Transforming Ourselves to Transform Society

Report of the Organisational Review Commission

to the

Central Committee

19-22 November 2001

Draft 5

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Chapter 1. Introduction

1.1 Aims and Background

This report focuses on COSATU's organisation in the 21st century in terms of organising and service strategies; organisational structures; and leadership, management and staff development. In each section, the proposals point to key directions for organisational renewal.

The report will be discussed at the Central Committee meeting on November 19 to 22, 2001. It should be subjected to detailed debate and mandating in the run up to the Central Committee.

The Seventh National Congress established the need for this organisational review. It noted the "need for a thorough organisational review," in order to avoid a piecemeal and *ad hoc* approach. It therefore resolved,

> "A commission be established:
>
> - to review structures of the Federation at all levels, including the substructures of the CEC
> - to propose policy changes and where appropriate propose constitutional amendments
>
> The commission must report to the Central Committee in 2001, which will refer any proposed constitutional amendments to the next Congress."

In February 2001, the CEC established the Organisational Review Commission. At the time, it noted worrying trends in some unions' ability to maintain services to members, and therefore decided to extend the review to include all aspects of organisational development. In April, the CEC approved terms of reference.

The members of the Commission are listed in Appendix 1. They include NOBs of COSATU and affiliates, regional office bearers, some COSATU heads of department, representatives of NALEDI and DITSELA, and an expert on organisational review.

In preparing this report, the Commission held several workshops, and the extended September CEC discussed the draft in depth. Still, the Commission's work was constrained by the lack of time and resources. Members have many other responsibilities, including mobilising for the strike against privatisation in August. The Commission itself did not have a dedicated budget.

This situation led to delays, resulting in the postponement of the Central Committee from September to November 2001. Moreover, it meant the Commission relied primarily on existing analytical work, including the September Commission report, rather than conducting new research.

A major problem was that the Commission was unable to conduct a systematic review of organisational issues in affiliates. It can therefore only set some broad guidelines. To flesh out the strategic guidelines provided

here, the Central Committee should establish a larger and better-resourced organisational review process. This process must support implementation of proposals here as well as, where necessary, developing more detailed recommendations for the Eighth National Congress in 2003. It must include both a COSATU initiative and affiliate projects. The final chapter includes a draft programme of action for this process.

1.2 The Need for Organisational Renewal

The need for organisational review does not arise because of major weaknesses in COSATU's work. Indeed, as the Secretariat Report to the Seventh Congress noted, COSATU and its affiliates can point to great strength in the past seven years. Key successes include the growth in overall membership despite a rapid drop in formal employment nationally, the increase in real wages, especially in organised sectors, and massive popular support for our campaigns.

Still, the labour movement is operating in a rapidly changing and therefore risky environment. That means we must regularly analyse our circumstances and the implications for our organisations. Otherwise we risk jumping to poorly thought out and inappropriate solutions. Moreover, we may fail to recognise threats until we have already been weakened.

This organisational review is centred on the need to improve service to our members. Three factors drive this approach. First, with falling formal employment, unions must maintain their existing membership and expand into new areas. That requires improved service to members. Second, in the current period, a few COSATU affiliates have been weakened. In these affiliates workers complain heavily about the lack of service. Finally, the changing legal and economic environment means that serving members on the shop floor has become much more complex.

In this context, COSATU must begin to evaluate systematically the September Commission's arguments about organisational weaknesses facing the progressive labour movement. In particular, the September Commission made the following valid points:

- The establishment of democracy has forced the unions to engage with a tremendous range of issues, many of them more complex than in the past.
- Conditions of struggle have changed: during the 1980s unions were driven by mass militancy and creativity from below, whereas now the emphasis has shifted to national negotiations with government and employers.
- The unions have grown into very big organisations in which it is more difficult to sustain democracy, effectiveness and creativity.
- There are worrying organisational trends – lack of service, lack of skills, lack of discipline, lack of commitment – that could generate a crisis if not addressed.

For these reasons, the September Commission stresses, in Chapter Nine, that we must transform ourselves in order to transform society. Its argument for organisational renewal forms an important pillar of our approach. Its principles are found in the September Commission's 12-point programme:

1. COSATU should increase its size substantially, becoming a home for all working people.
2. COSATU should build powerful organisations in all workplaces and sectors, able to defend workers' rights, bargaining for better wages and benefits, improve

working conditions and the quality of working life, struggle for workplace democracy and service the needs of workers and shop stewards effectively.

3. COSATU should build the Federation and its affiliates as fighting organisations with efficient structures, led by effective, assertive and coherent leadership.
4. COSATU should build dynamic, democratic, vibrant organisation, which empowers its members to be active as workers, trade union members, and as citizens.
5. COSATU needs to develop the internal practices and goals that ensure our staff are skilled and committed, proud and happy to be trade unionists.
6. COSATU and affiliates should become a home for working women, with many women leaders and staff, demonstrating in practice its ability to improve the working life of women.
7. COSATU should rebuild a powerful working class movement, entailing a strong organisational relationship with an ANC that is biased towards the working class, as well as alliances with other social movements, NGOs, intellectuals and students, etc. COSATU should retain its independence while building alliances.
8. Democracy is tremendous historical victory for the working class. COSATU should commit itself to consolidating, deepening and extending democracy in South Africa – in other words, to political transformation or redistribution of power.
9. COSATU is the biggest organisation representing the creators of wealth in South Africa. As such it should continue asserting its role in economic development, in redistribution of wealth, income, resources, knowledge and skills, and job creation.
10. COSATU should continue asserting its goals of broader social justice – the delivery of services to all citizens, the construction of a social welfare system, ending the wealth and income gaps produced by apartheid, a living wage for all, helping to end crime, corruption and violence, etc.
11. In pursuit of the above goals COSATU needs to develop the resources and capacities to engage effectively with the alliance, government, parliament, NEDLAC, provincial and local government, and with employers at sectoral and workplace levels.
12. COSATU should ensure that it is a force to be reckoned with, increasing its influence in society and winning strong support from society. It should seek to deepen the culture of solidarity in society, as a counter to the culture of self-enrichment.

This report does not seek to implement the September Commission's proposals uncritically. Still, the September Commission went far in defining the nature of changes in our environment as well as key organisational responses, and we here build on its analysis.

Box One. What is our perspective on Organisational Development (OD)?

The September Commission called for the consistent application of OD in our work. By OD, we mean the continuous assessment and strengthening of the structures and systems of COSATU and its affiliates.

OD involves systematic efforts to recognise shifts in the environment and, where necessary, take steps to adapt our organisations. It brings new challenges, questions and tasks, which require strong support systems and adequate capacity.

A particular problem is that OD started in the private sector. We need to reconceptualise it in line with the needs and principles of our movement.

In the union context, OD means a *process* without final or simple solutions, or quick fixes, that takes into account *union sensitivities, values, and traditions.*

The process requires *political will and commitment*, with clear and consistent guidance and leadership rooted in labour values. At the same time, it must be *demystified and understood by all stakeholders* in the labour movement, from its initial conceptualisation through resolution and implementation. In this context, as the final chapter of this report discusses, the OD process must include a clear understanding of *democratic practices in administration*. That must apply, as well, to the process of implementing recommendations from the OD process.

1.3 Overview of the Report

Central to the approach of this report is the argument that the basic functions and principles of COSATU and its affiliates will never alter. But we must develop our organisations and strategies to respond to changes in our environment. Key developments are:

- Politically, the establishment of democratic government, which has transformed the conditions of our members and shopstewards and opened the door to much complex engagement on policy issues
- Economically, massive loss of formal jobs and rapidly rising unemployment, together with a shift to casual and informal employment
- Organisationally, an expansion in the size and complexity of the Federation, coupled with shrinking membership in some affiliates and fast growth in others.

These developments pose a variety of risks. They radically change the conditions of shopstewards, and pose all of us, including our members, with more complex choices. In this context, the increased scope for policy engagement may lead to an overemphasis on work around government laws and measures. To counter this requires a review and reinforcement of the educational and organisational strategies that form the basis of workers' organisation. At the same time, job losses and informalisation threaten all our gains. The extraordinary growth in "reserve army of the unemployed" since the late 1980s means that workers face greater job insecurity and more difficulty in fighting for decent wages and conditions.

Political and economic realities have had an organisational effect. COSATU and some affiliates have greatly increased their policy capacity. We need to explore how this affects strategies around services in the workplace, as well as the demands on NOBs, union democracy and management systems. At the affiliate level, shrinking unions must deal with new resource constraints, while others face the challenge of consolidating huge numbers of new members.

The main strategic directions arising out of this analysis are:

- We need to strengthen services in the workplace and ensure vigorous and continuous recruitment campaigns, focusing on workers in informal and non-standard jobs. Key steps to that end include defining a clearer role for COSATU and improving the systems and capacity of affiliates.

- We must respond to rising unemployment both by mobilising support for economic and social strategies that can create jobs, and by organising the unemployed.
- COSATU structures must be reviewed to ensure greater efficiency and flexibility, to strengthen political leadership and to ensure a closer link between policy units, education and organisation.
- COSATU and all affiliates need to improve their capacity for financial and human-resource management, in the context of appropriate, democratic management practices that maintain worker control.

Chapter Two of this report establishes the framework that informs our organisational review. To this end, it looks at the changing conditions of our members and shopstewards. It then outlines the principles that must guide our work in a changing environment and the key functions of the Federation and the affiliates. Chapter Three then explores key political and economic developments since 1994, and some important implications for the labour movement.

Based on this analysis, the remaining chapters look at improving our response to the political and economic changes. Critical areas include organising and education strategies, responses to unemployment, COSATU's organisational structures, and management systems. The final chapter proposes a way forward for the organisational review process.

Chapter 2. The evolution of COSATU and the impact of democracy

This section first looks at the ways the transition to democracy has affected our organisational base – leadership, shopstewards and members. In that context, it sets the basic principles that will guide our review, highlighting the importance of worker control. It then outlines the key functions of the Federation and the affiliates, since these shape their organisational needs.

2.1 Democracy and COSATU's organisational base

Service to members is a package that derives from the strength of the organisation and not individuals. There is no way a union can service members if it is organisationally and politically weak. Service requires:

- Strong shopfloor organisation capable of disciplining shop stewards and leadership. Confident, motivated and politicised members who know their constitutional rights and obligations.
- A strong, well-trained and politicised shop steward movement.
- Strong organisations with functioning structures at all levels, with management systems that support strong service to members.
- Motivated and trained union officials.

The transition to democracy, while opening a host of new opportunities for unions, has also added new pressures in these areas. If we do not bolster our organisations, we may find that we cannot maintain political cohesion and solidarity. We here look at worker control through the leadership, the changed environment for shop stewards and members, and the impact of our rapid growth in membership.

COSATU has made great progress toward ensuring that its leadership comes from the working class. When COSATU was founded, a number of the affiliates' General Secretaries were drawn from university activists, most of whom were white. Today almost every General Secretary is a former shop steward or office bearer. Furthermore, where before our Presidents were tied to their workplaces, now most worker leaders are shop stewards released to their unions on a full-time basis. As a result, they have a far better grasp of the complex issues of our time, lead huge negotiations and play a key role in our international work. They participate far more in the day-to-day operations of our movement.

This progress has not, however, translated into a consolidation of the culture of accountability and mandating. Indeed, this culture seems weaker than in the 1970s and '80s, as pointed out in the 1992 "Back to Basics" paper.

It used to be that any leader who attended the meetings of the Federation without a mandate was viewed as a black sheep and a focal point of criticism. Most would certainly convene meetings, including general members' meetings, to give a detailed report and allow members to question decisions. In contrast, in today's constitutional meetings, leadership rarely claim to have a mandate, and the process of reporting back is relatively uneven.

In these circumstances, leadership may become used to taking decisions without a mandate. Then, when decisions are taken, they are hardly explained to the constitutional structures, much less to members. The dangers of this happening on a wide scale are very clear. A key aim of the organisational review process, then, is to arrest these foreign practices from creeping into our movement.

Under apartheid, a shop steward had to be a real leader. Usually she or he had been recruited personally by the General Secretary, the organiser or other workers after being identified as one of the most influential and respected workers at the workplace.

This crop of shop stewards provided our leadership. They were not in it for money or an easy life. Leaders in any part of the democratic movement invited victimisation, including dismissal, harassment by the employer, and loss of promotion opportunities. Beyond that, they faced the unwelcome and brutal attentions of the apartheid security forces.

Shop stewards, like other leaders, always had duties beyond the workplace. They helped with the broader mobilisation and with the leadership of the civic movement and political formations. To be a shop steward meant you couldn't save money, because every cent was consumed by endless trips to meetings, the office and for general organisational and political work. Above this, shop stewards had to report back difficult decisions, obtain mandates and discharge them, leading to many general meeting and committee work in the union.

This was a hard school. Workers have a reputation of being frank, and sometimes downright rude. Being shouted at and insulted empowered this layer of leadership, which learnt to be more tolerant and keep a cool head in the face of provocation. Discipline was enforced brutally. Distinct features included respect of the elders and tolerance of the different traditions and cultures of workers who make up our membership. Lobbying to be elected for any position meant that you would kiss your chances of being elected goodbye. It is precisely this training that makes former worker leaders sometime seem to stand head and shoulders above the rest.

Since the establishment of democracy, the labour movement faces new challenges, which affect our shop stewards deeply. Above all, being a shop steward is no longer a sacrifice for the struggle, and may bring material benefits. As a result, some shop stewards today were elected not only because they are respected but because they lobbied intensively, or even used patronage. In these circumstances, to maintain the shop steward movement, we need to define their role much more clearly.

A particular problem is that management has become more sophisticated. Management is no longer hostile; it appears friendly and can understand and speak the shop steward language. In fact, the manager may be a former union official, even a former shop steward. Before, where managers would harass and dismiss shop stewards; now they give them benefits and try to recruit them into management positions.

In addition, the work of shop stewards has changed. Before, being a shop steward invited death and imprisonment. Today, in some cases, it may mean

never getting into a factory to wear overalls, gumboots and safety gear. A full time shop steward may spend the whole day in an air conditioned office drinking tea and cold drinks provided by management.

Finally, with the collapse of apartheid, a range of service organisations have begun to compete for the attention of the shop stewards and leaders to sell their products. These services include funeral schemes, medical aids and saving schemes, but also *mashonisa* – the loan sharks. Suddenly shop stewards find themselves serving more like tender boards without rules. Gifts and favours may be exchanged under the table.

This does not mean that most of our leaders or shop stewards have become corrupt or careerist. On the contrary, most have remained with the ideals we developed over decades of struggle. The ones who only wanted a better life for themselves have left. But there is no doubt that our workplace leadership now faces a host of new pressures and choices, and that their roles have changed. We need to use this organisational review process to define how we can reposition the shop steward movement to lead COSATU into the new millennium.

Similar shifts have affected all our members. In the past, workers joined unions mainly because of the intertwined relationship between their exploitation and oppression at the workplace and their struggle for liberation. They needed a shield at the workplace to stop humiliation, exploitation and abuse. They joined in droves when the unions presented themselves as such a weapon. At the same time, they knew that there was no way to eliminate workplace abuse without resolving the national question.

Workers' unity and sense of common purpose was maximum. They expected no reward for wanting to defeat humiliation at the workplace, where they lived and in the society as a whole. Indeed, they knew they would have to make great sacrifices. They were angry and militant. They knew that their course was just and there was no space for confusion. They knew we had to maintain solidarity amongst all the oppressed. There was only one enemy and that was the ruling elite – the apartheid government and the bosses.

Seven years after the liberation, these factors are now starting to disappear, not only in COSATU, but in all the organisations of the liberation movement. There is no more a single uniting enemy or a common understanding of the way forward, and the culture of solidarity is waning. Some regard the 1994 breakthrough as their final destination. Membership and leadership positions in the ANC, the Party and other components of the liberation movement have become a route to plum jobs and power.

The culture of selflessness, willingness to serve without demanding a personal gain, and in general the culture of activism that won our liberation are at risk from new values, cultures and traditions that are foreign to the movement. Careerism, individualism, corruption and distribution of patronage have taken root. Those in powerful positions can surround themselves with an army of praise singers. Solidarity has been replaced by a new culture of the "survival of the fittest," intolerance of different views, and the ostentatious display of personal power and wealth.

COSATU's political foundation was influenced by the solid political and ideological work of the ANC/SACP underground as well as former UDF affiliated unions, much of FOSATU and other independent unions that formed COSATU.

This work resulted in the deepening culture of debates. This in the main was because of the nature of a trade union movement as a broad church that accommodates all left wing tendencies. Although the repeated congresses placed COSATU firmly in the camp of the Congress movement led by the ANC, the contestation did not simply end.

The huge advantage of this contestation was the demand that it placed on all those involved. Unions competed to show that they could provide better service than their rivals. Political education was intense. Unions spent huge resources on ideological training for both leadership and members. Political workshops were held all over. Every shop steward and official knew how to drive to Wilgespruit and similar centres that were willing to host union meetings.

A good number of COSATU unions have not given up this culture. It is worrying, however, that some have. In fact, one or two unions did not budget a single cent for education at all, not even for shop steward training. This is a very dangerous development and must be halted immediately.

Finally, the rapid growth in membership poses particular problems for our organisations, and especially for worker control. At the embryonic stage, unions were small and easy to manage, effective and provided five-star service to members. There was a very dynamic link between the structures and leadership, and it was easy to understand each other's thinking. Mandating processes were relatively simple, because not too many workplaces or even numbers were involved. Communications were not a nightmare. As a result, service to members could be maintained relatively easily.

Today the biggest COSATU affiliate has 300 000 workers and organises in three different sectors – mining, energy and construction. Four COSATU unions have over 200 000 members, and six more have over 100 000. Moreover, all the founding unions have gone through mergers and integration processes. Our unions are now truly national, demanding more resources to convene meetings and more complex systems for mandating and reporting back.

All these issues combine to affect the quality of service and the type of movement we are. The best examples of the past and present translate to qualitative service to members. After all, we are not insurance company, where a customer must get satisfaction when they have a problem and come to the managers desk or the toll-free help line. If we cannot maintain our political vision, commitment and solidarity, we will never be able to serve our members and maintain the strength of the organised working class.

2.2 Basic principles and vision

To understand the challenges we face, we need to spell our basic principles, which are rooted in our history.

COSATU can trace its origins back to the many attempts - some successful, some not - to organise black workers in their own unions, starting at the turn of the century. The first black union was formed in 1917. For the next four decades, Communist and later ANC activists worked hard to establish strong unions. Their success was seen among others in the 1946 African miners' strike.

In the 1950s and '60s, the momentum of the democratic and progressive labour movement faced a huge setback with the repression and exile of the ANC and the Party. Toward the end of the 1960s, however, progressive white university students began to help reorganise democratic trade unions. Their work received a huge boost during the Durban strikes. Many COSATU affiliates trace their history to this period of history.

The formation of FOSATU in 1979 gave impetus to the struggle to organise workers into democratic unions. FOSATU had many good traditions and values that remain a cornerstone of our principles today.

Worker control stood at the heart of FOSATU's values. It was an expression of a particular style of organisational development as well as a political statement. It meant uncompromising insistence on internal democracy, report backs and mandating, in a context of robust debate and full accountability. As a political statement, it embodied the ideal of worker control of the means of production and the dictatorship of the proletariat.

Box Two: Worker Control

Worker control means that ordinary members ultimately determine the basic strategies and decisions of the unions. It is important because:

- The union's power is the power of workers, and will survive only if workers control the union.
- Workers must control their unions so that they can protect themselves from officials and leaders abusing or misleading the organisation.
- Under apartheid, if workers controlled their union actively from their workplaces, the state could never destroy it. In contrast, with very centralised control, when the state banned union officials and leaders, the union sometimes disintegrated.
- Worker control is an element of our socialist philosophy of organisation and society. We believe that ultimately the state itself should be controlled by the working class and its allies and the means of production should be owned by the working class.

Worker control means more than having workers in leadership. It means that strategic decisions must be mandated by membership, and that leaders must report back consistently. By extension, members must have the chance to understand and study the issues. That takes time, and may seem inefficient and slow. Especially for complex policy issues, it requires appropriate engagement tactics, educational work and communications.

Formally, worker control of the Federation takes three routes: through the elected NOBs, constitutional meetings of affiliates, and the election of regional office bearers. At the same time, we must find ways to educate

shopstewards and members so as to build organic intellectuals – that is, intellectuals who are integrally part of the labour movement.

Worker control is a central organisational principle for the labour movement, but it is not simple to implement. Above all, it requires that unions put the time and resources into educational work, mandating procedures and democratic processes. Where we have engaged with government or business on policy issues, these can cause substantial delays. As we discuss in Chapter 3, the transition to democracy has increased these challenges by expanding the range of policy issues confronting the labour movement.

In terms of the broader political scene, we have not achieved worker control. The Alliance always says loosely that the working class is a motive force of the NDR, but we have not translated this principle unambiguously into political decisionmaking. Still, the struggle for socialism is ongoing, and definitely not an event that we can just wait to celebrate.

Ultimately, all our work must shift the balance of class forces in favour of the working class. Key steps include restructuring the economy to develop new centres of power and ownership to counter big business; fostering an effective, developmental public sector that can meet our people's basic needs; combating the selfish, rapacious worldview of capitalism; and strengthening democracy and openness throughout society.

This vision shapes our organisational principles:

- *Transformative unionism*: Workers' struggles cannot be confined to the workplace. Under apartheid, COSATU helped lead the struggle against racial oppression throughout society, as well as at work. Today, it plays an active role in shaping policy and legislation in favour of the working class. In this context, the unions must provide an elementary political school for workers.
- *Worker control*: Workers must control unions and the Federation. That requires internal democracy, clear mandating structures, and accountable leadership. A key element is a strong shop stewards movement, combined with strong shop-floor organisation and a commitment to robust internal debate, as discussed in Box Two.
- *Worker unity and solidarity*: Workers have only their unity to set against the power of employers and the state machinery. For this reason, COSATU has always called for one union in each industry as well as a single Federation for the country. We seek to build solidarity both across sectors and with workers in other countries, and especially in southern Africa.
- *Non-racism and non-sexism*: Racism and sexism are two of the main causes of division in organised labour. COSATU has always insisted that workers from all racial groups must unite in the union movement. It demands, too, that women play an equal role in organised labour – although in the event, men remain dominant in leadership.
- *Militancy*: Ultimately, workers' power comes only from their united action. What we cannot win on the shopfloor and in the streets, we will not win in

the boardroom. COSATU has always used the power of its members to achieve its aims both in the workplace and in the broader sphere.

- *Selflessness*: Most COSATU leaders, staff and members joined the organisation to advance the workers' cause, without regard to personal gain. Up to today, COSATU leaders and officials typically earn less than they could in the private sector.
- *International solidarity*. Especially with globalisation, no national union movement can survive by itself.
- *Paid-up membership*. The union movement can only survive because every member makes the necessary contribution. This is one of the basic principles of solidarity.
- *Political independence* from the employers and the State. The Tripartite Alliance entrenches the independence of the three partners, so that each can carry out the mandates of its constituency.

To achieve the broad objectives of transformative strategic unionism require strong organisation. We must have the capacity to represent workers on the shopfloor as well as on complex policy issues. Even more important, we must establish systems and structures that ensure members can and do take an active interest in union affairs. In short, we need to improve our capacity for mass engagement as well as for policy engagement. In sum, we need to *transform ourselves to transform society.*

2.3 The functions of the Federation and affiliates

In order to assess our work, we have to define our basic functions. The Federation's role is to build unity, to co-ordinate affiliates' activities, and to create an environment that is favourable to the affiliates' sectoral struggles. Out of these three key tasks flow COSATU's functions:

- To ensure a unified voice for progressive labour, and ensure mutual protection and support between sectors.
- To develop policy positions for the entire working class, going beyond the sectoral needs of individual affiliates, and engage on them, including through national campaigns. Examples include economic policy, labour law and welfare policies.
- To deal with demarcation issues.
- To provide strategic support for affiliates by supplying materials and helping them share experiences in dealing with common problems.
- To give targeted assistance to weaker sectors, such as farm and domestic workers.

The affiliates' functions are:

- To ensure workers in the sector speak with a single voice, and provide support for workers in more vulnerable areas within the industry.
- To assist workers with grievances in the workplace.
- To negotiate wages and other conditions of service.

- To develop policies for their sectors, working with the Federation and affiliates in related sectors where necessary.
- To co-ordinate workplace organisation to avoid conflicts and ensure greater efficiency, including leading campaigns around sectoral issues, for instance on restructuring or AIDS.
- To ensure the implementation within the sector of gains won by the Federation on a policy level, such as the new labour or pension laws.

These different functions must guide organisational development. Changes in our structures and operations must all work to improve the Federation's services to affiliates, and affiliates' service to members, while strengthening worker control at all levels.

Chapter 3. Changes Since 1994

The period since 1994 was a period of dramatic political, social, economic and organisational change. It was a period of intense adjustment and learning for the union movement. It is important to analyse what has changed and how it has affected us. This section first examines political and economic developments, and then explores some of the implications for COSATU.

3.1 Political and social changes

The political and social changes since 1994 include, above all, the creation of a democratic system itself. We won liberation and established the dignity of black and working people. In the process, we won relative peace throughout our country and the region, ending the low-level warfare that had ripped us apart for decades. We also gained elements of state power, with a new Constitution that enshrines the rights of all our people, especially workers, women and youth.

The shift in political power has brought important gains for our members. We won a transformation of the labour laws, which now extend to virtually all workers, support organisation and centralised bargaining, set decent basic conditions, and establish a framework for skills development and health and safety. The government has gone far to improve basic services for poor communities. Within the state itself, democracy has been entrenched through the Open Democracy Act, the National Protector and the establishment of representative local government.

But these gains do not mean that everything has been easy. COSATU entered the political transition with the assumption that we would be able to co-determine socio-economic policy and workplace restructuring. We believed that we were equal partners and competent to engage. This belief rested on further assumptions about the Alliance: that it would remain homogenous and in full control over government.

In the event, power continues to be contested both in government and the Alliance. We did not anticipate the power of global and local capital to exert pressure on the democratic government, which led to the GEAR's austerity programmes. This contestation has led to highly contradictory policies, where progressive initiatives are generally thwarted by rightwing economic and fiscal policies. We discuss these contradictions in greater detail in the next section.

Overall, the basic free-market thrust in economic policy has meant that there is little fundamental change in the economy and class structure. As a result, the past order continues to exert a powerful influence on our new democracy. Apartheid created and protected a massively unequal distribution of resources. These inequalities continue to define our society. Hence the need for transformation – a process of struggle to redistribute power, wealth and income as well as education, knowledge and skills.

These contradictory policy developments have placed great pressure on COSATU to expand its engagement in policy debates. Government has introduced changes in the labour laws, social development, local government,

tariffs, gender, AIDS, and a host of other areas. COSATU is asked to take positions on all of these.

The establishment of new forums has also increased the pressure to engage. The transition to democracy brought a range of new policy forums, including NEDLAC, Parliament, local government, departmental consultations, and meetings on parastatals under the NFA. At sectoral level, the establishment of central bargaining and SETAs and the agreement to hold sector summits have facilitated a greater emphasis on industrial policy questions.

Yet the increased scope for policy engagement does not mean that labour can assume success in debates. In particular, since the late 1990s, government's proposals – especially around the economy – have often been unacceptable to workers. This has added to the pressure on COSATU to engage.

Recently, when these engagements have ended up in conflict with government, we have seen serious efforts to split COSATU, both by dividing affiliates from the Federation NOBs, and by sowing divisions between affiliates – within the public service, and between the public-sector and industrial unions.

The organisational impact of heightened engagement depends in part on the type of policy under debate. If we take the core of union organisation as the workplace, then different policy areas pose qualitatively different challenges for labour. We can define three categories:

- Policies that are directly relevant to workplace bargaining issues. These include labour law, occupational health and safety, skills development and pensions.
- Policies that are less directly linked to normal union concerns, but impact directly on workers and our overall strength. The main issues here are industrial strategy, privatisation and workplace restructuring.
- Finally, there are a range of policy issues around social development and fiscal and monetary policy. These may seem quite remote from the world of work, yet they have a strong impact on our members and the economy. The problem is that their links to normal union concerns are not always obvious.

In short, some policy issues are further from traditional union concerns than others. That means that, however important, they may be less easy for shop stewards and members to understand and harder to link to workplace organisation.

The increased pressure to engage in policy debates poses three strategic challenges for labour.

First, in national policy debates, how do we decide when to use power and when to rely on other forms of engagement? As in any labour negotiations, we must engage on a range of questions where we will not use power. Ultimately, however, only our ability to use power on key issues gives us influence. This situation means we need to reflect on how we manage policy discussions where we will not use power.

In this context, we need to decide how far to go in confronting government on policy issues. Internationally, most unions in democratic countries are less able or willing to use power around national policy debates. They rely instead on in-depth policy engagement and on their electoral power.

Second, how do we ensure adequate resourcing and support for the implementation of our policies on the shop floor? There are two risks here.

- The majority of our members, and even office bearers, may not understand the complex policy issues that officials and a few shop stewards deal with at NEDLAC. This situation can make a mockery of worker control. It is most common where the issue seems far from workplace concerns. An example is monetary policy. It also occurs where government has established complex structures and processes, as with skills development.
- We may end up devoting so much time and resources to national and sectoral issues that we neglect workplace problems. This situation has occurred with the failure to ensure implementation of national policy victories in the workplace. Examples include pensions, health and safety, labour relations and skills development.

Third, we often have to respond urgently to policy initiatives. For instance, the Parliamentary schedule sets tight constraints on our inputs on legislation. This can undermine democratic mandating processes.

3.2 Economic Changes

Even as the political landscape shifts, changes in the economy have led to huge job losses as well as modifications in workplaces. The achievement of political democracy brought a reconnection with the global economy, substantial restructuring of the state, and changes in government support for business. Gold mining has continued to face employment problems. Meanwhile, management in the public and private sector shifted to a strategy of outsourcing, casualisation and decentralisation.

Government responded to these challenges with contradictory strategies, marked by a clear shift to the right with the adoption of the GEAR in 1996. The most important trends are:

1. A commitment to improving social protection for historically deprived black communities. Social protection refers to government services designed to address poverty, including education, health, welfare, housing and municipal infrastructure.
2. The fundamental reform in labour laws, discussed above.
3. With the adoption of GEAR in 1996, the government set restrictive targets for fiscal policy. These targets had the effect of cutting government spending between 1996 and 1999 by 9 per cent in real terms. Since 1999, the budget has grown slightly.
4. Policies that effectively extend the reach of the market through privatisation, tariffs and deregulation. These policies are generally not articulated as part of a pure *laisser-faire* philosophy. Instead, they are developed as sectoral measures. The philosophical commitment to free

markets emerges primarily in the government's often stated belief that "competition" will almost automatically bring about more efficiency. Most government economic policies now argue that regulated markets should replace government ownership. (See for instance, the DPE and DTI recent policy documents.) This free-market philosophy has gone hand in hand with an export push, which links most government support to export efforts.

These strategies have not stopped job losses. Indeed, the restrictive fiscal policy and the free-market approach aggravated them. According to Statistics South Africa, since 1990 employment in the formal sector outside of agriculture has shrunk by over a million. We lost one in five formal jobs between 1990 and 2000, and one in ten just between 1997 and 2000.

The job losses combined with rapid growth in the labour force. As a result, again according to Statistics South Africa, the unemployment rate soared from 16 per cent in 1994 to over 25 per cent in 2000, using the narrow definition that does not count workers too discouraged to look actively for a job. Using the expanded definition, which includes discouraged jobseekers, the unemployment rate is 36 per cent. Young people joining the labour market are worst off. Using the expanded definition, some 46 per cent of those aged 18 to 35 are unemployed, compared to 24 per cent for people over 35.

Virtually every sector has experienced downsizing, with the biggest job losses in gold mining, construction and, especially after 1997, in manufacturing and the public sector. Agriculture also sustained very large job losses. Within manufacturing, metal and machinery production outside auto suffered the biggest losses, with employment contracting by a third. Clothing and food production also suffered greatly.

Job losses are compounded by the growth of the informal sector, casual and temporary work. Management has seen outsourcing and casual or temporary employment as a way to undermine workers' gains. Managers in both the public and private sector have sought to divide production between smaller units, outsourcing where possible, and shifting to casual and temporary workers. These strategies break up bargaining units and limit workers' legal rights, especially to job security.

Part-time work has increased steadily. The figures only go back to 1998, but just in the past three years the number of part-time workers and their share in the labour force has almost doubled, from 4,4 per cent to 8,4 per cent of formal workers. The retail sector has seen the largest growth in this sector, increasing from 91 000 to 162 000, or from 21 per cent to over 30 per cent of the workforce. In clothing and textiles, part-time workers now constitute 6 per cent of the formal workforce, up from 0,5 per cent in 1998; in construction, they have risen from 5 per cent to 10 per cent.

Official statistics suggest that only the informal sector has seen substantial employment creation in the past few years. These activities are worse paid, less secure and more dangerous than formal work. According to Statistics South Africa, 20 per cent of informal workers report no earnings at all, while

over 40 per cent more earn under R500 a month. (Statistics South Africa 2001 xx)

Informal employment has expanded in large part because massive job losses in the formal sector have left many workers with no option but survivalist activities such as hawking and parking cars, both of which are officially considered forms of employment.

The shift to informal, part-time and casual work represents both a reaction to increased foreign competition and a counterattack on our gains since democracy. It aims to make organisation and negotiation much more difficult. It effectively deepens the divide between formal employees in relatively well-paid, skilled and secure jobs, and a growing army of poorly paid, less skilled, temporary workers. In effect, this process reinstates the apartheid labour market, with unskilled workers in particular losing labour's gains since 1994 in terms of job security and better pay. Unless we can find an effective strategy to organise workers in part-time and casual work, they can be used to break up the strength of our unions. The current difficulties facing SACCAWU, with almost a third of retail workers now part-time, points to the need for urgent action.

The loss of formal employment, particularly in manufacturing and mining, means that COSATU's traditional base is under threat. As discussed below, this has huge organisational implications. Above all, unions in mining and manufacturing will continue to lose members unless we can find ways to recruit informal and casual workers and expand employment.

3.3 Organisational responses

Since 1994, largely in response to the economic and political changes described in earlier sections, the organisational structure and strategies of the progressive labour movement have changed in significant ways. The impact on shopstewards and members was outlined in the previous chapter. This section looks at key changes, including:

- The change in the structure of membership, with a decline in manufacturing, mining and the parastatals, and rapid growth in the public service. This has been accompanied by greater participation by professionals, especially teachers.
- The legal right to organise and negotiate in various new sectors.
- The successful merger of many unions, combined with the recent admission of unions that do not fit in the concept of "one union – one industry."
- The growth in the staff of the Federation, at least, with an increase in positions dedicated to policy and negotiations. This has been associated with a focus on national and sectoral policy, without sufficient reflection on how to ensure implementation in the workplace.
- The establishment of union investment companies.

We here look at the level of organisation in the country, and then assess each of these developments in turn.

3.3.1 The level of organisation

South Africa has one of the highest rates of union density – the percentage of workers that belong to unions - in the world. Union density, as a proportion of all the employed outside domestic work and agriculture, increased from 18 per cent in 1985 to 40 per cent in 2001. In the same period, membership doubled, from 1,4 million to 2,7 million, even though formal employment declined.

In terms of the federations, COSATU remains the largest. Both FEDUSA and NACTU have about 500 000 members, but FEDUSA has grown relatively while NACTU has declined. A number of independent unions, including the recently launched Federation of Independent Unions, account for about a million members. Both COSATU and NACTU represent mostly black, lower-level workers, while FEDUSA represents largely professionals and semi-professionals.

The following table is based on a government survey. It indicates both the strength of unions overall, and the big variations between industries. Mining is the most organised sector, with 77 per cent union density. In most of the rest of the formal sector, union density runs between 20 and 50 per cent. In agriculture and domestic labour, however, union density remains very low.

Union membership and density by sector

Sector	Numbers of members (000s)	Union density[1]
Mining and quarrying	379 000	77%
Community, social and personal services	1 062 000	61%
Electricity, gas and water supply	42 000	47%
Manufacturing	516 000	40%
Transport, storage and communication	155 000	35%
Finance, insurance, real estate and business services	195 000	25%
Wholesale and retail trade	263 000	21%
Construction	65 000	14%
Agriculture, hunting, forestry and fishing	64 000	8%
Domestic labour	18 000	2%
Total	***2 769 000***	***33%***
Total except agriculture and domestic work	***2 687 000***	***41%***

Notes: 1. Union membership as a percentage of total employment. *under 10 000. Source: Statistics South Africa, *Labour Force Survey*, February 2001, Table 3.12.4

Overall, union membership is more or less representative of the labour force in terms of gender and race. In other words, it reflects the discriminatory patterns in employment. Still, Africans and men are over-represented compared to whites and women, as the following table demonstrates.

Total employment and union membership by gender and race

	% of total employment, 1996	% of union membership
Total	*100%*	*100%*
Men	60%	71%
Women	40%	29%
African	62%	70%
Coloured/Asian	16%	14%
White	20%	16%

Source: 1996 Census for employment figures.

As the following table shows, the most heavily organised sectors typically have higher wages and involve larger enterprises. This reflects on the one

hand the fact that big enterprises provide better opportunities for organising, and on the other the gains won by organised workers.

Union density, earnings and size of employer by sector

Sector	COSATU membership as % of employment	% earning over R1000/month	% of employers with over 50 employees
Agriculture	2%	7%	8%
Construction	9%	54%	28%
transport, communication, retail, private services	12%	58%	24%
Manufacturing	40%	69%	52%
Public service and local government	50%	81%[1]	n.a.
Mining[2]	65%	81%	69%

Notes: 1. Includes private personal, community and social services. 2. Estimated without CAWU.
Sources: For COSATU membership as % of employment, Statistics South Africa and reports to Seventh National Congress; other data from Statistics South Africa, *Labour Force Survey*, February 2001.

Although union density does not vary much by province, union membership is concentrated in the four largest provinces - Gauteng, KwaZulu Natal, the Eastern Cape and the Western Cape.

In sum, in very broad terms, the "average union member" is an African man, in his 30s, living in Gauteng and working as a miner, a teacher, or in a factory. By contrast, the "average non-unionised worker" is a woman in her 20s, living in the Northern Province, working as a secretary, domestic or farm worker.

3.3.2 The changing structure of membership

The economic changes since 1994 have seen a huge change in the sectoral structure of COSATU's membership. After 1997, in particular, manufacturing and mining unions faced large membership losses, which could undercut established structures and union power. The loss of members resulted above all from job cuts and a shift to new types of employment. Meanwhile, the public-service unions continued to expand rapidly, meaning they had to consolidate new members.

The following table depicts changes in COSATU's membership by sector. It shows

1. After 1997, due to losses in mining and manufacturing, COSATU grew much slower than in previous years. Membership rose only 1 per cent a year in 1997-2000, compared to 5 per cent a year between 1991 and 1997.
2. Following very rapid growth in membership, the public service and local government now form the largest single sector. They have displaced manufacturing and mining, which have shrunk in size. Appendix 3 gives the changes in membership by individual affiliates.

Membership by Sector, 1991-2000

Affiliate	Membership				% of total	
	1991	1994	1997	2000	1991	2000
Public service and local government	78 000	224 000	484 000	670 000	6%	38%
Manufacturing	677 000	519 000	604 000	513 000	54%	29%
Transport, communication, retail, private services	204 000	224 000	304 000	310 000	16%	17%
Mining	300 000	311 000	311 000	252 000[1]	21%	14%[1]
Construction	30 000	25 000	31 000	38 000[2]	2%	2%[2]
Agriculture	n.a.	n.a.	29 000	22 000	n.a.	1%
Total except agriculture	1 259 000	1 303 000	1 763 000	1 805 000	100%	100%

Note: 1. Estimated without former CAWU members in 2000. 2. Estimated former CAWU members in 2000. *Source*: Union reports on membership for Seventh National Congress

The following table compares changes in membership to employment by sector. If unions have maintained the share of membership in total employment, it seems likely that their loss in members mostly reflected job losses. In contrast, if membership fell as a percentage of employment, then we have to look to additional explanations, including changes in the nature of employment as well as service to members.

The table shows that the loss in membership in mining and manufacturing was greatest in 1997-2000 – the period of fastest job losses. Nonetheless, in mining, COSATU's membership continued to rise as a share of total employment. In other words, the downsizing mostly reflected shrinking employment on the gold mines. In manufacturing, after rapid growth in 1994 to 1997, membership dropped as a share of employment. In contrast, membership and union density continued to grow in government and, overall, in transport, communication, retail and private services. But membership fell in the parastatals, where job cuts were huge, with the increase mostly in retail.

Changes in membership and density of membership by sector

Sector	% change in membership		COSATU membership as % of employment in sector		
	1994-1997	1997-2000	1994	1997	2000
Agriculture	n.a.	-24%	n.a.	n.a.	2%
mining	2%	-19%[1]	52%	59%	65%[1]
Manufacturing	16%	-15%	36%	44%	40%
Transport, communication, retail, private services	35%	2%	8%	11%	12%
Construction	1%	20%[2]	7%	10%	17%[2]
public service and local government	117%	38%	15%	33%	50%
total except agriculture	*33%*	*3%*	*26%*	*37%*	*41%*

Note: 1. Estimated without former CAWU members in 2000. 2. Estimated former CAWU members in 2000. *Source:* Statistics South Africa, STEE (final quarter each year) for employment, union reports to Seventh National Congress for membership.

The fall in union density in manufacturing largely reflects the shift to non-standard forms of employment through outsourcing, piecework done at home, and informalisation. This trend was most pronounced in clothing production, where a shift to sweatshops occurred. An additional factor may have been employers' efforts to move out of the metropolitan areas to less well organised towns where wages and benefits are lower. The following table gives trends in manufacturing by subsector.

Changes in membership and density within manufacturing

	membership in 2000		% change in membership		COSATU members as % of sectoral employment		
Sector	Num-bers	% of COSATU membership in manufacturing	1994-1997	1997-2000	1994	1997	2000
Metal work (NUMSA)	200 000	39%	30%	-9%	35%	49%	49%
Clothing (SACTWU)	120 000	23%	0%	-20%	65%	61%	55%
Food processing (FAWU)	119 000	23%	15%	-15%	53%	69%	65%
Chemical (CEPPWAWU)	74 000	14%	21%	-22%	18%	23%	18%

Source: Statistics South Africa, STEE (final quarter each year) for employment, union reports to Seventh National Congress for membership.

The effects of changes in employment on union membership emerge from the following table. It shows that workers outside of unions are much less likely to be permanent, and much more likely to be temporary or casual employees.

Union members and other workers according to work status

	Union employees	Non-union employees
Permanent	98%	66%
Fixed period contract	1%	4%
Temporary	1%	17%
Casual	1%	10%
Seasonal	0%	2%

Source: Statistics South Africa, *Labour Force Survey 2000*

These membership trends have major implications for COSATU as well as for individual affiliates. Above all, given falling formal employment, if COSATU affiliates do not increase union density we will start to see declining membership in the Federation as a whole. That has implications for financial and organisational stability as well as for the power of the working class.

In many sectors, affiliates can increase their membership only by finding ways to organise historically difficult sectors, such as home-based and casual workers. In the long run, labour can remain strong only if the economy begins to create jobs instead of destroying them.

The unions faced with massive declines in membership generally must also deal with falling real incomes and, as a result, problems in maintaining staffing. Unless dealt with strategically, this can translate into declining services for members and further membership losses. Moreover, resource constraints have sometimes fuelled conflict within union leadership.

Unions in the public service have expanded very rapidly. This brings a variety of new challenges.

- COSATU must integrate big professional groups, especially teachers and nurses. Teachers alone now account for over 10 per cent of all COSATU members. Professionals bring a high level of skills to the labour movement, but typically have fairly weak traditions of militancy and sacrifice. A particular problem is that some of the public-service unions are still defined in terms of professional status, not sector, which can lead to an exclusive mentality and violates the principle of one industry – one union.

- The public-service unions have had to develop financial and organisational structures very quickly, which may lead to inconsistencies and inefficiency.
- About 400 000 public servants are designated as part of the essential services, which include virtually all of police and health care. As long as these services do not sign minimum-service agreements, these workers are not allowed protected strikes. Instead, they must rely on compulsory arbitration to deal with disputes. In other words, about one in ten COSATU members is still not allowed to strike. This about obviously undermines the power of labour as a whole.
- With the shift to a democratic government led by the ANC, public-sector unions face difficult choices. Government has shifted to a policy of strict wage restraint – for workers, not political leaders – and attempted downsizing. In some cases, especially before the nature of these policies became clear, union officials and shopstewards felt they had to co-operate with government.

3.3.3 Managing labour rights

The Constitution and the 1995 Labour Relations Act (LRA) brought radical changes in unions' activities. Key innovations related to the scope of union organisation, the structure of negotiations and dispute settlement.

For the first time, public servants, farm and domestic workers received the right to organise. As discussed above, especially after the introduction of an agency fee in the public service, this led to an explosion in membership. Success has been far less substantial for farm and domestic workers, who face very difficult conditions even with a legal right to organise. Still, without doubt, the new organising rights proved a huge benefits to the union movement, partially offsetting the negative economic situation.

The LRA also established new bargaining institutions, especially the bargaining council. This system was supposed to replace the fragmented and often discriminatory industrial councils with genuine sectoral bargaining. Success in instituting the new system has, however, varied greatly by sector. This situation points to the need to revive the COSATU campaign in support of centralised bargaining.

The greatest victories have been won in the public service and local government. Before 1993, there were no negotiations at all in the public service. In local government, provincial councils effectively ignored black workers. Only the separate metro councils were reasonably inclusive. Today, there is centralised bargaining in both the public service and local government. This has led to substantial improvements in pay, benefits and job security, especially for lower-level workers. In itself, it has become an incentive for workers to join the COSATU affiliates, which play a leading role in the national councils.

In contrast, progress has been much less rapid in the private sector. In mining, and retail, unions have failed to establish sectoral councils. They basically seem comfortable maintaining informal national negotiations with national companies or employer associations, without setting up formal

councils. This has two negative effects. First, it means that the dispute settlement systems may remain unclear, or rely heavily on the CCMA. Second, agreements become vulnerable because workers in the industry are effectively divided. Even if a national company reneges on an agreement – as happened during the Shoprite-Checkers merger – there is no clear mechanism to mobilise support across the entire sector.

In manufacturing, little has been done to organise new bargaining councils. Low levels of membership in some industries mean that it would, in any case, be difficult to register councils.

Where centralised bargaining has emerged, it has significant organisational implications. It requires clear-cut mandating systems, as negotiations get further from the workplace. Moreover, it generally demands stronger national bargaining teams, who can look at developmental issues for the sector as well as bread-and-butter demands. These requirements can contribute to top-heavy structures. Yet centralised bargaining also brings major benefits, above all increased solidarity and power, the ability to protect vulnerable workers, and more efficient bargaining systems that require less union resources.

Finally, the LRA established new dispute-settlement procedures centred on the Commission for Conciliation, Mediation and Arbitration (CCMA) and the Labour Court. These systems were supposed to bring more rapid, equitable and efficient justice to the workplace.

In Chapter 3, we analyse the challenges unions face in using the CCMA. We do not have enough information on the impact of the new dispute-settlement systems on affiliates' resourcing and service strategies.

Certainly the shift to more procedural, legalistic solutions has increased the need to ensure legal training for shop stewards and officials. Grievances and disputes that used to be resolved through power, if at all, must now go through the CCMA's simplified legal procedures.

The new system was also supposed to strengthen dispute-settlement by bargaining councils. If the CCMA accredits a council to conduct dispute settlement, members no longer need to go to the CCMA. Bargaining council systems promise substantial benefits: greater insight into sectoral requirements, more control by the major parties in the sector, and new employment opportunities in providing conciliation and mediation services. In effect, they would bring more resources into the dispute-settlement system, which would also reduce the burden on the CCMA.

Unfortunately, the lack of bargaining councils in most sectors means that dispute settlement relies on the CCMA. Moreover, some weak councils have indicated that they want to outsource the management of dispute settlement, which could undercut some of the hoped-for benefits.

In sum, the new legal framework brought new challenges for union organisation. On the one hand, it opened new sectors for organisation and strengthened the prospects of sectoral bargaining. On the other, by expanding the right to dispute settlement and centralised negotiations, it raised the risks of an overly centralised and technical approach to labour relations.

Box Three. Are workers growing less militant?

Strike statistics have declined significantly since 1994, from an average of four million hours on strike in 1991-'94 to an average of 1,5 million hours in 1995-2000.

Does this indicate a loss of militancy? The evidence is that it reflects, instead, the changes in the labour laws that make the strike weapon less appropriate and necessary. Most strikes before 1994 were around dismissal, retrenchment and other shopfloor grievances, which can now go to the other forms of dispute settlement. Today, most strikes are over wages. Even there, the CCMA has often played an active conciliation role, reducing the duration of strike action.

Other possible causes are less positive. The risk of job losses may stop some workers from striking. The extent of essential services in the public service is a further blockage. Furthermore, the public service does not have a tradition of extended strikes.

As discussed below, a particular problem lies in the failure to establish strike funds in the Federation or in affiliates. This makes it hard for workers to undertake strike action for more than a few days.

3.3.4 Demarcation

Demarcation is a central role for the Federation. COSATU has always believed in the principle of "one industry – one union." Despite some successes, however, developments have not always conformed to this guideline.

In recent years there have been some successful mergers that have increased the viability of the unions involved. The formation of CEPPWAWU and SATAWU and the integration of CAWU into NUM are the main examples.

But other factors work against the consolidation of sectoral unionism. First, we have admitted a number of small unions in the public service and entertainment fields. The aim is to bring more workers to the Federation. The effect, however, is to include unions that are too small to protect their members. Some also organise in sectors where larger unions are already operating. Thus, DENOSA, SADNU and SASAWU all have virtually the same scope as NEHAWU.

In addition, some public-service unions are still defined according to their profession, not the sector. SADNU and DENOSA, for instance, focus on nurses, and SADTU only admits teachers. The problems can be seen by looking at the education sector. There are 360 000 educators in the public service, about two thirds of whom belong to SADTU. But there are also around 100 000 other workers in the education sector, who have been almost entirely neglected in restructuring initiatives. There is a problem, too, that the maintenance of "professional" unions can undermine worker solidarity. For instance, some nurses objected to the development of career paths for unskilled workers to join the nursing profession. They argued that as professionals, nurses should never be grouped with cleaners.

COSATU accepted the a number of unions tactically, with the aim of working toward worker unity. We assumed that once they were in COSATU they

would merge with larger unions in their industry. But we have lacked a clear-cut plan to achieve this objective. The newly affiliated unions seem to remain unchanged indefinitely, even though they have joined COSATU. This has to change to avoid the emergence of a "passenger syndrome."

Finally, demarcation decisions by the Federation have been ignored in some cases, causing considerable conflict and disunity in confronting employers. In particular, demarcation disputes have persisted for years between FAWU and SACCAWU, SACTWU and SACCAWU, NUM and NUMSA, CEPPWAWU and SATAWU.

3.3.5 Changing organisational structures

The opening of the political space and the creation of institutions have produced uneven engagement strategies, which are reflected in organisational structures. Both COSATU and its affiliates have engaged strongly on national and sectoral policy, often without working out implementation at the shop floor. This risks creating a gap between the few shop stewards, negotiators and officials who understand the complex policies under negotiation, while disempowering other workers and even NOBs who feel left behind. Organisationally, it appears in

- over-resourcing of the head office relative to other layers of the organisation,
- the absence of consistent strategies for implementing policies in the workplace, and
- the lack of a clear link between policy engagement, organisational and educational work.

We do not have sufficient information on the development of affiliates' organisational structures. We will therefore focus here on the changes in the Federation.

The following list gives the changes in COSATU departments since it was founded in 1985. It shows the tendency to shift focus to policy development and engagement.

1985: administration, organisation, education, publicity

1995: administration, organisation, education, publicity, negotiations, Parliamentary Office, information technology – and NALEDI

2001: administration (plus a new Secretariat co-ordinator), organisation, education, media, Parliamentary Office, information technology, policy unit – and NALEDI

As this list indicates, COSATU's internal staffing has grown significantly in the past seven years. But virtually all the growth has been in the policy units – the Parliamentary Office, the Policy Unit and NALEDI. In contrast, COSATU's growth has largely by-passed education and organising. We need to assess whether similar imbalances have emerged in the affiliates.

This shift in organisational structure has two important implications.

- The changes were necessary to respond to the pressure to engage on a broad range of policies, which is discussed above. From the standpoint of

a union federation, however, the new developments did not establish a coherent system. Above all, the relative neglect of organising and education meant that COSATU largely lacked structures and strategies to ensure workplace implementation of policies. The Policy Unit was supposed to address this problem.

- Oversight of the organisation has become much more difficult and complex. This places huge burdens on the Secretariat, and makes oversight by the NOBs more difficult. The addition of a co-ordinator in the Secretariat has not proven enough to ameliorate the problem. The increased complexity of the organisation has also meant more complex budgeting and human-resource tasks. Yet administration systems remain little changed, with the General Secretary still personally responsible for much of the work instead of focusing on key policy and management decisions.

3.3.6 Union investment companies

The establishment of union-sponsored investment companies has generated controversy within and outside union movement. The following table lists the main companies.

Union Investment Companies

COSATU	Kopano ke Maatla
CEPPWAWU	CEPPWAWU Investments,
SACCAWU	SACCAWU Investment Holdings
NEHAWU	NEHAWU Investment Company
SADTU	SADTU Investment Holdings
NUMSA	NUMSA Investment Company
NUM	Mineworkers Investment Company
CWU	Communication Workers Investment Holdings
POPCRU	POPCRU Investment Holdings
SATAWU	SARHWU Investment Company
SACTWU	SACTWU Investment Group

Critics suggest that the companies mean that unions now want, not to smash capitalism, but to manage it in the interest of their members. This view over-simplifies a complex situation. Union investment companies were established to ensure union's gain financial sustainability, to change patters of ownership and investment in the economy, and to provide some benefits for members. We need to assess them against this yardstick.

Experience has produced a mixed picture, and we need a systematic study of the issue. On the one hand, some of the companies do indeed try to fulfil their original mission. On the other, some have become a law unto themselves, seeking profit at any cost. This has had spill over effects into the union, leading to leadership squabbles and double agendas. For instance, even as the Federation opposes privatisation, rumours abound of investment companies trying to leverage a share in the deals.

Box Four. When union investment companies work

The SACTWU Investment Group (SIG) and NUM's Mineworkers Investment Company are often viewed as models of how the investment companies can benefit unions and their members.

Formed in 1993, the SIG has established many projects for SACTWU members. These include:

- R20 million in bursaries for members and their children between 1996 and 1999
- A learning programme for pre-school and primary school learners, and a children's centre
- Computer literacy training for shop stewards.
- Winter Schools to upgrade matric pass rates
- With the University of Natal, a workers' college to provide training in areas like labour studies, labour economics, women and development, and political studies
- A programme to combat the spread of HIV/AIDS.

The Mineworkers Investment Company established the Mineworkers Investment Trust, which in turn develops projects to support NUM members, ex-members, their families and their communities. Its projects include:

- The Mineworkers Development Agency supports various income-generating activities for union members and their families, and especially retrenched miners, mostly in rural areas and mining towns.
- The Elijah Barayi Memorial Training Centre provides training in leadership and management for NUM members, with courses in political education, computers, management and labour.
- The J.B. Marks Bursary Fund offers assistance for members and their dependants who would like to pursue professional studies in areas such as engineering, industrial psychology, geology, etc.

Chapter 4. Organising in the New Millennium

To ensure worker control, deal with the changes in the economy and the labour force, and translate policy victories into concrete benefits for members in the workplace, COSATU and its affiliates need to review their strategies on organisation and education. The last section looks at how we have evolved in response to political and economic changes.

This section discusses strategies for improving service on the shop floor, recruitment, demarcation, and union education. It clarifies the different roles of the Federation and affiliates in establishing a more coherent approach to organising. Finally, it looks at strategies to respond to the unemployment crisis.

4.1 Assessing workplace service

The ability of unions to retain current members and recruit new ones ultimately depends on the ability to respond to members' needs. Poor service can lead to dual membership, lessened interest in union activities and ultimately loss of members. Since we need to expand membership into new areas to counter the effects of job losses, ensuring quality service must be at the heart of a successful organising strategy.

Good service for members involves consistent systems for reporting back and mandating; effective representation of members in both individual and collective disputes; efforts to meet women's special needs; and education work to ensure members can make informed judgment about union positions. We also need to decide how to locate policy work, which improves the socio-economic conditions of all workers, within our concept of service for members.

We need systematic research to determine the nature and extent of problems with union service to members. Here, we first propose a framework for analysis, and then review the rather sketchy evidence on current practices in terms of wages, dispute settlement, education, women and socio-economic work.

4.1.1 Conceptualising Service in the Union Context

Currently, two main definitions of union service delivery have emerged. An economistic approach emphasises material benefits to members. The more transformative view sees service for members as centred on building our organisations to advance worker control and improve workers' condition of work and life.

COSATU has historically adopted the second definition. We need to ask whether the victory over apartheid should change our emphasis.

The economistic approach centres on "bread-and-butter" issues. It reduces union membership to a form of exchange, where workers get service in exchange for their dues. In this view, workers stay in unions mostly because it improves their material circumstances – wages, benefits, working conditions, protection against unfair labour practices and job losses. They may even join for additional services like funeral schemes, bursaries and car insurance.

This approach ultimately sees our members as customers, who pay for union services. It risks ignoring the unions' political and economic role – that is, the fight for a better society and more equitable relations in the workplace. Even in the U.S., the home of "service-first," economistic unionism, the model is being questioned. For example, after 90 years of operating on the 'service-first' model of unionism, the New York State's Civil Service Employees Association has begun a movement to focus members' energy on union building, solidarity, and organising. Otherwise, members may see the union only as an insurance policy against future trouble. (Civil Service Employee Association 2001)

COSATU has always adopted the transformative view of service to members. This approach does not mean that material victories, for instance around wages and benefits, have no place. But it places equal emphasis on building strong union structures, worker participation and union democracy, political education and training, and worker solidarity. The development of a disciplined, accountable and committed union cadre is critical for this approach to union service.

Our experience is that workers do not join COSATU just for the material benefits. Historically, they chose COSATU because they want to be in the forefront of the struggle to change power and social relations in their workplace and their communities. They want to build workers' solidarity and mutual support.

This does not mean we can neglect protection for workers in the workplace. That is always the baseline of union activity. But we do not want to end up competing with unions from other federations primarily over additional services like funeral benefits.

A NALEDI study of workers' expectations suggest that members want their unions:

- To ensure job security, represent workers at the workplace and stop intimidation by employers. Workers gave these three issues almost equal priority.
- To improve communication at work, by improving relations between workers, with management and between races at work.
- To improve working conditions, health and safety, and education and training.
- To provide or pressure companies to provide specific benefits, such as housing loans, scholarships and low-cost transport.

More broadly, we can understand workers' service needs in terms of five dimensions.

Solidarity: To have organisational forms that let workers support each other consistently.

Representation: To have a stronger voice on the shop floor, for grievances and disputes and to protect job security and dignity, as well as in broader political and economic debates.

Working conditions, ranging from pay and benefits to safety and job security.

Living conditions: Unions and the Federation must work generally for social policies that will benefit poor communities.

Participation in decision-making: To be involved in the decision-making within the union and the broader society. That means members need accurate and timely information as well as political education.

We now briefly review some indicators of union service to members – remuneration, representation, union education, women empowerment, and policy work. Section 2 of this chapter then proposes a strategy for strengthening the organisational work of the Federation and affiliates.

4.1.2 Wages and benefits

Virtually every study shows that unionised workers have significantly better pay and benefits than unorganised workers. In the first few years of democracy, unions generally made huge gains, especially for lower-graded African workers. Now, however, it appears that both public and private employers are resisting further transformation of pay and benefits.

As the table on page 15 indicates, sectors with higher levels of union organisation have far fewer workers earning under R1000 a month. This reflects the success of unions in raising wages for lower-graded workers. Thus, in sectors with union density under 15 per cent, less than 60 per cent of workers earn over R1000 a month. The worst situation in terms of both organisation and wages is found in agriculture and domestic labour. In contrast, highly organised sectors like mining, the public service and local government have done much better, although they also rely heavily on less skilled labour. In these sectors, more than 80 per cent of workers earn over R1000 a month.

Still, as the following table shows, after initial successes, most industries in the private sector saw a decline in the minimum wage in the late 1990s.

Average minimum wages by union, 1995-'99

Union	Minimum wage 1999	Percentage change in real terms[1] 1995-1997	1997-1999
CAWU	1262	1%	-19%
T&GWU	1203	2%	-18%
CEPPWAWU	1513	-9%	-11%
NUMSA	1866	10%	-9%
SACTWU	1385	-2%	-4%
NUM	1372	20%	0%
SACCAWU	1574	0%	1%
FAWU	2211	1%	22%
SAMWU	1788	18%	24%
Average[2]	*1612*	*8%*	*0%*

Note: 1. Deflated using CPI as of June. 2. Weighted by membership. *Source*: Award

The public service also won very large increases in the minimum salary after 1994, reaching over R2000 a month by 2000. From around 1999, however, the State as employer began explicitly to resist efforts to close the wage gap.

Overall wage increases in real terms also show a similar pattern of slower gains in the later '90s. Except in 1996, the average increase in the public service has been about half as high as in the private sector.

Wage settlements in real terms, 1996-2000

Year	Annual settlement levels	Inflation rate in June	Average real increase
1996	13.4%	6.9%	6.5%
1997	12.5%	8.8%	3.7%
1998	9.3%	5.2%	4.1%
1999	9.4%	7.2%	2.2%
2000	7.0%	5.2%	1.8%

Source: LRS, Actual Wage Rate Database. These averages are not weighted by membership, so they provide only a rough guide to real increases enjoyed by workers.

We need a more in-depth study to explain the slowdown in pay increases after 1996. Contributing factors include:

- Increased employer resistance. This was also shown by the prolonged auto strike in 2001 and the repeated disputes in the public service after 1999. In part, employer intransigence reflected the pressure to become "competitive." In part, business began to feel less pressure to overcome the apartheid legacy.
- Rising unemployment, which increases the pressure on workers to settle for lower pay.
- With the shift to the right in economic policy, government often lets unions know that it sees very high wage demands and long strikes as disruptive and costly. Moreover, there is pressure to align wage demands with the national inflation targets.

In terms of benefits, union members do far better than other workers. Close to nine out of ten union members enjoy an employer contribution to a retirement fund, compared to less than one in three non-members. Similar patterns emerge for medical aid and paid leave. Union members even benefited more from UIF contributions, which are a legal requirement.

Benefits received by union members and non-union members, 2000

Type of non-wage benefit	Union members	Non-union members
Employer contribution to retirement fund	87%	31%
Employer contribution to medical aid scheme	52%	18%
Paid leave	90%	47%
UIF deduction	86%	43%

Source: Statistics South Africa, *Labour Force Survey 2000*

In short, unions have made major gains in terms of pay and conditions in the past seven years. But it has become increasingly difficult to maintain these gains, partly because of changes in employer attitude, partly as a result of worsening conditions on the labour market, and partly because of conservative economic perspectives from government.

4.1.3 Representation

Representation of members by shop stewards and organisers at the workplace is a key function of the union movement – to protect workers and ensure their dignity at work. Unfortunately, it is very difficult to evaluate union

activities in this field, since the activities take place in the workplace and individual dispute-settlement proceedings. COSATU hears about problems in some areas – especially retail and commercial, security and airports – because individual workers approach us with complaints. In addition, the court cases that some workers have started against their unions point both to problems with service and to the growing tendency toward legalism in labour relations.

Demands on unions around representation have certainly increased since 1994. Increased access to legal procedures for grievances and disputes, especially through the CCMA, means that shopstewards and organisers need much more legal training. At the same time, workers' expectations have increased as they see the potential for greater legal protection.

Restructuring in the public and private sector adds greatly to the demands for representation. As Appendix Two indicates, however, COSATU does not have a clear framework or training for dealing with restructuring. In these circumstances, shopstewards and officials may fail members. Sometimes they agree too quickly to employer proposals; sometimes they oppose them strongly without having alternatives; and sometimes, because they do not feel confident to understand the issues, they do not respond at all, leaving the field free for the employer to act.

In terms of individual grievances and disputes, some general data from the CCMA indicates the kinds of problems that may arise. Unfortunately, this is not a very good indicator. For one thing, the stronger sectors run dispute settlement through the bargaining council, not the CCMA. For another, as the following table shows, over half of all referrals to the CCMA do not go through a union at all. The data do suggest that COSATU affiliates have been much more successful in using the CCMA than other federations.

Source of referrals to the CCMA in 2000

Referral source	Number of referrals	Percentage Referrals
COSATU	8 733	40%
FEDUSA	812	4%
NACTU	802	4%
Independent	11 379	52%

Source: CCMA Information Services Department

Currently, the CCMA finds that over 30 per cent of all referrals are defective or fall outside its jurisdiction. It did not, however, give us figures for COSATU referrals. Still, the situation points to the need for organisers and shopstewards to understand the CCMA procedures and scope.

Referrals are dismissed for reasons such as late application without a condonation, failure to exhaust internal processes, and incorrect filling out of forms. Sometimes disputes are not classified properly. For instance, applicants may try to get the CCMA to accept cases by calling refusal to bargain an organisational rights dispute; insolvency or liquidation, unfair dismissal; and affirmative action programmes, unfair labour practices.

The CCMA experiences point to the fact that the new legal framework has in some ways made workplace representation more difficult, even as the opportunities for workers to get a fair hearing have improved. Instead of the relatively simple process of mobilising to stop injustice – which often failed,

but built solidarity – shopstewards and organisers must now have the capacity to take on the legal system. That means they need back-up from their unions in terms of education and legal support, and through the establishment of dispute-settlement mechanisms in bargaining councils. They also need support from COSATU, which can lobby for simpler dispute-settlement procedures and develop educational material to support affiliates' efforts.

4.1.4 Union education

Union education is a key part of service to members and organising in general. It must help workers and shop stewards take advantage of labour's legal and policy gains; mobilise members around campaigns; maintain COSATU's political coherence; and provide the information workers need to mandate and participate in policy work.

For these reasons, education has always been at the core of COSATU's activities. COSATU's Education Strategy, however, notes that it has become less of an emphasis in recent years, which could have serious implications for the long-term strength and unity of the labour movement as well as for union service. Indeed, with the increased turnover in shop stewards, education has become even more important.

There are now three types of institutions involved in COSATU's educational work: COSATU Education Unit, affiliate educators, and Ditsela. The Education Strategy defines the roles of each of these institutions. It argues that:

- Affiliates deliver the actual education programmes, in co-operation with Federation programmes;
- The Federation supports affiliates by co-ordinating their work, providing materials, supporting co-operation between affiliates and generally providing technical assistance;
- Ditsela should assist in upgrading educators' skills and with technical aspects of training.

In April 2001, Ditsela surveyed COSATU's educational capacity for the CEC. The study did not examine the impact of union education, but analysed its resourcing and content.

The survey concluded that the unions and the Federation need to strengthen their resourcing of education. It found that most affiliates as well as COSATU itself have two full-time staff members at national level. In a few cases, however, for instance at SADTU, the positions are not filled for long periods. COSATU also has an educator/organiser in every region. The Secretariat Report to the Seventh National Congress suggested that it might be desirable to split these posts so as to increase regional capacity.

COSATU has a standing resolution that 10 per cent of unions' budgets should go for education. Virtually all affiliates have a dedicated budget for education, although the Ditsela survey could not get accurate figures. Its information suggests that COSATU and its affiliates, together, spend over R20 million a year on education. It appears, however, that spending per member varies wildly between affiliates. About half the unions said their education budget

was primarily funded from external sources, mostly the SALDT, ITSs and domestic and international donors. The education budget of COSATU itself has declined over the years.

Most of the unions prioritised basic shop steward training, followed by leadership training and education around specific aspects of the labour laws. Still, some unions did not provide any basic training for shop stewards, while others have an advanced modular approach. SAMWU even starts the process during shop-steward elections.

General areas of weakness appear to be induction for staff members and training around specific industry issues. Since the survey, however, some unions – notably NUMSA and CEPPWAWU – have begun to conduct workshops on industrial strategy for their sectors. For staff training, NUM and FAWU have established extensive programmes through the Natal Technikon. In this area, some unions may rely on Ditsela, which provides a range of courses for union staff, rather than providing their own courses.

A further area of weakness has emerged around political education. Historically, this was a key force to unify and mobilise workers and ensure the ideological coherence of the Federation. Since 1994, however, many affiliates have neglected it.

4.1.5 Women empowerment

Women constitute a growing share of the labour force, accounting for almost 40 per cent of formal workers and just over half of informal workers. But women are under-represented in the unions, making up just under 30 per cent of members. As a result, of the three million women employees, only about a third are organised. Women are even less well represented in union leadership and organising departments.

The labour market is heavily gendered, with women historically pushed into domestic labour and the service sectors. Women are also much more likely to be employed in non-standard work.

The largest single employer of women is retail trade, followed by domestic labour and the social services, especially health and education. These three sectors alone make up 66 per cent of women's employment, compared to 37 per cent of men's. Men workers are much more evenly distributed between industries.

Employment by gender and industry

	African		Total	
	Men	Women	Men	Women
Total in thousands	***4175***	***3852***	***6317***	***5519***
Percentage employed in				
Wholesale and retail trade	20%	33%	20%	30%
Private households with employed persons	5%	21%	3%	16%
Community, social and personal services	13%	17%	14%	20%
Agriculture, hunting, forestry and fishing	15%	13%	13%	10%
Manufacturing	14%	9%	16%	11%
Financial intermediation, insurance, real estate and business services	6%	4%	9%	8%
Transport, storage and communication	7%	1%	7%	2%
Construction	9%	1%	8%	1%
Mining and quarrying	9%	0%	8%	0%

Various factors undermine women's participation in the labour force and in unions. Discrimination in education and employment means that women are more likely to be unemployed. Yet most women who do not work are not eligible for social grants.

Even if they find work, most women end up with a disproportionate share of household labour and child care. But society provides very little support to reduce these burdens. Thus, many homes still lack basic infrastructure, and women end up having to carry home wood and water. In addition, women workers often have difficulty finding affordable child care facilities, and unions do not demand consistently that employers provide them. Unreliable and unsafe public transport forms another obstacle to women's participation in paid employment as well as the union movement.

The Seventh National Congress established a gender policy with mechanisms to increase women's representation in leadership and within the labour market. The April CEC adopted a strategy to take forward the policy document. The Organising Unit, specifically the gender co-coordinator, must monitor this process.

The gender policy seeks to achieve:

- Improved representation of women in leadership and senior positions within the union movement using affirmative action and employment equity as a tool.
- A gendered collective bargaining agenda that incorporates parental rights (child care, maternity and paternity leave), health and safety issues for women, and others.
- A strategy to remove barriers to participation by women in the union movement, including mentorship, training and targets.

Despite the establishment of this strategy, clearly much more needs to be done to ensure its implementation.

4.1.6 Socio-Economic Progress

COSATU has played a pivotal role in shaping policy and legislation in a democratic South Africa. On balance, the strategy of engagement has paid off, despite some setbacks. The Secretariat Report to the Seventh National

Congress and the first-term report of the Parliamentary Office detail our successes and failures.

Certainly members have benefited directly from COSATU's engagement around policy. Key gains relate to labour rights, access to basic services, and some aspects of economic policy, for instance skills development and supply-side measures. COSATU has also supported measures to strengthen democracy, including the Open Democracy Act.

It seems, however, that many members do not understand much of COSATU's policy work. This hinders proper mandating and limits our capacity to use power to back up our positions.

A key challenge is to make sure that the many victories that workers have scored in the legal and Parliamentary process are translated into concrete victories in terms of changes in the workplace and the community. In past Congresses, we raised the unions' inability to exploit gains provided by the Constitution and the labour laws. For instance,

- We have not used the BCEA to improve conditions for vulnerable workers.
- Many workplaces do not have Health and Safety Committees.
- The skills development strategy is being run by government and business, usually without effective labour interventions.
- We have not used the Employment Equity Act adequately to ensure our members have real access to opportunities at work.
- We have failed to build centralised bargaining under the LRA.
- We have not utilised the Open Democracy Act and the Competitions Act to obtain information from companies, or the laws that protect whistle-blowers.

That means our victories remain on paper, at least in part, rather than benefiting all our members.

4.1.7 Conclusions: The state of service for members

Improved service to members forms the basis for expanding recruitment in new areas. That is critical to counteract downsizing in labour's traditional centres of strength.

The cursory review provided here suggests that in terms of wages, benefits and socio-economic policy, unions have made substantial gains for their members. But it is becoming increasingly difficult to maintain the tempo of victories, as capital regains confidence and unemployment rises. In terms of gender, despite strong new policies, progress in meeting women's special needs in the workplace, recruitment and building leadership generally remains slow. Finally, in three central areas – representation, education and worker control over decision-making - we do not have the information to make a detailed assessment. These areas must form a focus of the proposed organisational development project.

4.2 Strategies to improve services for members

This chapter first looks at how the Federation and affiliates can work together to strengthen organising. We then look separately at education, recruitment and sectoral unionism as critical ways to build our unions.

4.2.1 Organising

Organising strategies for the Federation and affiliates must take into account their different roles. The Federation does not directly serve members. Rather, it must help affiliates strengthen their organising efforts. Its main tasks are:

- To establish frameworks for services to members, for instance on bargaining structures, wages and benefits, skills development, hours of work, HIV, gender, and so on. These frameworks can define basic policies, set targets, and develop strategies and tactics. They should derive from in-depth discussion by office bearers and officials from affiliates and, where relevant, COSATU regions. To this end, COSATU will develop background materials and hold meetings where affiliates can share experiences and reflect on strategies.
- To supply materials for campaigns and educational work. By centralising production, COSATU can cut costs and improve quality. These materials must not, however, displace more detailed sectoral material.
- To monitor success with campaigns, provide feedback to affiliates and identify cross-cutting problems.
- To provide special support for difficult sectors, especially farm and domestic workers. For this purpose, COSATU needs a well-defined strategy, which must establish targets and priorities. Otherwise we can end up wasting resources.
- To monitor progress in organising and empowering women workers, and to develop common strategies in this area.
- To support solidarity across industries, by providing support in major disputes through secondary strikes and broader campaigns.
- To support co-ordination within sectors, and ultimately implement the principles of one industry – one union.

Proposals:

1. *Ensuring the ideological and practical cohesion of the labour movement has become critical for our unity and survival. All our organising and education work must reflect Congress resolutions and take forward the long term interests of the working class.*
2. *As part of the next phase of the organisational review effort, leading up to the Eighth National Congress, all affiliates must review their systems and resourcing for organisers and shop stewards. COSATU will assist by providing an evaluation framework, and if necessary NALEDI will support the process. COSATU will also supported a Federation-wide survey of members' expectations and understanding of union work. Based on this analysis, the affiliates can define ways to improve service to members, and how COSATU can help. They should amongst others explore the*

possibility of sharing offices and even organisers in smaller towns, in order to provide better services at a lower cost.

3. *For its part, COSATU must develop a more informed and strategic approach to meeting affiliates' needs in terms of education programmes, campaign materials and policy frameworks. In the next few years its support for organising should focus on the following aspects, several of which are discussed in more detail below.*

- *Recruitment in difficult sectors.*
- *Co-ordination of bargaining strategies across sectors.*
- *Implementation in the workplace of gains made at the policy level in terms of labour laws, skills development, women's rights, pensions and health and safety*
- *Negotiations around sectoral transformation and industrial strategy*
- *Consolidating sectoral unions.*

4. *COSATU should systematically explore ways for unions to support each other during negotiations and strikes, including secondary strikes, boycotts and demonstrations. It should develop realistic proposals for strike funds at both Federation and affiliate level.*
5. *COSATU should set up a system to monitor and evaluate developments in shopfloor labour relations, including strikes, negotiations, and the activities of the CCMA and bargaining councils.*
6. *We must set up a national database of shopstewards so as to facilitate the distribution of material and education as well as regional and local organising.*

4.2.2 Co-ordinating wage negotiations

At the moment, bargaining is fragmented and left to affiliates. It is impossible to assess compliance with the Federation's demands, such as closing the apartheid wage gap.

In order to achieve systematic transformation of labour relations and workers' conditions, COSATU must co-ordinate a strategy across sectors. For this reason, we propose a revival of the Living Wage Campaign in a broader form.

Proposals

The revived Living Wage Campaign would have the following elements.

1. *The last meeting of the CEC each year would review developments in negotiations and set targets and broad strategies for the coming year, based on inputs from the COSATU Organising Unit. Affiliates would then hold bargaining conferences to determine how to apply these decisions in each sector.*
2. *Targets would relate to implementation of policies, strategies on HIV, and basic wages and conditions. They would also take into account the special needs of women.*

3. *The Organising Unit should work with NALEDI to set up a database on affiliates' settlements. Affiliates must submit their settlements to the database.*
4. *The campaign would reinforce the demand for sectoral bargaining in all industries.*
5. *The campaign would help set frameworks for dealing with restructuring, including privatisation, outsourcing and mergers, as well as helping to drive engagements on sectoral strategies such as sector summits.*
6. *Through the campaign, COSATU would support affiliates by giving technical backup to union negotiators where necessary, as well as by mobilising solidarity to support unions during negotiations and strikes.*

4.2.3 Education

COSATU's Five-Year Education Strategy provides a guide for COSATU and the affiliates to improve their work in education.

Proposals:

1. *Education must focus on:*
   - *Political education*
   - *Training shop stewards and organisers, including an induction course*
   - *Staff development in terms of the Skills Development Act*
   - *Management training for leadership, including in personnel and financial management*
   - *Socio-economic policy.*
2. *Affiliates and the Federation must implement the resolution to spend 10 per cent of their budgets on education. They should report their education budget to the first CEC of the year. Affiliates should find ways to access SETA funding for union education.*
3. *COSATU's Education Unit should develop ways to monitor educational work and assess its impact.*
4. *Education should be made more systematic, with a series of programmes in each area rather than just once-off workshops and courses.*
5. *COSATU's Education Unit should work with Ditsela to develop courses to improve the competencies of union educators.*
6. *Ditsela must act as a resource centre, providing some training for trainers and helping develop courses, rather than as a major source of training for shopstewards, staff or members.*

4.2.4 Recruitment

With union density at about 40 per cent overall, there is considerable scope for expanding membership even in sectors that are seeing severe job losses. We face a twin challenge: to consolidate and expand existing membership and to reach out to workers in non-standard jobs and the informal economy.

This means we must make a much more systematic and continuous recruitment effort, backed by education and services for new members.

This section first reviews the main categories of poorly organised workers. It then puts forward some proposals for strengthening recruitment.

a. Categories of poorly organised workers

We can define several groups of workers that require new forms of organisation. To some extent, these categories overlap.

Non-standard workers. In strongly organised sectors, employers may create categories of employment that place workers in a weaker relationship to management. These strategies include sub-contracting, outsourcing, and replacing permanent jobs with casuals, part-time or fixed-term workers. Through these strategies, employers create groups of workers that have little bargaining power, less job security and worse wages, benefits and conditions than permanent workers.

These trends effectively recreate apartheid employment strategies in a new form. Because non-standard workers have little job security or prospects of more permanent employment, they find it difficult to organise and fight for their rights. Very often women, less skilled people, very young and older workers are forced into non-standard positions. They are in particularly weak positions because discrimination and other factors limit their access to other jobs.

Workers in permanent positions often do not see those in non-standard jobs as "real" workers. This perception is reinforced by high turnover among non-standard workers. As a result, organisers and shopstewards may not try to recruit non-standard workers or support their demands.

Vulnerable sectors. Farming, domestic labour, construction and some parts of retail are vulnerable sectors. They rely heavily on less skilled labour, with workers often relatively isolated and disproportionately women or youth. In these sectors, the labour process, working conditions, and production cycles combine to make it difficult to build stable organisation or maintain membership.

The informal sector. The informal sector constitutes economic activities that take place outside state regulation. Informal enterprises do not pay tax, UIF or workers' compensation.

The vast majority of informal workers are self-employed, as the following table shows. This makes organisation extraordinarily difficult. Yet many apparently self-employed informal workers are in fact controlled by suppliers. In clothing and footwear, formal enterprises outsource production to individuals on an informal, piecework basis, in order to circumvent workers' rights and collective bargaining structures.

Nature of employment by formal and informal sector

Employment status	**Formal**	**Informal**
Total in thousands	***7435***	***3329***
Percentage that is:		
Working for someone else	93%	18%
Subsistence farmer	0%	41%

Partnership or sole owner, including commercial farmers	6%	33%
Domestic worker, gardener or security guard	0%	4%
Unpaid work in a family business	0%	4%

Source: Statistics South Africa, *Labour Force Survey*, February 2001, Table 3.11

White-Collar Workers. As a result of the growth in the service sector, white-collar work forms one of the few areas of employment growth in the economy. In the public service, nurses and teachers alone make up half of total employment.

As the following table indicates, white-collar workers are by no means homogenous. Clerical workers and sales assistants generally do not have a tertiary degree and are often poorly paid. In contrast, professionals with degrees are amongst the best-paid workers in the country.

Employment by occupation

Main occupation	Total employ-ment, in thousands	% of total employment	% earning under R1000	% earning over R8000
Total	**11 880 000**	**100%**	**52%**	**4%**
Legislators, senior officials and managers	626 000	5%	12%	27%
Professionals	437 000	4%	0%	22%
Technical and associate professionals	1 054 000	9%	12%	6%
Clerks	1 043 000	9%	17%	2%
Service workers and shop and market sales workers	1 347 000	11%	47%	3%
Skilled agricultural and fishery workers	1 667 000	14%	94%	1%
Craft and related trades workers	1 435 000	12%	41%	3%
Plant and machine operators and assemblers	1 131 000	10%	32%	1%
Elementary occupation	2 102 000	18%	71%	1%
Domestic workers	1 001 000	8%	94%	0%

Source: Statistics South Africa, *Labour Force Survey*, Table 3.10

Historically, white-collar workers at all levels saw themselves as separate from the working class. They may still not appreciate the benefits of collective action and militancy. Moreover, at the upper ends of the scale, professionals and managers have more in common with capital than with the working class.

The September Commission identifies three mechanisms for attracting white-collar workers:

- Establishing new unions or separate sections in existing unions. COSATU has already effectively accepted this, at least as a temporary measure, by permitting unions that limit membership to professionals, such as SADTU and DENOSA. We need to debate how to manage a transition to sectoral unionism without alienating members of these unions.
- Developing new strategies and skills, possibly with new staff, to provide services for higher-level workers. This approach would ensure that union officials have the necessary skills, knowledge of the work, and understanding of grievances. In effect, unions would employ workers with a white-collar background as officials and organisers. This could have implications for the pay structure of most COSATU unions.
- Changing the culture of our affiliates and Federation. Professionals often have a more individualistic culture or professional ethos, identify with their

employers, and are less willing to take action against employer and state. We need to think carefully about how far we can go to accommodate the aspirations and interests of these layers of workers.

The risk with all these mechanisms is that COSATU weakens the very sources of its strength – its working class base, worker control and militancy.

Women. Women workers are more likely to be found in non-standard employment and domestic labour, as discussed earlier. We need special strategies to recruit them, in part by demonstrating that unions will negotiate to meet their needs in the workplace.

Young Workers. The youth face the highest levels of unemployment, and may therefore seem less important for recruitment. But young workers are the future. Unions need a mix of experienced and young workers to maintain their strength. COSATU should therefore target young people for recruitment.

b. Rethinking the recruitment drive

Recruitment must become an all-year activity, rather than an annual event. It must be properly resourced, with dedicated staff, and backed up by strong services for new members. In addition, we need to develop strategies for dealing with hard-to-organise groups.

In line with the recommendations of the September Commission, the Sixth National Congress resolved that COSATU should embark on an annual mass recruitment campaign. Since then, two campaigns have been held, with a third planned for October 2001. According to NALEDI figures, past campaigns resulted in about 50 000 new members. The first campaign was, however, much more successful than the second.

The annual campaign has apparently become a substitute for a consistent recruitment effort. With few exceptions, union recruitment strategies are under-resourced to non-existent. It seems that only NEHAWU has a dedicated recruitment officer. Generally, recruitment still falls to organisers, who also have a host of other responsibilities serving existing members.

Proposals

1. *The annual recruitment campaign should be retained but targeted toward specific sectors. This campaign should supplement, not replace, affiliates' recruitment campaigns. The COSATU organising department can work with some of the new affiliates in conceptualising and implementing recruitment strategies.*
2. *COSATU must set an overall target for recruitment each year, broken down by affiliate. In that context, affiliates must develop their own plans, with targets for specific sections of workers. They must dedicate personnel and funding to carry out these plans.*
3. *COSATU's organising department must support and monitor the affiliates' recruitment plans. It should lead a co-ordinated effort to improve membership systems. To that end, it must kick-start a process to enumerate COSATU's members in terms of industry, occupation, gender, age and race.*

4. *COSATU's Organising Unit must develop a comprehensive strategy to implement the Seventh National Congress policy for recruiting new and vulnerable workers. It must include:*

- *A clear role for regional organisers in supporting efforts to organise domestic, farm and other vulnerable workers.*
- *Proposals for government interventions to improve vulnerable workers' job security and skills, to set minimum wages and conditions and, ultimately, to secure centralised bargaining for vulnerable sectors like farm and domestic workers. In the long run, that is the best way to improve the conditions for organising these workers.*
- *Ways COSATU can help affiliates develop more appropriate strategies and tactics by learning from each other and from foreign experiences.*
- *As far as possible, systems for monitoring affiliates' work in this area and evaluating progress.*
- *An evaluation of the possibility of establishing service centres in the regions to reach out to workers in the informal sector as well as domestic and farm workers. Advice centres would both help reduce the cost of serving these workers, and let workers get help from unions even if vulnerability at work means they cannot join.*

4.2.5 One Union, One Industry

The concept of sectoral unionism – building one union for each industry – aims to ensure both large and sustainable unions and adequate expertise in sectoral requirements. This concept is particularly important now as job losses make some historic union sectors less viable.

The proposal for super unions was adopted at both the Sixth and Seventh National Congress. Progress has, however, been slow. The reasons include the lack of a well-defined plan to implement the Congress resolutions in stages, and concerns from leadership, who fear the unknown as well as the possible loss of position and power. More generally, any union merger requires careful adjustment of organisational structures and change management in order to avoid unnecessary conflict and disruption.

The September Commission and the Secretariat Report to the Seventh National Congress argued for super unions on the basis that a sustainable union in today's economy must have at least 100 000 members. The following table indicates the unions that, by this measure, are now at risk.

The table below gives only a static view. Some of the unions have scope for growth, for very different reasons – although in every case, only if they make major recruitment efforts. To take some examples:

- The police and corrections sector is almost evenly split between POPCRU and SAPU. A sectoral union would have membership of well over 100 000.
- CEPPWAWU membership is quite small compared to employment in the manufacturing sectors it covers.

- If COSATU's industrial strategy succeeds, food processing would become a major area of employment growth, which could give FAWU the scope to expand.

In contrast, SASAWU and SADNU have virtually the same scope as NEHAWU, which limits their potential for expansion. PAWE and SAFPU have limited potential recruitment pools. And as long as CWU is focused on the Post Office and Telkom, they also have little scope for growth.

Unions with membership below 100 000

Affiliate	Membership in 2000
CEPPWAWU	74 000
POPCRU	71 000
SASBO	63 000
CWU	35 000
SAAPAWU	22 000
SASAWU	18,000
SADNU	8 000
PAWE	3 000
SAFPU	400

But the proposed super unions also have some problems. They rely on very broadly defined sectors, which unite several diverse sub-sectors. This means that, unless very carefully managed, the unions could become unwieldy and insensitive to sectoral requirements. This could weaken engagement around industrial strategy. Furthermore, the public sector is defined, not by its outputs – the traditional definition for a sector – but by the nature of the employer.

The following table shows that the public sector and manufacturing unions would be very large indeed. NUM, which is currently COSATU's largest union, would become a small fish by comparison.

Membership of the super unions

Super Union	Affiliates	Membership
Public sector	NEHAWU, POPCRU, SADNU, SADTU, SAMWU, SASAWU	670 000
Manufacturing	CEPPWAWU, FAWU, NUMSA, SAAPAWU, SACTWU	535 000
Services	CWU, PAWE, SACCAWU, SAFPU, SASBO, SATAWU	306 000
Mining, energy and construction	NUM	290 000

The super unions are expected to have sub-sectors, rather than acting as fully homogenous sectoral unions. To ensure that they can function properly requires more systematic discussion about their internal structure and the specific relationships between their sub-sectors.

Option for sectoral unions within the super unions

Sector	Affiliates	Member-ship	Comments
Public Service			
Security	POPCRU	71 000	Without defence, the entire public security sector numbers around 150 000
Local government	SAMWU	120 000	Retains electricity reticulation
Education	SADTU	219 000	Include non-educators in education, increasing scope by about 100 000
Health and public administration	SASAWU, SADNU, NEHAWU, DENOSA	291 000	Includes both private and public sector health as well as public administration
Services and retail			
National infrastructure	CWU, SATAWU	138 000	Logically, this could include electricity
Services and retail	PAWE, SACCAWU, SASBO, SAFPU	168 000	SACCAWU has not modified its membership figures since 1994
Mining, energy and construction	NUM	290 000	Electricity generation would go to NUM, as agreed
Manufacturing			
Chemical	CEPPWAWU	74 000	Intensify efforts to increase membership within sector
Metal work	NUMSA	200 000	
Agriculture and food	FAWU, SAAPAWU	141 000	
Clothing	SACTWU	120 000	

Whatever the final decision on demarcation, we need to explore forms of co-operation in addition to a full merger. Co-operation between unions may become necessary because they have a common employer or operate in related sectors. For instance, the public-service unions now co-operate through a joint committee on wage bargaining. In electricity, NUM, NUMSA and SAMWU have a well-defined caucus to negotiate restructuring. Where relevant, too, COSATU has encouraged co-operation between affiliates on sector job summits.

Proposals on demarcation must also take into account the relationship to other federations and unions. Over the last few years, COSATU, FEDUSA and NACTU have worked closely together in NEDLAC and international institutions like ICFTU-AFRO.

COSATU has a long-standing commitment to a single national federation. We have been growing closer to NACTU in terms of economic policy and our long-term vision. In contrast, despite some improvements in co-operation with FEDUSA, big ideological differences remain. These differences appear for instance in deep-seated disagreements about industrial and fiscal policy. They are based in part on the fact that FEDUSA tends to focus on salaried employees, without making serious efforts to represent lower level African workers.

Proposals:

1. *The Central Committee should discuss:*

- *What sectoral delineation makes sense for strong union organisations? Should we have a social service union, or continue to have a public-service union? A social service union would consist of public and private health, education, welfare and public administration sections.*
- *How should the sub-sectors relate within a super union?*
- *What is the maximum desirable size for a union and a super-union?*
- *How should COSATU manage affiliates that are now defined in terms of occupations and professions, rather than industries?*

2. *Based on the CC discussions, COSATU's Organising Unit should develop more detailed proposals on the super unions. The proposals should include an assessment of the probable membership and potential for growth of each affiliate, and a process of phasing in the super unions.*
3. *The Organising Unit should define areas where special forms of co-operation are needed between affiliates, and propose structures to achieve that co-operation.*
4. *The Organising Unit should develop a programme of action for submission to the CEC on how to achieve a more unified labour movement.*

4.3 Confronting Unemployment

As discussed in Chapter Two, the destruction of jobs over the past decade represents perhaps the biggest threat to organised labour. The damage goes beyond lost membership in the worst affected sectors. All organised workers have to worry that employers will be able to use unemployed people to undercut their conditions.

This section proposes three strategies for dealing with the problem: an active industrial strategy, social protection and community solidarity, and greater efforts to organise the unemployed.

4.3.1 Industrial strategy

Ultimately, employment creation depends on a new growth path being adopted, with an active industrial strategy as one of the elements. To understand the potential benefits of an active industrial strategy, we need to understand the structural weaknesses of the South African economy. They include:

- The historic reliance on mining, especially gold. The main source of wealth in the economy is declining, while minerals production for export is highly capital intensive and therefore creates few jobs. Even today, well over half our exports are minerals.
- Massive income inequalities, which limit the domestic market and reduce overall productivity. Business generally sees exports as the alternative. But exports have not created jobs on a large scale, in part because of the emphasis on minerals. In manufacturing, efforts to increase exports have

often started with job cuts. Besides, most of our manufacturing exports go to the region, which is hardly a stable prospect.

Worldwide, successful exporting economies invariably started by improving equality and expanding the domestic market. That provides a strong domestic base, so that exports are less vulnerable to international fluctuations.

- The South African economy is still dominated by a relatively small number of mining houses and financial institutions. These companies generally see themselves as part of the world mining and finance scene. As opportunities in those fields run out in South Africa, they have tended to look abroad. Since 1994, R54 billion has left the country in foreign direct investment, compared to an inflow of R45 billion.

Government's response to these structural problems has been at best contradictory. On the one hand, especially between 1994 and 1996, we saw a commitment to improving services for black communities, protecting labour rights, developing skills, and supporting small and micro enterprise. On the other, especially after GEAR, government cut its spending, looked to private provision of basic services, slashed tariffs and deregulated markets wherever possible.

To overcome our economic malaise requires a much more structured and coherent development strategy. Key elements include:

- Consistent support for relatively labour-intensive sectors that can create jobs directly and indirectly. Many of these would meet basic needs more efficiently, which should raise living standards. Examples include agriculture and food production, transport and household infrastructure, and private and social services.

  This approach requires a more balanced approach to exports. We cannot afford more billion-rand export projects that, like Coega, are justified by vague and unfulfilled promises that they will create jobs indirectly.

- Strategies to expand the domestic market through employment creation, more relaxed fiscal and monetary policies, and targeted procurement measures. Government infrastructure and social programmes must maximise job creation both directly and indirectly. For instance, locating houses far from work raises the cost of labour and aggravates unemployment. Government must help address unemployment by expanding both public works and community service programmes, as discussed below.

- More equitable asset distribution can be achieved through large-scale skills development, government services and infrastructure for the poor, support for SMMEs and land reform. In contrast, current programmes of privatisation and budget cuts reinforce existing inequalities.

Above all, an effective development strategy must meet the diverse requirements of economic sectors. This type of strategy has never emerged from the back rooms of government. As the South East Asian experience demonstrates, they require in-depth consultation with sectoral stakeholders. Only that can generate practical policies. For this reason, the process of

sector job summits and the discussions on industrial policy now underway at NEDLAC are critical.

Together with NUMSA, CEPPWAWU, FAWU and SACCAWU, COSATU and NALEDI have established an industrial strategy project in an effort to meet these organisational requirements. The project locates researchers within each affiliate. COSATU and NALEDI provide technical support. COSATU tries to provide an overall framework and co-ordination.

In addition to this focused project, COSATU has made a commitment to helping affiliates share experiences and ideas, and to monitoring overall progress. For this reason, it has held fairly regular meetings, where representatives of affiliates can discuss the process.

Proposals

1. *We need to ensure that all affiliates develop capacity to engage in the process of restructuring the economy. At the same time, we must recognise that this is a long-term process, which will not deliver results for several years, at best.*

   The key capacity needs are:

- *Technical capacity that can work with shopstewards and office bearers to develop sectoral proposals that will create jobs.*
- *Education and mandating structures that ensure involvement of shopstewards and members on a large scale. Otherwise labour can end up with an overall technical approach that rules out the use of power.*
- *Negotiations teams with sufficient understanding, time and expertise.*
- *Ways to link demands and campaigns around skills development – an area of weakness for most affiliates – with proposals on industrial strategy.*

4.3.2 Social protection

Social protection refers to the full range of measures designed to combat poverty, including welfare grants, the provision of basic infrastructure and social services, and social insurance schemes like the UIF. An adequate social protection system would reduce the pressure on unemployed people and, by extension, workers.

In dealing with unemployment, government-sponsored jobs programmes are particularly important. These programmes centre on public works and community services, in part by establishing youth brigades.. They aim to improve living standards while providing a livelihood for the poor.

This type of programme can provide relatively low-level employment combined with skills development, as in some public works programmes. In addition, community services can be run as a volunteer programme, training and a small stipend as a way to give unemployed people, especially youth, a meaningful occupation. These programmes could mobilise tens of thousands of people, for instance to help with ABET, child care and support for people with HIV.

4.3.3 Organising the unemployed

Recently, we have witnessed the emergence of organisations representing the unemployed. Some of these organisations are being manipulated by the DA to achieve its political ends. Invariably, this involves a campaign to reduce labour standards, with the contention that then employers will create more jobs. In short, this approach is transparently divisive.

We need to explore more effective ways to organise the unemployed in order to combat this tendency.

Proposals

Unions must explore ways to organise the unemployed. The Central Committee should discuss the following options:

1. *Unions could find ways to extend their services to former members who lose their jobs. NUM has piloted this approach with the Mineworkers Development Agency, which establishes co-ops and other projects to provide employment to former miners. At a more modest level, unions could do more to assist former members to access support services, such as training and the UIF. Unions have to decide, however, how much of their resources they can dedicate to former members, who will not be able to contribute to their income. Already, the 7TH Congress adopted a resolution urging unions to review their constitution regarding the status of former members. Affiliates should have achieved this objective by the 8th National Congress in 2003.*
2. *COSATU could explore options for assisting organisations of the unemployed. In the past, this approach was attempted without much success. The Organising Unit should provide a detailed analysis of these experiences and suggest options that could work better.*
3. *COSATU could create an organisation of the unemployed linked to COSATU.*

Chapter 5. Transforming the Engines of COSATU – Review of Organisational Structures

The aim of this section is to review COSATU's structures, both the decision-making or policy structures and operational ones. We focus mainly on the Federation itself.

When we evaluate structure we need to bear in mind the following questions:

- Do they give expression to the core values of the organisation?
- Are they efficient and effective? Do they ensure the allocation of resources in line with our main priorities?
- Do the functions have integrity and focus?
- Are they capable of cutting across functional compartments where necessary?

If a structure is weak, we need to decide if it is because of the way it is organised or because of poor resourcing. Generally, we must ensure that our core values – above all worker control – are incorporated in any reforms. A failure to do this could make our structures seem more efficient in the short run, but weaken COSATU as a whole in the long term.

Overall, we can identify three structural problems:

1. Duplication and fragmentation of Constitutional structures.
2. The tendency to expand capacity for policy development and engagement without matching growth in education and organising capacity.
3. The poor definition of the Federation's role in supporting troubled affiliates and ensuring adherence to Federation policies on demarcation.

4.1 National Constitutional Structures

Constitutional structures are the representative structures of affiliates and regions that develop COSATU policy and mandate key engagements. They include the National Congress, the Central Committee and the Central Executive Committee. This also includes the substructures of the CEC and the COSATU regions, which develop policy within nationally, defined norms and standards.

Appendix Three illustrates the complexity of COSATU's constitutional structures and the changes as a result of our proposals. It shows that the National Congress delegates powers to the CC and the CEC. In turn, the CEC gives management and administrative functions to the EXCO. It also has a number of committees. The National Gender Committee, Fincom and Nedcom are established by COSATU's Constitution; the CEC Commissions, NEDLAC negotiations teams and the Investment Council were set up by the National Congress and the CEC itself. All of these structures are made up of affiliate and regional representatives, both worker leaders and officials.

The National Office Bearers (NOBs) form the link between constitutional and operational structures. COSATU has a President, First Vice President, Second Vice President, Treasurer, General Secretary and Deputy General

Secretary. The Presidents and Treasurer remain in their original workplaces, and as worker leaders provide overall political oversight. The General Secretary and the Deputy General Secretary are full-time at COSATU and have executive powers. They are responsible for day-to-day operations and management.

We now indicate some weaknesses in these structures.

4.1.1 Representative structures

The **National Congress** and **Central Committee** have generally functioned well. Increasingly, however, resolutions have dealt with complex policy and organisational issues. To ensure full participation by delegates, we need to strengthen preparation for their meetings.

In theory, the **CEC** and **EXCO** have different functions and composition. Representation in the CEC by affiliates is largely proportional to their membership, and it is supposed to make key decisions on policy and resourcing. It meets twice a year. In contrast, every affiliate has two representatives to EXCO, which is expected to focus on implementation of CEC mandates and meets every month.

The expansion in policy engagement has made the division of labour between the CEC and EXCO largely irrelevant. The CEC meets to infrequently to manage urgent policy issues. Instead, EXCO ends up guiding policy engagement to a large degree. The CEC's only unique responsibilities are the adoption of budgets and audited statements, and the creation of new staff positions. Even in these areas, the CEC often mandates EXCO to make the final decision.

The monthly meetings of EXCO place heavy burdens on the Secretariat. Before the ink dries on the report and minutes of the previous EXCO, it must begin to prepare for the next one.

Finally, a tendency has emerged for some affiliates to skimp on preparation for EXCO and CEC meetings. In some cases, the General Secretary does not distribute documentation to the worker NOBs who attend. Due to poor preparation and prior discussions, affiliates often do not have mandates for the issues on the agenda.

As Appendix Three shows, the CEC has a number of sub-committees, some of which are defined in the Constitution. Their roles include developing broad policies on education, finances and gender issues for adoption by the CEC and monitoring implementation of these decisions.

Some of the CEC sub-committees have suffered from consistently poor attendance. The main problems have emerged in Fincom, the CEC Commissions and the Investment Council.

The difficulty of getting a quorum at Fincom has led to administrative weaknesses. For this reason, the COSATU Secretariat proposed, in particular, that Fincom be replaced with a smaller CEC Committee on Finances.

Proposals

1. *To improve the functioning of constitutional structures,*

- *COSATU must ensure timely preparation of its reports, and provide them in an accessible format.*
- *All affiliates must ensure regular mandating and report-back processes, with prompt and full distribution of materials for CEC meetings.*
- *The EXCO be eliminated and the CEC meet more frequently, for instance every two months.*

2. *For Congresses and Central Committee meetings,*

- *Affiliates must consult widely with membership, for instance through workers' forums, and hold pre-conference meetings. The COSATU regions must facilitate this process.*
- *Affiliates must submit resolutions in time to ensure timely circulation of consolidated versions. Otherwise the main debate takes place in the Resolutions Committee, undermining the full democratic process.*

3. *The Central Committee should discuss whether Congresses should have commissions, so that delegates can discuss key issues in more detail.*
4. *To improve the work of substructures of constitutional meetings:*

- *The CEC evaluate the overall structure of its committees and commissions, analyse factors behind poor attendance, and propose a more rational and effective structure.*
- *Fincom should be replaced by a CEC Committee on Finances.*
- *Members of the CEC Commissions should be allowed to send mandated alternates if they cannot attend.*

4.1.2 NOBs

The commitment to worker control shaped COSATU's leadership structure, which is unique in the world. In the American AFL-CIO, the president is unquestionably and clearly the leader. In the British TUC, the leader is the General Secretary. In South Africa, in contrast, there is a balance. The President is regarded as the political head while the General Secretary acts as the engine of the organisation, with considerable executive powers under the constitution. The President and worker NOBs play a political oversight role whereas the Secretaries manage the movement on daily basis.

This model has enormous benefits. It forces collective leadership and discourages individualism. The emergence of general secretaries with origins in the labour movement and of full-time worker NOBs should work to entrench this collectivity. Where NOBs meetings were held only once every month or two, today most NOBs meetings take place weekly or fortnightly. Besides reinforcing collective responsibility, this means worker NOB can be better briefed and exercise more effective political oversight.

This system is not without problems, however. In particular, because of distance, worker leaders are not always able to play an effective oversight role. That can leave the Secretariat effectively to act as the political

leadership. In some affiliates, too, and even in COSATU in the past, an unclear division of responsibilities and personality dynamics has led to endless clashes among the NOBs.

For COSATU itself, Congress resolved that worker NOBs should be available on a full-time basis to do COSATU's work while remaining on their company's payroll. This system has not worked very well, essentially due to the failure to set up coherent systems of collective management and support. The problems are aggravated by the lack of a clear division of worker NOBs' time between their union and the Federation.

Proposals

1. *Worker NOBs should not be responsible for day-to-day operations, but rather for strategic intervention in policy and organisational work, at a high level.*
2. *Worker NOBs of the Federation should develop very clear guidelines for how they split their time and effort between the Federation and their affiliate. The guidelines should take into account the needs of both organisations, making sure that the responsibilities given the NOB are realistic.*
3. *COSATU NOBs must collectively decide on the allocation of work between themselves, and obtain approval from the CEC. Worker leaders would then take special responsibility for particular issues, without losing their overall political oversight role. They would focus on major forums for engagement, such as the Alliance and NEDLAC, and on organising, for instance working to strengthen regional strategies and recruitment campaigns.*
4. *The General Secretary must ensure much more consistent briefing around key policy engagements and organising tasks. The NOBs must then collectively exercise normal, systematic management by setting clear targets and monitoring their progress.*
5. *The General Secretary remains responsible for COSATU's deployment of staff and the budget. That means that worker NOBs must discuss any proposal to use COSATU resources with the General Secretary, to avoid overburdening staff and disorganising expenditure.*

4.2 COSATU regions and locals

The COSATU regions and locals were originally established to support the implementation of central decisions and the practical solidarity and co-ordination of affiliates. For this reason, they have limited resources and virtually no policy capacity.

Four factors make this approach somewhat contradictory.

1. The role of the regions in organising is not very well defined. The work of the Secretary and the educator/organiser over overlaps, causing duplication and conflict.
2. Regions and locals are headed by office-bearers who are elected in their own right. Regional office bearers participate in the CEC. Elected leadership is important for maintaining cohesion and authority, but

suggests that the role of regions and locals in policy making at national and regional level should be better defined.

3. The establishment of provinces and local governments with semi-independent developmental functions means that there is pressure on the regions and locals to engage, especially around budgets and development initiatives.
4. Programmes initiated at a national level do not necessarily take the capacity of the regions into account. Regional educator/organisers, in particular, can spend considerable time in head office meetings, leading to tension over their accountability to the region. Moreover, national campaigns and programmes require that the regions expand support for locals.

The Central Executive Committee resolved that COSATU should develop a national programme for locals. It said that the regions should continue supporting the locals, with the aid of the head office.

We also need to explore the possibility of strengthening the role of locals and regions in organising work. Locals could play a pivotal role in organising the unemployed as well as groups that are difficult to organise such as domestic and farm workers. In this context, they could serve as advice centres for workers on a wide range of issues. Regions could help rationalise organisational and educational work for affiliates by setting up systems to share resources such as staff and offices.

Proposals

1. *The role of the regions and locals be debated and clearly defined. For this purpose, the Secretariat should hold a strategic workshop with regional representatives. It should submit proposals to the CEC by the end of 2002, including a national programme for locals.*
2. *The resourcing of the regions and locals must be aligned with these proposals. Where necessary and affordable, for instance in the bigger or more complex regions, COSATU should establish an extra position to permit the separation of organising and education responsibilities.*
3. *Based on the decision on the role of the regions, head office units must be given clear responsibilities for supporting regional work by developing policy framework and assisting with expertise, as necessary.*
4. *The organising department should undertake a demarcation exercise that examines the implications of changes to align more with current political boundaries. The analysis should take into account membership, resourcing and the distances covered. Its proposals should be debated by the CEC and submitted to the Eight National Congress.*

4.3 Affiliates and COSATU

The relationship between COSATU and affiliates has three problem areas: weak definition of when COSATU can intervene in an affiliate; different structures in terms of responsibilities and regions; and unclear relationships around policy development and engagement.

A critical role of the Federation is to support weaker affiliates and to ensure appropriate demarcation. The functions of COSATU in this regard remain poorly spelt out, which can cause unnecessary tension. We need to define its role in supporting affiliates, resolving disputes and intervening where affiliate an affiliate is in crisis or is undermining COSATU policy.

Structural mismatches arise in terms of organisational and spatial structures. The affiliates do not always have structures aligned with those of the Federation, especially around policy development. Thus, not all affiliates have health and safety co-ordinators or skills development positions. Moreover, some are organised around provinces and others are not. These discrepancies make co-ordination more difficult. We need to discuss whether there should be efforts to align structures more closely.

Finally, the role of affiliates in developing and engaging on policy remains poorly defined. Ideally, any major new policy process should involve inputs from the affiliates, and engagement on their sectoral issues must include their representatives. For instance, work on electricity involves affiliates who organise in the sector as well as COSATU, since the issue affects labour as whole.

It appears that in practice, some COSATU policy processes do not sufficiently involve the relevant affiliates. In part, this reflects the affiliates' lack of capacity. But it also arises because of a lack of clear procedures and structures to ensure consultation and mandating. The result can be duplication of work, inconsistent positions in negotiations, and conflict.

Proposals

1. *COSATU must implement the Sixth National Congress resolution on interventions when an affiliate:*

- *Experiences a deep political conflict that creates a crisis in the union.*
- *Experiences a serious administrative or organisational crisis.*
- *Adopts or implements policies that contradicts COSATU positions.*
- *Cannot grow or reach large groups of workers in their sector because of a lack of resources or inability to develop or implement appropriate strategies.*
- *Does not adhere to demarcation decisions.*

2. *The nature of the intervention should depend on the crisis:*

- *In the case of political conflict or disagreements on policy, COSATU and affiliate NOBs must intervene.*
- *For internal administrative or organisational problems, a team with appropriate expertise, led by an NOB, should provide support.*
- *The organising committee is responsible for supporting weak affiliates, based on strategies established by the Secretariat.*
- *Demarcation disputes should be handled by a demarcation committee established by the CEC and consisting of a COSATU NOB and two affiliate General Secretaries.*

3. *COSATU's Organising Unit must develop an induction programme for new affiliates, with timeframes, that includes*
   - *education for shopstewards and officials as well as leadership on COSATU's principles, history and major programmes and aims, and*
   - *indicates when and how new affiliates must adhere to COSATU Constitutional principles.*
4. *As far as possible, affiliates should inform the COSATU Secretariat of which officials should be consulted on policy issues.*
5. *The COSATU Policy Unit and Parliamentary Office should routinely inform affiliates about policy proposals or submissions that relate to their sectors, and set up structures to facilitate co-operation where appropriate.*

4.4 Head office structure

As noted in Chapter 2, the structure of COSATU has grown and changed largely in response to escalating demands on policy engagement. This has led to a certain disjuncture between policy development, through the Policy Unit and the Parliamentary Office in particular, and education and organising work.

The September Commission (pp. 214-17) advanced various proposals with regard to policy development, organising, education and communications. Only the proposal on policy development was taken forward systematically.

Unresolved questions include:

1. The process for prioritising policy engagements so as to take into account the needs of the education, campaigns and organising departments.
2. The role of the different units in developing material to popularise policy demands.
3. Responsibilities around specific areas such as HIV (which falls between Health and Safety and campaigns) and skills development, which could go to education or the Policy Unit.

Proposal

As part of the organisational review process proposed in Chapter 7, COSATU units must be reviewed to check their alignment, functions and resources. At the end of such a process there should be a detailed report and plan to restructure the units where necessary.

Chapter 6. Building Leadership and Democratic Management

Unionists often do not discuss poor management – after all, unions are working class organisations and management is the enemy. However, large organisations do not manage themselves. Improved management is critical for unions to serve their members.

Management of an organisation has several components:

1. Overall strategic management, which involves setting key priorities, ensuring co-ordination, monitoring implementation and dealing with blockages.
2. Personnel management – that is, ensuring the allocation of posts and tasks according to organisational priorities; recruiting and retaining competent staff; monitoring staff members and on that basis helping them improve their work and skills; motivating staff, in part by ensuring that they feel empowered and appreciated on the job.
3. Financial management, which means allocating funds according to priorities and making sure that accounting systems function well.

The labour movement faces particular organisational challenges. On the one hand, our management systems must ultimately ensure worker control. That requires time-consuming decision-making and report-back procedures. On the other, NOBs, shop stewards and members undertake a range of functions for the organisation, even though they are not employees. These activities also have to be co-ordinated and supported, making for particularly complex financial and personnel systems.

The September Commission noted a range of weaknesses in union management. Too often union leadership fails to prioritise organisational and management issues, does not follow or implement a long-term development strategy, does not supervise staff and is not committed to improving management. Too many senior staff simply abandon their managerial responsibilities. Some foster a top-down, hierarchical and undemocratic form of organisation, which disempowers staff and stifles creativity. Others adopt an unpredictable, *ad hoc* style. Many spend most of their time in policy meetings, negotiations and political activities, and very little in ensuring that the organisation is functioning effectively.

The result of this kind of management may be inefficiency, low morale, lack of teamwork, lack of innovation or initiative, and "ad-hoc-ism" and "last minute-ism" at all levels of the organisation. This kind of management style creates opportunities where staff members can be absent, get involved in power plays, and undermine service systems.

We do not know enough about each affiliate's management systems. That is a key reason for the organisational review project. We here propose ideas and processes to bring about improvement. But these recommendations will not apply equally to all affiliates. They merely aim to stimulate ideas around more specific solutions in the affiliates and in COSATU itself.

We propose three main strategies for dealing with management problems: establishing a clear vision for union management, improving training for the Secretariat and heads of units, and a financial management project.

6.1 A model of union management

As unions grow bigger, they need effective management to ensure that they serve their members efficiently. The main challenge lies in ensuring worker control without overburdening NOBs with trivial decisions; aligning union staff and budgets around priorities for the labour movement; and motivating employees.

Good management in the union movement faces specific obstacles.

1. Resolutions set a vast number of tasks, often without taking capacity into account.
2. When they are elected, many general secretaries have not had training or even much experience in management. Their strengths typically lie in negotiations, organising, policy development and education, plus enormous commitment and sheer hard work. Relatively few have experience in financial or personnel management. Union officials often face gaps in their competencies.
3. A contradiction may arise between letting officials show initiative and worker control. As the political heads of the organisation, NOBs cannot let officials set the agenda. They must ensure worker control over the union at all costs. Yet if they do not give officials some freedom to make decisions in their field, morale will certainly suffer. A two-caste system can emerge, where officials feel dehumanised and oppressed.
4. Rapid changes in staffing aggravates management problems. It destabilises financial systems and requires more decentralised processes. Too often, we have inherited systems where the Secretariat is responsible for micro-managing departments – carrying out personnel assessment, drawing up budgets, and giving day-to-day guidance. Where unions have grown rapidly, these functions can prove overwhelming, distracting leadership from their strategic task.
5. Finally, where union membership is growing or shrinking rapidly, their resourcing may become more uncertain. This makes consistent management more difficult.

To deal with these problems, we propose the following broad guidelines for union management. These guidelines essentially seek to provide a systematic overview of practices that are already normal, to some degree, in most affiliates as well as the Federation. They focus on defining how NOBs and officials can maintain worker control over strategic decisions while leaving some scope for participatory management within the organisation. This approach aims both to improve officials' morale and to reduce the administrative burden on the Secretariat.

Proposal

We here present a rough model of union management for discussion at the Central committee.

1. *The constitutional structures set basic guidelines and give mandates on a regular basis.*
2. *Within these mandates, the NOBs set key priorities and monitor progress in achieving them. The prioritisation process takes place in three ways:*

- *Through regular strategic planning, which defines priorities based on Constitutional structures and resolutions. This process cannot simply list all mandated tasks, but must attempt to establish practical timetables and targets.*
- *Through the allocation of resources, especially the budget and the creation of posts. Budget systems and information must ensure that NOBs have a strategic oversight, letting them set overall allocations for priorities without getting bogged down in details.*
- *Through consistent monitoring and feedback of progress in achieving priorities, which should permit variations where necessary. That means that appropriate reporting and briefing systems must be established. Moreover, monitoring requires appropriate milestones to measure success. It should not mean that NOBs must track every step in every process, but rather that they can easily check on key achievements.*

3. *Heads of units must play an active and responsible role in terms of:*

- *Preparing proposals on priorities for approval by the Secretariat.*
- *Personnel management, including hiring and assessment in their units, again subject to Secretariat approval. They must ensure an open management style where all members of the unit can discuss key decisions, take responsibility in their areas, and raise criticisms or questions.*
- *Developing budget proposals within overall allocations set by the Secretariat.*
- *Reporting on priorities and briefing NOBs in depth on a regular basis.*

4. *The proposed system only works if management training is offered to the Secretariat and heads of unit. This training must strengthen competencies in prioritisation, including budgeting, and human-resource management. Since there are a host of union-specific issues involved, we propose that Ditsela develop a dedicated high-level course.*
5. *This structure of management requires that administrative meetings be carefully designed and managed. On the one hand, they must take place regularly, both for the organisation as a whole and within units. On the other, they cannot be allowed to degenerate into interminable events where issues are discussed at length irrespective of their importance. The Secretariat and heads of units must play a key role in ensuring that meetings support a free flow of information without getting sidetracked by trivia.*

6.2 Staff Development

A survey of union staff conducted for the September Commission revealed a high level of turnover and dissatisfaction. Yet more than any other

organisation, a trade union is build on the activity, commitment and morale of its members and staff. Without them it is impossible to build solidarity or unity. A factory can continue to produce even if its staff and workers are unhappy, as long as the machinery keeps running – in fact most factories in South Africa are like this! But in unions the staff are the machinery, and if they are not happy or effective the machinery will break down.

Factors leading to low staff morale include:

- Weak personnel management systems. In many unions, personnel assessment mechanisms, which would give officials consistent feedback on their work, are almost non-existent. This makes officials feel insecure, and can lead to conflict as problems are only dealt with when they become serious. Some office bearers do not know how to express criticism in supportive and constructive ways, so that officials end up feeling humiliated and angry. On the other hand, staff members rarely get appreciation for jobs well done.
- Hierarchical and closed decision-making processes that make staff feel disempowered and marginalised. In particular, if the Secretariat must make decisions that are neither strategic or political, it can become overloaded, leading to long delays. This can be very demoralising, since it prevents officials from making progress in their work.
- Unclear career paths, where grading systems do not provide for promotion when workers gain competencies through training or experience. For instance, most positions at COSATU have a single grade for each position, even though the competency of incumbents varies greatly. Staff members may find that after they have mastered the job thoroughly, they have no clear route to advance into new areas.
- Inconsistent skills development programmes. We need to ensure that union skills plans are developed through an open and consultative process, so that they provide a proper balance between staff members' career aspirations and short-term union needs.

Unions need a committed cadre who understand the political importance of the union and the struggle at large. However, this is not an excuse for the super-exploitation of activists, denying them basic labour rights. Unions must become model employers by ensuring democratic management, staff development, and proper empowerment for staff, rather than a rigid disciplinarian approach.

In moving forward, it is important to accept that staff development is integral to organisational development. It should support strategic, critical thinkers at all levels. In this context, courses are not the primary solution. To build a committed staff cadre requires a process of on-going support and development so that they can use what they learn. A system of mentoring through heads of units and other comrades is critical.

Staff development requires appropriate staff systems. General frameworks should be developed by a dedicated person, ideally located in the Education Department. This comrade would establish systems to ensure consistent implementation of:

- Appropriate staffing norms, to ensure an equitable and manageable burden of work at all levels.
- Assessment and feedback on individuals' work in a developmental and constructive way.
- Employment equity.
- Policies on recruitment and induction.
- Identification of training needs in the context of a skills plan.
- Mentoring and support for junior staff.
- Career pathing in the context of an appropriate grading and assessment system.
- Staff policies that ensure clear conditions of employment, procedures for dealing with grievances and a disciplinary code.

A new problem is that formal compliance with the Skills Development Act risks establishing a "technicist" approach. We need to ensure that organisational development sets the framework for skills development plans. Moreover, the training of staff must be linked to skills development for office bearers and shop stewards.

A holistic and integrated approach to skills development requires:

- An integrated staff development plan that focuses on organisational change and development towards the building of the movement
- Identification of individual and collective learning needs
- A holistic approach towards enrolling staff in training programmes that takes into account strategic selection, pre-course work, and support during both the course and the implementation process thereafter
- The identification of appropriate and union-friendly education providers

Deliberately employing more shop stewards as officials, and ensuring that they can continuously upgrade their skills, will keep the organisation close to the interests and experiences of members.

Proposal

COSATU must convene a workshop on staff systems and skills development in unions, to assess strengths and weaknesses in greater depth and begin to develop model policies. If necessary, it must bring in capacity for this purpose.

6.3 Financial management

Financial management has become a growing challenge, both for rapidly growing and for shrinking unions. Four unions – SACCAWU, NEHAWU, CEPPWAWU and SAAPAWU – seem to be perpetually on the edge of bankruptcy, although for very different reasons.

There are two layers of problems around financial management:

- ensuring that resources are allocated according to priorities, through efficient budget systems;
- accounting processes that prevent misuse and theft of members' money.

The NOBs are ultimately responsible for budgets. Often, however, the lack of effective procedures for budgeting means that this task is poorly done or that it is unnecessarily time consuming.

A typical budget cycle should involve:

1. The establishment of key priorities and expected income by NOBs, and on that foundation basic allocations for programmes or units.
2. The development of draft budgets by officials in each unit, within the basic allocation for the year where possible, and with clear arguments if more money is needed.
3. The rationalisation of the budget to align with available resources by a technical committee, indicating the implications of the proposals for the organisation's priorities.
4. Finalisation of the budget by the NOBs and constitutional structures.

Unfortunately, it seems that many unions, as well as the Federation, do not have clearly defined procedures and timetables to manage the budget. That means that the process often starts late, leading to a mad rush to complete it in time. Furthermore, it may lead to unnecessary conflict, as staff members and leaders only find out late in the year that the organisation simply cannot afford some important projects.

A second problem lies around accounting systems. Here we have very little information on affiliates' practices. Three problems may arise:

- Accounting systems may not provide information needed by the NOBs to oversee union activities. Often, the information provided is too detailed, without indicating major programmes and important trends, making it unnecessarily hard to understand.
- Payment systems may be lax, slow, not aligned with organisational priorities and ultimately open to theft.
- The collection of dues may be weak, leading to persistent underfunding.

Proposal

The next phase of the organisational review process must include a component on financial management. COSATU will bring in an expert in union finances to work closely with the Federation and, if they request, with affiliates, to

- *Develop budget procedures and systems, and*
- *Improve accounting and control systems.*

Chapter 7. An organisational development programme for COSATU

The work of the Organisational Review Commission demonstrated the need for a much more systematic and thorough project to assist the Federation and affiliates to define problems in greater detail and come up with solutions. Problem areas include:

- Demarcation into super unions, and within super unions
- A practical programme for recruitment in each sector and region
- Evaluating and improving representation of workers in the workplace
- Women empowerment
- Defining the role of COSATU regions and locals
- Financial and personnel management systems and competencies.

7.1 Outputs of the programme

The programme will involve COSATU, its affiliates, and NALEDI. By December 2002, it will develop:

1. For each affiliate, an assessment of organisational strengths and weaknesses, and proposals on the way forward, plus a detailed recruitment plan
2. For COSATU, an assessment of organisational strengths and weaknesses in the head office, regions and locals, and proposals on the way forward
3. An assessment of the work of COSATU constitutional structures, and proposals for remedying any problems.
4. A data base of shopstewards
5. A survey of worker attitudes toward, expectations of and knowledge about unions
6. Models for a budget cycle and financial management systems for COSATU and affiliates
7. A detailed proposal on demarcation, including how to achieve sectoral unions and the demarcation and structure of super unions.

7.2 Roles and responsibilities

COSATU will be responsible for:

1. Ensuring regular reports to Constitutional structures.
2. Convening regular meetings with affiliates to exchange experiences and develop technical guidelines.
3. Obtaining seed funding for the project, including resources for each affiliate.
4. Employing a co-ordinator for the project.

5. Strategic guidance, quality control and management of cross-cutting projects (the survey, data base of shop stewards, and management models where appropriate).
6. The assessment of COSATU structures.

Affiliates will be responsible for:

1. Oversight of the entire project through the CEC and other Constitutional structures.
2. Establishing mandating and report-back structures for the project, and identifying a dedicated official to oversee it.
3. Support for the cross-cutting projects.
4. Assessment of its organisational needs and development of proposals to address them.

NALEDI will be responsible for:

1. Establishing a resource centre and support staff for affiliate and COSATU processes.
2. Quality control and mentoring, where affiliates or COSATU request it.
3. Assistance with fundraising.

7.3 Timeframes

	COSATU	Affiliates	NALEDI
Phase 1: preparations	Fundraising Appointment of co-ordinator Identify capacity needed for survey and database Workshop with affiliates and others to develop guidelines for research and mandating	Establishment of mandating procedures Designation of dedicated staff Participation in workshop	Fundraising Development of support systems Technical support for workshop
Phase 2:	Work with NALEDI on survey Finalise database Develop financial model Develop demarcation proposals Convene quarterly meetings with affiliate representatives Work on internal organisational report Consolidate affiliates and internal report	Work on organisational development report ➢ Research into quality of service and management ➢ Research into recruitment potential ➢ Development of proposals ➢ Discussion and mandating ➢ Finalisation of report for COSATU	Support for COSATU and affiliates, especially on ➢ Survey ➢ Research processes ➢ Understanding organisational develop-ment
Phase 3:	Convene special CC to consider final report and recommendations	Ensure proper mandating and participation in CC	

7.4 Budget estimates

1. Affiliates: R200 000 each
2. COSATU Co-ordinator – R120 000 a year
3. Travel to regions/locals: R30 000
4. Development of database: R500 000
5. Survey: R500 000
6. NALEDI expertise: R200 000
7. Meetings: R500 000

TOTAL ROUGH ESTIMATE: R2,23 million.

Appendix One. Members of the Organisational Review Commission

Willy Madisha	COSATU President
Joe Nkosi	COSATU First Vice President
Joyce Pekane	COSATU Second Vice President
Alina Rantseloe	COSATU Treasurer
Zwelinzima Vavi	COSATU General Secretary
Bheki Ntshalintshali	COSATU Deputy General Secretary
Petrus Mashishi	SAMWU President
Amon Ntuli	SACTWU President
Ebrahim Patel	SACTWU General Secretary
Randall Howard	SATAWU General Secretary
Slumko Nodwango	NUMSA General Secretary
Gwede Mantashe	NUM General Secretary
Xola Phakathi	SATAWU Deputy President & COSATU Eastern Cape Regional Chairperson
Mcweyi Nontsele	COSATU Organising Secretary
Mahlengi Bengu	COSATU Education Secretary
Rose Makwane	COSATU Administrative Secretary
Oupa Bodibe	Co-ordinator in COSATU's Secretariat
Crystal Dicks	DITSELA Programme Co-ordinator
Bobby Marie	Independent Consultant
Thobile Yanta	Researcher at NALEDI

Appendix Two.

How have unions responded to restructuring?

NALEDI and SWOP have categorised union responses to workplace restructuring.

1. Compliance

In many cases union responses to the restructuring of work has involved de facto compliance. This is clearest in the cases where there is a reintroduction of apartheid flexibility. For example in the case of the leather industry n Pietermaritzburg the union, NULAW, complied with management strategies and changing work practices. Workers felt let down by their union, as they were not able to effectively neither negotiate on behalf of their members nor come up with alternatives.

In the retail, metal and mining sectors, all characterised by large scale casualisation, outsourcing and subcontracting, the unions have failed to launch any systematic contestation of this, and have appeared to be content with concentrating on their representation of core workers. An exception was at Highveld Steel.

The same may be said in relation to the intensification of work and the introduction of new technology at Telkom. Shop stewards have attempted to contest this, but with very little support from their union.

2. Resisting/negotiating the effect of restructuring

Most unions are resisting or attempting to negotiate the effects of restructuring. At Telkom the union used a variety of tactics in an attempt to prevent retrenchment: industrial action, lobbying government, pursuing the procedures of the National Framework Agreement. At Spoornet, SATAWU has demanded a three-year moratorium on retrenchment while restructuring and turnaround are implemented. At the same time, the union has negotiated an innovative developmental Social Plan in terms of which a Development Agency is to be established, funded by a R50 million loan from the company, which will provide the material and training resources to develop income-generating strategies for any workers who are retrenched.

3. Contestation

This refers to the classic trade union strategy of using organisational strength and informal/formal industrial action combined with negotiation to modify or reverse management initiatives. This emerges clearly in the Telkom call centre where shop stewards organised to resist (in one case through a wildcat strike) and renegotiate targets, as well as negotiate agreements concerning health and safety in order to deal with stress. These initiatives in different centres were weakened by the lack of union support and co-ordination.

At Highveld Steel shop stewards and works contested both casualisation and intensification of work. They were able to negotiate a process for converting casual workers into permanent workers over time, and were able to insist that the rights of employees of subcontractors could be protected through shop stewards negotiating with Highveld Steel itself. Workers resisted the intensification of work with wildcat stoppages, providing shop stewards with the opportunity to negotiate the employment of new workers as well as new job description and upgrading.

4. Concession bargaining

The case study of Kelvinator in the white goods sector could be classified as an example of concession bargaining defensive negotiation. The union, NUMSA, agreed to the company employing all new employees on the bargaining council minimum wage instead of the wage rate agreed to in the recognition agreement. The union, NUMSA, also agreed to support an increase in output. In spite of these

concessions the company was nevertheless liquidated. Indeed it could be argued that the volume driven strategy was inappropriate and led, without access to export markets, a flooding of the local market.

5. Restructuring of State Assets

At Telkom the unions chose not to resist the initial sale of a 30% equity stake. The Communication Workers Union has opposed the planned IPO, but it is not sure what strategy the union is adopting.

At Spoornet SATAWU also opposes the proposed concessioning of the most profitable operations. Through a critical analysis of the consultant's proposals, and drawing also on the international experience available through the ITF, the union in partnership with NALEDI has developed a robust critique of privatisation. This appears to have opened the door to serious negotiation with government over the Spoornet restructuring, in the form of a joint task team. Time will tell whether the space is genuinely open or not.

A third approach has been adopted by SAMWU in relation to the restructuring of municipal government in Johannesburg. Negotiations were linked closely to a campaign of resistance. So far the campaign appears to have had little impact on the restructuring.

6. Strategic engagement

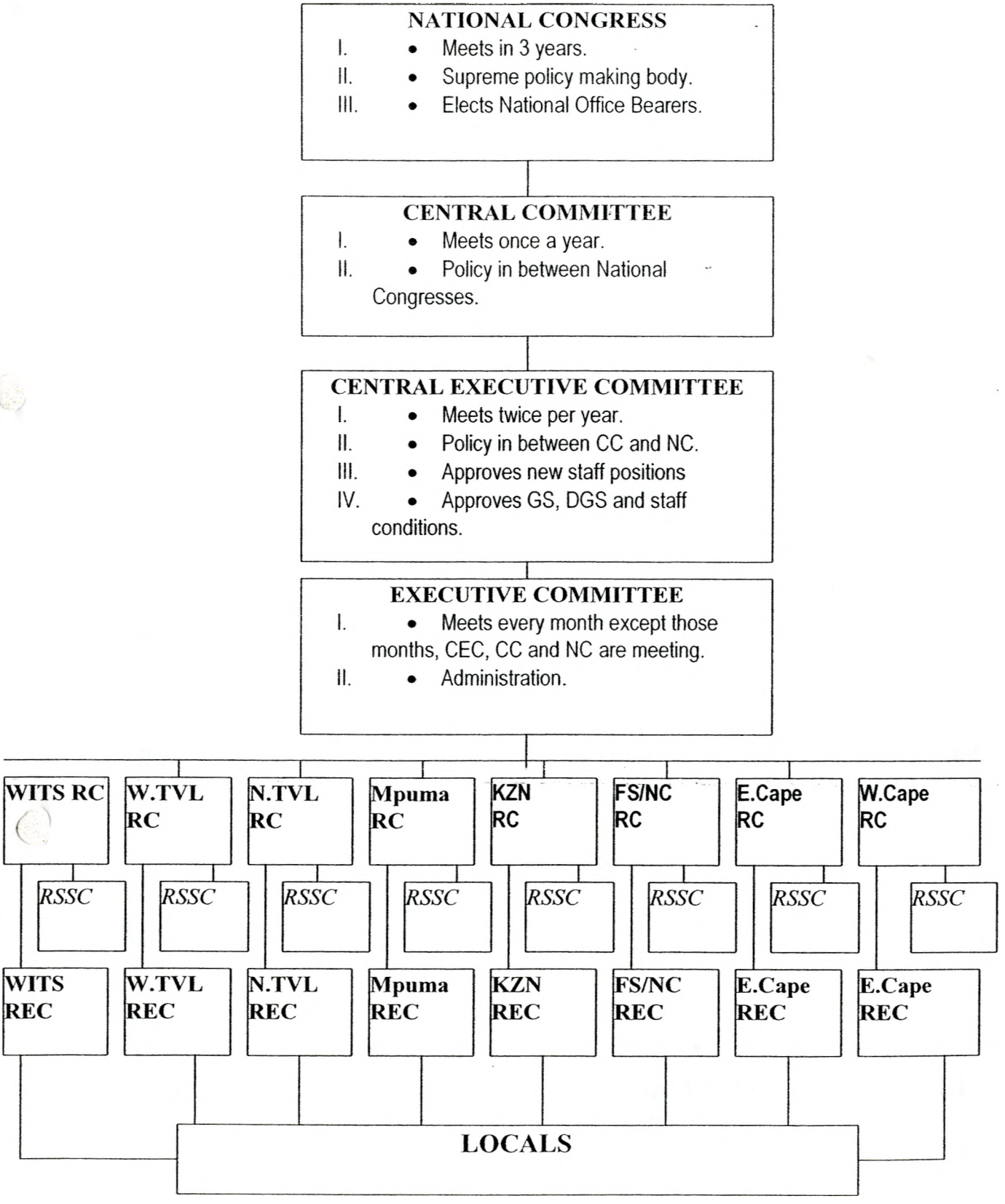
"Strategic engagement" the September Commission on the future of trade unions argued, "is a strategy for engaging with restructuring on the basis of a union agenda and union independence as a way of transforming and democratising the workplace. The union's aim is to increase workers' control of production, gain access to training and skills, and improve wages and working conditions"

Clearly strategic engagement requires a union initiative, which is then negotiated with management. Union may take such an initiative in response to a management initiative, or in the absence of management initiative.

Strategic engagement was pioneered by NUMSA or in the early 1990s. The NUMSA strategy focused on introducing a new system of skills formation, grading, training career pathing and pay in the metal industry. The NUMSA strategy had two flaws: it focused on highly technical and complex proposals on grading and training which redistributed power within the union, disempowering many officials and shop stewards. Further more the preoccupation with sector level bargaining led to insufficient attention to the enterprise level and often led to deadlock in the bargaining councils. After eight years the strategy had very little impact on the workplace or on workers' lives.

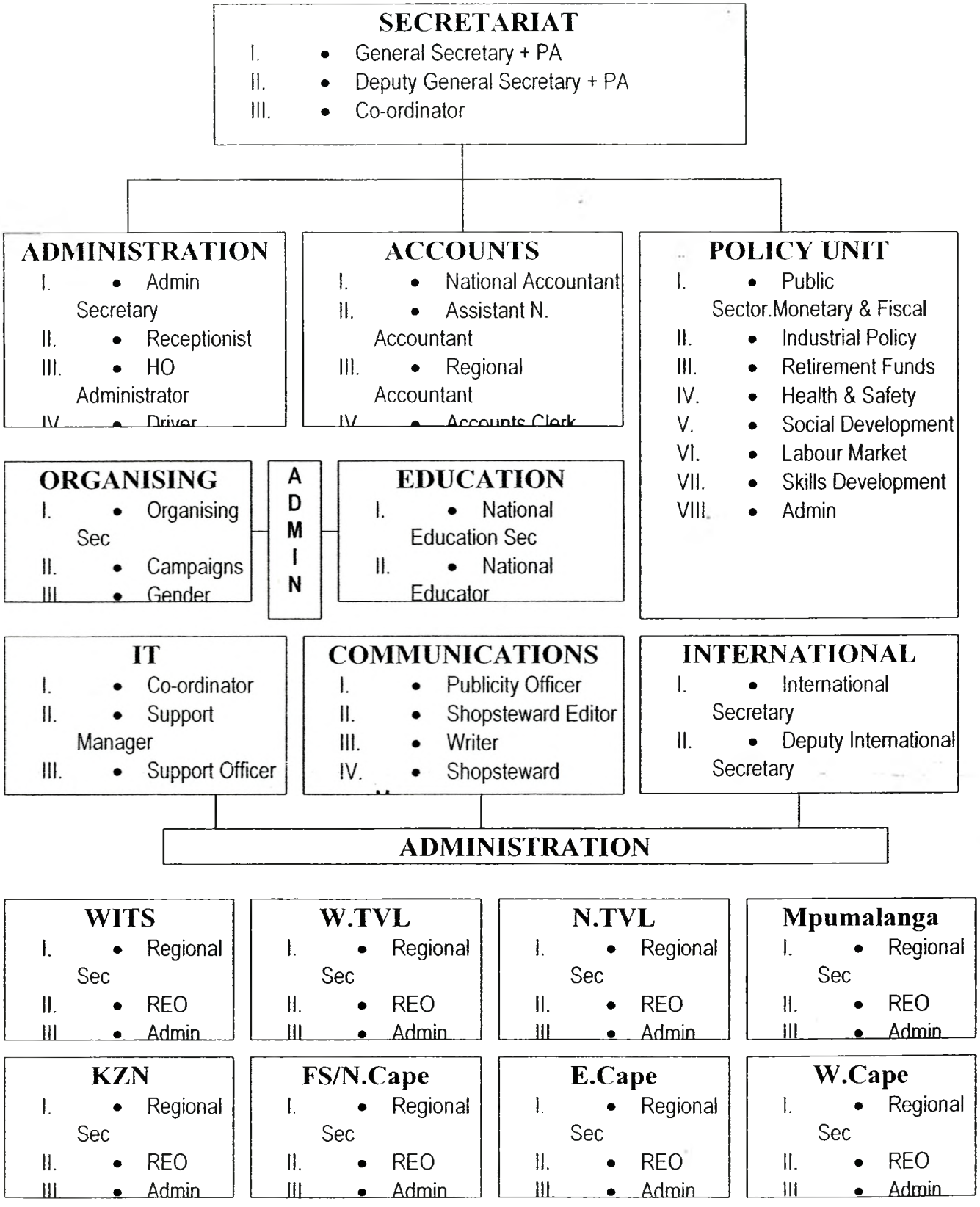
Appendix Three. COSATU Structures

CONSTITUTIONAL STRUCTURES



Appendix Three. COSATU Structures

HEAD OFFICE AND REGIONAL ORGANOGRAM



Appendix Three. COSATU Structures

PROPOSED NEW STRUCTURE