

From apartheid to democracy in the workplace *strategic engagement for change*

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*This chapter analyses the workplace challenges facing the unions. It recommends a strategy of **strategic engagement** for overcoming the legacy of apartheid and democratising the workplace. It also recommends that COSATU debate various forms of **institutionalised participation** in the workplace.*

1. COSATU's history of struggle in the workplace

The workplace has been the terrain of tremendous struggles by black workers over the past twenty years. Two decades ago they had no trade union organisations, the workplace was governed by apartheid, they had no rights as workers, were treated like slaves, and gained nothing though they sweated for the employers.

1.1 Organising the unions

At the beginning of the 1970s black workers had no trade unions. They had no representation at work. In some workplaces there were sweetheart unions - but their shopstewards were not elected by workers, and they did not protect workers from the arbitrary actions of employers.

It was a bitter struggle to organise the unions. In many cases managers threatened that the union would never come through the gates. Workers had to organise secretly and recruit in the toilets, or carefully pass a note from worker to worker explaining what the union was. Often managers called police to arrest or detain union activists. They were not seen by the bosses as unionists - they were seen as communists or the ANC. Even in later days, members of sweetheart unions were told by their managers that COSATU eats workers.

The workers had to organise with patience; they had to take action like go-slows or strikes to show their power, they had to build unity. They developed their knowledge through these struggles and they developed bold leaders with the courage to face the bosses and the police.

And so they won recognition of their trade unions, and the right to be represented by them. Their unions have become giants, and employers and government are forced to listen to them. They are still growing, faster than any other trade union movement in the world.



COSATU's militant struggle for workplace rights: *Photo: William Matlala*

1.2 Winning worker rights

In the days before unions there were no negotiations and workers were never given information - they simply had to do as they were told. Workers could be dismissed for any reason, or simply because the boss was in a bad mood. They could be ordered around by any white in the workplace. Even if they were employed as clerks or labourers, they would find themselves ordered to make tea for whites or to wash their cars. Mineworkers were treated like dogs - they had to walk around behind the white miner, carrying his food wherever he went.

Now they have won the right to negotiate through their unions. Their relationships with employers are governed by negotiated agreements and proper procedures and rights - grievance procedures, disciplinary procedures, retrenchment procedures, etc.

1.3 Combating racism

In all ways blacks were treated differently from whites. Facilities such as canteens, toilets and washrooms were segregated. In many workplaces they did not even have canteens. In some workplaces there was no tea. In others tea was mixed with a stick in a big old drum. In others there was tea, but milk was reserved for whites. Black workers were insulted or beaten by whites.

Black workers have fought many struggles against these things. In most workplaces they now have facilities, which are non-racial. Generally, whites no longer insult or hit black workers - if they do they will either be disciplined by management, or union members will strike in protest.

1.4 Wages and work

Black workers' wages were low, and they had no voice in negotiating them. Even those who were in sweetheart unions had no say: the union would come and announce the deal, and everyone clapped and shouted. Supervisors

could give increases or bonuses to their favorite workers and victimise trouble-makers. Workers had no pensions, medical aid or housing allowances.

Often there were hundreds of grades at work, and no fairness in how workers were graded or paid. They had no job descriptions. They got no training and were never promoted. Contract workers never knew whether their contracts would be renewed.

Black workers have fought massive battles for a Living Wage. Many of them have won substantial wage increases over the years. They have also won benefits such as pension and provident funds. They have also won fairer grading systems, job descriptions and access to training and promotion.

1.5 Political struggle

Because the workplaces were governed by apartheid, workplace struggles were also political struggles. The struggle for recognition and voice at work was part of a larger struggle for democracy in South Africa. The struggle against racism and discrimination at work was part of a larger struggle against racism and apartheid in society, a struggle for a non-racial South Africa. The struggle against capitalist exploitation at work was part of a broader struggle against poverty in South Africa.

In fighting these struggles, workers waged militant struggles at work. They participated in a range of community struggles. They spearheaded stayaways and defiance campaigns.

Black workers succeeded in their struggle for democracy. They have overthrown the apartheid regime. For the first time in three centuries, there is a democratically elected government in South Africa.

2. The current reality: company restructuring

Workers have won victories that they could not even imagine at the beginning of the 1970s. They have made enormous progress in establishing workers rights in South Africa. Yet, despite this progress, something strange is happening in the new South Africa: the unions are being forced back onto the defensive by company 'restructuring' under increasing competitive pressure from global markets. In company after company, unions are faced with employer initiatives to cut jobs, subcontract or outsource a range of functions and to employ casual rather than permanent workers. Partly because of employer initiatives, partly because of their own weaknesses, unions are being forced into a reactive and defensive mode rather than a proactive or offensive mode of operating.

2.1 Reasons for restructuring

Private sector companies are under increasing competitive pressure as the South African economy is opened up to global product and financial markets. Government policies of lifting tariff barriers and 'liberalising' financial markets is increasing this pressure - which translates into increasing pressure on workers and unions. Companies respond to such pressures with a diverse range of strategies and practices that have been lumped together and named 'restructuring'. Generally, these strategies seek to achieve one or more of the following goals:

- reduce costs and increase profits
- increase efficiency and ability to deliver on time
- increase product and service quality
- weaken the union either by undermining it or by co-opting it

Similar strategies are emerging in parastatals as they are restructured and 'commercialised' in preparation for privatisation, and they are likely to make inroads into the public service as well, as public service managers come under pressure to reduce costs and increase revenues.

2.2 Strategies adopted by management

Managements adopt a great variety strategies, and combination of strategies, in their quest to achieve the above goals. Some of these strategies are:

- retaining the 'core business' of the company and retrenching, outsourcing or subcontracting 'non-core' activities
- dividing workers into a core of 'insiders': permanent workers with rights, better wages and benefits, access to training, etc, and a periphery of 'outsiders': vulnerable workers (casual, temporary, subcontracted, etc) with fewer rights, reduced wages and conditions, and little job security
- fragmenting the company by creating new sub-sections within it, or converting sections into franchises under new owners
- mergers with other companies, relocating production etc
- reorganising production and introducing new technology
- loading workers with more work or a greater pace of work, or with more tasks as in multi-tasking
- seeking to bypass the union by refusing to consult or engaging in meaningless consultation
- seeking to involve the union or win the consent of workers by setting up participative forums at company level or on the shopfloor
- promoting and co-opting key worker leaders and employing black managers in general
- providing increased training for workers so as to increase their skills and implement multi-skilling.

2.3 Dangers and opportunities

We have identified a range of dangers and opportunities that company restructuring holds for unions.

Dangers

- workers may lose jobs and unions lose members
- division of workers into 'insiders' and 'outsiders'
- companies will restructure with or without union engagement
- the unions may be weakened
- union responses to restructuring may create ideological confusion among members and activists
- the unions may negotiate away benefits they have won through previous struggles
- the union movement may lose its coherence because of contradictory responses in different companies of the same affiliate, and between affiliates

Opportunities

- unions may strengthen their position and rights in companies
- there may be improved communication between management and unions
- workers may gain greater control over production
- workers may benefit from increased training, better jobs with higher skills, and career paths
- restructuring may do away with layers of supervisors
- unions may save jobs and members if the companies survive and prosper.

2.4 Union responses

In some cases unions have managed to take advantage of the opportunities presented by company restructuring. They have, on the one hand, succeeded in resisting retrenchments or subcontracting, and on the other, won the right to information, consultation and participative forums. Some unions have signed agreements that set out guidelines for restructuring.

In the majority of cases, unions have not managed to take advantage of the opportunities presented by company restructuring. On the contrary, they have fallen prey to the many dangers. There are a number of reasons. First and foremost, most managements are more concerned to reduce costs and workers and weaken the unions, than to co-operate with the unions or upgrade the skills of their workers.

But even when unions have won rights to consultation, signed agreements, and established new forums for consultation and participation, they have found it very difficult to make use of these gains in practice. This problem has been experienced as much in the state sector as in the private sector. In Eskom the unions have won extensive rights to participate and influence management, but have made very little inroad into management prerogatives. In the state sector as a whole, COSATU won a tremendous victory through industrial action, but has been unable to effectively use the opportunities presented by the Framework Agreement.

The reasons for these problems are twofold: in the first place, the unions often lack a vision or clear policies on what to do with their new influence. In the second place, they lack the capacity to use the forums and agreements effectively.

The following weaknesses which undermine the unions' ability to contest the agenda of restructuring:

- they lack direction and policy on workplace restructuring
- as a result, they tend to be reactive rather than proactive
- also as a result, shopstewards in different companies develop their own initiatives and the union officials avoid engaging
- sometimes the union is left on the sidelines as workers respond directly and accept voluntary retrenchment packages, work teams, promotion, etc
- the unions lack capacity to engage effectively and support shopstewards.

3. Options

We have identified three options for union strategies in the workplace:

3.1: Option 1 - Militant abstention

With this option, the union chooses to focus on militant collective bargaining to improve workers' wages, benefits and conditions. The union refuses to get involved, or abstains from, issues of production, restructuring, work organisation, quality or productivity. It believes that getting involved in such issues would weaken the union, cause it to lose sight of its goals, or be co-opted. Its response to restructuring is limited to defending workers' interests: fighting retrenchment, subcontracting and other forms of non-standard employment, and proposing speed-ups or multi-tasking. Often this means the union ends up defending the way work is currently organised, and opposing any change.

The advantage of militant abstention is that it preserves the independence and identity of the union in opposition to management. This may make it easier to mobilise and maintain the unity of workers.

The danger with militant abstention is that management will unilaterally implement restructuring. It is extremely difficult, if not impossible, for a union to block restructuring forever. Because the unions abstains from involvement, it is unable to shape the way change is implemented, and it is unable to provide realistic guidance to shopstewards and

members about how to respond. They will be forced to develop their own response, and this can marginalise the union, co-opt or divide workers, and increase management control. Militant abstention makes it difficult for the union to strategically shape skills and training policies, or affirmative action, in the workplace. Another possibility is that a stalemate can lead to plant closures or relocation.

Militant abstention is often the strategy of militant *bread & butter unionism*, or of *Moses unionism* (see Chapter 2).

3.2 Option 2 - Strategic engagement with restructuring

Strategic engagement is a strategy for engaging with restructuring and production issues, on the basis of a union agenda and union independence. It is a strategy for transforming and democratising the workplace. Like militant abstention, a union which pursues strategic engagement sees dangers in company restructuring. But it also sees opportunities. Thus it engages in order to defend workers' interests, but it also engages in order to increase workers' control of production, to gain access to training and skills, to improve wages and conditions, and to improve the quality of working life and democratise the workplace. It asserts its right to be involved in such issues, on the grounds that it is also a *stakeholder* in the company.

The advantage of strategic engagement is that the union can prevent unilateral restructuring, and make substantial gains for workers. It can prevent restructuring at the expense of workers, and make mismanagement costly. It may define areas where management and union can both benefit from co-operation. The result may be a healthier company.

One danger is that participation may be ineffective, because management does not provide sufficient information, does not really consult, and still takes unilateral decisions. The union may have to spend all its time fighting for the right to participation, rather than developing strategies for workplace change. Another danger is that the union could be co-opted and lose direction. This is especially true if the union fails to develop its own proactive agenda for engagement. In this case, the management agenda will prevail.

Strategic engagement is the workplace strategy of *social unionism*.

3.3 Option 3 - Institutionalised participation

Institutionalised participation takes strategic engagement some steps further. In institutionalised participation the union has *rights* to participate in structures of company decision-making. Usually these rights are enshrined in law. In co-determination in Germany and Scandinavian countries, the law gives workers the right to information and participation in the workplace, either directly via the union (Sweden) or via an elected works council (Germany). The law also gives the union/workers the right to elect worker directors to the board of directors of companies.

Institutionalised participation provides a stronger form of stakeholder rights in the company than strategic engagement does. It can be seen as a way of transforming the workplace by extending democracy and citizenship rights into it.

In South Africa the new LRA gives workers the right to institutionalised participation in workplace forums. In two or three companies, the union has negotiated for seats on the board of directors. Later in this chapter, we consider three different levels at which institutionalised participation could take place: the board of directors, workplace forums, and union-directed autonomous teams.

The advantage of institutionalised participation is that it gives the union access to many kinds of information at an early stage. It enables the union to interact with company decision-making at an early stage, rather than being confronted with final decisions once they have been made. Also, because the rights to participate are institutionalised, the union does not have to waste time fighting to establish and defend these rights, but can focus instead on strategies for making its participation effective. Management does not have the option to refuse participation - it is forced to co-operate with the union and the workers.

The danger is that institutionalised participation can lock the union into management structures so that it loses its independence. The union may be co-opted or bureaucratised. Unions in South Africa already lack capacity; they may

not have the capacity to cope effectively with institutionalised participation. Also, levels of conflict in many South African companies may be so high that institutionalised participation cannot work (although it may be a way of forcing management to co-operate with unions and therefore reducing conflict).

Institutionalised participation, like strategic engagement, is consistent with *social unionism*.

4. Our vision for the workplace

Militant abstention may be an effective way of responding to **The desert** scenario. It could also be an effective response in **Skorokoro** - but it would probably deepen the crisis of such a scenario, and could push it towards **The desert**. Militant abstention is not consistent with *social unionism*, and the strategy of shifting **Skorokoro** towards **Pap, vleis and gravy**.

Accordingly, the Commission recommends that COSATU and its affiliates reject militant abstention - unless we find ourselves in **The desert** scenario.

We recommend that COSATU adopt the option of strategic engagement, and seriously debate the option of institutionalised participation. Both of these are consistent with *social unionism*, because they aim to improve the working and social life of workers and to contribute to economic delivery. By engaging with production issues and democratising the workplace, they can contribute to the struggle for a stakeholder sector, and therefore contribute to the struggle for socialism.

Our vision is of a workplace where workers feel like free human beings, where they work with dignity. Our vision is of a workplace where black and white are equal, where women and men are equal, and where the legacy of apartheid has been overcome. To achieve this, COSATU needs to extend democracy from the political sphere into the workplace. Workers are citizens, and as citizens they have the right to a real voice in management decisions - just as, outside the workplace, citizens have the right to a voice in government. This means a shift from the *shareholder company* to the *stakeholder company*. Shareholders are not the only stakeholders in a company - the workers, the community and society in general are also stakeholders. The company should be governed accordingly.



A new struggle for dignity and democracy in the workplace: *Photo: William Matlala*

Management's strategies of restructuring are aimed at making their companies more competitive. The project of bringing democracy into the world of work is not primarily aimed at increasing competitiveness. Workers know that competitiveness is usually used as a weapon to put increasing pressure on them, to erode their rights, to force them to work harder for less and with greater insecurity about their jobs. This is not a new phenomenon - it has been experienced over the entire history of the workers movement.

COSATU's goal should be to improve working life by increasing workers' control of production, creating good jobs, increasing workers' skills, improving working conditions and making sure that the fruits of production benefit all stakeholders, not just shareholders. This means extending workers' power and rights to a voice in decision-making to all levels of the companies they work in. The goal should also be to improve community life and the quality of society.

We believe that a more democratic workplace will also be a more productive workplace. Indeed, COSATU should be committed to making workplaces productive - but not at the expense of workers or the community. If a particular workplace or industry faces a crisis of survival, COSATU should contribute to strategies for overcoming the crisis - but only if the workers are accepted as stakeholders, with all the rights that stakeholders should expect.

By adopting a strategy of strategic engagement, and possibly institutionalised participation would COSATU not contribute to the survival of capitalism so that it may more effectively exploit workers? Capital adapts readily to the political environment. Under apartheid we had an extremely vicious form of capitalism. Now that we have democracy, capital is at the forefront of singing 'Shosholozza'. For capital, democratisation is a way of broadening the base of capitalism. Are we not recommending that COSATU should fall into this trap?

This is a real danger. But our vision is based on a *strategy of transformation from within*. This involves many initiatives as outlined in various chapters of this report, not only the initiative of democratising the workplace. We believe the strategy of participation enables COSATU to assert union objectives, and concretely advance the workers' struggle. Management will be compelled to take into account their needs and interests, and not only the interests of the shareholders. In this respect, the stakeholder company represents a partial socialisation of capital, since it renders capital partially accountable to workers and community. We will be making inroads into the power of capital, and gaining experience in how production and companies are managed.

We do not deny the dangers. In pursuing participation COSATU may lose sight of its agenda of democracy in the workplace, with the result that management's agenda may prevail. Participation may result in co-option. It may create confusion and division among workers. It may reinforce a management strategy of creating a core of privileged insiders divided from 'outsiders' - outsourced, subcontracted or casualised workers who work under ever harsher conditions.

These dangers are real. But COSATU was never immobilised by fear in the past. It needs to continuously assess the dangers and opportunities, and devise strategies accordingly. In other words, it must be prepared to experiment, and then rigorously assess the results of each experiment in order to learn and go forwards.

Participation does *not* mean that the conflict of interests between employers and workers is resolved. Employers and unions will continue to have different interests and different agendas, although a constructive relationship can be built on common ground. It is essential therefore to keep building the trade unions as strong, independent organisations. Indeed, COSATU will only succeed in winning stakeholder rights *because* workers have strong, independent organisations. They must always be kept that way.

5. Strategies for the workplace

5.1 Overcoming the legacy of apartheid

The strategies discussed in this section can be pursued with the option of *strategic engagement* or the option of *institutionalised participation*. They could possibly be pursued with the option of *militant abstention*, at least partly. Accordingly, we recommend COSATU and affiliates should pursue them.

5.1.a Narrowing the wage gap

A number of affiliates have structured their collective bargaining programme with the aim of closing the wage gap. However, because of the narrow scope of collective bargaining, this is limited to reducing the wage differential and number of grades between unskilled and skilled workers. It has little, if any, effect on the major wage gaps generated by apartheid - between workers on the one hand, and the range of occupations that were reserved for whites and still tend to be dominated by them: managers, the professions, directors, etc, on the other. This apartheid wage gap persists, and is amongst the highest in the world (see Chapter 4, Section 3.9).

The increasing numbers of black managers, professionals and directors moving into these occupations has not had the effect of reducing this apartheid wage gap. In fact, it is having the opposite effect, as the scarcity of black candidates for these positions is *increasing* the remuneration and benefits they can demand. The wealth disparities between poor and rich remain.

If COSATU wishes to have an impact on the apartheid income gap, it will have to take up a national, federation-wide campaign focused on the following demands:

- a national freeze on salaries at the top of the public and private sectors, and substantial increases at the bottom
- a call for government to act as the model in this regard
- a demand for tough tax policies that redistribute income from high income earners to the poor
- a requirement in the Employment Equity Bill that companies set targets and deadlines for reducing their wage gap.

Recommendations for such a campaign are elaborated in Chapter 4.

5.1.b Education, training and skills

Another aspect of the legacy of apartheid is the lack of education, skills and access to training amongst black workers. The union campaign for training and upgrading of workers' skills and jobs is therefore a priority. Major elements of this strategy are in place at national level, and in some sectors. However, these elements set *frameworks*. Most implementation will take place at workplace level. For example, the Green Paper on a Skills Development Strategy proposes that national training funds will be accessed at enterprise level; a situation which is, for example, current in the chemical sector. Shopstewards and local organisers need to be equipped to make proposals for training programmes which will access these funds, and to negotiate them with management.

Shopstewards and organisers need to be empowered to demand and negotiate training and upgrading at workplace level. There will be ongoing contestation between employers and workers over the control of skills: how skills are defined and rewarded, access to training and the nature of training, and how skills are utilised in production. The unions need to equip their shopstewards and organisers for this.

Training and skills are of fundamental importance to a working class which has been deprived of these on racial grounds. The struggle for training, education and skills cannot be confined to the workplace. It requires a national strategy for government and employer investment in education and training - not only for the current generation of workers, but for their children. Any tendency for government to implement cutbacks in its spending on schools, technicons, universities or worker training will preserve the disparities of education, skill, opportunity and income that South Africa has inherited from apartheid.

COSATU, and especially SADTU as its education affiliate, need to develop a vision for South Africa as a learning nation. COSATU must develop strategies to foster a culture of learning and teaching, and campaign for the transformation and development of the education system in line with this vision.

5.1.c Affirmative action and promotion

The most important aspects of affirmative action for the working class are training, and the grading of jobs to recognise workers' skills, both old and new. It is also important to campaign for the promotion of those who were subject to discrimination - black people, women, disabled people - into jobs which were previously reserved for whites, men and able-bodied people. Such considerations should also govern recruitment policy.

Unions should campaign for the formation of affirmative action committees in all workplaces, with worker representation, to formulate affirmative action principles, policies, and targets for the workplace, and to monitor implementation.

5.2 Strategic engagement with restructuring

This section describes goals, principles and issues to be pursued if COSATU adopts *Option 2: strategic engagement* (which is described above in Section 3.2). We recommend that COSATU and affiliates adopt this option, and therefore implement this section of this chapter.

5.2.a Union goals in company restructuring

Company restructuring is driven by national and international competitive pressures. One of the chief goals of management is to improve productivity. Frequently, management seeks to achieve these goals by cutting costs, retrenching workers, increasing workloads and undermining labour standards.

We discuss the relation between productivity, competitiveness and economic development in some detail in Chapter 4, *Reclaiming redistribution*, Section 3.6. It is worth repeating some of the points made there:

"It is not at all clear that the weak competitiveness of South African manufacturing is primarily due to low productivity... Causes of lack of productivity are also controversial..."

"Strong union presence, worker rights and labour standards compel management to seek productivity improvement through increasing management effectiveness, innovation, increased investment in training and skills, and worker participation.

"Workers and trade unions cannot be held to be the chief obstacles to productivity improvement. It is management, government (through the supply of services, infrastructure and industrial policy), and low capacity utilisation which are responsible for most productivity problems which exist..."

"This does not mean that unions and their members have no contribution to make to improved performance. They are able to commit themselves to making their workplaces productive where they are accorded proper stakeholder rights, full information disclosure and a share in the benefits. The results in such workplaces will be improved work practices and relationships, and increased efficiency and productivity..."

The above paragraphs place the relation of unions to productivity in some perspective. If unions adopt the option of strategic engagement, they cannot avoid engaging with productivity. By actively engaging with company restructuring, unions necessarily have to engage with management's goals - ie, with productivity and competitiveness in their workplaces.

Unions should concern themselves with company and economic performance for other reasons too. If a workplace is unproductive or uncompetitive, it may be closed down by its owners. On the other hand, a more prosperous company can more easily afford better wages, benefits, and conditions, and potentially expand employment. So unions and their members do have an interest in the viability of the companies where they work.

How then should unions respond to issues of competitiveness and productivity at company or workplace levels?

We recommend that unions should respond by, in the first place, resisting all attempts to reduce labour standards, wages and benefits, to increase workloads unreasonably, to reduce skills, to retrench or divide workers, or weaken their union. In other words, the union's first task is to defend workers and their rights.



COSATU must develop a union agenda for improving the quality of working life: *Photo: William Matlala*

Secondly, unions should assert a restructuring agenda that focuses on improving the *quality* and *rewards* of working life for workers.

To summarise, union goals in engaging with company restructuring should be:

- to defend and improve workers' pay, benefits, conditions, job security and other rights
- to preserve and expand the number of jobs
- to strengthen the union
- to overcome the legacy of apartheid in the form of racist practices, the apartheid wage gap, and authoritarian management
- to improve workers' skills, access to training and career paths
- to improve the quality of jobs and the way work is organised
- to ensure that workers, the community and society share the rewards of improved productivity
- to extend democracy and participation in the workplace
- to contribute to improving productivity and quality
- to put pressure on management to improve company performance through devolving decision-making to the shopfloor, improving management performance, investing in innovation, and increasing investment in training and skills.

5.2.b The union is the beginning of democracy

For workers, union organisation is the first step towards democracy in the workplace. United in a trade union, workers have the power and the voice to resist injustice, negotiate with management and raise their grievances. It is therefore important for COSATU to exert more efforts to organise the unorganised, to extend organisation into vulnerable and difficult sectors, and to strengthen weakly organised workplaces and sectors. In this way COSATU can extend the foundations of democracy into workplaces that are currently governed by a dictatorial regime.

We believe that the trade union should be the vehicle for worker participation and workplace democracy. Individually, or as unorganised groups, workers are weak and can always be manipulated by management. On the other hand, when workers engage as an organised force in the form of a union, they are able to draw on the resources and experience of the union, they are able to make effective use of participation and so start democratising the workplace.

5.2.c Principles and procedures

We recommend that unions adopt the following principles and procedures when engaging in company restructuring.

Restructuring must be negotiated with the union

Management must accept that all company restructuring is to be negotiated with the union. The union will resist any restructuring which is not negotiated. A framework agreement should be negotiated and signed, setting out the goals, methods, union rights, structures, and procedures, for company restructuring.

The union is the sole representative of workers

Worker representatives on restructuring forums or in negotiations must be union nominated and mandated. There should be no independent structure or representatives.

Full disclosure of information

There must be full disclosure of information relating to the company's position and plans. There must be sufficient time for the union to analyse the information and prepare its response. There should be at least one year's notice of proposals to introduce new technology.

Union capacity

The union should negotiate time off for shopstewards to receive training, to do any necessary workplace research or investigation, and develop responses and proposals for restructuring. Where necessary, the union should also negotiate for the company to pay for union consultation with experts or union-commissioned research.

The union must take care to represent *all* workers

Management may seek to accommodate the interests of full-time, permanent workers and exclude part-time, casual and subcontracted labour. The union must be careful not to fall into this trap. It should consult all workers, and seek to represent their interests in negotiations over restructuring. The union should resist all attempts by management to subcontract, outsource or casualise labour as part of restructuring.

5.2.d Forums and structures

Unions need to consider what kind of forum or forums are most appropriate as platforms for strategic engagement. At one extreme are forums of institutionalised participation, which are discussed in the next section, Section 5.3 (workplace forums, worker directors). At the other, is strategic engagement directly through collective bargaining.

Most unions have opted for something in between: a structured forum, governed by a negotiated agreement, where the union/unions and executive management can meet regularly to discuss restructuring. Existing forums have been given various names - steering committee, executive committee, national forum, etc. Often this forum will set up task teams or working groups to investigate specific issues in depth. The agreement governing the forum is negotiated through collective bargaining, and generally collective bargaining and the parties to collective bargaining take precedence: ultimately, the participation forum is controlled by them.

COSATU and affiliates should discuss and assess the various forums and structures in existence, and decide which model is most effective.

The operation, rights and powers of a participation forum should be clearly regulated by an agreement negotiated between the union and the company. It is particularly important to specify procedures and issues for information, consultation and joint decision-making. Otherwise, it is the experience of many shopstewards that management tends to use such forums for "soft" consultation with no commitment to real negotiation or joint decision-making.

Shopstewards and union officials need to meet regularly to assess the functioning of such forums, and to plan carefully how to make use of them.

5.2.e Sharing the rewards

Gainsharing (performance-based pay or bonus schemes) is a tricky and dangerous field for trade unions. Boycotting such schemes is not a viable strategy. Management will go ahead and implement them anyway - and no member will reject extra pay. The challenge for unions is to win the in-principle right to negotiate gainsharing so that workers can share in the benefits from improved production. The second challenge is to try to shape gainsharing agreements in a way that fosters solidarity and unity among workers, rather than division.

Unions negotiating gainsharing will face several questions:

How can improved production and gainsharing benefit the community as a whole, rather than just the workers employed in that company?

The union can negotiate for the company to establish a trust fund dedicated to supporting community development projects such as clinics or schools. It can negotiate an agreement for the company to place funds in this trust when profit, production or quality targets are achieved, rather than paying a bonus to workers. The trust should be controlled by the union. Alternatively, part of the gainsharing funds can be paid into the trust, and the other part distributed among the workers.

Should the extra pay or bonus be based on profit, production targets, quality or wastage targets, or a combination of these?

There is no in-principle reason to choose one or the other. The choice will depend in part on the production process, and partly on the goals the union wishes to achieve. Profit-linked gainsharing takes the emphasis off individual performance, but depends on many factors outside workers' control. Profit-sharing allows workers to share in a company's good fortune - and bad fortune. Gainsharing based on production targets is more closely linked to workers' efforts. However, management efficiency and market conditions will also affect output, and production-linked gainsharing can put pressure on workers to overload themselves. Qualitative indicators like wastage and quality may be preferable because they encourage an emphasis on skills and care, rather than output and effort. Another option is for gainsharing to improve the basic rate of pay, rather than taking the form of a bonus. For example, the 1997 agreement in the mining industry gives members an increased rate when a productivity agreement is implemented in the workplace.

Should the extra pay be linked to collective or individual performance? Should performance be measured for the enterprise as a whole, or for smaller units such as a department or workteam?

In general, performance-linked pay should reward *collective* performance of a bigger unit, such as the enterprise, rather than a smaller unit. This places the emphasis on broader, collective issues of management and work organisation rather than individual effort. It encourages collective solidarity and unity among workers, rather than competition and fragmentation. There may be pressures - from management or members - to base gainsharing on smaller units such as departments or workteams. These can also be fashioned to reward collective rather than individual performance - but it is more difficult. For example, gainsharing based on teams may be divisive and put unfair pressure on weaker, slower or older team members.

Another way to encourage collective solidarity (and close the wage gap) is for all employees to get and *equal* bonus rather than a bonus based on grades.

How big a proportion of take-home pay should the results of gainsharing comprise?

Gainsharing should form a relatively small proportion of take-home pay. This preserves the importance of collective bargaining over basic rates. It should also help prevent workers from overloading themselves in an effort to earn large bonuses.

Should unions participate in setting targets and schedules?

It is essential for the union to participate in setting targets and schedules if it is negotiating gainsharing agreements. It should ensure that targets are reasonable, and that they will allow workers to benefit without overloading themselves.

5.2.f Influence or control of production

Setting targets, controlling quality, and deciding on staffing levels was management's prerogative. An objective of strategic engagement is to transform the workplace so that the union and its members can participate in planning production, in determining how much is produced, monitoring the results, and deciding what to do with the fruits.

The union's aims in doing this are:

- to gain control over production schedules, staffing levels and targets so that the company is productive but that workers are not overworked (for example, this may mean demanding more workers on a production line)
- to reorganise the way workers work so that they work better together, their jobs improve and they gain more skills
- to better understand production and performance, gain access to information and monitor output, so that workers can better negotiate over the distribution of the gains of improved production
- to improve the performance of the company or industry so that it prospers and can provide more jobs, better wages and benefits for the community.

5.3 Institutionalised participation

This section discusses three forms of institutionalised participation in the workplace - ie, aspects of *Option 3* described in section 3.3 above. The Commission has not taken a position on these. The unions are facing increasing pressure to take a stand on them - pressure from their shopstewards, from new laws (the LRA) and sometimes from employers. Accordingly, we recommend that COSATU and affiliates commit themselves to serious debate on this option.

It is also important that institutionalised participation does not have to be adopted as a package. For example, unions can opt to establish union-based workplace forums, and reject the idea of worker/union representatives on the board of directors. Also, elements could be phased in over time. For example, unions may see representation on the board of directors as a long-term possibility rather than an immediate goal.

If COSATU opts to pursue any element of institutionalised participation - such as union-based workplace forums or representation on the board of directors - it will have to consider whether it would be useful to have legislative support for such institutional goals, and campaign for this.

5.3.a. Union representation on the board of directors

Co-determination laws in Germany and the Scandinavian countries make it compulsory for companies to have worker/union representation on company boards. In South Africa the parastatal Eskom, and the private company Samancor, have unionists on their boards. In one or two other companies, unions are negotiating similar arrangements.

Advantages may be:

- the union could gain access to more information about the company
- the union could gain an understanding of the long-term plans and prospects of the company
- it could give the union an opportunity to influence the long-term plans, investment decisions and product development plans in the company
- it could provide increased scope for the union to defend and further the interests of its members
- it could provide the union with the opportunity to counter mismanagement, and put forward progressive union proposals for company restructuring and development.

The dangers are set out in the discussion of this option above (Section 3.3, *Option 3*, page 112).

It should be noted that it would be disastrous for a union to participate on the board of a company if it does not have a clear agenda, and a programme of support for its representatives. The union should define its agenda and programme in terms of the goals listed and discussed in 5.2.a above.

If the unions decide to go this route, they should seek to have at least two places on the board of directors reserved for worker representatives to ensure some mutual support. A single labour director could become isolated. The representatives may be union officials or workers from the company concerned. The important thing is to maintain strong channels of communication between the labour directors and the shopsteward structures in the workplace, to ensure co-ordination between collective bargaining and board discussions and other participative forums.

Labour directors should not forget that they represent workers and must defend their interests. They should always caucus with shopstewards prior to board meetings, and report back after board meetings. In Germany and Scandinavia, worker/union representatives on company boards are not paid directors' fees. The directors' fees are paid directly to union institutes for training and supporting unionists to be effective representatives. If South African unions choose to go this route, they should adopt the same principle. Worker/union directors are on the board as representatives of their organisation, not as individuals.

5.3.b Workplace forums

The new LRA makes provision for workplace forums, triggered by majority unions, as vehicles for workplace democracy. While it is significant that this legislation institutionalises workers' rights to workplace democracy, workplace forums as outlined in the legislation hold many dangers for unions (and employers). We strongly support the argument that workplace forums should be *union-based* rather than independently elected. In other words, the powers of information, consultation and joint decision-making should be conferred directly on the shopstewards committee; alternatively, the shopsteward committee should nominate members to the workplace forum. Otherwise there is a danger that the workplace forum will either become a substitute for the shopsteward committee, or will be a very weak consultative forum. A workplace forum independent from union structures will be a recipe for division.

However, in certain circumstances, a union may be unable to persuade or compel management that a union-based forum is preferable. This means the union would not be able to access the rights and resources that the LRA offers in workplace forums. In other words, it would not be able to access the institutionalised rights to participation in the LRA. In such cases the unions should consider whether triggering a workplace forum may be a useful strategy for compelling management to provide information and consult the union. They should only consider triggering a forum, if at all, where shopstewards and organisers are sure that the union is strong enough to control the forum.

5.3.c Autonomous, union-guided teamwork

Trade unions should consider whether to engage in struggle for new ways to organise production. The way management organises production is oppressive to workers, reducing their skills and their control over work. As part of company restructuring, management in many companies has been trying to introduce new forms of work organisation, such as lean production. Often these changes in the way production is organised increase management control, and put more pressures on workers. If unions concentrate on resisting these changes, they may end up

defending the status quo. If they accept the changes proposed by management, they will be accepting a management agenda for change.

The unions could try to develop their own alternative approach to the way in which production is organised. Collective teamwork, organised and controlled by workers, may offer a new way to organise production, encouraging co-operation and initiative among workers. Some unions in Germany and Scandinavian have adopted a similar approach, called *autonomousteamwork*. The advantages could be:

- teamwork can improve co-operation and solidarity among workers
- workers can be empowered to make decisions about their work, planning their jobs and measuring output
- it can be a strategy for increasing worker control over work and production
- it can increase workers' skills and widen their work experience
- workers may elect their own team leaders, and oppression by supervisors can be reduced or abolished.

However, to make this potential a reality, and avert the dangers, it would be important for the union to control and lead the teams. In some workplaces management wants to introduce teamwork. However, management goals are different from union goals, and the kind of teams they introduce hold many dangers:

- they may undermine the union by allowing management to communicate directly with workers
- competition between teams may create new divisions among workers making it difficult to unify them around common demands
- work teams may become ungovernable, as workers may put increasing pressure on colleagues to perform, team leaders may become power hungry, and teams may seek to negotiate their own incentives
- teams can lead to reductions in worker numbers.

In all these ways teams may serve management goals.

If a union decides to adopt autonomous teamwork as a way to reorganise production, it would need to develop strategies to avert these dangers. Firstly, the shopstewards should engage in thorough discussion with workers about the potential and the dangers of working in teams, and draw up clear guidelines for how teams should work. These should then be negotiated with management.

The union must be involved in the training of team members. Shopstewards should have an acknowledged role in resolving problems in teams. The shopstewards should have regular meetings with team leaders to assess how teams are working. Team leaders should be elected. All teams should include older or slower workers, and shopstewards should ensure that targets do not pressurise colleagues to reject such workers.

The question of discipline is a difficult one. On the one hand, workers are adults and can deal with their own discipline. Worker or shopsteward control of discipline can be a useful way of protecting workers from the punitive discipline exercised by management, solving problems rather than punishing them. In fact, shopstewards in many workplaces have already taken control of discipline in this way.

On the other hand, worker involvement in discipline may create tensions among workers. Workers may find that they are simply doing management's nasty work for them. The role of shopstewards in representing workers charged with offences may become confused.

However, if unions want teamwork as a way of increasing their control of production, and if they want to abolish the oppressive role of supervisors, they may have to take on some disciplinary functions. It may be useful to specify that certain issues are referred by the team leader to management. But clearly this is a new and difficult area, and unions would have to experiment and continuously assess what arrangements are most successful.

5.4 A strategy for implementation

Most unions have no strategy for implementation at present. Few officials have experience of struggles for workplace democracy. Where unions do have policies, they simply expect organisers and shopstewards to implement these.

The imperative is to develop the experience and expertise within the unions to engage in workplace democratisation. We propose that every affiliate should set up a project team to target 3-4 companies or workplaces for pilot projects. The project team could be based at head office, or at a regional office, and should include national, regional and local officials, and shopstewards. The project team should drive a programme for workplace democratisation at the targeted companies.

This will build up a cadre of experienced shopstewards and local and head office officials - who can then support shopstewards in an increasing number of workplaces. They can use their experience to empower other shopstewards and officials to implement similar programmes. Shopstewards and organisers from other companies could visit the pilot projects in order to learn from them. Shopstewards who have gained experience in the pilot projects could be seconded to assist shopstewards at other companies. Experienced shopstewards could also be recruited as officials specialising in workplace democratisation.

In this way, a strategy for implementation becomes at the same time a strategy for building capacity.

Unions should establish a head office department to focus on workplace democracy and co-ordinate their project teams. Specific officials at regional and branch level should be encouraged to specialise in workplace democratisation. Unions should also consider whether there is a need to employ people who are specialists in particular disciplines - for example, production engineers.

5.4.a Sharing information, communication and education

The trade unions do not have the resources to drive workplace democratisation at all organised workplaces. It is essential that information, communication and education programmes share expertise and information within and across affiliates, in order to empower as many officials and shopstewards as possible to be creative and take initiatives in their workplaces. Otherwise COSATU will lose the battle for the workplace as employers take initiatives and the unions' front-line activists are unable to respond effectively or creatively.

6. Recommendations

6.1 The strategic options

- i. COSATU should identify a process to debate the strategic options outlined in Section 3 above. We recommend that unions should develop an offensive programme for democracy in the workplace, with the aim of preventing unilateral restructuring and asserting a union agenda. Workplace democracy should be both a defence against unilateral restructuring, and a goal of the union agenda for restructuring. However, COSATU needs to take decisions on many issues related to *strategic engagement* (section 5.2). It also needs to make decisions about *institutionalised participation* (section 5.3).

We recommend that COSATU conducts a seminar for senior leadership before the end of 1997, to assess current union experiences with strategic engagement, and develop policies and strategies for the future. COSATU could draw on current research by NALEDI and SWOP. It might consider a study tour of Germany and Scandinavia to assess ‘actually existing co-determination’.

6.2 Overcoming the legacy of apartheid

- i. Every affiliate should pursue a vigorous strategy of narrowing the apartheid wage gap in its sector
- ii. COSATU should take up a national campaign to narrow the apartheid income gap, as elaborated in Chapter 4.
- iii. Every affiliate should draw up policy on education, training skills and career pathing for its sector, for negotiating with employers.
- iv. Affiliates should equip and empower shopstewards and organisers to contest the terrain of skills and training at workplace level.
- v. COSATU and SADTU should develop a vision for an education system that can transform South Africa into a learning nation, and a programme and campaigns for achieving this (this is linked to the programme of transformation of the public sector, outlined in Chapter 5).
- vi. Unions should campaign for the formation of affirmative action committees in their workplaces, with worker representation, to develop policy on promotion and recruitment in their company, and to monitor implementation of policy.

6.3 Implementation and union capacity

- i. Every affiliate should establish a department for workplace change and democracy, and build an implementing team around this. The implementing team should target 3-4 workplaces as pilot projects for implementing the union agenda for workplace restructuring and democratisation (for example, skills and training, gainsharing, establishing autonomous union-guided workteams). The pilot projects can then be evaluated, and policies and strategies can be assessed and developed accordingly.
- ii. The unions should adopt the strategies discussed in Section 5.4 above for diffusing this experience and knowledge across the organisation.
- iii. The unions should adopt strategies for sharing information, experiences and strategies across COSATU. Some possibilities are:
 - o All affiliates would benefit from regular meetings of officials involved in workplace change and democracy projects, where information and strategies can be shared and discussed.

- Annual conferences of shopstewards and officials could share and assess experiences, and develop new strategies and policies.
 - The *Shopsteward* magazine should publish regular articles on struggles for workplace change and democracy.
 - COSATU could publish a regular newsletter with information and case-studies of workplace change and democracy.
 - Experience gained in workplace struggles could form the basis for education programmes to empower shopstewards and organisers to engage proactively on workplace issues.
- iv. There is a general problem of lack of service to workplace structures of the unions. Elsewhere in this report we recommend an intensified programme of shopsteward education, under the slogan "every shopsteward a trained shopsteward". We also recommend that a systematic programme of organisational development for the unions should start with an assessment of union branch offices, and improving their capacity and effectiveness in servicing shopstewards and members (Chapter 9).
- v. COSATU and affiliates need to assess the role and training needs of full-time shopstewards, and ways to make them more effective as agents for building the union.