

Defend, empower, advance

CWIU's approach to company restructuring

Companies in the chemical industry have embarked on an aggressive programme of restructuring. They talk of 'world class manufacturing', team work, flexibility, quality circles and 'best operating practices'. They say they have to restructure in order to become more competitive and to democratise the workplace.

While we may dispute the reasons companies give for restructuring, we cannot dispute the end result for workers. Union members lose their jobs, contract work increases and workers who do keep their jobs work harder in less safe conditions. These results are inevitable, unless unions take up the struggle to protect workers' interests.

Company restructuring also poses a threat to union organisation - retrenchment leads to a decrease in membership, shop stewards are dismissed or promoted out of the bargaining unit and company imposed structures threaten the existence and strength of shop steward committees and legitimate bargaining forums.

The CWIU has made a commitment to defend, advance and empower our members. The most important thing is to defend our members against job loss. The union will use negotiations around restructuring to take forward our struggle for worker control. We must win new rights and powers which strengthen worker decision-making in the production process. We must ensure that restructuring improves

Restructuring is the name of the new game in the chemical sector. Tanya Rosenthal and Welile Nolingolo outline the steps the CWIU is taking to protect the interests of its members.

the living and working conditions of our members and that union organisation is strengthened. We need to empower workers and organisers to negotiate the best deal for workers.

Policy

The CWIU has developed detailed policies to deal with company-level restructuring. We have produced a booklet for workers that presents these policies in an accessible and practical manner.

Our Congress last year adopted new resolutions on work reorganisation and what should be done about it. Congress noted that:

- Work re-organisation holds no benefits for workers. It leads to a reduction in wages, an intensified pace of work, unemployment and lower standards of health and safety. Its sole aim is to increase profits.
- Workers have not united to defend themselves against attacks from the

bosses. All restructuring issues should become issues for collective bargaining, with clear dispute resolution procedures.

- There is an urgent need for union policy on work reorganisation.
- We need union guidelines to assist our members in dealing with the issue.

Congress resolved to:

- vigorously defend workers;
- reject new management methods which do not lead to genuine worker participation and democratisation;
- strive for worker control at the shopfloor;
- embark on a campaign of mass action in defence of workers' rights;
- call on the government to implement a social plan for workers who have lost their jobs;
- empower workers to deal with restructuring issues;
- embark on an education campaign to raise awareness on the dangers of restructuring;
- reject the bosses' tricks, such as incentive schemes, which are aimed at dividing us;
- campaign for a code of conduct for multinational companies and the establishment of international councils to be funded by companies.

While compromises will obviously be made in different sets of negotiations, any divergence from policy must be approved by union structures and advance workers' interests.

Pharmacare

It is one thing to have ideas and resolutions - the point is to implement them. One company that CWIU has taken on is a division of South African Druggists (SAD) called Pharmacare.

SAD is a large pharmaceutical and healthcare company which is listed on the Johannesburg Stock Exchange. It manufactures, markets and distributes

pharmaceuticals, speciality and commodity chemicals and other healthcare products and services. It is the largest product supplier to the Department of Health.

Pharmacare has three manufacturing plants - two in Port Elizabeth and one in East London. It employs about 2 400 people. The CWIU is the majority trade union.

'Shared values'

In 1995, Pharmacare management introduced a restructuring programme based on the notion of 'shared values'. Consultants were brought in to the East London plant to talk to workers about 'shared values'. Workshops and discussion groups were set up.

The initiative followed hard on the heels of a dispute between the union and the company. Workers and the union decided to participate in the process in the hopes that it might contribute to a resolution of the dispute.

Workers were each given a book, where the 'shared values' were written down. They were told to keep them in their shirt pockets.

The first thing workers noticed was that the terms used in the book were very similar to those in the Freedom Charter - human dignity, wealth creation and respect. It soon became clear, however, that:

- workers would gain very little from the programme;
- the programme was sidelining the union;
- many whites in the company continued to hold onto Verwoedean concepts;
- discrimination continued.

In short, workers believed the 'shared values' were being used against them.

The final straw came when workers engaged in industrial action in support of centralised bargaining. White workers and managers accused CWIU members of not living up to 'shared values'. Workers threw



Pic: Tanya Rosenthal

Pharmacare worker. Workers who keep their jobs work harder under less safe conditions.

their books away and decided that in future they would deal with management only through their union.

The shopstewards insisted that the company formally negotiate restructuring with the CWIU. The union put forward the following demands:

- the CWIU conduct its own research audit of the plants;
- shopstewards get paid time off to attend a union workshop on restructuring;
- the company contribute towards the costs of the workshop.

Audit

Shopstewards and union officials gathered information on the company through interviews with the plant, human resources and production managers and shopstewards and workers. A plant inspection provided further information.

Information was gathered on:

- employment trends
- grades
- the racial composition of the workforce
- contract labour
- management's future plans
- training
- financial information
- products and markets
- the state of union organisation at each plant
- problems identified by workers.

The audit greatly increased our knowledge of the company. It provided evidence to support the union's claims - for example, the need for more training. It also showed workers that the union was taking action and helped build organisation.

Workshop

Three shopstewards from each plant attended the three-day workshop facilitated

by the union. Ideally, more shopstewards should have been released to attend the workshop. Local organisers, the branch educator and the industrial restructuring co-ordinator also attended. The workshop aimed to:

- deepen understanding of what restructuring is and how it affects workers;
- enhance understanding of why companies restructure;
- familiarise participants with CWIU policy on restructuring;
- examine case studies of restructuring so that the lessons learned could shape our engagement;
- agree on a programme and plan of action;
- build the ability and confidence of worker leaders and workers to take forward CWIU policy and the programme of action.

Workshop participants went over technical terms and concepts to ensure that they understand management's language. Our analysis of the situation was not, however, based on a technical, but on a political and organisational understanding of issues.

The CWIU president, who is a shopsteward at the company, gave inputs on the political and economic context we find ourselves in. He dealt with GEAR and its negative consequences for the working class.

Case studies on PG Bison, Nampak and the Australian experience provided many lessons. At both PG Bison and Nampak workers were drawn in to management-initiated forums. In the process, they became alienated from workers and the union.

Divisions emerged among workers and within the shopsteward committee. The union was severely weakened in the process. Workers' ability to negotiate restructuring was compromised by a lack of

clear policy from the union. Officials did not provide enough support. They themselves lacked capacity to engage on issues in a manner that would benefit workers.

In Australia, restructuring and the Social Accord resulted in higher workloads, job loss, weaker unions and lower wages. Subcontracting increased. The first victims of restructuring were unorganised workers. At first, the stronger unions made some gains. These were, however, short lived. In the long term, all workers found their rights being eroded.

Assessment

The workshop also assessed the strengths and weaknesses of the CWIU at Pharmacare.

Strengths include a high level of unionisation, centralised bargaining and militant members who are willing to engage in collective action. Areas needing attention are irregular attendance at union meetings, a lack of co-ordination between plants and the absence of uniform agreements.

Framework agreement

Shopstewards drew up a list of demands and principles to guide negotiations on restructuring. A framework agreement was drawn up and presented to management.

The purpose of the agreement is to:

- ensure job security and job creation;
- improve the material and social well being of all employees, including women workers;
- ensure the long-term survival and success of the company, as an employer and contributor to the economy;
- ensure that workers, as tax payers and producers, continue to contribute to the economy.

Principles

The agreement sets out the principles that will guide the negotiations on restructuring:



Pic: Tanya Rosenthal

Pharmacare shopstewards and CWIU officials prepare for negotiations.

- no job loss;
- a commitment to create jobs;
- increased competitiveness/productivity shall not be obtained through a deterioration in health, safety, and the environment;
- restructuring will not weaken the union or its structures;
- there will be no informal discussions around restructuring, only negotiations;
- senior management must be committed to the process and implement agreements;
- restructuring will not discriminate against any specific groups. Special attention will be paid to ensuring that women are not discriminated against.

Information disclosure

While the LRA provides for the disclosure of relevant information, the union decided to concretize and advance on these provisions. The agreement provides that:

- there will be a commitment to genuine free and open exchange of information concerning company proposals for

restructuring;

- all relevant information used by the company in developing any restructuring proposals, and any other relevant information requested by shopstewards or union representatives for the purpose of restructuring, will be disclosed in good time;
- the union may use auditors or other specialists to assist in analysing such information. This will be paid for by the company.

Capacity building

To engage successfully, we need capacity in the form of knowledge. The union put forward the following proposals to the company:

- shopstewards will be given additional time off for union training on restructuring issues;
- should the company also wish to train workers or shopstewards, the courses will first be approved by the union;
- such training will not be at the expense of skills training by the company.

Implementation

Negotiations around restructuring will all take place in formal union/management structures. There will be no parallel structures.

The union may set up short-term joint working groups to develop proposals on different aspects of restructuring. These groups will have no decision-making powers and will only be able to put forward proposals in the formal structures.

Examples of issues to be covered in further agreements include: job grading systems, productivity performance assessments, social responsibility guidelines, the introduction and upgrading of new technology, education, training and skills formation, affirmative action, a competency-based evaluation system and involvement in the Training Board.

Disputes

Even with the best of agreements, disputes are bound to arise. Issues which cannot be resolved at plant level are best dealt with at our National Bargaining Forum (NBF). This should ensure that the union maintains a co-ordinated and strong approach.

For Pharmacare as a whole, the CWIU has proposed that unless there is an agreement on restructuring at company or plant level, restructuring cannot be implemented.

Assessment

Negotiations on the Pharmacare agreement are still taking place at national level. While it would be ideal to have an SAD national agreement, we have agreed to negotiate with Pharmacare for the time being in order to deal with the immediate problems facing Pharmacare workers.

Moving on

The negotiations have thrown up a number of challenges. The first problem is the company's desire to move ahead on

restructuring before the negotiations are complete.

It has brought in consultants to assess things like productivity and work organisation and asked the union to take part in the information gathering exercise.

We will not take part in such activities without the guarantees in the framework agreement being accepted. We are, however, not able to prevent the company from gathering information, especially from non-union members. We have not been able to shape information received by the consultants. We will have to use the information we have gathered to contest the consultant's views.

Relationship

The company says it wants to move away from the current 'adversarial' relationship and is promoting 'mutual sharing' and 'co-operation'.

One area of contestation is defining the negotiations as *negotiations* and not as discussions. Management mistakenly regards negotiations as the dawning of a new co-operative era. In fact, we still face a classic situation where management's agenda is hidden and management intransigence is high.

Feedback

The issues are many and complex. How do we feed back to workers in a manner that gives the main points in a meaningful way? We are drawing up a pamphlet which summarises the union's position and progress in the negotiations thus far.

Workers will be given the pamphlets in general meetings, where shopstewards will answer questions and provide more details.

We also need to ensure that the company gives workers time off to attend report-back meetings and to issue fresh mandates to the negotiating team.



Pic: Tanya Rosenthal

Members of the management team at Pharmicare.

Resources

Detailed intervention draws a large amount of resources from the union. Management has far more resources than we have. Negotiations and meetings with workers take up a lot of time. The high amount of energy and effort invested in this case study will no doubt bear fruit. Nonetheless, we have to find ways to make the process more efficient so that organisers do not get 'bogged down' in dealing only with restructuring.

Information sharing

Our original proposals need to be re-examined to ensure we get meaningful information from the company which extends the provisions of the LRA. We need to determine the areas where the company *will not* give us information and those it cannot - because the information is not captured in the particular form we require.

The company has now agreed to set systems in place to provide the information we need.

The struggle continues

Negotiations are continuing. New problems are continually emerging and compromises are being made. We have to ensure that we act in a democratic manner - getting mandates and reporting back to workers. We must also ensure that we continue to approach restructuring from a political and organisational perspective.

At the end of the day it is only a strong, critical and militant union that can wrest concessions from the bosses and advance the interests of the working class. ★

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