

Revive and reinvent

MWU-Solidarity's plans for growth

Taking into account unions' needs and the challenges facing them, such as globalisation and declining membership, unions have had to adapt. This article looks at the example of MWU-Solidarity and its strategy for growth.

Challenges facing unions

Globalisation is threatening trade unions. They can react to globalisation by adopting:

- global social movement unionism, which focuses on the development of strategies to resist the pressures of globalisation and promotes wealth redistribution. To achieve this, unions will have to link up with civil society, left-wing allies in the government and global forces; or
- business unionism, which focuses on promoting a business strategy and business outputs - in this way accepting the logic of globalisation. (Slabbert, 1999)

At the same time, various factors are impacting on union membership.

Management attitudes are changing negatively. This arises from its opposition to labour laws and to trade unions' continued militant behaviour in the form of strikes and stayaways. Many employers would rather invest in machines than be harassed by striking workers.

Various authors point at the ever-

Luther Backer examines how MWU-Solidarity is adapting to globalisation and ensuring growth.

increasing number of employers using casual, temporary and contract labour. Outsourcing and subcontracting is an economic reality that leads to a loss of union members.

Andrew Levy (1999) holds that one of the impacts of the Employment Equity Act is the increased representativity of women in the workforce. Research has found that female labour has a lesser attachment to unions. Also, affirmative action will result in the rapid advancement of employees into management and out of the bargaining units.

The computer revolution has had a wide impact on almost all processes and methods at work. Skills have been redefined and in some cases replaced by automation. Unionisation of service industries, such as the IT industry, has been far slower than manufacturing or mining industries. More and more workers are working from home, which makes them difficult for unions to organise.

The most obvious effect is that unions' ability to exercise control over the source of supply has decreased. The unemployed

threaten union members because they could undercut them in earning power.

Centralised collective bargaining usually means higher levels of unionisation than decentralised bargaining. In South Africa, unions are using centralised bargaining to their advantage.

So, how has MWU-Solidarity reacted to these challenges?

History

MWU-Solidarity (formerly the Mine Workers Union) is the oldest union in South Africa. It was established in 1913 in the mining industry and played a major role in the development history of white Afrikaans-speaking workers. In 1990, MWU-Solidarity expanded into other sectors such as steel, chemicals, electricity and telecommunications.

During the eighties and early nineties, MWU-Solidarity voiced strong right-wing political views. However, in 1994 when the ANC moved into government, the union's existence was threatened. Clearly, under non-discriminatory labour laws, room did not exist for a trade union to continue along racial lines.

From 1994 to 1997, MWU-Solidarity stagnated because:

- its right wing image was politically incorrect;
- it was perceived to be only for blue-collar mineworkers;
- the public viewed unions negatively;
- it moved from a national role-player to a marginalised shopfloor union; and
- many of its members were retrenched or unsatisfied.

Environmental factors also impacted on MWU-Solidarity. The labour market was continuously shrinking. Many white workers lost their jobs due to affirmative action or took retrenchment packages. The full might of the information revolution and globalisation also hit the country. As a

result, technology replaced many workers and outsourcing and temporary employment threatened permanent workers. The amount of meetings that officials had to attend increased steeply due to the participative forums associated with collective bargaining. This put greater demands on the union's services and funds. Finally, the new labour legislation benefited majority unions.

These environmental factors meant MWU-Solidarity's membership decreased and its potential membership market shrunk. Also, its bargaining position on centralised bargaining councils decreased. These factors also meant that union business became more expensive. Finally, a gap developed between member needs and services provided.

An OD plan

In 1997, under the leadership of the newly appointed general secretary, Flip Buys, MWU-Solidarity implemented an organisational development (OD) plan. According to Buys, this was done 'to reinvent the union to be able to cope with the changing circumstances in South Africa'.

The union's first strategy to revive MWU-Solidarity was to amend its constitution in 1998 by removing the element of race. Membership was now purely based on freedom of association. The second strategy was a decision by its 1999 congress against aligning itself to any political party. The third strategy was to broaden the union's focus from being only a union responsible for collective bargaining and dispute resolution to becoming a service provider. This was done through a three-legged strategy, which I will discuss later.

The fourth strategy was to improve the union's infrastructure and communication. In restructuring, three union offices were



The amount of meetings officials have to attend puts pressure on a union.

closed but three new ones opened in more suitable areas. MWU-Solidarity outsourced the IT service and equipped all offices with telephones, faxes and e-mail facilities. The union held meetings on the new vision countrywide, and conveyed the message through radio, newsletters and leaflets. The fifth strategy was to change the staff profile: 18 staff members left, while 21 new staff members, mostly graduates, were appointed.

The sixth strategy was to improve legal advisory services. The union appointed some well-qualified legal advisors and provided intensive labour law training to officials. The seventh strategy concerned organisational development. The union conducted team building and other planning exercises to maximise potential. The final strategy was to establish a welfare plan. To assist those members who had received retrenchment packages, the union introduced a welfare assistance

programme. It consisted of financial advice, retraining and more. This plan's main objective was to counter the negative results of affirmative action. MWU-Solidarity obtained donations from employers towards this plan.

The three-legged strategy

As was mentioned, MWU-Solidarity put the three-legged strategy in place to broaden the union's focus and become a service provider also. The achievements of the Histadrut, the labour federation in Israel, were used as a model of what can be achieved in this regard. The three legs consisted of the ordinary trade union function on the first leg, financial services on the second leg and, on the final leg, development.

Trade union function

The ordinary trade union function was split into two categories: collective members and individual members. In the first category, there was mining (15% of

membership), chemical (8%), electrical (13%), telecommunications (12%), steel and engineering (17%) and general industrial (17%).

The individual members made up 16% of membership in, what MWU-Solidarity called, Uniclub. Uniclub was formed in 1998. It services individual members, for whom the union provides a separate infrastructure, using telephone consultation and other services.

The union density has changed dramatically. Whereas MWU-Solidarity had organisational rights in 73 organisations ten years ago, 484 firms presently employ its members.

Financial services

MWU-Solidarity's financial services consist of five sections. The investments and insurance services deal with life insurance, disablement, savings plans and investments. The short-term insurance service deals with personal, car and commercial insurance. The MWU-Solidarity National Retirement Fund is a pension and provident fund. The health care section takes care of medical aid and medical insurance, while the banks and executors services assist with personal loans and estate trusts.

Development

MWU-Solidarity Development is a result of the union's broader vision and responsibility. The priority of MWU-Solidarity's development plan is to create a future for its members. This does not mean that the beneficiaries of the plan are only MWU-Solidarity members. By realising the plan, the union contributes towards building a more economically viable South Africa.

The members of the union, profits from MWU-Solidarity financial services, profits from new businesses, support from the formal sector and international support finance the development fund. The fund

already stands at about R3-million. MWU-Solidarity's aim is to have R20-million by the end of 2002 for the funding of their development plan.

The objectives of MWU-Solidarity's development plan are to develop people, create businesses and supply labour.

The development centre consists of three departments - entrepreneurship, training and retraining and career development.

In the entrepreneurship department, MWU-Solidarity provides training to people who have lost their work or who started their own businesses. The union uses professional service providers to train members.

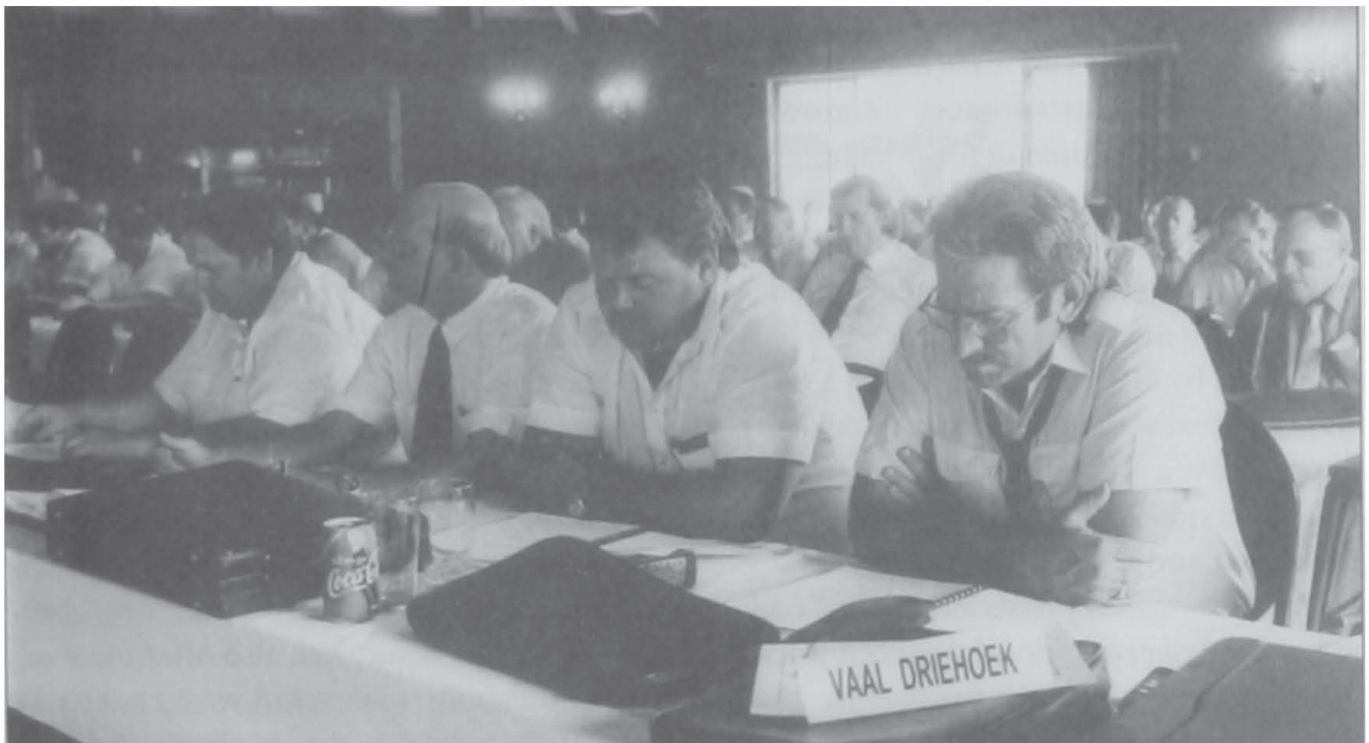
Netmark, the labour broker of MWU-Solidarity, also enhances entrepreneurship. When companies outsource, Netmark plays the role of interim contractor and empowerment agent. Netmark takes over the responsibilities of the outsourced facilities until it has empowered the employees so that they can run the business on their own.

In the training and retraining department, the union ensures that members who lose their jobs are retrained and also provide opportunities for people who want to empower themselves. MWU-Solidarity has agreements with 35 professional service providers who train union members.

In the career development department, MWU-Solidarity provides career planning and development to interested members. The focus is primarily on the children of members.

Business creation: MWU-Solidarity develops businesses based on the principles of profit and excellence. The union starts these businesses to create work but also to build the development fund for the financing of future projects.

MWU-Solidarity already started the following successful businesses: Netmark



MWU-Solidarity's 1999 congress decided against aligning itself to a political party.

Labour Brokerage and Personnel Agency and MWU-Solidarity Legal Services. Legal Services provides legal assistance to members and other clients.

The union is currently doing feasibility studies on a small farmer project with the University of the Free State, a tourism business, a brick-making business and a R1-million job creation project in the Eastern Cape province.

Labour supply: Netmark, a private company owned by MWU-Solidarity, supplies labour to its clients through labour broking and a personnel agency. Netmark has the skills and structure to provide labour as a personnel agency or to take over contracts in full.

Netmark currently supply labour to companies like DOW Sentrachem, Samancor, Iscor and JCI Mining. Netmark has provided about 1 500 jobs since the company was founded last year.

Results of the new strategy

Membership has increased in spite of many retrenchments in the past ten years.

¹ In 1980, membership stood at 14 000. It

rose steadily to 19 000 in 1990 and 38 000 in 1997. However, since 1997, membership has increased dramatically to 63 000 in 2000 and 100 000 in 2001. Presently, approximately 1 000 employees join MWU-Solidarity monthly. Women represent approximately 6% of membership.

There is a gradual move away from semiskilled and skilled blue-collar workers to predominantly skilled and technical employees in high-tech professions.

Another result of the new strategy is that the image of MWU-Solidarity has changed from local player to national player. Its new non-racial, non-political stance has improved its image.

The new strategy means that the union now offers a large variety of services satisfying a range of member needs. The union's subsidiaries, including Unifund and Netmark, have been successfully established and have already showed profits.

The union has also won a number of major Labour Court cases and this has added to the confidence in the union.

Future roles of unions

Other trade unions can learn some lessons from MWU-Solidarity's strategy for growth.

Trade unions should define a coherent strategy for growth and for survival under the ever-changing circumstances in which they find themselves. This strategy could be similar to the growth strategy developed by MWU-Solidarity. Such a strategy, however, requires that trade unions show a willingness and capacity to come to terms with the realities of a globalising and liberalising world.

Trade unions' emphasis should not only be on the redistribution of wealth. Dlamini (1999) suggests they take the lead in determining and shaping the process of wealth creation.

During the 1960s, the Histadrut labour federation in Israel controlled more than 30% of Israel's economy. It achieved this by investing in the financial sector, building and construction and trade. They had their own business division and employed large numbers of people. In this way, Histadrut was a major creator of jobs.

Unions should retain the right to confront the government and employers on key issues, but not at the cost of jobs. On 10 May 2000, COSATU called out approximately 50% of workers in this country on a general stayaway. It was a protest against the high rate of unemployment, businesses investing overseas and the retrenchment procedures in the LRA. This stayaway, however, contributed to the fall of the South African currency and cost the country millions in lost revenue. Workers also lost millions in lost wages.

It is difficult to see how industrial action, such as this, benefits job creation. Investment capital is required for job growth, and investors can only be put off by such mass action. There are other

means of protesting such as picketing which can be considered and will not be financially harmful.

Provision of proper services to members can only take place provided unions train their officials, organisers, and other staff members properly. Unions' training responsibilities though go further than developing union staff. In terms of the Skills Development Act, unions have to play an important role in influencing workplace skills plans, sector skills plans and the priorities for skills development. Employment equity plans under the Employment Equity Act, also offer unions an opportunity to develop workers. Like the MWU-Solidarity development plan, unions should actively re-equip workers to make them more marketable should they be retrenched.

Returning to the choice of unionism that unions have when faced with globalisation, unions should mould elements from both approaches into a new type of unionism. This unionism should shift political aspirations to the background and participate constructively with employers to obtain job security for union members. Neither unconditional support of global social movement unionism, nor of business unionism will overturn job losses into job creation. ★

Sources

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