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# Getting hitched?

## A few lessons on how to... based on the Satawu merger

*Satawu held its first national congress during August since its merger in May 2000. The congress provided a good opportunity to assess the merger process and some of the problems which arose. The **Labour Bulletin** spoke to Satawu general secretary **Randall Howard** about the lessons other affiliates could learn in pursuing merger initiatives.*

**I**t was not always certain Satawu would survive, but through hard work and determination the union has reached its three year milestone and gathered for its first national congress in August. Satawu was formed out of Sarhwu (which merged initially with Blatu and Tatu) and TGWU to create a single Cosatu affiliate in transport.

Two years into the merger, two groupings of former Sarhwu officials broke away from Satawu to revive Sarhwu and the other grouping formed a rival union called the SA Industrial Workers Union.

Howard said in his secretariat report to congress: 'We were confronted by internal divisions initiated by a group of opportunists who were never committed to unity of transport, cleaning and security workers. They were intent on destroying the merger or at the very least taking control of the union and its financial resources by relegating the elected national office bearers committee to a cipher while they called the shots.'

Howard explained in the report that in late 2001 and early 2002 two groupings broke away from Satawu. The groupings included ten comrades

dismissed by the union and members of the Spoornet Operational Efficiency Committee comprising of former leaders (mainly regional chairpersons). Prior to the breakaway these groupings attempted to destabilise the union by disrupting meetings and creating confusion. Some of the reasons given for the split were:

- lack of service to membership;
- mismanagement of union funds;
- lack of worker control principles;
- Satawu favouring the security sector at the expense of all other sectors;
- non-payment of Sarhwu/Nosipho shares.

Howard said the real reasons for the split included:

- refusal by these individuals to be accountable to constitutional structures
- Removal of unreasonable and unnecessary travelling and allowances and other benefits
- fear of losing power.

The two rival unions to emerge are recruiting in the same companies currently organised by Satawu. Howard reported that stop-order facilities have been granted in some Spoornet operations while recognition is being sought. Satawu has raised



questions about the way Spoornet has managed this whole process and how it has engaged with the rival unions. Satawu has made claims that in some units attempts have been made to grant recognition at very low levels and there are unauthorised deductions from Satawu members for the new unions.

### Merger process

Howard says it is invariably a difficult process to consolidate two organisations which have different cultures, backgrounds, management

styles and people with different experiences, attitudes and perceptions. However, a merger process should ensure the following:

- A clear political and organisational commitment by both leaders and the organisation.
- A process driven by integrity, credibility and honesty about what each party is inheriting. Mergers bring together groupings of people who have not necessarily worked together and this could lead to a great deal of initial distrust.
- The outcome of a merger process could differ depending on the respective strength of the unions. By the time TGWU merged with Sarhwu (or as it became known as Satawu following the mergers with Blatu and Tatu) – it was more or less a merger of two equals.
- The involvement of workers is critical in the build-up to the merger process.

An understanding must be reached prior to the merger congress on how the leadership positions will be allocated so as to prevent further tensions. During the merger process the parties agreed on an election pact, which stipulated which leadership positions would be allocated to which union. This ensured that there was no open election of office bearers at the launching congress as each union had already decided within their ranks which individuals would be appointed to which position. This ensured a smoother and less messy process, Howard says.

It is important to resolve differences around staffing and benefits prior to the merger. In terms of the merger agreement, a three year job security arrangement was agreed upon. Staffing (and benefits) is a politically important issue and could prevent mergers from occurring.

#### Problem areas

One of the stumbling blocks to merger, Howard says, was the problem around TGWU's traditional base in cleaning and security. There had always been an understanding that the merger would lead to the formation of a transport union, Howard says. But where did this leave TGWU's large membership in cleaning and security? Consideration was given to either forming another union for these members to join a union such as Saccawu. In the end it was agreed that the time was not right for the formation of another union and Sarhwu (Satawu) agreed to allow these members to remain within Satawu.

Another issue following the merger was benefits and conditions of employment. Howard says TGWU staff historically did not have a lot of allowances while Sarhwu officials did. When the merged union began shaping new policies, some union staff and officials were threatened by potential changes to their employment conditions. As a result personal interests began to kick in.

When the various factions began raising their concerns within the union, allegations included some criticism against Howard himself. There were claims that he was attempting to centralise the secretariat. As general secretary, Howard says it is necessary in a merger process to operate openly and to ensure collective leadership. 'There needs to be honesty around decision-making,' Howard ensured that the various allegations were investigated.

Controversy surrounding the Nosipho shares also re-emerged. Howard says that since the merger, the Nosipho share plan 'has been like an albatross hanging around our necks'. The expectation created by former Sarhwu members was that



1 000 free shares allocated by Sarhwu Investment Company would be paid out by October 2001. This became the source of constant allegations and division within the union and was used to mobilise support for the breakaway union as the leadership promised members payment.

As a result of this issue, Satawu decided at their recent congress to sell their shareholding in Sarhwu Investment Company and use the money received to pay out the beneficiaries of the Nosipho share scheme. Howard says the union was not opposed to the concept of union investment companies but unions should ensure clear policies around investment companies.

#### Conclusion

Mergers, Howard says, cannot happen automatically. Parties to the merger process need a strategic approach on how it will be achieved. Ultimately, mergers could lead to better resourced organisations which are able to assist workers. The more fragmented and weaker unions are, the greater their inability to represent workers effectively. He says, however, that unions need to understand what a merger process entails and ensure proper transparency around such processes.

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