

MEMBERSHIP-BASED ORGANIZATIONS OF THE POOR: THE SOUTH AFRICAN EXPERIENCE

Jan Theron

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Mama N. decided to start a crèche at her home in 1985, when she learned there were women in Crossroads desperate enough to abandon their babies on a nearby rubbish dump.¹ Crossroads was once a squatter settlement, notorious for its factional conflicts, and the warlords who presided over the allocation of houses and resources, in collusion with the apartheid authorities. Now it is integrated into the adjacent townships. The building the most notorious of the warlords once occupied, now derelict, is where Mama N. relocated her crèche and pre-school a few years ago. It belongs to the local authority, and during the day there are 63 children in it, up to the age of six years. There is also a large and flourishing vegetable garden. Produce is sold to the community. To the elderly and sick it is given away.

In 1999 Mama N.'s creche and pre-school was one of fifteen in the area that banded together to form a co-operative, known as Nosiseko Care Co-operative. The inspiration for doing so came from outside the community, from a secondary co-operative to which it is still affiliated.² Mama N. is chairperson of the co-operative. It is still going five years later, with fifteen members. Each of them operates a crèche and/or pre-school facility. The largest of these leases premises from the local authority and receives a subsidy from the government. Others operate 'backyard crèches', from their homes. Each member contributes a subscription of R10 a month. This goes toward the administration of the co-operative, including the affiliation fee to the federation of the co-operative.

The costs of administering the co-operative are minimal, since it does not employ anyone itself. One important service it provides is to assist the co-operative in negotiations with the local authority and government. Another important service is training, to enhance the skills of both the members themselves and the persons they employ. Each member employs between three and six such assistants, called teachers. Strictly speaking, then, the members are employers, in a relationship of power over those who work for them. However the co-operative subscribes to the principle that what each crèche earns should be equally shared between the member and those who work for her.

¹ Interview, November 2004. When she learned about the abandoned babies, Mama N. sought out the women concerned. The women had been abused by their husbands, and also did not have the means to feed themselves or their babies.

² A secondary co-operative is a co-operative whose members are other co-operatives.

Five members were interviewed individually at the end of 2003, with a view to ascertaining the impact of the co-operative on their livelihoods.³ Although each had some high school education, most had not been employed in the formal economy for some years prior to the establishment of the co-operative. Monthly earnings varied from one crèche to another, and from month to month. However the estimated average income was between R200 and R250 per month.⁴ For most of the members, this was the only 'salary' earned by a member of the household. Mama N. herself is part of a household of nine. No-one but her had a job at the time of the interviews, and that was still so when I spoke to her again, a year later.

There are a number of reasons the incomes of the crèches fluctuate. People do not require care all the year round, and there are poor parents who cannot afford to pay regularly, or at all. The co-operative regards it as a demonstration of its commitment to the community, in accordance with co-operative principles, that it will accept the children of such poor parents.⁵ No doubt the community has greater confidence in entrusting their children to a co-operative that displays such commitment. A co-operative is also accountable to the community for the standard of care its members provide in a way an individual operating on her own, or an organisation for profit, would not be. Not that there is any prospect of an organisation for profit offering the same service. There is no profit to be made from this community.

Conceptualising MBOPs

The broad question this paper seeks to address is whether the notion of a membership-based organisation of the poor ("MBOPs") has practical application in modern day South Africa. There are some obvious reasons why the concept is attractive. The object of an MBOP would be to give the poor a voice, through organisations that they belong to and democratically control. Such organisations could also be a vehicle for securing representation of the poor in local and national forums, shaping policy and ensuring accountability. Perhaps such organisation could also enable poor people achieve collectively the kind of public goods that the state cannot or does not provide. (Webster, 1998)

Equally there are reasons why what seems a good idea in theory may be practically difficult to attain, if not misconceived. First there are the organisational difficulties any membership based organisation (MBO) must overcome in order to effectively voice the interests of its members. What form will such organisations take? How will they establish themselves? How will such organisations be sustained? Second, there are political difficulties that have to be overcome. How will such organisations avoid being appropriated by those inside the organisations wishing to pursue their sectional interests? How will it relate to political organisations, or parties, or the state? How will they avoid being corrupted by ruling elites? Or repressed? More fundamentally, does the promotion of the concept of an MBOP, and the promotion of self-help

³The interviews were conducted as part of a study on worker co-operatives in the Western Cape conducted for the Department of Labour. See Research report: Workers co-operatives in the Western Cape, Labour and Enterprise Project.

⁴ This translates roughly to between 40 and 50 US dollars a month.

⁵ The seventh co-operative principle, as adopted by the International Co-operative Alliance, is headed "concern for community." See I.McPherson, Co-operative Principles for the Twenty First Century, ICA Communications, Geneva.

strategies, not allow the state to evade its responsibilities and make the poor responsible for their own deliverance (Kriek, 2003)?

These and related questions cannot be considered in abstract. Take the case of Nosiseko Care Co-operative and the question of self-help strategies. Child-care is indeed the kind of public good that some states provide. There is also a precedent for the local authority in question to do so.⁶ A demand that the local authority assume greater responsibility for care for the very young is certainly legitimate. But who will pursue this demand, if not an organisation like Nosiseko that is practically engaged with the problem?

In fact Nosiseko can be said to be pursuing this demand by actions like occupying a building belonging to the local authority. Recently the co-operative negotiated a lease to formalise Mama N.'s occupation. Arguably the terms of the lease represent an indirect subsidy by the local authority. Now the co-operative intends to negotiate for a direct subsidy from the Department of Social Development. The co-operative has been assisted in these negotiations by the local civic association, and sympathetic councillors. Yet neither the civic association nor local authority is likely to have prioritised child-care as an issue without a push from below. But this does not mean there are not circumstances where self-help strategies are not appropriate, as we shall consider below.

A co-operative is by definition a MBO. Yet clearly all MBOs are not organisations of the poor. Even though the members of the Nosiseko Care Co-op are by any definition poor, that would not seem to be the primary reason to regard the co-operative as an MBOP.⁷ Nor is it merely that the community the co-operative serves is poor. What is paramount, is the social and economic need this co-operative fulfils in a poor communities. Moreover it is a need that the co-operative form of organisation is ideally suited to fulfil, for the reasons mentioned. If therefore the notion of MBOPs has practical application, co-operatives should be part of it, because of the function they fulfil. So too should trade unions. The members of trade unions are not necessarily poor, and may even occupy a position of relative privilege, as we shall presently see. However as long as there is a section of the poor that depends on wages earned in an employment relationship, trade unions remain an indispensable organisational form for the poor.⁸

In what follows, I first seek to identify the characteristics of both co-operatives and trade unions that enable them to function as MBOPs. I also identify the limitations of these particular forms, and by implication of MBOPs, in order to explain why they do not always fulfil this function. It follows from this analysis that there is no ideal type of MBOP, which can simply be replicated. There is also no form of organisation that

⁶ The City of Cape Town operates a total of seven nursery schools and creches. Three are located in the longer established African townships (Guguletu NY6, Langa and Loyiso) and the remainder in traditionally coloured areas.

⁷ The question arises whether a sport club or cultural society whose members are poor should be regarded as a MBOP. There can be no clear-cut answer, but the social and economic impact of such organisations is likely to be limited.

⁸ By the same token there are co-operatives whose members are not poor at all. Agricultural co-operatives are a case in point, in the South African context. But that circumstance, I argue below, must be understood in its historical context, and does not constitute valid grounds to exclude co-operatives from the scope of an MBOP.

should be regarded as an MBOP by definition. An MBOP is an organisation that functions as such, meeting the social and economic needs of the poor. In the second part of this paper I briefly consider what the national experience of MBOPs has been, from a socio-historical perspective. The object is to understand the current conjuncture, and the legal and political context within which MBOPs must operate. In part 3, I consider what actual or possible models of MBOP have emerged or are emerging in the current conjuncture.

MBOPs in the context of civil society

But is it valid to talk of a South African experience of MBOPs? It is not, after all, a term or concept that is familiar in the literature on the variety of organisations and institutions that are regarded as part of civil society in South Africa. The term 'civil society' in the South African context is the subject of some debate. Does it serve any useful purpose to introduce yet another acronym into this debate?

One view, following Gramsci, emphasises the political interconnectedness of the state and civil society. For this reason any movement seeking to challenge the hegemony of the state needs a mass-based political party to give it coherence (Marais, 1998, 241-244). It has also been suggested that the inauguration of representative democracy in 1994 has resulted in a withering of civil society in this sense (Seekings, 2000). However in developmental literature, the state and civil society are often sharply counter-posed. (Kotze, 2003; Fakir, 2004). The term 'voluntary' or 'non-profit sector' is sometimes used as an equivalent to civil society in this sense (Pieterse, 1998; Kraak, 2001). Far from withering away, it is suggested it is larger than generally supposed (Pieterse and Van Donk, 2002).

The voluntary sector is variously characterised as being composed of non-governmental organizations (NGOs) and community based organisations (CBOs) (Boulle, 1997; Kraak, 2001). In theory the term NGO should incorporate all forms of non-governmental organisations, including those that are membership-based. In practice, it seems to be common-usage to differentiate between trade unions and other NGOs. The co-operative form is more often than not ignored. An alternative formulation which does acknowledge co-operatives as a distinct form categorises them as self-help organisations (SHOs), which are a sub-category of group-based organisations (GBOs), an equivalent term to CBOs (Von Ravensburg, 1998).

The conceptual basis on which the above writers distinguish between NGOs and CBOs is vague, but it appears to relate to perceptions of NGOs as being better resourced, and having a formal legal identity, as opposed to CBOs, which have a more fluid identity, and are a more grassroots form of organisation (Pieterse, 1998; Pieterse and Van Donk, 2002; Kotze, 2003). To this mix contemporary theorists have added the category of social movements. The term 'social movement' suggests a distinction between an organisation and a form of collective action, or a political campaign. Yet organisations that are or purport to be membership based are regarded as part of the 'new' social movement in South Africa. This 'new' social movement

supposedly arose in the period post 1994, when the adversarial relations between the state and civil society changed (Ballard, Habib, Valodia and Zuern, 2004).⁹

However what is lacking in the above conceptions is an appreciation of the significance, both historically and currently, of what constitutes an MBO, and the distinction between MBOs and organisations which do not have a membership base. What is critical about this distinction is the light it throws on the social basis of organisations, and the interests they in fact serve. Hence the relevance of the concept of MBOPs. Admittedly 'the poor' is an elastic category that can be, and frequently is, stretched to accommodate a variety of sectional interests, including those of the not-so-poor, or the not-poor-at-all. On the other hand the scale of poverty in South Africa is such that there is no obvious substitute for the term. Between 20 and 28 million persons are estimated to live in poverty, constituting between 45 and 55 percent of the population.¹⁰ Certainly the concept of the working class will not do, given the shifts in its composition and significance that we will discuss below.

Co-operatives and trade unions as exemplars of membership-based organisations of the poor

When I say that trade unions and co-operatives are forms of organisation that can be utilised by the poor, I do not mean to suggest that there is any kind of blue-print of a trade union or co-operative that should be adopted. Rather, the argument I seek to advance is that trade unions and co-operatives embody a tradition of organising the poor and disadvantaged. Any endeavour to organise the poor needs to be situated in these traditions. This is because of the considerable experience both these forms of organisation have had in overcoming the organisational and political difficulties inherent in such an endeavour.

I refer to a tradition in this context as a practice or practices constituted by an argument about what it is that an organisation should be, and how it should be constituted (Macintyre, 1985). And although trade unions and co-operatives clearly embody distinctive traditions, it is possible to identify a number of criteria or characteristics that are common to both traditions, and which distinguish them from other forms of organisation. The hypothesis I seek to advance is that these are or should be the characteristics of any organisation that aspires to be an MBOP, and embody a tradition of MBOPs. Thus:

1) In the tradition of both trade unions and co-operatives, the primary objective is to fulfil the economic needs of their members. If either form of organisation does not fulfil these economic needs, or is not perceived to do so, it will fail. To do so,

⁹ In terms of this conception, social movements seem to exist outside of civil society, as a counter-vailing force. Thus the new social movements are contrasted in this analysis with the 'old' social movements, which is regarded as comprising composed of NGOs, CBOs, the trade unions (as represented by the trade union federation, COSATU) and political organisations (the ANC). In the post-1994 period COSATU, SANCO and NGOs are perceived to be in a collaborative relationship with the government. See Ballard, Habib, Valodia and Zuern, 2004,11.

¹⁰ This is according to the Commission of Inquiry into a Comprehensive System of Social Security for South Africa, otherwise known as the Taylor Commission. With the exception of the Western Cape and Gauteng, over half the population of all provinces live in poverty. The poorest provinces are Limpopo and the Eastern Cape provinces, where on average three out of every four persons live in poverty.

however, the organisation requires a mandate from its members that continually has to be renewed. It is the nature of this objective, and the ongoing mandate it implies, that distinguishes these forms of organisation from MBOs having a purely social or cultural objective, on the one hand, or from political organisations, on the other.¹¹ This is not to say there is not a distinction between trade unions and co-operatives in this regard. Trade unions have been depicted as an institutional reflection of the way capitalism has organised the workplace. Accordingly they give expression to the contradictions between the working class and capital without fundamentally challenging them (Anderson, 1967). Co-operatives also do not fundamentally challenge the capitalist system, but seek to empower their members through an alternative form of enterprise, and through an alternative means of accumulating capital

2) Both forms of organisation embody a clearly defined organising strategy, with a broader constituency from which membership is drawn, and clear membership criteria. In the case of a trade union, the membership constituency has been traditionally confined to workers in an employment relationship, although there have been initiatives to extend this constituency, as we shall discuss below. In the case of co-operatives the constituency is defined by the nature of the enterprise in which the co-operative is engaged.

3) Both forms of organisation are (or should be) financed by their members. In the case of a trade union, this takes the form of a subscription, either collected by hand or by payroll deduction (which necessitates a role for the employer). In the case of a co-operative this may take the form of either a subscription or a membership share. The latter is a form of share that a member is required to take out as a condition of membership, and which cannot be sold to outsiders (as distinct from shares in other corporate entities). The method of financing an organisation has of course important implications both for the sustainability of the organisation, and its autonomy.

4) Both forms of organisation have (or should have) clear structures of governance that define, firstly, the relationship between the members and leadership and, secondly, the relationship between the local and national organisation, or primary and secondary (or tertiary). Thus the highest-decision making structure in both trade unions and co-operatives is (or should be) the most representative forum of members, whether this be an annual general meeting (in the case of an organisation where it is feasible for all the members to attend) or a conference of delegates. In the case of larger organisations, where it is impractical for all members to attend the same AGM, a branch structure is required to elect delegates, as well as to manage affairs at a local level.

5) The nett effect of points (1) – (4) above is to achieve a strongly developed sense of ownership of the organisation by the members, and of accountability of the leadership to the membership. This is in sharp contrast to the notion of ownership members have in a political organisation, which is typically weakly developed or non-existent.

¹¹ I distinguish here between political organisations, which are concerned with one or more political issue in the broadest sense, and which do not require an ongoing mandate, and political parties, whose object is to secure political power. However the distinction is not easy to maintain, particularly since the ANC categorises itself as a political movement (as discussed below).

6) Because of their sense of ownership, there is inevitably a tendency for the members for the time being to put their immediate interests above the interests of the constituency from which they are drawn, and the long term interests of the organisation. It is therefore important that in the traditions of both forms of organisation there is a commitment to values of co-operation and solidarity. These values in turn inform (or should inform) how the members relate to the wider community or polity from which they are drawn, and how such organisation engages in politics.

Whether that commitment is rhetorical or actual is of course another matter. Any form of organisation is open to abuse, and has its inherent limitations. Leaving aside those who form trade unions and co-operatives as part of a scam, it would be boundlessly naïve to suppose that merely because an organisation seeks to confine its membership to the poor, or poor people comprise the majority of its members, it will voice their interests. For any membership-based organisation is susceptible to what Michels termed the “iron law of oligarchy”.¹² In brief, this is that direct democracy in mass-based organisations is impractical. That is because mass-based organisation requires a centralised bureaucracy with specialist leadership. Leadership in such an organisation inevitably acquires an interest in securing its own permanence, and comes to regard the organisation as an end in itself.

Perhaps Michels’ argument is over-stated insofar as it depicts what is properly regarded as a tendency as a law. It is nevertheless incontestable that MBOPs in particular are susceptible to this tendency. Firstly, the poorer the members of an organisation are, the wider the gulf in both material conditions and knowledge between members and leadership in a MBOP is likely to be. Secondly, as already noted, ‘the poor’ is an elastic category, and cannot be regarded as comprising an undifferentiated whole. Accordingly any organisation with a broad-based membership amongst poor-people must necessarily seek to reconcile these different sectional interests within a notion of the overall good of the organisation. But even with the best of intentions, what is portrayed as being in the overall good of the organisation may not to be in the interests of the majority of its members. All too often the interests of a section that is more vocal or better organised or politically well-connected will prevail.¹³

It follows that any evaluation of an MBOP, and specifically of the extent to which the leadership of an MBOP in fact represents the poor who are its members, needs to be grounded in an understanding of the local context. This encompasses understanding what the make-up of ‘the poor’ in a given context is, and how the MBOP relates to its different constituents, and especially to the poorest section of its potential membership. The political and legal context within which the MBOP operates is also an indispensable component of such an understanding.

A consideration of the legal context concerns questions such as the forms of organisation available for poor people to utilise, the benefits a specific form of

¹² R. Michels, ‘Political Parties.’

¹³ It would also be naïve to suppose that there were not external agents capable of promoting sectional interests within an MBOP that are compatible with its own political or economic agendas. Where the majority of members comprise a section of the poor that is perceived to pose a threat to vested interests, the likelihood of external interference is all the greater.

organisation holds, the likely effect of regulations affecting the form of organisation, and more generally, what legal space exists to promote specific forms of organisations. A consideration of the political context concerns questions regarding the nature of the state, the nature of the political system, the political traditions that have been established and the main political players. Clearly political organisations must always play an important role in defining the organisational space that exists for MBOPs.

2.

Organisation of the poor in the struggle

Much that is described as the legacy of apartheid could equally be attributed to capitalist underdevelopment.¹⁴ However two related consequences that are specific to apartheid must be noted. First, there were the controls on the movement of rural people to the cities, and the migrant labour system, that exacerbated an urban-rural divide, and relegated the informal economy to the rural areas. Second, apartheid gave poverty a racial profile. Africans as a race group were poorest. Even though Africans in the urban centres were somewhat better off, there was also a high degree of homogeneity amongst Africans.

It is questionable whether the political organisations representing the African majority, the ANC and the PAC, can be said to have developed a strong tradition of membership based organisation during the struggle to end apartheid. Up until 1960 the ANC, more perhaps than the PAC, had many of the trappings of a membership based party: it recruited members, established branches, held elections and the like. However there were numerous constraints on political activity and it was scarcely conceivable a strong tradition of membership could have emerged under the conditions of the time. In any event from 1960 until 1990 the ANC and the PAC were banned. Inevitably, the notion of membership tended to give way to broader claims of representing the people as a whole. In line with this claim, the ANC maintained (and still maintains): that it is a movement as distinct from a party.¹⁵

Given that the constituency the ANC and PAC represented was poor, and political organisations repressed, there was minimal political space within which any tradition of MBOP could have taken root. Any such organisation would tend to be regarded either as a proxy for the banned political organisations, or to be in collaboration with the apartheid regime. Yet even under conditions of repression, organisation was possible. For example the first civic associations were established from 1979 onwards (Zuern, 2004) and began to articulate the demands of the urban dwellers. However there is no evidence to suggest these early civics felt any need to recruit members, to justify their claims to represent the community. In this regard they can be seen to have

¹⁴ Although discriminatory practices and legislation were an integral part of South African society since the 18th century, and the English language establishment that held political power until the end of World War 2 had few scruples about such practices, the term 'apartheid' is generally associated with rise to power of the National party, representing Afrikaner interests. See in general Terblanche, 333, 2002.

¹⁵ This position has arguably restricted the political space to organise poor people outside the all-encompassing embrace of the movement.

taken their cue from the political organisations. What is most important, is that they had no presence amongst the poorest sections of the community.

The poorest sections of the African community in the urban areas were migrant workers living in the hostels and, at a later juncture, with the influx of people from the rural areas, shack-dwellers in areas like Crossroads. Indeed at the root of the factional violence in Crossroads and elsewhere was the divide between these migrants and recent arrivals, on the one hand, and urban insiders on the other. The apartheid regime repeatedly exploited this division over the years, at the cost of thousands of lives. These were lives that could perhaps have been saved through civic organisations that had bridged that divide, in struggles over grass-roots issues affecting the whole community. As it was, grass-roots issues tended to be subsumed in the broader political struggle.

The trade unions and to a lesser extent co-operatives that were established in the 1970s and the 1980s had a far better understanding of this divide, because these were an important part of their membership constituency. The fact that these organisations were able to establish a tradition of membership based organisation can be ascribed to two factors. Firstly, there was legislation regulating both co-operatives and trade unions. In other words, despite the lack of political space, the legal space existed to utilise both forms. Secondly, because the objective of both trade unions and co-operatives is primarily economic, they did not necessarily constitute a threat either to the state or to legitimacy of the repressed political organisations.

It is of some interest that the legislation regulating co-operatives originated in the struggle of poor Afrikaners to empower themselves.¹⁶ But most of the co-operatives representing poor people established in the 1980s and 1990s were producer co-operatives. The legislation was designed for agricultural co-operatives, and was not conducive to this form of co-operation, or to the development of an emergent co-operative movement. In a comparatively hostile legal environment and without access to institutional support, most of these emergent co-operatives failed. Accordingly their contribution towards advancing the interests of their members, or developing a tradition of MBOPs was negligible.

The same is not true of the non-racial trade union movement that emerged in the 1980s. The unions were perceived to be representative of poor people, because there was no disjuncture between workers and the poor. Workers in employment were for the most part poor, and the poor depended to a large extent on wages earned in the mines, on farms and in manufacturing for their survival. It was only skilled workers and supervisors that were relatively better off, and they were mainly white (and male).

There undoubtedly were also unions that were representative of poor people. A high proportion of the members of such unions were unskilled, and migrants from the rural

¹⁶ In 1939 a speaker at the *Ekonomiese Volkskongress* motivated the establishment of a co-operative bank in the following terms: "So long as nearly 300,000 Afrikaans-speakers live below the breadline; so long as a large percentage of our fellow Afrikaners remain the hewers of wood and the drawers of water in their own country; so long as the Afrikaner is notable by his absence in our business life; and so long as a large section of the agrarian population are forced by circumstances to migrate to the cities in order to make a living, millions of pounds belonging to Afrikaners lie around unproductively." Cited in O'Meara, 'Volkskapitalisme', Ravan, Johannesburg, 1983, 113.

areas. They operated democratically, and subscribed to the principle that the workers who were their members should be in effective control of their organisation. In many instances ordinary workers were elected to high office in such unions. They also subscribed to principles of non-racialism. Through struggles over workplace issues affecting workers of all races they achieved some success in overcoming racial divisions fostered by apartheid, notably between African and coloured workers in the Western Cape.¹⁷ For these reasons the emergent unions enjoyed a degree of political credibility.

The same emergent union movement played a prominent role in the struggle for political change. In doing so unions also articulated the need for ordinary workers to be part of the political process. However there was a tension in accommodating this need. It necessitated the adoption of procedures such as translating from vernacular into English, and report backs, that community activists perceived as laborious and unnecessary. Initially this tension was characterised as between the unions, as proxy for the most disadvantaged sections of society, and the community, representing a primarily urban constituency.

At the same time the emergent union movement was not impervious to this tension, or pressure from community activists to adopt a more 'political' approach to organising. The unions that stood the closest to the community activists had a weakly defined membership base, and were proxies for political organisations more than unions. At the same time there were important differences amongst unions with a clearly defined membership base. These differences concerned how to strengthen the voice of ordinary members in the union, and to bridge the divide between the poorest sections of the working class who were overwhelmingly unskilled and with close links to the rural areas, and a comparatively sophisticated, urban-based section of the working class. The latter section was becoming increasingly dominant in the emergent unions.

Amongst the unions that formed COSATU, two traditions of unionism can be discerned. One tradition emphasised the importance of the financial autonomy of the union, and the autonomy of the branch or local structure over the head office, or national union. I shall describe this as the tradition of the Food and Canning Workers Union, since this was the only exponent of this tradition.¹⁸ However with one other exception the other emergent unions had since their inception relied heavily on donor funding, and had not tradition of financial self-sufficiency. Partly as a consequence, most unions favoured a highly centralised structure, in which the branch or local structure was allocated funds (and hence controlled) by the head office. This tradition of organisation from the top-down is the one on which the established union movement in post-apartheid South Africa was founded.

The current political and legal conjuncture

¹⁷ In the Western Cape coloureds comprised the majority of the workforce. At the same time relations between coloureds and Africans had been severely strained by the so-called 'coloured preference area' policy, in terms of which coloureds were given priority in employment.

¹⁸ The writer was the General Secretary of the Food and Canning Workers Union (FCWU) from 1976 until 1986, and subsequently became General Secretary of the Food and Allied Workers Union. The FCWU was centrally involved in the formation of the Congress of SA Trade Unions (COSATU), and was one of only two of the founding unions that was financially autonomous.

The trade unions' reward for their support during the struggle was to institutionalise a political role for them, and to enact supportive labour legislation. The former took the form of the establishment of a political structure, NEDLAC, in terms of which organised labour and business would be consulted about the introduction of socio-economic policy. This can be regarded as a form of corporatism, and was consistent with the tradition of organisation from the top-down which unions had opted for.

In acknowledgement of the fact that organised labour and business were not entirely representative of the people who would be affected by social and economic policies, as though by afterthought, a third constituency was created in NEDLAC to represent the interests of 'the community.' Yet it remains unclear how the community is to be represented at NEDLAC. SANCO, a national civic association established in 1992, is the obvious candidate to fulfil this role. However it too was organised from the top down, and has an uneven presence on the ground. It has also been racked by internal dissension (Zuern 2004, Seekings 1997).

Few today would credit SANCO with the capacity to speak for the community at NEDLAC. But the more fundamental problem does not concern the tribulations of a particular organisation as much as the tradition of organisation that corporatism fosters. This is to make representation at a national level the focus of organisation, rather than effective local organisation, and lobbying in the corridors of power rather than local struggles. Given that the organisations represented at NEDLAC also determine what other organisations may be admitted to membership, the arrangement it embodies has elements of a self-perpetuating oligarchy.

It is one of the ironies of South African history that the advent of a democratic government in 1994 should have coincided with a rapid integration of South Africa into the global trading system, and the removal of tariff barriers. I shall not attempt to analyse what is generally understood by the term globalisation here, but merely enumerate some of the effects this historic coincidence has that bear on themes under consideration here. These are, in no specific order, as follows:

1) Retrenchments and plant closures attributable to global competition and the increased concentration of capital have drastically reduced the numbers of persons who are in an employment relationship, particularly in the primary and secondary sectors, the traditional bases of trade unionism. The political ascendance of the unions has thus coincided with their organisational decline, a reality masked only by their increased membership in the public sector, courtesy of the new regime. Unemployment is now conservatively estimated as forty percent.

2) The way in which employment is structured in the workplace, and the way the workplace is organised, has been fundamentally transformed. In this regard, big business has followed the lead of its counterparts in North America and Europe. Instead of a workplace in which there is a community of workers with different skills working for a single employer, there is increasingly a community of different employers in the same workplace, or across several workplaces. In the process employment, particularly of unskilled workers, has increasingly been externalised. As a consequence control over conditions of employment is increasingly exercised by contractual means, and through ownership of intellectual property rights rather than the means of production.

3) There is a burgeoning category of persons and enterprises that are dependent on the owners of capital in much the same way as those who are in an employment relationship, yet who are not employed. At the same time there are ongoing initiatives to re-define the scope of employment, and current conceptions of work. In 2004 President Mbeki for the first time spoke about the existence of two economies, acknowledging the existence of a dual labour market.¹⁹ In the first tier, workers are comparatively well-off, and protected by labour legislation. In the second tier, labour legislation is either not applicable or ineffective.

4) The informal economy, repressed under apartheid, has mushroomed. An element of this is survivalist activity by those who cannot find formal employment.²⁰ An element is constituted by the growth of the second tier of the labour market, brokered by satellite businesses comprising goods and services to core businesses and intermediaries of all descriptions.

5) As a consequence of all the above the numerical and political significance of the working class has significantly changed. So too the significance of the primary and secondary sectors of the economy vis a vis the tertiary (or service) sector has changed. The growth of services is in part attributable to technological change and in part the consequence of externalisation. Taken together, these changes have profound implications for policies and regulations regulating labour relations, social welfare and industrial development, amongst others. These policies are premised on assumptions that no longer hold.

6) At the same time big business has also been restructuring its operations to overcome the stigma of being white. In the name of 'empowerment' white owned assets have been transferred to a handful of black persons at an extraordinarily rapid rate.²¹ This has been criticised as amounting to enrichment more than empowerment. Moreover government's declared commitment to empowerment that is 'broad- based' represents an implied criticism of this trend. There is nevertheless no sign of the trend abating. Government has also been slow to give concrete effect to its commitment to 'broad based' empowerment, such as by implementing support measures for co-operatives.

7) The inequalities that characterised South African society under apartheid have persisted. What has changed is the racial character of this inequality. Thus the

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²⁰ There is no satisfactory definition or statistical measure of the informal economy, but in a study conducted by the UNDP the figure for those in formal and informal employment are given as 67,5 percent and 32,5 percent of a total of 10 896 420 persons employed in 2002. What is significant about this figure is that the total of unemployed is given as 4 783 502, and that the total of unemployed plus those in informal employment significantly exceeds the number in informal employment, compared to a situation in 1990, when the number in formal employment was 82,7 percent of the total employed compared with 19,2 in informal employment, and those in formal employment far exceeded the combined total of the informally employed and the unemployed. See UNDP Report, 2004, Table 3, 238-239. It is also likely that this study underestimates the extent of informal employment, due to a definition of informal employment used in statistical data. Moreover all indications are that unemployment has increased since 2002 until the present. It is likely that this is the position with informal employment also.

²¹ In the main these have been persons with strong ties to the governing party.

disparity in income between the new elite and poor Africans now mirrors the disparity that formerly characterised the relationship between Africans and whites.²²

8) The past decade has demonstrated the limited capacity of the state under an ANC government to address the root causes of inequality in a fundamental way. As some would have it, this is a consequence of government's reliance on conventional economic prescriptions. The most notable example of this was government's abandonment of the re-distributive Reconstruction and Development Programme (RDP) in favour of its own self-imposed structural adjustment policy, the Growth Employment and Redistribution Strategy (GEAR) (Marais, 1997). Although GEAR is now somewhat discredited, it has never been formally abandoned, and its effect remain. One of these effects has been the diminished role of the state in the provision of services and an increased reliance on the private sector and civil society to do so.

9) The verdict of the electorate in the most recent elections and, so far as can be gauged, the verdict of both the working class and the poor, has been to endorse the ANC's hegemony. The political assessment this implies is that the ANC is doing its best in difficult circumstances, and that there is no-other political organisation to supplant it. Whatever one thinks of this assessment, it is likely that the ANC will continue to define the political space within which political and other forms of organisation operate for the foreseeable future. This is particularly because its alliance with what has now become the established union movement, and the SACP (as well as its informal alliance with SANCO) give considerable breadth to its hegemony, as well as flexibility.

10) Another irony about the post 1994 dispensation must be noted. When the majority were disenfranchised the white minority maintained a system of parliamentary sovereignty. However the form of state South Africa adopted post-1994 was that of a constitutional democracy, with an entrenched Bill of Rights. This system, with the establishment of a Constitutional Court to interpret the Bill of Rights, was largely perceived as a concession to white vested interests. However the insertion of socio-economic rights has provided organisations in civil society with a tool to advance a pro-poor agenda.

The implications for organisation

There are both opportunities and challenges for the organisations in civil society in the above context. One of the opportunities is that as a consequence of the diminished role exercised by the state it is increasingly compelled to devolve what have hitherto been regarded as its responsibilities to the private sector and organs of civil society. This has allowed some political space for new forms of organisations to emerge. It has also accentuated the need for the poor to be represented in civil society if they are to avoid being further marginalised.

At the same time a constitutional dispensation in which certain basic rights, including trade union rights, a right to fair labour practices and a suite of socio-economic rights, creates a legal space which organisations seeking to advance a pro-poor agenda are able to occupy. An organisation that has done so with a measure of success is the

Treatment Action Campaign (TAC), in its campaign to pressure the government to provide anti-retroviral drugs in the treatment of AIDS.

Given the growth of new organisations, and new forms of organisation, of which TAC is an example, the proposition that there has been a withering of civil society cannot be accepted. TAC is said to form part of the 'new' social movement. Other organisations in this category include locally based groups like the Soweto Electricity Crisis Committee, Concerned Citizens Group and Anti Eviction Campaign, which have mobilised resistance against government attempts to enforce payment for services (Ballard, Habib, Valodia and Zuern, 2004). However this categorisation seems to raise more questions than it answers.²³ It also obfuscates the issue of membership.

All the aforementioned organisations would regard themselves as pro-poor. Probably all would regard themselves as having members. But are they truly membership-based? To answer this question, it is necessary to identify what are the practices that make them a membership based organisation or not, and what kind of tradition of organisation they exemplify. TAC, for example, describes itself as a membership-based organisation, and claims 9 500 members. Yet there is no clear distinction between members, most of whom do not pay dues, and supporters, volunteers and activists. It is also funded entirely by donations (Friedman and Motlar, 2004).²⁴

What is new about TAC is primarily the issue around which it is formed, which is to campaign for affordable treatment for people living with HIV and AIDS. It may well be that in the present conjuncture there is the need for issue-based organisations lobbying for specific demands, and that depending on the nature of the issue, the organisation may be established locally or nationally. An alternative formulation would be to categorise it as a rights-based organisation, campaigning for the fulfilment of specific rights. It can be argued that this is in essence a form of political organisation, and that membership in a political organisation is inevitably a weak concept. On the other hand the members of TAC are overwhelmingly poor. If the concept of a MBOP has practical application in this case, it should be to develop and strengthen its concept of membership.

In the section that follows, I identify five categories of organisation to which the concept of MBOPs seems to apply, and to identify case studies that show both the potential and limitations of MBOPs. I leave open the question as to whether issue-based (or rights-based) organisations such as TAC constitute another category.

3

A survey of membership-based organisation

Organisations in the trade union mould

²³ For example COSATU is lumped in this category, on the basis of its opposition to certain government policies, notably GEAR, together with SANCO. Both also regard themselves as allies of the ANC.

²⁴ It appears that some branches of TAC charge a membership fee and others not. The writer was informed by Z.Achmat, the Chairperson of TAC, that it intended to tighten up its membership requirements.

The position of the trade unions is important, because of the tradition of organising the poor they established, and because lessons can still be drawn from their model of membership-based organisation. Yet arguably the unions that were once MBOPs are now no longer. Their members belong to the first tier of the labour market, and are relatively well off compared to workers in the second tier. Even so, the matter is not clear-cut. In a situation of chronic high unemployment, workers' wages go to support an even larger number of persons than previously.

Moreover the established trade union movement still expresses commitment to values of co-operation and solidarity. It is concerned to address the disparities between the conditions of employment of workers in the first and second tiers of the labour market. Its capacity to do so, more than its political willingness, is in question. The highly centralised form of trade unionism adopted makes it extremely difficult to organise workers in the second tier, and workers in the service sector. Because of the itinerant nature of employment in the second tier, there is also little incentive for the established unions to do so. This does not mean that trade unions cannot be MBOPs any longer. Rather it suggests the tradition of organisation the established trade unions currently subscribe to needs to be revised. Alternatively, new forms of unionism need to be considered.

Thus unions that have adopted highly centralised structures and top-down traditions of organisation need to begin a process of decentralisation, whereby local structures are granted greater autonomy. However it is probably unrealistic to expect this to happen. Undoubtedly there are people within such unions, notably in the leadership and bureaucracy, which have a vested interest in the status quo. Decentralisation not only undermines their power base. It jeopardises their financial and job security.

A second and perhaps less radical alternative would be for the established unions to create parallel structures for the organisation of workers in the second tier of economy. This could include the establishment of a network of advice centres in local communities, where workers in non-standard employment and even the self-employed, could take their problems. There is a precedent for advice offices being established in order to access unorganised workers. Ironically this is one of the strategies used to organise the unorganised, before the apartheid-era labour reforms allowed African workers to belong to registered unions, or non-racial unions.

A third scenario would be for an alternative movement of small local unions to develop alongside the established union movement. When this paper was first mooted, I proposed making a case study of a union I took to be established in the tradition of the Food and Canning Workers Union. This was the Society Development Trade Union, based in a country town in the Western Cape. This union had succeeded in organising categories of vulnerable workers that the established unions have not succeeded in organising, and are not likely ever to be effectively organised into a large centralised union.²⁵ Small, local unions of this kind are arguably better able to respond to the particular conditions under which workers in the second tier of the

²⁵ The vulnerable categories are temporary workers provided by labour brokers and farm workers.

labour market are employed.²⁶ Moreover there has in fact been a proliferation of small unions.²⁷

But one of the causes of a proliferation of small unions relates to what seems to a contradictory feature of labour legislation. On the one hand labour legislation unashamedly seeks to promote centralisation on the part of unions.²⁸ On the other hand the dispute resolution system it has introduced, and the resources lavished on the official dispute resolution body, the CCMA, has had perverse consequences.²⁹ One of these has been to spur the growth of 'unions' whose sole function is to represent employees in disputes at the CCMA. At least a proportion of the proliferation of small unions is thus bogus. Another consequence, more debilitating than perverse, has been the culture of dependence on external interventions it has helped create.

At the time of writing, the Society Development Trade Union was locked in an internal dispute. Its founder and General Secretary was suspended by her assistant, a man, on what she alleged were trumped-up charges. There was clearly no basis on which her assistant could suspend her in this manner, in terms of the union's constitution. She also had every reason to believe the members had confidence in her. However the members did not understand what was going on. Rather than call a general meeting or conference to explain what was going on, she had referred a dispute to the CCMA. This typifies the kind of inappropriate reliance on external intervention I am speaking of.³⁰

The leading example of an attempt to establish a new kind of union has been the Self Employed Women's Union (SEWU). SEWU has modelled itself on SEWA in India, targeting self-employed women. Thus it breaks overtly with a conception that restricts a trade union's membership to workers in an employment relationship. The self-employed were regarded as persons who earn their living by their own effort as opposed to those who earn a regular wage or salary, and includes persons who do not employ more than three others to assist her. SEWU was established in 1994, and over time the composition of its membership changed. Whereas initially most members were street traders, more recently a greater proportion of its members were engaged in one or other form of home-based work. At its peak, in 2003, it had 4930 members. (Devenish and Skinner, 2004).

²⁶ A movement of such unions might either co-exist with the established union movement, or precipitate the reforms to union policy and structures that will ensure that poor workers are better represented by the established unions.

²⁷ In 1994 there were 213 registered unions in South Africa. The number of unions (and employer organisations) has steadily grown ever since, and was 504 in 2002 according to Department of Labour figures. However it may be that these numbers will now drop, as a result of amendments to labour legislation introduced in 2002, tightening up on what are perceived to be bogus unions and employer associations.

²⁸ For example through its definition of the workplace, which determines how easily unions can qualify for organisational rights, and through its preference for centralised bargaining.

²⁹ The Commission for Conciliation Mediation and Arbitration is government-sponsored institution established in terms of the Labour Relations Act of 1995.

³⁰ Personal contact. The CCMA as an institution is clearly not equipped to deal with internal organisational disputes.

This membership was of course not large.³¹ It is nevertheless significant, having regard to the difficulties inherent in any attempt to organise the self-employed. For unlike conventional forms of unionism, the organisation of the self-employed does not suggest any well-defined strategy. There is either no employer in respect of whom the workers are able to exercise rights, or the 'employer' is difficult to identify, and still more difficult to hold accountable. The latter is the position with those in the second tier of the labour market who although ostensibly self-employed, are arguably employed by someone in the formal economy. Homeworkers contracted through intermediaries to manufacture clothing for the formal economy would be a case in point (Clarke, Godfrey and Theron, 2004).³²

However SEWU's endeavours to negotiate on behalf of self-employed workers appear to have been focussed on local authorities. Local authorities do determine certain conditions under which self-employed persons operate, by means of local by-laws and the like, but they are not their employers. According to Devenish and Skinner, SEWU also regarded home-based work as giving rise to fewer negotiating opportunities. This could mean the home-based workers it had organised were not undertaking work on contract for another, as is the case with homeworkers in clothing. Alternatively it could mean that the union had failed to appreciate the link between the informal work carried out by its members and the formal economy.

In this regard it is noteworthy that the strategies utilised by SEWU have included education and training and the negotiation micro-credit facilities for its members (Devenish and Skinner, 2004). The latter is obviously not a trade union as much as an empowerment strategy. The question this gives rise to is whether the pursuit of empowerment and trade union-type demands can be reconciled within one organisation. However at the time of writing SEWU is in the process of dissolution. The irony about its dissolution is that it has been precipitated by a decision of the CCMA, the effect of which was to order SEWU to reinstate in its employ two dismissed officials. SEWU could simply not afford the cost of the accumulated back-pay consequent to this decision.³³

Thus an institution that has primarily benefited workers in the first tier of the labour market (the CCMA) has been instrumental in the demise of a significant attempt to address the conditions of workers in the second tier.³⁴ It would nevertheless not be correct to suppose that because SEWU is now being dissolved, that the organisation of the self-employed, or of workers in the informal economy, is futile or impossible.

At the time of writing there are new initiatives in the offing. Women on Farms, a Western-Cape based NGO, has established a union for seasonal women workers. It is also piloting a scheme to establish workers co-operatives to provide services to farms. This kind of organisational initiative again attempts to reconcile the traditional divide

³¹ Several of the emergent unions of the 1970s and 1980s, organising in sectors where large numbers of workers were concentrated, had similar levels of membership for several years, before their organisations took off. There are also many small unions with a similar membership, that are nevertheless financially sustainable.

³² Another well-known example is the owner-driver of trucks used to transport goods.

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³⁴ To compound this irony, it is probably the case that the emphasis on employment security in the first tier has spurred the growth of a second tier.

between employment and self-employment, and empowerment and trade union-type demands. Time will tell how successful it will be.

The emerging co-operatives

All indications are that despite the fact that the South African economy is booming, there is little or no growth in employment. There is thus no reason to suppose that unemployment will not remain at its current levels for the foreseeable future. In this context, co-operatives offer some prospect of employment for the poor, if only as a self-help strategy. They also offer the prospect of a more genuine form of empowerment.

Despite the set backs of the 1980 and 1990s, an embryonic co-operative movement has emerged. However its extent should not be exaggerated. In 2002 the National Co-operative Association (NCASA) published a baseline study of co-operatives in which it recorded that there were 654 co-operatives operating nation-wide. The vast majority of these were primary worker co-operatives, whose objects are to provide employment to their members.³⁵ However it is not likely the number of worker co-operatives actually operating as such are of this order.³⁶ More likely these figures reflect a tendency for groups seeking employment to constitute a co-operative even though they no realistic prospect of becoming a viable enterprise. Thus some co-operatives have been registered solely in the expectation of securing government tenders, or contracts on preferential terms, on the basis their members are from a disadvantaged background. Others have registered co-operatives as a scam, with precisely the same end in mind, but no intention to operate as a co-operative.³⁷

Needless to say such tendencies are extremely damaging to an emergent movement. They pertinently raise the question as to what role the state should play in preserving the integrity of the co-operative form, a question which has wider implications for membership-based organisations. The reason co-operatives have been registered with no realistic plans of being sustainable is that although the apartheid-era legislation is still in force, it is in effect not operative. Now a Bill to replace it is due to be tabled in Parliament. One of the key issues that emerged in deliberations on the Bill was how prescriptive such legislation should be and whether, for example, co-operatives seeking to register a legal entity should be required to submit a business plan establishing the viability of the enterprise.

Related to this issue is whether registering as an entity with legal personality is beneficial to the establishment of membership based organisations whose object is self-help or empowerment. Although groups that are informally constituted (whether as unregistered co-operative or otherwise) are often able to achieve the most immediate impact in poverty alleviation, their capacity to develop external relations or

³⁵ A workers co-operative is distinguished from a user co-operative, which provides services to its members.

³⁶ In a more recent study of worker co-operatives in the Western Cape, conducted under the auspices of the Department of Labour, the researchers had difficulty in locating functioning worker co-operatives. Although the results of studies conducted in other provinces are not known, all indications are that worker co-operatives are few and far between.

³⁷ See Research report, note 3 above.

finance growth must inevitably be constrained by their lack of a formal legal identity (von Ravensburg, 1998).³⁸

There is also a question as to what extent the focus of co-operative policy and development should focus on worker co-operatives. Philip argues that it has proved extremely difficult for worker co-operatives to become sustainable in the South African context, and that this can be attributed to the particular challenges the co-operative enterprise faces. But only one of the challenges identified, the challenge of reconciling the imperative of efficient management with democratic control, can be said to be peculiar to the co-operative form (Philip, 2003). Moreover the difficulties of sustaining viable co-operative needs to be seen in the context of the failure rate of small businesses, which is unpublicised and under-researched in this country and elsewhere, and the opportunities for the development of worker co-operatives.

The most obvious of these opportunities is to counter to ubiquitous use of labour only contractors and labour brokers (also referred to as temporary employment services in labour legislation). The role of government in this regard is critical, both in the support measures it provides and as an employer, in respect of its public works programmes.³⁹ However government's existing bias is towards an emergent (labour-only) contractor model, rather than to supporting emergent worker co-operatives. Arguably this model entails the enrichment of a few more or less arbitrarily selected individuals at the public expense, with little to suggest that it will result in sustainable employment.

It is would nevertheless be unwise to over-emphasise worker co-operatives at the expense of other co-operative forms. Both agricultural co-operatives, as already pointed out, and savings and credit co-operatives, as discussed in more detail below, have a successful track record in this country. A recent decision of COSATU and the SACP to campaign for the establishment of the latter form of co-operative may lead to their accelerated growth. There is at least one long established credit co-operative operating in the Pretoria area. There are also a number of housing co-operatives that have been established by NGOs operating in the sphere of housing delivery. An estimated 5 000 people live in such co-operatives in inner-city areas of Johannesburg and Cape Town.

My selection of the Nosieko Care Co-operative as a case study with which to introduce this paper is not justified by the prevalence of co-operative providing care or related services. Rather it is to emphasize the need for such services, particularly in a society riven by AIDS, and the potential for the co-operative form to be utilised in fulfilling this kind of need. However the members of this co-operative are concerned for their future. This year the secondary co-operative to which it is affiliated decided to close its Cape Town branch office. Apparently the secondary co-operative believes

³⁸ This is possibly because their membership tends to be homogenous, and because they tend to concentrate on the most efficient use of available resources.

³⁹ In April 2004 the government launched its Extended Public Works Programme (EPWP), with the object of creating one million job opportunities over five years through skills training, infrastructure development, environmental and economic projects. The support measures government provides in the sphere of business development include technical support (through an institution known as Ntsika) and financial support, through the Khula Finance Corporation. Government's skills development strategies are also relevant, in this context.

it would be preferable to centralise its services at its Johannesburg head office. It is a decision that again exemplifies the prevailing top-down approach to organisation. Again, there is reason to believe that it is an approach that a reliance on donor funding encouraged. What exacerbates the members concern is that the head office officials did not even take the time to meet with them, to discuss the implications of the closure of the local office. "They were supposed to write letters to us", Mama N. said. "Now there's nothing. We were just thrown in the desert." ⁴⁰

Land organisations

There has been a proliferation of organisations established in both the pre and post-apartheid period, with the objective of securing rights of poor people to land in the rural areas. Many such organisations are NGO's without any membership base. Others might be categorised as social movements, or lobby groups. The Landless Peoples Movement (LPM), modelled on the MST of Brazil, probably falls in this category. ⁴¹ Yet the LPM might also regard itself as an MBOP. This raises interesting questions for the conception of a MBOP advocated here.

The objective of the LPM is to secure access to land for its members. This can be described as an economic objective. But in the context of the historical dispossession of the majority of the population, and a contested land reform programme, it is obviously also a political one. Does this imply that the objective of an MBOP is economic only to the extent that it does not challenge the political status quo?

The membership constituency of the LPM seems to be both those wanting secure access to land, and those who already have this and want more land (Greenberg, 2004). Within these two broad categories, whose interests are potentially in conflict, there is a range of subcategories, each with particular problems or interests: they include labour tenants, farm workers, squatters, those having claims for land restitution, small farmers and the like. However it is not clear how the competing claims of these groups are to be reconciled.

Indeed, what is notable in the case of the LPM, and is perhaps also indicative of social movements as concept, is that while it has a formal constitution with national, provincial and branch structures, it has never developed a concept of membership accountability. Recently the LPM decided to formalise membership through the issue of membership cards, both with the object of raising funds from members and achieving greater accountability. But it appears this decision was never fully implemented on the ground. Thus the LPM has been described as a 'hybrid between a party-like, hierarchical organisational structure and an agglomeration of grassroots struggles, the latter sometimes spontaneous and sometimes facilitated by the formal structures of the movement.' (Greenberg, 2004)

In the context of land reform, other forms of organisation are emerging that raise questions of a different kind for our conception of a MBOP. Groups have been constituted as some or other legal entity to take ownership of land. The concept of membership is used to define the individuals making up such groups, although certain

⁴⁰ Interview, 24 November 2004.

⁴¹ The Movimento dos Trabalhadores Rurais Sem Terra, or MST, was formed in the 1970s in Brazil and is regarded as the largest group of landless people in the world.

legal forms such as trusts do not easily accommodate the notion of membership. However as in the case of the LPM, individuals may have competing claims. Sometimes the notion of membership is used to obfuscate this reality, as where the member is defined as the 'head of the household', blurring critical issues of gender (since in practice the 'head of the household' is usually a man) and the access of women to land.

To overcome such problems, the government introduced the Communal Property Associations Act, which entitles a group to register a communal property association (CPA) which may own land in its own right, provided it has an acceptable constitution.⁴² Such constitution must amongst other things define who may be a member, and adequately protect the rights of members. Over 500 CPAs have been registered, and CPAs are continuing to be established (Cousins and Hornby, 2002).

The question the CPA Act gives rise to is to what extent legislation can facilitate the development of membership organisations, and a culture of accountability. An analysis of a number of existing CPAs located primarily in the province of Kwa Zulu-Natal differentiates between substantive rights members have, such as the right to occupy and use land, and procedural rights, such as the right to participate in meetings where decisions are taken. As might be expected, rights that members have on paper do not necessarily translate into rights that members enjoy in practice, or are able to exercise. How membership is defined (and by whom) is identified as a major source of uncertainty and strife (Cousins and Hornby, 2002). The case of CPAs demonstrates that organisation cannot be legislated for. Nevertheless, it can provide a basis on which organisation can take root, even in struggles by members to assert what was supposed to be theirs in the first place.

Organisations providing financial services to the poor

The corollary of high levels of unemployment and the growth of the second tier of the labour market has been burgeoning household debt, and the growth of a substantial micro-lending industry, epitomised by what are commonly known as 'loan sharks'. These are money-lenders that charge exorbitant rates of interest and resort to various dubious practices to secure repayment. The failure of the formal banking sector to make its facilities more accessible to the poor has exacerbated this situation.

Pressure on the banking sector to make its services more accessible to the poor have recently resulted in the introduction of a form of low-cost bank account, known as the 'Mzansi account.' However it has been suggested that attempts to reform retail banking are misplaced, and that existing savings and credit networks have far greater potential to alleviate poverty (Baumann, 2001). The 'stokvel' is the term used to describe a range of schemes that are prevalent in formal and informal settlements countrywide. One form is where the members contribute a fixed amount each month, and draw the collective savings of the group after a specified period. There are also schemes where members save for a fixed period of time, or indefinitely. The latter is also the case with burial schemes, another prevalent form of organisation amongst the poor. According to an estimate by the National Stokvels Association of South Africa

(NASASA), there are 800,000 stokvels, burial societies and savings schemes countrywide, with about 8,25 million members.⁴³

The stokvel constitutes a simple form of MBOP. The membership is typically small, and female. The constituency from which they are drawn is typically the locality where they stay. All the members are able to meet regularly. This obviates the necessity for more elaborate structures of governance. Of course the members have little recourse when money is misappropriated, which is a problem that can be attributed to a lack of regulation. On the other hand members usually have procedures that amount to a form of internal audit. Stokvels succeed more often than not. This, it is suggested, is precisely due to a lack of formal regulation and the efficacy of such internal audits.⁴⁴ Even though the accuracy of NASASA's estimates about the number of stokvels may be questioned, it is clear that this constitutes by far the most prevalent form of MBOP.⁴⁵

Micro-finance initiatives of this kind are also often cited as illustrating how organisation can contribute to ameliorate poverty in a manner that is dialectical rather than causal (Webster, 1998). That is to say the outcome is to be gauged not so much in terms of measurable changes in the material conditions of the members of such schemes, as in terms of the hypothetical situation, what might happen if the members were not organised in this way. There are also other less tangible outcomes: such as a reduction in vulnerability, the development of social assets such as the increased capacity and self-confidence of members, and the leverage of resources (Baumann, 2001).

A case in point is a savings schemes amongst rural women in Limpopo province, linked to the Small Enterprise Foundation. Although initiated as a strategy to assist its members to survive in one of the poorest and most socially backward parts of South Africa, it has helped give the members the confidence to tackle broader social issues, most notably the taboo issue of HIV/AIDS.⁴⁶

Yet the informality of the stokvel and like schemes must operate as a constraint on their capacity to develop such social assets. To leverage meaningful resources, whether from the state or donor organisations or in other ways, requires leadership capabilities that do not emerge spontaneously. It also requires a certain level of organisation. It is stating the obvious that organisations with an insignificant membership will not have significant leverage. To raise the level of organisation also requires the conscious intervention of a leadership. We know about the savings group in Limpopo, in the first instance, because there is a well-resourced and locally based NGO providing support and vision. Undoubtedly that support must be an ingredient of the savings scheme's success.

⁴³ See ECI Africa, 'Third tier banking report: A review of the capacity, lessons learned and way forward for member based financial institutions in south Africa', 2003, cited in Philip, 2003.

⁴⁴ Interview, O. Van Rooyen, Kuyasa Fund. A procedure where members draw regularly against the savings of the group lessens the need for financial safeguards such as an audit. The need is much greater in a burial society, however, and these are supposed to register in terms of legislation regulating so-called 'friendly societies.'

⁴⁵ NASASA claims a membership of 15 000.

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The Homeless People's Alliance represents a more structured example of the model of an NGO (known as People's Dialogue) standing in a supportive relation to a form of membership based organisation, namely the Homeless People's Federation. At the same time the Federation provides a good example of how a larger organisation is able to achieve significant leverage as well as, arguably, the problems that arise when such a large organisation does not have adequate structures of governance.

The objects of the Federation are premised on a scepticism of the capacity of government to prioritise the needs of the urban poor, and a belief in the capacity of poor people to mobilise for their own development (Pieterse and Kahn, 2004). At a community level, the Federation comprises of savings schemes, to which members are required to contribute. Although initially used to provide assistance to members in need, from 1992 savings were increasingly utilised to assist members build houses. When the government instituted a housing subsidy for individual households, the Federation negotiated a scheme whereby members could top up the amount of the subsidy, to provide more adequate housing.⁴⁷ Within the different urban centres, the different community organisations form a city-level federation. Similarly, at a provincial level the different city structures are federated, and the provinces are federated at a national level. The number of households covered by the Federation is said to exceed 120,000 (Baumann, 2001).

Impressive though this level of organisation is, it is not certain what reliance can be placed on them, or whether the growth achieved by the Federation is sustainable.⁴⁸ Thus it is difficult to know more precisely how organisation in the community is constituted, apart from the savings scheme. As regards these schemes, it is said the procedures for application and approval are informal and flexible, and mediated by need rather than by rules (Bolnick and Mitlin, 1999, cited in Pieterse and Kahn, 2004). While this degree of local autonomy is in refreshing contrast to the top-down tradition that dominates civil society organisation, it suggests there are no consistent membership criteria. This cannot fail to result in organisational incoherence. Moreover it is difficult to reconcile this degree of local autonomy with the centralisation of finances its scheme to assist members access government housing subsidies implies.⁴⁹

Current indications are that the Federation is in crisis. While it would be premature to attempt to attempt a definitive explanation of this crisis, some of the causes are of a predictable kind. They include political differences amongst the leadership, the question of remuneration of the leadership and more profoundly, a failure to articulate with sufficient clarity a role for the organisation beyond the delivery of houses to those who are for the time being its members.⁵⁰ Thus under pressure from members the Federation allowed houses to be built for which there was not adequate finance, or before government subsidies had been secured. In so doing members may even have

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⁴⁸ 1996 figures put out by the Federation give the number of savings schemes in 1995 at 2500 (Pieterse and ,2004). It is indicative and disquieting that a contemporary study of the Federation is compelled to rely on a 1995 figure.

⁴⁹ In 1995 the Federation established a separate Fund capitalised by foreign donors and government, known as the uTshani Fund. Supposedly a 'community-managed revolving loan fund', it serves as a conduit for subsidy transfers from the government to the community, via the savings schemes (Pieterse and , 2004).

⁵⁰ These points are probably expressed more baldly than the authors would feel comfortable with.

forfeited their right to a subsidy, since a household that is already housed is not eligible for a subsidy (Pieterse and Kahn, 2004: 26-27). If this is indeed the case, it would represent an example of the inappropriate resort to self-help.

An account of organisations providing financial services to the poor would be incomplete without a consideration of schemes in the first tier of the labour market. By definition the members of such schemes are in a standard employment relationship. As such they may also be covered by pension or provident schemes or other forms of social insurance, including the government's unemployment insurance fund. All of these serve to reduce the vulnerability of workers in standard employment. Nonetheless, there is abundant anecdotal evidence of high levels of debt amongst these workers. One way workers have organised to meet these situations is workplace-based schemes, often administered with the collaboration of an employer. A more important example is the movement to establish savings and credit co-operatives, that operate on the basis of a payroll deduction. SACCOL is a secondary co-operative comprising 32 SACCOs (or primary co-operatives) with close to 9 000 members.

Civic Associations

The broad objective of SANCO is to defend 'people-centred, people-driven' local development. What this means is of course open to widely differing interpretation, and SANCO's inability to articulate a position on behalf of the community at a national level has already been noted. So too, its claim to have 4 300 branches is impossible to verify (Zuern, 2004). It is nevertheless clear that SANCO is a significant presence in many communities countrywide. It also claims to be a membership based organisation. The basis for this claim is a practice whereby branches determine what membership fee is payable, if any. In 2002 it adopted a national system of membership fees, in an endeavour to achieve financial sustainability. But it appears this system has not been implemented (Zuern, 2004).

Given the top down method of its establishment, the degree of autonomy local branches enjoy is something of a paradox. Even how SANCO branches relate to local structures of the ANC, as well as local government, varies enormously. In one celebrated instance, a branch of SANCO even put up its own candidates for local government election (Zuern, 2004).⁵¹ SANCO is included in this survey both because of the potential of civic organisations to represent the poor, and to support MBOPs.

As Mama N. conceives it, the RDP that theorists regard as having been abandoned in favour of GEAR still lives on in her community. "We are working hand in hand with the RDP", she says, referring to the local development forum on which SANCO is represented. When the co-operative identified a site to which a member operating a backyard crèche might move, it was SANCO it approached for assistance. SANCO applied to the development forum on her behalf. The member now has permission to put a container on the site to serve as a classroom. It is hardly a developmental leap forward. However it would seem that for the members of Nosiseko it is this kind of incremental gain that enables them to keep faith with what it was about the RDP that first caught their imagination.

⁵¹ This was in port Elizabeth in 2001. See Zuern, 2004, at 16.

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Conclusions

The reason so many kinds of organisations invoke a concept of membership is to legitimate their existence. However the concept of membership in a MBO, drawn from the trade union and co-operative traditions, is a rigorous one. It would be easy for any member of Nosiseko, for example, to define the constituency from which its membership is drawn. By the same token, without reference to its constitution, any member could say what a person must do to become a member. In this case as in any other, the concept of membership has little significance if it does not entail a financial contribution.

A consistent theme that emerges from the survey above is of organisations that are ostensibly membership based but that do not have clear criteria for membership. It should go without saying that if there are no clear membership criteria, there can be no tradition of membership accountability. In the case of Nosiseko this tradition of membership accountability is sustained through weekly meetings, every Wednesday. For poor people especially need to know that they have rights in an organisation before they can assert them.

Similarly, because Nosiseko pays its membership fee to the secondary co-operative, it is entitled to be angry at the head office closing the branch office without consulting it. But there can be no true accountability in a MBO that is not sustained by the contributions of its members. Such an organisation has no real need of an actual membership. A paper membership will do, provided it satisfies the funders. Another consistent theme that emerges from the survey of organisations is the reliance on funding. External funding, I have suggested, is one of the drivers of a top down tradition of organisation. It also makes it difficult for an organisation to determine for itself what kind of administrative bureaucracy is sustainable.

It seems more than coincidental that the organisations the writer thought best exemplified MBOPs, and which I intended to focus on in this paper, should all be in throes of organisational crisis. On the other hand it should come as no surprise that there are such crises. It will always be profoundly difficult to establish organisations that genuinely represent the poor.

The argument about what should constitute an MBOP has many elements. It concerns what are the proper objectives of such an organisation. It concerns how the organisation is to be sustained. It concerns how to prevent the organisation being corrupted. In an overview of this nature I am only able to draw attention to the complexities inherent in the notion of MBOPs and any attempt to promote them, by raising a series of questions which the experience of this form of organisation gives rise to, to which there is as yet no definitive answer.

A MBOP will necessarily have a political role, whatever its objectives may be. Yet in large part the sense of accountability and ownership that MBOPs exemplify is made possible by maintaining as broad a political church as possible. The members of Nosiseko come from different political traditions, in a locality where political

affiliation has been a matter of life or death in the past. What enables them to belong to one co-operative, I have suggested, is that the objective is to meet the economic needs they have in common, and which they continually affirm in their meetings. But is this necessarily true for all MBOPs? Is there a place for issue-based MBOPs? Or a rights-based MBOP? If the function of an MBOP is what matters, an organisation that is able to realise rights for the poor should not be excluded.

Sustainability relates to not only to financial self-sufficiency, but an enabling environment. One aspect of an enabling environment concerns the legal framework within which organisations operate. Another concerns relationships with other organisations and access to resources. In the case of Nosiseko the branch office was clearly an important resource. At the same time affiliation to the secondary co-operative provides it with a voice at a national level. The advantage of this model is its clarity. However the secondary body is not the only organisation on which the co-operative draws for support, as its relationship with SANCO illustrates. Several of the organisations considered above have a symbiotic relationship with a NGO that is established in a supportive role, which represents a different model. What are the advantages and pitfalls of this kind of relationship? What should the role of the state be in creating an enabling environment?

The issue of corruption concerns not only financial corruption, but the corruption of what it is an organisation stands for. What is or should be the role of legislation in regulating MBOPs? There is the argument that formal regulation represent the kiss of death to organisations of the poor, insofar as are compelled to meet a more formal standard than they are able to attain. If however formality means consolidating informal practices to which people in any event subscribe, this need not be the case.

In the final analysis membership-based organisation is important because it is less easy to corrupt an organisation in which the members have strong sense of ownership. The following observation about trade unions is apt in this context ‘...trade unions are less easily chloroformed and suppressed totally than political parties, because they arise out of the groundwork of the economic system. As long as there are classes...there will be class conflict.’ (Anderson, 1967) By the same token as long as there is poverty, there will be poor people struggling for a better life. It would not be realistic to expect the poor to achieve a better life without political organisation. But it could not fail to raise the level of political debate if civil society were permeated by a network of independent organisations, articulating the needs of the poor at both local and national levels in different ways. The fact that I rely on a small local organisation such as Nosiseko to invoke this vision suggests there is much to be done for it to be realised.

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