



NATIONAL LABOUR & ECONOMIC DEVELOPMENT INSTITUTE

The State of COSATU

Phase One Report

August 2006

Table of Contents

1	Introduction	3
2	Overview of Key Trends in the Trade Union Environment.....	5
3	Changing World of Work	6
3.1	Economic growth and job creation.....	6
3.2	Trends in employment and unemployment.....	7
3.3	Implications for union organising.....	15
4	Labour and Politics.....	16
4.1	Economic changes and the impact of COSATU	17
4.2	COSATU's political strategy.....	20
4.3	COSATU and Civil society alliances	26
4.4	The impact of the neo-liberal political economy on the labour movement	28
4.4.1	Worker control and internal democracy.....	29
4.4.2	Mobilisation and campaigns	34
4.4.3	Decline of local structures	38
4.4.4	Trade union education	38
5	Assessing COSATU's Organisational Strength	39
5.1	Changing nature of work and trade union membership.....	39
5.2	Organisational Renewal: Reality or Vogue?.....	41
5.2.1	Focus and priorities of COSATU's Organisational Renewal programme	43
5.2.2	Gender and Organisational Change	51
5.2.3	Organising Strategies	52
5.3	Union Bargaining Strength.....	53
5.3.1	Workplace strategy.....	55
6	State of Affiliates	57
6.1	Synopsis – Key Findings.....	57
6.2	Chemical, Energy, Paper, Printing, Wood & Allied Workers Union (CEPPWAWU)	58
6.3	Communications Workers Union (CWU)	59
6.4	Creative Workers Union of South Africa (CWUSA)-(PAWE & MUSA)..	61
6.5	Food and Allied Workers Union (FAWU)	62
6.6	National Union of Metal Workers (NUMSA)	63
6.7	National Union of Mine Workers (NUM)	67
6.8	Police, Prison Civil Rights Union (POPCRU).....	70
6.9	South African Commercial and Catering Workers Union (SACCAWU).74	
6.10	South African Democratic Teachers Union (SADTU).....	78
6.11	South African State and Allied Workers Union (SASAWU)	83
6.12	South African Transport and Allied Workers Union (SATAWU)	84
7	Research agenda for Phase Two.....	89
8	Concluding remarks	90
9	Bibliography	91

1 Introduction

The **aim** of this paper is to make an initial assessment on the state of COSATU in organisational terms, to contribute towards the 9th Congress debates, reflections and deliberations. This paper is part of a longer study on the state of COSATU to be conducted by NALEDI Organisational Renewal Research Programme. The paper, which constitutes **Phase One** of the study, is intended to provide an overview of key trends within the trade unions and federation and the ways in which COSATU and affiliates are responding to their environment. To do this, we look at COSATU's membership trends, and its corresponding political and organisational strategies. The focus throughout the paper is on the state of organisation, and the implications of various trends for organisation, given that this is part of the Organisational Renewal Programme. The purpose of **Phase One** is to provide a brief reflection to COSATU for its Congress, and to highlight key issues for further investigation and research in **Phase Two**.

Phase Two will conduct a deeper analysis of the various layers of union organisation, with an in-depth study of trade unions, using case studies on key thematic issues emerging from **Phase One**. **Phase Two** will conduct primary research using qualitative research methods. **Phase Two** will begin in October 2006 and will present a report to the August 2007 COSATU CEC.

The **methodology** for this paper, **Phase One** of the study, includes a limited review of literature, documentary analysis and statistical analysis. The literature review draws on selected research and analysis by researchers and analysts of the labour movement in South Africa and internationally (although not extensively given time constraints). The aim is to discuss and draw on available critiques and analysis of the labour movement, and key ideas on trade union renewal. The documentary analysis consists of COSATU and affiliate documents, reports and data, and is intended to provide a picture of key positions and assessments of the federation and affiliates particularly in relation to organisational matters. The statistics used are for analysis of membership and employment trends.

The **terms of reference** for the study were as follows:

To analyse COSATU's **political influence**, looking at the following areas with particular emphasis on how this relates to the federation's organisational strength:

- COSATU's impact on policy
- COSATU's engagement strategy
- COSATU's positioning in the global labour movement

To highlight **key trends in the world of work**, with reference to the implications of such for COSATU's organisational strength and ability to represent workers:

- Employment and unemployment (employment trends, job creation and job losses by sector)
- Quality of Employment (nature & type of employment, wages & benefits)
- Strikes and disputes
- Unionisation trends (union density, COSATU's share of membership by gender, race, skill & occupation)

To reflect on COSATU's ***organisational renewal progress***, by examining the following:

- Trends in membership
- Organising (recruitment, servicing and organisational) strategies
- State of union structures
- Union programmes and campaigns
- Union finances
- Organisational development strategies
- Collective and sectoral bargaining

There were a number of expected and unexpected **limitations** to the study. Firstly, NALEDI was unable to secure all of the funding that we had been promised, which meant that we had to readjust the research plan accordingly, and were therefore unable to do an extensive study. Thanks to the Friedrich Ebert Stiftung we were able to secure a small amount of funding for Phase One of the study, with the commitment to contribute more to Phase Two. However, because this did not meet our budget for Phase One, we were unable to conduct interviews with affiliates as initially planned, and we therefore hope to include this as part of Phase Two of the research. Secondly, we experienced major delays and inconvenience in the process of gathering data from affiliates. A number of affiliates did not submit information requested, despite numerous follow-ups both through NALEDI and COSATU. Unfortunately this means that the quality of the analysis of affiliates has been compromised, and certain affiliates are not included in the analysis at all. Furthermore, due to lack of available information we are not able to analyse certain categories of information identified in the terms of reference. Thirdly, the section on the positioning of COSATU in the international trade union movement could not be covered due to lack of time; we plan to co-ordinate research on this matter with COSATU International Department after the Congress, pending available resources.

This paper therefore reflects on significant trends in the state of organisation, drawing on available research and literature. It also highlights areas requiring further research as part of NALEDI and COSATU's ongoing organisational renewal programme.

2 Overview of Key Trends in the Trade Union Environment

Contradictions are one of the foundations of trade unions. The contradiction between being free to work, yet being coerced to work is a classical Marxist statement on the lives of workers. In contemporary South Africa the key trends in the trade union movement reflect key contradictions in the existence of workers. These contradictions in turn pose strategic questions. This section raises the contradictions and asks the strategic questions. Subsequent sections offer perspectives on the questions raised.

The primary contradiction in a capitalist economy is between workers and capital. However, in understanding this contradiction it is insufficient to merely praise the workers and denounce the capitalists. Instead, rigorous analysis requires untangling the central features of the primary contradiction, its manifestations, crisis points and opportunities.

- **Democratisation and neo-liberal globalisation:** The democratic breakthrough in 1994 opened political space, and has seen significant gains in trade union organisational and bargaining rights. However, there has been a significant onslaught from global capital. There has been massive restructuring of the working class, with attacks on workers through retrenchment and informalisation of work in the form of casualisation, outsourcing, subcontracting and the growth in informal survivalist employment. There is also an accompanying trend of the increased employment of women as a source of cheap labour, often referred to as the feminisation of labour. This is characterised by growing numbers of women being drawn into employment, but into insecure, low-paid and highly exploitative conditions. To what extent has COSATU been able to deepen democracy and counter exploitation by global capital?
- **Dialogue and imposition:** Economic policy making in South Africa is characterised primarily by imposition, and the absence of consultation. It is surprising given both the high union densities in South Africa, and the fact that South African companies are often amongst the biggest in the world. Yet, structures for dialogue, especially NEDLAC, exist. What are the underlying reasons for the imposition of economic policy? What can labour do to ensure it has a more significant role in economic policy making?
- **Protection and vulnerability:** There have been significant and far-reaching changes to labour legislation, constituting one of the most progressive sets of labour laws in the world. But, with the South African economy having been integrated into the global economy and into global production systems and global corporate planning, workers are increasingly more vulnerable, necessitating the need to respond through increased global organising. However, there are major challenges with regard to ability to protect more vulnerable workers as well as implementing the provisions in

practice. There are also elements of flexibility built into the system which makes the situation difficult for workers, particularly if unions are on the defensive. There is a need to assess the extent to which the complex labour law system is accessible and user-friendly to ordinary workers, as well as whether it contributes towards building organisational or legalistic responses to worker grievances. What can organised labour do to extend the protection of workers?

- **Solidarity and neo-liberalism:** The COSATU slogan “An injury to one, is an injury to all” applies to more than other organised workers. It applies to all within the wider concept of the working class, including the unorganised, unemployed and poor families. Within this wider concept of the working class, struggles emerge across various identities and ideologies – gender, water, electricity, land struggles give expression to popular struggle against exploitation. These struggles often buttressed or led by organised labour give expression to the need for solidarity across different issues, identities and ideologies. These struggles however occur when neo-liberalism faces a significant challenge. The rise of left-wing governments in Latin America, the success of socialist experiments in Kerala and Cuba, and the progressive shifts in social policy in several countries provide a sense of hope, grounded in practical realities. However, in several parts of the world trade unions have lost their fighting spirit, often becoming specialised bureaucracies for labour laws and corporatist arrangements. Can COSATU simultaneously lead and join struggles against neo-liberalism, and attempt to negotiate an economic deal? In a globalising world, can either strategy be successful without an international solidarity movement?

3 Changing World of Work

The contradictions and challenges described above are seen within the world of work. This section sets out the trends for employment and unemployment. These trends are assessed through categorising workers into three zones (inner, outer and periphery zones). Finally, the section focuses on poverty and inequality measures as an outcome indicator of worker strength. Before doing this, we make a short detour on economic growth.

3.1 Economic growth and job creation

South Africa has experienced positive economic growth since the advent of democracy. In the mid-2000s, growth picked up largely as a result of a more relaxed fiscal policy and, to a lesser extent, monetary policy, combined with soaring gold and platinum prices. This trajectory was, however, associated with revaluation of the local currency, which in turn led to slower growth in export activities as well as a growing balance-of-payments deficit. In these circumstances, growth rarely exceeded 4%, and continued prosperity depended on notoriously speculative markets in commodities, especially precious metals. However, in any capitalist economy growth does not benefit everyone; and this is certainly the case in South Africa, where economic growth has benefited capital,

while the working class is increasingly impoverished and fragmented. Thus, despite the fact that there has been growth, this has not translated into quality employment or even sufficient job creation.

The precariousness of the current economic growth trajectory due to volatility in markets is made more precarious by the high levels of inequality in South Africa. In a review of major studies on inequality and poverty, the Development Bank of Southern Africa's Development Report 2005 concludes that: *"All these measures support the argument that poverty has increased in South Africa in terms of proportion of people living in poverty, the extent of poverty, as well as inequality."*

Surprisingly, the government's Ten Year Review warns that unless poverty and inequality are urgently addressed the 'negatives will overpower the positives'. Government has recognised this problem in the Accelerated and Shared Growth Initiative of South Africa. Whilst there are significant disputes on whether the planned interventions are appropriate, designed carefully and will ultimately lead to poverty eradication in South Africa, there is a growing recognition that:

- Government needs to play a significant role in restructuring the economy and in ensuring that redistribution is sustainable and efficient.
- Market solutions are inadequate to deal with poverty

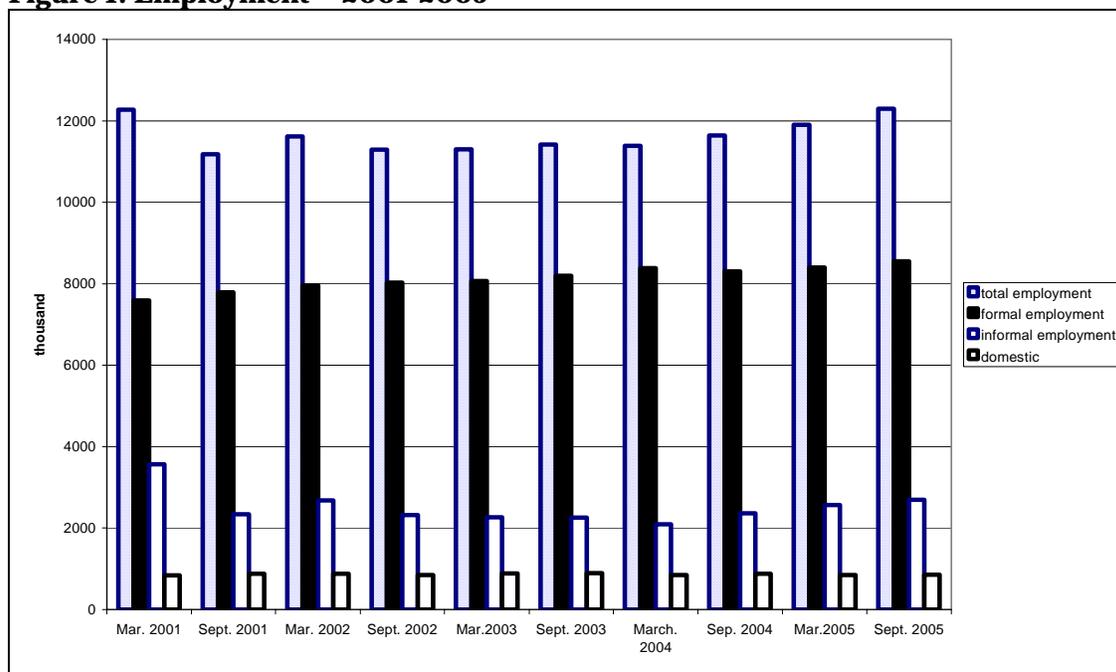
3.2 Trends in employment and unemployment

Against this background, it is important to consider the employment effects of the recent growth spurt. Overall, as illustrated in

Figure 1, total employment has increased between 2001 and September 2005. After dipping in September 2001, employment growth has been fairly steady in the last five years. Steady increase in formal and informal employment accounts for the slight increase in total employment of around one million new jobs.

Formal sector increased by 757 000 new jobs, and taking out job losses, this translates into a net increase of 583 000 jobs. Female employment increased by 503 000 compared to male employment which increased by 267 000 jobs. In other words, female labour supply increased during the period under review and the reasons for this increase deserve investigation.

Figure 1: Employment – 2001-2005



Source: Labour Force Survey, www.statssa.gov.za

Employment in agriculture, mining, and transport declined by 438 000 jobs, this was mainly as a result of agriculture, which lost 187 000 jobs. Job losses in agriculture can be attributed to increased mechanisation and periodic droughts. Mining has also been shedding employment consistently in the past 12 years partly due to rising capital intensity and fluctuating price of metals plus the volatile exchange rate.

Sectors that experienced high employment growth in percentage terms between 2001 and 2005 are construction (72%), finance (28%), and wholesale and retail trade (26%).

Table 1: Changes in formal sector employment 2001-2005

Sector	Change: Sep. 2001-04	
	thousand	%
Construction	243	72%
Finance	269	28%
Wholesale and retail trade	374	26%
Private households	2	17%
Community	153	8%
Transport	27	6%
Electricity	5	5%
Manufacturing	49	4%
Agriculture	-187	-24%
Mining	-141	-26%
Unspecified/Other	-27	-100%
Total	767	10%

Source: calculated from labour force survey, www.statssa.gov.za

The quality of jobs has declined as permanent and stable jobs are replaced by insecure and precarious atypical jobs such as casual and short-term contract work. According to data from LFS, permanent employment has remained stable, whereas non-permanent jobs increased. Total atypical employment increased from 1.6 million in 2003 to 2.7 million in 2005.

Table 2 illustrates the proportion of permanent and atypical employment in 2005. We see from this that construction (63%), agriculture (36%), transport (32%), wholesale and retail (28%), all have a substantial number of people in casual and temporary work. In contrast, electricity has the lowest proportion of atypical employment followed by mining, community and finance.

Table 2: Permanent and atypical employment, September 2005

Sector	Permanent	Atypical
Agriculture	64%	36%
Mining	94%	6%
Manufacturing	76%	24%
Electricity	100%	0%
Construction	37%	63%
Wholesale and retail trade	72%	28%
Transport	68%	32%
Finance	83%	17%
Community	85%	15%

Source: calculated from the LFS, www.statssa.gov.za

As employers 'externalise' their labour costs through outsourcing and subcontracting the role of labour brokers has become much more pronounced in recent years, though hard evidence is hard to come by. Externalisation has direct impact on employment and union organising by fragmenting the workforce and changing employment relations. Companies are externalising mostly support services such as security, cleaning, warehousing and this creates new challenges and tensions for industrial unionism.

Although small as a proportion of total employment, a significant number of people (between 2-3 million) are employed in the informal sector. This group includes street traders, small-scale manufacturers and self employed in agriculture and other survivalist activities.

Figure 1 shows that this type of employment has remained fairly stable between 2002 and 2005.

On the flipside of this employment story is the intolerably high level of mass unemployment by any measure. By strict definition¹, the unemployment rate in 2005 was 26.7% down from 29.4% in 2001 or 4.5 million individuals. Women, especially African women are the hardest hit by unemployment, facing an unemployment rate of 31.7% compared to 22.6% for males, as shown in Table 3 below. Unemployment is concentrated among young people as 72% of the unemployed are under the age of 35 years. However, the narrow definition does not tell the whole story of long term unemployment and if the expanded definition² is used, unemployment doubles to around 8 million or 40%.

Table 3: Unemployment Rate 2001-2005

	Sept.01	Sept.02	03-Sep	Sept.04	Sep.05
Percentage					
Unemployment rate					
Male	25,8	25,9	24,7	23,1	22,6
Female	33,8	35,9	32,0	30,2	31,7
Average	29,4	30,4	28,0	26,2	26,7

Source: LFS, September 2005, www.statssa.gov.za

The causes of unemployment can be explained by both supply side and demand side factors. On the supply side is the low level of formal education, vocational training and lack of experience among the unemployed. Though contentious, business or those linked to business would argue that the high cost of hiring is prohibitive. However available evidence suggests that high labour costs are not likely to have been the cause of mass unemployment. On the demand side slow output growth and rising capital intensity account for the slow growth in formal employment. This has also seen the reduction of low skilled relative to skilled occupations due to the increase use of technology and machinery.

Processes of economic and corporate restructuring in South Africa are having a profound impact on the world of work. Driven on the one hand by intensifying competitive pressure, and on the other by a desire to avoid fully incorporating black workers into a new labour-friendly post apartheid workplace regime, companies are making increasing use of casual and outsourced labour. These new layers of vulnerable and insecure workers are more difficult to unionise, weakening the pressure that the labour movement can put on management.

The failure of the post-apartheid economy to create more jobs, coupled with the downsizing and closure of factories and mines, has created an ever-growing army of unemployed. Many jobless citizens turn to informal economic activity in an effort to survive. There is therefore a growing informal and survivalist sector.

¹ The official definition of unemployment or strict definition refers to people within the economically active population who a) did not work during the prior seven days; b) want to work and are available to start work within a week; and c) have actively looked for work during the past four weeks.

² The expanded definition includes those people who have not searched for work during the past four weeks.

NALEDI and the Sociology of Work Programme (SWOP) have worked together to analyse the changing world of work³. This can be captured through the identification of three different zones of work, namely the core zone, the non-core zone and the peripheral zone.

The core zone

At the centre are the core workers, employed in stable formal sector jobs with salaries, benefits and trade union rights. There are 6.6 million workers in the core zone. NALEDI research has found that there are two dominant managerial strategies in the core zone: an *authoritarian* strategy, reducing the space for trade union activity or worker participation, and *failed* strategy or *lack of* strategy, where management has insufficient capacity to introduce change successfully, and carries on managing in ways inherited from the apartheid era. Many medium and small companies and much of the public sector fall into this second category.

The non-core zone

The non-core zone consists of large numbers of workers who still perform work for the core employers in the formal economy, but who have been rendered vulnerable by so-called 'atypical' contracts. If we include the one million domestic workers, there are approximately 3.1 million of these workers. We divide this zone into two categories: *casual* workers and *externalised* workers.

Casual workers are employed on part-time or temporary contracts, but they are still employed by the core employer and mostly work in the core workplace. Examples are casual workers in the retail sector, who work irregular hours with lower rates of pay and less benefits, and dock workers, large numbers of whom are casuals who are employed on a daily basis when work is available. Employers make use of casual labour in order to reduce costs and ensure that they always have the right number of workers for the available work.

Externalised workers are no longer employed by the core employer, but are employed by subcontractors or labour brokers to do work for the core employer. The core employer externalises the employment contract into a commercial contract with the subcontractor, and therefore washes his hands of any obligations to the workers.

The subcontractor or labour broker can therefore be called a nominal employer or ghost employer, as it has very little independent status and is employing on behalf of the core employer. The workers of these ghost employers are even more vulnerable than casual workers, and have to accept low wages and benefits and a high degree of job insecurity. To make things worse, many of these ghost

³ Webster & Von Holdt (eds) 2005

employers are part of the informal sector, denying their employees any of the rights to be found in labour legislation.

At I&J fish factory for example, 60% of the workers are employed by labour brokers, but they are fully integrated into the factory production process. The labour broker has five supervisors permanently on-site to help manage its workers. This kind of labour broking is still in the formal sector, and workers have formal employment contracts, although they have somewhat reduced wages and benefits. In contrast, in the clothing and footwear sectors large numbers of retrenched workers are employed in informal sweatshops and mini-factories, where they work long but the irregular hours, earn according to what they produce, and are forced to accept low wages and none of the benefits of formal sector workers.

The peripheral zone

The peripheral zone consists of the unemployed and those who make a living street trading, running spazas, making dresses, or engaging in criminal activities. They have no employment relationship with the core employers in the formal economy, although they may sell goods and services to the workers in the formal economy.

Many of these enterprises are survivalist operations through which people attempt to *make a living*, as they no longer have opportunities to *earn a living*. Many of the workers in this zone do not have employers, but struggle with hostile local authorities as well as limited markets in which to sell their goods. Those who do have employers (for example, a spaza shop owner) are often heavily exploited. There are about 2.2 million informal sector workers and about 8.4 million unemployed in this zone.

Poverty

These processes of restructuring and differentiation within the world of work are the primary cause of poverty in South Africa. Poverty is experienced not only by the unemployed, but by the rapidly growing layers of the 'working poor' in the peripheral and non-core zones. A 2004 study by Meth and Dias found that 'the number of the employed living in poverty more than doubled: from just over 900 000 to approximately 2 million individuals' between 1995 and 2003. This figure of 2 million included 1.5 million working in the formal sector, and almost half a million of the informally self-employed.

The informally self-employed experienced the greatest fall in income over the same period – by more than 66%! It is clear that many if not all of the new jobs created in the post-apartheid economy are jobs in the non-core and peripheral zones, and that these jobs contribute to poverty rather than development.

The LFS data is brought into context by studies measuring poverty and inequality. Figure 2 summarises the major studies on poverty and inequality reviewed by the People's Budget Campaign.⁴

Figure 2: Major Studies on Poverty and Inequality

This box summarises some studies that have measured poverty in South Africa.

These papers – amongst others – find that poverty has either increased or remains stable:

- **Human Development Report 2003:** The report argues that there has been an increase in the number of people living under US \$ 1 per day, from 9.4% (1995) to 10.5 % (2002). The same report indicates that there has been a slight decline in the number of people living under US \$ 2 per day, from 24.2% (1995) to 23.8% (2002). Interestingly, the official South African estimates of poverty⁵ are higher than those in the Human Development Report. Using national estimates of poverty and inequality in South Africa, in 2000, 11% of people were living on less than US\$1 a day and 34% were living on less than US\$ 2 a day.
- **Human Sciences Research Council:** New estimates of poverty show that the *proportion* of people living in poverty in South Africa has not changed significantly between 1996 and 2001. However, those households living in poverty have sunk *deeper* into poverty and the gap between rich and poor has *widened*. Approximately 57% of individuals in South Africa were living below the poverty income line in 2001, unchanged from 1996. Given population growth, this also implies an increase in the numbers of poor people living in poverty.
- **DBSA Development Report 2005:** All these measures support the argument that poverty has increased in South Africa in terms of proportion of people living in poverty, the extent of poverty, as well as inequality.
- **Charles Simkins 2005:** Simkins' comparison of four poverty measures between the 1995 and 2000 Income and Expenditure Surveys show a clear increase. Comparisons of poverty measures between 1996 and 2001 census data showed a mixed picture. On balance, it is likely that poverty worsened.
- **Charles Meth and Rosa Dias** found that – the state's efforts notwithstanding – the number of people falling below a parsimonious poverty line has increased between 1999 and 2002, probably by at least 2 million.

Two sources argue that poverty has decreased:

- **South African Advertising Research Foundation:** Based on Living Standards Measure (LSM) there is a trend line indicating that there has been a decline in the number of poor South Africans.
- **Bureau for Economic Research, University of Stellenbosch:** The authors utilise multiple methods, and argue that between 2000-2004, there

⁴ The figure below is taken from People's Budget (2006) Detailed Response to the 2006/2007 Budget.

⁵ See South African governments report to the United Nations on Millennium Development Goals

has been a decline in poverty. Even here there is an increase in the **number** of people living in poverty under one of the models developed.

Both sets of arguments – those arguing that poverty has increased and those claiming that it has decreased – point out that poverty remains a significant challenge. Minister Manuel in the 2005/6 Budget Speech explicitly indicated that a poverty line would be constructed. We eagerly await this, as it will allow for comparison of data.

3.3 Implications for union organising

COSATU affiliates have largely not been successful in organising non-core workers, apart from some modest progress in certain affiliates, for example, SACCAWU, SACTWU and SATAWU. Conscious and dedicated efforts to organise non-core workers are central to improving working conditions and bargaining power for both core and non-core workers. There is a danger of divisions between core workers and non-core workers created by differing pay and working conditions as well as job insecurity. This is where the role of trade unions is crucial in facilitating solidarity and struggles directed at the employer.

Some instances have been recounted of core workers viewing non-core workers as not being proper workers and as undermining their working conditions, while non-core workers may feel that core workers and trade unions are not interested in their problems⁶. This potential for divisions among workers constitutes a threat to trade unions because it can undermine their power. Ultimately, the growth of non-core work will undermine the conditions of core workers unless trade unions manage to build solidarity between core and non-core workers.

In the peripheral zone there have been important initiatives to organise outside of the union movement, such as the Self-employed Woman's Union (SEWU) and various hawkers organisations. This shows that informal sector workers can be organised, and can engage in struggle and negotiations with, for example, local authorities and local business. However, these organisations remain weak and under-resourced and therefore have a limited impact. SEWU has collapsed, which points to major challenges in the sustainability of organisation amongst informal traders, however it also points to the need for renewed strategising on how best to organise.

If COSATU wishes to expand its organisation in the *non-core zone* it should:

- Commit organisers and resources to developing innovative strategies and implement them
- Adopt strategies to
 - Mobilise and organise non-core workers
 - Build solidarity between non-core workers and core workers
 - Use their power among core workers to put pressure on employers

⁶ See Rees (1999); Kenny (2006) and Webster & Von Holdt (2005)

- Consider much more innovative social movement strategies for organising externalised and informalised sweatshop workers, such as mobilising them on a community-wide basis and engaging in large-scale marches and demonstrations, rather than trying to establish shop steward structures and negotiating relations with each sweatshop employer
- Build alliances with community organisations and social movements to strengthen efforts to organise in the non-core zone
- Adopt a differential membership fee for atypical workers, whilst giving them full membership rights

If COSATU wishes to facilitate organisation in the *peripheral zone*, it should:

- Acknowledge that its industrial affiliates have structures and practices which are inappropriate for organising on the terrain of the peripheral zone
- Establish alliances with organisations that do have appropriate structures and organising practices, and assist them with resources and joint campaigns
- Where such organisations don't exist, be ready to facilitate or support the establishment of such organisations
- Consider establishing a portfolio within COSATU head office to explore these possibilities
- As with the non-core zone, organisation and mobilisation in the peripheral zone would benefit from alliances with community organisations and social movements

Current economic policy and corporate strategies are having a devastating impact on the working people. COSATU can bang the drums of policy alternatives as much as it likes, but unless there is strong organisation and mobilisation amongst the working poor it will be ignored.

4 Labour and Politics

This section looks at the political and economic context and the ways in which the nature of the post-apartheid political economy has affected the labour movement. It further reflects upon the ability of the labour movement to influence the transformation process in this era.

A number of studies as well as various COSATU discussion documents have reflected on these issues in a detailed and informative manner. This paper will therefore not discuss these issues in depth, but will merely highlight key issues for debate and analysis, drawing on research and writings on the labour movement by academics and labour analysts, COSATU discussion documents and reports, as well as NALEDI research and analysis. The focus of this paper is on the *organisational implications* of broader political and economic trends.

The questions that arise in the current context are as follows:

- To what extent and in what ways have trade unions been changed by the transition, and how have trade unions impacted on the democratisation process?
- How does the current climate and changing responses of trade unions to this impact on worker control and internal democracy?
- What are the striking organisational strengths and weaknesses of this period?
- What is the assessment of researchers and analysts of COSATU's political strategies?
- What forms of trade unionism are characteristic of this period?
- How does organisational renewal respond to these challenges?

Section 4 therefore encompasses the following sub-sections:

- Economic changes and COSATU's impact on economic policy
- COSATU and civil society alliances
- COSATU's political strategy
- The impact of the neo-liberal political and economic environment on COSATU

4.1 Economic changes and the impact of COSATU

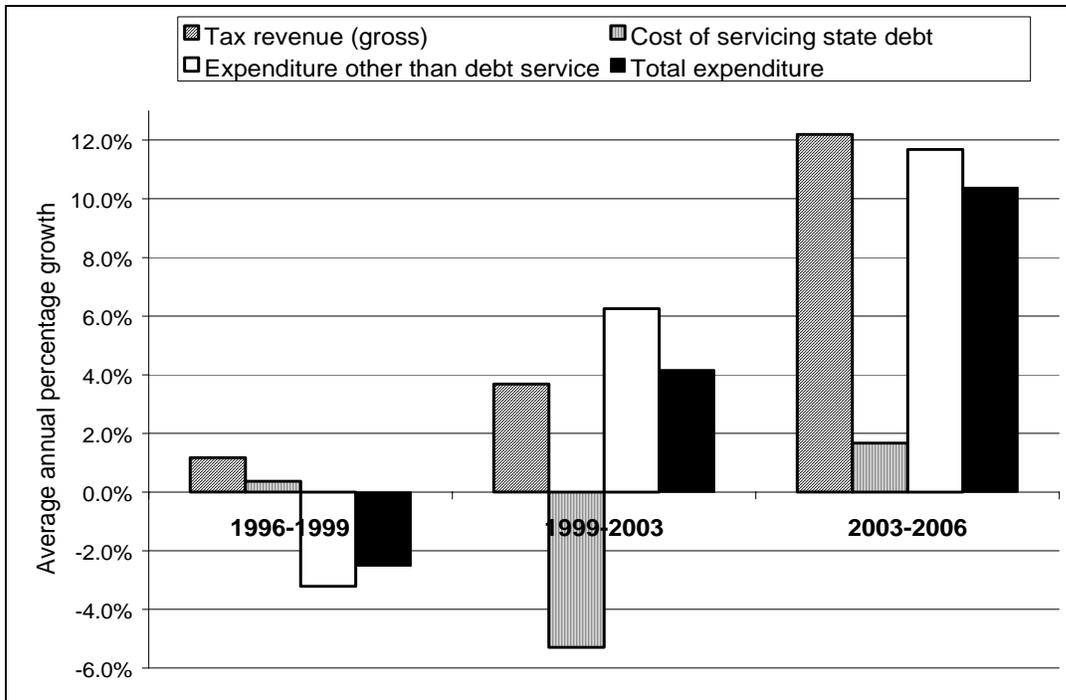
A subject of intense debate and disagreement in COSATU is whether substantial changes have occurred within economic policy; and more specifically whether COSATU has had an impact on economic policies. This section traces changes in economic policy making, before assessing COSATU's impact.

Three policy changes are suggestive that a more progressive economic policy is beginning to emerge. First, the budget has shown a moderately expansionary stance since 2000. As shown in

Figure 3 below tax revenue, and expenditure other than debt servicing has increased significantly between 1996 and 2006.

This means that government is spending more money. Moreover, even research regularly quoted by government, endorses the COSATU view that increased government expenditure leads to higher levels of economic growth, and has a positive impact on poverty reduction.

Figure 3: Changes in Budget expenditure 1996-2006



Source: Makgetla, 2006. Calculated from Budget Review

COSATU has campaigned for a significant increase in budgets, and has through the People’s Budget Campaign developed various proposals (see next section). Significantly, these proposals have developed costed proposals and a macroeconomic model that leads to the conclusion that an “efficient redistribution” programme is attainable in South Africa. The concept of efficient redistribution argues that development strategies can be undertaken in which economic growth and redistribution can exist in a virtuous cycle. The concept has been a long held policy position in COSATU, and endorsed in the RDP.

However, the increase in budgets must be viewed in context, where development indicators show increased levels of unemployment and inequality, and whilst there is some debate poverty levels have in all probability increased. From the perspective of an organisation espousing socialism – like COSATU – the overriding picture is a society characterised by poverty and inequality traps for the poor. These traps are characterised by:

- **Prospect of intergenerational poverty:** Studies from panel data in KZN for instance shows that poor people are likely to remain poor, and are identified as the chronically poor. In addition, there is still a very strong correlation between matric results and class position of learners.
- **Asset Inequality:** Whilst government has had a significant delivery programme for household services, this delivery programme has not been linked to the creation of assets for the poor. Thus it might be of interest to look at levels of wealth inequality in our society, which would go beyond income measures such as the Gini Coefficient.

The conclusion is that COSATU has impacted on fiscal policy through its work in the People's Budget Campaign, which is part of the Jobs and Poverty Campaign. However, the structural features which underpin inequality and poverty remain largely intact.

Second an area of progress is in terms of privatisation. The national anti-privatisation strikes have been pivotal in stopping the wholesale privatisation of SOE. The current proposals for electricity and transport retain a strong role for the state. However, the distributional consequences of the planned reforms inordinately benefit large capital. In terms of electricity restructuring capital has gained choice of supply for large energy users. Similarly, the restructuring of rail is geared towards the cheaper and more reliable export of raw materials. Consequently, new struggles are emerging on contesting the outcomes of massive investments government and SOEs will be making in terms of electricity and transport.

If there is a silver lining in electricity and transport (i.e. state control), this is not true for telecommunications. The privatisation of TELKOM has benefited shareholders who have seen significant increases in share price, and large dividends. The other beneficiaries in terms of pricing have been internet users, and those conducting long distance calls. Moreover, even capital has argued that pricing of telecommunications remains high by international standards (South Africa Foundation). The benefit of roll out of telephone lines to poor households has largely been reversed due to a large number of cut-offs resulting from high tariffs.

Third, the shift from cost recovery policies to free basic services has been an important victory for the union movement. The shift in policy was catalysed by the outbreak of cholera in KZN. The introduction of free basic services, once again, has had distributional consequences that have negatively impacted on the poor. Key amongst these consequences is that universal roll out of services is lagging behind need. Moreover, the levels of free basic services are not sufficient for the daily needs of poor households.

Implications

The three areas outlined above indicate that social mobilisation and activism around a more redistributive stance by government have yielded partial victories in some areas. In other areas – like trade and industrial policy – there have been significant debates. However, the campaigns over the last ten years have yielded an opening, necessitating that COSATU should assess its policies and campaigns. The central lesson is that social mobilisation – across sectors and institutions – are at the centre of making even small changes to economic and social policy. This is a lesson that must guide the work of COSATU going forward. The experience thus suggests greater levels of mobilisation for redistribution by the state must be at the centre of COSATU strategy.

Moreover, the consolidation of gains has seen the labour movement and its coalition partners in civil society lacking. In part, this is due to the perennial problem of capacity. However, this is only part of the explanation. The more significant explanatory variable has been the ability of capital to reorganise, and negotiate settlements that favour them. Table 4 below summarises the reorganisation of capital in the three areas discussed:

Table 4: Union Victories and Capital Reorganisation

Policy Area	Union Victory	Capital Reorganisation
Fiscal Policy	Moderately expansionary budget	Lower levels of deficits, and a call for a fiscal surplus
State owned enterprises	Significant public sector role in electricity and transport	Preferential pricing structures for large companies, often with higher prices for small companies
Free basic services	Acceptance of policy to de-commodify services	Strategy to reduce cross-subsidies in electricity sector through negotiating choice of supply

COSATU thus needs to configure a response to the continual reorganisation of capital, if South Africa is to achieve greater levels of equity and prosperity.

4.2 COSATU's political strategy

Sociologists have identified the tendency towards elitism and pacting in social democracies and corporatist arrangements. They also argue that bureaucratisation is an inevitable process as organisations expand and that this creates “counter-democratic tendencies”.⁷ Some have argued that *“bureaucratisation inevitably leads to the empowerment of leaders, who will, owing to the pressures and rewards attached to their positions, inevitably become a self-perpetuating elite.”*⁸

The most effective way of countering the tendency towards bureaucratisation and elitism in organisations is a high level of participation of the rank and file. In this context, many analysts put forward a dichotomy of choices for the trade union movement, to either become incorporated in the agenda of capital and increasingly bureaucratised, but with the trade off of winning some demands for members; or to take an oppositionist stance but at the risk of being left out of engagement processes. This implies that seeking influence through social dialogue and strategic engagement with capital and the state necessarily leads to trade offs in autonomy.⁹

⁷ Giddens (1979) on Weber, cited in Wood and Dibben (2006:47).

⁸ Wood & Dibben (2006:47)

⁹ Wood and Dibben (2006:47)

There is a view that *“unions should not risk being contaminated through seeking accommodations with capital and the state but rather should root themselves in community struggles and grassroots campaigns in the interests of long-term social change.”*¹⁰ But another view is that institutionalisation is not an inevitable result of participating in corporatist institutions, but rather reflects a form of political engagement which slides into managing capitalism as opposed to challenging it.¹¹

The challenge of this era is the fact that the strategy of engagement with capitalism and the capitalist state is far more difficult to manage than an overt and clear strategy to smash capitalism. The former contains major contradictions and potential pitfalls and is very difficult to navigate ideologically and in terms of strategy and tactics. It potentially contributes towards confusing rhetoric and muddled strategies. *“Many unionists now find themselves working in some kind of partnership with employers and/ or the government, and have had to jettison the 1980s notion of ‘smashing’ capitalism in favour of a discourse of reconstruction and social partnership.”*¹²

There is a need to remain consistent in challenging the capitalist framework, while pursuing progressive reforms that roll back the domination of capital. Of course, this is where the strategic confusion often lies – when are reforms reformist and when are they progressive?

In order to pursue an agenda of radical/progressive reforms, the following should ideally be elements:

- Radical reforms should first and foremost be based on a reading of the balance of power between capital and labour in order to assess the nature of the reforms (for example, in a neo-liberal capitalist framework certain reforms that improve the lives of workers would be worth fighting for, whereas in a context where workers are relatively powerful the same reforms would be accommodationist and reactionary, as they would shift the balance of power into the hands of capital)
- Radical reforms should eat into the profit of the bourgeoisie (e.g. taxation, higher wages)
- Radical reforms should challenge the commodification of basic needs and that begin to de-commodify the means of production and social reproduction
- Radical reforms should benefit workers in ways that advance collective action, improve bargaining power and contribute towards the social reproduction of the working class (e.g. better wages, basic needs, social wage, education, etc)
- Radical reforms should challenge positions of domination and subordination within the global economy (e.g. a socialist-orientated industrial strategy that

¹⁰ See Desai (2002) paraphrased in Wood and Dibben (2006:47)

¹¹ Interview with John Appolis and Dinga Sikwebu by Franco Barchiesi in *Rethinking the Labour Movement* (2003) edited by Tom Bramble and Franco Barchiesi

¹² Buhlungu (2004:186)

decreases the dependence of the economy on capitalist economies of the North)

- Radical reforms should be located within an overall ideological and political struggle against capitalism (which develops the confidence, unity and class consciousness of the working class)

Key to overcoming the potential slide towards reformism and bureaucratisation in trade unions is the mobilisation and participation of members and their active defence and advancement of internal democracy and worker control. Thus, it is arguably possible to maintain the strength and vibrancy of trade unions: *“further recruitment and collective action are possible but are contingent on making union membership worthwhile... this depends on effective articulation of broader concerns and high levels of participation by rank and file.”*¹³

Thus trade unions can and do represent workers on day-to-day issues while simultaneously acting as a mass movement advancing democratisation and social transformation.

By all accounts COSATU remains a significant and powerful force: *“Its influence is enormous, with other movements either emulating or distinguishing themselves from it. This capacity to act as a model or an example to avoid suggests that it is perhaps the single most defining element in the social movement universe in South Africa.”*¹⁴

It is therefore critical to analyse the federation’s political strategy, given the influence and strategic importance of the federation. The federation is strategic given its size and political influence, but most importantly because of its strategic location within production.

COSATU has adopted a political strategy which aims to *“assert working class hegemony of society to counteract the entrenched power of capital. To that end, we seek to combine state and social power in favour of the working class. Freedom must bring tangible and real benefits to the working class.”*¹⁵

The pillars of COSATU’s political programme include:

- Democratising the state
- Building the alliance
- Ideological contestation and political education

COSATU’s conception of transformative unionism is indeed a progressive approach. It correctly identifies the need for the trade union movement to go beyond a narrow and potentially reformist and accommodationist approach which merely negotiates a better deal for its members without challenging the capitalist political and economic system.

¹³ Wood and Dibben (2006:47)

¹⁴ Habib and Valodia (2006:226)

¹⁵ COSATU 2015 Plan (2004:5-11)

COSATU's approach of combining collective bargaining with political struggle makes it unique. Its political struggle includes impacting on the democratisation and transformation process, as well as building a strong workers movement and working class organisation to struggle for socialism. Therefore, a key measure of how well the federation is doing in advancing transformative trade unionism is the extent to which COSATU's struggles in the recent period have constituted anti-capitalist struggles, and the extent to which the federation is contributing towards deepened democracy that is reflected in outcomes that advance working class struggles.

In COSATU's analysis (a view that is shared by the SACP) the first decade of freedom has meant the attainment of political power, while still attempting to gain control of the state, and while economic power remains in the hands of white capital.¹⁶ This is certainly true with regard to the lack of fundamental economic transformation, however there is a need for caution in proclaiming an attainment of political power.

Our democracy is limited to a representative form of democracy and has not given adequate voice and space to the participation of the working class in policy development and in determining the direction of the country. Certainly, there are progressive elements within the state and some aspects of legislation and policy; however, this falls short of the historic vision of a participatory form of democracy.

There is still a need to transform the nature of our democracy and to contest the class biases within it. Still, the democratic space that exists is nevertheless important for the working class to assert its independence and contest the trajectory of the transition. It is far more difficult to pursue a transformatory agenda in an authoritarian climate, as was the case under apartheid. The democratic space must therefore be deepened and advanced.

COSATU finds itself in a contradictory position within the current political situation. On the one hand it challenges the government vigorously for pursuing a neo-liberal trajectory and advancing the agenda of capital. It argues that under the ANC's reign capital has become more powerful and hegemonic, and that the working class have borne the brunt of economic restructuring. On the other hand COSATU advances the view that the next decade should benefit workers but that this can only happen under an ANC government. The federation affirms that the ANC is the leading force in the national democratic revolution, and is the political force most likely to bring such benefits to workers. This does not assist in directly confronting the class contradictions that have emerged and the fact that the interpretations and approaches of the alliance partners on the NDR have become divergent and conflicted.

¹⁶ COSATU 2015 Plan (2004:5)

Research conducted for SADTU on its impact on public policy revealed that the government has shifted significantly since the first term. Whereas SADTU had a major impact on policy in early years, given its strategic relationship with government, this space has closed down increasingly, to the extent that government now prefers consultants and technocratic processes of policy development.

The union noted at its Education Policy Conference in 2001, *“The formal administrative trappings of Apartheid education have been successfully dismantled. This was done in an open democratic policy process involving all stakeholders. However, apartheid backlogs have not been addressed. Our fundamental goals of equity, redress and equal access have to a great extent been derailed by conservative economic policy and the acceptance of neo-liberal ideology by significant sections of the national liberation movement. At the same time, as the vision of transformation recedes, consultation has increasingly become a mere formality”*.¹⁷

A similar point was made at the SADTU Congress in 2002: *“In the early days of our new democracy, policy formulation involved intense consultation with key stakeholders. As the new government began to grapple with global needs and the challenge of transformation, the environment of consultation changed. Stakeholder participation, once the pride of our new democracy, has now become limited to brief information sessions with stakeholders expected to endorse new policy... As SADTU we find ourselves fighting for our space in the consultative process with the Minister of Education and the DoE. There is an increased tendency for the Minister and the DoE to employ and engage ‘experts’ in the field rather than consult with the unions. This has created tensions between the Ministry of Education and SADTU, with the Ministry acting in bad faith.”*¹⁸

The NALEDI study on the impact of SADTU on policy formulation indicated that the DoE’s internalisation of policy formulation is a trend that has been increasing since 2000. Civil society and other stakeholders such as parent groups, NGOs and teachers’ unions have been given less space to make input in the policy formulation stage. As a result the department develops policy from above without a clear understanding of conditions in schools and communities where policy meets learners and educators.

The examples cited above are borne out in other engagements with various government departments. This results in a disturbing situation where labour’s role is increasingly limited to the sphere of implementation. There is a decline in the space for engagement and shifts in the role envisaged by government for trade unions, compared with the first phase of democratisation. This has also created the untenable situation where unions, particularly in the state sector, may be expected to implement policy that they have not agreed to, policies that fall

¹⁷Thulas Nxesi, SADTU General-Secretary, Address to SADTU Education Conference, 2001

¹⁸ SADTU Vice-President for Education’s Report to Congress in 2002

within the neo-liberal paradigm embodied in GEAR and various cost-cutting measures.

The reality of the changed policy environment is that debates and discussions have come to happen less frequently, and in an increasingly technicist manner. However, COSATU and its affiliates are not developing new strategies of engagement to deal with an increasingly uncooperative and intransigent alliance partner, employer and government, despite their recognition of the dramatically changed political and policy context.

The federation acknowledged back in 2000 that there is a need to focus on strategies of engagement and struggle beyond policy submissions and furthermore, that there is a need to develop new ways of operating within the Alliance: *“One of the lessons clearly emerging from the first term has been that no matter how sound and coherent submissions might be, they usually need to be combined with these other tactics if they are to lead to concrete changes in legislation.”* (COSATU, 2000:143)

The federation further acknowledged that *“These experiences reveal important lessons for the establishment of a clear Alliance modus operandi in terms of coordinating with government on legislative and policy matters”* (COSATU, 2000:33). But the question that needs to be posed is what the federation has done differently having acknowledged this?

COSATU’s political strategy relies heavily on cooperation from government and employers. It is based on an approach which depends largely on social democratic-type interventions, a strong, effective and progressive government willing to engage capital and a responsive private sector willing to cooperate.

COSATU’s political strategy in relation to the alliance and the ANC does not adequately respond to the current contradictions. While the political programme acknowledges the problems within the alliance, it still reaffirms the same strategy that has thus far not yielded results – ‘to swell the ranks of the ANC’. There is a need for the federation to assess its strategies and their effectiveness and discuss new ways of engaging the ANC, both as alliance partner and as the state.

While the strength of COSATU’s political strategy is to combine strategic engagement with capital and government and mass mobilisation and class struggle, there is a need to involve members more actively in determining the terms and content of engagement with the state and capital. By far, it still remains an open, democratic and consultative movement, yet faces pressures of having to respond to demands from capital and the state that are at times incongruent with the culture of internal democracy.

Furthermore, the political strategy can move further in its boldness in challenging capitalism and pushing the boundaries of ‘what is possible’ in the current period. There has been a tendency by both COSATU and the SACP to

respond within the terms set by the neo-liberal political climate advanced by the ANC, rather than challenging these much more boldly and decisively. For instance Pillay (2006:13) has posed the following challenging and provocative questions to the federation:

“Why is COSATU simply following dominant ‘international best practice’ and looking only to the Far East, and not other, more democratic examples of redistributive development? Is it because Kerala’s low growth, sustainable development path is too radical for relatively urbanised South African society, including members of COSATU, who are oriented towards mimicking individualist, western consumption patterns? Is Venezuela’s example of taking on vested interests, and inviting the wrath of US imperialism, too risky for our delicate, post-conflict democratic transition? Is this relative conservatism within COSATU a function of the nature of its membership, which has forced it to remain within the limiting embrace of Alliance politics, or can its leadership, along with the SACP, be more assertive and creative about future options?”

COSATU’s key political interventions in the recent period have centred around relations and operations of the alliance; including the increasing centralisation of power within the ANC, the lack of transparency, accountability and consultation on policy decisions and the abuse of state power, all of which are crucial national issues.

There is a need to assess the extent to which COSATU’s approach to these matters is delivering the desired results and the extent to which the federation is actually impacting on the levels of internal democracy and accountability of the ANC. Furthermore, the major issues of the day, such as joblessness, HIV/AIDS and poverty, on which the government is dismally failing, remain unresolved. While COSATU has put significant pressure on the government in this regard, the results are not forthcoming.

Despite the fact that both the state and capital have proved largely unwilling to address the concerns of labour and the working class on a number of issues, COSATU has not necessarily changed its strategy and tactics. Of course the federation has engaged in mass mobilisation and campaigns, and has engaged the state very assertively. It has been steadfast in its defence of workers rights and in advancing its vision. Nevertheless, there is some reluctance in the federation to confront some of the difficult political questions, such as the character of the state, the character of the ANC and the appropriate strategies in response to these.

4.3 COSATU and Civil society alliances

A defining feature of COSATU’s political strategy has been to develop coalitions with like-minded organisations.

Table 5 shows the campaigns where COSATU has linked up with different organisations:

Table 5: COSATU campaigns and Alliances

Campaign	Summary of Aims	Participants
People's Budget Campaign	Reorientation of budget towards structural changes that benefit the poor	<ul style="list-style-type: none"> • SACC • COSATU • SANGOCO
Basic Income Grant	Significantly transform social security policy towards universal provision of a grant	<ul style="list-style-type: none"> • Coalition involves over 30 faith based, NGO and other civil society organisations
Treatment Action Campaign	Integrated prevention and treatment response to HIV/AIDS in South Africa	<ul style="list-style-type: none"> • Involves COSATU playing a role in the campaign, and working with a significant number of civil society organisations
Jobs and Poverty Campaign	Campaign seeks to highlight the crisis of unemployment whilst demanding a new development path	<ul style="list-style-type: none"> • Involves COSATU playing a role in the campaign, and working with a significant number of civil society organisations

Whilst COSATU is one of the most powerful actors in civil society, these coalitions have been characterised by significantly equal relationships. For instance, the TAC has built a formidable organisational machinery to campaign around issues of HIV/AIDS. This capacity has been utilised for mobilisation and the development of proposals. In all instances, these proposals are debated in COSATU structures before decisions are made. The central issue is that COSATU is open to influence from other progressive organisations, which is a significant strength. In the instance of the Peoples' Budget Campaign (PBC), COSATU has worked on proposals together with the other coalition partners, and has engaged in significant policy debate on issues. The continuation of these relationships is important, however the form of these coalitions might need to be reconfigured (see below).

An area of weakness has been in COSATU engaging with social movements. These movements, like the Anti-Privatisation Forum, are often organised in communities, and sometimes display a reluctance to work with COSATU. However, over the last two years there has emerged the semblance of a working relationship between social movements and organised labour. Whilst there are significant ideological issues, there is a need to find a programmatic expression to working with social movements.

As COSATU debates at its national congress, one area that may emerge is how to configure these relationships in future. A proposal is for the creation of an Economic and Social Justice Campaign that would link all struggles in civil society, while retaining the capacity and organising capacities in the existing campaigns. This structure would serve as a communications and coordination centre that would plan for campaigns. This has the advantages of bringing home the central message of economic and social inequality being the central evil in our society, but would also ensure that limited capacities across the federation and more broadly in civil society are deployed effectively.

4.4 The impact of the neo-liberal political economy on the labour movement

It is necessary to analyse both the impact that COSATU has had on the democratisation process and simultaneously the impact the transition has had on the labour movement¹⁹. This highlights the need to analyse the ways in which COSATU acts upon its environment and is impacted upon by the national and global political economy.

A number of writers have pointed to the re-composition of the South African trade union movement over the last 10-15 years²⁰. The trade union movement confronts a changing political economy, with corresponding changes in the membership, leadership and staff of trade unions.

As demonstrated earlier, there is a restructuring of the working class, which is characterised by growing fragmentation. This is the result of massive retrenchments, high levels of unemployment and growing informalisation of work, leading to the increased impoverishment and marginalisation of sections of the working class. At the same time, there has been upward mobility and opportunities for advancement in the workplace that have opened up in the post-apartheid era.

The composition of COSATU is changing as a result of membership losses due to retrenchment of 'low-skilled' workers, combined with the growth of public sector unionisation. The federation represents growing numbers of workers with higher skill and education levels. COSATU membership trends are discussed further in Section 5.1.

For the purposes of this section, membership in COSATU unions as a whole grew by 4% since the last Congress in 2003. This represents a reversal of membership losses between 2000-2003, during which time membership declined by 5%. This is on par with union membership growth in South Africa as a whole over the last 3 years, which was 4% according to LFS data. COSATU therefore declined by 1% from 2000. Certain affiliates have seen significant growth in membership, for

¹⁹ Valenzuela (1989)

²⁰ See Buhlungu (2002, 2004), Mackay and Mothoho (2001), Wood and Dibben (2006) and Webster (2006)

example SATAWU and POPCRU, followed by SACCAWU, SADNU, SADTU and SACTWU.

The massive growth in trade union membership which took place between 1994 and 1997, particularly in public sector unions, has had an important impact on these unions in organisational terms. There is a need to analyse the organisational implications of membership increases and declines in various affiliates.

Deracialisation has led to increased opportunities for black people and trade unionists, with the demand for skilled leadership in government institutions, as well as upward mobility into business, management and union investment companies. The demand for skilled progressive people, and Alliance-linked activists in particular, in various institutions of governance has had a profound impact on trade union leadership contestation at all levels.

Being a union leader, even at shop steward level, is potentially a stepping-stone to advancement. This has led to intensified contestation and political battles, which can potentially supplant union principles of solidarity and democracy with individualism and opportunism. This is further exacerbated by the politics of patronage and factionalism that are increasingly dominating the ANC.

There are pressures on the labour movement to respond to policy developments, within the context of an increasingly technocratic approach to policy development by government, and a corresponding marginalisation of the voice of workers in the democratisation process. Increasing reliance on 'experts' to respond to policy issues holds the danger of undermining a membership-driven and organisation building approach. This constitutes a challenge to the federation, to contest the terms on which it responds to the transformation of the state and the economy.

A key question that arises is the extent to which these changes impact on the political orientation, representivity and cohesion of the labour movement and the working class as a whole. It also raises the question of the extent to which workers wield power within their own organisations. The following sections will focus primarily on the organisational implications of the trends that have emerged over the last 10-15 years of the transition, which has largely been characterised by the consolidation of capitalism.

4.4.1 Worker control and internal democracy

A feature of the current period, with the need for the federation and unions to respond and contribute towards policy development and transformation, has been the growing recruitment of an "expert layer" of officials as researchers, economists, legal specialists to increase union capacity.²¹ This has implications

²¹ Buhlungu (2002)

for worker control and internal democracy, which need to be analysed and confronted by the federation and affiliates.

This section highlights some of the research that has been conducted on this issue, while recognising that there is a need for more research to assess the accuracy of the claims made by these researchers, to analyse trends within affiliates and the federation, and to explore ways in which unions are responding.

Buhlungu advances the analysis that under mounting pressure from employers and the government “*many unionists adopt the professional approach to union work and avoid the long process of calling workers’ general meetings to seek mandates or report back on developments*”.²²

He further argues that: “*Some of these professionals, as one union official called them, brought a different style of doing things which was perceived to be about taking ‘short-cuts’ as opposed to the traditional participatory style of the union which often took a long time.*”²³

This implies shifts in the balance of power in unions towards officials and away from membership. Obviously worker control is exercised under particular circumstances and it is certainly important to understand how it is being wielded under the current circumstances, in which unions have to rely on experts to boost organisational capacity and in policy engagement.

Of equal significance is the fact that this is largely driven by the process of neo-liberal restructuring in workplaces, the economy and the state. It is worth noting that while on the one hand this reflects the nature of the period with increasing participation by the labour movement in governance issues in the country, it also reflects an increasingly technocratic form of policy-making and governance by the state, which is largely driven by capital (albeit with contestation).

Buhlungu argues that there is growing segmentation amongst union officials, marked by cleavages on the basis of political and ideological orientation as well as generational differences, with older staff coming from the 70s and 80s eras of democratic union culture and worker control and newer staff seeing trade unionism more as employment than a political calling.

In his words, “*the changing role of the union official is manifested by the disappearance of the activist organiser and the emergence of new types of union officials.*”²⁴ He argues that being a political activist is no longer the only route to join the union as a staff member, rather there is growing emphasis on skilled officials who are viewed as being better able to provide service to members. This view needs to be tested with further research.

²² Buhlungu (2002:23)

²³ Buhlungu (2002:22)

²⁴ Buhlungu (2002:4)

The report quotes NUM as having adapted to the professionalisation of staff, *“one of the changes in the union is that staffing matters are now being run professionally. The union accepts that the activist culture of the 1980s is gone and officials need to be paid competitive packages and managed professionally.”*²⁵ However, NUM retains strong worker leadership as evidenced by its Constitution, where only worker-leaders (i.e. those that have been members of the union) are eligible to stand for elected positions.

The type of organisational modernisation that is driven by globalisation and workplace restructuring rather than the pursuit of radical alternatives favours professionals over the rank-and-file and concentrates power in the hands of specialists and experts. It promotes an individualistic style of work and does not encourage officials to work in collective way – it is difficult for workers to control these professionals because their *“power... lies in their ability to generate ideas as individuals and to see these through without reference to another person or group within the organisation.”*²⁶

This has a range of implications for trade unions, in terms of emphasising educational qualifications above union experience and the accompanying changes in the grading and remuneration systems in unions. It also has implications for participation of workers in decision-making and development of policy in unions, and thus has repercussions for the extent of worker control in trade unions. This point is echoed by Mackay and Mathoho who argue that there is an increasing influence of ‘technocrats’ on policy and decision-making within the federation and affiliates.²⁷

The implications of a shift in power towards officials are both an undermining of worker control and a weakening of working class power more broadly. Given the current onslaught by the neo-liberal agenda of capital with the combined force of the state, there is a need to build the power and voice of the working class, rather than making it more vulnerable, as Rees argues: *“If we give more decision-making power to our leadership now, we will be accepting what the bosses desperately need – a close relationship with union leadership. They need to use the authority of union leaders to reduce rank and file militancy and sabotage working class power.”*²⁸

While it is important and useful to have skilled individuals working for the labour movement, the key issue is the extent to which they increasingly speak and develop policy *on behalf of* workers rather than ensuring that trade unions advance policies developed with and by workers. And even more significantly, it is important that such policies challenge capitalism and reverse the dictates of market.

²⁵ Gwede Mantashe, quoted in Buhlungu (2002:25)

²⁶ Buhlungu (2002:29)

²⁷ Mackay and Mathoho (2001)

²⁸ Rees (1992:57)

There is a need for more empirical studies on the changing nature of union officials and members and the impact of this on union democratic culture, worker participation and worker control. We should therefore treat the conclusions discussed above as hypotheses that need to be tested.

In dealing with these challenges, Buhlungu (2002) argues that this dilemma is inevitable in the current period, and that rather than allowing these developments to happen as a result of impetus from outside, the unions should assert more influence over the contradictions, by intensifying the dilemma and awareness of it.

Conscious management of the process, with debate and action around new mechanisms for deepening worker control and internal democracy is crucial, rather than allowing the subversion of union traditions to take place by stealth. Democracy is not a given in any organisation, it is the outcome of successful contestation and struggle.

Wood and Dibben (2006:54) argue that shop-floor democracy can be assessed based on the following elements:

- Regularity and extent of participation of members in organisational life of unions
- Existence of transparent structures for democratic representation
- Accountability of representatives
- Extent of the right of recall

According to the survey conducted by SWOP there have not been major differences over time in terms of attendance of meetings and report backs by unions to their members. In fact, the findings give a positive picture of participation, although the statistics do not show the content and quality of the meetings.

This is confirmed by the NALEDI/COSATU Survey conducted in 2005, which shows that the majority of COSATU members had participated in a union meeting or shop steward election in the past year, 40% had been in a union-related training course, and most felt they could influence their shop stewards.

Women members, however, were less likely to have participated in union activities and felt less able to affect their shop stewards.

Trade unions are characterised by a gender division of labour, whereby women are largely located in administrative functions as staff and are still not represented in the most influential leadership positions such as secretaries and president, with some notable exceptions, such as Noluthando Sibiyi, President of NEHAWU and Thembeke Gwagwa, General Secretary of DENOSA. Gender equity is best advanced within an environment of internal democracy.

Thus, although these surveys reflect positive levels of participation by members in union meetings and activities, there is a need to further research and analyse both the quantitative and qualitative aspects of worker participation in union structures.

There are some additional signs of stratification within unions in terms of internal democracy and participation. According to the *SWOP Taking Democracy Seriously* Survey (2004) there are dramatic differences between permanent and temporary workers with regard to attendance of meetings, with temporary workers far more likely to be inactive in unions - 50% of workers in temporary employment never attend union meetings, compared with 26% of permanent workers who do not attend meetings.²⁹

Participation is also significantly affected by gender, age and union, with older workers and male workers more likely to be active in union meetings and activities. Participation differs across different unions within the federation, and this is mediated by the nature of employment in the sector, the type of worker that is predominant there and the extent to which unions are able to represent all workers in the sector. The quality and quantity of participation is influenced by the democratic traditions and culture of the union.

This raises a challenge to unions in terms of representing all workers, particularly the more vulnerable. A PhD study conducted in communities with high rates of unemployment showed disillusionment with unions amongst unemployed workers³⁰. The retrenched workers interviewed for this study felt that they were not protected or defended by the union during the retrenchment process, and that unions had not done enough to raise their plight since their retrenchment. There is a need for more extensive research on the attitude of unemployed workers towards unions and the scope for organising the unemployed.

The initial findings discussed above point to the need for COSATU to make concerted efforts to implement its long-standing resolutions on organising the unorganised. They also raise organisational challenges in terms of the type of structures and representation that is most relevant to different kinds of workers from COSATU's traditional base.

There is a need to look at ways of organising and advancing the interests of more vulnerable workers that are not in stable employment: *"The traditional COSATU model of shop floor representation, accountability and recall will be less meaningful to those who frequently switch jobs... This highlights the need for structures of representation specifically geared towards those in insecure employment and that transcend individual workplaces."*³¹

²⁹ Wood & Dibben (2006: 59)

³⁰ See Mosoetsa (2003) 'Are unions and political parties facing a crisis of representation?' in *South African Labour Bulletin* 27(4):41-2

³¹ (Wood & Dibben, 2006:)

Another key issue requiring further exploration and research is the relationship between leaders and members. The new organisational rights incorporated in the LRA including long standing demands of the union movement for full time shop stewards. Today, many serving political office bearers at shop floor, provincial and national level are full time shop stewards. At the federation level, COSATU has resolved that worker-office bearers should be available on a 'fulltime' time basis. The objective of all these was to ensure a larger collective to drive the organisation as it become more big and complex. However, this has introduced new dynamics and conflicts in union politics and organisational management styles. As such, these new cleavages and their impact deserve attention, particularly their impact on delineation of responsibility and internal democracy.

4.4.2 Mobilisation and campaigns

An important measure of worker participation in our democracy is the extent to which they are able to articulate their demands through mass campaigns. Equally important is the role of campaigns in mobilising and conscientising the working class around their daily struggles, advancing demands for progressive reforms while simultaneously struggling against the capitalist system to build a socialist society.

Important questions include whether COSATU is able to mobilise around the key issues facing the working class. And in addition to focusing on the key issues, is COSATU able to mobilise its membership and beyond? Is it able to contribute towards building the unity of the working class around these key challenges, and is it able to build united community and workplace struggles as it was able to do in the anti-apartheid struggle?

According to Zwelinzima Vavi, during the apartheid years when the liberation movement was banned COSATU was at the forefront of a range of community-based struggles: *"...we had to lead community struggles, ranging from protests against the latrine toilet system, through peasant demands for more land, to rural communities crying out for roads and other infrastructure and student struggles for dynamic, free and compulsory education."*³² During this time, COSATU members were involved in fighting workers struggles in the workplace by day, and taking up struggles within their communities after working hours.

While this role has changed significantly, in the recent past, COSATU has still managed to mobilise massive numbers of workers around its campaigns. It is arguably the most influential and powerful social force in the country as a result of its ability to negotiate, conduct strategic engagements, whilst also maintaining an emphasis on mass mobilisation and worker participation in the democratisation process, to determine the political and economic direction of the country.

³² Zwelinzima Vavi, Engaging the democratic transition, *The Shopsteward*, 9 (5), December 2000.

However, there are critics of COSATU's approach that argue that the federation has not effectively combined its political strategy (of strategic engagement and social dialogue with government and capital) with a mobilising and campaigning organisational strategy. The argument is that members have been demobilised by the participation of the federation in tripartite institutions, and COSATU and its affiliates have not adequately involved membership in influencing the content and outcomes of these processes. According to this view, the federation only calls members when there is a deadlock in negotiations.

Nevertheless, COSATU still manages to bring massive numbers onto the streets, despite the argument that the lack of influence of workers in these processes would lead to declining participation in protests. In fact, official statistics for the Anti-privatisation strike indicate that between 1,5 and 2 million members participated which is enormously significant.

The ability to mobilise is perhaps testament to the extent of anger and alienation of the working class in the face of the scourges of unemployment, HIV/AIDS and hunger. The federation is still able to mobilise workers around the issues that are most critical to the working class today. This is indeed reflected by the key COSATU campaigns, such as the Jobs & Poverty campaign, Anti-Privatisation, the Basic Income Grant, the treatment action campaign.

COSATU's anti-GEAR stance has constituted its main fight against neo-liberalism. Yet the effectiveness of this campaign has been limited in terms of its ability to actually reverse GEAR. While the federation has taken its members out on strike against job losses and privatisation, has this been sufficient to force changes to government policy?

Some have argued that the Privatisation drive has been reversed as a result of the COSATU anti-Privatisation campaign. A more cautious view is that while it is certainly true that significant numbers of workers were mobilised, which put significant pressure on government, it is not clear that this was the cause for the suspension of privatisation efforts. There have been arguments to the effect that the government was forced to abandon some of its privatisation efforts because it was not able to interest the private sector without first making massive state investments in its infrastructure. It may well be the case that having invested significantly in these state institutions that there will then be renewed attempts to sell them off.

Nevertheless, it is important to acknowledge that COSATU and its affiliates have conducted significant campaigns against privatisation and state restructuring and that these have impacted on the political terrain, although the extent of the impact is not clear at this stage.

The ability of COSATU to inform and educate workers about its campaigns is an important measure of the extent of qualitative worker participation in union activities. SWOP's *Taking Democracy Seriously* Survey found that in 2004 only 33% of respondents knew what GEAR is, while 67% said that they did not know.

Of those who were able to give a description, only half had negative perceptions, (this 50% was made up of 40% who linked it to privatisation and/or job losses, while about 8% said it was bad for the poor)³³. These were mostly shop stewards and better-educated workers. Mineworkers, municipal workers and public sector workers had the highest levels of awareness.

The NALEDI Survey gives a different view, with a high degree of awareness and support for COSATU campaigns amongst ordinary members - between 60-95% for the various campaigns, including HIV/AIDS, Jobs & Poverty, Recruitment, Basic Income Grant and support for Jacob Zuma. Over 50% of workers surveyed (including non-unionised and unionised workers across federations) felt that the ANC was not delivering.

The success of ongoing and future mobilisation would be premised on both the grievances of the poor and a sense of having the collective power to effect change, as well as the ability of organisations and trade unions to conscientise workers through struggle. Theories of mobilisation suggest that high levels of activism are stimulated by shared notions of deprivation and injustice and clearly targeted notions of 'blame'.³⁴

Ongoing mobilisation behind COSATU as the workers voice would be based on the extent to which the federation is able to win tangible gains for the working class and to maintain a clear sense of what and who these campaigns are targeted at: *"Workers will be more likely to be actively involved in the labour movement if they share adverse material conditions, there is a real possibility of bringing about change, and there is a clear target – either management and/or government – against which collective action may be directed."*³⁵

Of course, one of the contradictions we face is that a sense of deprivation does not necessarily lead to mobilisation, in fact it may lead to demobilisation, which is a key aspect of the poverty trap. This is where the significance of organisation comes into play – to what extent are trade unions and other working class organisations able to be grounded in working class communities in a way that stimulates and facilitates mobilisation. Similarly, are our organisations able to respond progressively to self-mobilisation in working class communities?

While COSATU has managed to navigate the contradictory terrain of mobilising against government's neo-liberal policies, while simultaneously mobilising for ANC election victories thus far, these contradictions are growing sharper. It is likely that workers that are disenchanted with the ANC government will simply not participate in elections, as declining rates of voter participation may suggest.

The challenge to COSATU is how to reach out to these workers and counter the possible threat of an increasingly disillusioned, demobilised and disaffected

³³ Cherry (2006:159)

³⁴ See Kelly (1998) cited in Wood and Dibben (2006)

³⁵ Wood and Dibben (2006)

working class, potentially more and more fragmented and divided. Alternatively, there is a real risk that COSATU may lose members because of its ties to the ruling party. Put differently, what is the price that COSATU is paying because of its political strategy whose nuances may be lost to ordinary workers?

A weakness in COSATU's mobilisation and campaigns strategy is the linkage between community and workplace activism that was a key feature of mass mobilisation against apartheid. Arguably, there is a declining focus on both workplace and community campaigns by COSATU, with more of a focus on national level interventions. There is a need to deepen community support and solidarity for COSATU campaigns and workplace struggles, such as strikes, while at the same time taking up struggles around issues affecting working class communities.

There is certainly an objective basis for uniting the working class – formal and informal workers and the unemployed – around the common crisis of impoverishment and joblessness, exacerbated by the neo-liberal policies of government. This holds the possibilities of a working class movement and increased union militancy, drawing on community networks and the vision of an alternative to the ravages of capitalism. Political forces such as the SACP would have a crucial role to play in working with the trade union movement and other social movements to build a united front against capitalism and neo-liberalism.

4.4.3 Decline of local structures

The above section highlighted the declining focus on community struggles, which is partly linked to the declining strength and activism of local structures in COSATU. COSATU locals, the most dynamic structures of the federation during the apartheid struggle, are now less active and dynamic and in some cases dormant.³⁶ This has negatively impacted on the federation's profile and presence in working class communities, as well as its capacity to connect to community struggles and concerns.

Much has been said in various COSATU reports and research on this matter³⁷. The key, however, is what has been done about it. While COSATU is committed to building locals, it continues to focus resources and attention on the national level.

COSATU has noted the problems in locals and the centrality of local organisation to building a strong worker-controlled federation. However, policy and commitment requires a corresponding resource, political and human commitment to prioritising this area. The NALEDI research on demarcation of COSATU regions and locals, noted that COSATU (and some affiliate) locals are virtually unable to function due to a lack of resources and support.

4.4.4 Trade union education

COSATU Education reports and surveys have noted the decline in the provision of political education and shop steward training by affiliates. A number of affiliates do not even provide basic induction for shop stewards, which is a serious problem both in the context of the high turnover of shop stewards and given the implications for the principle of worker control.

The problem is twofold – on the one hand there is a shifting emphasis towards education that is linked to understanding and advancing new provisions in labour legislation, combined with a decline in spending on education in general. COSATU has a standing resolution that 10% of subscriptions/income should go towards expenditure on education, however this is not adhered to.

COSATU Education Department has made significant efforts in recent years to revive political and shop steward education. A key initiative is the Chris Hani Brigade, which is in the process of being rolled out to provinces. The federation has also identified the need for an education and campaigns programme geared towards locals and socialist forums. The Education Department is focusing its efforts on building a pool of educators in provinces to contribute towards deepening capacity at provincial and local levels. The aim is also to contribute

³⁶ Mackay and Mathoho (2001:14)

³⁷ September Commission Report (1997), COSATU Organisational Review Commission Report (2000) and COSATU Secretariat reports

towards building locals and socialist forums. The federation is also training facilitators to conduct shop steward training in provinces.

The education programme has also identified the need to train organisers on new forms of organising, to support the resolutions to organise the unorganised and to organise new workers. For these efforts to be successful there will be a need for increased resources in affiliates to be devoted towards shop steward and political education.

5 Assessing COSATU's Organisational Strength

5.1 Changing nature of work and trade union membership

COSATU's 2015 Plan set a bold vision to build working class power and strengthen organisation. One of the key aims is to increase COSATU's membership to reach a target of four million members by 2015. In this section, we analyse two interrelated questions. First, how has the changing world of work affected unions in general? Second, what strategies have been employed by unions to cope with these challenges? To that end, we first analyse general trends in unionisation between 2001 and 2005, and then analyse COSATU's membership in that context.

According to LFS data as shown in the table below, general union membership increased by 10% from 2.8 million to 3 million, while union density³⁸ remained around 36%. Union membership almost doubled in wholesale and retail increasing by 52%; followed by finance which saw an increase of 40%. Despite a 6% reduction in total union membership in mining, it still has the highest union density of around 79% followed by the community and electricity sector (mostly public service and utilities). The NUM has retained its overall membership despite the job losses in the sector.

South Africa still has a relatively high union density compared to some developed countries. Still more than 64% of those employed in the formal sector are not unionised. Agriculture, construction by far has the lowest union density around 10% and 14% respectively.

Despite the phenomenal growth in union membership, union density remains low in wholesale and retail at around 23%. As pointed out earlier, construction, retail and finance experienced positive employment growth. These are also the sectors that reported substantial levels of irregular employment, albeit to varying degrees. It can be deduced from this fact that unions have not succeeded to recruit workers in irregular forms of employment. In sectors where irregular workers constitute a majority, this poses a serious danger to unions organising in these sectors.

³⁸ The proportion of the employed that belong to unions.

Table 6: Union membership and density, 2001-2005

Sector	Sept.2001			Sept.2005			Change 2001-2005	
	Members	Employment	Density	Members	Employment	Density	Thousand	%
Agriculture	64	766	8%	60	579	10%	-4	-6%
Mining	379	550	69%	322	409	79%	-57	-15%
Manufacturing	515	1393	37%	558	1442	39%	43	8%
Electricity	48	93	52%	54	98	55%	6	13%
Construction	70	337	21%	82	580	14%	12	17%
Wholesale and retail	274	1431	19%	416	1805	23%	142	52%
Transport	161	430	37%	164	457	36%	3	2%
Finance	192	948	20%	269	1217	22%	77	40%
Community	1102	1805	61%	1147	1958	59%	45	4%
Total	2805	7753	36%	3072	8545	36%	267	10%

Source: calculated from LFS September 2001, 2002, 2003, 2004 and 2005, www.statssa.gov.za.

Earlier we highlighted an increase in the number of women in total employment; as result women now constitute 37% of formal employment. By some estimates³⁹, women represent more than 30% of COSATU's membership but are highly under-represented in leadership structures. This masks the fact women membership is fairly concentrated in the formal sector, particularly the public sector.

Women constitute a vast majority of irregular workers and these are generally un-unionised. Therefore, despite a reasonable presence of women in COSATU's overall membership, a substantial number of women, in vulnerable sectors are outside of unions.

Young people under the age of 35 are also fairly under-represented in unions constituting less than 15% according to the NALEDI survey (2006). This comes as no surprise since the bulk of young people under 35 years are unemployed.

It is against this background that we examine COSATU's membership trends in the last three years. In 2006 COSATU's reported membership was 1.8 million members. COSATU's share of union membership in 2005 was 55% of overall union members in the formal sector. The NALEDI Survey of Workers and Secretariat report make the following observations about the COSATU membership:

- Just over 70 percent of COSATU members are African, 21 percent coloured or Asian, and 7 percent white. 80 percent of black trade union members are COSATU members, compared to about 40 percent of five white unionists. It is estimated that COSATU women members make up about 36% of

³⁹ Buhlungu (Ed) (2006)

membership in line with their proportion in the workforce⁴⁰. Workers aged less than 30 years old make up a third of non-members but only 15 percent of members in both COSATU and other unions.

- A quarter of COSATU members counted as professionals – mostly teachers and nurses – while 21 percent were semi-skilled production workers and 13 percent were elementary workers. In contrast, skilled and clerical workers made up a larger share of members in other unions. Just 14 percent of COSATU members, and 10 percent of other union members, had only primary education; most of the rest had some secondary, and about a quarter had a tertiary degree.
- Between 2000 and 2006, membership in COSATU as a whole declined by 1%. Membership grew by 4% between 2003 and 2006. This was a revival compared to the 2000 to 2003 period, when membership dropped 5%.
- The overall stabilisation in membership masked substantial differences between affiliates and sectors. In particular, a few unions – POPCRU, NUMSA, SATAWU, SADNU and SACTWU – reported substantial growth over the past three years. In contrast, the remaining unions saw a fall in membership.
- The changes in membership did little to change COSATU's sectoral structure. In 2006, around a quarter of COSATU members were in manufacturing; mining accounted for a seventh, as did private services (including retail, communications and transport), and the public service, including local government, contributed two fifths.

5.2 Organisational Renewal: Reality or Vogue?

The September Commission and the 2003 Congress Resolution underscored the necessity of organisational renewal or organisational development. Organisational renewal is understood as a multifaceted strategy of improving internal effectiveness, building organisational strength, improving service to members and recruitment of members.

It is worth noting that this period has seen better reporting on OR than was the case in the period leading to the 2003 congress. Many more affiliates are reporting adopting OR Plans or are in the pipeline of doing so compared to the period preceding the last congress. NALEDI has carried a number of studies at the behest of several affiliates on organisational renewal questions. All the studies have revealed that unions had not anticipated the surge of membership that took place in the 90s. Almost all unions have had to contend with the organisational implications of sudden growth in membership numbers. This is manifest in poor or inadequate resource management; poor or inadequate service delivery levels

⁴⁰ The NALEDI Survey could not be used to estimate the proportion of women in COSATU given that this survey used quota sampling for women and men. In other words the Survey deliberately included roughly 50/50 women and men to overcome gender biases that may have resulted from a household survey and to be able to have roughly equal samples of women and men for the purposes of analysis.

and so forth. Part of the problem arises from over-centralisation and poorly defined roles for membership at the shop floor.

Incipient bureaucratism risks replacing internal vitality and shop floor activism. The greatest risk facing COSATU unions is the dearth of shop floor activism wherein members are reduced to spectators of processes driven from head office. In the context of weakened internal democracy, factionalism and squabbles rears their ugly heads and threaten to tear the union down the middle. This is manifest in the bitter contest for power during union congresses and allegations of maladministration.

The question is whether organisational development is being put into practice or whether unions are simply going through the motions? One area deserving attention is whether there is a systematic recruitment drive at affiliates and the federation level, and how the unions are performing within the sectors they organise. As pointed out earlier only five unions reported a membership increase between 2003-2005, and most reported membership losses. In addition, apart from NUM, SADTU and POPCRU, most unions are under 50% of the sector in which they organise, even though they may constitute majority unions in some companies. This suggests that the recruitment drive is either stalled or failed.

Available evidence suggests that COSATU is not about to die. The question is whether it has reached the zenith of its power? Membership figures are far below what was anticipated and a greater proportion of workers in the formal sector remain outside unions. A related question is to what extent COSATU unions implement measures to ensure tighter control over resources? Politically has COSATU managed to balance shop floor and broader political and socio-economic struggles? Given the changing profile of its membership, is COSATU now a movement of privileged strata of the working class with skills and permanent jobs?

A key debate in looking at organisational renewal is how change happens and what the drivers of change are. Some argue that unions cannot change themselves from within, and that the evolution of trade unions has always been the result of external pressures forcing unions to adapt or die. What is important, of course, is that unions can choose how they respond to these external dynamics, whether in a progressive and pro-active direction, or in ways that ultimately weaken and undermine working class struggle and unity. The challenge of the changing nature of work and changing types of workers is an example of this, are trade unions able to respond in ways that organise and accommodate these workers, or do they see them as a threat?

A second debate is whether it is actually possible to design an organisational model. The critique of organisational renewal 'by design' is that it undermines the energies and creativity of members, which is precisely what is needed for genuine and sustainable change. According to this view, organisational renewal is most effective under conditions that allow for experimentation and exploration

of what works under specific conditions. This is therefore a critique of Congress driven one-size-fits-all type approaches to union renewal. The argument is that a top-down approach does not build a movement.⁴¹

Such an approach requires a responsive rather than a bureaucratic and centralised form of leadership. Furthermore, there is a need to see affiliates taking the lead in organisational renewal, based on their responsiveness to the conditions they face.

A number of affiliates have begun to do this, for example SATAWU is advancing important wage struggles of vulnerable workers – this period in the union’s evolution will inevitably lead to renewed organisational strategies and development. SACTWU and NUM have had to develop ways of dealing with retrenchments and changing forms of employment such as subcontracting in the mines and home working in the clothing sector. SACCAWU made significant progress in organising part-time workers in Shoprite, with a historic strike that advanced the demands and interests of part-timers and full-timers struggling together. NEHAWU has embarked on efforts to strengthen and unify the union and to regain membership in the aftermath of huge divisions and membership losses.

All of these trends and the responses of unions require further investigation and research, so that other affiliates can draw from these lessons. However, the key challenge is for all unions to reflect on where they are and the extent to which their organisational and organising strategies respond to their situation.

5.2.1 Focus and priorities of COSATU’s Organisational Renewal programme

COSATU began quite proactively to pose questions of Organisational Renewal through the September Commission in 1997. Every Congress and Central Committee since then has received reports, debated and passed resolutions on Organisational Renewal.

For COSATU, union renewal does not imply a change to the vision, purpose and character of the federation, but is intended to strengthen the traditions and principles of the union movement while responding to challenges and changes of the current period. In fact, renewal is in many ways an attempt to return to and retain the democratic traditions and principles of the federation while confronting new challenges which have a tendency to erode these.

The federation has resolved as follows on its vision:

- *To retain the character of the Federation as a transformative and revolutionary union movement committed to the NDR and the struggle for*

⁴¹ These debates arose within NUMSA in terms of approaches to organisational renewal.

socialism. We remain committed to addressing broader social questions but primarily defend our members.

- *Our vision is to build a Federation that represents all workers of South Africa; and that is able to respond to the challenges that may arise from time to time. Thus, we seek to build a strong, vibrant, dynamic, democratic and responsive trade union movement.⁴²*
- *We reaffirm our vision of a transformative union movement, committed to a social transformation both at home and internationally.⁴³*

In his address to COSATU Congress in 1999, Zwelinzima Vavi pointed to the centrality of worker control and participation of workers in structures and decision-making to building the movement: *“In addition as part of organisational renewal we need to strengthen internal democracy and our grassroots structures. Our member should truly drive and own the decisions taken by our movement. Only a leadership afraid of democracy will desist from involving the membership in decision-making.”⁴⁴*

COSATU’s Organisational Renewal Programme has three major components, each of which is made up of several projects⁴⁵. The three components and sub-components include:

- **Changing the landscape of the union movement**
 - Demarcating union scope
 - Demarcating the scope of COSATU regions
 - Mergers between affiliates and with unions outside of COSATU
 - Building ‘one country-one federation’
 - Expansion beyond traditional membership into informal economy, casual workers, domestic workers
- **Strengthening grassroots work: cross-union programmes & affiliate support**
 - Facilitating the development of membership and financial systems
 - Developing a common labour market within the federation
 - Development of approaches towards member benefits
 - ‘Workplace focus’ including living wage campaign, education & capacity building, gender work & empowering women, recruitment campaigns
- **Building COSATU’s engines**
 - Changes to COSATU constitutional structures
 - Changes to COSATU’s operational structures, including head office, improving leadership, management and finances

⁴² COSATU, 2nd Central Committee Resolution, 2003

⁴³ COSATU, Consolidating Working Class Power, 2003

⁴⁴ Zwelinzima Vavi, Address to COSATU Congress 1999

⁴⁵ This section is from “Organisational Renewal in COSATU & Affiliates: An Overview” a NALEDI Report by Chris Bonner, 2004

- Improving COSATU staff capacity, systems and performance

The following table reflects the issues that unions identified as priorities for change as part of their organisational renewal processes (the numbers reflect the number of affiliates citing the stated issue as a priority).

Table 7: Priorities for Review & Change⁴⁶

Services to members	14	Shop steward & worker leader capacity	8
Financial management, membership systems, administration	14	Merger & integration	8
Recruitment of new members	12	Collective bargaining & workplace issues	7
Effectiveness of constitutional structures, participation, communication (worker control)	12	Political & organisational tensions, conflicts and/or realignment	5
Leadership & management skills & capacity	10	Engagement with broader policy issues	5
Operational structures & union management	8	Membership benefits	4
Staff development, performances & conditions	8	Gender & empowerment of women	0 or 6?

Key trends and influences that were highlighted in the review conducted by NALEDI of Affiliate OR programmes include the following⁴⁷:

- Change *programme* and *issues* have been driven primarily by challenges of changing industry, workplace, with decline in capacity to provide effective service, linked to membership decline
- Similarities and differences in *OR process* have been influenced by factors such as whether the union is established or emerging, stability, union ‘model’ and culture, leadership and resources and outside influences
- *Gender* and *empowerment of women* is not a key focus or integrated into OR, although unions claimed ‘it should be’
- Main focus of OR is with *efficiency* and *capacity* in order to deliver *effective service*: a focus on renewing *union capabilities for change* rather than on actual strategies for workplace, industry change, politics and broader working class issues (these are often dealt with outside of OR)
- *Service* interpreted along a continuum – from salesperson to empowered worker, benefits to social & political concerns – with an increasing move towards the midpoint
- Unions increasingly borrowing from the corporate world – most unions, excluding some that have adapted to ‘business/services model’, are concerned to counterbalance dangers

⁴⁶ This table is from “Organisational Renewal in COSATU & Affiliates: An Overview” a NALEDI Report by Chris Bonner, 2004

⁴⁷ “Organisational Renewal in COSATU & Affiliates: An Overview” a NALEDI Report by Chris Bonner, 2004

- Unions and unionists not fully embracing change because of *active and passive resistance* – staff and leadership resist due to self-interest, political tensions, power struggles, change to culture of managing, clinging to past
- Organisational Renewal is often *constrained* by the very problems it seeks to address: lack of finances, inadequate capacity and capabilities

The following table reflects the type of Affiliate OR project, its stage as well as the common features and differences.

Table 8: OR Process – Type, Stage & Features⁴⁸

Type of OR Project	In Process	Planned, stalled or suspended	Common Features	Differences
Defined OR project – in line with COSATU guidelines	NUMSA POPCRU CEPPWAWU SADTU SACCAWU CWU	SATAWU NEHAWU	<p>Process</p> <ul style="list-style-type: none"> • focused, conscious project • clear review process, report to structures & planned change • inclusive process attempted • led by NOBs & structures with coordinators and/or team <p>Unions</p> <ul style="list-style-type: none"> • established unions • ‘Worker control’ model 	<p>Process</p> <p>Who facilitates review process:</p> <ul style="list-style-type: none"> • internal/external • corporate/union-friendly <p>Funding</p> <ul style="list-style-type: none"> • internal/external • amount dedicated <p>Focus & priorities for change</p> <p>Unions</p> <ul style="list-style-type: none"> • public/private sector • stable/unstable
Integrated OR programme – embedded in ongoing union work	NUM SAMWU DENOSA SASAWU SASBO SACTWU	FAWU	<p>Process</p> <ul style="list-style-type: none"> • OR not new part of continuous work • Coordinated by constitutional structures/OBs – no separate team • Review differs from COSATU model • Written plan, built on previous & ongoing work <p>Funding</p> <p>Internally funded from normal budget – funds not dedicated</p> <p>Unions</p> <ul style="list-style-type: none"> • Most relatively stable & established 	<p>Process</p> <p>Concept of OR – foreign or familiar</p> <p>Facilitating review:</p> <ul style="list-style-type: none"> • internal/external • corporate/union friendly <p>Focus & priorities for change</p> <p>Unions</p> <ul style="list-style-type: none"> • public/private sector • Old/new affiliate • ‘Worker control’/business/professional model
Pre OR work – no conscious OR – building, aligning, merging	SAMA SADNU CWUSA SAFPU		<p>Process</p> <ul style="list-style-type: none"> • focus on surviving, building, aligning union • no internal conscious OR process, but most involved/will be, in mergers • No clear understanding/consciousness of COSATU OR programme 	<p>Unions</p> <ul style="list-style-type: none"> • Stable/unstable • Viable/non-viable • Public-private-mixed • High paid-low paid • Different union cultures

⁴⁸ This table is from “Organisational Renewal in COSATU & Affiliates: An Overview” a NALEDI Report by Chris Bonner, 2004

			<p>Unions</p> <ul style="list-style-type: none"> • Emerging • New affiliates • 'New workers' • Reliance on COSATU/DITSELA/NALEDI 	
--	--	--	---	--

In assessing COSATU’s approach to organisational renewal, it is important to note the different approaches towards union renewal and revitalisation as identified by other federations and trade unions internationally. We can look at how unions respond to new challenges in terms of the different types of interventions that can be made. These could include:

- *Changing structures:* unions may use mergers and other types of changes to their structures to respond to the new environment
- *New organising strategies:* unions may make strategic changes to the type of trade unionism that they practice, and their organising methods, for example shifting towards more of an organising model or social movement unionism
- *New internationalism:* unions may respond to the increasing deregulation of global finance and trade and the increasing power of multinational corporations with new forms of collective organisation at a global level, this may include co-operation, alliances and cross-border unionism
- *Changing political and bargaining strategies:* unions may change their political and bargaining strategies depending on the context, examples include militant opposition/adversarialism wherein unions oppose management plans, since the employer is understood to be in inherent conflict with workers, this may also be adopted in contexts where fundamental democratic/labour rights are denied and undermined by the state and/or employer; or critical co-operation/social dialogue which involves negotiating and cooperating with management and the state – this may have a range of outcomes from strategic engagement to cooption⁴⁹

A weakness of COSATU’s organisational renewal programme is that it largely focuses on the first level of intervention – changing structures. While this is an important aspect, there is a danger of trying to solve political problems with changes to structures. Clearly, structures and procedures in any organisation need to flow from and be informed by the organisation’s principles, strategic vision and programme. Therefore changes to structures should be based on a clear and grounded assessment of the organisational and organising strategies, as well as the other levels of intervention mentioned above.

⁴⁹ These four types of interventions are adapted from Conor Cradden and Peter Hall-Jones (2005) “Trade union reform – change is the only constant” ,PSI.

COSATU's OR programme has largely reaffirmed its vision and strategies, with some strategic changes to respond to changes in the economic and political environment. The reaffirmation of COSATU's values, vision and strategies, is important, given that it has a proud and revolutionary history. However, there is a need to take account of the fact that trade union practices are increasingly sliding away from the historical traditions. In a number of its Organisational Renewal reports, the federation notes the erosion of a number of progressive union movement traditions and practices such as worker control, solidarity and working class consciousness. Some of these have been eroded as a result of the changes in the economic and ideological environment noted in earlier sections of the report and the resulting pressures on trade unions and individuals to adapt to values and practices that are contrary to the principles and vision of the workers' movement. In this context, a simple reaffirmation of the historic vision and mission does not help where significant changes have taken place, given that reaffirmation assumes that all has remained the same, despite evidence to the contrary.

COSATU therefore needs to develop concrete ways of reviewing the extent to which trade unions, leaders, members have shifted their orientation and focus in ways that undermine the principles and values of the movement, and reversing these trends. The federation also needs to develop clear processes, programmes and strategies for implementation and monitoring of new strategies, such as organising new workers. These weaknesses can and should be supported by research and monitoring, but will also need to be addressed politically.

In relation to organising strategies, COSATU has adopted resolutions to organise the unorganised, but, as has been discussed elsewhere in this paper, this has largely not been implemented. This reflects on another weakness in COSATU's OR project, namely that it has not taken its resolutions and commitments beyond intentions to implement able strategies.

There is a need for conscious and concrete organising efforts to be made at sectoral (affiliate) level. The nature of informalisation and casualisation – and therefore the type of organising strategies required – differ from sector to sector. We believe that there is scope for collaboration between trade unionists (organisers and shops stewards) and researchers to combine in-depth research and monitoring on changes in work with the development of organising approaches and strategies. There is also a need to develop organising strategies that are complemented with strategies linked to building alliances and coalitions with communities and social movements.

COSATU is operating within the international trade union movement, as are its affiliates, and playing a leading role in many of the global federations. This influence and impact has not filtered down sufficiently into the mode of operation of unions nationally, therefore the federation cannot yet claim to have an internationalist strategy that informs its type of unionism.

COSATU's international work remains fairly separate from its organisational strategy and work as a whole. There is a need for new strategic thinking and new ways of operating to bring this aspect to life. Global production systems are affecting workplaces and sectors dramatically and this necessitates an organisational response that enables tight organising at international level to enable the co-ordinated exertion of worker power and collective bargaining.

The fourth level of intervention – changing political and bargaining strategies - is also fairly weak in terms of concrete strategies. While COSATU has analysed and developed numerous excellent documents on political strategy, it is still struggling to link its analysis with appropriate interventions and strategies. For example, despite the fact that certain resolutions have been reaffirmed over and over again without progress in implementation, there have been no efforts by the federation to assess why it is failing to implement, whether the failure is based on lack of political will to implement, internal political conflicts, lack of resource allocation, organisational and capacity problems or that the strategy itself is inappropriate to the conditions.

What are the different approaches to organising and trade unionism?

There are competing approaches to trade unionism and organising. In terms of organising, the first approach is the worker control/organising model and the second is the services model. Related to the worker control/organising model is transformative trade unionism and linked to the services model is business unionism.⁵⁰

The federation has aligned itself with the transformative unionism approach which is about unionism that focuses on broader social transformation in tandem with representing worker interests.

In reality, however, many affiliates reflect a combination of approaches due to external influences and internal contestation around the political direction of the union and around vested material interests.

Worker control/organising model

This model is about empowering workers to be able to take control of the union. It sets out the tasks of organising as educating, inspiring and uniting workers to advance worker and working class struggles. Organisers therefore build workers who can sustain and run the organisation and protect the interests of union members. In this model the central objective is to recruit members and take up campaigns and demands that these workers identify as important for them. In this model workers are the union, they build it, participate in it and take responsibility for it.

⁵⁰ This section draws on the NALEDI research report on *Challenges facing union organizers* (2001)

Servicing model

This model positions the union as a more of a service provider than a worker organisation. In this approach, organisers deliver services to members. The emphasis is also on what the union provides for members, such as services and protection as well as additional benefits and services, in exchange for subscription fees. It becomes a business transaction between members and the union. It also fosters dependency of members on the union, given that they must rely on the legal department or the organiser or a union official to 'solve' their problem on their behalf.

Business unionism

Of even greater concern is the trend of business unionism which is linked to the servicing model but is riddled with corruption and vested material interests. In the words of Blade Nzimande, General Secretary of the South African Communist Party: *"Part of the contestation for the soul of the progressive trade union is that of compromising worker leaders by turning them into instruments for capital accumulation inside the unions and using kick-backs, if not shares, to deliver union procurement and financial services. In order for the capitalist class and its agents to within the trade union movement to control the resources in the hands of the union, they are also simultaneously waging a struggle to blunt the militancy of the workers and seek to create pliable, sweetheart unions. Capturing unions in the interests of business and blunting the militancy of the trade unions are two sides of the same coin."*⁵¹

Transformative unionism

This is a form of unionism that sees its role as a combination of defending and advancing workers interests, while also playing a role in socio-political and economic transformation. This is particularly relevant in the South African context, where COSATU-affiliated unions were historically involved in struggling for liberation and social change, with their commitment to advancing working class struggles for socialism. Transformative unionism involves a campaigning approach that links trade unions and organised workers with other sections of the working class – the unemployed and unorganised workers – as well as other progressive social formations such as religious organisations, community based and non-governmental organisations. Key to this approach is the linking of workplace and community struggles.

*Zigzag unionism*⁵²

It is important to note that rather than being located within a particular approach or model, most unions tend to reflect a mixture of the above approaches, ending up with contradictory elements such as the traditions of worker control and solidarity combined with careerism and self-enrichment. This creates a union movement that is acted upon by the trends and conflicts in society, rather than actively changing social relations.

⁵¹ Blade Nzimande, Umsebenzi Online Vol 5 No 62, 16 August 2006

⁵² September Commission Report 1997

5.2.2 Gender and Organisational Change

As mentioned earlier, Organisational Renewal projects do not address gender issues in unions. Gender programmes are conducted separately, and parallel to organisational renewal processes. Unions have missed a good opportunity to address gender concerns in a broader and more integrated manner by not including this in organisational renewal processes. Given that gender cuts across all union work, gender strategies should ideally be developed along with organisational renewal strategies.

Gender work in unions continues to be unsupported, under-resourced and marginalised. Less than half of affiliates have full-time capacity dedicated to gender work. Most affiliates do not have dedicated resources for union work. There have been some advances, such as increases in women's representation and the conscious advancements of policies and programmes in certain affiliates⁵³.

On the whole, while COSATU has developed a clear and comprehensive gender policy (which is a synthesis of the many good resolutions on gender since COSATU's establishment) little has been achieved in practice in terms of translating policy into meaningful change.

Unions have correctly identified the need to combine an approach, which gives specific and focused attention to gender through separate budgets, structures and policies with an approach that 'integrates' and 'mainstreams' gender into the life of trade unions. These concepts are often misused, however. The following is an attempt to define a progressive approach towards mainstreaming gender:

“Mainstreaming is about women and gender at the centre, as part of the mainstream. The mainstream is where decisions are made and where power and control lies. This is largely dominated by men. Mainstreaming is about moving away from an approach that marginalises women. This means a shift away from seeing women as the problem (for examples seeing women as lacking skills, confidence and therefore requiring capacity so that they can be included). The new approaches recognises that it is social systems and structures that create inequalities between women and men through inequalities in resources, power and decision-making and therefore there is a need to change this. The understanding is that it is unequal power relations between women and men that keep women marginalised rather than blaming the capacity of women. Mainstreaming implies that the 'mainstream' itself must be challenged and changed. Mainstreaming is more than integration because it is not only about including women in existing projects and programmes, but about rethinking priorities and transforming how things are done. This means that mainstreaming is

⁵³ For a more detailed analysis of union gender strategies see *Labour Pains: Women's leadership and gender strategies in COSATU* (2006), NALEDI.

about re-evaluating policies, structures and processes rather than only including women in them. The mainstreaming approach assumes that everything we do is influenced by the sexist, unequal, oppressive society we live in, and therefore all actions should be geared towards challenging this. Mainstreaming is a process rather than a goal."⁵⁴

A fundamental challenge for gender activists and trade union leaders is to address the patriarchal nature of our organisations. Trade unions remain male-dominated in culture, practices and leadership. The advancement of the demand for increased representation of women in leadership without corresponding organisational change often leads to the inclusion of women in unchanged structures.

Clearly, therefore, there is a need for a holistic and comprehensive approach to gender in unions that takes forward a progressive, campaigning approach towards gender: *"Challenging the unequal power relations between men and women in the unions and society does not happen simply through resolutions, policies and setting up structures – it happens through activism and action.*"⁵⁵

5.2.3 Organising Strategies

"COSATU's organising strategy of factory-by-factory recruiting, building structures from the factory floor upwards, building accountable leadership, winning incremental victories for members on shop floor issues and mass mobilisation strategies produced one of the strongest civil society movements in this country's history."⁵⁶

An organising strategy needs to be integrated and holistic, bringing together the following elements: education, servicing, bargaining, recruitment, organisation building, organisational effectiveness and campaigns.

The above functions are all part of local level organising, although these functions are separated at a national level, therefore requiring co-ordination.

From an organisational renewal perspective the emphasis is on looking at organising as a process with outcomes, not so much at how it is structured internally. Although structure impacts on outcomes and process, it should be determined by the former rather than the other way around.

A key problem within COSATU affiliates is the fact that despite resolutions to increase membership and to organise atypical workers, unions have not made significant resource allocations or reprioritised resources accordingly. Clearly, recruitment and effective organising cannot happen without resources. For

⁵⁴ *Labour Pains: Women's leadership and gender strategies in COSATU* (2006:190), NALEDI.

⁵⁵ *Labour Pains: Women's leadership and gender strategies in COSATU* (2006), NALEDI.

⁵⁶ Mackay and Mathoho (2001)

instance, if an organiser is given organising & recruitment responsibilities on top of their existing responsibilities it simply will not happen.

Most affiliates do not have resources available at the local level where recruitment and organising happens. Section 3.3 discussed the implications of changes in the world of work for union organising, highlighting the need to commit resources and organisers towards organising non-core workers, as well as exploring ways of building relations with workers and organisations in the peripheral zone.

The NALEDI Workers Survey found that half of African workers have not joined a union because none has tried to recruit them or there is no union in their workplace. This points to the fact that the main obstacle to recruitment is failure to make contact with workers outside of organised workplaces.

There is a need for research on affiliate organising strategies, based on the following questions:

- Does the union have an organising strategy?
- How effectively are organising, servicing and recruitment linked?
- What is the approach towards organising?
- How does the organising strategy respond to the informalisation of work?
- Has the emphasis been shifting over the past few years? In what ways? Towards what?

5.3 Union Bargaining Strength

Karl Marx once observed that the “reserve army sinks the price of labour power below its value.”⁵⁷ For our purposes the question is how the reserve army affects the unions' and workers ability to act together in pursuit of their common demands. It's expected that the existence of such a large reserve army of irregular, unemployed and informal sector workers would tame workers' militancy. One indicator of workers ability to act in concert to pursue a common goal is the right to strike. In this section we analyse strike actions over time and bargaining outcomes as a means of testing unions bargaining power.

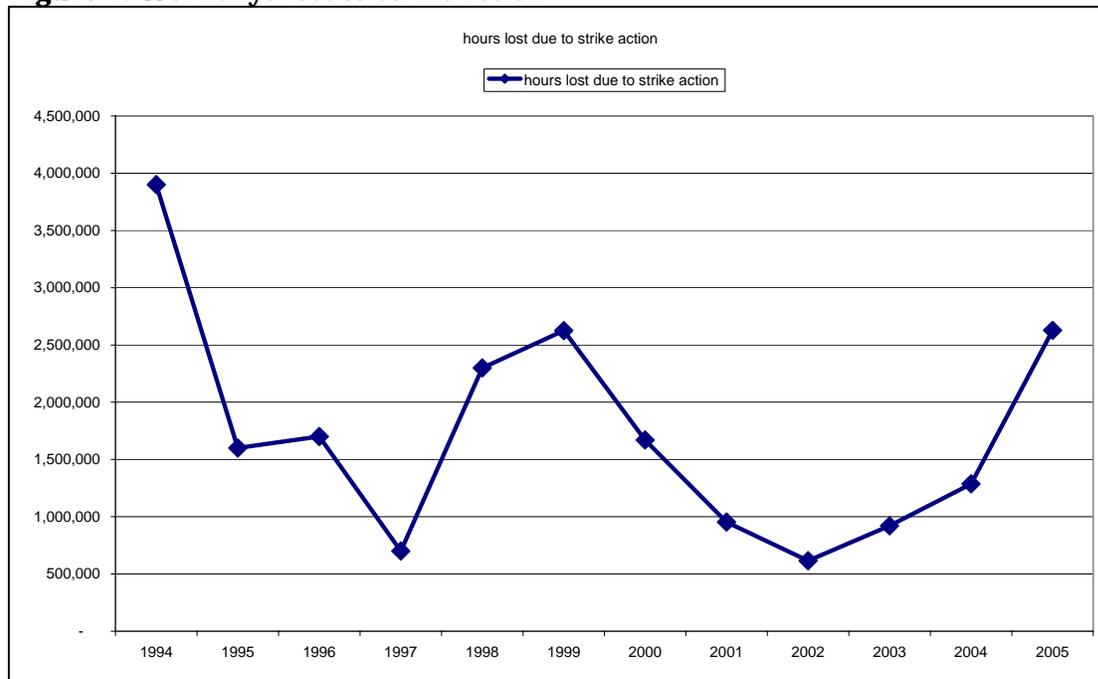
After dramatically falling down between 1994 and 1997 and 1999-2002, the number of days lost to strike action increased as shown in the chart below. It can be argued that we have now entered a phase of intense and prolonged strikes. The intensity of strikes as measured by the time-loss ratio⁵⁸ has also increased since 2004. The number of strikes 2005 was 102 - the same level as 1999. To hazard a guess, one of the reasons for prolonged strikes is employers' insistence to hold wages down to inflation plus the rising cost for workers not reflected by aggregate inflation figures.

⁵⁷ Karl Marx, Capital, p.406

⁵⁸ Work days lost as a proportion of the employment multiplied by 1000.

Most strikes have been triggered by disputes over wages as workers try to increase their basic wages from a low base. The living wage has several aims including protecting workers purchasing power and ensuring a fair share of the productivity gains.

Figure 4: Workdays lost to strike action



Source: Department of Labour Industrial Action Report, 2003, 2004 and 2005.

Note: The 2005 report has not yet been released; information was obtained from the Department of Labour.

The period 2004-05 saw a number of historic strikes. First, was the longest strike by low paid workers in Equity Aviation which lasted up to six months. Second, was the short-lived but historic strike in gold mining in 2005 after 18 years without a strike. Third, was the Shoprite strike over working conditions for casual workers. Fourth is the security guard strike that lasted for over three months. The other historic strikes were in Public Service, Transnet and SAA in 2005 and 2006 respectively. The reasons why some of the strikes were historic include:

- a) In Shoprite the strike revolved around conditions of work for vulnerable casual workers and was resolved in favour of the workers.
- b) Workers are crossing the racial line at the point of production and are increasingly acting together to pursue their demands. This was the case in Transnet, SAA, SASOL and other work places.
- c) Related to the above, is the fact that relatively skilled workers are either joining hands with production workers or taking up action alone. This illustrates the value of solidarity across all occupations in the workplace and demonstrates worker power.
- d) COSATU general strikes raise broader questions of development which have a bearing on the lives of the unemployed.

Unions have also concluded agreement with employers that grapple with several important questions. For example NUM and SACTWU have concluded agreements dealing with sub-contracting and home-based workers.

Apart from the TRANSNET strike, very few strikes revolve around workplace restructuring or retrenchment. As such, the tone of many of the strikes is quite defensive, important as this is; it however leaves employers to set the agenda on issues such as work organisation. Another area of concern is that shop stewards are not given adequate support to deal with work organisation. Consequently, employers impose their agenda on work organisation and a host of profit sharing schemes. One of the side effects of profit sharing is the gradual disappearance of over-time pay. Workers voluntarily work longer to meet targets and this is not considered overtime.

Coming back to the question of whether workers militancy muted, it is obvious that unions and workers have been willing to exercise mass power whenever necessary. Behind scenes, unions have also scored important victories without exercising mass power. An analysis of these victories requires a more in-depth study than was possible for this exercise. In addition, we need to study the impact of multi-year bargaining and the inflation-targeting policy of the Reserve Bank.

Against this background how have unions performed overall on bargaining? In the aggregate, it appears that union members got a better deal than their non-union counterparts in terms of wages and conditions of employment. The COSATU survey found that Union members generally earned much more than non-members. The average income for COSATU members was R4500 a month, compared to R6400 a month for other union members and R3000 for non-members. Half of COSATU members earned under R3500 a month, and the poorest 20% got under R1000 a month. Further, according to the LFS, union members stood a better chance of receiving benefits such as medical aid, retirement fund, paid leave and a written contract of employment.

5.3.1 Workplace strategy

With the workplace restructuring that has taken place on the terms of neo-liberal globalisation and its features of market liberalisation and increased vulnerability to international competitiveness – workplaces have seen dramatic reductions in the size of workforce, reorganisation of work and introduction of new technology. In some cases this has forced workers into closer cooperation with management in order to protect jobs. The extent of such ‘cooperation’ needs to be tested with a wider assessment of COSATU affiliates’ workplace strategies, given that there are workplaces where adversarialism remains, or has returned in the face of intensified racism and authoritarian workplace relations.

Some researchers argue that there is a growing trend of management bypassing the union to deal directly with workers, or using shopstewards to support

managerial plans.⁵⁹ This is accompanied by aggressive recruitment of shop stewards and union officials into supervisory and junior managerial positions. These strategies have shifted the balance of power in favour of capital and put the union movement on the defensive.

Buhlungu argues that there are increasing divisions between trade unionists that see management as the class enemy and advocates 'militant abstentionism' and a more pragmatic approach that views the union as having to co-manage the effects of neo-liberal globalisation.⁶⁰ Of course, abstentionism should not be elevated to the level of principle, given that strategic engagement in workplaces can under certain circumstances advance workers demands. However, in the context of a weak workplace strategy, and weakened workplace structures this could lead to cooption and accommodation with capital rather than genuine bargaining and negotiation.

The levels of unemployment and the 'job loss bloodbath' have put unions on the defensive, to the extent that they are often having to resort to defending job security rather than advancing progressive wage demands and strategies for workplace change.⁶¹ The insecurity of workers as a result of liberalisation makes it far more difficult to resort to militant actions – with the result that workers and shop stewards put their faith in the full-time official as 'dealmakers'.⁶²

This section has focused largely on the macro political and economic environment and sought to draw strategic issues for discussion by COSATU. An issue that has not been addressed in this regard both in terms of how it affects internal democracy and union vitality is how bargaining is conducted?

Unions have correctly called for centralised bargaining as a means to widen the benefit of bargaining. However what are the organisational effects of centralised bargaining. Although this requires further study we can highlight at least two effects. First, resource allocation tends to be skewed to the head office relative to the regions and locals. Second, members role is insufficiently articulated which then result again in too much reliance on 'deal-makers'. In this respect members are reduced to spectators waiting to be called upon in case there is a deadlock. This model weakens shop floor activism and changes the relationship between union and members to that of client and service provider. This is not an argument for plant based bargaining but a call to articulate members' role in defining bargaining demands; mandating final position including trade off; and in enforcement of agreements.

⁵⁹ Buhlungu (2002)

⁶⁰ Buhlungu (2001)

⁶¹ Makgetla (2001)

⁶² Buhlungu (2001)

6 State of Affiliates

This section provides a summarised overview of the state of COSATU affiliates.

6.1 Synopsis – Key Findings

As per the terms of reference, NALEDI was expected to provide detailed analysis per affiliate, reflecting the following:

- Trends in membership
- Organising (recruitment, servicing and organisational) strategies
- State of union structures
- Union programmes and campaigns
- Union finances
- Organisational development strategies
- Collective and sectoral bargaining

This section provides a general synopsis of key trends on the themes identified above for the eleven unions that provided the information. The unions that provided information included: CEPPWAWU, CWU, CWUSA, FAWU, NUM, NUMSA, POPCRU, SACCAWU, SADTU, SASAWU and SATAWU. Due to unevenness of information, it may not be possible to give a breakdown for all the themes identified above. The following trends emerge from the information analysed:

- **Membership:** Few unions in the sample reported membership growth, namely, POPCRU, NUMSA, SACCAWU and SATAWU. Union membership is concentrated in particular regions or establishment/firms. Women in SADTU constitute the majority and gender breakdown was not available from other unions. All union reported campaigns to recruit new members and it seems that gains do not make up for lost membership. Most unions have not met their particular targets set by COSATU. However, SATAWU, POPCRU, NUMSA, SADNU and SACCAWU all grew by more than 10%.
- **Union finances:** all unions derive most of their income from member's dues, i.e. between 70%-90% comes from subscriptions. An increasing number of unions also derive income from investment and commissions from service providers. In terms of financial health some union have experience surpluses consistently during the period under review, whereas a number have experienced deficits. Salary and overhead costs represent by far the bulk of union expenditure followed by a distant second by activities. A number of union provide funeral schemes and this also represent a significant area of spending. Legal fees also constitute another area in which unions are spending although this is not analysed separately. No union reported a strike fund and this is a matter of concern in that unions do not allocate resources in advance. From a financial planning point of view this can introduce systemic

risk in that a union that did not allocate resources for industrial action suddenly have to spend a lot of money.

- **Organisation Development strategies:** most unions report that they have embarked on an OD process. However this is still to filter into how unions conduct their business. Most OD processes have focused on changing structure and less on operations and service to members.
- **Collective bargaining:** unions in this sample have focused on wages and conditions of employment and have recorded important gains for their members. However it is a matter of concern that issues of equity, skills development and workplace restructuring have not received sufficient attention.

6.2 Chemical, Energy, Paper, Printing, Wood & Allied Workers Union (CEPPWAWU)

Trends in membership

According to the COSATU Secretariat report the union membership dropped from 65 000 in 2003 to 62 000 members in 2006. That is, the union lost 3000 members in a period of three years.

Union finances

The union was under financial strain between 2002 and 2005 experiencing deficit during 2003 and 2004. This coincides with a reduction of membership.

Table 9: CEPPWAWU Financial Results: 2002-2004

	2002	2003	2004	Change	
				Total	%
Subscriptions	23,378,299	23,559,302	22,693,486	-684,813	-3%
Interest received	44,345	135,108	79,052	34,707	78%
other company contributions and sponsorship	1,708,903	470,406	1,915,817	206,914	12%
		530,544	1,525,378	1,525,378	
Total Income	25,131,547	24,695,360	26,213,733	1,082,186	4%
Affiliation fees	1,264,301	1,260,102	1,433,252	168,951	13%
Management fees	416,812	549,753	873,559	456,747	110%
Salaries	11,179,761	11,250,134	11,082,991	-96,770	-1%
Overheads	8,812,868	10,527,623	12,013,290	3,200,422	36%
Activities	2,464,778	1,861,059	2,334,094	-130,684	-5%
Total Expenditure	24,138,520	25,448,671	27,737,186	3,598,666	15%
surplus/deficit	993,027	-753,311	-1,523,453	-2,516,480	-253%

Source: calculated from unions audited financial statements

The table below analyse the composition of both income and expenditure for the three years. In terms of income, dues from members constitute the bulk of union income but have declined from 93% in 2002 to 87% in 2004. Expenditure is consistently dominated by salaries and overheads. Over 80% of union expenditure is consumed by these two items leaving less than 20% to finance other union activities.

Table 10: CEPPWAWU Breakdown of income and expenditure

	% total 2002	% total 2003	% total 2004
Subscriptions	93%	95%	87%
Interest received	0%	1%	0%
other	7%	2%	7%
company contributions and sponsorship	0%	2%	6%
Total Income	100%	100%	100%
Affiliation fees	5%	5%	5%
Management fees	2%	2%	3%
Salaries	46%	44%	40%
Overheads	37%	41%	43%
Activities	10%	7%	8%
Total Expenditure	100%	100%	100%

Source: calculated from the audited financial statements

Collective and Sectoral bargaining

For purposes of this analysis the following agreements were analysed: Paper Merchants; Saw Milling; Glass Sector; Pharmaceutical Industry; Metal Industry; Pulp and Paper; Industrial Chemicals; and Fast Moving Consumer Goods Sector. CEPPWAWU negotiated wages of between 5.5-6.5% and basic minimum wages between R2500-R3000. In real terms this amounts to a 1% increase, assuming an inflation rate of around 4.9%. In a majority of cases, the union settled for modest adjustments to BCEA provisions regarding for example leave and so forth. The union further agreed to a moratorium on industrial action in the Pharmaceutical Industry until June 2006.

Against this background and based on the agreements cited above the union has focused on improving basic pay and working conditions. With few exceptions we did not find evidence that the union is dealing comprehensively with the question of casual workers.

6.3 Communications Workers Union (CWU)

Trends in membership

CWU's membership dropped by 22% from 32 000 in 2003 to 25,038 in 2006. Despite its attempt to diversify, the union's membership is concentrated in the

South African Post office and TELKOM both contributing 90% of overall membership (see table above). According to a report submitted by CWU, the union has developed a recruitment plan and a recruitment organiser has been appointed focusing on mobile telephone.⁶³ Recruitment teams have been established in all major companies. The union aims to recruit 2500 members in 2006.

Table 11: CWU Membership

Company	2003	2006	% of membership
Telkom		9,447	38%
SAPO		12,944	52%
SABC		639	3%
TFMC		363	1%
SITA		203	1%
ICASA		223	1%
ETV		119	0%
TDS		189	1%
Sentech		249	1%
Vodacom		156	1%
MTN		242	1%
Other		263	1%
Total	32000	25,038	100%
Change	-6962	-22%	

Source: calculated from information provided by the union and the COSATU Secretariat report to congress.

About 250 new members have joined the union and evidently the gain has not offset the loss. The union further plans to improve education and organising as part of its overall strategy to retain members. These plans however ring hollow if they are unable to reverse the long-term trend of membership decline.

State of union structures

For some, some of the provinces have been dysfunctional and unable to provide proper service to the members. However, the union report stabilisation evident in the frequency of meetings that quorate at a provincial level.

Union finances

Table 12: CWU Financial Results for 2002

		% of total
Subscriptions & funeral contributions	14,399,392	91%
Commission received	1,402,862	9%
Interest Earned	939	0%
T-shirts sales	24,479	0%
Agency Fees		
Total income	15,827,672	100%

⁶³ The recruitment organiser is on secondment from the Solidarity Centre.

Overheads	7,141,888	39%
Affiliation fees	477,867	3%
Donations	61,000	0%
Funeral scheme benefits	3,307,816	18%
Salaries and contributions	3,241,393	18%
Activities	4,227,298	23%
Agency fee payments		
Total expenditure	18,457,262	100%
Surplus/deficit	-2,629,590	

Source: calculated from audited statement year ended 2003

Organisational development strategies

The union has set up an organisational development team in line with the framework developed by the Federation.

Collective and Sectoral bargaining

The union submitted collective agreements reached with TELKOM, SAPOS, SABC, ICASA, TELKOM Directory Service and Sentech. Below we summarise key outcomes in term of:

- *Wages:* wage increases ranged between 5 and 7.5% which slightly above inflation. In real terms wages increased by about 1-2%. This is likely to be compensated by agreement to address wage parity and upgrade workers.
- *Benefits:* the union has also reached agreements on several benefits including medical aid; retirement and leave.
- *Job Security:* a moratorium on retrenchments has been signed with among others Telkom, SAPOS and SENTECH. This however does not preclude voluntary severance packages.
- *Vulnerable workers:* the union reached agreement with SAPOS to covert the contract of full time temps into full time employment.
- *Organisational rights:* the union signed recognition agreements which regulate the relation between the employer and the union. The agreement provides among others agency fees and shop steward time off on union business.

CWU participated in the sector summit and charter process for the ICT industry.

6.4 Creative Workers Union of South Africa (CWUSA)- (PAWE & MUSA)

The Creative Workers Union of South Africa is an initiative that will merge the PAWE and MUSA to represents performing artists and musicians. The combined

membership for the two unions is 1063. The union has embarked on a recruitment campaign and a joint campaign with the Department of Labour to educate members on their labour rights.

Historically, the union organising strategy focused on recruitment and collective bargaining. As a means to retain members the union is exploring the possibility of benefits such as funeral cover, legal protection and financial advice, and discounts. To that end, it has secured an agreement with the SABC and the Department of Arts and culture to top up the contributions that the union will make for these benefits. The union is relatively operational at national level but is weak at regional level.

6.5 Food and Allied Workers Union (FAWU)

Trends in membership

FAWU lost 3000 or 3% members from 119 000 in 2003 to 115 000 in 2006. The union also incorporate farm workers and is grappling with the challenge of organising this layer of workers.

State of union structures

The union faced instability at the NOB level in 2005. The General Secretary was suspended by the President and NOBs were split in the middle. This has been resolved such that the union seems to be enjoying a relatively spell of unity.

Union finances

Although, expenditure increase matched that of income, the union still experienced a deficit of around R80 000 at the end of 2004. Since the 2005 financials were not available it is not possible to determine if the union has improved its overall position. This is a precarious position for the union to find itself, especially if it can lose large numbers of its members

Table 13: FAWU Financial Results: 2003-2004

	2002	2003	2004	Change 2002-04	
Subscriptions	25,693,390	25,375,528	27,124,285	1,430,895	6%
Interest received	196,396	321,219	312,915	116,519	59%
Other Income	952,640	1,142,795	1,114,862	162,222	17%
Total income	26,842,426	26,839,542	28,552,062	1,709,636	6%
Affiliation	1,606,380	1,743,222	1,401,030	-205,350	-13%

Salaries	11,319,331	11,895,682	12,602,957	1,283,626	11%
Overheads	8,766,194	7,706,953	8,421,548	-344,646	-4%
Activities	4,293,346	2,932,183	2,607,137	-1,686,209	-39%
Other	2,679,681	2,202,656	3,599,621	919,940	34%
Total	27,058,552	26,480,696	28,632,293	1,573,741	6%
surplus/deficit	-216,126	358,846	-80,231	135,895	-63%

Source: audited financial statements.

FAWU also draws much of its income (about 95%) from membership dues. It also spends over 60% on overheads and staff (see table below).

Table 14: Composition of FAWU's Income and Expenditure

	% total 2002	% total 2003	% total 2004
Subscriptions	95%	95%	95%
Interest received	1%	1%	1%
Other Income	4%	4%	4%
Total income	100%	100%	100%
Affiliation	6%	7%	5%
Salaries	42%	45%	44%
Overheads	32%	29%	29%
Activities	10%	11%	9%
Other	10%	8%	13%
Total	100%	100%	100%

Source: Audited financial statements

Organisational development strategies

An organisational renewal plan was developed jointly with COSATU and at the time of writing it seems to have lost impetus.

Collective and Sectoral bargaining

The bargaining unit is severely understaffed. The union did not submit agreements and it's not possible to analyse the strategy and results. A strike took place in Rainbow Chicken processing plant in Worcester in 2005. Workers were dismissed by the company and the union challenged this in court and workers were reinstated.

6.6 National Union of Metal Workers (NUMSA)

Trends in membership

NUMSA's overall membership increased by 25% from 173 000 in 2003 to 217 000 in 2006. This is still lower than the 1991 level of 273 000 but definitely

reverses the decline since 1994. From the table it is obvious that NUMSA's membership is concentrated in two sub-sectors i.e. metal and engineering; and motor retail. Both these sectors contributed 88% of total member in 2006. However, it is only in tyre manufacturing that the union is a major union, organising over 80% of workers employed in this sub-sector.

Table 15: NUMSA Membership: 2003-2006

Sector	2003	2006	Estimated employment	% of membership	
				% of membership	% of sector
MEIBC		105,478	281,778	56%	37%
MIBCO		60,000	245,000	32%	24%
Motor Companies		20,000	60,000	11%	33%
Tyre Companies		4,000	5,000	2%	80%
Not allocated		27,522			
Total	173,000	217,000	591,778	100%	
Changes 2003-2006	44,000	25%			

Source: Submission from the union

The union has adopted a 'two-pronged strategy to retain and improve service to members. This including providing benefits to members such as bursaries for dependents and members.

State of union structures

Information was not provided, except on gender representation, which is shown in the table below.

Table 16: Gender composition of structures

Structure	Number			Percentage	
	Male	Female	Total	Male	Female
National Congress	640	160	800	80%	20%
CEC	46	8	54	85%	15%
NEC	28	4	32	88%	13%
REC	344	56	400	86%	14%
NOB	5	1	6	83%	17%

Source: submission from the union

Union finances

Even though expenditure increased slightly higher than income, 15% and 9% respectively, between 2004-05, the union was financially sound. It realised a surplus of around R26 million, which is 10% lower than the 2004 level of R29 million.

Table 17: NUMSA Financial Results

	2004	2005	Change	
			Total	%
Subscription	87,590,000	96,509,000	8,919,000	10%
Other	31,768,000	33,211,000	1,443,000	5%

Income	119,358,000	129,720,000	10,362,000	9%
Affiliation fees	3,048,000	3,932,000	884,000	29%
Funeral benefit cost	10,587,000	9,768,000	-819,000	-8%
Legal and arbitration cost	6,797,000	8,583,000	1,786,000	26%
Activities	16,826,000	12,589,000	-4,237,000	-25%
Salaries	37,719,000	40,027,000	2,308,000	6%
Overheads	15,635,000	28,964,000	13,329,000	85%
Total Expenditure	90,612,000	103,863,000	13,251,000	15%
Surplus/deficit	28,746,000	25,857,000	-2,889,000	-10%

Source: Treasurer's report to the 7th national congress.

NUMSA derives more than 70% of its income from membership dues (see table below). Salaries and overhead form the largest part of its expenditure together consuming more than 59% increasing to more than 60% in 2005. During the same period expenditure on activities went down from 19% in 2004 to 12% in 2005. NUMSA also spend a significant amount of money on funeral benefits at around 12% in 2005 and 9% in 2005. The long-term impact of funeral costs on the union finances should be analysed as this may introduce systemic risk.

Table 18: Breakdown of NUMSA's Income and Expenditure: 2004-05

	% total 2004	% total 2005
Subscription	73%	74%
Other	27%	26%
Income	100%	100%
Affiliation fees	3%	4%
Funeral benefit cost	12%	9%
Legal and arbitration cost	8%	8%
Activities	19%	12%
Salaries	42%	39%
Overheads	17%	28%
Total Expenditure	100%	100%
Surplus/deficit		

Source: calculated from the national treasurer's report.

Organisational development strategies

NUMSA has made extensive renewal efforts over a number of years. At its 2004 Congress, the union adopted a four-year master plan as a direct consequence of its organisational renewal programme. It distinguishes three phases in the OD process:

- **Organisational review:** conducted a problem and needs analysis to establish members and staff perceptions about the union.
- **Organisational Renewal:** implemented proposals from workers conducted in the region to address problems and bottlenecks.

- **Organisational Development:** Congress adopted a development programme with clear targets and implementation framework. During the consultation with staff and members known as the ‘Vomiting sessions’, the union identified problems around staff morale, local organising, distribution of resources within the union, collective bargaining; and internal management of the union. To that end, the organisational development plan contain seven project to resolve the identified problems, namely renewing locals; improving structures and operations; national organising and collective bargaining; membership and financial systems; staff development; and information and communication campaign.

The union is currently implementing the development plan with some progress recorded, including pilot projects in regions, capacity building and staff development programmes, rebuilding gender structures, improvements in financial and membership systems.

Collective and Sectoral bargaining

The union bargaining strategy adopted in 1993 puts emphasis on:

- Wage increases should be based on actual, inflation and an improvement factor.
- Multi-year agreements; and
- Improvement of other benefits such as retirement, medical aid, and skills training.

To that end, the union has concluded multiyear agreements in the Metal and Engineering Bargaining Council and ESKOM which expire in 2007. At the time of writing the union was conducting research into the effectiveness of its bargaining strategy. The union embarked on several strike action triggered by work place restructuring and these are summarised below.

Table 19: NUMSA Strike Action

Name of firm and region	Cause
BMW – Roslyn	Changes in shifts
Ford – Pretoria	Incentives bonus
Aero Dyna	Use of labour brokers
Cape Gate (Western Transvaal)	Changes in shift
Genrec – Ekurhuleni	BEE
Smith Industries KZN	Employment equity
Defy – Ladysmith	Withdrawal of warning
Dunlop	Assault of worker by supervisor
Dynothem – Durban	Restructuring and job losses

Source: submission from NUMSA

6.7 National Union of Mine Workers (NUM)

Trends in membership

By far, the NUM remains the largest affiliate of COSATU at around 10% of total membership. It is also the biggest union in mining. In 2006, mining was the biggest section of the union – around 96% compared with 4% in construction. The union membership is fairly spread across South Africa with the highest number 22% found in the Rustenburg region. Overall membership declined by 5% in under a year due in large part to job losses in mining.

Table 20: NUM's Membership: 2005-2006

Region	2005	2006	% of membership	Change:2005-06	
				Total	%
Carletonville	29,970	28904	11%	-1,066	-4%
E Cape	8,522	8251	3%	-271	-3%
Highveld	26,317	26315	10%	-2	0%
Kimberley	7,948	6826	3%	-1,122	-14%
Klerksdorp	27,855	21959	9%	-5,896	-21%
Natal	5,209	8040	3%	2,831	54%
NE Tvl	20,666	18436	7%	-2,230	-11%
Free State	39,168	30384	12%	-8,784	-22%
PWV	37,246	33256	13%	-3,990	-11%
Rustenburg	58,692	56034	22%	-2,658	-5%
W Cape	8,238	7736	3%	-502	-6%
Total Mining		246141	96%		
Total Construction		10592	4%		
Grand Total	269,831	256,733		-13,098	-5%

Source: Union submission

A SWOP survey conducted for the union in September 2005 found that “while the membership still rates the NUM high in regard to provision of service to members, this is a qualified rating – one with reservations. Survey reveals membership satisfaction with service that the union provides. What is clear is that members feel that the union is succeeding in negotiating better wages...qualitative data show serious dissatisfaction with the servicing levels.”⁶⁴

Although women are a numerical minority in mining and the NUM, the union is beginning to grapple with the challenge of organising women. To that end, it has established gender structure and for the first time the union has a woman office bearer. NUM is also trying to break new ground by organising other occupational categories other than underground blue-collar mine workers.

⁶⁴ NUM Members Service Research Report, p.2.

State of union structures

The Secretariat report to the NUM Congress report relative stability and cohesion in the union's structures at all levels. NUM constitutional structure were streamlined at regional level and the education and health and safety structures were integrated into the main structure of the union. The NEC has provided leadership and ensures proper management of the organisation. All regions are reported to be in good state bar North East, Rustenburg and the PWV which has riddled by internal political strife.

Union programmes and campaigns

The NUM's education and training programme has important lessons for other COSATU affiliates. On this score, the union is has introduced innovative ideas on education delivery and invest substantial resource in member, staff and leadership training and development. Health and safety is also one of the key programmes of the union after education and collective bargaining. This is come as no surprise given the fact that mining is a very dangerous activity. The NUM also focus, attention on ensuring activism at branch level and focuses on workers living conditions on the mines.

Union finances

Not only is the NUM the largest union in COSATU it is also generously endowed in financial terms and is by far the richest union in the Federation with income well over R100 million. The union also experiences year-on-year financial stability with a surplus of close to R90 million.

Table 21: NUM Financial Results: 2003-05

NUM				Change 2003-05	
	2003	2004	2005		
Subscriptions	90,238,746.00	98,705,213.00	105,096,676.00	14,857,930	16%
Income from investment	5,711,784.00	3,880,886.00	4,215,434.00	-1,496,350	-26%
Agency fees	810,326.00	899,859.00	838,878.00	28,552	4%
Grants	1,855,835.00	2,203,829.00	2,040,837.00	185,002	10%
Donation	597,868.00	751,746.00	980,586.00	382,718	64%
Profit on Sale of Investment/fix ed property	103,598.00	49,955.00		-103,598	-100%
Sundry Income	64,880.00	82,916.00	87,825.00	22,945	35%
Total income	99,383,037.00	106,574,404.00	113,260,236.00	13,877,199	14%

Overhead	47,038,313.00	49,039,396	56,983,213	9,944,900	21%
Affiliation fees & levies	5,738,770	7,059,614	6,930,035	1,191,265	21%
Funeral Contributions	3,967,500	2,690,500	1,655,000	-2,312,500	-58%
Grants to MDA	1,080,000	1,200,000	900,000	-180,000	-17%
Salaries and contributions	26,034,890	30,229,478	28,022,951	1,988,061	8%
Activities	13,480,623	11,660,013	16,272,095	2,791,472	21%
Total	97,340,096	101,879,001	110,763,294	13,423,198	14%
Surplus/deficit for the period	2,042,941	4,695,403	2,496,942	454,001	22%
accumulated surplus @ beginning of year	76,228,581.00	78,271,522	82,966,925	6,738,344	9%
accumulated surplus @ end of year	78,271,522.00	82,966,925	85,463,867	7,192,345	9%

Source: audited financial statements

Membership subscriptions contribute over 92% of NUM's total income with investment income a distant second at 5% on average. NUM is also the only union where salaries constitute under 30% of total expenditure with overhead taking the largest share at 49% on average. Consistent with other unions the highest expenditure items are salaries and overheads at over 60% combined.

Table 22: NUM: Composition of Income and Expenditure

	% total 2003	% total 2004	% total 2005
Subscriptions	91%	93%	93%
Income from investment	6%	4%	4%
Agency fees	1%	1%	1%
Grants	2%	2%	2%
Donation	1%	1%	1%
Profit on Sale of Investment/fixed property	0%	0%	0%
Sundry Income	0%	0%	0%
Total income	100%	100%	100%
Overhead	48%	48%	51%
Affiliation fees & levies	6%	7%	6%
Funeral Contributions	4%	3%	1%
Grants to MDA	1%	1%	1%
Salaries and contributions	27%	30%	25%
Activities	14%	11%	15%
Total	100%	100%	100%

Source: audited financial statements

Organisational development strategies

The NUM long piloted the idea of a conscious strategy to manage organisational change before it became popular in the Federation. The union now adopt ten year plans that guides its daily operations and which are evaluated in the Congress. The aim of the ten-year plan is "to build and maintain strong branches; self contained regions and a responsive leadership and head office."

NUM devolved substantial resources and power to its regions to strengthen the union at a sphere where it interfaces with members. This model warrants deeper understanding and analysis to test its strength and weakness and general applicability. The union is planning such a deeper analysis of the positive and negative results of its OD work in the coming year.

Collective and Sectoral bargaining

In an environment of job destruction and decline in some of the sectors of mining, it is remarkable that the NUM managed to secure wage increases of between 7% and 8%. For the first time after 18 years there was a strike in gold which was settled largely in favour of the union. The union has also negotiated an agreement barring employers to subcontract mining.

The NUM has also reached agreement with the state and employers in the Gold Summit to managing downscaling and protect jobs. However, it seems that this innovative idea has been eclipsed by the Mining Charter. The union is also establishing a firm footprint in construction and is pushing for a sector summit. NUM project that a bargaining council for mining may be established in 2007.

6.8 Police, Prison Civil Rights Union (POPCRU)

Trends in membership

The table below shows POPCRU's membership between 2003 and 2005. In just two years, the union recorded a 25% or 19,177 new members, the highest growth in percentage terms was in traffic (55%) and cross border traffic agency (CBRTA 29%). However, the police still constitute the biggest sub-sector of POPCRU's membership at over 70%.

Table 23: POPCRU Membership: 2003-2005

			% of members	Change 2003-05	
	2003	2005		total	%
SAPS	55,134	68,918	71%	13,784	25%
DCS	22,613	24,523	25%	1,910	8%
Traffic	1,673	2,600	3%	927	55%
Private Prisons	650	799	0.8%	149	23%
CBRTA	65	84	0.1%	19	29%
Total	77747	96,924	100%	19,177	25%

Source: Submission from POPCRU

Organising

The figures above show a 25% growth in membership in just fewer than three years and we here analyse union strategies to retain and organize members. Organising should be conceptualized as a holistic strategy whose objective is to recruit new members and retain current members. To that end it should be conceptualized as including recruitment campaigns, service, organization building strategies, education, campaigns and bargaining.

In this section we will restrict the analysis of POPCRU in respect of recruitment and service to members. The other issues will be covered in later sections. Of interest is whether a union is pursuing a *servicing* or *organising* model, as these are distinct philosophically.

Whether POPCRU is pursuing a servicing or organising model is a point that deserves further investigation to look at service and recruitment. Service is meant to include representation around wages and conditions of employment, grievance and disputes; regular interaction between union officials and workers on the shop floor; and social benefits provided by the union. However, in terms of documents submitted by POPCRU its organising strategy has the following elements, which should be further probed:

- **Recruitment** – The union has adopted a recruitment campaign in March 2006. The target is to reach a majority in the SAPS in the KwaZulu-Natal, Eastern Cape, Western Cape, Mpumalanga and North West. The report also notes high cancellations by members due to the fear of double deductions i.e. deductions for POPCRU and the union that they have just resigned from.
- **Service** – POPCRU notes slow improvement in service delivery. Service delivery is hampered by lack of capacity of FTSS and organizers.

State of union structures

Officer Bearers at national, provincial and institutional level bear overall responsibility for the implementation of union policies and decisions. Sub-committees established by the POPCRU Constitution are Gender Forum and Finance. POPCRU is organized in all provinces although we do not have figures on the number of institutions in which it is organised. This section assesses the overall performance of union structures and their gender and racial composition; and the division of power and resources.

Overall the submission by POPCRU suggests stability and unity in union structures at local, provincial and national level. Challenges include empowerment of a new layer of leaders in locals.

The national congress is the supreme decision making structure in the organization and the central executive committee has powers to deal with affairs of the union in between Congress. POPCRU combines a quasi-executive

President who may serve on a full time basis as well as vesting substantial powers in the General Secretary. All National Office Bearers are full time and on secondment from the employer which is regulated by a Collective Agreement on full time shop stewards. In this respect POPCRU is following a general trend to release worker office bearers to serve full time even though on secondment. It is worth investigating how this has panned out in practice in relation delineation of responsibilities and worker control.

In terms of its Constitution and Gender Policy the union is committed to “the elimination of women subordination, the transformation of gender relations, and empowerment of women in terms of representation and leadership”. POPCRU gender policy further commits the union to establish gender structures, deal with sexual harassment and provide childcare during meetings.

The CEC revised the earlier policy of that 30% representative of women in its structures to an equal representation between men and women. Table below show some progress in improving gender parity in the constitutional structures and office bearers. However, males still play a predominant role constituting 76% of office bearers and 68% in constitutional structures.

Table 24: Gender Representation in Leadership

Gender	Office Bearers	Constitutional Structures	As % of office bearers	% of constitutional structure
Male	35	259	76%	68%
Female	11	120	24%	32%
Total	46	379	100%	100%

Source: POPCRU Submission.

Union finances

The union was in good financial health, realising a surplus of R14 million at the end of the period. Income much faster than total expenditure rising by 67% compared to an increase of total expenditure of 28%. The union’s surplus during the period under discussion grew faster than both total income and expenditure increase in percentage terms by 164%.

Table 25: POPCRU’s Financial Result: 2002-04

	2002	2003	2004	Change 2002-04	
				Total	% change
Subscriptions	16,694,165	21,517,901	23,827,903	7,133,738	43%
Agency fees	19,197	31,703	-	-19,197	-100%
investment	1,788,807	388,064	1,090,404	-698,403	-39%

Donation	321,461	826,145	435,293	113,832	35%
Other	985,075	2,650,751	7,706,238	6,721,163	682%
				-	
Income	19,808,705	24,638,436	33,059,838	13,251,133	67%
Overheads	4,368,633	4,987,767	4,924,555	555,922	13%
Affiliations	995,865	850,850	1,221,320	225,455	23%
COSATU	134,430	66,461	279,576	145,146	108%
Gender Forum	411,220	150,470	13,880	-397,340	-97%
Organising			4,330,345	4,330,345	
Provincial					
Allocation	1,773,027	1,824,963	1,044,238	-728,789	-41%
Salaries &					
Wages	2,694,521	5,294,395	4,896,172	2,201,651	82%
Travelling, accommodation and constitutional meetings	3,794,393	1,780,050	1,459,430	-2,334,963	-62%
				-	
Total Expenditure	14,172,089	14,954,956	18,169,516	3,997,427	28%
				-	
surplus/loss	5,636,616	9,683,480	14,890,322	9,253,706	164%

Source: calculated from audited financial statements

As shown in table below shows, POPCRU relies almost exclusively on membership dues making up 84% in 2002, 87% in 2003 and then declining to 72% in 2004. Despite the drop in income from membership fees, it is still the main source of the union's income which bodes well for the union.

The component called 'other' is made up of interest and some undisclosed amount. This component increased dramatically between 2002 and 2004 by a whopping 682% or R7 million. Furthermore, the unions total income increased by R13 million or 67% during the period under review.

It is evident, from the table below that the union spent mostly in overheads, averaging 30% of total expenditure during the period under review. The next high item of expenditure is salaries which average 27% between 2002 and 2004, followed by meetings and travelling cost (averaging 16%). It is worth noting that expenditure on the gender forum has been slashed by 97%, followed by travelling 62% and allocations to provinces 41%.

Table 26: POPCRU Components of Income and Expenditure: 2002-2004

	% total		
	2002	2003	2004
Subscriptions	84%	87%	72%
Agency fees	0%	0%	0%
Investment	9%	-2%	3%
Donation	2%	3%	1%
Other	5%	11%	23%
Income	100%	100%	100%
Overheads	31%	33%	27%
Affiliations	7%	6%	7%
COSATU	1%	1%	2%
Gender Forum	3%	1%	0%
Organising	0%	0%	24%
Provincial Allocation	13%	12%	6%
Salaries & Wages	19%	35%	27%
Traveling, accommodation and constitutional meetings	27%	12%	8%
Total Expenditure	100%	100%	100%

Source: calculated from audited statements

Organisational development strategies

POPCRU first phase of OD focused on streamlining structures to reduce the layer of structures between the workplace, the province and national office.

Collective and Sectoral bargaining

Like most public service unions the union has gained more on wages and conditions of service in the last three years, despite a conservative fiscal policy. However more can still be done to increase pay and conditions of service for police and correctional officials. Police and correctional officials are over-stretched due to the shortage of personnel. This affects staff morale and performance and compromises the quality of service. In this regard POPCRU can do more to focus on the transformation of the prisons and police service including the redistribution of resource, increased employment and changes in the culture prevalent in these areas.

6.9 South African Commercial and Catering Workers Union (SACCAWU)

Trends in membership

Overall membership increased by 20% or 20 967 new members from 107 533 in 2003 to 128 520 in 2006, according to the SACCAWU Secretariat Report to its 8th

National Congress⁶⁵. The biggest gains were in Western Transvaal (70%); followed by Eastern Cape and Free State both at growing by 30%. Anecdotal evidence suggests that the union gained a lot of members after the strike on the conditions of casual workers in Shoprite-Checkers. The union's membership is spread across the country and is concentrated in Wits (20%); North Region (17%); KZN (15%) and Western Cape (13%). These regions combined account for 65% of the union's members.

Table 27: SACCAWU Membership: 2002-05

			% of membership	Change 2002-05	
	2002	2005		Total	%
KZN	15,595	19,603	15%	4,008	26%
Mpumalanga	8,461	9,075	7%	614	7%
N Region	21,404	22,460	17%	1,056	5%
Western Cape	13,190	16,358	13%	3,168	24%
Wits	25,016	26,204	20%	1,188	5%
Eastern Cape	9,437	12,134	9%	2,697	29%
Free State/N Cape	8,085	10,455	8%	2,370	29%
Western Transvaal	6,365	10,799	8%	4,434	70%
Unallocated		1,432	1%	1,432	
Total	107,553	128,520	100%	20,967	19%

Source: Secretariat Report to 8th National Congress.

The union attributes the growth in membership to its growth strategy that it developed in 2002. The strategy acknowledges that the union still has to recruit casuals and young workers.

Organising (recruitment, servicing and organisational) strategies

SACCAWU has developed a recruitment plan to increase its overall membership by 20% and to target shopping malls. The membership figures reflect that despite organisational as well as sectoral challenges the union has succeeded in reaching this target. The union is making significant efforts to deal with the high levels of casualisation in the retail sector and the organising challenges this presents, including low income and inconsistent working patterns. SACCAWU has highlighted the need to elect more casuals as shop stewards, and for the first time the union had casual workers amongst its delegates to its recent National Congress.

State of union structures

The union faced a financial crisis in the period prior to the last COSATU Congress, which had a serious impact on the union. SACCAWU can be said to have revived itself and was able to spearhead important struggles in the last three years.

⁶⁵ These figures differ from the COSATU Secretariat Report, however, which has SACCAWU membership at 108 000, therefore recording a far lower growth of 5% from 102 000 in 2002.

The Secretariat report to the 8th Congress provides a useful overview of the state of the union's structure. Overall it shows that the union constitutional structure meet regularly as per the constitutional requirements. However it points out weaknesses in the operations of structures which are attributable to lack of resources. This is more pronounced in the regions than at head office and negatively affects the union's ability to provide quality service to members.

Union programmes and campaigns

The union embarked on a number of campaigns during the period under review including:

- Centralised Bargaining: attention focused retail and wholesale plus casinos but the campaign petered out.
- Woolworths: the campaign centres around the company's decision to terminate the recognition agreement with the union. As far as we can tell it is still subject to CCMA as the company has appealed previous award in favour of the union.
- Casualisation: this campaign was launched following the Sectoral Determination for Wholesale and Retail. This saw a concerted campaign in Shoprite Checkers to improve working conditions for casuals and their recruitment thereof. The guaranteed minimum of working hours has been established in Shoprite-Checkers, Pick 'n Pay and Woolworths.
- Sector Job Summit: A negotiation team has been established and at the time of writing the union was still engaging the state and employers in wholesale and retail.
- Gender struggles: SACCAWU continues to pilot parental rights and other unions can draw lessons from its experience. It has pioneered the election of company-based gender co-ordinators to ensure the integration of gender issues in collective bargaining and taking gender struggles to the workplace. It also has active and effective gender structures that are producing gender activists and campaigns and it seems the union as a whole is seized with issues of gender. This however does not mean that the organisational culture has changed adequately.

Union finances

Comparatively speaking SACCAWU has made a dramatic turn around in its financial affairs. Three years ago at about the same time the union was beyond the status of an affiliate of the Federation. By end of 2005, the union was in a much improved financial position having increased its income 34% or R11 million. Total expenditure increased by 21% and the union realised a surplus of R2 million up by R3 million from 2003. There is a need for SACCAWU to take into account the funding implications of increased organising of casual workers given the fact that these workers earn far less (due to fewer working hours) and therefore would yield lower income in subscriptions.

Table 28: SACCAWU Financial Results

				Change 2003-05	
	2003	2004	2005		
Subscriptions	31,011,161	35,925,008	38,642,771	7,631,610	25%
Commission	120,000	356,553	1,960,281	1,840,281	1534%
Interest	370	2,449	10,449	10,079	2724%
Other	1,259,000	58,727	2,845,549	1,586,549	126%
Sundry	379,930	218,822	322049	57,881	-15%
Total Income	32,770,461	36,561,559	43,781,099	11,010,638	34%
Affiliations	1,408,907	1,775,550	1,971,754	562,847	40%
Expense paid on behalf of SAC		87,000	1,426	1,426	
Salaries	16,253,007	16,980,420	17,206,938	953,931	6%
Activities	6,327,939	5,347,529	7,786,635	1,458,696	23%
Overheads	10,147,104	10,423,601	14,193,209	4,046,105	40%
Other	324,720	552,574	618,137	293,417	90%
Total expenditure	34,461,677	35,166,674	41,778,099	7,316,422	21%
surplus/deficit	-	-	-	-	-
	1,691,216	1,394,885	2,003,000	3,694,216	-218%

Source: Audited financial statements

Organisational development strategies

After developing a strategy for organisational development the union appointed a team under its President – the Mothapo Review Team (MRT). The 2005 Congress adopted the MRT Organisational Review Report as a work in progress document, with proposals to be implemented post-Congress. These proposals include realigning the Constitution, improving service to members, developing the education programme, improving the communications strategy and strengthening gender activism and representation of women. The union is in the process of implementing these recommendations.

Collective and Sectoral bargaining

The union's collective bargaining strategy set the target to increase wages by 10% in 2005 and a demand for a minimum wage of R2500 per month. It was further refined to include issues for casual workers including conversions to full time employment; guaranteed working hours and extension of benefits to all workers. The union has managed to negotiate the extension of benefits to part-time

workers and casuals at Pick 'n Pay, Shoprite-Checkers and Edgars, amongst others.

During the period leading to the 8th National Congress of SACCAWU the union had embarked on a number of strikes, namely:

Table 29: SACCAWU Strikes

Company	Reasons
Shoprite Checkers	Implementation of the Wholesale and Retail Sectoral Determination with regard to casual workers
Tsogo Sun	Wages and conditions of employment
Clicks Stores	Wages and conditions of employment
Pick 'n Pay	Wages and conditions of employment
UPN (Woolworths/Distributive Section)	Wages and conditions of employment

Source: Information submitted by union

Bargaining in the wholesale and retail trade can be defined as 'dispersed' due to the absence of centralised bargaining. As a result bargaining either takes place at a company or plant level which place enormous strain on the union resources. The establishment of company councils is an innovative idea to address this problem but cannot substitute for a bargaining forum. Company Councils also serve as ensuring strong union structures and organisation at shop floor, keeping members informed and active regularly. This extends to Area/Mall Committees across companies within a particular area or shopping mall; and such Committees become very helpful when there are strikes or action. The union has managed to establish a number of area/mall committees in various shopping centres and localities.

6.10 South African Democratic Teachers Union (SADTU)

Trends in membership

SADTU's overall membership increased by 3% or just over 7 000 members from 2003 to 2006 (see table below). The union managed to reverse its membership losses that occurred between 1999 and 2002. It is evident from the table below that SADTU's membership is concentrated in three provinces which combined form 59% of total membership. The provinces are Eastern Cape (22%), Limpopo (19%) and KZN (18%). Women dominate membership and represent 65% of total membership. Yet, they are grossly underrepresented in the decision-making structures of the union as explained below. According to SADTU membership data the union has remained extremely stable since 2004, with very few membership losses.

Table 30: SADTU's membership: 2003-2006

Provinces	2003	2004	2005	2006	% of total 2006	% change 2003-2006
Eastern Cape	49,679	49,767	49,524	48,542	22%	-2%
Free State	14,001	14,076	14,159	13,987	6%	0%
Gauteng	21,669	21,025	21,132	21,570	10%	0%
Kwa-Zulu/Natal	35,078	34,933	39,164	40,540	18%	16%
Limpopo Province	38,536	37,844	39,827	41,414	19%	7%
Mpumalanga	18,175	18,165	18,355	18,235	8%	0%
North Cape	3,729	3,709	3,902	3,912	2%	5%
North West	21,489	21,353	21,210	21,318	10%	-1%
Western Cape	12,519	12,618	12,641	12,540	6%	0%
Total	214,875	213,490	219,914	222,058	100%	3%

Source: SADTU membership data

The demographic profile of SADTU membership has shifted to the middle age category. SADTU membership is concentrated between the ages 36-46 years. This is contrast to the early days of the union, wherein the majority of members were under 30 years. This is both a reflection of slow intake of new educators in the system and the fact that young teachers do not join in numbers.

Organising (recruitment, servicing and organisational) strategies

SADTU's Secretariat report to the 6th National Congress argues that its main challenge is to reach out to private schools; Early Childhood educators; ABET and Higher Education. Its strategy for service to members incorporates improving members pay and conditions of work; professional development; and better representation of members. The NALEDI report noted that while SADTU is winning a majority of cases on behalf of its members against the Department; this is more a function of the incompetence on the part of the education authorities. Still there is a significant number of pending cases due to a large backlog.

State of union structures

The NALEDI report on effectiveness of SADTU structures concluded as follows with regard to SADTU provinces. "Provincial structure appear to be well organised on the whole. There are differences in strengths and weaknesses from one province to another. Generally, provincial structures meet according to constitutional requirements and are well organised in campaigns and mobilisation of members for events. The main weaknesses at provincial level include the following:

- Some administrative inefficiency (with the exception of the Western Cape and KZN).
- Inconsistent recruitment and organising strategies and programme.
- Uneven coordination of portfolios.
- Weak and unsystematic contact with member, sites and lower structures" p.8.

Both the report and the Secretariat report concur on the overall soundness of SADTU structures at National provincial, regional, branch and site levels.

However, as noted in the NALEDI report, SADTU has to address “poor communication and dissemination of information within the union, coupled with a lack of training and skills.”⁶⁶

Considering that SADTU is predominately female, men are disproportionately represented among office bearers and the National General Council, as tabulated below. This is acknowledged by research conducted by the SADTU Gender Desk which make the following observation: “Men increasingly dominate leadership positions while women appear in ‘support’ and maintenance positions...When women leave leadership position they are frequently replaced by men”.

The same report by the SADTU Gender Desk cited nine factors that were regarded as obstacles to women participation, namely: lack of confidence, family/domestic responsibility; lack of opportunity; attitude of female comrades and that of partners; culture/religion; sexual harassment; and lack of ability. Respondents further identified measure that could improve women participation including gender awareness training for all members; more convenient times for meetings; etc. The sentiments raised in the research report are echoed in the Secretariat report to the 6th National Congress.

Table 31: Gender Representation in SADTU Structures, 2003

	NOBs	NGC	% of NOBs	as % of delegates to NGC
Male	5	119	71%	71%
Female	2	49	29%	29%
Total	7	168	100%	100%

Source, NGC Minutes, May 2003.

Union programmes and campaigns

Union has embarked on diverse programmes and campaigns in the last three years ranging from strikes; elections; education programmes; and campaign on public education as part of a global campaign to defend and decommodify public education. However, this campaign has not permeated the rest of the movement and SADTU has not been effective in community mobilisation on this matter.

Union finances

SADTU financial position requires urgent attention as the union has been living beyond its means, at least for the two years between 2004 and 2005. The situation could have been worse in 2003 if it was not for the investment income. Technically the union experience a deficit in its ordinary operations and this was offset by investment income of R3 million. This income has however declined to R1.7 million in 2005 plunging the union into a deficit. The deficit is explained by the fact that expenditure 7% overall compared to a 6% increase in total income.

⁶⁶ NALEDI Report on the effectiveness of SADTU structures p.77

Table 32: SADTU Financial Results: 200-2005

SADTU				Change 2003-05	
	2003	2004	2005	Total	%
Subscriptions	61,641,976	59,556,874	61,502,356	-139,620	0%
Agency fees	14,426,172	15,826,532	15,002,995	576,823	4%
Donations and grants	1,502,415	3,280,396	5,533,369	4,030,954	268%
Insurance Commission	6,318,487	7,380,561	10,024,005	3,705,518	59%
Other	3,849,893	3,792,991	961,574	-2,888,319	-75%
Total Income	87,738,943	89,837,354	93,024,299	5,285,356	6%
Affiliation fees	3,270,288	3,824,624	3,877,334	607,046	19%
Allocation to branches	834,276	802,197		-834,276	-100%
Member contribution to funeral fund	7,583,698	8,243,629	8,751,541	1,167,843	15%
Salaries	18,652,986	20,459,410	21,776,239	3,123,253	17%
Activities	13,429,463	10,815,546	12,954,261	-475,202	-4%
Overheads	31,695,630	34,885,908	32,035,809	340,179	1%
Other	13,154,882	18,398,295	15,660,592	2,505,710	19%
Total expenditure	88,621,223	97,429,609	95,055,776	6,434,553	7%
surplus/deficit	-882,280	-7,592,255	-2,031,477	-1,149,197	130%
impairment of investment		230,887	-836,479	-836,479	
impairment of loans to provinces	-348,603	-343,145		348,603	-100%
investment income	3,040,547	2,241,011	1,743,721	-1,296,826	-43%
finance charges	-387,166	-452,803	-484,995	-97,829	25%
surplus/deficit for the period	1,422,498	-5,916,305	-1,609,230	-3,031,728	-213%

Source: calculated from the audited financial statements.

SADTU is gradually drifting away from dependency on members' dues as the main source of its income (see table below). Total subscriptions income dropped to 66% from 70% while income from commission has steadily increased from 7% in 2003 to 11% in 2005.

Table 33: Composition of Income and Expenditure

	% total 2003	% total 2004	% total 2005
Subscriptions	70%	66%	66%
Agency fees	16%	16%	16%
Donations and grants	2%	6%	6%
Insurance Commission	7%	11%	11%
Other	4%	1%	1%
Total Income	100%	100%	100%

Affiliation fees	4%	4%	4%
Allocation to branches	1%	1%	
Member contribution to funeral fund	9%	8%	9%
Salaries	21%	21%	23%
Activities	15%	11%	14%
Overheads	36%	36%	34%
Other	15%	19%	16%
Total expenditure	100%	100%	100%

Source: calculated from audited financial statements.

Salaries and overhead constituted the bulk of the union's expenditure during the period under review. Together they accounted for around 57% of the SADTU's expenditure. SADTU spend slightly higher than the norm on activities, around 15% of total expenditure goes to activities. The union spends around 8% on average or R9 million on funeral constitutions for members. The impact of the funeral scheme on the union deserves attention, especially if members do not contribute.

Organisational development strategies

SADTU has adopted resolutions on organisational development and commissioned three research studies on the following: the effectiveness of structures; SADTU's impact on policy and conditions of education in Higher Education. However, the union has recognised that it has just gone through a review phase and will need to adopt a resolution to implement a cohesive renewal programme with multiple aims and a clear strategy of implementation.

Collective and Sectoral bargaining

SADTU is the single largest union in both the PSCBC and the ELRC. SADTU's bargaining strategy has given much weight to wages, career progression and some aspects of working conditions. Whereas the union played a pivotal role in the reallocation of teachers, its effectiveness in relating conditions of service and quality education is doubtful on two counts.

First, the union does not seem to have taken effective struggles around teacher conditions of service which result in poor education outcomes. Second, it has not articulated a strategy that builds effective alliances with communities around poor schooling conditions, especially in former township schools. As such, the union has not challenged effectively the image of the public servant who cares about salaries and not the welfare of the learners.

The NALEDI report on the effectiveness of SADTU structures depicts deep-seated anger among members on the bargaining process. Members raised the following concerns around the recent strike:

- Whether SADTU's alliance with the ANC compromises its effectiveness in the bargaining process.

- Mandating and report back was not seen as effective by a large number of members.
- The bargaining process is 'phoney' since it is predetermined by the treasury.⁶⁷

6.11 South African State and Allied Workers Union (SASAWU)

Trends in membership

The union shares the scope with a number of COSATU Public Service unions and has remained fairly small due to the high levels of unionisation in the public service. The union has evidently shrunk by almost half losing 47% of its membership in the last three years. Its overall membership is concentrated in the general public service and as such it shares scope with NEHAWU.

Lack of service to members by way of workplace representation in disputes and grievances and an absence of a funeral scheme for the union have been the twin causes of the huge loss of members. This has been compounded by resignations of organisers (4 resigned and 1 died) during the period under review. This has been a setback for a union of this size. From December 2005 the union has introduced a funeral benefit which has led to a membership fee increase of R25-00 from R30-00 to R55-00.

Table 34: SASAWU Membership: 2003-06

	2003	2006	% of membership
Health		2665	28%
General Public Servants		6771	72%
Total	18,000	9436	100%
change	-8564	47.5%	

Source: submission by the union

Union Finances

The union's financial systems and procedures are centralised at head office. However funds are sometimes transferred to provincial accounts for specific and approved programmes.

Table 35: SASAWU Financial Result

	2003	2004	2005	Change 2003 – 05
Subscription fees	1, 996, 801	4,016, 349	3, 889, 252	1, 892, 451 94%
Commission Received	418,784	597, 212	578, 118	159, 334 38%
Profit Share – Metlife	347,885	240, 000	244, 000	-103, 885 -30%
Sundry Income	95, 974	378, 803	511, 736	415, 762 433%

⁶⁷ NALEDI Report on Effectiveness of SADTU Structures, p.24

Revaluation of Investment	96, 230	110, 125	-	- 96, 230	-100%
Agency fees	435, 349	1, 461, 079	554, 589	119, 240	27%
Interest Received	1 184	28, 073	5, 250	4, 066	343%
Sale of T-shirts	-	-	150		
Total Income	3, 392, 207	6, 831, 641	5, 783, 095	2, 390, 888	70%
Affiliation fees	140, 499	345, 986	247, 359	106, 860	76%
Salaries	1, 325, 912	1, 911, 720	1, 735, 029	409, 117	31%
Overheads	1, 364, 634	1, 689, 890	1, 434, 014	69, 380	5%
Legal fees	33, 756	40, 072	55, 604	21, 848	65%
Activities	1, 324, 916	1, 927, 156	1, 766, 360	441, 444	33%
Total Expenditure	4, 189, 717	5, 914, 824	5, 238, 366	1, 048, 649	25%
Surplus / deficit	(797, 510)	916, 817	544, 729	-252, 781	-32%

Source: Information submitted by the union

Collective Bargaining

SASAWU is admitted in the bargaining councils on the basis of acting together with other unions since it does not meet the admission requirements on its own. In the PSCBC and GPSSBC, SASAWU acts together with POPCRU whilst in the Public Health and Welfare Sectoral Bargaining Council (PHWSBC) they act with NEHAWU.

6.12 South African Transport and Allied Workers Union (SATAWU)

Trends in membership

SATAWU's membership increased by 59 000 members from 74 000 in 2003 to 133 000 in 2006 constituting a massive increase of 80%. This is as a result of investment in recruitment, members joining through public campaigns and strikes as well as improved efficiency in collection of subscriptions.

Union finances

The union was in relative financial health at the end of 2005 as income increased higher than total expenditure. Accumulated reserves combined with operating surplus resulted in total surplus of over a million. However, the union has embarked on a number of industrial actions this year and it still unclear how this will affect its finances.

Table 36: SATAWU Financial Result

				Change	
	2003	2004	2005	2003-05	
Subscriptions	26,386,642	28,080,429	33,156,159	6,769,517	26%

Commission	608,530	812,734	804,656	197,126	32%
Donation	49,869	295,526	102,883	53,014	106%
Directors Income from SARHWU		25,000		-	
T-shirt sales		51,594		-	
ITF Refund		482,732	376,045	376,045	
Interest	89,670	23,075	10,755	78,915	-88%
Sundry Income	579,479	650,000	628,838	49,359	9%
Total Income	27,714,190	30,421,090	35,079,336	7,366,146	27%
Affiliation	762,898	1,341,184	1,599,240	836,342	110%
Allocations to regions	1,474,114	1,605,999	1,834,325	360,211	24%
Funeral Scheme	1,934,687	1,727,029	1,710,779	223,908	-12%
Salaries	10,704,643	10,350,292	10,908,060	203,417	2%
Activities	1,848,558	2,304,643	1,902,063	53,505	3%
Overhead	7,828,316	8,746,176	9,692,789	1,864,473	24%
Other	3,359,449	3,848,668	6,301,818	2,942,369	88%
Total Expenditure	27,912,665	29,923,991	33,949,074	6,036,409	22%
Surplus/deficit accumulated funds @ beginning of year	198,475	497,099	1,130,262	1,329,737	-670%
accumulated funds @ year end	1,065,730	867,255	1,364,354	298,624	28%
	867,255	1,364,354	2,494,616	1,628,361	188%

Source: audited financial statements.

Like other COSATU unions, the main source of income for SATAWU was members' dues – around 95% of total income. Against, consistent with trends in other unions, SATAWU spent over 66% on salaries overheads. Salaries were virtually unchanged in the last three years, increasing marginally by 2%.

Table 37: SATAWU Breakdown of income and expenditure: 2003-05

	% total 2003	% total 2004	% total 2005
Subscriptions	95%	92%	95%
Commission	2%	3%	2%
Donation	0%	1%	0%

Directors Income from SARHWU	0%	0%	0%
T-shirt sales	0%	0%	0%
ITF Refund	0%	2%	1%
Interest	0%	0%	0%
Sundry Income	2%	2%	2%
Total Income	100%	100%	100%
Affiliation	3%	4%	5%
Allocations to regions	5%	5%	5%
Funeral Scheme	7%	6%	5%
Salaries	38%	35%	32%
Activities	7%	8%	6%
Overhead	28%	29%	29%
Other	12%	13%	19%
Total Expenditure	100%	100%	100%

Source: audited financial statements

Recruitment Strategy

As shown above, SATAWU was successful in increasing its membership massively (by 80%) since 2003. Recruitment was driven by committees that were established and linked to sectors and locals. These committees submitted their plans through regions and were granted resources accordingly.

The union has made some advances in organising members in the taxi industry, however it remains a difficult sector to organise and is described by SATAWU as largely a 'union-resistant' environment. Union density in the cleaning and security sectors remains very low, and there is therefore potential for large membership growth in these vulnerable sectors, which SATAWU is pursuing as part of its recruitment strategy.

State of union structures

SATAWU structures meet as per Constitutional requirements, but often do not quorate, resulting in wastage of resources. There are weaknesses in the quality of participation and vibrancy of structures, particularly at local level. Gender and education structures do not meet as regularly as they should, which affects the co-ordination and implementation of programmes. While the union has adopted resolutions to dedicate resources to education and gender this has largely not been implemented. Structural meetings in regions that cover vast distances are more expensive to run and would therefore require more resources to be effective. (This includes regions such as the Eastern Cape, Limpopo, Northern Cape and Free State).

Union programmes and campaigns

The union adopted a range of campaigns at its last Congress, including campaigns against casualisation, privatisation, concessioning of strategic public assets and the state of public transport. The union adopted an integrated approach to implementing industrial, organisational and political resolutions. Given that the union organises a number of sectors, it faces the challenge of advancing campaigns that cut across all sectors since there are varied issues in each sector.

Recruitment is at the centre of SATAWU campaigns, given its strategic significance in terms of sustainability and growth. The union conducted an effective and well-supported campaign against unilateral restructuring in Transnet. In terms of its campaign against casualisation, the union identified issues in various sectors, such as the prevalence of fixed term contracts. It is engaging the Department of Labour around the National Dock Labour Scheme in order to get casual workers in the docks into a structured employment environment with regular income and benefits.

Organisational development strategies

The Central Executive Committee of SATAWU established terms of reference for the Organisational Renewal programme in line with COSATU guidelines. The OR committee led a process to look at structures at all levels to eliminate inefficiencies and duplication, culminating in Constitutional amendments at the 2003 Congress to reduce structures in order to release resources for more organisational work and campaigns. The OR process was then intended to look at the qualitative effectiveness of structures and to develop measures to strengthen and create structures that are more vibrant and relevant to workers. The OR process has since stalled, however. The union intends to revive its OR process after its Congress in September.

Collective and Sectoral Bargaining

SATAWU Collective Bargaining Conference developed a wage policy framework setting the living wage at R3000 after deductions. The union endorsed the social wage as a basis for bargaining, with the need for more research on this issue. The union rejected inflation as a basis for wage bargaining and endorsed other economic measures such as the minimum living level. They resolved to implement an integrated collective bargaining strategy that advances social transformation issues (such as HIV/AIDS, employment equity, gender equality and skills development) as well as wage bargaining.

SATAWU has an ongoing campaign to establish bargaining councils in sectors such as Cleaning, Security, Civil Aviation and Taxi. The union has resolved to deal with the proliferation of unions in certain sectors with a vigorous organising strategy. In the context of the campaign to advance centralised bargaining, the union has identified violation of demarcation within the federation as a

significant stumbling block to the achievement of bargaining councils in the cleaning and security industries.

Table 38: SATAWU Strike Action

Sector	Company	Cause
Civil Aviation	Equity Aviation Services South African Airways Nationwide Airlines	Wages, working conditions & downward variation Wages Wages, working conditions and recognition of the union
Public Sector	Transnet Transwerk	Unilateral restructuring Racism and employment equity implementation
Road Freight	Industry-wide	Wages and working conditions
Security	Industry-wide	Wages and working conditions
Cleaning	Industry-wide	Wages and working conditions
Toll gate	National	Wages and working conditions

The union has embarked on a number of high profile strikes in the recent period. The significance of some of these strike actions was discussed in Section 5.3. For instance, the Equity Aviation strike was the longest strike in recent history, raising the need for a strike fund and more effective solidarity. The South African Airways strike brought together black and white workers and unions with very different histories and traditions, and was very effective due to the location of the workers on strike, bringing the airline to a grinding halt. The Transnet strike was significant given its focus on restructuring, and the unity forged between black and white workers represented by SATAWU and other unions. The strikes in the Security and Cleaning Sectors have demonstrated the level of intransigence of employers and the growing militancy of workers in vulnerable sectors.

The above section, summarising the state of affiliates has pointed to some significant trends requiring deeper analysis and reflection.

7 Research agenda for Phase Two

After Congress, we will need to complete outstanding areas of the report, for example filling in gaps on the state of affiliates and adding affiliates that have not been covered.

We will also need to develop a clear proposal for endorsement by the CEC on the content of Phase Two of the research.

We envisage that the following will be areas requiring further research over the next three years:

- *State of Unionisation*: providing annual reports on union densities, recruitment efforts by COSATU affiliates, employment/unemployment trends and analysis of unorganised workers and the unemployed
- *Organising Strategies*: deepening our knowledge and information on the changing world of work; researching the attitudes and organising needs of unorganised and unemployed workers; exploring & monitoring appropriate and effective organising strategies with affiliates in sectors with high levels of casualisation and atypical forms of work
- *Gender*: researching the meaning of increased employment of women for union organising and how unions are representing existing women members and approaching gender-related matters
- *Building organisation, worker control and internal democracy*: researching different approaches within affiliates on worker control and internal democracy reflecting on ways to best ensure democracy & worker control under changed organisational conditions; investigating changes in the profile, composition and orientation of union staff, leadership and membership
- *Review of OR efforts*: writing up case studies on affiliate organisational renewal efforts; assessing the effectiveness of affiliate OR and OD processes and highlighting new and emerging challenges flowing from this; drawing on international experiences of trade union renewal

8 Concluding remarks

This report has highlighted the fact that COSATU is not in an organisational crisis, it remains fairly stable and coherent and able to articulate the interests of its members. It has recovered from membership losses, and while some unions have continued to lose members, others have grown significantly and have developed clear and effective recruitment strategies. The federation has also seen a period of increased strikes, effective mass mobilisations and worker militancy.

There are, however, a number of pressures on the federation and affiliates that threaten the strength, representivity and stability of the movement, these include:

- Weaknesses in organising those outside of permanent employment
- Financial strain
- Inadequate management of proactive organisational change
- Inadequate representation of women and weaknesses in mainstreaming struggles for the transformation of gender relations

The key challenge for the trade union movement is to revive its efforts towards organisational renewal taking on board the need to integrate campaigns, recruitment and organising strategies and gender strategies within the organisational renewal process. There is a need to ensure that organisational renewal processes are participative and vibrant, unleashing the creativity and initiative of members and shop stewards rather than being driven from above.

A strong, well-organised and democratic trade union movement is essential to the transformation of the country, and critical to the struggle for socialism. Insofar as COSATU and its affiliates are able to build on their efforts to organise, to reach out to new workers and deepen solidarity within their ranks, the federation will remain a central and powerful social force, capable of impacting profoundly on the trajectory of working class struggles and the future of our country.

9 Bibliography

- Baskin J (1996) 'Unions at the crossroads'. *South African Labour Bulletin* 20 (1): 8-16
- Bennett M (2003) *Organising in the informal economy: A case study of the Clothing Industry in South Africa*. Geneva: International Labour Office
- Buhlungu S (2002) 'Comrades, Entrepreneurs and Career Unionists: Organisational Modernisation and New Cleavages among COSATU union officials'. SWOP. Johannesburg.
- Buhlungu S (2005) 'The state of trade unionism in post-apartheid South Africa' in *The State of the Nation 2003-2004*. HSRC Press.
- Cebekhulu E (2004) 'Unions: Where are they at?' *South African Labour Bulletin* 28 (1): 46-8
- Cherry J (2006) 'Workers and policy-making' in *Trade Unions and Democracy: Cosatu workers' political attitudes in South Africa*. (Ed) Buhlungu, HSRC press.
- COSATU (2000) Draft Strategy to Organise the Informal Sector and Atypical Workers.
- COSATU (2001) Transforming Ourselves to Transform Society: Report of the Organisational Review Commission to the 1st Central Committee.
- COSATU (2003) Organisational Renewal to Deepen Service to Our Members: Report to the 2nd Central Committee, 2003.
- COSATU (2003) Organisational Review Report to the 8th National Congress.
- COSATU (2003) Consolidating Working Class Power for Quality Jobs: Towards 2015.
- Cradden C & Hall-Jones P (2005) "Trade union reform – change is the only constant", Public Service International
- Desai A (2002) *We are the poors: Community struggles in post-apartheid South Africa*. Monthly Review Press.
- Gibbs T (2003) 'South Africa's forgotten workers'. *South African Labour Bulletin* 27 (2): 46-48
- Grawitsky R (2004) 'Labour 30 years on'. *South African Labour Bulletin* 27 (4): 8-13
- Habib A & Valodia I (2006) 'Reconstructing a Social movement in an era of Globalisation: A Case Study of COSATU'. In *Voices of Protest: Social Movements in Post-Apartheid South Africa* (eds) Ballard R, Habib A & Valodia I. University of Kwazulu-Natal Press.
- Horn P (2004) 'Protecting the Unprotected: Can it be done?' *South African Labour Bulletin* 28 (1): 28-31
- Kenny B & Webster E (1999) 'Eroding the core: Flexibility and the re-segmentation of the South African labour market'. *Critical Sociology* 24 (3):216-243
- Kenny B (2006) 'Claiming workplace citizenship: 'Worker' legacies, collective identities and divided loyalties of South African contingent retail workers'. Paper presented to RC44 at the International Sociological Association Congress 2006, Durban.

- Lehulere O (2005) 'Social Movements, COSATU and the 'new UDF' '.
- Makgetla N (2004) 'Wages and bargaining 10 years on'. *South African Labour Bulletin* 28 (3):12-14
- Mackay and Mathoho (2001) 'Worker power: The Congress of South African Trade Unions and its impact on governance and democracy.' Research Report no 79. Centre for Policy Studies.
- Mantashe G (2003) 'Trade unions and social movements in SA'. *South African Labour Bulletin* 26 (5): 33-34
- Marie B (1996) 'Giants, teddy bears, butterflies and bees: Ideas for union organisation'. *South African Labour Bulletin* 20 (1): 17-20
- Meth C & Dias R (2004) "Increases in poverty in South Africa, 1999-2002" in *Development Southern Africa Vol 1 No 21*, March 2004. Routledge.
- Mosoetsa S (2003) 'Are unions and political parties facing a crisis of representation?' *South African Labour Bulletin* 27(4):41-2
- Naidoo R (2003) 'The union movement and South Africa's transition'. *South African Labour Bulletin* 27 (4):15-20
- NALEDI (2001) 'Challenges facing union organisers'. NALEDI Research Report.
- NALEDI (2004) 'Organisational Renewal in COSATU & Affiliates: An Overview' written by Chris Bonner. NALEDI Research Report.
- NALEDI/COSATU (2006) 'The workers' survey for COSATU'. NALEDI Research Report.
- Ndala M (2002) 'Erosion of union solidarity'. *South African Labour Bulletin* 26 (2): 76-8
- Ngonini X (2000) 'Cosatu Congress from the floor'. *South African Labour Bulletin* 24 (5): 52-4
- People's Budget (2006) Detailed Response to the 2006/2007 Budget
- Phahla C (2002) 'Where is the tripartite alliance?' *South African Labour Bulletin* 26 (1): 83-4
- Pillay D (2006) 'Cosatu, alliances and working-class politics'. in *Trade Unions and Democracy: Cosatu workers' political attitudes in South Africa*. (Ed) Buhlungu, HSRC press.
- Rachleff P (2001) 'The current crisis of the South African labour movement'. *Labour/Le Travail* 47: 151-169
- Rees R (1992) 'More workers' control needed'. *South African Labour Bulletin*, 16, 7.
- Rees R (1999) 'The challenge of building SACCAWU as a home for casual workers'. NALEDI Research Report.
- Seekings J (2004) 'Trade unions, social policy and class compromise in post-apartheid South Africa'. *Review of African Political Economy* 100: 299-312
- September Commission Report (1997) The Report of the September Commission on the Future of the Unions to COSATU, August 1997
- Sitas A (2004) 'Thirty years since the Durban strikes: Black working class leadership and the South African transition'. *Current Sociology* 52 (5):830-849
- Southall R (2001) 'Fighting marginalisation: Can Cosatu rely on the alliance?' *South African Labour Bulletin* 25 (3): 33-39

- UNDP (2003) *South Africa Human Development Report 2003- The Challenge of Sustainable Development in South Africa: Unlocking People's Creativity*. United Nations Development Programme of South Africa. Oxford University Press.
- Valenzuela JS (1989) 'Labour movements in transitions to democracy: A framework for analysis'. *Comparative Politics* 21(4)
- Von Holdt (2002) 'Social movement unionism: the case of South Africa'. *Work, Employment & Society* 16 (2): 283-304
- Webster E & Buhlungu S (2004) 'Between marginalisation and revitalisation: The state of trade unionism in South Africa'. *Review of African Political Economy* 100 (31): 229-245
- Webster E & Von Holdt (eds) (2005) *Beyond the Apartheid Workplace: Studies in Transition*. University of KwaZulu Natal Press.
- Webster E (2006) 'Trade unions and the challenge of the informalisation of work' in *Trade Unions and Democracy: Cosatu workers' political attitudes in South Africa*. (Ed) Buhlungu, HSRC press.
- Wood G (2001) 'South African unions in a time of adjustment'. *Labour/Le Travail* 47:133-150
- Wood G & Dibben P (2006) 'Broadening internal democracy with a diverse workforce: challenges and opportunities' in *Trade Unions and Democracy: Cosatu workers' political attitudes in South Africa*. (Ed) Buhlungu, HSRC press.