



## **Food & Allied Workers Union**

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## Research Unit

*FASCIMILE TRANSMITTAL*

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RE: : RESEARCH Unit Report  
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**MESSAGE:**

From the desk of Thandi Yoli  
Research Unit

## RESEARCH / RESOURCE UNIT PROGRESS REPORT TO THE NATIONAL CONFERENCE OF 26-29 JULY 1999

### A - BACKGROUND: -

It was identified that Fawu lacked the research capacity to fully support its bargaining structures due to a number of factors. Fawu approached Labour Research Services to provide research back up on a contract basis, hence the research proposal. The Research/ Resource Unit was started re-operating again in 1997 since it was closed down in 1995. The Unit has been functioning with two researchers and one Senior Researcher from Labour Research Services. A lot of hiccups in terms of functioning (like finance, capacity and staffing) have hindered development and independence of this Unit.

A Fawu Research Programme that was developed in 1996 and revised early in 1997 has been partly implemented. The main objective of the programme were as follows:

- To develop Fawu 's resource centre
- A renewed focus on bargaining and wage agreements for the Research Unit
- A focus on financial investigations and training for National Negotiators and shop stewards
- A focus on assisting the operations of the "Bargaining and Economic Development (Becondev) forum
- A focus on commodity forums – understanding and responding to them
- A focus on cluster studies – understanding and responding to them
- A focus on assisting the Fawu delegation to economic and trade union forums initiated by the DTI for example.

On the original proposal funding from FNV was supposed to be received for three years, (1997 - 1999) with the understanding that by on the fourth year Fawu would be self-sufficient (i. e have its Research Unit functioning independently from LRS. The initial proposed budget for the Unit was broken down as follows:

	External Funder	Fawu
1997 -	R250 000	R80 000
1998 -	R185 000	R183 500
1999 -	R100 000	R305 300

### B - PROGRESS: -

#### **Objective 1: - To Develop Fawu 's Resource Centre: -**

A resource centre is crucial to the functioning of a research unit. Fawu has already embarked on a process of developing its internal resource centre. Key journals and periodicals worth subscribing to have been identified. Some like Central Statistics (CSS), Financial Mail, Mc Gregor 's Who owns Whom, The ILO Magazine (World of Work), Official S. A. Trade Union Directory, Duncan Innes Labour Update and others - we are already subscribing to. We have recently been connected to Internet - we still need to subscribe to company analysis databases, Business Times, Tulec 's Organiser Update, Analysis Reports, and many others.

The Resource Centre needs updated books because most of the material presently stocked is old. We need to buy more Labour, Economics, Politics, Labour Law books. Administration of the resource centre (both filing and cataloguing of information is an on-going process, that is presently being done. We also need to find a way of disseminating the information once the needed information is available.

**Objective 2: - To increase Fawu 's Bargaining Capacity: -**

Updating of wage agreements is done regularly and wage analysis is done on a request. (This should not necessarily be so, it should be on a monthly basis – but due to lack of resources and the problem of branches not sending in their signed wage agreements regularly, that is not happening). Company social responsibility reviews have been conducted by LRS though on a smaller scale than wage reviews.

Fawu needs to purchase AWARD, the Windows-based database used to generate reports (wage analysis) and train the organisers/ negotiators/ shop stewards on the importance of the database, and of sending wage agreements to head office. Reports that can be generated from Award include sectoral reports, comparison of wages and conditions of service in different companies, etc.

A proposal is that there should be a team of organisers/ shop stewards to feed information (such as wage agreements) to the Research Unit. The team would be well known and be made accountable for the flow of information between the locals/ branches/ regions and the unit. An update of wage agreements that have been signed since July 1997 until presently is available in the report of the Bargaining Department.

Conducting of company financial investigations is presently being done by LRS and Fawu researchers. Getting and keeping company Annual Reports (financial) is also part of the job of the researchers based at head office, which is also an on-going job.

**Objective 3: - Financial Analysis Training for National Negotiators, Organisers and Shop Stewards**

According the proposal the above mentioned training was supposed to be part of the programme. Shop Stewards or officials dealing with particular sector would be trained in the following areas:

- Understanding the income statement, the balance sheet, infact the entire company financial report in preparation for negotiations
- Understanding the use of ratio analysis
- Understanding the figures used in financial newspapers/ magazines

These can be done by reading the company "Annual Reports", which the Resource Centre requests from companies on a yearly basis and keeps for this purpose.

Fawu can commission a course from Tulec (Trade Union Library & Education Centre, which has now merged with LRS) in this regard.

**Objective 4: - A focus on assisting the operations of the Becondev**

**Objective 5: - A focus on commodity forums**

**Objective 6: - A focus on cluster studies**

**Objective 7: - Assisting the Fawu delegation to tripartite decision making fora**

The major components of these objectives are:

- Micro-economic analyses, including sectoral analyses and industrial analyses - is one of the areas that a Senior Researcher (at the moment Reza from LRS is doing most of this kind of research) should focus on but which can be and is also done by Junior Researchers.
- Macro-economic analyses, including trade type policy and how it relates to an industry.

Both these objectives are on-going but they can be strengthened.

#### **C - REPORTS: -**

1. A twice-a-year report on "sectoral prospects, and company reviews wage settlements" in support of bargaining structures is made available to organisers and negotiators (One such report was written in February this year, the next issue is due in September/ October).

2. Monthly "Organiser's Updates" on day to day economic issues, negotiations, strikes and inflation rate are supposed to be done every month - but due to lack of resources (including the information itself), this is not done monthly.
3. LRS 's yearly publication of Economic Indicators - Fawu also part-takes in the researching for financial information and compiling of this publication. This is an Omnibus for all union negotiators and leaders to assist them in their development of a bargaining strategy, it provides relevant and accessible economic information - sections like
  - Economic Review
  - Wage Review
  - Labour Market Issues
  - Directors Fees
  - Industry Outlook e. g. Food or Beverage, Hotels & Leisure industry.

#### **D - PROGRAMME OF ACTION: -**

##### **NEEDS ANALYSIS: F.A. W. U RESOURCE/ RESEARCH UNIT**

###### **i) RESOURCE CENTRE:**

- Updated Books on Labour, Economy, Industrial Relations, Politics, etc.
- Subscription to Labour Journals/ Publications
- Connection to Internet (done)
- Cataloguing System
- Tulec 's Organiser 's Update for each of the Organisers and Negotiators and Research Unit
- Subscription to Mc Gregor Information Services for Disc on company financial Information

## ii) RESEARCH UNIT & TRAINING NEEDS:

- Workshops for Researchers, Organisers, Negotiators and shop stewards on:
  - How to analyse financial information i. e. investigating the financial position of companies
  - Analysing different sectors in the food industry/ industrial demographics
  - Research into conditions of employment, new technology, flexibility, job grading and how that affects the workers
  - trends in the global economy
  - preparing for wage negotiations
- Installation of Windows-based AWARD programme (Actual Wage Rates Database) in Fawu to ensure that the processing of wage agreements is done more swiftly and consistently to reflect current and accurate information
- Provision of training on the utilisation of AWARD once the system has been installed and the importance of branches and regions to send wage agreements to Head Office every time they are signed.
- Training on company social responsibility reviews
- Company wage policies within the South African economic context

A programme for training can be drawn and spread over a year or two.

## iii) BUDGET:

An annual budget needs to be set for the Unit to be able to run smoothly. This would need a more structured accounting system. This is where the Senior Researcher would also be needed. I personally think that at this stage all we need are the resources and one Senior Researcher (but somebody who will be full time based in Fawu). The need for an additional Senior Researcher can be reviewed as it may arise in future.

**iv) SALARIES**

Salaries for Researchers need to be discussed because there is neither uniformity, nor is there a set salary.

*By Thandi Yoli*