

Ensuring transparency

*The media has recently been dominated by stories of alleged corruption in a number of unions. The **Labour Bulletin** speaks to **Hassan Lorgat** about the work being done by Transparency International and how unions can deal with corruption.*

Bulletin: *What is Transparency International?*

Lorgat: Transparency International (TI) is a global non-governmental organisation, which is devoted to combating corruption. It brings together civil society, business, and governments into a powerful coalition. TI works at both the national and international level to curb both the supply and demand of corruption.

Ultimately, any organisation could be involved in corruption where there is a concentration of resources. We have to fight corruption wherever it may raise its head.

Bulletin: *How do you see the role of unions in fighting corruption?*

Lorgat: At the outset it is important to understand that unions globally are not unique in having to address issues of corruption. Some fight corruption as an anti-development issue whilst others tackle it as part of the good governance of their own organisations. In the past few years, an international initiative has got underway where many unions in the European Union, for example, are pushing for compliance with an OECD (Organisation for Economic Co-operation and Development) anti-corruption protocol. This initiative is known as Unicorn and seeks to fight corruption in transnational corporations.

Turning to South Africa, if you work

in the public service and are a trade union member you cannot remain removed from where corruption takes place. Resources stolen from within the public service for private gain ultimately undermines the overall gains of transforming the public service and providing services to the people. For example, someone steals from the school feeding scheme and as a result poor children continue to go hungry. As a teacher and a trade unionist you have to take a stand. You may be enriching a family member but this could act as a disservice to those in need as well as undermine the effectiveness and value of the public service. This in turn can encourage the voices pushing for the privatisation and commercialisation of the public service that could argue that the public service is operating inefficiently. Various acts such as corruption could therefore weaken and destroy effective public service delivery and act against the long-term interests of union members.

Many of us are involved in tendering processes and other structures where companies try and bribe union officials. In the long term this works against unions. Unions should be encouraging people to speak out against corruption and should ensure whistle blowers are defended. Ultimately, unions cannot fight and expose corruption in corporations or enterprises where they are working

whilst its own house is not in order. This gives the employer an easy way out – and undermines the genuine peoples' development.

Bulletin: *What is your view on the recent allegations of corruption in unions?*

Lorgat: I do not feel it is necessary to comment on the specific allegations mentioned in the commercial media. However, it should be pointed out that corruption is not a new phenomenon in the unions and was an issue in the old days. The allegations of corruption – made in the print media – have been exposed at very strategic times, such as important or crucial meetings that may resolve important policy issues or elections of office bearers. Such 'exposures' only serve to deflect the discussion of the real issues facing the unions and their members. And this may genuinely be about dealing with good union governance and corruption.

It is clear that when claims of corruption are raised ahead of congresses they generally get deflected and the overriding concern in the union becomes an attempt to defend the organisation from 'outside attack'. Therefore, understandably, people close ranks and any discussion on the perceived or genuine ills do not take place. Indeed, this tactic undermines open and democratic discussion and has the same effect as labelling

in unions

comrades ultra-left, etc.

The fight for worker control and good and accountable unionism is a daily struggle and cannot be stopped after such congresses. Once unity is achieved it is still necessary for unions to voluntarily come forward and become transparent around issues of concern to their members.

In the same way as unions demand disclosure of executive salaries so too unions should set an example, otherwise the enemies of the working class will use it against them. Unions need to disclose the salaries of office bearers as well as the chief executive officers of union investment companies. In terms of union investment companies, there should be full disclosure of where and how the money of investment companies is being invested etc.

Bulletin: What approach should unions be adopting?

Lorgat: Unions need to engage with the issue of corruption in the same way as they should be dealing with issues around governance/worker control and democratic accountability. In the absence of any communication or accountability to members, they will believe the reports in the commercial media. So here is a challenge for us to rebuild our union structures and give more power to the rank-and-file, the shopstewards, the locals etc. There appears to have been since 1994 a weakening of the lower union structures whilst at the same time greater influence to the top representative structures. This has happened for various reasons, which will not be gone into here suffice to say that Cosatu leaders are discussing this and implementing strategies to ensure locals work in line with their mandate.

Unions need to ensure that the information released is of a high quality and has some sort of integrity. Unions should also engage with the commercial media because trade unions are an important part of society – and civil society in particular. Therefore, attempts to discredit structures must be dealt with as some of the reports are exaggerated and create the impression of mismanagement or elements of corruption when none in fact exist. Unions are also big players in the economy, especially through their union investment companies on the one hand and through worker pension and provident funds on the other. As a result, they need to consider their position in this light and ensure their actions are above reproach.

Bulletin: What are the long-term implications if unions fail to deal with corruption?

Lorgat: It is interesting to note that in the US union members have taken their unions to court over issues around mismanagement and also the failure of unions to represent their members in line with the union constitutions.

These moves have spurred the growth of factionalism in the unions, in part because those unions have in the main not grown up like ours. Our unions were built on the principles of workers' control, shopsteward leadership and participatory democracy.

Dealing with issues around corruption, accountability and worker control constitutes a fight for the soul of the union movement. The alternative is an internal revolt against leadership and the imploding of many of our unions. Cosatu's campaign around the year of the member provides the perfect

opportunity for unions to ensure organisational renewal.

Bulletin: What constitutes or can be regarded as corruption in the union?

Lorgat: Corruption is not only about money nor is it about an official getting a so-called fancy car or getting gifts that are not declared in a union register as they have in parliament. So, in part for us, corruption must not only be seen as abuse of our resources/funds for individual gain but as a fundamental attack on our values, as a union movement. Indeed the abuse of funds are important issues to address, but the failure to implement democratically mandated decisions could amount to non-accountability to members and could be considered to be an element of corruption. Often people choose what decisions they want to implement to advance their own cause – that corrupts the union and can lead to mismanagement. Other areas that could constitute corruption, include:

- Doing outside business deals during union time.
- Sitting on company boards during union time with a union mandate, but the income goes directly to the individual without agreement or knowledge of the union structures.
- Giving a company access to union members or its database and getting something in return, for example allowing micro lenders access to members.

Lorgat is on the board of TI and is also the media and communications officer for Sadtu. (He was interviewed in his capacity as a representative of TI.) To find out more about the organisation: www.transparency.org