propositions. The competent researcher holds these conclusions lightly, remaining open and sceptical. Only in time does the conclusions become explicit and "grounded" to use the classical term of Glaser and Strauss (1967). The conclusions also have to be verified by the analyst as the analysis process proceeds. The meanings emerging from data have to be tested for their plausibility, their sturdiness, and their "confirmability" or validity.

Qualitative data analysis is a continuous, iterative process. The qualitative analyst is required to move among data reduction, data display and conclusion drawing/ verification during data collection when applying  this approach to data analysis. Segments of these activities are found in chapters nine where responses of management and worker representatives are examined and chapter ten where final conclusions are drawn based on the results of the investigation.

In regard to drawing and verifying conclusions Miles and Huberman (1994:245) note that "*people are meaning-finders; they can quickly make sense of the most chaotic events*".  Of the utmost importance is whether the meanings the researcher finds in qualitative data are valid, repeatable and right. The abovementioned authors have suggested a number of tactics for confirming, avoiding bias and assuring the quality of conclusions of qualitative data: noting patterns, themes; seeing plausibility; subsuming

particulars into general; factoring; noting relations between variables; finding intervening variables; building a logical chain of evidence and making conceptual/theoretical coherence. Where applicable some of these tactics were used in the analysis and discussion of the results and the drawing of conclusions in the current study.

## 2.4    MEASURING INSTRUMENT

Once the qualitative researcher has determined what he wants to ascertain, it inexorably leads to the next question which is how to set about to obtain the required information. That question in turn constrains the nature of the analysis that the researcher can carry out. Instrumentation may refer to something such as shorthand devices for observing and recording events.

Another related question that could be asked is how much preplanning and structuring of instrumentation is necessary. The answer could range from hardly any prior instrumentation to a great deal of well-structured instrumentation with a category referred to as *"it depends on the nature of the investigation"* in between (Miles and Huberman, 1984:42-48; 1994:34-39).

The current study favoured prior structured instrumentation in the form of a survey questionnaire for the following reasons: The researcher had determined what questions and sub-questions he wanted answered. Using an interview schedule or questionnaire prevents too much superfluous information being collected. Another reason is that the utilization of the same instrument is the only means of being able to make comparisons between cases and/or responses. A biased or uninformed researcher without some form of instrumentation runs the risk of asking partial questions, taking selective notes, making unreliable observations and skewing information. A copy of the survey questionnaire is included in Annexure A.

## 2.5    PROBLEMS ENCOUNTERED

Several problems were encountered during the execution of the study. The CCMA as a body established specifically through the LRA of 1995 to register and keep record of applications for the establishment of WPFs was thoroughly un-cooperative. In spite of numerous written requests to the director to gain access to their data for research

purposes, no response or data was forthcoming from the CCMA. This behaviour is in sharp contrast to the trend set by government for transparency which finds expression, for example, in the Promotion of Access to Information Act No 2 of 2000. The requisite information was eventually obtained indirectly through a well disposed official in the Department of Labour.

Once the report on the cases that applied to the CCMA for the establishment of workplace forums was received, the cases registered in the Gauteng Province could be extracted. According to the report 17 cases were registered and each given a case number. Due to poor administration one of the cases listed was unusable for research purposes as the name of the organisation as well as the contact details of this particular organisation were omitted.

The next stumbling block was that a few of the organisations had ceased operations since the time of their original application. The representatives of some organisations on the list also expressed their disinterest in participating in the study for various reasons.

As explained earlier only two of the organisations agreed to participate in the study. Through a second attempt another five cases were added which left the researcher with seven participating cases.

## 2.6  SUMMARY

In chapter two the method of research used in the study was discussed. The equivalent concepts to validity and reliability in the qualitative research paradigm namely: credibility; transferability; dependability and confirmability were introduced. Thereafter the concurrent processes of the Miles and Huberman approach to qualitative analysis consisting of data collection; data reduction; data display and data analysis were discussed.

# CHAPTER 3
## DEVELOPMENT OF DEMOCRATIC SOCIETIES

## 3.1    INTRODUCTION

A proper understanding of the labour movement and industrial democracy warrants the examination of the social and economic conditions that gave rise to social and economic phenomena that are often taken for granted by people of the twenty-first century. As a result of our historical roots and the influences which Britain and Europe had on the development of South Africa, this brief historical survey will focus primarily on developments in Britain and Europe through the ages.

In this chapter particular attention will be paid to the economic and social developments during different historical periods. Some of the phenomena and concepts that will be discussed are guilds, the role of the aristocracy in society, capitalism, humanism, the Industrial Revolution, liberalism, socialism and democratic forms of government. A brief history of the development of industrial relations in South Africa is also presented.

## 3.2    ANCIENT TIMES TO THE MIDDLE AGES

It is generally accepted that humans spent some period in their developmental history as hunter-gatherers as a means of survival. As a result of the favourable climatic conditions experienced around 10 000 BC many communities experienced a rapid growth in population which could then no longer be sustained by a hunting-gathering lifestyle. A new subsistence strategy then had to be adopted which may be divided into two developments. On the one side there was agriculture which produced particular varieties of plants in abundance and on the other side there was the domestication of wild animals.

The first urban centres came into being somewhat prior to 2500 B C in the river valleys of the Nile, the Tigris, the Euphrates, the Indus and later along the Yellow River in China. The same economic growth which made cities possible also led to the formation of great empire civilisations such as Sumer, Babylonia, Assyria, Egypt, Mycenea, Phoenicia and Crete (Clough, 1968: 33-34).

With coming of the Age of Iron at the beginning of the first millennium BC the centre of economic activity shifted from the early river-valley cultures to Greece. The development of iron metallurgy and the use of iron products lead to prosperity. Like other societies which had attained positions of economic and cultural primacy, Greece generated destructive forces within itself. Through the diffusion of its superior agricultural and industrial techniques to surrounding areas it lost markets and production declined. Greece was also plagued by internal problems such as the failure to integrate politically (Clough, 1968: 35-42).

By the second century BC the Hellenistic East in turn started to show signs of economic stagnation. Social disorders were numerous and wars between parts of Alexander the Greats' former Greek empire were frequent. Finally the Romans entered the scene, sometimes by invitation of a wealthy group. Once there they used their position of power to their own economic benefit. The Romans profited from the various agricultural, industrial and commercial techniques which they acquired from Greece or inherited from an earlier civilization of northern Italy. The Romans extended their influence over Carthage, Macedonia, Syria, Greece, Egypt, all of Italy, southern Gaul and some areas of Spain. Once again, as in the case of previous economies, Roman Empire developed forces that lead to its undoing. Finally in 476 A D one of these attacks by "barbarians"resulted in the "fall" of Rome itself (Clough, 1968:42-45 and McKay, Hill and Buckler, 1995:1-236).

## 3.3 MEDIEVAL CIVILIZATION c.1300 - c.1450

After the fall of the Roman Empire, and following the Dark Ages, medieval civilization reached new heights during the first quarter of the 13th century. For three centuries there had been almost uninterrupted progress. The popes had freed themselves from secular rule and had won recognition as the religious and moral leaders of the Western world. Political order had been established; the tiny urban populations that had survived the decline of the Roman Empire had been greatly augmented and the middle class had grown in wealth and power. The nobility had continued to prosper in spite of the emancipation of most of the serfs. A century later all this had changed and looking back at this epoch one could describe this phenomenon as the decline of Medieval civilization.

In England the vicious King John was forced to grant the Magna Carta in 1215. The authority of the Crown to raise money was restricted, "due process" was established and a common council of tenants-in-chief and principal clergy was introduced (Finer, 1960:39).

By 1300 most of the Western European monarchies had become hereditary and disputes over royal succession that had characterised the Holy Roman Empire and the Eastern European states had declined. Nobles and townsfolk had been persuaded or forced to recognise the basic royal prerogatives and rudimentary administrative and judicial systems had developed.

Until 1295 the major constitutional developments in England stemmed from the evolution of the King's Council. The Great Council was composed of the bishops, abbots, and the major barons, as chosen by the king. (This subsequently became the House of Lords). Within the Great Council (*Magnum Consilium*) a smaller one grew - the King's Council; it contained some members of the Great Council plus the king's learned officers for treasury, military, household and judicial purposes. By the middle of the fourteenth century the House of Lords contained only the major barons. Only the eldest sons of the lords inherited the title and could attend the House of Lords. The younger sons who were excluded from the House of Lords, formed a separate class of knights, the "gentry".They represented their shires or counties in the House of Commons (Finer, 1960:40-41).

The king governed on advice from his council. These enlarged meetings of the royal councils led to the development of representative institutions, for the kings had come to realise that to exclude the less important clergy and nobility and the burghers of towns as a collective group would not be advisable. Since all the members of these influential classes could not appear in person, the king began to select a few representatives from each class to attend the royal council. The deputies were only later given instructions and power to act on behalf of those whom they represented (Major, 1967:32). The question may perhaps be asked whether Western civilization would not sooner have reached what is today referred to as modern democracy, if deputies had been elected directly by their respective constituents.

Over large parts of Europe the manor was the typical and fundamental unit of medieval

life. Given the time when central government was weak, when money was scarce, when markets were limited and where war, raids and invasions were common, the manor or something similar was probably the best way of ordering life and work. In appearance the manor was a village of small huts or cabins built of clay and wood with thatched roofs. The biggest buildings were the parish church and the manor house often built of stone. Outside the village lay large cultivated open fields cultivated by the inhabitants and grazed by their farm animals (Clough and Cole,1952: 5-12).

The manor served a number of purposes in the society of the time. As a political unit it was the holding of a lord who could be a king, great noble or an ordinary knight. A bishop, abbot or prioress might hold a manor on behalf of the Church. The lord decided judicial cases, collected taxes, and could muster the inhabitants for warfare.

As a group of people living together in a village the manor constituted a social unit. The inhabitants of the manor were bound by law and custom, married each other, worshipped in the same church and shared holidays together. The manor was also an economic unit where people tilled the same fields, grazed the livestock in common pastures, gathered wood from the same woods and paid the same dues to the same lord (Clough,1968:5-12 and Major, 1967:36-40).

In the thirteenth century, probably nine-tenths of the population of western Europe lived in farming villages, the majority organised as manors. The people varied from rich to poor and from free to unfree. The priest or the monk was bound to the church, the lord to his overlord, the villager to his lord and his land. The villager might be a freeman or a serf (Clough and Cole, 1952:12).

In the troubled times after the fifth century the slaves and the tenants of the great Roman estates became serfs, while the villagers of Northern Europe, many of whom were free, gradually sank into serfdom as they gave up freedom in return for protection. The rise of feudalism strengthened serfdom, for the hierarchy of serf, lord and overlord seemed natural. The tillers of the land were too weak to protect their land against powerful invaders. The manorial system and serfdom supplied a way in which land and labour could be effectively organised for self-sufficient production (Clough and Cole 1952:13).

Forces that brought about the decline of the manor were the gradual rise of the money economy, the increase in trade and industry which created markets and the rise of national states with national taxes and national justice. Great changes that accompanied this decline were moves towards greater personal freedom, individual proprietorship and towards less self-sufficiency and more dependance on markets where goods could be bought and sold (Clough and Cole,1952:20).

When the economic activity of Western Europe was at a low ebb in the eighth, ninth and tenth centuries, industrial production was largely an extension of agricultural activities as practised on a manor. After 1100 production in towns by freemen gradually developed in importance. This type of production may be called craft, handicraft or workshop industry. The craftsman was usually a freeman and a town dweller rather than a serf and fell outside the manorial economy. He had a small shop often located in the house where he lived and where he and his family and assistants made the goods which he sold(Clough and Cole, 1952:24).

The origin of craft guilds is a matter of much dispute. Some scholars have believed that guilds grew out of the *collegia* or craftsmen's associations of the cities of the Roman empire. Other historians have insisted that guilds arose from certain associations among the Anglo-Saxons and other Germanic people for the preservation of law and order. Some of the problems that faced individual craftsmen such as keeping prices high could only be solved if they formed groups and acted jointly. In the end the guild usually became an association of the workers in a given craft, enjoying a legal monopoly, responsible to the government and subject to it (Clough and Cole, 1952:27-29).

Already in these early times people realised the benefits of acting collectively to protect and promote their interests against opposing forces. In some towns there might be one guild representing all the different occupations. On the other hand some occupations were not organised into guilds and some towns had no guilds at all. The craft guild was also involved in social, religious and welfare activities in that members played and prayed together and cared for sick members, widows and orphans (Major 1967:38-39 and McKay *et al*, 1995:342-351). This is probably the origins of the welfare benefits provided by many modern trade unions to their members.

## 3.4 THE RENAISSANCE c.1475 - c.1625

The word "*Renaissance*" means rebirth. The Renaissance period witnessed an economic revival after the economic depression of the late Middle Ages. This revival was accompanied by the discovery of a sea route to India and of the American continents. Western civilisation began to expand beyond the European continent at the very moment when it started to take form. Neither the economic revival nor the wealth generated by the discoveries of "new worlds" enabled the middle class to gain power and authority; instead the aristocracy was reconstituted and remained in a dominant position almost everywhere.

### 3.4.1 Economic revival, Business techniques, Industry and Mining

One of the most important reasons for the economic revival that began in Europe in the last quarter of the fifteenth century was the restoration of order by the Renaissance monarchs. Once in control, the monarchs stimulated trade, industry, mining and voyages of discovery by providing incentives to those willing to risk their money and their lives in such ventures. The discovery and adoption of new techniques in business, industry and mining increased the efficiency of the merchant and the banker as well as the productivity of labour (Major,1967:122-123).

In the Middle Ages the typical large scale business enterprise had been a centralised family partnership. After the bankruptcies of the mid-14th century, most family concerns were decentralised. At the same time these family concerns increasingly began to diversify their economic activities so that failure in one area would not bring bankruptcy in another. Although bills of exchange, double entry bookkeeping, insurance and various banking facilities existed in commercially advanced Italian cities, they were slow to spread to other parts of Europe (Major,1967:123-125).

During the Renaissance the use of water power was extended and in the late 15th century the windmill was greatly improved through the invention of a turret that could be turned in the direction of the available wind. Several inventions increased the productive capacity of the important textile industry, for example, a method was developed by which the spindle used in spinning could be rotated by a treadle operated by foot, leaving the worker's hands free to manipulate the fibres. Other developments of this

period were the clock, the printing press and the discoveries of the "new world" by sea (Clough,1968:170-191 and Major,1967:125-141).

### 3.4.2. Capitalism and the Capitalistic Spirit

It has often been shown that this burgeoning period stimulated economic revival and the growth of capitalism because prices rose much faster than wages. The resulting increase in profits gave the merchants and industrialists incentives for greater profit as well as provided capital to invest in large-scale economic enterprises. This development is commonly referred to as the "price revolution". The result of these developments was that the upper bourgeoisie greatly improved its economic situation while the position of wage labour declined (Clough,1968:149-156).

Major (1967: 148-149) maintains that Capitalism had existed long before the price revolution and that a fully-fledged capitalistic spirit only appeared much later. For him capitalism is "*a system of private enterprise in which large sums are used in industrial, commercial and banking enterprises designed to produce further profits to investment*". A master in a cobblers' guild would not be a capitalist because of his small investment and his close contact with his journeymen and apprentices, but the Medici bank consisting of a number of part-owners investing deposits of the public, would be a capitalist enterprise. Applying this definition it becomes clear that capitalism was part of medieval times but became increasingly important during the price revolution. With the term "capitalistic spirit" Major (1967:148-149) refers to a belief that the pursuance of wealth is both justifiable and socially desirable. This theme is discussed in greater detail in 3.6.2.

### 3.4.3 The origins of Renaissance Humanism

To people living during the Renaissance, a humanist was someone who studied the classics. Many of the students then specialised in law, theology, philosophy, natural science and other subjects at universities. As a result, from about 1450 many scholars trained by humanists were able to combine their early classical education with their work in their chosen discipline. The early Italian Humanists enriched Christianity by discovering, translating and publishing the writings of the early Christian fathers but weakened Christianity by finding a new basis for a moral code and leading the

intellectuals to engage in secular activities. The word "*Humanism*" was however not coined until 1808 and this broadened concept of humanism had as its focus everything to do with man (Major,1967:171-177).

## 3.5 THE SEVENTEENTH CENTURY CRISIS *c.*1560 - *c.*1715

The age of the Renaissance was followed by a period of crisis out of which modern civilisation was born. This crisis, which began in the later part of the sixteenth century, was caused largely by the religious revival and accompanying diversity of religious beliefs. It was characterised by change and revolt in nearly every sphere of human activity. During this period of revolt, economic progress ceased and wars, plagues and famines killed millions of people. But out of the rebellions and catastrophes powerful, stable states emerged in many parts of Europe and the basis was laid for new scientific, philosophic and artistic syntheses (Major,1967:233).

### 3.5.1 The economic crisis and its social effects

The economic progress that had started in the late fifteenth century began to decelerate around 1560 and came to an end between 1620 and 1630. This economic stagnation that lasted for the remainder of the 17th century led to social unrest that gripped most of Europe. The Mediterranean states were especially hard hit. During the Renaissance the increased population was easily absorbed by new farms while expanding trade and industry absorbed more labour. These opportunities were no longer available in the 1600s but the population was still increasing. In England unemployment reached such high levels that a "*Poor Law* " had to be introduced to take care of the unemployed (Major,1967:261-262).

The decline of economic development caused social classes to become more stratified by limiting the movement between classes. Those members who tried to buy their way into the nobility found their attempts challenged by needy governments trying to prevent their wealthiest citizens from claiming the tax exempt status of the nobility (Major,1967:263).

Any increase in the real wages of the workers was negated by higher taxes. The failure of trade and industry to continue to expand made it increasingly more difficult for

journeymen to become masters. The guilds generally gave the few openings that occurred to the children of their members (Major,1967:263).

Given the socio-economic distress of the period any economic theory that could lead to an improvement was keenly sought. All economic theory from 1500 until well into the eighteenth century was given the term mercantilism although economic theory and practice varied from place to place and changed over time.

The mercantilist theory held that state intervention in economic matters would lead to prosperity. Unfortunately the theory was based on three fundamental errors. First, these economists confused precious metals with wealth. Since few European nations possessed natural deposits of precious metals these countries felt it necessary to export more than they imported on the assumption that the difference would be made up by money payments for their products. Secondly, they believed there was a fixed quantity of economic resources. Hence, one country could only increase its wealth at the expense of another. The third error was their failure to recognise the relationship between the quantity of food available and the size of the population and no effort was made to reduce the number of births. The doctrine of *laissez faire* and economic individualism were direct attacks on mercantilism and mark the beginning of the end thereof (Clough, 1968: 218-219 and Major,1967:263-264).

3.5.2   The Constitutional Crisis in England

The Renaissance monarchs had been successful at first in winning popular support to keep their kingdoms together. The Protestant Reformation presented them with a new problem. Nearly every ruler tried to bring about a return to religious conformity by persuasion or persecution. The sluggish economic development of the 16th and 17th century also made for social unrest (McKay *et al*, 1995:439-471).

King Henry VIII managed in 1534 to disengage England from the power and influence of the Roman Catholic Church. After him the national religion briefly alternated between Protestantism and Catholicism. When his daughter, Queen Elizabeth I died, the Tudor dynasty came to an end. She was succeeded by her cousin James Stuart, King of Scotland. One of the challenges the Stuart monarchs experienced was the dissent within the Anglican Church. The Puritans resisted the retention of the rituals and

ceremonies of the Catholic Church. The second Stuart King, Charles I, came into conflict with Parliament through his unilateral actions, even ruling without Parliament.

After a turbulent period which included a civil war and reign by Oliver Cromwell, a special Parliament called in 1688, named William of Orange and his wife Mary, daughter of James II, as joint sovereigns. This change of ruler, referred to as the Glorious Revolution marked the beginning of a chain of events that led to the establishment of a constitutional monarchy in England and the passing of a Bill of Rights in 1689 (Major, 1967:284-295).

### 3.5.3 Science and thought

In spite of the period of economic stagnation which Europe was entering, science was progressing with many new discoveries that overturned many of the scientific premises of the ancient and medieval worlds. Examples are discoveries by Copernicus, Kepler, Galileo and Harvey. The revolution in science was parallelled by equally momentous revolution in philosophy. The man who made the greatest contribution in conjoining science and philosophy was René Descartes. In 1637 he published his *Discourse on Method* in which he explained his new philosophy.

The sixteenth century had been marked by a conflict between authorities. The Protestants had insisted on their interpretation of the Bible against the authority of the Roman Catholic Church; noble and burgher had pitted their traditional rights and privileges against the growing exactions of the crown; the Humanist had revived Plato and hurled himself against the Aristotelians. Thoughtful men began to doubt whether any knowledge was certain and whether even certain knowledge justified the persecution and slaughter of dissidents (Major, 1967: 344).

Political thought underwent a remarkable period of development during the constitutional crisis of the 17th century. This may be attributed to the desire of the supporters of both the crown and their opposition to justify their positions and to the influence of the mathematical, deductive method of the natural sciences (McKay *et al*, 1995: 590-609). According to Thomas Hobbes, a deductive theorist (1588-1679) he constantly lived in fear and was determined to fashion a political theory that would justify a strong state to prevent further disorder in society. In 1851 he published the *Leviathan*

where he proposed the institution of a commonwealth from which all rights and faculties are derived and sovereign power is conferred by the consent of the people. For him the law was sufficient to govern the state of nature. As no institution existed to enforce this law, men had to form a community, each giving consent and agreeing to accept the will of the majority. This community then established executive, legislative and judicial authorities. John Locke (1632-1704) was another deductive theorist of the era who championed a constitutional monarchy (Major, 1967:350-351).

Everyone, including kings, was regarded as being under the divine law of God, natural law, fundamental law and customary law. The idea of the supremacy of the law was so strong that changes were only effected when important disputes occurred in society. Faced with the revolutionary period that followed the Reformation, kings required new powers to deal with such emergencies in societies. However, the nobles and the burghers were extremely reluctant to give up their privileges and consequently almost every country in Europe experienced a constitutional crisis.

At first no important theorist supported the proposition that kings needed additional power to deal with such situations. Jean Bodin (1576) in his *Six Bookes of Commonweale* was the first to argue in favour of strengthening the ruler's power to cope with change without making him a tyrant. His solution lay in the new concept of sovereignty. In terms of this concept sovereignty was the supreme and perpetual right to make laws. At about the middle of the 17th century, the arguments for supporting either the sovereignty of the king or of parliament began to change (Major,1967: 348-349 and McKay *et al*, 1995: 590-609).

## 3.6    THE AGE OF EGALITARIAN REVOLUTIONS *c.*1715 - *c.*1850

The scientific revolution of the eighteenth century was followed by a period of agricultural experimentation that greatly increased the food supply and made urbanisation and industrialisation possible to an extent unknown up to that time. Linnaeus (1707-1778) and Count Buffon (1707-1788) studied plant and animal life and Jenner (1749-1823) developed a vaccine against smallpox. Increased productivity led to a rise in the standard of living and enabled the middle class to replace the landed aristocracy as the group from which political leaders of the future would emerge.

The growing belief that the mind was devoid of ideas at birth gave rise to the theory that all men are created equal and were capable of being moulded by their environment. The hierarchical conception of society was discredited and replaced with the idea that social and moral progress could be created by a proper environment.

At first the proper environment was thought to be one in which everyone could exercise his natural rights and obey governmental regulation that were made in accordance with natural law. Gradually, the concept was expanded to include democracy and rights of each nationality to govern itself.

### 3.6.1    The era of enlightenment c.1715 - c.1800

The most famous philosopher of the period was Voltaire (1694-1778). During exile in England he became an admirer of English rights and liberties and in 1733 published his *Letters on the English*. This work did much to popularise Newton, Locke and the English way of life. He also criticised wars, religious intolerance and social injustices in society. Rousseau (1712-1778) another philosopher of the time published his *Discourse on the Origin of Inequality* in 1754. Therein he argued that man was basically good but that society had corrupted man. It was not his aim to destroy civilization but to achieve a simple, less artificial society (Major,1967:380-384).

Economists gradually abandoned the mercantilist doctrine during the Enlightenment. The world's resources no longer appeared to be finite; there were ample resources for everyone to increase his share if only he were free to do so. This situation gave rise to three changes in the economic doctrine of the time. First, man's self-interest came to be regarded as beneficial to society; second, production, not trade, came to be considered the source of wealth and third, natural laws were accepted as applicable to economic activity (Major,1967:391-392).

The belief that self-interest was useful to society was in fact a protest against the mercantilist theory and orthodox Christian doctrine. It was largely brought about by Bernard de Mannville and later developed further by Protestant thought. Ironically the Protestant Reformation helped to pave the way for the justification of acquisitive spirit, although Luther was very conservative in his economic thinking. Calvin, as also many Catholics, on the other hand was less willing to countenance usury and other aspects

of capitalism.

Richard Cantillon (1680-1734) disagreed with mercantilist doctrine that precious metals were the only embodiment of wealth. He believed that production could also lead to wealth creation. The Marquis of Mirabeau (1715-1789) and Francois Quesney (1694-1774) together with other kindred spirits were greatly influenced by Cantillon's ideas and became known as the Physiocrats. The Physiocrats popularised the phrase *laissez-faire* (non-interference) that was to become the watch-word of the new economic liberalism (Major,1967:391-394 and Clough, 1968:218-235).

This emphasis on *laissez-faire* received a tremendous boost from Adam Smith with the publication of his *"An Inquiry into the Nature and Causes Of the Wealth of Nations "* (1776). Smith combined the economic thoughts of the Physiocrats and other contemporaries into a single system. He assumed the existence of a natural economic order that required a system of natural liberty for its operation. He argued that wealth was produced by labour in both agriculture and industry. To increase its wealth, a nation must increase its productivity. To increase its productivity it must effectuate a division of labour. The *laissez-faire* economic view greatly advanced the emergence of capitalism (Major,1967:394-396).

From a broad historical view the French Revolution (1789) may be viewed as part of a larger, middle class revolutionary movement that swept through most of the Western world. This revolutionary movement began with small uprisings in Germany, Austria and Italy, extended to the revolts of the thirteen British colonies in North America and continued intermittently until the middle of the nineteenth century. The underlying causes were ideas of the Enlightenment as well as the social change brought about by the economic revival that began in the eighteenth century. At times, this revolutionary spirit ran counter to the cosmopolitanism of the Enlightenment. However by 1918 the middle class was triumphant and Rousseau's liberty, equality and fraternity, the three ideals of the French Revolutionaries, were ascendant in most of Europe and North America (McKay *et al* 1995:691-707).

3.6.2    Capitalism and the Industrial Revolution *c.*1760 - *c.*1850

Capitalism was not a new economic system. There had been elements of capitalism

in existence right back to the beginning of civilisation. Christians were taught that avarice was a cardinal sin, that the accumulation of wealth implied avarice (Clough, 1968:49). After the Protestant Reformation it was more acceptable to amass capital.

As the name of this economic system implies, capital plays a large role in the ordering of material things. Although in all previous economic systems capital, defined as an accumulation of goods or surplus, was mostly in the form of improved land, timber, both private and public buildings, roads and canals. Consequently this capital could produce only a limited amount of goods in any given period. Under modern capitalism, capital came from "savings" of a substantial part of annual production and increasingly consisted of machines, money and negotiable securities. With a greater supply of money, a store of wealth and a measure of value, the entrepreneur could acquire the means of production. This capital in the new system was also more mobile and flexible in its employment.

The means of production came to be increasingly in the hands of the owners of capital instead of in the hands of the workers as before. This allowed for a greater scale of production but may have taken away some of the workers' motivation to produce. The economic relationship among men became more impersonal than in the past as everything was regulated by a price system. The emphasis on individual well-being in this system and the desire for profits led at times to the disregard for the general welfare of society. With the tendency towards mass production of the Industrial Revolution large investments of capital for machines, factories and labour was required. Bankers amassed the savings of many persons in order to have amounts of capital large enough for financing vast undertakings (Clough,1968:192-195).

The industrial changes that began to take place in England around 1760 have long been referred to as the Industrial Revolution. These changes were characterised by the substitution of the power of water, wind and human exertion by steam power. A series of innovative inventions started off the industrial revolution e.g. the steam engine by James Watt in 1769. Steam power and the resultant big machines meant that neither the guild system nor the home workshop was suitable for large scale manufacturing.

The immediate occasion of the development of the English textile industry was the popularity of Indian cotton goods. As a consequence great quantities of raw cotton, a

substance hitherto unknown in Europe was imported into Lancashire. The cotton mills were powered by water power and the first challenge was to cut labour costs. The solution lay in Crompton's invention in 1979 of mechanised spinning and Kay and Cartwright's invention in 1784 of the mechanised loom. Although these inventions led to increased production, there remained the problem of a new source of power. Coal was used in England since before Roman times but until the Middle Ages mining was limited to small surface workings. As the demand increased, deep drift and shaft mines were developed. In 1702 Newcomen built a coal driven pumping machine for draining these deep mines (Parkyn, 1979: 15-19).

To mine coal and build factories large amounts of money were required. The person who furnished the money, the capitalist/financier, therefore owned the factory, the machines, the raw material and sold the finished products. To operate the machines the capitalist or his manager employed workers by paying them wages. This "new" practice differed greatly from the guild system which at this time began to show signs of disintegration. No longer did the owner work and live with his employees as was the custom under the guild system. Consequently the relationship between employer and employee would never be the same as before. These developments led to the financier also becoming the employer of labour and formed the beginning of capitalism in industry and prompted the rudiments of the trade union concept of collective bargaining (McKay *et al*, 1995:728-752).

## 3.7 THE AGE OF ROMANTICISM *c*.1815 - *c*.1850

While the conservative statesmen of Europe were mustering their armed forces to overthrow Napoleon, a new intellectual movement was developing, especially in Germany, to combat the ideas of the Enlightenment. This movement shifted emphasis from the senses as the most important source of knowledge to the emotion, feelings or what may be called inner experience. Since the emotional natures of individuals differ widely, the new movement had a wide variety of manifestations and was usually referred to as Romanticism.

The monarchs, the aristocracies and the churches depended directly or indirectly on land for a large part of their wealth and power. However, two developments gradually weakened their position. One was the opening of vast tracts of land to small

independent farmers in the western United States, in parts of the British Empire and to a lesser extent in Russia and Latin America. These people not only improved their economic destiny but also became the breeding ground for democracy, as they removed themselves from the control of conservative forces. The second development was the industrialisation that began around 1760. By 1850 a middle class had developed in England that could compete with the rural aristocracy, cities emerged and the average Englishman was a factory worker and no longer a farm tenant.

### 3.7.1 Liberalism and Nationalism

Another force of change in the early nineteenth century was the growth of liberalism. Its advocates shared the conviction that man should be freed from restraint as much as possible. An influential and wealthy Liberal, Jeremy Bentham (1748-1832) believed that every custom should be judged by its utility. These utilitarian liberals advocated constitutional government and insisted on freedom of religion and expression. They emphasised every aspect of individual liberty and individual initiative and were the leading exponents of individualism. The liberals reacted to the bitter experience of France during the republican and Napoleonic regimes by seeking to limit the powers of government. Most of them believed in a constitutional monarchy, partly because they felt that a king would add stability to the government and check popular excesses. The idea that a man ought to be permitted to do as he pleased as long as no one else was harmed was succinctly propounded by John Stuart Mill in 1859.

The typical liberal denied government any right to interfere with the people's freedom of speech, action and belief or to make economic regulations or to legislate for social welfare. In continental countries which did not follow the liberal tradition of England, the liberals pushed for new constitutions that guaranteed the rights of the individual. The utilitarians were amongst the earliest advocates of universal suffrage, a concept which is essential for a democratic system.

A further force for change in the nineteenth century was nationalism. Both Romanticism and Nationalism appealed to the emotions and both involved an effort to discover and re-establish the traditional culture of a people. The Liberal supporters of nationalism believed that freedom could be achieved only by those nations which governed themselves. Each people should therefore have its own country and no state should attempt to rule other peoples (Major,1967:530-538)

### 3.7.2 The Protest of Labour and Utopian Socialism

Another group desiring change consisted of industrial workers and those who sympathised with their cause. At first, the most noticeable of this group were workers employed under the old domestic system whose hand-made goods were being undersold by machine-made products. In anger and frustration they rioted and smashed machines. The name of "Luddism" has been given to these disorders, derived from the name, or pseudonym of "Ned Ludd" above whose signature the declaration for action was issued (Pelling,1984:28). However, it was not long before the workers in the new factories also began to protest. The conditions in the factories were oppressive and the workers justifiably could claim that they were not receiving their fair share of the fruits of their labour. Help with their plight came from three different sources.

The first was in the form of labour unions. The guilds originally fulfilled the function of a labour union during the Middle Ages but the workers in the domestic system had been so dispersed that it was difficult for them to organise. The few labour unions that existed by 1815 were weak, small, secret organisations, outlawed in nearly every country. The industrial revolution, however, caused a dramatic increase in the number of industrial workers and brought them together in factories where they could readily be organised.

Secondly, help came from landed aristocrats who transferred their traditional paternalistic interests in the rural poor to the inhabitants of the new cities. As a group, they disapproved of the upstart factory owners and were not attracted by the *laissez-faire* doctrines of the Liberals. As members of the legislature and advisers to rulers they were in a strong position to influence factory legislation.

The third source of help was a small group of radical intellectuals who were called the Utopian Socialists. They accepted the majority opinion of the day that man was not evil by nature and was capable of a higher moral development within a proper environment. This environment was not being provided by the then prevailing economic system which brought great wealth to a few and left the remainder in relative poverty. They advocated the social ownership of industry, accompanied by a more equitable distribution of income. Some faint traces of what was later to be called industrial

democracy were already apparent in some of their ideas (Major,1967:537-539 and McKay *et al*,1995:728-752).

## 3.8   THE AGE OF REFORM: GREAT BRITAIN *c.*1815 - *c.*1850/65

Even after the overthrow of the French monarchy in 1792 there was very little conflict between the crown and the aristocracy in Britain. Disunity held definite dangers for both groups. Radical leaders aroused by the French example were beginning to form left-wing societies, organise labour unions, hold mass meetings, advocate universal suffrage and propagate the concept of a republic. Fearful of these developments, the king and the aristocrats joined forces in a policy of repression: Pitt's reform programme was discarded, *habeas corpus* was temporarily suspended, trade unions outlawed and suspect societies were suppressed. As a result, demands for the reform of Parliament became more widespread. This pressure left the crown and the aristocracy with a choice of trying to withstand the popular tide at the risk of a revolution or making a few concessions in the hope of satisfying the more moderate reformers. They wisely chose the latter course and beginning in 1822 the cabinet became less conservative and a number of reforms were introduced.

While reforms of the 1830s did much for women, children and slaves they did little for the male industrial workers. Although efforts were made to organise, trade unions were remarkably unsuccessful. The formation of the London Working Men's Association in 1836 to secure equal political and social rights for all classes in society gave industrial workers new hope. They demanded a new Reform Bill to include the six points of a "People's Charter" that they had prepared. One of the points was the demand for universal suffrage, being the foundation of any true democracy (Major,1967:560-569 and McKay *et al*,1995: 776-782).

It is interesting to note the close connection between the demands for social reform and the demands for labour reform. A similar process also manifested itself in South Africa in its transition to democracy. In 1973 widespread strikes by black workers over wages erupted in Durban and rapidly spread to other centres. The government, still attempting to discourage black trade unions, responded with the Bantu Labour Relations Act. This Act was aimed at settling disputes through works or liaison committees. Demands for social reforms continued and came to an eruption with the

Soweto uprisings in 1976. On the labour front some bold reforms followed from the Wiehahn Commission's report in 1979. The 1980s were characterised by the labour movement's continued demands for political change. In 1990 then President de Klerk announced the release of Nelson Mandela and the unbanning of various political organisations. By forming an alliance with the labour federation, COSATU, the ANC won the election in April 1994. This paved the way for the transition to political and industrial democracy in South Africa. Demands for labour and socio-political reforms eventually found embodiment in the Constitution of South Africa and in new human rights and labour legislation passed by the post-1994 government.

## 3.9 THE RE-EMERGENCE OF WESTERN CIVILISATION c.1850 - c.1914

The romantic era during the first half of the nineteenth century proved to be only a temporary setback to the spread of ideas and values espoused during the Enlightenment. The second half of the nineteenth century witnessed the triumph of the empirical over the emotional. Materialism was once more emphasised in thought and naturalism in art. The conception that men were shaped by their environment received extensive affirmation sanctions from the Darwinian theory of evolution and in the twentieth century from the growing influence of Marxian socialist thought.

Despite the tendency of nationalists and conservatives to collaborate in some countries, rapid industrialisation so strengthened the middle class that by 1914 it was gaining power. With the growing influence of this class, the egalitarian aspirations of the preceding period were largely achieved without violence. Among these aspirations were Liberalism, with its constitutional guarantees of free speech, equality before the law, trial by jury and democracy with ministerial responsibility and extended suffrage.

### 3.9.1 The triumph of Liberalism

By 1871 every country on the European continent had a constitutional form of government except Russia, the Ottoman Empire and Montenegro. Parliaments as representatives of the citizens and the consent of the citizens to taxation were the rule. In some countries kings still exercised considerable authority and in others they had been reduced to figureheads. Actual power was wielded by parliaments through responsible ministers and fundamental human rights were observed.

By 1914 universal male suffrage was no longer the exception. Public voice voting was abandoned and the secret ballot was adopted to ensure that enfranchised workers were not unduly influenced by their landlords or employers. The cause of democracy was also furthered in many countries through efforts to reduce the power of the hereditary house in the legislature and to establish the principle of ministerial responsibility to the lower house. Women had to wait until after 1918 to receive the right to vote (McKay *et al*, 1995:854-856).

There were, however, six threats to Liberalism according to Major (1967:640) that came about as a result of the evolution of the middle class itself. These threats were the development of joint stock companies and combinations, the movement away from *laissez-faire*, the growth of the labour unions, the emergence of Marxism, Christian Socialism, anarchism and syndicalism. For purposes of the focus of the current study only the first four threats will be covered in the sections which follow.

3.9.2    Joint-stock companies and combinations

The typical industrial enterprise prior to 1850 had been individually owned or held in partnership. These business forms could only obtain a limited amount of capital because few people would invest in a firm in which they had no control and where failure could mean the loss of their other assets to pay creditors. Due to greater prosperity the amassing of large-scale capital for industrial enterprises became possible and the big limited liability company replaced the small individually owned concern as the typical industrial unit. With limited liability only the amount invested in stock could be lost if the enterprise failed.

Many early corporations failed, but those that survived grew larger by ruthlessly destroying their competitors. As justification some businessmen argued that economic progress, analogous to biological progress, depended on the survival of the fittest. Others believed that competition was wasteful and sought agreements with their competitors. Thus pools, cartels and mergers came into being. In some respects combinations held certain benefits such as better utilization of machinery resulting in increased productivity, less exposure to business cycle fluctuations and more secure employment for employees. However, large combinations were considered harmful in that wealth and power became concentrated in fewer and fewer hands. The older

economic Liberalism thus became threatened by the very industrial combinations it had created.

Furthermore the big industrialists, who were already distanced from the majority of the middle class by their greater wealth, began to associate more and more with the aristocracy and in Great Britain even joined the same political party. The less prosperous members of the middle class also began to abandon their adherence to *laissez-faire* as they increasingly came to view big business as the new common enemy. This movement constituted the second threat to Liberalism (Major,1967;640-644).

### 3.9.3    Labour unions

The third threat to Liberalism came from labour. The greater use of machinery had increased the danger of working in certain industries and the new assembly line techniques had increased the monotony of work. Furthermore although the industrial revolution brought about a higher standard of living for workers, they believed that business leaders were getting more than their fair share of the profits. Industrialisation which enlarged the middle class also increased the number of workers and clustered them in factories so that it became physically possible to organise them in labour unions. Collective bargaining between labour and employers in fact only became possible after industrial activities were grouped into various industries. This situation contributed to the repeal of anti-labour union laws in most countries between 1864 and 1890 (McKay *et al*, 1995:858-860).

The first successful unions were associations of skilled workers organised on a craft basis. The local union of a given craft then joined with local unions in the same trade in other areas to form a national union but considerable authority remained vested at the local union level. The British Amalgamated Society of Engineers, which was founded in 1851 became the model for other crafts. The next steps were to secure cooperation between the various unions. This was achieved in Great Britain by the Trade Union Congresses which began to be held in 1869, the formation of the Federation of Labour in the USA in 1881 and the establishment of the originally non-racial South African Trade Union Congress (SACTU) in South Africa in 1924 (Finnemore, 1996:27).

On the whole, craft unions at the time accepted the capitalist system. They were content to secure higher wages, shorter hours and better working conditions for their members. In England and in Germany the unions formed cooperatives which enabled members to buy goods at lower prices. Recently labour cooperatives have also been proposed by Theron (1999:6-14) as a means of alleviating the high level of unemployment and to advance the empowerment of workers in South Africa.

3.9.4    Marxist socialism

In spite of having a doctorate Karl Marx was regarded as too much of a radical at an early age and consequently could not procure a university teaching position. On the eve of the Revolution of 1848 he published his *Communist Manifesto* in collaboration with Friedrich Engels. The first volume of his three volume *Das Kapital* appeared in 1867. As a student Marx was influenced by Hegel's idea that as a society matures it creates antitheses and out of the clash of opposites a new society is spawned. Marx believed that the feudal age had been based on agriculture and out of it had developed its antithesis, urban industry and the bourgeoisie. The bourgeoisie of his day were in the process of overthrowing the feudal aristocracy and replacing it with ideas of economic and political Liberalism.

The bourgeoisie according to Marx had sown the seeds of its own destruction by unifying the state and thus making future revolutions easier. The capitalist class also brought workers together in factories which enabled its antithesis to assemble and organise opposition. By concentrating the ownership in the hands of fewer people the lower middle class could not compete and they thus became more sympathetic to the causes of the working class in the struggle against the capitalists.

Marx further believed that the bourgeoisie would be destroyed by having the means of production seized from them. The conflict between manual and intellectual labour would disappear and a classless society would emerge. He was a materialist at heart and believed in the ideas of progress and human perfectibility. What was unique about his doctrine was his insistence that the proceeds of labour should go to the workers not to the bourgeoisie whom he accused of getting all the benefits of the increased productivity brought about by technological improvement.

The impact of Marx's doctrines was immense. The earlier Utopian Socialism was replaced by Marxist Socialism. Marx gave the labouring masses the promise that one day they would receive social justice. Workers flooded to Marxist labour unions and by 1914 a Marxist oriented political party had been established in Germany (Major, 1967:645-648 and McKay *et al*, 1995:857-860).

## 3.10 THE GROWTH OF THE DEMOCRATIC FORM OF GOVERNMENT IN BRITAIN

In Great Britain it was the Tory (or Conservative) Party that was the first to undergo change. The Conservatives were seriously divided in 1848 when Peel persuaded them to vote for the repeal of the Corn Law. It was only through exceptional leadership that Disraeli managed to return the landed gentry to the conservative fold. The Whigs (also called the Liberals) were in power during most of the time during the two decades following the repeal of the Corn Law. In 1866, however, the Conservatives under Disraeli assumed office. To win the support of the working class he extended the suffrage and implemented a programme of social reform. After 1867 there was no longer any doubt that Great Britain would be a parliamentary democracy with a cabinet system of government.

To the surprise of the Conservatives, the industrial workers voted for the Liberals in 1868 and Gladstone became prime minister. As a result of the extension of the suffrage many illiterate persons were permitted to vote, making improved public education a priority. To protect the new voters from being unduly influenced by their employers and landlords, the secret ballot was adopted. In 1874 Disraeli again returned to power and continued the attempt to improve the lot of the urban worker through, for example, the Public Health Act (Major,1967:655-659).

Rejected by the major parties, representatives from labour unions joined a group of intellectuals known as the Fabian Socialists to form a Labour Party in 1900. Their programme called for the working man to use his newly won vote to capture the House of Commons and to enact legislation that would benefit labour. At first, the Labour Party made little progress but two events boosted the party. In 1901 the House of Lords, as the Highest Court ruled in the Taff-Vale case that labour unions were subject to injunctions and could be sued for damage done by their members. This decision made employment of the strike weapon virtually impossible. Secondly, the economic position

of workers had steadily declined. In reaction to these circumstances the Labour Party gained seats in the Commons. The Liberals realised that to retain the support of the workers they had to abandon *laissez-faire*, reverse the Taft-Vale decision and a Working Man's Compensation Act and a National Insurance Act were passed. Britain had thus become a democracy in the true sense of the word by legislating for the benefit of all levels of society (Major,1967: 660-662).

The Great Depression of 1929 continued for almost ten years and only abated in much of the world with the onset of the Second World War. The social and economic consequences of the prolonged economic collapse were immense. The depression shattered the fragile optimism of political leaders in the late 1920s. It became a period during which people were willing to support radical attempts to deal with the crisis by democratic leaders as well as dictators (McKay *et al*, 1995: 955-962).

The total defeat of the Nazis and their allies in 1945 laid the foundation for one of Western civilization's most remarkable recoveries. A battered western Europe dug itself out from under the rubble and managed a great revival in the post-war era, which lasted into the 1960s. In 1968 the established order tottered in both communist East and the capitalist West but did not fall. The revolutionary surges were broken and diffused as a new and different era emerged.

The post-war era concluded during the late 1960s and early 1970s. The end of the post-war era also signalled renewed efforts to reduce cold war tensions in Europe and to liberalize communist eastern Europe. With a revitalized West Germany taking the initiative the efforts for social change achieved success from the early 1970s and reached fruition after 1985. During this time the Soviet Union also entered a period of sweeping change. Communist rule collapsed in its satellite states in Europe in 1989 and in the Soviet Union itself in 1991 (McKay *et al* ,1995:1044-1071). The people's desire for democracy could not be thwarted and finally became a reality in many countries where democratic rights were unheard of in the past.

## 3.11    A BRIEF HISTORY OF SOUTH AFRICAN LABOUR RELATIONS

Before the discovery of diamonds in 1867 and the discovery of gold in 1886 South Africa was largely an agrarian society. Merchants and craftsmen plied their trades to the

surrounding communities. It is therefore safe to say South Africa missed the European Industrial Revolution (c.1760 - c.1850) and its consequences on society as discussed above. Employment relationships in the Cape Colony were governed by the Master and Servants Act of 1841. This Act governed the rules of work, particularly of non-white workers. There were no collective labour relations or any planned attempts to organise workers. Some workers in the printing industry did show interest in establishing forms of collective representation and a few strikes even occurred before 1870 (Bendix,1996:77). Industrialisation and trade unionism were hardly known in the Cape Colony of the time.

The Dutch settlement at the Cape had imported slaves from East African from approximately 1658. By the end of the following century slavery had become an important component of the local economy. The trekking farmers took with them these ideas of labour division − that manual work had to be done by non-whites − when they moved into the hinterland and wherever they established themselves (Finnemore,1998:20).

The industrialisation that followed the discovery of diamonds and gold required skilled and semi-skilled labour which was not readily available locally. Employers could only satisfy this need for skilled workers by recruiting them from Europe at a wage premium for scarce skills. The white skilled workers thus began their working lives in South Africa as ones of privilege. With the skilled workers also came their experiences and ideas of trade-unionism in society. The first documented trade union founded in South Africa was the Carpenters' and Joiners' Union in 1881 (Finnemore,1998:21).

The unskilled labour supply was also of concern to employers as most of the blacks were still subsistence farmers and tribesmen. After clashes with white settlers many tribes such the Sotho and Griquas were dispossessed of their land and had to look for work on the mines. As mining became more labour intensive pressure was placed on the government to assist with the supply of labour. This led to laws requiring black subsistence farmers to pay hut and poll tax. To pay these taxes young males were obliged to seek employment. The demand for unskilled labour in the mines continued. In 1913 the Land Act was passed which reserved approximately ten percent of the country for black ownership and prohibited black farmers from renting land from white farmers (Finnemore, 1996 and 1998:21-23). This Act forced many blacks from rural

areas into towns and cities and could possibly be viewed as the start of the squatter situation of today.

Employers in the mining industry in 1886 formed the Witwatersrand Chamber of Mines and agreed upon a low maximum wage for black workers. The compound system of providing primitive accommodation for black workers was also introduced more or less at this time. This ensured control of black workers and social separation between black and white workers.

White workers also perceived their interests as being threatened by black workers when attempts were made to reduce the white skilled workers' wages and to replace skilled white workers with semi-skilled whites or blacks. Skilled workers responded to these changes by converting from craft unions to industrial unions to accommodate semi-skilled white workers. The result was a power build-up along racial lines. During 1910 white trade unions began to realise that to protect their interests, they had to become actively involved in politics. The result was the formation of the South African Labour Party. This is an example of the interaction of labour relations and politics (Nel and Van Rooyen, 1993:58).

In spite of the limited political power of the white workers the Government passed the Mines and Works Act of 1911 which reserved thirty two job types exclusively for white workers. According to Tustin (1991:80) the idea of work reservation was brought to South Africa by British skilled miners who had experience of protecting their jobs in their country of origin.

The end of the first World War left South Africa with foreign debt, rising cost of living and an economic depression. To contain costs the mine owners responded with large-scale retrenchments of white workers and revoked the established ratio of white supervisors to black workers. Discontent continued and eventually erupted in the so-called 1922 General Strike, also called the Rand Rebellion. During this uprising 1247 people died in the skirmishes when military force was use by the government against the strikers. In the opinion of Nel and Van Rooyen (1993: 57-60) this rebellion marks the turning point in labour relations in South Africa. This conflict set the table for the system of conciliation that was to be introduced. In response to these unhappy occurrences the Smuts government introduced the Industrial Conciliation Act in 1924. Shortly thereafter

the white electorate which included the white working class, used its political strength to vote a new government into power (Bendix, 1996:77-80; Finnemore, 1996:21-23).

During this early period in the country's labour relations history the black workers had limited power. Black workers did not begin to organise themselves into trade unions on the mines due mainly to factors such as the compound system that kept them apart from organised white workers. Support from the experienced white workers was not forthcoming and tribal allegiances were also factors working against greater solidarity amongst black workers. In other industrial sectors the situation was more conducive to union formation and black workers managed to establish the Industrial and Commercial Workers Union in 1919. This union under the leadership of Clements Kadalie is widely regarded as the first black union in South Africa. The labour relations system during this period is typified by the State, as a neutral outsider, only intervening in conflict situations between employers and employees and playing no active role in regulating the relationship. Tustin (1991:8) describes this phenomenon as bi-partism.

During the 1920s secondary industry began to grow rapidly. As a result of mass production technology, industry required fewer skilled craftsmen but more semi-skilled workers who could be paid less. Many black males and white females now began to be employed in industry. Several industrial unions were also registered during this period. In order to form a united front against employers, moves were made towards non-racial unions. Non-racialism was taken to the extent that the South African Trade and Labour Council was established in 1930. However, this development did not last. Artisan unions feared de-skilling and replacement by cheap black labour and towards the end of the 1930s they began to oppose this trend towards open industrial unions. Black workers formed the Council for Non-European Trade Unions in 1941 and by 1945 had approximately 158 000 members. The fears of the conservative white workers and changes in the labour scene in general, contributed to the National Party coming to power in 1948 (Bendix,1996:82-85). A similar strategy to make use of the working class to gain political victory was used by Disreali and the Conservative Party in Britain in 1866.

With the National Party in power the separation of black citizens, and black workers in particular, was possible. In 1950 the Suppression of Communism Act was passed and many trade union leaders were arrested or banned. In 1953 the National Party

government enacted the Bantu Labour (Settlement of Disputes) Act of 1953, later known as the Black Labour Relations Regulation Act of 1953. It was the aim of this Act to avert trade unionism among blacks by making provision for the establishment of workers' committees for black employees (Bendix,1996:86). These committees were to be established at the request of black workers themselves. (This requirement is similar to the principle found in regard to present day Workplace Forums in that the initiative for their establishment must also come from the workers through their representative trade unions).

These workers' committees were poorly accepted by the black workers and by 1973 only 24 committees were formally registered out of possibly 110 committees that were in existence. Where these committees were operating, employees lacked the expertise to represent themselves. Consequently there was limited scope for proper participation in decisions that concerned workers. Representation was also ineffective as only one workers' committee of 5 members per plant was permitted. Other problems with this system were that these committees met irregularly and tended to deal mainly with grievances of workers. In spite of these shortcomings the committee system remained the only legitimate system of black worker representation until 1979 (Bendix,1996:96; Finnemore, 1996:23-30).

In 1956 the Industrial Conciliation Act was amended (later known as the Labour Relations Act of 1956) inter alia prohibiting the establishment of mixed unions and introducing job reservation to protect white workers from competition by other race groups. This Act became the basis for labour legislation dealing specifically with collective bargaining issues.

In 1954 the South African Trade Union Council (SATUC) was founded and in 1962 changed its name to the Trade Union Council of South Africa (TUCSA). For a limited period black union affiliation was allowed. This came to an end when the government forced TUCSA to expel its black union members. In the meantime the black unions had been getting themselves better organised into a national federation with the establishment of the South African Congress of Trade Unions (SACTU) in 1955. Many SACTU leaders were listed under the Suppression of Communism Act and after Sharpeville killings in March, 1960 many leaders were banned. The remaining federation leaders fled into exile. Consequently black trade union activity disappeared

from the workplace during the 1960s and created a deceptive appearance of calm amongst black workers during this period (Finnemore,1998:28-29).

This tranquil period came to an abrupt end in 1973 with the outbreak of strikes in the Durban area which soon spread to other parts of the country. Ironically no trade unions were behind these strikes that erupted spontaneously among the workers. The power of black workers was however clearly demonstrated. The shortcomings of legislation of the day for black workers as well as the absence of formal negotiating structures and procedures also became quite evident.

The government responded swiftly and passed the Black Labour Relations Regulation Act of 1973. This Act provided for the establishment of liaison committees at plant level as an alternative to workers' committees already in existence. Liaison committees consisted of an equal number of representatives of the employers and workers of each plant. These committees could consult on any of matter of mutual interest to the parties concerned. By 1976 the government was forced by the threat of sanctions and disinvestment and black worker militancy to take action about the labour situation. This led to the appointment of the Commission of Inquiry into Labour Legislation in 1977, better known as the Wiehahn Commission (Bendix,1996:93-96 and Finnemore,1998:29-30).

Under pressure from the right wing the government reacted with caution to the recommendations of the Commission and in 1979 introduced the Industrial Conciliation Amendment Act (later called the Labour Relations Act ). Full freedom of association was extended to all employees and the registration of all unions was then possible for the first time in South Africa. In 1981 further labour reforms were introduced with amendments to the Industrial Conciliation Act which was re-named to the Labour Relations Act but still retained the 1956 date. What this meant was that full trade union rights were extended to all workers and racial restrictions to trade union membership were completely done away with (Bendix, 1996:91-100; Finnemore,1998:30-41).

It is interesting to note that in spite of the legislative changes introduced by government to accommodate changes on the labour front, there was a significant percentage of black workers who preferred not to be part of the government's labour relations system. This was done mainly to avoid being seen as co-operating with the Apartheid

government

As a result of this refusal a system of recognition agreements negotiated between unions and employers emerged during the 1980s. In practice this meant that there was then a dual labour relations system in the country. The official one introduced by the government through legislation and the black unions' own system of recognition agreements through which an employer and a union representing the workers could agree that the union would represent the interests of the workers of that particular employer. As a large number of employers were also covered by Industrial Council agreements many companies then found themselves having to negotiate twice with virtually the same group of people. This amounted to a dual system of collective bargaining.

The political system in South Africa has been heavily influenced by developments on the labour front. In April 1994 this culminated in the labour movement playing a significant role in bringing the African National Congress (ANC) to power through the ANC-SACP-COSATU alliance. As reward for support in the election the ANC-led government was obliged to provide legislation showing greater support for workers. The Labour Relations Act No 66 of 1995 is an example. This Act introduced many changes to the way in which labour relations would in future be practised in South Africa. Some of the changes introduced by the Act, which aim to democratise the workplace, are provisions for the disclosure of information, new collective bargaining structures, consultation and joint decision-making and workplace forums. These topics will be examined comprehensively in the chapters that follow.

## 3.12 SUMMARY

This chapter traversed the development of European democratic societies. Medieval civilisation was discussed with particular reference to the medieval state, medieval society, the economy of the time and the establishment of guilds. While the nobles had gained certain privileges from the king, the majority of the people remained in serfdom and had no democratic rights. Guilds were formed by diverse groups such as merchants and artisans to promote and protect the interests and rights of their respective members. These associations are early examples of people acting collectively for their common benefit.

The Renaissance period which followed comprised many great discoveries, inventions and advances in trade, industry and mining which led to economic revival after the decline experienced in the late Middle Ages. With increased productive capacity business flourished. Merchants and industrialists were making greater profits. Prices of commodities rose faster than wages resulting in capitalists and the middle class improving their economic situation while that of wage earners deteriorated. Political power in the 16th century lodged with the king and the aristocracy while working class citizens enjoyed none.

The economic progress of the Renaissance period came to an end early in the 17th Century and stagnated for the remainder of that century. Trade and industry no longer expanded while population growth continued unabated. Unemployment increased. It reached such high levels in England that a "Poor Law" had to be introduced to provide some relief to the unemployed. The economic stagnation led to social unrest throughout Europe. Governments increased taxes to compensate for the decline in their revenue. The raised taxes negated the hard-earned increases in real wages which workers had attained.

Despite the period of economic stagnation, science continued to advance which in the 18th Century led to further discoveries and inventions that greatly increased food supplies and made urbanisation and industrialisation possible on a scale never known before. The resultant increase in productivity gave rise to higher standards of living, mainly for the middle classes and industrialists whose profits were boosted.

Prior to the discovery of diamonds and gold South Africa was largely an agrarian society. The industrialisation that resulted from the discoveries necessitated the importation of skilled and semi-skilled labourers who brought with them ideas and experiences of trade-unionism. As even more labour was required by the mines, laws were changed which forced young black males to seek employment.

White workers perceived their interests as being threatened by black workers when attempts were made to reduce white skilled workers' wages and to replace skilled white workers with semi-skilled white and black workers.

After the First World War mine owners attempted to contain costs by large scale

retrenchments of white workers and revoked the established ratio of white supervisors to black workers. The discontent that followed eventually erupted in the so-called 1922 General Strike. This conflict set the table for the system of conciliation that was to be introduced through the Industrial Conciliation Act in 1924.

During the 1920s secondary industry began to grow rapidly with mass production technology requiring more semi-skilled workers who could be paid less. Many black males and white females were employed. Non-racialism was taken to the extent that the South African Trade and Labour Council was established in 1930. Fears of the conservative white workers and changes in the labour scene contributed to the National Party coming to power in 1948.

In 1953 the National Party government enacted the Bantu Labour (Settlement of Disputes) Act, later known as the Black Labour Relations Act. Its aim was to avert trade unionism among black workers. In 1956 the Industrial Conciliation Act was amended (later known as the Labour Relations Act of 1956) *inter alia* prohibiting the establishment of mixed unions and introducing job reservation to protect white workers. Many black trade unionists were banned under the Suppression of Communism Act which created a deceptive appearance of calm amongst black workers during the 1960s.

In 1973 this tranquil period came to an abrupt end when strikes broke out in Durban and spread to other parts of the country. In 1977 a Commission of Inquiry into Labour Legislation was appointed and led to the Industrial Conciliation Amendment Act (later called the Labour Relations Act) being introduced in 1979.

As a significant percentage of black workers preferred not be part of the Apartheid government's labour relations system, a system of recognition agreements were negotiated between employers and trade unions during the 1980s.

In April 1994 the labour movement played a significant role in bringing the ANC to power through the ANC-SACP-COSATU alliance. As a reward for support in the elections the ANC-led government was obliged to provide legislation showing greater support for workers. The Labour Relations Act No 66 of 1995 is an example.