

TRADE UNION SERVICES AND BENEFITS IN AFRICA

Edited by:

Trywell Kalusopa

Kwabena Nyarko Otoo

Hilma Shindondola-Mote



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FOREWORD

Most trade unions in the world exist for historical and ideological reasons of advancing the cause of workers and the society at large. They engage the working social and economic order and may either accept the existing economic order or work within that order to achieve a favourable set of economic terms and employment conditions, or they may seek to overthrow the existing [political and] economic system and replace it with another. In Africa, trade unions emerged as a response to the despotic capitalist colonial order. The post-independence embrace of the enclave economies coupled with the implementation of Structural Adjustment Programmes (SAPs) in most African countries since the 1980s created a labour market that is characterised by exclusion in terms of low wages, poverty and inequality. The intricate connections between colonialism, post-colonialism and capitalism forced African trade unions to broaden the scope of their struggles beyond the shop floor and embrace liberation, democracy and promotion of economic development and social reconstruction.

Like most other regions of the world, the labour movement in Africa is facing severe challenges from the impact of neo-liberal globalisation. Neo-liberal globalisation has resulted in the erosion of formal employment, the traditional base of trade unions. It is characterised by relaxation and regulation of state authority and a shift to market regulation. In line with this dispensation, many African governments have over the years adopted economic liberalisation programmes. This has had a profound impact on the labour markets and has resulted in massive decline of the labour movement in terms of membership strength. Trade unions are thus facing a formidable challenge in organising workers in these new forms of employment.

This book could not have come at any other right time than now when trade unions are struggling to remain relevant to their members and society at large. The book underscores the important fact that the realisation of the trade union ideals can only be accomplished if they are able to organise their membership effectively and adapt to the current challenges. This means trade unions in Africa need to re-orient their operations so that workers can see the true benefits of labour collectivism and solidarity. Trade unions should thus stimulate and rekindle that spirit of union organization so as to bring workers together, modernise and provide services and benefits that reflect changing needs and times. We therefore require a labour movement in Africa

that yearns to translate obstacles into opportunities and workers' struggles into realism. We need a trade union movement that stands unwavering in the face of current systematic assaults on workers' rights and human freedoms in the guise of globalisation. Trade unions should reconnect and redefine the workers' fight and their songs of despair and instil a sense of hope, dignity, self-pride and liberation among the workers.

SATUCC welcomes this book and therefore hopes that it will assist trade unions in the SADC and the whole of Africa to go soul searching for the real and true workers' victory.

Austin C. Muneku

Executive Secretary

Southern Africa Trade Union Co-ordination Council (SATUCC)

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	1
FOREWORD	2
TABLE OF CONTENTS.....	4
CHAPTER 1 FOUNDATION CHAPTER	17
TRADE UNION SERVICES AND BENEFITS IN AFRICA	17
<i>Kwabena Nyarko Otoo</i>	
CHAPTER 2	43
KEY ISSUES AND LESSONS EMANATING FROM THE CASE STUDIES	43
Hilma Shindondola-Mote & Kwabena Nyarko Otoo.....	43
CHAPTER 3 COUNTRY CASE STUDIES.....	65
TRADE UNION SERVICES AND BENEFITS IN BENIN	65
Anselme C. AMOUSSOU	65
TRADE UNION SERVICES AND BENEFITS IN BOTSWANA	87
<i>Trywell Kalusopa</i>	
TRADE UNION SERVICES AND BENEFITS IN GHANA	125
Clara Osei-Boateng & Mary Akosua Torgbe	125
TRADE UNION SERVICES AND BENEFITS IN KENYA	169
<i>Jane Masta & Mohammed Mwamadzingo</i>	
TRADE UNION SERVICES AND BENEFITS IN MALAWI	204
<i>Paliani Chinguwo</i>	
TRADE UNION SERVICES AND BENEFITS IN NAMIBIA.....	249
<i>Hilma Shindondola-Mote & Maria Namukwamb</i>	
TRADE UNION SERVICES AND BENEFITS IN NIGERIA.....	295
<i>Hauwa Mustapha and Baba Aye</i>	
TRADE UNION SERVICES AND BENEFITS IN SOUTH AFRICA	324
<i>Chere Monaisa & Melisizwe Tyiso</i>	

TRADE UNION SERVICES AND BENEFITS IN UGANDA.....	362
<i>Baligasima Yazidi</i>	
TRADE UNION SERVICES AND BENEFITS IN ZAMBIA	392
<i>Boniface Phiri</i>	
TRADE UNION SERVICES AND BENEFITS IN ZIMBABWE	433
<i>Prosper Chitambara</i>	

KEY ABBREVIATIONS AND ACRONYMS

AAWUZ	Airways and Allied Workers Union of Zambia
ACILS	American Centre for International Labour Solidarity
ADC	Annual Delegates Conference
AEUN	Agricultural & Allied Employees Union of Nigeria
ALRN	African Labour Research Network
ALU	Association of Local Unions
ANTUSA	Association of Non Aligned Teachers Unions in Southern Africa
ASSIBIFIE	Association of Senior Staff of Banks, Insurance and Financial Institutions
ASUU	Academic Staff Union of Universities
ATGWU	Amalgamation Transport and General Workers Union
BCWIS	Botswana Core Welfare Indicators Survey
BETUZ	Basic Education Teachers Union of Zambia
BFTU	Botswana Federation of Trade Unions
BMWU	Botswana Mine Workers Union
BOBEU	Botswana Public Employees Union
BOFEPUSU	Botswana Federation of Public Sector Unions
BOSETU	Botswana Sector Education Union
BRAWU	Botswana Railways Amalgamated Workers Union
BTU	Botswana Teachers Union
CBA	Collective Bargaining Agreement
CBAs	Collective Bargaining Agreements
CBS	Central Bureau of Statistics
CCN	Council of Churches in Namibia
CDM	Consolidated Diamond Mines of South West Africa
CEPPWAWU	Chemical, Energy, Paper, Printing and Allied Workers Union
CGC	Central Governing Council
CLC	Canadian Labour Congress
CLOSAG	Civil and Local Government Staff Association of Ghana
CLS	Certificate in Labour Studies
COFTU	Central Organization of Free Trade Unions

COSATU	Congress of South African Trade Unions
COTU	Congress of Trade Unions (Kenya)
CPP	Convention People's Party
CSAWUZ	Civil Servants and Allied Workers Union of Zambia
CSEA	Civil Servants Employees Association
CSO	Central Statistical Office
CWU	Communications Workers Union
DENOSA	Democratic Nursing Organization of South Africa
DLS	Diploma in Labour Studies
ECN	Electoral Commission of Namibia
EI	Education International
EPA	Economic Partnership Agreement
EPZ	Export Processing Zone
ESAP	Economic Structural Adjustment Programme
EU	European Union
FAWU	Food and Allied Workers Union
FCT	Federal Capital Territory
FDI	Foreign Direct Investment
FEDUSA	Federation of Trade Unions of South Africa
FES	Friedrich Albert Stiftung
FFTUZ	Federation of Free Trade Unions
FIWON	Federation of Informal Workers of Nigeria
G20	Group of 20
GAPWUZ	General Agriculture and Plantation Workers Union of Zimbabwe
GAWU	Ghana Agricultural Workers Union
GAWUZ	Guards and Allied Workers Union Zambia
GDP	Gross Domestic Product
GFL	Ghana Federation of Labour
GIWUSA	General Industries Workers of South Africa
GLSS V	Ghana Living Standard Survey five
GMA	Ghana Medical Association

GMWU	Ghana Mines Workers Union
GPRTU	Ghana Private Road Transport Union
GRNA	Ghana Registered Nurses Association
GRNA	Ghana Registered Nurses Association
GSS	Ghana Statistical Service
GT	Ghana Telecommunications Limited
GUF	Global Union Federation
HCWUZ	Hotels and Catering Workers Union of Zambia
HDI	Human Development Index
HIES	Household Income and Expenditure Survey
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
ICFTU	International Confederation of Free Trade Unions
IDC	International Development Cooperation
IFJ	International Federation of Journalist
ILO	International Labour Organisation
IMF	International Monetary Fund
ITUC	International Trade Union Confederation
IUF	International Union of Food Workers
JCTR	Jesuit Centre for Theological Reflections
JNC	Joint Negotiating Committee
JUSAG	Judicial Service Association of Ghana
JUSUN	Judiciary Staff Union of Nigeria
JUSUN	Judiciary Staff Union of Nigeria
LACSER	Labour Centre for Social and Economic Research
LaRRI	Labour Resource and Research Institute
LASCO	Labour Civil Society Coalition
LASF	Local Authorities Superannuation Fund
LEDRIZ	Labour and Economic Development Research Institute of Zimbabwe
LET	Labour Enterprise Trust
LFS	Labour Force Survey
LIH	Labour Investment Holdings

MANWU	Metal and Allied Workers Union
MDC	Movement for Democratic Change
MHWUN	Medical and Health Workers Union of Nigeria
MMD	Movement for Multiparty Democracy
MUN	Mineworkers Union of Namibia
MUZ	Mineworkers Union of Zambia
NABWU	Namibia Building Workers Union
NACTU	National Council of Trade Unions
NAFWU	Namibia Farm Workers Union
NAGRAT	National Association of Graduate Teachers
NALEDI	National Labour & Economic Development Institute
NAMMIC	Namibia Mineworkers Investment Company
NANNM	National Association of Nigerian Nurses and Midwives
NAPWU	Namibia Public Workers Union
NCSU	Nigeria Civil Service Union
NDC	National Delegates Conference
NEDLAC	National Economic, Development and Labour Council
NEHAWU	National Education, Health and Allied Workers Union
NEPAD	New Partnership for Africa's Development
NEWU	National Engineering Workers Union
NGO	Non Government Organisation
NHIA	National Health Insurance Authority
NIC	National Industrial Court
NLAC	National Labour Advisory Council
NLC	Nigeria Labour Congress
NLC	National Labour Commission
NMW	National Minimum Wage
NOTU	National Organisation of Trade Unions (Uganda)
NRM	National Resistance Movement
NSSA	National Social Security Office
NTB	Namibia Tourism Board

NTC	National Tripartite Committee
NUBEGW	National Union of Building, Engineering and General Workers
NUBIFIE	National Union of Banks Insurance & Financial Institutions Employees
NUCCPTE	National Union of Clerical, Commercial, Professional and Technical Employees
NUCIW	National Union for Commercial and Industrial Workers
NUCMW	National Union of Co-Operative Movement Workers
NUCW	National Union of Communication Workers
NUEI	National Union of Educational Institutions
NUJ	National Union of Journalist
NULGE	National Union of Local Government Employees
NUM	National Union of Mine Workers
NUMSA	National Union of Metal Workers of South Africa
NUNW	National Union of Namibian Workers
NUP	National Union of Pensioners
NUP	Nigeria Union of Pensioners
NUPAW	National Union for Plantation and Agricultural Workers
NUPTE	National Union of Post and Telecommunication Employees
NURTW	National Union of Road Transport Workers
NUT	Nigerian Union of Teachers
NUTAW	National Union of Transport and Allied Workers
NUTEACCAW	National Union of Theatrical, Entertainment, Art, Culture, Craft Manufacturers and Allied workers
NUTGWN	National Union of Textile and Garment Workers of Nigeria
NWC	National Women Commission
NWR	Namibia Wildlife Resorts
OATUU	Organisation of African Trade Unions
OAU	Organisation of African Trade Union Unity
ODC	Offshore Development Company
OECD	Organisation for Economic Co-operation and Development
OTUWA	Organisation of West African Trade Unions

PDCs	People's Defense Committees
PDL	Poverty Datum Line
PF	Patriotic Front
PNDC	Provisional National Defence Council
POPCRU	Police and Prisons Civil Rights Union
POTAG	Polytechnic Teachers Association of Ghana
PRB	Population Reference Bureau
PRSP	Poverty Reduction Strategy Paper
PSI	Public Service International
PSUN	Public Service Union of Namibia
PSWU	Public Sector Workers Union
PTUZ	Progressive Teachers Union of Zimbabwe
PUWU	Public Utility Workers' Union
RATTAWU	Radio Television and Theatre Arts Workers Union
RDP	Rally for Democracy and Progress
RWUZ	Railway Workers Union of Zambia
SAC	State Administrative Council
SACCAWU	South African Catering, Commercial and Allied Workers Union
SACCOS	Savings and Credit Cooperative Societies
SACTWU	South African Clothing and Textiles Workers Union
SADC	Southern African Development Community
SADNU	South African Democratic Nurses Union
SAMWU	South African Municipal Workers Union
SAPs	Structural Adjustment Programs
SATO	Southern Africa Teachers Organization
SATUCC	Southern Africa Trade Union Co-ordination Council
SESTUZ	Secondary School Teachers Union of Zambia
SNC	Standing Negotiation Committee
SNDP	Sixth National Development Plan
SSA	Sub-Saharan Africa
SSANIP	Senior Staff Association of Nigerian Polytechnics

SSANU	Senior Staff Association of Nigerian Universities
StatsSA	Statistics South Africa
SURE	Subsidy Reinvestment
SWAFP	Socialist Workers and Farmers Party
SWAPO	South West Africa People's Organization
TAWU	Trainers and Allied Workers Union
TEWU	Teachers and Education Workers Unions
TNF	Tripartite Negotiating Forum
TUC	Trades Union Congress (Ghana)
TUCNA	Trade Union Congress of Namibia
TUC-UK	Trade Union Congress of the United Kingdom
TUE	Trade Union Education
TUN	Teachers' Union of Namibia
UBCCECAWU	Uganda Building, Construction, Civil Engineering, Cement and Allied Workers Union
UBOS	Uganda Bureau of Statistics
UBTAWU	Uganda Beverages, Tobacco and Allied Workers' Union
UCEU	Uganda Communication Employees' Union
UEAWU	Uganda Electricity and Allied Workers' Union
UFAWU	Uganda Fisheries and Allied Workers' Union
UGAWU	Uganda Government Allied Workers' Union
UHAWU	Uganda Horticulture and Allied Workers' Union
UHDWUZ	United House and Domestic Workers Union of Zambia
UHLAWU	Uganda Hospitality, Leisure and Allied Workers' Union
UK	United Kingdom
UMMGOAWU	Uganda Mine, Metal, Gas, Oil and Allied Workers' Union
UMU	Uganda Media Union
UNATU	Uganda National Teachers' Union
UNDP	United Nations Development Programme
UNICEF	United Nations Children's fund
UNIP	United National Independence Party

UNMU	Uganda Nurses and Midwives Union
UNZARALU	University of Zambia Researchers and Lecturers Union
UNZAWU	University of Zambia Workers Union
UPEU	Uganda Public Employers' Union
URWU	Uganda Railways Workers' Union
USD	United States Dollar
WASB	Wages and Salaries Advisory Board
WDCs	Workers' Defense Committees
WTO	World Trade Organisation
WUT	Workers Union of TAZARA
ZANU PF	Zimbabwe African National Union – Patriotic Front
ZARU	Zimbabwe Amalgamated Railways Union
ZAWA	Zambia Wildlife Authority
ZCATWU	Zimbabwe Construction and Allied Trades Workers Union
ZCIEA	Zimbabwe Chamber of Informal Economy Associations
ZCTU	Zambia Congress of Trade Union
ZCTU	Zimbabwe Congress of Trade Unions
ZFTU	Zimbabwe Federation of Trade Unions
ZIBAWU	Zimbabwe Banks and Allied Workers Union
ZIMSTAT	Zimbabwe Statistical Agency
ZIMTA	Zimbabwe Teachers Association
ZINA	Zimbabwe Nurses Association
ZNUT	Zambia National Union of Teachers
ZSE	Zimbabwe Stock Exchange
ZTWU	Zimbabwe Textile Workers Union
ZUSOAW	Zambia Union of Security Officers and Allied Workers

EDITORIAL

Historical account affirms that by the mid 20th Century, trade unionism had taken root in Africa. This was manifested by the strong presence of trade union movements in countries such as Ghana, Kenya, Nigeria, South Africa and Zambia. As this book demonstrates, for many trade unions in Africa, the struggle has not only been for favourable working conditions but for political liberation of their countries as well. Thus most trade unions played a key role in the struggle for independence and currently continue to shape democracy, good governance and economic justice on the continent.

This book underscores the fact that the rapid changing nature of economic globalization particularly since the 1980s has impacted negatively on trade unions and their members. From literature and empirical evidence provided, it is instructive to assert that the global political and economic development in the past three decades or so continues to undermine the existence of trade unions. During this period we have witnessed the emphasis of neo-liberal agenda that is market driven and growth oriented. Thus, economic recovery programmes such as the Structural Adjustment Programmes (SAPs) and the subsequent Growth and Poverty Reduction Programmes foisted on most African countries by the International Financial Institutions (IFIs) and the World Bank have contributed to the reduction in trade union membership and overall strength of the labour movement. In that regard, statistics do indicate that all over Africa, trade union membership has declined largely due to mass retrenchment in the public sector and privatization of state enterprises. Associated with this has been the labour deregulation. In most African countries, IMF/World Bank-engineered labour legislation and policy reforms have resulted in the informalisation and casualisation of employment. The result has been that the majority of the workforce in Sub-Saharan Africa is in the informal economy where there are atypical jobs and where trade union density is almost non-existent. This scenario has currently been further worsened by the on-going global economic meltdown driven by what Prof. Yash Tandon (2012:12)¹ ably described as “*kleptocratic capitalism*” (an economic system that places fictitious wealth production above real wealth production aided by a political governance system controlled by ‘looters and daytime robbers’). This has ultimately made organising and recruitment

¹ See Tandon, Y (2012) *Demystifying Aid*, Oxford: Pambazuka Press.

into trade unions extremely challenging. It is in such a challenging environment that most African trade unions have to provide services and benefits to their members to remain relevant.

Given the foregoing and at the call from affiliates of ITUC-Africa, the African Labour Research Network (ALRN) conducted an eleven country case studies to assess the capacity of African unions in providing services and benefits to their members. The study sought to examine how trade unions in Africa use services and benefits as a means to sustain the interest of existing members and attraction of new members. In this book, trade union services refer to *programmes that have been secured for workers through negotiations with employers including government. These would include collective bargaining, representation, training/education, counselling and generic roles*. On the other hand, trade union benefits include all *non-statutory non-wage incentives provided by trade unions outside collective agreements. These could include a variety of schemes such as educational support, home ownership, hire purchase, credit and saving, transport and hospitality services*.

This book has two main parts namely the foundation and the case studies. The foundation chapter lays the ground for the case studies. It sets the tone of the book by giving a historical and current account that most trade unions in Africa find themselves in and the challenge to “navigate such a rough terrain for their survival” so as to remain relevant in a work place and beyond. The chapter calls for “strong trade unions that can resist policies and programmes that seek directly or indirectly to rollback the gains attained thus far”. The second part of the book illustrates these challenges by presenting eleven accounts from country case studies from Benin, Botswana, Ghana, Kenya, Malawi, Namibia, Nigeria, South Africa, Uganda, Zambia and Zimbabwe. Through various rigorous research methods described, each case study gives its unique contribution to the production of baseline information that would help in comparative analysis and best practice on the provision of trade union services and benefits in Africa.

Editorial Team:

Trywell Kalusopa, PhD - Editor-in-Chief (Senior Lecturer, University of Botswana, Gaborone,)

Kwabena Nyarko Otoo, MPhil (Director, Labour Research & Policy Institute, Accra, Ghana)

Hilma Shindondola-Mote, MA (Director, Labour Resource & Research Institute, Windhoek, Namibia)

CHAPTER 1

FOUNDATION CHAPTER

TRADE UNION SERVICES AND BENEFITS IN AFRICA

By

Kwabena Nyarko Otoo

Introduction

This foundation chapter provides a broad review of trade unions services and benefits across Africa. It gives a background and context of the case studies undertaken; identifies some specific services and benefits, how they are designed and administered, their financing mechanisms and the challenges that the unions face in providing these services and benefits. In addition, the chapter evaluates the usefulness of these services and benefits to membership retention and the recruitment drive of the trade unions.

Background and Context

Universally throughout history, trade unions have struggled for the protection and improvement in the real incomes, security of tenure at the work place (by shielding members from unfair dismissals); safety and healthy working environment for their members. Trade unions in Africa are no exception in the pursuit of these noble objectives. The principal instrument that has been used by trade unions either at enterprise or national level is collective bargaining. Trade unions are also increasingly engaging in lobbying governments and their agencies for legislations that favour workers and their families.

The underlying motivation for forming or joining unions and undertaking collective bargaining is, therefore, to equalize or at least reduce the power asymmetry between employers and workers. By this, unions are able to bring about equality, fairness, respect for human and

workers' rights, and social and economic justice not only at the workplace but equally importantly, in the broader society. And this is based on the recognition that individually, workers are too weak and not resourceful to demand their rights at the workplace. There is also the recognition that there is strength in the unity and collectivism of workers.

Trade unions in Africa have played very important roles in the political, social and economic development of the continent. In the 1960s, trade unions in Africa were very instrumental in the struggle for independence across the continent. During independence struggle, trade unions across the continent offered the most important platform for ordinary people to voice their frustrations and to demand for self-determination. Post-political independence, trade unions in the continent have been at the forefront of the struggle for good governance, democracy, equality, fairness, respect for humans and workers' rights and social and economic justice.

The catalytic role the unions played in overthrowing colonialism is well documented. That role earned the unions considerable political dividends across the continent. The unions became very influential in the determination of national economic and social policies. Across the continent many of the gains that workers achieved were made in the first two decades after independence. The pursuit of progressive and socially-minded policies in the first two decades of independence could be attributed to the influence of the unions. Most of the countries in Africa joined the International Labour Organisation (ILO) immediately after independence. In some countries such as Ghana, more than 70 percent of all ratified ILO conventions were made in the first decade after independence. With the massive expansion of the public sector along with the close shop arrangement, union membership increased exponentially across the continent.

However, since the 1980s and the 1990s, the labour movement in Africa has been facing several daunting challenges in their effort to protect workers' rights and the rights of the weak, the poor and the vulnerable in society. In most countries in Africa, trade union density remains low and union membership has been declining due to the rapid rate of informalisation and casualisation of work.

The level of enthusiasm and loyalty of existing union members is also diminishing. The declining membership has been accompanied by the decreasing influence of the unions over decisions that affect their members and workers in general either at enterprise or national levels. Union finances have also diminished as membership plummet making it increasingly difficult for unions to provide tangible service and benefits to their members.

The implementation of the IMF/World Bank-sponsored Structural Adjustment Policies (SAP) and their successor policies including Poverty Reduction Strategies Policies (PRSP) is the immediate cause of the membership decline. The large-scale privatization of State-Owned Enterprises (SOEs) together with the retrenchment of large swathe of the public sector workforce cut union membership into half in many countries. And the unions have never recovered from this shock therapy. The private sector which was expected to be the “engine of growth” and a source of employment for those who have lost their jobs in the public sector and new entrants into the labour market could not live up to expectation. The structural adjustment policies which were supposed to liberate the private sectors themselves constrained the ability of the private sectors to grow and to provide alternative job avenues.

Above all, the political environment has significantly been altered in the last three decades. This has made it difficult for unions to operate and to protect and improve the living conditions of workers and their families. The ruling political class have now switched alliance to capital. The profit motive appears to have overshadowed all other progressive considerations. National laws have and are being reformed in a manner that protect capital and profit over the right of not only workers but also communities.

All these have meant that trade unions are not getting enough for workers through the collective bargaining process. Wages are dwindling in real terms. In-work poverty is rising as workers and their families struggle to survive even as profit soars. Employer-sponsored benefits are being eroded on a daily basis. These changes have made it difficult for unions to retain membership let alone recruit additional members.

Trade unions in Africa are not oblivious to these challenges. They are strategizing on how to counter these challenges. Unions are building capacity to negotiate more effectively so that within the collective bargaining framework they can secure more and better conditions of service for their members. Additionally, they are introducing benefits outside the collective bargaining framework for their members. These services and benefits are proving to be beneficial in helping the unions to retain membership and more equally importantly, attract new members.

African Economic Context for Trade Union Services and Benefits

As indicated in the background, the ability of trade unions particularly in Africa to secure more and better wages and working conditions for their members is dwindling. This is linked *inter alia* to the shrinking of the formal sector where trade unions have traditionally drawn their membership and the rising tide of informal employment. This has led to decreasing trade union membership across the continent. Membership loss has gone hand-in-hand with declining finances and influence.

The changing fortunes of trade unions in Africa have taken place within an economic and social policy environment that has turned hostile to workers and their organizations. Since the 1980s, most countries in Africa have been compelled by the International Financial Institutions (IFIs) and western governments to implement market-driven policies. These policies include trade liberalization including liberalization of external payment, privatization of state-owned enterprises, deregulation of the financial sector and also the labour market. Together these policies came to be known as the “Washington Consensus”.

State-owned enterprises were regarded inefficient and accordingly sold partly or wholly to private entrepreneurs mostly multinationals and transnational corporations. By 1998, the number of privatized companies was 579 in Mozambique, 331 in Angola, 253 in Zambia and 217 in Ghana. Other countries with high levels of privatization included Tanzania (198), Kenya (189), Ethiopia (1250) and Guinea (117) (Guseh, 2001).

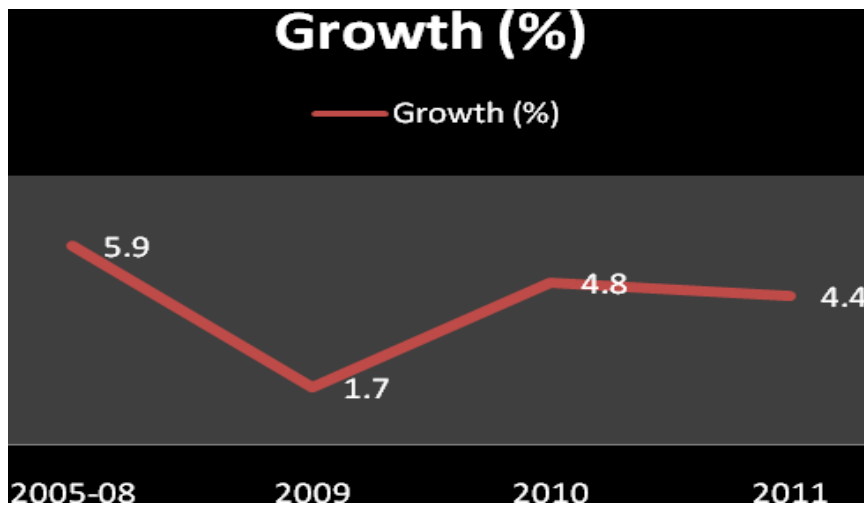
In some countries (Ghana and Zambia), governments have maintained a policy of net-hiring freeze into the public sector. This policy seeks to maintain numbers on government payroll at a

certain arbitrary level; hiring is permitted only for replacement. For instance, a US\$300 million loan agreement from the International Development Association (IDA) of the World Bank to support the 2009 National Budget of Ghana was granted on condition that the government of Ghana implement freeze on “a net hiring in the public sector”.

At the heart of these policies was the belief that markets work better in allocating resources and that the market mechanism in its unfettered form has the innate ability to generate higher economic growth, better jobs and improved living conditions. The state was identified as the primary cause of the economic malaise that most countries in Africa experienced in the 1970s and early 80s. Consequently, addressing those challenges and ensuring better economic performance inevitably entailed rolling back the state and deploying market forces. And for the past thirty years these market fundamentalist belief has pervaded economic and even social policy for most countries in Africa.

Thirty years down the lane, Africa is in many respects worse than before the implementation of these policies. The fundamental axiom that market-driven policies are superior in terms of their growth performance has become a mirage. Growth has been modest averaging about 5 percent for the period between 1997 and 2005 only increasing to 6 percent between 2006 and 2007 (World Bank, 2010). For the period, 2005-2008, average GDP growth was estimated at 5.9 percent (UN, 2011). In 2009, growth tumbled to 1.7 percent and has since not recovered from the pre-crisis levels as shown in Figure 1.

Figure 1: GDP Growth in SSA (2005-2011)

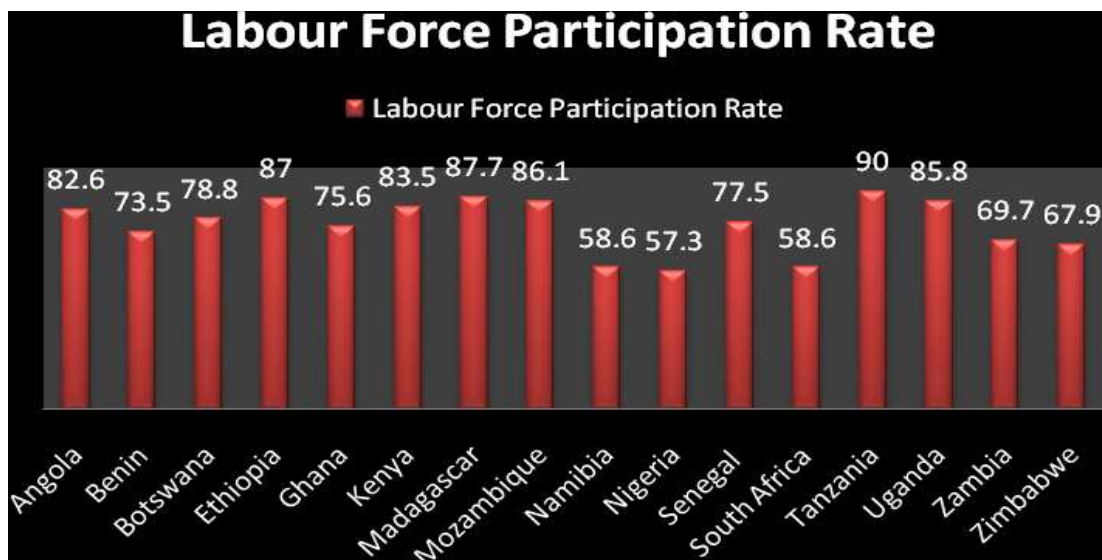


Source: United Nations, 2011

This modest growth has only been made possible by the intensification of the exploitation of the natural resource endowments of the continent. These natural resources have for the most part been exported in their raw forms, making it difficult for the economies that experienced growth to create decent employment. And as we have noted earlier, economic growth failed to translate into decent employment; the formal sector has been shrinking while in the informal sector self-employment has expanded.

In terms of employment, Africa faces daunting challenges. Open unemployment remains low in most countries precisely because unemployment is unaffordable for the vast majority of the continent's labour force. Measured unemployment rate in Sub-Saharan Africa consistently exceeds the world average (ILO, 2009). On average, more than seven out of ten Africans participate in the labour force (FES, 2012). The labour force participation rate is as high as 90 percent in Tanzania, 88 percent in Madagascar, 87 percent in Ethiopia and 85 percent in Kenya as shown in Figure 2.

Figure 2: Labour Force Participation in Africa



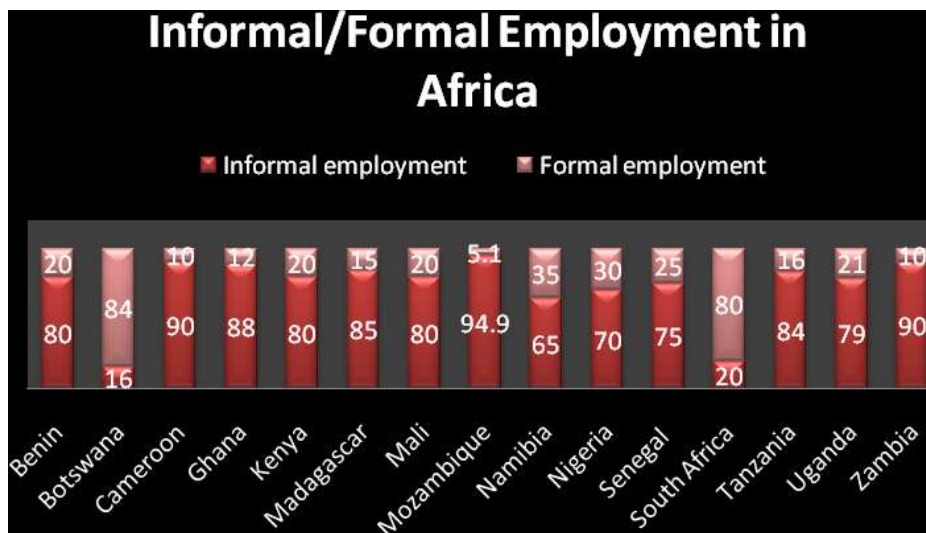
Source: World Bank (2010)

However, a significant majority of Africa's labour force is engaged in survivalist employment in the informal economy. Across Africa, the informal economy accounts for more than 80 percent of total employment. Nearly all new jobs are being created in the informal economy. In Mozambique, more than nine out ten (95%) of the employed work in other countries (e.g. Zambia and Cameroun). Informal economy employment accounts for as much as 90 percent of total employment. Informal employment constitutes more than 80 percent of employment in Benin, Ghana, Kenya, Mali and Tanzania (FES, 2012). The majority of the informal economy workforce is in self-employment. In Ghana about 55 percent of all employed are in self-employment (GLSS V, 2006).

The declining share of formal employment in total employment is explained by the large-scale retrenchment and privatization of state-owned enterprises as part of the structural adjustment policies. Large numbers of public sector workers were redeployed. The expectation was that those that lost their jobs in the public sector will find jobs in the private sector as the economy grows. But as it turned out, growth failed to create enough decent employment in the formal economy. The informal economy expanded as its share of total employment ballooned. Informality is associated with vulnerability. Thus significant majority of the employed in SSA

are said to be in vulnerable employment. As shown in Figure 3 over half (50.6%) of the employed are estimated to be in vulnerable employment. In SSA, vulnerable employment makes up an astonishing 77.4 percent of total employment (ILO, 2009).

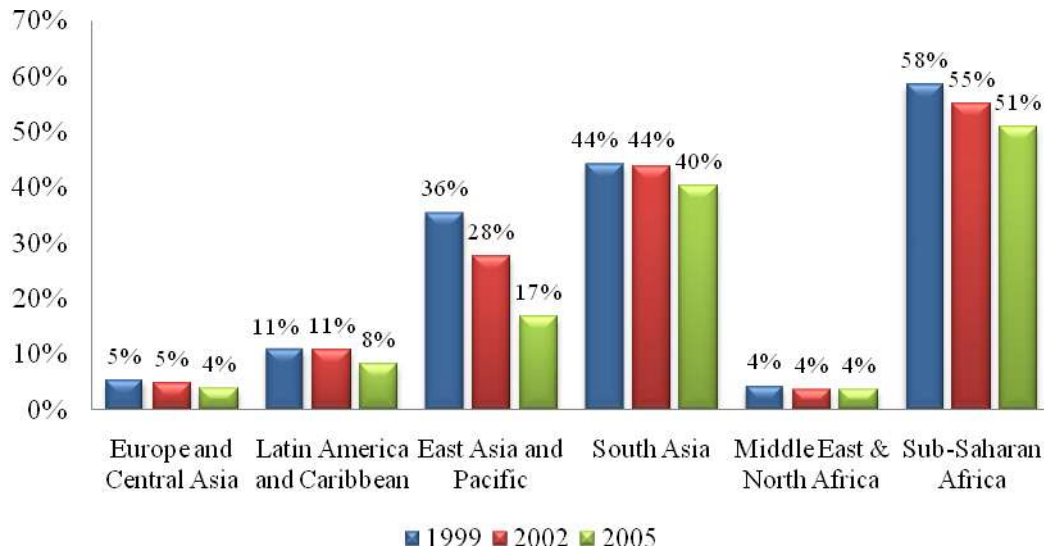
Figure 3: Informal/Formal Employment in Africa



Source: ILO, 2009

Therefore, despite economic growth – as modest as it may be – the majority of Africans continue to wallow in excruciating poverty. According to the World Bank (2010), poverty in Sub-Saharan (SSA) Africa did not benefit from the modest but consistent growth the region experienced in the last few decades. Poverty in Sub-Saharan Africa remained unchanged, affecting more than half of the inhabitants of the region. As shown in Figure 4, the level of US\$2.00 day poverty line, the headcount poverty actually worsened with more Africans being absorbed into the ranks of the poor. This means that despite the rhetoric of pro-poor growth, economic growth in Africa bypassed the poor.

Figure 4: Share of People Living on Less than \$1.25 per Day



Source: World Bank (2010)

Given that nearly every African of working age is working, the poverty levels provide a powerful indicator that in-work poverty is high on the continent. Productivity levels in the informal economy are low and so are earnings. Thus, many workers working all day and throughout their lives do not earn enough for them and their families to escape poverty.

The low earnings and in-work poverty is not confined to the informal economy. Significant numbers of workers in the formal economy working full time do not earn enough either. Figure 5 shows that for the period 1997-2007, the absolute of numbers of Africa's working poor increased from 140.3 million to 165.6 million (ILO, 2009). This makes Sub-Saharan Africa and South Asia the only regions of the world the population of the poor actually increased. In terms of proportion, 58 percent of the workforce in SSA survives on less than US\$1.25 in 2007 after nearly three decades of consistent growth. This compares to 21 percent working poor globally and 5.1 percent in East Asia.

In Ghana nearly one in ten workers in the public service is classified as poor (GSS, 2008). The situation is not different and might even be worse in the private formal sector. The pursuit of

neo-liberal policies has strengthened capital and weakened labour. The desire to achieve global competitiveness has led to unremitting attacks on workers and on trade unions culminating in decrease in real incomes of workers and erosion of the gains African workers have achieved in the past.

Figure 5: Working Poor, World and Regions (at US 1.25 a day)



Source: ILO, 2009

The consequence of all this is that unions across the continent have lost and continue to lose membership. Across Africa, just about a quarter of the total workforce is organized into unions. This has weakened the unions as their finances have dwindled. Their ability to mobilize against policies and programmes that are inimical to workers and their families has been diminished. The situation has become worse given the continued "flexibilisation" of the labour market as countries on the continent get locked up in a fierce "race to the bottom" in their attempt to placate and attract investors. The high rate of unemployment coupled with the high level of vulnerable employment has turned labour markets in Africa into employers' market. The fear of losing one's job in economies where employment prospects are low has effectively broken the resolve of workers to fight for their rights. Effectively, trade unionism is becoming unattractive to workers who are desperate to keep their jobs.

Since the 1970s, trade union density in Africa (except South Africa) has seen a decline. In most Sub-Saharan African countries, union density is about a quarter of the formal sector workers (Kester & Sidibe 1997, Britwum 2010). However, in reference to the economically active population, union density is extremely low as in Ethiopia, Niger and Uganda (1 %) to moderate in South Africa (24.9 %) as shown on Table 1.

Table 1: Trade Union Density in Selected African Countries

Country	Year	Proportion of Wage and Salary Earners	Proportion of Total Employment
Cameroon	2005	N/A	16.0
Egypt	2007	26.1	16.1
Ethiopia	2007	12.9	1.0
Ghana	2006	70.0	N/A
Kenya	2007	35.5	4.1
Malawi	2006	20.6	2.7
Mauritius	2007	28.2	14.8
Niger	2008	N/A	1.1
Sierra Leone	2008	46.8	3.6
South Africa	2008	39.8	24.9
Tanzania	2009	18.7	2.2
Uganda	2005	N/A	1.1

Source: Hayter and Stoevska (2010); ILO (2010a). N/A –Not Available

The Role of Trade Unions in Africa

The ILO Conventions 87 and 98 recognize freedom of association and workers rights to organize and to bargain collectively. Both Conventions provide the conditions under which to exercise this right. They provide the framework for domestic legislations to fulfill the requirements of the Conventions. About 47 and 50 African countries have ratified Conventions 87 and 98

respectively (ILO 5/1/2012). Most countries have implemented these Conventions through domestic legislative framework, endorsing trade unions legitimacy.

The traditional role of trade unions has primarily been to protect the economic interest of its constituency such as to improve wages and conditions under which they operate. Through collective bargaining and collective action (e.g. strikes and demonstration), trade unions are able to secure workers' demands. Unions' role have not only benefited workers but also promoted industrial harmony that organizations require to thrive. They have improved communication between employees and management to facilitate the former's understanding and commitment to organizational objectives; and won workers support to the introduction of new technologies and other workplace changes. Of course when workers are satisfied with wages and working conditions and other workplace benefits (e.g. training), it reduces labour turnover and helps to raise productivity.

Unions derive their legitimacy from workers (their members) whom they represent. Thus organizing continues to be an important function of trade unions. Unions' structures and processes define the basis for meeting the needs of their membership. It defines the rights and responsibilities of leadership and membership as well as the hierarchy of authority of the structures.

Beyond issues at the workplace however, trade unions have been involved in shaping public policy and decision making that impact the well-being of their members and the public at large. Trade unions exert democratic control over public and state policy and through this; they are able to minimize the exploitative tendencies of capital (Wood, 2004; Britwum, 2010). Their contribution to public policy has come in various forms including involvement in the governance of state-owned enterprises and parastatals, policy suggestions and as implementers of policy. Trade unions protest public policies they consider detrimental to the wellbeing of not workers or their members but also the citizenry. For instance, the Nigeria Labour Congress has through demonstrations protested against the government's decision to remove fuel subsidies. Similarly, the Ghana TUC has through dialogue and protest been engaging the public institutions on prices of petroleum products, electricity and water among others.

Gad (1997) argues that trade unions have been weakened by incorporation of union officials within government corporate structures, making it difficult for them to challenge reform measures adopted by the government. Others have also argued that the strength of union representatives are usually weak compared to those of governments, thus diminishing their influence on decision-making. While this may be true in some countries in other countries it is not. The COSATU remains the strongest labour movement on the continent in spite of its alliance with the South African government. In spite of the alliance, it has remained critical of the government and is able to influence the government's policies in favour of the working people.

Services and Benefits provided by Trade Unions to their Members

Worldwide trade unions have traditionally been concerned with seeking the economic and social interests of not only their members but also workers and their families. Unions seek to improve wages and the conditions under which their members are employed and work. By doing this unions bring about fairness and social justice to a society and a world that is marked by obscene inequality and injustice. Unions in Africa have pursued these and other objectives through their existence.

Numerous studies have shown that in Africa as in the rest of the world trade union members tend to earn more in terms of wages compared to their counterparts with similar characteristics but who are not members of a union. Additionally, union members tend to enjoy more and better benefits than non-unionized workers.

In 2003, the World Bank published "*Unions and Collective Bargaining: Economic Effects in Global Environment*" in which it proclaimed for the first time that high unionization rates and highly centralized collective bargaining results in reduced earnings inequality and less wage discrimination.

In Africa, the few studies that have estimated the union-wage premium have demonstrated a positive wage effect of unions. For instance, unionized black South African workers earn about

20 percent more than their counterparts without unions (Butcher & Rouse, 2001). The Global Wage Report 2010/11 (ILO, 2010a) found in South Africa that workers without unions are at higher risk of low pay. The union-wage premium in Ghana is estimated at between 6 and 16 percent (Blunch & Verner, 2004; Verner, 2006). Unionized workers in Cameroon receive a wage premium of 14 percent (Tsafack, 2007). In Ghana, Otoo et al (2009) have estimated a strong positive correlation between unionization and workers' access to benefits and training.

But there are other cases in Africa where unionized workplaces/workers have lower pay even when they are associated with higher productivity (Verner, 1999 for Zimbabwe; Thomas & Vallee, 1996 for Cameroon; Terrell & Sveinar, 1989 for Senegal). It is difficult to explain the incidence of lower pay among unionized workers. In the 1990s, Zimbabwe had strong unions but faced persecution from the ruling political establishment. The unions there became more involved in politics than actual collective bargaining. The multiplicity of unions in Senegal may have worked to weaken their strength and their ability to bargain for higher wages and improved conditions of work.

Unionized workers tend to receive training which enhances their personal development. The higher than average training helps to improve the productivity of enterprises where unions exist. Combined with effective collective bargaining, unionized workplaces and workers tend to earn more compared to non-unionized workers.

Within the framework of the collective bargaining process, trade unions have secured for workers a number of important social benefits that are employer-funded. These include but are not limited to educational scholarship, commonly called study with pay for workers (Ghana and Zambia), housing/accommodation loans or subsidies, funeral grants, interest-free loans and provident funds among others.

Outside the collective bargaining framework, unions across Africa have initiated several programmes that are intended to provide benefits to members. Such benefits are not employer-funded. They are normally funded through the usual dues that members pay to the union. In some cases unions have levied special levies for the purposes of providing the additional

benefits. For instance, the Bisa-McCarthy Educational Fund of the Ghana Mineworkers Union (GMWU) of the Trades Union Congress (Ghana) is funded by a lump sum contribution from the National office of the union and 2.5 percent union dues that are retained by the branches or locals. The Bisa-McCarthy Fund provides educational bursaries to wards of mineworkers that are members of the Ghana Mineworkers Union (GMWU)

Services Provided by Trade Unions to Members

Collective Bargaining

For much of the post-independence history of Africa, workers and their unions have used collective bargaining as their main tool for the conduct of industrial relations. For the most part, Africa's industrial relations scene has been peaceful. Through collective bargaining, the social partners have been able to minimize conflicts and confrontation that often characterizes the relation between employers and workers (Khabo, 2008). Collective Bargaining refers to the process of negotiating standards to govern employment and labour relations. The collective bargaining process allows workers' representatives to make claims to a proportionate share of the fruits of their labour. It facilitates communication between capital and labour thereby allowing each party to gain insights into the challenges and aspirations of each other. A collective agreement becomes the outcome of the collective negotiation and may contain issues ranging from wages, working hours, benefits, job grading, promotions and dispute settlement among others.

In most African countries, particularly countries that are covered in this report, there exists a robust legislative and institutional framework for national and enterprise level bargaining. As noted earlier, about 91 percent of African countries have ratified the ILO Convention 98 on the right to organize and bargain collectively. Gabon, Niger, Tanzania, Uganda and Zambia have ratified Convention 154 on Collective Bargaining. The constitution of Namibia recognizes collective bargaining and section 69 of the Namibia Employment Act of 2004 empowers the Minister of Labour to extend the operation of collective agreements to non-parties (Khabo, 2008).

It is important to note that collective bargaining has naturally evolved even in countries where there are no clear legal obligations on social partners to do so. For example, there is no legislation in Swaziland that compels employers and their organisations to undertake collective bargaining with trade unions. Nevertheless they (employers) have been compelled to negotiate with trade unions once they (unions) gain recognition. In South Africa, the duty to bargain is determined by the court under the “unfair labour regime” (Khabo, 2008).

As has been elaborated throughout the various case studies in this book, through collective bargaining, trade unions have made it possible for workers to enjoy better and improved working conditions. Across Africa, workers (and workplaces) covered by collective agreements earn higher wages compared to their counterparts without unions (Cameroon, Ghana and South Africa). Again, workers covered by collective agreements tend to have access to more non-wage benefits than those that are not covered by such agreements. Additionally, workers covered by agreements are more likely than otherwise to have secured tenure of employment. Such workers cannot easily be dismissed by employers. In general, workplaces covered by collective agreements are most often than not characterized by higher than average application of labour standards and respect for the rights of workers.

Admittedly, the benefit of collective bargaining has been confined to a smaller proportion of the Africa’s workforce. A comparison in Table 2 shows that not all unionized workers enjoy the benefits of collective bargaining. In Kenya, collective bargaining coverage among wage and salary earners (3.7 %) is just about 10 percent of trade union density (35.5 %). This disparity between unionization rate and collective bargaining coverage is explained by the high level of informal self-employment even among unionized workers.

Table 2: Coverage of Collective Bargaining in Selected African Countries

Country	Year	Proportion of Wage and Salary Earners	Proportion of Total Employment
Egypt	2008	3.4	2.1
Ethiopia	2007	22.7	8.3
Ghana	2006	70.0	N/A

Kenya	2007	3.7	0.4
Malawi	2006	20.8	2.7
Mauritius	2008	16.5	9.9
Sierra Leone	2008	46.8	3.5
South Africa	2008	27.3	17.1
Sudan	2008	N/A	0.2

Source: Hayter and Stoevska (2010); ILO (2010a). N/A –Not Available

In some countries however, non-union members also tend to benefit from collective bargaining. In countries with minimum wage legislations, large numbers of low income workers who are usually not members of unions tend to benefit from minimum wages that are negotiated by national trade union federations, employers' associations and government at the national level within the framework of national tripartite negotiations. In Africa, the ILO (2010a) estimate that in 2007 a total of 37 (67 %) out of the 55 African countries had a minimum wage in place. For the majority (70 %) of the countries where data was available, a simple national minimum wages (with adjustment by sector, region or broad categories of workers) operated while the remaining implemented more complex systems by industry and or occupations-based minimum wages.

Representation

Trade unions represent the interest of their members not only at the workplace but equally importantly in the broader society. The fundamental rationale for workers to bond together in unions is based on the fear – perceived or real – that individually workers are unable to match the power of employers as they seek to protect their interests in the employment relationship. By forming or joining unions, workers hope to equalize the power relations at the workplace and they hope to better secure their interests.

Worker representation could take several forms. Workers required to be represented in wage negotiations as well as negotiations for broader conditions of work. Workers require legal representation as they increasingly face the wrath of adversarial employers. They require representation at disciplinary hearings. Above all, workers and their families are in need of

representation at the national level including state enterprises and agencies such as the social security administration.

For most countries in Africa, trade unions have fought for workers to be represented either by their union representative and chosen representative of the worker or group of workers in disciplinary hearings. Representation may take the form of an individual representation where an individual member of the union who has a grievance or disciplinary problem is accorded the services of the union. For instance, Item 4 of the South African Code of Good Practice (Dismissal) contained in Schedule 8 of the Labour Relations Act states that when an inquiry is held into an employee's misconduct "*the employee should be allowed the assistance of a trade union representative or fellow employee*".

Representation could also take the form of collective representation where unions represent groups of workers in disciplinary hearings. Collective representation normally takes place where the entire workforce of an enterprise faces possible retrenchment as a result of organizational restructuring. In such circumstances, unions have represented their members as they negotiate for their redundancy package. Trade unions in Africa have had excellent record of representing workers interests in several enterprises restructuring particularly during the days of Structural Adjustment Policies where workers in the public service were hit with mass redundancies.

Most collective agreements spell out how grievances and disputes may be settled. For the most part disciplinary procedures are internal (they are without recourse to the law courts) and afford workers the opportunity to be represented or accompanied by their unions.

Increasingly, workers are having the need to use the traditional court system to protect their rights. This has become so because, many of the emerging class of private employers are fiercely resisting the rights of workers. At the same time, traditional courts have operated on the basis of common law principles interpreting the employment relationship as one of master-servant with the worker being in a subservient position. Therefore, in some countries (Ghana, Nigeria and South Africa) unions have pushed for separate labour tribunals or courts to be established. And

the unions have sought to assist their members by providing or paying for legal advice and representation for them.

Part of trade union representation on behalf of workers also take the form of advocacy, engagements and consultations with national authorities pushing for policies and programmes that are favourable to workers generally and their members in particular. Trade unions in Africa are involved in the development and implementation of public policies, the outcomes of which may be beneficial to the entire population. They have through public protest and resistance influenced changes in policies considered inappropriate. Okolie (2010) observed that the persistent push and prowess of trade unions in Nigeria have always put the government/agencies on their toes hoping to meet the workers' demands for improved national output and national development.

At the national level trade unions also represent workers interests in several state enterprises and agencies. One area where trade union representation has been visible across Africa is in the administration of social security where trade unions are represented on boards just so that the interests of not only their members but the workforce generally are protected.

Benefits Provided by Trade Unions to Members

For workers and their unions in Africa as in the rest of the world, collective bargaining has offered an important and enduring platform to advance their interests in the world of work. As we have seen, through collective bargaining, unions have helped to enforce worker rights that have been provided for by law – statutory benefits. The specifics of these benefits vary from country to country.

For instance, in most Anglophone African countries, the provision of pension, maternity leave benefits, sick leave benefits and work injury benefits have been mandated as employer liabilities. Employers are, therefore, by law mandated to provide these benefits to their eligible employees. Unions have sought to transpose these statutory benefits into collective agreements as they seek to enhance their enforceability

In addition to these statutory benefits, trade unions have, through collective agreements, secured a number of important benefits that enhance the welfare of their members. Examples include rent allowance, housing subsidies, meals, transport services and paid study leave among others. Together with the statutory benefits, these are employer funded benefits.

Box 1: Trade Union Congress (Ghana)

Besides activities in wage bargaining and job security, the TUC is also involved in the following:

- *Worker education programmes. Running a Secretarial School at Cape Coast and a Vocational Institute in Takoradi. In addition, the Labour College in Accra runs refresher courses to enhance the outlook of workers.*
- *Primary health care projects in the North which take care of basic health needs.*
- *A base clinic in Accra.*
- *Housing projects to alleviate the problem of housing for workers.*
- *General educational activities to support government and management education programmes. (The Management Development and Productivity Institution (MDPI) was a TUC project started in 1963 and handed over to government in 1964.)*

Beyond these employer-funded benefits schemes, unions across the length and breadth of the continent have instituted a number of benefit schemes that provide assistance to their members in a variety of ways. These union-sponsored and administered schemes have ranged from educational support (Ghana, Zambia, South Africa and Nigeria) to housing schemes (Ghana, Nigeria), hire purchase (Ghana, Nigeria, Namibia, Zambia and Zimbabwe), credit and saving schemes (Botswana, Ghana, Nigeria, Zambia and Zimbabwe), transport and hospitality services (Ghana, Nigeria, Zambia, and Zimbabwe) among other schemes.

In the 1970s trade unions in Africa (learning from examples in Israel and Germany) were encouraged to establish credit and savings, cooperatives, producers, agriculture and craft cooperative and consumer and housing cooperatives. Based on the principle that the worker's purchasing power depends not only on his direct and indirect wages, but also on the price of the

services and commodities he/she buys, unions sought to provide goods and services directly to their members. It was envisaged that by cutting off profit-minded middlemen providing these goods and services directly to members would reduce costs to members and raise their purchasing power.

Trade unions have also established financial services schemes that seek to provide loans to members who find themselves in financial difficulties. The loans are often given with no interest or at interest below the market interest rate. The Ubank in South Africa, the Teachers Financial Services and the Golden Pride (all in Ghana) are examples of unions' contribution to the

Box 2
Trade Services and Benefits: Zambia Congress of Trade Unions

In 1998, the Zambia Congress of Trade Unions (ZCTU) established the Centre for Informal Employment Promotion (CISEP). The CISEP had three main centres in Kitwe, Copperbelt and Lusaka. CISEP's activities target mainly the unemployed including retrenched and retired workers. CISEP's is principally an advisory and information centre that provides the following services:

- *entrepreneurship training;*
- *forum for informal sector organisations;*
- *employment services;*
- *information on youth employment & training services;*
- *lobbying for appropriate policies;*
- *reorientation and placement for retrenched workers; and*
- *research*

provision of financial products to their members and non-members alike.

The National Education, Health and Allied Workers Union (NEHAWU) of South Africa operate one of the largest savings and credit cooperative – NEHAWU SACCO – in South Africa. NEHAWU SACCO was established in 2006. It offers its members a new savings and credit vehicle as a direct response to the conservative nature of traditional banks and expensive financial products in the financial marketplace.

Some unions have also entered the transport business offering subsidized transport to their members as they commute to and from work. In some countries (Ghana, South Africa, Kenya,

Zambia and Zimbabwe) unions operate hotels and guest houses that provide subsidized accommodation to members. Some of the unions (Ghana) have also established insurance schemes that provide various insurance schemes at reduced premiums to members.

In some countries (Ghana and Botswana) unions have established centres that provide a range of advisory services to workers, the unemployed and retirees. These advisory services include legal, career counselling, employment prospects, and social security claims among others (see box 1).

In the area of health, unions in Africa have maintained a prominent presence particularly in the fight against HIV/AIDS. HIV/AIDS related provisions are now enshrined in most collective agreements on the continent. In Kenya, COTU's Aids Control Council coordinated the country's national activities for World Aids Day in 2002. The Trades Union Congress in collaboration with the Ghana Employers Association (GEA) runs a number of HIV/AIDS programmes including developing a national HIV/AIDS workplace policy, educational programmes for trade unions and training for peer reviews. The unions in Kigali, Rwanda have set up a self-help group and support fund that provide assistance to their members with HIV/AIDS, their children and orphans of deceased AIDS victims.

Financing/Administration of Benefits Scheme

As expected, trade unions in Africa have relied on union dues to finance their activities including the services and benefits that are not funded by employers. In some instances, unions have levied additional dues to provide specific services or benefits to members. For instance, the Health Services Workers Union of TUC (Ghana) levies additional one percent of members salary/wage to fund education programmes for members. The Funeral Scheme of the Botswana Sectors of Educators Trade Union (BOSETU) is funded with an additional levy of P34 (or UD\$8.00). Imposition of additional levies works best in countries and unions that have the check-off system that collect dues. It is more difficult to have such arrangements when the check-off system is not available and particularly so in the African context of low incomes. Indeed, countries and unions with the check-off system have better prospects of introducing and implementing benefit schemes for their member.

There are also instances where unions have provided benefit schemes out of their normal dues without imposing additional levies. For instance, the Ghana Mineworkers Union (GMWU) funds the Bisa-McCarthy Education Fund directly from the regular union dues.

For the most part, benefit schemes provided by unions are administered by the unions themselves. Indeed, most of the education programmes of the unions are administered by the unions. In the particular case of worker education programmes, most unions are not confident that the traditional education system can deliver the kinds of education their members require. The Funeral Scheme of BOSETU of Botswana is managed internally by the union. The health facilities of the TUC-Ghana are run by the organisation itself in collaboration with the Ministry of Health.

There are also instances where unions have either outsourced or established special-purpose companies to administer their benefit schemes. The Trades Union Congress (TUC, Ghana) established the Labour Enterprise Trust (LET) to manage the various schemes that operate for and on behalf of members. The Ghana Mineworkers Union established the Golden Pride as a separate entity to manage its savings and loans scheme for members.

Conclusion

The biggest challenge confronting unions as they seek to expand services and benefits to their members is funding. As indicated in the previous sections, unions have traditionally relied on collective bargaining and on union dues to provide services and benefits to members. At the same time, the dwindling membership as discussed above is adversely affecting the finances of the unions, hence their inability to provide services and benefits outside of the collective bargaining framework. In some countries (Ghana, Tanzania and Zambia), union membership has been cut in half making it difficult for the unions to even maintain existing benefit schemes let alone introduce additional ones.

Even within the collective bargaining framework, unions in Africa like their counterparts in the rest of the world are fast reaching the endpoint. For the countries with long periods of industrial relations and collective bargaining, nearly every conceivable service or benefit is already secured in collective agreements. What is actually happening is relentless efforts by employers to rollback some of the important gains the African trade union movement have made using

collective bargaining. What are needed now are strong trade unions that can resist policies and programmes that seek directly or indirectly to rollback the gains attained thus far. It is important to underscore that this remains difficult and trade unions have to navigate such a rough terrain for their survival

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CHAPTER 2

KEY ISSUES AND LESSONS EMANATING FROM THE CASE STUDIES

BY

Hilma Shindondola-Mote & Kwabena Nyarko Otoo

Introduction

The main purpose of this chapter is to draw from the report important issues emanating from the empirical data. It is meant to highlight the key services and benefits provided by the trade unions in the different countries that composed the case studies. Furthermore, the chapter will indicate the kind of services and benefits that should be provided, but are not, and the reasons thereof.

The information provided point to the fact that most trade unions are better at providing services instead of benefits. This could be due to the fact that provision of a service is generally considered a traditional role of a trade union. Provision of benefits could be much more complex because a trade union will need additional human and financial resources. The study moreover sought to find out what consultative mechanisms exist and are followed by trade unions before a certain benefit is introduced. The evidence is not strongly suggesting that consultative mechanisms are strong enough to give credence to the development of any benefit. There is also no reliable evidence to showing that indeed most of the benefits introduced were demand driven. The chapter ends with some lessons suggesting ways for improvement.

The study was Anglo-phone Africa biased and therefore much of the data analysed will be specific to the countries under study.

Context

Generally, trade unions play two basic interrelated functions namely: (a) they represent their members and (b) they negotiate with employers on behalf of their members. The basic concept behind a trade union is that of increased bargaining and negotiation power which comes from collective efforts and action. Trade union organisations therefore seek through collective negotiation and bargaining with employers to: Protect and improve the real incomes of their

members, provide or improve job security, protect workers against unfair dismissal and other issues relating to employment legislation and they lobby and advocate for better working conditions. They also offer a range of other work-related services including support for people claiming compensation for injuries sustained whilst on duty.

The empirical data suggests that trade unions in the different countries where the data was gathered remain relevant and indeed important players recognised by their governments and employers. It is however also clear that many trade unions have been experiencing a sustained decline in membership. As more people lose jobs and join the ranks of the unemployed or the informal sector swell, the membership rate of trade unions begin to shrink. Regrettably, many of the trade unions have not developed robust mechanisms to retain existing or attract new members. It is even more difficult for the trade unions to recruit and organise young people and especially the young professionals and women workers. The main reasons for the decline in union membership have been cited as:

- Weak manufacturing based employment (where union membership is traditionally strong) and an increase in employment in the service sector (e.g. retail) where unions are less well established
- Growth in the number of small firms which tend not to recognise trade unions and or are not big enough for the unions to organise there
- Significant growth in flexible working arrangements (part-time, temporary, seasonal) – where employees are less protected, insecure and discouraged from joining trade unions
- Improved employee involvement in some workplaces-and workers begin to perceive the role of trade unions as rather insignificant
- Growth in number of white collar workers who perceive unions as only relevant for blue collar workers
- The rise in informal and in particular self-employment

Partly as a result of their declining membership, unions now have significantly less power to influence decisions regarding pay and employment conditions of their members. With low membership, coupled with poor retention and attraction mechanisms, consequently, it becomes challenging for unions to provide appropriate services and benefits to their members. This is

owed to the fact that in order to provide appropriate services and benefits the trade union needs a stable membership.

A classic example of low membership density is found in Botswana. Current labour statistics estimate that about 400,000 people are formally employed in Botswana out of which just over 100,000 are in the public sector with the rest in the private sector. With a membership of about 50,000 (after the recent withdrawals), BFTU covers only about 17 percent of the prospective members. The majority of the unorganized are in the manufacturing, construction, retail, hotel and tourism sectors. Other sectors that require special organising efforts are transport and financial sectors (Kalusopa 2011, BFTU Secretariat Membership Records, 2011). It should however be noted that Botswana as a country has a small population estimated at 2, 038, 228 as per 2011 Population and Housing Census data. However, Botswana's neighbour Namibia's population also hovers around only 2.1 million people (based on the 2011 census data) and its trade union density is estimated at +_167 000 members (LaRRI, 2010).

Services Provided by Trade Unions to Members

For purposes of this study, services refer to the activities relating to negotiation and representation including collective bargaining, training/education, representation (at enterprise, national and international levels), counseling, generic advisory roles, etc. The main service a union provides for its members is negotiation and representation. There are other benefits members can derive by virtue of being part of a trade union. Based on the interviews conducted, it seems that all the trade unions provide nearly the same services to their members. These are discussed below as the data suggested.

(a) The battle for recognition

The evidence points to the fact that many trade unions take the fight for recognition at an enterprise seriously. For many trade unions, to be recognised as a sole collective bargaining agent in a particular enterprise is usually one of the first achievements. All the trade unions that were included in the study have achieved recognition which paved the way for collective bargaining and negotiation and for workers to have voice at least on issues that affect them and their work.

(b) Collective Bargaining and Negotiations

The second most important service that was regularly cited was collective bargaining. Bargaining is a process through which trade union representatives discuss with management issues which affect people working in an organisation. If a union is formally recognised by an employer, it can negotiate with the employer over terms and conditions. This is known as 'collective bargaining'. For collective bargaining to function smoothly, unions and employers need to agree on how the arrangement is to operate. They might, for example, make agreements providing for the deduction of union subscriptions, worker representatives, and meeting dates and times. In most of the countries, through the efforts of unions, these arrangements have been codified thus ensuring predictability and consistency of the engagements. All these processes have led to trade unions and employers entering and signing collective agreements.

In all the countries where the study was undertaken, trade unions have indicated that they appreciate their governments for creating a conducive environment for collective bargaining. Within the framework of the tripartite relational structures trade unions have secured a number of important social benefits for workers - including workers who are not members of trade unions. The majority of the benefits are subsidised or fully funded by employers. These include but are not limited to educational scholarship, commonly called study leave with pay for workers (Ghana, Namibia, South Africa and Zambia), housing/accommodation loans or subsidies, funeral grants, interest-free loans and provident funds among others.

Given the different and uneven levels of trade union development within and across countries, the nature of service that were offered and their scope differ among the countries. We noted that trade unions that are operating in the public sector and the one's operating in wealthier industries and sectors such as mining were often able to offer better services to their members and also have a relatively stable membership. They were also able to have better developed infrastructure including appropriate equipment's such as vehicles and computers. An example of this is the Namibia Public Workers Union (NAPWU and the Mine workers unions in South African, Namibia and Ghana). The smaller unions in terms of membership size especially those operating in low income and insecure industries and sectors often find it difficult to service their members

appropriately. This is especially difficult because service provision also depend on how much membership fees a union is able to collect in a month.

It was found that in most countries the provision of pension, maternity leave, sick leave and work injury benefits are classified as the responsibility of the employer. By law, employers are expected to provide these benefits to their eligible employees. It is important to note that in all countries, these employer-funded services have been secured for workers through consistent struggles by the unions; they were not achieved on a silver platter. Again, unions in the studied countries are constantly struggling to ensure that these services are not rolled back and that workers would to enjoy them. It is clear that trade unions find it easier to ensure that such legislated provisions are implemented by the employers.

Beside, the services that have been secured in law, unions have obtained for their members number of important additional benefits through collective bargaining. Examples include rent allowance, housing subsidies, meals, transport services and paid study leave among others. For the most part these services are reserved for the benefit of trade union members – workers covered by a given collective agreement.

Generally bargaining agreement spans an average of two years. And for most countries there is a wage-opener clause that allows for the annual negotiations of wages and other monetized benefits. The agreement may contain both monetary and non-monetary benefits. Among the monetary benefits are wages and salaries, allowances and bonus. Among the non-monetary benefits are social security (pension), provident fund, 100% or subsidised medical care for employees and their close relatives (spouse and children), interest-free loans, education bursaries (for employees and dependents), free or subsidized transport and housing, maternity leave with full pay, paid annual leave, paid bereavement leave, paid casual leave, paid sick leave, funeral undertaking allowance, meals allowance, long service award, overtime, and severance pay among others. One striking observation in the sampled agreements was the provision of a two weeks paternity leave from the General Agricultural Workers Union (GAWU), an affiliate of the Trades Union Congress (Ghana), which was absent in other unions.

Another example of extra efforts by trade unions was found in the mining and fishing sectors in Namibia and Ghana where the trade unions made an effort to negotiate for shift, standby and night allowances for the members. The collective agreements, however, do not make any provisions for female workers in terms of flexible working hours and child care facilities for working and breastfeeding mothers.

Labour legislative framework in most of the countries under study has improved greatly. Many countries now boast of robust legislative and institutional frameworks for national and enterprise level bargaining. Research shows that about 91 percent of African countries have ratified the ILO Convention 98 on the right to organise and bargain collectively. Of the countries surveyed, Tanzania, Uganda and Zambia have ratified Convention 154 on Collective Bargaining (Gabon, Niger have also done so though not part of the study). The constitution of Namibia recognises collective bargaining and section 69 of the Namibia Employment Act of 2004 empowers the Minister of Labour to extend the operation of collective agreements to non-parties. Ghana ratified the ILO conventions 87 and 98 in 1957 and has since provided a legislative and institutional framework for collective bargaining. Indeed, Ghana's 1992 Constitution listed the right to form or a trade union as one the entrenched clauses in the Constitution.

Admittedly, the benefit of collective bargaining has been confined to a smaller proportion of the Africa's workforce. Thus not all unionised workers enjoy the benefits of collective bargaining. In Kenya, collective bargaining coverage among wage and salary earners (3.7 %) is just about 10 percent of trade union density (35.5 %). In Ghana, unionization rate is about 37 percent, yet just about two-fifth of the workforce are covered by collective agreements. This disparity between unionisation rate and collective bargaining coverage is explained by the high level of informal self-employment even among unionized workers. Again, the disparity is explained by the narrow definition of collective bargaining as an activity that can only take between workers representatives and an employer. The many workers trapped in informal employment across Africa have need to negotiate with city authorities, for example, on a number of issues that affect their work. Going forward will require that collective bargaining is broadened to take account of the needs of informal economy workers.

The study also established that collective bargaining in most of the trade unions in all the countries under study was fairly narrow with a traditional scope that focused on wages and working conditions. In addition, not much success has, thus far, been achieved in negotiating real wages for employees by most of the trade unions. For most unions across the countries included in the report, there appears to be the notion that the frontiers of collective bargaining have reached and that not much can be achieved for covered workers using collective bargaining.

(c) Representation

Trade unions represent the interest of their members not only at the workplace but equally importantly in the broader society. The fundamental rationale for workers to get together in unions is based on the fear – perceived or real – that individually workers are unable to match the power of employers as they seek to protect their interests in the employment relationship. By forming or joining unions, workers hope to equalize the power relations at the workplace and they hope to better secure their interests.

All the trade unions in this study indicated that they represent their members at disciplinary hearings, conciliation and arbitration. Thus, when workers encounter problems at the workplace, trade unions represent them (workers) and try to negotiate reasonable solutions to avoid dismissals or other punitive measures. Increasingly, workers are having the need to use the traditional court system to protect their rights. This has become so because, many of the emerging class of private employers are fiercely resisting the rights of workers to form or join trade unions for the protection of their rights. At the same time, traditional courts have operated on the basis of common law principles interpreting the employment relationship as one of master-servant with the worker being in a subservient position.

Therefore, in some countries (Ghana, Nigeria and South Africa) unions have demanded separate labour tribunals or courts to be established. And the unions have sought to assist their members by providing or paying for legal advice and representation for them. For example in Ghana, in cases where they are not able to take up the cases brought forward by their members, the cases are usually forwarded to the Labour Commissioner's office where the unions secure legal representation for their members.

Part of trade union representation on behalf of workers also take the form of advocacy, engagements and consultations with national authorities pushing for policies and programmes that are favourable to workers generally and their members in particular. Others are involved in the development and implementation of public policies, the outcomes of which may be beneficial to the entire population. The most elaborate is that of South Africa where unions are represented on NEDLAC. The Ghana TUC is also represented on a number of state Boards and Committees that deal with matters of concern to workers. The persistent push and prowess of trade unions in Nigeria have always put the government/agencies on their toes. In Namibia, trade unions are represented on the boards of most state-owned enterprises. The benefits that flow from these representations are not obvious to many workers and commentators. Yet, the accounts from many countries indicate that a lot could go wrong in the management and governance of national resources if trade unions were absent from such boards.

One area where trade union representation has been visible across Africa is in the administration of social security where the unions are represented on boards just so that the interests of not only their members but the workforce generally are protected. Notable among these boards and committees are the National Pensions Regulatory Authority (NPRA) as in the case of Ghana. The same applies in all countries surveyed (Benin, Botswana, Kenya, Malawi, Namibia, Nigeria, South Africa, Uganda, Zambia and Zimbabwe).

(d) Education & Training

In almost all trade unions in Africa, the study indicated that education and training were the major vehicles that they used to sustain their existence. The unions were of the view that education and training was fundamental to building both capacity and solidarity among members. Unions argued that education and training enables the workers to participate fully and meaningfully in decision-making processes of their respective workplaces. It also entrenches the understanding of the current dynamism of government, employers and other social partners at national, regional and global levels. Indeed, education and training offered by the unions have

become the main instrument by which trade unions across the continent are seeking to overturn neoliberal policies that have undermined the rights of workers and solidarity among them.

Thus most of the unions have education and training as a priority in their strategic plans. In Ghana, the Trade Union Congress (TUC) as an umbrella body has set up an education college with the mandate of providing both trade union education and academic education to union members. Beneficiaries interviewed were generally happy for the knowledge gained in support of their career advancement and academic pursuits. According to them, the skills acquired are valuable in their job performance and are applied to a very high extent in their daily lives. In South Africa the National Union of Mine Workers (NUM) illustrates this point by referring to the J.B Marks Education Trust which has contributed to the tertiary education of hundreds of people and the fact that they provident fund has R1 Billion in reserve for retiring members. it is clear that most of the educational training is directed at shop stewards, National Office Bearers and Trade Union Officials, with very little of the training undertaken for ordinary members (SACTWU might be an exception).

In Namibia, workers had access to the training opportunities offered by both their individual unions, but also collectively through the programs offered through the Labour Resource and Research Institute (LaRRI) .

Most of the training is however largely short-term and donor driven and covers topics that range from basic trade unionism to globalisation. In terms of the constitutive documents of all trade unions, they are supposed to have or establish what is normally referred to as the Education and Research Committee, whose primary responsibility is to educate union members on unionism through seminars and the distribution of written materials on the subject – unionism. In practice however, the Education Committees hardly ever fulfill their mandate because to date for reasons of financial constraints. Thus the level of ignorance on trade unionism remains very high and growing in most countries particularly among the younger generation of Africa – the new generation of workers and potential union members.

It can, however, be safely concluded that unionized workers tend to receive training which enhances their personal development than their counterparts that are unionized. The higher than average training helps to improve the productivity of enterprises where unions exist. Combined with effective collective bargaining, unionized workplaces and workers tend to earn more compared to non-unionized workers.

Benefits provided by Trade Unions to Members

Benefits can be described as an expansion of services – meaning not only increasing the number of services but enhancing the services a trade union is offering by developing enhancing new/additional benefits. Trade unions attempt to develop services which are valuable to their members as individuals, outside of the scope of collective bargaining. Benefits can therefore be defined to include all non-statutory non-wage incentives provided by trade unions outside traditional collective agreements.

In the early stages of trade unionism on the continent, this took the form of mutual assistance, but with the onset of the welfare oriented states, with provisions for national insurance and similar schemes, this demand has abated. Yet trade unions have recognized the need to expand their role in assisting their members in a variety of areas, and so have undertaken a number of non-traditional ventures for and on behalf of their members. These activities include housing, land-lease schemes, transport assistance schemes, insurance programmes and other schemes for the benefit of members.

In addition to the benefits accrued to members through collective bargaining, progressive unions across Africa have initiated several programmes that are intended to provide benefits to members. Such benefits are not funded by employers. They are normally sustained with membership fees and interests earned through trade union investments. In some cases unions develop creative measures to fund the benefits. An example of this is the Bisa-Mcarthy Educational Fund of the Ghana Mineworkers Union (GMWU) of the Trades Union Congress (Ghana). This benefit is funded by a lump sum contribution from the National office of the union and 2.5 percent of union dues that are retained by the branches or locals. The Bisa-Mcarthy Fund provides educational bursaries to wards of mineworkers that are members of the Ghana Mineworkers Union (GMWU).

As we have indicated earlier, in most of the countries surveyed there were statutory benefits where, for example, the labour laws mandate the provision of certain benefits from employers to their employees. These include paid sick leave, paid maternity leave, paid overtime work, social security contribution (for old age, disability and death contingencies) and severance pay in case of redundancy or compensate employees who suffer injury in the course of performing official duties. Unions may have also used collective bargaining to secure non-statutory benefits (e.g. medical care)

Beyond these employer-funded benefits schemes, unions have instituted a number of benefit schemes that provide assistance to their members in a variety of ways. These union-sponsored and administered schemes have ranged from educational support (Ghana, Zambia, South Africa, Namibia and Nigeria) to housing schemes (Ghana, Nigeria), hire purchase (Ghana, Nigeria, Namibia, Zambia and Zimbabwe), credit and saving schemes (Botswana, Ghana, Nigeria, Zambia and Zimbabwe), transport and hospitality services (Ghana, Nigeria, Zambia, and Zimbabwe) among other schemes.

In South Africa, NUM offers members funeral benefits, skills/career development and bursaries. Skills development is facilitated through the J.B Marks Education Trust which provides bursaries for NUM staff and ordinary members. SACTWU provides a wide range of additional benefits which include: funeral benefits scheme, skills/career development and bursaries, retirement fund, entrepreneurship skills and financial management training. SACTWU also provides HIV/AIDS awareness and treatment; winter school programmes (numeracy and literacy programs at pre-school and primary school level); fashion productions; job campaigns and support for distressed workers. For SACWTU and many other unions from across the continent the motivation to provide these services was informed by requests from members and the actual availability of resources to deliver the benefits. NUM provides the services in line with its ten year plan which acknowledges the need to provide additional benefits that shows workers the union is working for them. Both SACTWU and NUM manage the benefits internally.

In Zimbabwe, the Civil Service Employees Association (CSEA) and the Zimbabwe Teachers Association (ZIMTA) also provide short term soft loans of up to 3 months maturity to their members to enable them to meet emergency expenses such as paying children's school fees. The loans that are provided to members do not attract interests. This arrangement allows members to meet their emergency financial commitments without having to pay high interest rates that the traditional banks and money lenders charge. The HIV/AIDS workplace education provided an opportunity for the union to recruit 300 new members.

In Namibia, one of the benefits for National Union for Namibian Workers (NUNW) affiliated unions is that the members themselves or their dependents can apply for bursaries offered by the Labour Investment Holdings (LIH itself or by Old Mutual with whom LIH collaborates. This benefit helps low-income workers to send their children to school. Some of the unions like Namibian Public Workers Union (NAPWU) have other separate benefits for their members. These benefits include death benefits for deceased members. The trade union pays out the member's family an amount of N\$3500 and the only condition is that at least one union membership fee deduction has been made from the members account.

In the case of Ghana, the Labour Enterprise Trust (LET) was established in 1998 and began full operation in 1999. The LET was established by the TUC and its member unions to create employment to counter mass public sector lay-offs that was being pursued as part of the Structural Adjustment Programmes (SAP). The initial capitalization of LET was raised through share offer to the members of the TUC: affiliates and their individual members. The Teachers Fund was established in 1998 by the Ghana National Association of Teachers (GNAT). The Fund is a voluntary retirement fund for members of GNAT. Registered members of the Fund currently pay basic monthly contribution of GH¢10.00 through the check-off system. Members have also the option to increase their contribution. The Bissa-MacCarthy Endowment Fund was established by the Ghana Mine Workers Union (GMWU) and began implementation in the 2004/2005 academic year to provide educational support to wards of members.

In Malawi, there are four unions that run benefit programmes for their membership as part of their planned union activities. These are the National Organization of Nurses and midwives of Malawi (NONM), the Teachers Union of Malawi (TUM), the University Workers Union, and the Malawi Housing Corporation Workers Union. Among these, it is only TUM and NONM that provide benefits of relatively wider scale and scope.

Trade unions have also established financial services schemes that seek to provide loans to members who find themselves in financial difficulties. The loans are often given with no interest or at interest below the market interest rate. The Ubank in South Africa, the Teachers Financial Services and the Golden Pride (all in Ghana) are examples of unions' contribution to the provision of financial products to their members and non-members alike.

The National Education, Health and Allied Workers Union (NEHAWU) of South Africa operate one of the largest savings and credit cooperative – NEHAWU SACCO – in South Africa. NEHAWU SACCO was established in 2006. It offers its members a new savings and credit vehicle as a direct response to the conservative nature of traditional banks and expensive financial products in the financial marketplace.

Some unions have also entered the transport business offering subsidized transport to their members as they commute to and from work. In some countries (Ghana, South Africa, Kenya, Zambia and Zimbabwe) unions operate hotels and guest houses that provide subsidized accommodation to members. Some of the unions (Ghana) have also established insurance schemes that provide various insurance schemes at reduced premiums to members.

In some countries (Ghana and Botswana) unions have established centres that provide a range of advisory services to workers, the unemployed and retirees. These advisory services include legal, career counselling, employment prospects, and social security claims among others.

In the area of health, unions in Africa have maintained a prominent presence particularly in the fight against HIV/AIDS. HIV/AIDS related provisions are now enshrined in most collective

agreements on the continent. In Kenya, COTU's Aids Control Council coordinated the country's national activities for World Aids Day in 2002. The Trades Union Congress in collaboration with the Ghana Employers Association (GEA) runs a number of HIV/AIDS programmes including developing a national HIV/AIDS workplace policy, educational programmes for trade unions and training for peer reviews.

Effectiveness of Trade Union Services & Benefits

The study show mixed perceptions with regards to the performance of most of the services and benefits provided by unions to their members and workers. Thus while it seems a win-win situation at face value, most respondents are critical of the success and benefits that accrue to the general membership. There are divergence of views between trade union leaders and members for whom these services and benefits are being provide. In large part, the survey showed that unions are not only satisfied with the levels and quality of services and benefits that are offering to their members. Some unions reported of cases of trade union members from rival unions approaching their offices for assistance on matters that their own unions could not resolve.

A programmes manager of one of the unions in the public sector in Benin interviewed as part of this report had this to say of a benefits programme the union is implementing:

“This is a programme that attracts many. This programme is well-managed and the beneficiaries are satisfied. Our union has presently nearly doubled the number of members and this allows us to earn revenue for our traditional union activities”.

Yet, some beneficiaries workers have sharp criticisms for the manner in which their unions are running their services and benefits schemes/programmes. Again, a teacher and a union member from Cotonou, Benin has this to say:

“he (the general Secretary of the Union) has used the name of the Union to take Bank loans and it is out of this that he grew his personal business. Today the dividends are not included in the account of the Union but are managed as his family fortune, which he uses to violate the texts with impunity and to remain at the head of the Organization despite the end of his mandate”

At the same time some workers including retired workers spoke well of their unions and the services and benefits they are receiving from them (unions). In glowing terms they indicated how they have personally benefited from the programmes implemented by the unions. A retired driver in the public service mentioned that:

“the union allowed me to restore my pension which had been reduced by more than half of its value by the National Social Security Fund (CNSS)”

In Namibia, for instance, bigger unions in terms of membership such as Namibia Public Workers Union (NAPWU), Public Service Union of Namibia (PSUN), Mineworkers Union of Namibia MUN and Teachers’ Union of Namibia (TUN) were praised by their members. The membership felt that they were receiving the expected services despite some general management weaknesses in the union.

In Botswana, the five large public service workers unions under BOFEPUSU [Botswana Public Employees Union (BOPEU), the Manual Workers Union, Botswana Teachers Union (BTU), Botswana Sector Education Union (BOSETU)] have pooled their resources to form a company called UNIGEM (PTY) to serve their members. In addition, BOFEPUSU, on several occasions have used their massive resources to provide effective representation for their members in various court battles with government. In other instances, benefits provided through co-operative ventures were evident in parastatal sector unions such as Botswana Mine Workers Union (BMWU) and Botswana Railways Amalgamated Workers Union (BRAWU), in addition to the usual trade union services.

Most trade unions in Malawi generally provide traditional services. Only four unions falling under the category of craft and enterprise unions are able to perform non-traditional roles of unions i.e. the provision of established benefits. Two craft unions namely Teachers Union of Malawi (TUM) and National Organisation of Nurses and midwives in Malawi (NONM) which are able to play both traditional and non-traditional roles i.e. provision of both services and benefits on a relatively wider scale and scope. Others that have relatively done well in the

delivery of benefits have tended to be enterprise unions such as Malawi Housing Corporation Workers Union and University Workers Union.

Management and Impact of the Schemes

The study showed that in general trade unions rely on a combination of both internal and external systems in the management of their services and benefits. By their nature services are internally-managed; they are linked to the core work of trade unions and are provided mostly through the collective bargaining framework. And as we have noted earlier, services are usually employer funded. They are also frequently managed by employers and sometimes in combination with unions.

On the other hand, benefits are usually managed by unions internally or through special purpose vehicles (institutions) that are created for that purpose. Internally, management of benefits schemes is done by the finance and office administrator or persons designated for that purpose. Internal management of these schemes places a lot of administrative burden on the unions and is often cited as one of the causes for the poor delivery. To overcome these challenges some created special institutions/units to manage the benefit schemes they run. While such institutions are created and owned by the unions, their management are usually not subsumed under the normal union structures. Larger trade unions co-operate with private institutions to manage some of their schemes for them. The union then monitors and verify investments decisions and benefit pay-outs among others; these unions seem to have fewer problems running their schemes

The story line that emanate study, however, that for the most part, benefit schemes provided by unions are administered by the unions themselves. Indeed, most of the education programmes of the unions are internally administered. In the particular case of worker education programmes, most unions are not confident that the traditional education system can deliver the kinds of education their members require. The Funeral Scheme of BOSETU of Botswana is managed internally by the union. The health facilities of the TUC-Ghana are run by the organisation itself in collaboration with the Ministry of Health.

There are also instances where unions have either outsourced or established special-purpose companies to administer their benefit schemes. The Trades Union Congress (TUC, Ghana) established the Labour Enterprise Trust (LET) to manage the various schemes that it operates for and on behalf of members. The Ghana Mineworkers Union established the Golden Pride as a separate entity to manage its savings and loans scheme for members.

Although some of the trade unions stated that they have experienced growth in membership, but many had no mechanisms in place to trace the link between the services and benefits and their attraction and retention of members. Therefore, for the unions that reported growth in membership this may be attributable to the services and benefits they provide or some other reasons unrelated to the service and benefits. We need a robust analysis to verify the claim that the schemes could be leading membership growth. However it is crucial to note that some of the members indicated that the services provided by the unions were important indicators in deciding which union to join.

In some instances the benefit schemes that were managed jointly by the union and a private institution showed better results in terms of membership satisfaction than those that are solely managed by the unions. This is because when managed jointly, the union is able to benefit from the expertise available in the private institutions. In cases where the unions did not have sufficient capacity to manage these schemes, they were often discontinued due to administrative challenges.

Source of Finance

Benefits are often financed from a combination of sources. These include membership subscriptions, special levies on members, voluntary contribution, government, employer and NGO donation and partnership with banks. As indicated earlier trade unions in Africa rely heavily and sometimes solely on union dues to finance their activities including the services and benefits that are not funded by employers. For some unions (GMWU) and for some benefits (Bissa-McCarthy Fund), funding is secured from the usual membership fees; members do not have to make additional contributions in order to enjoy the benefits. In some other instances, unions impose additional contributions to finance benefits schemes. For instance, the Health Services

Workers Union of TUC (Ghana) levies additional one percent of members salary/wage to fund education programmes for members. The Funeral Scheme of the Botswana Sectors of Educators Trade Union (BOSETU) is funded with an additional levy of P34 (or UD\$8.00). Imposition of additional levies works best in countries and unions that have the check-off system that collect dues. It is more difficult to have such arrangements when the check-off system is not available and particularly so in the African context of low incomes. Indeed, countries and unions with the check-off system have better prospects of introducing and implementing benefit schemes for their member.

There are also instances where unions secure bank loans to provide a particular benefits for beneficiaries have to pay for the costs of the benefit. In majority of the cases the intension is not to make profit; there are, instances (in Benin) where unions have made profits out the benefit they provide to their members and the general workforce.

In Namibia, smaller unions in terms of membership tend to finance all their benefit schemes through membership fees. This is mainly because they don't have the same arrangements as larger unions that have agreements with certain companies to establish facilities for their members. Smaller unions that provide funeral grants, for example, make use of membership fees to pay this grant while some of the larger unions have agreements with private companies like Old Mutual or Capricorn life and have a group scheme for their members. Most of the unions have international donors that help fund some of their benefit schemes and this reduces dependency on membership fees and thus help sustain the schemes. The bigger the union, the more the financial resources available to finance and introduce more benefits schemes for members. Private institutions are also more likely to agree to have an agreement with a bigger, more self-sufficient trade union instead of a struggling union. Therefore, the bigger unions are better placed to provide membership benefits on a sustainable basis than the smaller unions.

6. Conclusion and Lessons for the Future

In this section, we have isolated the messages emanating from the study of trade union services and benefits in Africa. This study provides a holistic view of the state of trade unions services

and benefits in Africa. The section has highlighted the two main functions that trade unions everywhere play. These are representation of their members and undertaking negotiations (mainly with employers) on their behalf. The idea is that through collective action, unions can help equalize the power relations between workers and employers for purposes of protecting and defending the interests of workers. Unions have sought to achieve this noble goal through the provision of services and benefits that enhances the welfare of their members and the workers in general.

The section has also brought to the fore the fact that unions in Africa continue to lose membership for number reasons and that the loss of membership is fast detracting from the ability of the unions to fulfil the goal of protecting existing members. Membership loss is even affecting the ability of the unions to provide the basic traditional services that justify the existence of a union. But as this section have shown, the unions are not relenting in their efforts to gain back their recognition. Unions are providing various services and benefits not only to retain but equally importantly to attract new members. There have been significant expansion of the issues covered in collective agreements thus expanding the range of services that are provided by unions. At the same time, large numbers of workers that are employed in the informal economy are not covered by these services contained in collective agreements. For union members covered by collective agreements, the space for expansion of services are increasingly being narrowed as employers mount the fight to roll back services that are already been achieved.

Addressing these issues have led unions to provide their own brand of services and benefits for their members and workers generally. Trade unions in Africa are increasingly setting up special units that provide advisory services including legal services for their members. Legal services have become necessarily as employment security of workers come under attack from adversarial employers but more so, as unions fight to protect the gains of the past. In addition to these services, unions across the continent are rolling out range of benefits schemes for their members and sometimes for the general workforce. These benefit schemes are funded by the unions themselves or through levying of additional membership dues.

Therefore, in the face of significant adversity, this study can conclude that the sampled trade unions are playing important roles not only in securing the welfare of workers but also in the

overall national development of their respective countries. This notwithstanding, the report shows that a lot more needs to be done by the unions in Africa in defending and protecting the interests of workers and enhancing their welfare. It is clear from the study that workers are now demanding more efficient, responsive and relevant services and benefits. The study concludes the current spectre of membership loss by the unions in Africa can in larger measure be abated by a programme of systematic introduction of new services benefits and also improvements in existing ones. And as the show, larger unions in terms of membership are better placed to provide efficient services and benefits that help retain and attract members. Therefore, the emergence of multiple rival unions in the same enterprise and sectors may seriously hamper the ability of unions to provide pro-active services and benefits.

What can Trade Unions do to Improve the Provision of Services and Benefits?

It is always easy to identify and list short comings and challenges but not so easy to offer solutions. However, in this book, an attempt is made in all the different chapters to offer some solutions. Below is a summary list of suggestions on how trade unions can address some of the issues raised by the study. Each trade union will have to decide on a plan of action that works for its constituency and in its specific national context. Nevertheless, it is important to state that urgent and bold actions are needed going forward.

It should however be noted that many non-trade union people/workers know rather too little about the roles and services and benefits offered by trade unions. In some instances, the study found that even some of the trade union members do not know the kind of additional benefits offered and how they could benefit from them. It is, therefore, important for trade unions to publicise the services and benefits they offer to their current and potential members. Servicing of members should not end with recruitment and representation.

Servicing should be a continuous process through which unions must nurture and nourish the relationship between themselves, current members, potential members and ex-members. It is particularly crucial that the union retain relationship with retired trade unionists or trade union members. If they are well treated during and after the time they are members, they will continue to speak positively about the union and through that, new members may be recruited. It is also

important for trade unions to create and foster public relations. Most often, many trade unions do not have public relations officers who are dedicated to the building of the organizational image of the union and transposed that image to the public.

Regular and timely provision of relevant Information should be seen as part of the normal work of the unions. Regular information provision should be a priority of any trade union. This should include information on how workers can join the union and the services and benefits that are available for members. Information sharing can be done through functional notice boards, newsletters, functional websites, poster campaigns etc.

Awareness rising Trade union linkages with governments, training programmes, workers' and employers' organisations and individual companies offer immediate opportunities for positive awareness building. Their knowledge about the workplace and legislative changes, along with their expertise in advocating for workers' rights, means that trade unions can be effective in raising awareness about issues that affect workers on a daily basis.

Provision of return-to-work services. Workers who become injured on the job should have the right to prompt medical treatment and to the assurance that their wages and jobs will be protected. They should also be entitled to adequate rehabilitation that includes early intervention, comprehensive vocational assessment and rehabilitation based on individualized planning with their involvement, so they hopefully can return to work as soon as possible. Return-to-work plans may include returning to work gradually, at reduced hours or in reassigned positions until the worker is ready to return to full working capacity. This can also be applied in the case of HIV/AIDS affected members.

Quick Action Points

Get to know the complete profile of your members. Who are they? What is their gender? What is their age? What are their professional and personal needs? Getting a member profile will assist the union to make an informed decision about what the needs of its members are. Such a survey should go as far as asking the members to indicate the kind of services and benefits they most appreciate about their union and which they prefer to receive and how?

Compare and contrast best practices. Find out about what other unions have done so that you emulate their work or improve on your own service provisioning. This report provides veritable wealth of information on what other unions are doing in terms of services and benefits provisioning. It is your best bet and the obvious starting point.

Publicize your services and benefits to your members, potential members, employers, government and the media. This will help dispel the falsehood and project the union in the better light that it truly is. In the background, work on the weaknesses some of have been so eloquently chronicled in this report.

Develop a realistic and achievable or smart plan of action. Once the profile of your membership, their experiences, needs and expectations has been analysed, it will be a good idea to develop a realistic plan of action towards addressing their needs.

CHAPTER 3

COUNTRY CASE STUDIES

TRADE UNION SERVICES AND BENEFITS IN BENIN

By

Anselme C. AMOUSSOU

Introduction and Background

According to the National Institute of Statistics and Economic Analysis (INSALE, 2008), the population of Benin is estimated at about nine (9) million. Women constitute majority (51%) of the population while men make up about 49 percent. The labour force is estimated at more than 5 million. Majority (60%) of the labour force is less than 35 years. About 80 percent of the

country's labour force is employed in the agricultural sector. More than 95 percent of the workforce is in the informal economy.

The Benin economy is sensitive to external shocks because economic growth is driven by external trade, investments and Official Development Assistance (ODA). For this reason, the Benin economy was significantly impacted by the recent energy, food and financial crises. The various programmes of economic restructuring imposed on Benin by the Bretton Woods Institutions – International Monetary Fund and the World Bank – led to massive layoffs following the privatization of State-Owned Enterprises (SOEs).

This significantly reduced not only the membership of the unions in Benin but equally importantly their influence. The situation has been made worse by the growing spate of outsourcing and contract labour being used by employers in Benin. The formal sector has contracted while the informal economy has boomed. Trade unions are virtually non-existent in the growing informal economy. This has weakened the trade unions considerably.

The employment situation was further worsened by the crisis of 2006-2009 particularly with the collapse of the agricultural sector. The series of crisis in the last three decades have eroded the gains made by the unions in Benin to the extent that the very existence of some of the unions is threatened.

The Beninese trade union has often played an important role in the defence of the social interest of workers. For most part, unions in Benin like their counterparts in the rest of Africa were very instrumental in the struggle for the de-colonization of the country. The unions have played important roles in the fight against dictatorship and for democracy. Subsequently, trade unions have fought for improvements in the living conditions of their members and workers in general. The unions have acted as the mouthpiece of the working class and the vulnerable in society. The unions have become veritable force against draconian rule.

Admittedly, the image of trade unions and their leaders is dented in Benin. Even so, the usefulness of unions is still recognized by the workers they serve through the traditional functions of the unions.

The Scope of the Study

Trade unions are traditionally interested in pursuing policies and programmes that contribute to improvements in the living conditions of their members. Unions in Benin have sought to achieve this goal through the provision of services including representation, defence of workers' rights, training and education and solidarity among others. Unions have gone beyond the normal collective bargaining to provide a range of services and benefits to their members.

This notwithstanding, unions are losing members; existing members are withdrawing their membership while new workers are refusing to enlist with the unions. Despite dwindling union membership, Benin continues to experience the explosion of trade unions.

This study seeks among other things to ascertain the factors leading to the decline in the membership of the unions and to evaluate the links between union membership and union services and benefits. The study also seeks to assess the capacity of unions in Benin to provide services and benefits to their members while at the same time exploring new and innovative services and benefits that unions could provide for their members. The study does not only look at the services and benefits provided but equally importantly it seeks to assess the quality of those services. Additionally, the study will propose strategies for improving the delivery of quality services and benefits so that the unions are enabled to keep their existing members and attract new ones. Finally, the study will explore the gender issues in trade unions as they relate to the provision of trade union services and benefits.

Research Methodology

This study relies on a combination of questionnaires, direct interviews and review of existing documents on unions in Benin. An inventory of trade unions and federations in both the private and public sectors was produced to guide in the selection of sample for the questionnaire survey.

Data was collected from a sample of 12 unions in 6 confederations and trade unions in both private and public sectors including the informal economy.

Majority of the unions selected for the study were from the private sector. This was justified by the specific trade union landscape of Benin. Most of the unions in the public sector do not have many resources and they also do not have many initiatives as far as trade union services and benefits are concerned. The survey was nationwide – covering all regions of the country – despite the cosmopolitan nature of Cotonou. Data was collected on the functioning of union structures, state of internal democracy, governance, union utility, various membership benefits and services.

The selection of public sector unions was sector-based; health, education, justice, finance, telecommunications, agriculture, public administration. For the private sector, the choice fell on big businesses in trade and the hydrocarbon breweries among others.

Information was collected from union administrators and historians as well as economic journalists. The political heads of the unions were also contacted either with a questionnaire or through direct interviews. In addition, a number of trade union activists were also interviewed.

In each of the unions included in the study, we particularly targeted the following categories of persons:

- The office managers because they are in principle the initiators and coordinators of programmes for members. They are therefore credible sources of information;
- The finance officers to ascertain first hand information on the different financial flows of the organisation;
- Those in charge of claims;
- Committees of women and youth committees that constitute the reservoir of opinions of the marginalized in terms of regular services offered by the union.
- Union administrators for their views on the compliance with collective agreements.

It is important to note that non-availability of statistical and historical information on unions constituted a challenge for the study. For example, it was difficult to obtain information on the

precise number of unions in Benin, the unionised workforce, the geographical distribution of trade unions and gender disaggregation of union members.

Trade Unions in Benin: History and Current Status

Trade unions in Benin first emerged in the Railways and the Ports in the middle of the 20th Century. The unions further spread to the trading companies and eventually to the public sector. The history of the unions in Benin can be divided into three (3) periods.

The first was the colonial period in which many restrictions were placed on the right to organize. The right to organize was conferred on only workers who had Primary School Certificate (CEP). The battle was very tough for workers during this period to establish functioning organisations to represent their interests. During this period, unions such as Union Auxiliary Administration of Dahomey (SAAD), Union of Employees of Trade and Industry (SECID) and the union officials of Dahomey (SYFODA) existed. The period was characterized by the mushrooming of unions but efforts at unification of unions and union actions intensified. Unfortunately, these unification efforts were often undermined by political infighting and leadership. In spite of this, unions were at the forefront of the struggle for the emancipation of the people and for the independence of Dahomey (Benin).

The revolutionary period followed and opened a new page in the history of Benin union with the establishment of a single central union (National Union of Workers of Dahomey) entirely devoted to the party-state apparatus. The period covered the years 1974 to 1990; it was a period of indoctrination of unions and union officials and allegiance to Marxist-Leninist revolutionary authorities. At that time, unions in Benin appeared as appendages of the single-party government.

The third period is the so-called democratic renewal. The democratic process, following the National Conference of February 1990 fostered freedom of expression whose corollary in the workplace is union pluralism. There has been the restructuring of the national trade union landscape with the resulting disaffiliation of a number of unions' members from the single central trade union federation (UNSTB) and the establishment of new confederations and unions.

The period was characterized by disparate actions and leadership squabbles. It naturally led to fragmentation of the labor movement in Benin. We are witnessing an explosion in the number of unions even as union membership dwindles. In this period trade unions in Benin appear more like giants with feet of clay and generals without great human and material resources. This situation has led many to question the importance of unions, their capacity and their future.

Like unions in most countries in Africa, trade unions in Benin are affiliated to a number of Global Union Federations (GUFs) including the International Trade Union Confederation (ITUC), Education International (EI), Public Services International (PSI) and the Organisation of African Trade Union Unity (OATUU). In addition, some of the unions have bilateral trade union cooperation with countries like France, Belgium, the Netherlands, and China.

The structure of trade unions in Benin is hierarchical. The trade unions and federations are at the base and the confederations are at the apex. The trade union situation in Benin is dominated by the public sector unions. Unions are virtually absent in the informal economy. In reality, the unionization rate in Benin is low. Union density is highest in the public sector followed by the private formal sector and then the informal sector. Within the public sector, the most visible unions are those in education, health, financial administration and central government. The private sector unions are quite small.

In the formal sector there is currently a lead organisation of taxi drivers and association of agricultural producers, traders and especially taxi drivers with Benin National Union of Drivers (UNACOB) and the Benin Inter-urban Drivers Union (UCTIB). In all sectors, corporatism dominates with weak numerical strength of most unions. By 2010, Benin had seven (7) confederations and trade union units, about 50 independent federations and about 500 basic trade unions.

Trade unionism in Benin is primarily urban. Indeed most trade unions are based in the urban centers because it is where the administrators of companies and production units are usually situated. However, some of the unions particularly in the public sector (education and health unions) have local structures throughout the country. The few trade unions in the rural areas of

the country are the Association of Cotton Professionals and the Union of Fishermen which are affiliated to the Confederation of Autonomous Trade Union of Benin (CSA-Benin).

Internally, in general, the decision-making bodies in the unions in Benin are in the order of the Congress, the Trade Union Council and the General Assembly. The National Office branches in the regional and local levels are responsible for the implementation of decisions taken at the higher level.

The Legal and Institutional Framework of Labour Unions in Benin

The legal framework governing the existence and functioning of trade unions in Benin is composed of two types of legal codes. These are national laws and other international agreements. Internally, the Constitution guarantees the right to work, freedom to organize for the defence of workers' rights, the right to strike.

The Labour Code, governing private sector workers also recognizes the right to organize. It sets the conditions for the exercise of the right to organize. The general status of permanent agents of the state: governing their state officials also enshrines the right to unionize workers. The law on the exercise of the right to strike specifies the conditions under which the employee exercises the right to strike.

The Labour Code

This code governs the workers of the private sector. It clearly acknowledges the right to unionization. It clearly puts to bare the conditions of exercise of the trade unions.

The General Status of Permanent Agents of the State

This Statute governs the civil servants of the state and equally establishes the rights of workers to form or join unions of their choice.

The Right to Strike Law

This law elaborates the conditions under which the workers exercise their rights to strike.

This legal framework is supplemented by various decrees which establishes solid legal and institutional environment for the operations of the trade union movement in Benin since 1990. These supplementary legislations include Internal Statutes and Regulation and Collective Agreements all of which contribute to regulate the existence and operations of trade unions.

At the international level Benin is a member of the International Labour Organisation (ILO). The country has ratified almost all the fundamental ILO standards. It has also signed up to the ILO Declaration on Fundamental Principles and Rights at Work. In addition, Benin has ratified ILO Conventions No. 87 and 98 on Freedom of Association and the Protection of the Right to Organise and Bargain Collectively. The provisions of these conventions have been incorporated into the laws of the country.

In addition to the existence of these legal frameworks, various bodies and institutions have also been established to ensure the protection of the right to freedom of association and the right to collective bargaining. These institutions include the constitutional court, the administrative chamber of the Supreme Court, the Labour Inspectorate and the ordinary courts as well as civil society.

However, the labour market situation in Benin calls for the strengthening of the legal and institutional framework for labour administration in the country. There is need for the country to ratify a number of international instruments such as Convention 151 (Labour Relations, Public Service).

The Financial and Logistics Capacity

Trade unions rely on membership dues for the bulk of their financial resources. However, this source of financing trade union activities and programmes is fast dwindling in Benin. This has been the result of declining membership and the elimination of the check-off system of dues collection. On average, union dues represent less than 15 percent of the resources of the unions including the federations and confederations. Apart from the central confederations that have their own offices, most of the unions and federations have no appropriate offices. The unions that have offices are also poorly equipped. For the most part the unions with offices are those organize in large companies and corporations and in governmental organisations.

In 1997, the central government came to the aid of the confederations by allocating to them on annual basis two hundred (200) million CFA francs (400,000 U.S. dollars). This grant represents the bulk of the financial resources of the unions that operate under the umbrella of the seven confederations. In addition, through regional and international cooperation, the confederations receive additional resources in cash or in services and facilities. Unfortunately, this opportunity to raise additional resources has led many of the unions to refuse to honour their financial obligations to the federations and confederations. At the same time, some of the confederations are making commendable efforts to ensure their financial independence by initiating income-generating activities such as construction of rental properties and operating taxi services.

Benefits and Services Provided by Trade Unions in Benin

Services

In general, trade unions in Benin provide almost all the conventional services related to the traditional functions of unions. The range of service consists of the following:

Representation of Workers

Trade unions in Benin like their counterparts elsewhere represent the interests of workers of Benin both at the national and international levels. Nationally, unions represent workers at the National Tripartite Committee. Unions also represent the interests of workers on national boards and committees such as the board of the social security fund, mutual health insurance, and the Economic and Social Council among others. At the international level, workers of Benin are represented unions in many important forums including the International Labour Conference (ILC). Consistent with the provisions of the ILO, workers of Benin are represented by the most representative trade union at both national and international levels.

At the enterprise levels, unions also represent workers in the negotiations for collective agreements. Unions also represent workers on management committees and councils, health and safety committees, disciplinary committees among others.

The Defence of Workers Interest

At the heart of the services provided by unions to their members and workers is the promotion and defence of their interests. The unions pursue this goal through a number of strategies including participation in social dialogue processes, making proposals for the revision of legal regimes, organising protests and demonstrations, petitions and strikes among others. By engaging in these processes, unions bring pressure to bear on employers including government to change either policies or actions that are deemed detrimental to workers.

Education and Training

Trade unions in Benin provide education and training to their members with the aim of building their capacities. The education and training programmes often take the form of seminars and workshops either at the national or local level. Courses offered in such workshops include Decent Work, Social Security, Gender, Governance, Child Labour, Collective Bargaining and the on-going economic crisis among others. Some of the confederations working through their foreign partners offer education and training bursaries to their activists. The activists are thus equipped with knowledge of trade unions and are also empowered to fight for their rights.

Advisory Assistance

The unions in Benin, particularly the confederations provide important advisory services to their members in diverse areas of life including personal career development and the pursuit of labour dispute. The unions direct workers with labour related dispute to labour inspectors or sometimes provide a lawyer to help them for which the unions pay the legal fees.

The services enumerated above are provided by all unions at all levels of the union structure in Benin. The difference is in the manner the services are delivered. Generally apart from communication costs (telephone, fax, internet, newspapers etc.,) and travel costs, the services are not that expensive for the unions. However, services related to training and education and those related to communication are expensive and are often carried out by the trade unions and confederations that are relatively endowed financially.

Conditions of access

The requirements to enjoy the services created by unions are fairly simple. The first requirement is one to be a member of the union that is providing the service in question. However, this condition is not always required because it is enough to be merely a worker at a production unit or the sector where a particular service is being provided. This means that some workers are able to free-ride.

The second requirement is being up-to-date with member contributions and subscriptions. This condition is rarely respected by activists. The current competitive environment pushes trade union organizations not to strictly enforce this condition. Beside these two requirements, unions by themselves offer to assist members and workers that find themselves in difficulties.

Benefits

Benefits include all non-wage and non-statutory services that are offered by the trade unions outside the traditional collective agreements, either directly or by getting it from the employer. In Benin, the basket of benefits offered by trade unions is relatively small and very few unions provide such benefits.

Benin unions offer their members two types of benefits. There are benefits offered by unions in conjunction with third parties (Companies, NGOs, banks...). These benefits include low interest credit; helmets offered on credit and paid in installments, acquisition of corporate telephones and laptops among other facilities. Included in this category are:

The establishment of a system of financial credit for workers. Most unions offer this kind of benefits to their members. The unions provide these benefits with the help of corporate management and the contributions of members. The unions in the public sector do so with the help of banks. The unions serve as intermediaries for the acquisition of bank credits for the benefits of their members. The unions serve as collateral that allow workers to access loans at low interest rates.

Many unions provide several other benefits for their members. Most unions organise lavish ceremonies to honour their members who are going on retirement. Unions also assist their

members to purchase plots of land for purposes of building residential houses. Some unions have established what is known as Mutual Benefit Societies of Solidarity. The Societies are funded by the contributions of members and through this the unions are able to support members in various ways including funerals and education of their children.

Conditions of Access

The conditions of access to the benefits are quite simple. Here membership as a requirement is strictly enforced. At the same time, benefits are made available to paid-up members.

Funding of Services and Benefits

The services provided by trade unions in Benin to their members are often in the form of assistance and advisory services, representation and mediation services. Most unions frequently intervene on behalf of their members who have concerns with their work and their employers. And through such interventions such concerns are appropriately resolved. In general, unions are formed on the basis of the expressed need for workers concerns to be addressed. Hence, these services have become part of the normal workings of most unions.

Although offered by unions, these services owe their effectiveness to the participation of the effective beneficiaries themselves. Whether for advocacy, representation, provision of useful information, improving conditions through collective agreements etc., these services do not appear to require heavy financial costs.

On the other hand, benefits are often proposed by union leaders to meet workers need. Some of the benefits are also intended to market the unions to both existing and potential members. For the most part these benefits are implemented without direct contributions from beneficiaries.

Funding of services is done by the contributions of the members themselves, occasional subscriptions, membership fees, government subsidies, investment resources and sub regional, regional and international cooperation agreements. Education and training services are mostly provided by trade unions and confederations that do so either directly or through basic trade unions and federations. In the absence of reliable statistics kept by the unions, it is impossible to establish the proportion of union budget spent in the provision of the various benefits and/or

service. However, there are elements that shed light on which service a union expends funds directly or provides them through outside funding. Table one below reviews financing traditional services provided by trade unions of Benin.

As shown in the table, the most important sources of funding for trade union benefits and services are membership dues, special subscriptions and state subsidies. Another source of funding is the assistance obtained from cooperation agreements with non-governmental organizations, national and international institutions, unions in other countries, regional or sub-regional groupings.

Table 3 Sources of Funding Services

Order No.	Type of service	Concrete action	Union contributions	Trade Union Subscriptions	State subsidies	Cooperation	comments
1-	Representation	-attendance at official ceremonies -attendance at committee headquarters National Social Security Fund (CNSS), Economic and Social Council (CES)					Very few expenses
2-	Advocacy	Sit in, walk, strike, petition, press conference, general	X	X	X		

		Assemblies..					
3-	Information, sensitization, education, training	Seminars, workshops, retreats, Newspaper publications	X	X	X	X	
4-	Solidarity	Moral and financial support, strike support,	X	X	X		
5-	Assistance and advice	Legal advice,	X	X	X		

There are also benefits which are implemented entirely by the trade unions themselves without the intervention of third parties. As we have already indicated these benefits require relatively significant financial efforts on the part of the unions.

Table 4: Sources of funding of the Benefits

Order No.	Benefit	Contributions	Subscriptions	cooperation	Partnership	Employer support	Observation
1.	The Organization of the Pensioners Party	X	X			X	
2.	The purchase of helmets				X		
3.	Acquisition of laptops				X	X	
4.	Mutual benefit societies of solidarity	X				X	

5.	Setting up a system of financial credit for the benefit of the workers				X		
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Management of Programmes and Quality of Services

There are no specific structures put in place by the unions to manage the services they offer to the workers. For most of them, the management structure merges with the union governing bodies or simply the national executive office. These services are considered as normal trade union activities and do not benefit from any particular provision. Only the confederations and trade unions have a permanent administration which is harnessed for the quality of services offered.

The management of the benefits offered by the unions is sometimes (in very few cases) entrusted to a small committee under the supervision of the trade union hierarchy. Through the implementation of these benefits some unions, in most cases, are able to subsidise their main activities that frequently suffer from the non-payment of union dues. Most of the benefits provided by the unions constitute a source of additional income for the unions. And this strengthens the motivation of officials to innovate in this area.

Management and governance problems arise in most trade unions and this affects the management of services provided to workers. These challenges arise more in the provision of services than in the provision of benefits. Thus the provision of services is greatly hampered leading to loss of confidence by members.

Management issues most frequently encountered for the operation of the services are:

- No clear separation of roles and tasks. the union leader is seen and acts as the indispensable man who carries the organization. All requests are made to him and he is supposed to find satisfactory solutions to the concerns of every member. The problem is that union leaders hardly have time to attend to multiplicity of concerns

from members. This often leads to a situation where the union is seen as offering poor service. The problem is compounded by the fact that union leaders are also often full time staff of their respective organisations making it difficult to concentrate on the tasks of addressing the concerns of workers.

- The absence of office location for the Unions. Most unions do not have permanent offices and hence physical addresses. This makes it difficult for their members to reach them with their grievances.
- The non-payment of dues. This limits the scope of the actions of the Union and therefore its efficiency in the provision of service in particular as they relate to the resolution of the problems which confront the workers in terms of training, representation and claims.
- The non-renewal of the management of the trade union and lack of respect for the codes governing the Union.
- The lack of trade union democracy and the absence of internal dialogue.
- The retention of useful information.

At the level of benefits, management difficulties are more pronounced and are often the basis of internal disagreement, implosion and the splinting of the unions. This is explained by the fact that provision of benefits as we have noted often generate profits the management of which often leads to conflicts among union leaders. These problems boil down to:

- Non-implementation of an independent management committee of the umbrella bodies of the Union to manage the funds that accrue from the provision of these benefits and services;
- Lack of transparency in the management of funds;
- The poor reception for members who seek information about available benefits;
- The diversion of profits generated from the provision of benefits to leaders of the Union.

One of the significant shortcomings of existing benefits provided by unions in Benin is that there is virtually no benefits programmes that are targeted at women and young workers. And most unions make no special efforts to tailor their services and benefits to the needs of these groups to either retain or attract them into their fold.

Effects of Programmes

Effects on living and working conditions

The services and benefits provided by unions in Benin have had significant impact in the lives and living conditions of workers and in particular trade union members. Through union activities such as advocacy, negotiations and representations workers of Benin have achieved positive gains. These include improvements in wages and working conditions, career progression, reduction in personal income taxes and compliance with health and safety standards

The impact of the services on the living and working conditions is undeniable in Benin. All the trade union gains achieved by Beninese workers have always been the instigation of union activities, pressure, negotiation or other. Being it wage increments, career pursuit, the reduction of taxes, the recruitment of staff, compliance with the rules of hygiene and health, there has always been a trade union action at the base. These gains have been made possible through collective bargaining at the enterprise level. Surveyed unions reported that compliance with collective agreements is over 70 percent in the private sector. Ironically, compliance is rather low in the public sector where the state has a reputation of not respecting its commitments to workers. Nevertheless, in both the private and public sectors the importance of trade union services and benefits in the improvement of working and living conditions is unanimously recognized. Even in the informal sector where unionization is the lowest, the effects of trade union actions are visible and recognized by the actors. It is in this sector (notably among operators of motorcycle taxis) that the membership rate is growing because of the social gains achieved by actions of the unions.

Workers interviewed as part of this report gave positive comments about trade union services and benefits. Some of these comments are captured below.

Thanks to the efforts of the trade unions, those of us who had a precarious status in the public service are in the process of reversal like Permanent Agent of State (APE). (An agent of the hospital in a town in Northern Benin)

*The Union allowed me to restore my pension which had been reduced by more than half of its value by the National Social Security Fund (CNSS), (A **retired Government driver**)*

*Even the publication of administrative acts requires the intervention of trade unions. (A **young Union activist teacher**)*

*I am driver of motorcycle taxi and thanks to the Union, I use my helmet and I've obtained my driver's license. In addition my bike is insured just like myself. My family and I have registered for the mutual health insurance of workers in the informal sector where care is affordable. The Union is too strong in Benin. (A **member of a motorcycle taxi Union**)*

Effects on the Union

Apart from the positive effects on the living and working conditions of workers, trade union services and benefits have also had significant impacts on the unions themselves. According to the union officials surveyed for this report, the revenues they generate through the benefits programmes have helped them finance other trade union activities including enhancing their capacity to do effective representation. At the same time, these services and benefits help the unions not only to retain new members but equally importantly to attract new members. Indeed, the requirement that beneficiaries of trade union services and benefits programmes pay their membership dues and contributions naturally leads workers who are in need of such programmes to register with the unions. This implies that all workers, unionized or not, in the sector or not can be counted as a member of the union for the period that they enjoy particular service or benefit.

What is highly likely, if not certain, is that the implementation of the services and benefits can necessarily attract new members (even if temporary) for the unions. Another more likely impact is that the services and benefits that the members receive from the unions make them more active and retains them for a longer duration. The services and benefits provide a confirmation of members belief in the ability of unions to assist them in their times of need.

An additional finding revealed by this study is that the effect of the services and benefits programmes on union membership is only linked to the programmes alone but also its quality

especially how it is managed. In some cases, regardless of the usefulness of the service or benefits workers prefer to enjoy them in a passive and casual manner without necessarily becoming a member of the union. This stems from the perception that most union leaders managing these programmes appropriate most of the benefits for themselves and less for the organisations they head.

As would be expected, views on the management and importance of union services and benefits differ widely between members and union officials. While members continue to lament poor service and benefits delivery, union's officials trumpet their achievements in the provision and management of these programmes.

Below are a few of those divergent views expressed by the different actors:

...he (the general Secretary of the Union) has used the name of the Union to take Bank loans and it is out of this that he grew his personal business. Today, the dividends are not included in the account of the Union but are managed as his family fortune, which he uses to violate the texts with impunity and remain at the head of the Organization despite the end of his mandate – A teacher in Cotonou,

It is the only Secretary-General who is in contact with the provider of computers. It was only he who negotiated the terms of the partnership. What I mean is that we have all noticed that they make a lot of money on our backs. They no longer respect any one and threaten the exclusion of those who dare to ask for accounts within the Executive Office – I. G is a member of the national Office of a Union.

*This is a program that attracts many people. This program is well managed and the beneficiaries are satisfied. Our Union has presently nearly doubled the number of affiliates and this allows us to earn revenue for our traditional union activities – B.M **Programs Manager** primarily responsible for a union in the public sector. He initiated the establishment of a benefit programme for workers.*

*I am a member of three different basic unions and consequently a member of two confederations. That was the condition in order to benefit from the credit programs which they have put in place. I needed money to finish building my house, so I agreed to play the game. The funny thing is that the three leaders knew about all my Union membership – **beneficiary of the program***

Risks and Challenges

The implementation of the various programs, services and benefits within the Beninese unions faces a number of challenges mostly related to management and threatens their viability in the long term. These are the practices of trade union leaders that weaken the impacts of the services and benefits established by the Beninese trade unions.

For example, services related to representation are perceived more as benefits to the representatives than the people (workers) they represent. Industrial actions intended to press home the demands of workers are poorly planned leading to their eventual failure. This is particularly the case in the public sector. This relative inefficiency weakens the unions in the eyes of the employer. Their members lose confidence and eventually they move away from the unions. On the other hand, the plethora of unions and the lack of unity of actions, lack of financial resources due to the non-payment of membership dues are many of the things that contribute to the loss of the influence of Trade Union action in Benin.

Even though their usefulness is recognized, the appeal of services is not as strong as it should be and according to the activists, this state of affairs is due to the lack of democracy within the trade union structures.

Conclusion and Recommendation

After the glorious post independent days, trade unions in Benin like their counterparts in the rest of Africa, have suffered decline in their membership. The Structural Adjustment policies of the Bretton Woods Institutions combined with the forces globalisation partly explain the decline in the membership of the unions. Economic policies pursued over the last few decades have decimated employment particularly in the formal sector. The informal economy has exploded

with vast majority of people pursuing self-employment. These challenges were compounded by the revolutionary dictatorship of the 1990s.

Despite these challenges, trade unions in Benin have managed to stay afloat. They continue to provide services and benefits to their members. This ranges from the benefits related to the traditional functions of the Union to the specific programs initiated to take into account the needs expressed by the activists. Unions continue to defend and protect the interests of their members and workers in general. Unions continue to provide important services including collective bargaining, representation, training and education, and advisory services among others. The unions also provide a number of important benefits outside of the collective bargaining framework. These include low interest credit, helmets for motor cyclists, acquisitions of corporate telephone and laptops among others.

Despite this effort, the phenomenon of de-unionization persists. But the decline in the membership of the unions is also explained by poor leadership of the unions. Poor leadership combined with economic challenges has led to the failure of trade union services and benefits programmes. The analysis reveals a number of challenges in the management of trade union services and benefits. Fortunately, these deficiencies can be reversed and it is enough to carry out an objective assessment of the various services and benefits programs, to galvanize them, update them, taking into account the evolution of the world of work to curb the current trend.

Yet, activists recognize in their majority, the usefulness of trade unions in the changes effected in their conditions of lives and work. To restore the image of trade union organizations in Benin and increase the number of workers who have confidence in their actions, it is necessary to seriously consider the various programs offered by the unions in order to provide satisfactory solutions to the identified shortcomings. This requires strengthening the impact of the programs on the efficiency of the trade unions and improving the negative perception that the members have about their organization. It is, therefore, important to have reforms. These reforms will ensure the sustainability of initiated programs and the emergence of new services and programs. These recommendations can be made as urgent actions in the reforms:

- Strengthen the mechanisms for dues collection in order to improve the finances of the unions;
- The establishment of transparent management of the programs implemented;
- The introduction of outreach programmes for the collection of Trade Union finances (check-off, creation of the recovery service);
- Investment in training centers to provide services to young graduates;
- Planning and introducing benefits and services that take into account the expressed needs;
- Making good governance and union democracy a daily practice;
- Implementing modern management techniques in the management of benefits programmes;
- Setting up essential programs to attract the layer of young people and women which take into account their specific needs;
- Creating leisure centers and childcare for the children of working women;
- Offer scholarships for young workers or children's older members.
- Avoid unhealthy involvement in politics.

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TRADE UNION SERVICES AND BENEFITS IN BOTSWANA

By

Trywell Kalusopa

Introduction and Background

Demographic and Political Trends

The current 2011 Population and Housing Census estimates that Botswana's population is 2,038,228. According to the preliminary results of the 2009/10 Botswana Core Welfare Indicators Survey (BCWIS) – (the poverty survey conducted between April 2009 and March 2010), there were 521,327 households in Botswana with a population of 1,801,406 in 2009/10. This was an increase from the 394,272 households with a population of 1,632,922 in the 2002/03 Household Income and Expenditure Survey (HIES). The proportion of the population living in urban areas increased marginally from 56 percent in 2002/03 to 56.8 percent in 2009/10, while the share of the rural population declined slightly from 44 percent to 43.2 percent respectively. During 1990-95, Botswana's population grew at an average annual rate of 2.7 percent, and is projected to decelerate to 1.3 percent during 2010-15.² As a result of the slowdown in its growth, which is partly explained by the decline in the fertility rate (births per woman) from 4.3 during the period 1990-95 to a projected 2.7 for the period 2010-15, Botswana's population is forecast at 2.4 million by 2030. As a reflection of the progress it has achieved, the dependency ratio (per 100 people ages 15-64) has declined significantly from 90.9 in 1990 to 58.2 by 2010 (UNDP, 2010).

Botswana is usually hailed as an oasis of political stability on the African continent, successfully holding elections every five years ever since the first elections held on the eve of independence in 1965. The latest general election held in October 2009 saw the BDP win 45 of the 57

² Since the 1971 population census, its annual growth rate decelerated from 5.1 percent during 1971-981 to 3.5 percent during 1981-91 and 2.4 percent during 1991-2001.

parliamentary seats and the ascendancy to the Presidency of the former Vice-President and son of the country's first President Seretse Khama, Lieutenant- General Seretse Khama Ian Khama.

Social Economic Policy Reforms and Employment

Literature reviewed is consistent with the fact that at independence in 1966, Botswana was ranked among the least developed countries of the world, with a per capita GDP of about US\$70. However, four decades later, the country transformed itself into an upper middle-income country on the strength of mineral (diamond) discoveries and prudent use of the revenues. The country has thus become one of the fastest growing economies in the world, with an average annual growth rate of about 9 percent. The per capita GDP at current prices more than doubled from US\$3,180 in 2000 to US\$6,760 by 2008 before declining to US\$6,215 in 2009 following the global crisis and recession of 2008/09. Thus it is evident that Botswana has not experienced the “resource curse” that is habitually associated with mineral-led economic growth due to sound economic management. The country is reputed to have made remarkable investment and progress in education and health.

Botswana largely depends on the extraction of diamonds for export. On average, this accounts for over 70 percent of its export earnings and contributes 36 percent to GDP. Botswana is also a large exporter of beef to the European Union, though this industry now faces a myriad of problems. Agriculture contributes only about 3 percent to GDP. Currently, the country has placed emphasis on diversification of its economy to other sectors such as tourism which has shown great potential for growth. The size of GDP at current market price is approximately \$10.7 billion year as at 2009 (CSO, 2009).

Even though the country's overall economic growth record is impressive, it has been volatile in recent years, particularly so since 2003, with real GDP growing at an average annual rate of 3.6 percent during the period 2003-10, below the targeted rate of 8 percent. Thus, trend growth has evidently slowed down in the last decade. This is particularly so since the country is prone to large unanticipated fluctuations in export earnings from the mining sector, as well as recurrent droughts.

Even so, Botswana was in a position of considerable strength as it entered the global financial crisis in 2008-09 with foreign exchange reserves at 27 months of import cover in 2006. The overall performance of the economy in 2010 improved as GDP growth rate hit 7.2 percent, from 4.9 percent in 2009. Growth projections for 2011 and 2012 are 6.8 percent 7.1 percent respectively. This improved growth projections are on account of continued improvements in global demand for Botswana's major exports. On the positive side, the non-mining private sector has proved to be resilient, growing at 4.3 percent during 2009, with financial, trade, tourism and government service sectors leading the pack despite the global crisis, down from peak levels of 9.6 percent in 2007.

Despite Botswana's proclaimed economic success story, about 23% of Botswana continue to live below the poverty line of less than US \$ 1.25 per day (ADF, 2011). The latest official 2009/10 Botswana Core Welfare Indicators (BCWIS) estimates also show a decline in the proportion of persons living below the datum line (PDL) at the national level, from 30.6 percent in 2002/03 to 20.7% in 2009/10. The BCWIS also indicates that there has been a downward change in the distribution of poverty incidence between 2002/03 and 2009/10. The cities and towns have experienced an increase in poverty incidence whilst poverty incidence has declined in rural areas. Thus in the rural areas, the poverty headcount declined from 44.8% in 2002/03 to 25.5% in 2009/10 while the percentage of persons living below the PDL in the cities and towns registered an increase of 3.4 percentage points from 10.6% in 2002/03 to 14.0 percent in 2009/10. During 1990-95, Botswana's population grew at an average annual rate of 2.7 percent, and is projected to decelerate to 1.3 percent for the period 2010-15.³ The projected slowdown in population growth is partly explained by the decline in the fertility rate (births per woman) from 4.3 during the period 1990-95 to a projected 2.7 for the period 2010-15. Botswana's population is forecast at 2.4 million by 2030. As a reflection of the progress it has achieved, the proportion of the population living in urban areas has increased from 41.9 percent in 1990 to 61.1 percent by 2010. The dependency ratio (per 100 people ages 15-64) has declined significantly from 90.9 in 1990 to 58.2 by 2010 (UNDP, 2010).

³ Since the 1971 population census, its annual growth rate decelerated from 5.1 percent during 1971-981 to 3.5 percent during 1981-91 and 2.4 percent during 1991-2001.

The Poverty Survey of 2009/10 shows that of the 710,600 economically active population, 82.2 percent (584,251 persons) are employed.⁴ Of the employed population, 54.3 percent are males and 45.7 percent are females. Available data suggests that at the end of the third quarter of 2005, establishments with 5-29 employees constituted 35.2 percent of all operating establishments, those with 1-4 employees were the second largest with 28.8 percent, those with no employees made up 7.1 percent, while those with 30-49 employees accounted for only 5.1 percent of the total. Establishments with 50-99 and 100 or more employees constituted 2.5 and 2.1 percent respectively. Those with only owners and/or family members working in the business accounted for 3.8 percent, while about 15.4 percent of operating establishments had an unknown number of employees.

The gini-coefficient⁵ for Botswana stands at an alarming 0.626, while the income of the poorest 40% of the population is only 11.7% of the total GDP (Republic of Botswana (DWCP), 2011:10). This, in itself, does confirm the deep inequalities within the economy and society. This is so because several factors identified as the root causes of poverty in Botswana still persist. These include: harsh climatic conditions, lack of employment opportunities, lack of vocational and entrepreneurial skills and inappropriate targeting of developmental programs and assistance policies.

It is also clear that the dependence on the extraction of natural resources – diamonds – and inadequate growth in other sectors has constrained the ability of the Botswana economy to create enough good quality jobs. The largest formal employer in the economy remains the government sector and has not been effective in dealing with the unemployment problem. The quest to privatize so that the private sector is stimulated to provide employment has not been that successful either. The private sector is still small, fragile and highly government-dependent.

⁴ Employed persons are those persons at least 12 years old who did some work in the reference period of 7 days for at least an hour either for payment in cash or in kind or who were in self employment for profit or family gain, including persons temporarily absent from these activities but definitely going to return to them (e.g. on leave or sick) (see Statistics Botswana, 2011c).

⁵ The gini coefficient measures the extent of income distribution among individuals or households within an economy. A gini coefficient of zero means total equality and that of 1 implies complete inequality.

In that regard, the Government has identified new hubs for future growth, namely, the Diamond, Health, Education, Agriculture, Innovation, and Transport hubs. The challenge is not only to sustained growth but equally importantly to ensure that growth is sufficiently pro-poor to make an impact on unemployment, poverty and inequality. In the case of Botswana, this entails the following key interventions:

- Linking employment objectives to the National Development Plans and Vision 2016;
- Treating decent, productive and remunerative jobs as a cross- cutting issue to be integrated in all policy frameworks (macro and sectoral);
- Promoting priority sectors in terms of job creation (including backward and forward linkages);
- Effective inter-ministerial and stakeholder coordination and participation;
- Promoting social justice and fighting inequalities;
- Facilitating transition to formality and decent work.

Scope of study

The report is divided into four sections. Section one presents the demographic and socio-economic trends in Botswana and the methodology used in the study. Section two gives a brief trade union history and the different legislative frameworks governing the operations of trade unions as well the roles and values of trade unions in Botswana. Section three identifies the services and benefits schemes offered by the unions that were purposely selected for the study. This section also looks at how effectively and actively the benefits and services are provided. It further examines how the trade unions finance and manage these services as well as the sustainability strategies. Additionally, the report analyses the views of union members and how the benefits and services impact their lives. The section also looks at the challenges that unions face in providing services and benefits. Lastly, section four concludes and provides recommendations.

Objectives of the Study

The core objective of the study was to assess the capacity of trade unions in Botswana in providing services and benefits to their members as a way of retaining existing members as well as and attracting new members. The study therefore sought to:

- Identify the services and benefits unions are providing to their members (with special attention to the gender differences in access to such services and benefits);
- Assess the effectiveness/ quality of trade union services and benefits (where such services and benefits are being provided);
- Assess the relationship between the provision of these services and benefits and membership growth (where it was evident); and
- Assess the effects of the provision of these benefits on the core trade union functions/services.

Research Methodology

The methodology used was largely qualitative and data was collected using document review; observations; interviews; and focused group discussions among selected sector union representatives and beneficiaries (union members). Data collected was analyzed using content analysis to derive particular themes pertinent to the study. The major limitation of the study is the dearth of data from union administrative records that made gender segregation in the analysis not as elaborate as would have been desired.

Limitations of the Study

As indicated in the subsequent sections of the report, literature reviewed and practical experience indicates that whereas most of the services and benefits provided by trade unions are indistinguishable; their coverage and impact is mostly in the unions in the public sector. In Botswana, most private sector unions are principally small and in-house; they provide mainly traditional trade union services such as collective bargaining and representation. This, in addition to the limitations of time and resources, explains why, apart from examining the two federations - Botswana Federation of Trade Unions (BFTU) and Botswana Federation of Public Sector Unions (BOFEPUSU); the study focused on some selected public sector unions. These selected unions are: Trainers and Allied Workers Union (TAWU), Botswana Sector Education Union (BOSETU) and Botswana Public Employees Union (BOPEU) to demonstrate the types of services and benefits offered by the unions in Botswana. TAWU is the only public sector union that belongs to the BFTU while BOSETU and BOPEU belong to BOFEPUSU [an exclusive federation of five public sector unions]. At the time of the study, the BFTU as a federation did

not have elaborate or extensive investments that served as benefits to its affiliates. The federation currently concentrates on the core functions of national tripartite representation. For BOFEPUSU, apart from each of its representative unions having exclusive and identical services and benefits; the public sector unions under their aegis have pooled their resources to form a company called UNIGEM (PTY) to serve their members. In other instances, benefits provided through co-operative ventures were evident in parastatal sector unions such as Botswana Mine Workers Union (BMWU) and Botswana Railways Amalgamated Workers Union (BRAWU), in addition to the usual identical services.

The State of the Labour Movement in Botswana

Evolution of the Labour Movement

The first legislation in the Bechuanaland Protectorate (Botswana before independence) was the Trade Union and Trade Dispute Proclamation of 1942 which legalized Trade Unions (FES, 2008:6). The legislation provided “what could be regarded as paternalistic protection for workers” but made inadequate provision for the settlements of industrial disputes (Cooper 1985:109). In 1963, the Employment Law No. 15 (1963) was enacted but it also failed to provide for the settlement of disputes. The attainment of independence in 1966 did not bring any immediate change in the legal framework although the Bill of Rights (Section 13 (1) and (2) of the Constitution of Botswana) guaranteed Freedom of Association with certain limitations (Cooper 1985).

It was not until 1969 that the first pieces of legislation were passed by the new government after independence to improve the Trade Unions and Trade Dispute Proclamation and Employment Law No. 15 of 1963. These were the Trade Unions Act No. 24 of 1969, the Trade Dispute Act No. 28 of 1969 and the Regulation of Wages and Conditions of Employment Act of 1969 (Cooper 1985). The Trade Unions Act No. 24 of 1969 came into force on the 8 August 1969 and provided for the amendments and the consolidation of the law relating to the registration of Trade Unions and other purposes. The Trade Dispute Act No. 28 of 1969 came into force on 1 August 1969 and provided for the establishment of the Industrial Arbitration Tribunal and Board of Inquiry as well as to make provisions for the settlement of Trade Disputes and to control and regulate strike action and lockouts. The Regulation of Wages and Conditions of Employment Act of 1968 which also came into force on 1 August 1969 provided for the establishment of Wages Councils and regulation of remuneration as well as conditions of employment (FES, 2008:6).

These Acts were overtaken by events and as a result amendments were introduced in 1982/83 and later in 2004. These included an overhauled Employment Act, a comprehensive Trade Dispute Act and Trade Union and Employers Organisations’ Act which for the first time made provision for employer organization(s).

The first union to be formed in Botswana was the Francistown African Employees Union (FAEU) in 1948, which was based only in Francistown under the leadership of the late Mr. G. M.K. Mmusi. Due to the pressure of restrictions imposed by the District Commissioner on the formation of trade unions, the union was only recognized by the colonial government under the Protectorate Proclamation Act No. 16 of 1964. It collapsed six years after it was formed. The late development of trade unions can be attributed to under-development of the economy during colonial rule when formal employment was low and unemployment was high.

In 1959, the Bechuanaland Protectorate Union was formed in Serowe under the presidency of the late Lenyeletse Seretse under the instigation of the Chief Tshekedi Khama. In 1962, the Bechuanaland Trade Union Congress was formed with Mr. Klaas K. Motshidisi as its first General Secretary. It was closely aligned with the Bechuanaland People's Party and collapsed in 1965. After independence, the local unions financially supported by the International Confederation of Free Trade Unions (ICFTU) formed the Bechuanaland Federation of Labour with Mr. G. M. K. Mmusi as General Secretary⁶.

The current Botswana Federation of Trade Unions (BFTU) was formed as early as the 1970s with the establishment of the Botswana Trade Union and the Education Centre comprising a handful of trade unions. In April, 1977, the BFTU, the only federation in the country, was formed replacing the Botswana Trade Union and the Education Centre. Five unions: Botswana Mine Workers Union, Botswana Bank Employees Union, Botswana Commercial and General Workers Union, Botswana Construction Workers Union and Botswana Railways Workers Union, have been cited as forerunners in the establishment of the BFTU (FES, 2008:16). The mission of the BFTU has been to actively promote the interest and welfare of the workers, individual citizens and to create a free and prosperous society for all Batswana. It currently advocates for sustainable economic growth, equitable income distribution, stable prices, full employment and maximum economic security and social welfare (BFTU, 2004; FES, 2008).

⁶ The ICFTU merged with the World Confederation of Labour (WCL) to form the International Trade Union Confederation (ITUC), on 1 November 2006.

The Current Structure of Labour Organisations in Botswana

Labour organisations in Botswana have undergone structural, legislative and ideological transformations since the 1970s. After the changes in labour legislation in 2004 that allowed for Freedom of Association, there has been a proliferation of labour organisations in Botswana. Available statistics indicate that there are about 50 registered labour organisations in Botswana (Registrar of Trade Unions, 2010). The main national labour centre is the Botswana Federation of Trade Unions (BFTU) which is a federation of 29 labour organisations, otherwise referred to as affiliates and represents about 58% of all the legally registered trade unions in the country. The other 42% legally operate outside the structures of the BFTU (FES, 2008:17). Each of the 50 labour organisations has its constitution and its independent structure based on its defined labour interests within the national economy. Labour organisations may affiliate to the BFTU if they so desire based on the established International Labour Organisation (ILO) norms prescribed under Convention 87 and 98 on the Freedom of Association and the right to collectively bargain (FES, 2008:17).

Labour unions in Botswana are not very distinctive. They can, however, be divided into two broad categories: the public and private sector. Public labour organisations are largely those in public service, local government and education sectors. These include: Botswana Public Employees Union (BOPEU) and the Manual Workers Union, Botswana Teachers Union (BTU), Botswana Secondary Teachers Union (BOSETU), Botswana Land Board and Local Government Workers Union (BLLAWU). These constitute approximately 30% of the formal workforce and are not affiliated to the BFTU. The other public sector labour organisations are Botswana College of Agriculture Staff Union, Botswana Government Workers Union (BOGOWU), Botswana Primary Teachers Union (BOPRITU), Trainers and Allied Workers Union (TAWU), University of Botswana Non-Academic Staff Union (UBNASU), University of Botswana Academic and Senior Support Staff Union (UBASSU) which are affiliated to the BFTU (FES, 2008:18; BFTU Secretariat Membership Records, 2011).

The private sector labour organisations that are affiliated to the BFTU include Air Botswana Employees Union, Botswana Commercial and General Workers Union, Botswana Construction and Wood Workers Union, Botswana Railways Amalgamated Workers Union (BRAWU),

Central Bank Union (CBU), Botswana Mining Workers Union (BMWU), National Development Bank Employees Union, Botswana Bank Employees Union, Botswana Power Corporation Workers Union, Botswana Meat Industry Workers Union, Botswana Agricultural Marketing Board Workers Union, Botswana Postal Services Workers Union, Botswana Housing Corporation Staff Union, Botswana Telecommunications Employees Union, Botswana Diamond Valuers and Sorters Union, Institute of Development and Management Workers Union, Botswana Savings Bank Employees Union, Botswana Wholesale Furniture and Retail Workers Union, Maranyane Staff Union, Botswana Beverages and Allied Workers Union, Botswana Hotel Travel and Tourism Workers Union, Botswana Manufacturing and Packaging Workers Union, Citizen Entrepreneurial Development Agency Workers Union, Botswana Private Medical and Health Workers Union, and Botswana Vaccine Institute Staff Union (FES, 2008; BFTU Secretariat Records, 2011).

The labour organisations in the private sector which are not affiliated to the BFTU include: Botswana Railway Train Crew Union, Kents Botswana Workers Union, Barclays Management Staff Union, BCL Citizen Senior Staff Union, Botswana Bureau of Standards Staff Union, Botswana Energy Workers Union, Botswana Media Workers Union, Rural Industries Promotions Workers Union, and Power Corporation Middle Management Staff Union, Botswana Textile, Manufacturing and Packaging Workers Union (BOTEMAPAWU), Botswana Transport and Allied Workers Union (BOTRAWU) (FES, 2008:17; BFTU Secretariat Membership Records, 2011).

The BFTU is currently the only legally registered Trade Union Federation in Botswana. The BFTU is structured as follows: there are principal officers of the Federation including the President, Vice President, Secretary General, Assistant Secretary General, Treasurer and five additional members elected by the Congress. This constitutes the Executive Board. The Delegates' Congress is the highest organ and authority. The Delegates' Congress is held every three years. The Secretary General is a full-time official (FES, 2008:16; BFTU Secretariat Membership Records, 2011).

Membership density and development in labour organisations

The overall membership and trade union density is still low in the country (Kalusopa, 2011). Over the years there has been a general decline in trade union membership. Although, there are no conclusive official statistics, current labour statistics estimate that about 400,000 people are formally employed in Botswana out of which just over 100,000 are in the public sector with the rest in the private sector. With a membership of about 50,000 (after the recent withdrawals), BFTU covers only about 17% of the prospective members. The majority of the unorganized are in the manufacturing, construction, retail, hotel and tourism sectors. Other sectors that require special organizing efforts are transport and financial sectors (BFTU Secretariat Membership Records, 2011).

It is often argued that the changes to the labour laws have brought many challenges. For example, the proclamation of Freedom of Association, has led to the further proliferation of trade unions/federations that could break away and undermine workers' unity and solidarity. In that regard, five unions namely Botswana Public Employees Union (BOPEU), Manual Workers Union, Botswana Teachers Union (BTU), Botswana Sector of Educators Union (BOSETU) and Botswana Land Board and Local Government Workers Union (BLLAWU) teamed up to form a splinter federation called Botswana Federation of Public Service Unions (BOFEPUSU). At the time of writing this report, this federation had not yet been legally registered.

Most of the labour organisations in Botswana are largely “in-house” unions with limited ability. In most cases, it is often common to find different in-house unions in one organisation “competing” to recruit members and perpetuating leadership struggles across similar workforce. Most labour organisations have simply been viewed as “welfare associations” that members look up to for soft loans.

With the support of the Friedrich Ebert Stiftung (FES), the BFTU initiated the amalgamation process with the aim of reducing the proliferation thus strengthening the labour movement in Botswana. Some unions have made significant strides to the extent that they have developed constitutions, which were ready for submission to the Registrar of Trade Unions. The target was reducing the Unions from 29 to about 10 or 11. The move towards the merging of different types

of unions into bigger and stronger sectoral unions, which was expected to reduce the affiliates has been slow and hampered by several structural problems (FES, 2008:18; Kalusopa, 2011). This process started in 1997 and has dragged on and there has been no firm resolution from the BFTU so that the process is implemented with the urgency it deserves (FES, 2008:20).

The Role of Labour Movement in National Development

The Botswana society and economy face several challenges. Principal among them is how to create the appropriate synergies between economic policies, growth, employment and poverty. These challenges have reawakened labour organisations in Botswana to look beyond the core functions of collective bargaining to broader socio-economic issues that have a bearing on the workers and the population in general (Kalusopa, 2005:2). Labour organisations have thus over the years been engaged in issues that centre on influencing the course of national development.

It has often been argued that the role of the State in Botswana tends to be dualistic in nature in that while it has adopted the liberal capitalist democracy; there have also been some attempts to embrace the welfare/developmental paradigm as well. Thus government has over the years facilitated the provision of essential services such as housing, telecommunication, water, electricity and transportation through government departments and parastatals. The end result has been the dominance of government in the economy, in terms of the contribution to national output and employment.

Nevertheless, in the recent years, it has become clear that the State has been in the process of transformation from a more welfare/developmental state to a more liberal capitalist one (Kalusopa, 2009; Nthomang, 2005; Seara, 2005). In this context, it has been difficult to define clearly the relationship of the State with the different social classes such as labour organisations. It is thus important to look at the history of collective labour law to understand the role of the labour movement in national development in Botswana. As aptly put by Tswaipe (2009), there is convergence in Dingake's (2008), Mogalakwe (1997) and Selolwane's (2009) views that indicate that the evolutionary phases of Botswana's post-independence collective labour law dispensation tend to follow developments in the growth of the economy at the national and regional and international trends.

Accordingly, in the period immediately after independence up to 1969 there was ‘fluidity’ and a general liberal environment that allowed general unionism, political unionism and secondary strikes – classic democratic expressions (Selolwane, 2009). The year 1969 marked a turning point in that the State ushered in an era of tight control over the functioning of trade unions and the industrial relations system. The constitutional amendments that brought the restrictions over white-collar civil servants came that year, so did three other pieces of legislation all aimed at controlling labour, including an Act on Regulation of Wages and Conditions of Employment, the predecessor to the present National Policy on Incomes, Employment, Prices and Profits (FES, 2008). Selolwane (2009) perceives the behaviour of the State over this period as motivated by its weakness, reliance, dependence and desperation to attract private capital. Indeed this view is buttressed by the expression of official policy in the speeches of government ministers, especially in the aftermath of the major industrial action episodes such as the Miner's Strike of 1974 and the 1991 Manual Worker's Strike (Mogalakwe, 1997).

However, the new labour legislation that was promulgated in 2004 has opened up active involvement of the labour organisations in the development process. Consequently, labour organisations in Botswana can be said to be a cornerstone to economic development in that they are part of a mechanism for effective system of industrial relations and productivity that seek to balance the need for enterprises to remain competitive with the aspiration of workers for higher wages and better working conditions. Labour organisations act as agents for labour, organizing large numbers of workers into a single entity whose collective bargaining power matches that of the employer. Labour organisations can also monitor employers’ compliance with government regulations, and can help raise workplace productivity and reduce discrimination.

At organisation level, unions provide workers with a collective voice and at micro or national level they provide advice to Government. The primary responsibility of individual labour organisations is to act as a negotiating body on behalf of its members on all matters that have a bearing on the relationship between the employer and employees who are its members (FES, 2008:). Their other responsibilities, which are by no means less important include taking up employees’ grievances as well as the settlement of trade disputes that arise in the workplace.

Where the internal mechanisms fail and/or the labour organisations and the employer cannot amicably resolve any dispute, they are normally taken through the mechanism established by the Trade Disputes Act (from the labour office through to the Industrial Court).

Services and Benefits Provided by Trade Unions

This section examines the different benefits and services that are offered by the selected unions, how they are financed, managed and sustained. Services refer to the activities relating to negotiation and representation including collective bargaining, training/education, representation (at enterprise, national and international levels), counseling, generic advisory roles, etc. Benefits include all non-statutory non-wage incentives provided by trade unions outside traditional collective agreements.

Trade Union Services and their Effectiveness

Based on documents reviewed and interviews conducted, it seems that all the trade unions provide nearly the same three major services for their members. These services are:

Collective bargaining

Collective bargaining is a process where labour unions and employers negotiate standards to govern the employment relationship. Unions seek to use the collective bargaining framework to improve the conditions or terms of employment for their members. Collective bargaining is thus a tool used for the defense and promotion of workers rights and is a core trade union function. Thus once entered into, collective labour agreements are obligatory. The primary responsibility of individual unions is to act as a negotiating body on behalf of its members on all matters that have a bearing on the relationship between the employer and employees who are its members.

This study established that collective bargaining in most of the trade unions in Botswana was fairly narrow with a traditional scope that focused on wages and working conditions. In addition, not much success has, thus far, been achieved in negotiating real wages for employees in Botswana by most of the trade unions. This has been due mainly to the inherent weaknesses of the existing unions. Most of them are less militant and are apolitical. The quest to inculcate a sense of and gain the commitment of unions to place their bargaining into broader economic

rights context and agenda remains a mirage and at best minimal. The other reason is attributable to the fact that the right to strike is recognized in law but in reality the process of declaring in most cases is administratively laborious. Most importantly, the courts have held at many a time that a dispute relating to wages is a dispute of interest. This means, therefore, that the unions cannot take employers to court when there is a dispute relating to wages, unless the wages being paid are lower than the minimum wage.

Representation & Grievance Handling (case work)

All the trade unions indicated that they represent their members at disciplinary hearings, conciliation and arbitration. Thus when workers encounter problems at the workplace, trade unions represent them (workers) and try to negotiate reasonable solutions to avoid dismissals. In cases where they are not able to take up the cases brought forward by their members, the cases are usually forwarded to the Labour Commissioner's office. Unions provide these services as workers are not able to defend themselves at the workplace and therefore need representation. Their other responsibilities, which are by no means less important include taking up of employees' grievances as well as the settlement of trade disputes that arise in the workplace. Where the internal mechanisms fail and/or the union and the employer cannot amicably resolve any trade dispute, unions normally take the disputes through the mechanism established by the Trade Disputes Act (from the labour office through to the Industrial Court).

Education & Training

All the Unions involved in the study indicated that education and training are major vehicles that they could use to sustain their existence. Education and training at all levels is also seen as critical weapons to build both capacity and solidarity among members. Unions argued that education and training enables the workers to participate fully and meaningfully in decision-making processes of their respective workplaces. It also entrenches the understanding of the current dynamism of government, employers and other social partners at national, regional and global levels. Thus most of the unions have education and training as a priority in their strategic plans. Most of the training is however largely short-term and donor driven and covers topics that range from basic trade unionism to globalisation. In terms of the constitutive documents of all trade unions, they are supposed to have or establish what is normally referred to as the Education

and Research Committee, whose primary responsibility is to educate union members on unionism through seminars and the distribution of written materials on the subject – unionism. In practice however, the Education Committees hardly ever fulfil their mandate because to date, the level of ignorance on trade unionism still remains very high.

Further, most of the unions indicated that they lacked the capacity and resources to carry out this noble mission. They argued that they largely depend on members' subscriptions which have been on the decline due, in part, to the diminishing membership arising out of retrenchments.

Box 1: PROVISION OF SERVICES TO AFFILIATES – THE CASE OF BFTU

The Botswana Federation of Trade Unions (BFTU) represents its affiliates at international, continental, regional and national tripartite forums. At national level, BFTU represents its affiliates in various tripartite forums. Such structures are purely consultative as against negotiations resulting in government and employer dominance in final decisions.

The relations among government, employers and the BFTU is limited to their participation in tripartite structures such as the Labour Advisory Board, the Minimum Wages Advisory Board and other such structures set up by government where the labour movement is deemed to be a stake holder. The participation of trade unions is, however, not very significant in terms of their ability to influence government decisions and/or policies particularly since their role is advisory and consequently, the government is not bound to accept any of its views or propositions in those forums. Thus for example, many observers including the BFTU have consistently argued that the tripartite arrangement through the Labour Advisory Board remains restrictive and not very effective. The current tripartite and social dialogue arrangement in Botswana thus relegates trade unions to an advisory role which completely disempowers the workers from effectively participating in matters that affect their well-being.

Various Sources: BFTU Secretary General Report, 2007; FES, 2008; BFTU Strategic Plan, 2007-2012)



Box 2: PROVISION OF SERVICES THE CASE OF BOFEPUSU

At the time of writing this report the status of BOFEPUSU as a federation was still being contested in the courts of law. The provision of services collectively for BOFEPUSU affiliates is largely through joint collective bargaining in the public service. Part XIII of the Public Services Act of 2008 underlines the framework for collective bargaining in the public service through the establishment of the Public Service Bargaining Council (PSBC). Section 52, however restricts trade union admission to the PSBC to be regulated by the constitution of the PSBC. On the other hand section 57(1) states that the requirement for participating in the PSBC is that a particular trade union should be a recognised trade union. The trade union recognition is provided for under section 46, which is an extended version of section 48 of the TUEOA. The extension is that for a trade union to be recognised it should be “representative of one third of the employees of the employer engaged in the same trade as members of the same union”. This clause seeks to qualify the apparent ambiguity of the similar clause in TUEOA which only states the requirement as “at least one third of the employees of the employer”. As at the time of the study, the five unions in BOFEPUSU had agreed with government and gone ahead to register the PSBC with the exclusion of TAWU that belongs to BFTU and which they argue is a “small union” and does not meet the “at least one third of the employees of the employer”. However opponents to this view have argued that this undermines the spirit of collective bargaining and freedom of association. Tswaipe (2009) once wondered about the motivation of this in one of his submissions:

Now if one tries to reconcile the requirement for recognition with admission and participation in the PSBC, another conflict area emerges. It goes without saying that for a union to participate in the PSBC, it must be admitted to membership of the Council for collective bargaining purposes. Section 54 (1)(b) provides for sectoral bargaining, which is a subordinate level to national bargaining, in terms of issues subject to bargaining and the authority of such sectoral bargaining councils. Therefore a trade union which does

not meet the requirements of admission to the Council simply does not have bargaining rights though it may have signed a binding recognition and procedure agreement. It is not clear why this dichotomy was necessary, why it was permitted by the Drafting Division of the Attorney General's Chambers. What would be the problem if the requirements for participation could just be union recognition since recognition confers bargaining rights according to TUEOA? This would include doing away with any PSBC restrictions on the participation of recognised unions in sectoral bargaining councils as well.

At the time of writing this report TAWU was embroiled in a legal battle regarding their exclusion from the Public Service bargaining Council because of the interpretation of Trade Unions and Employers Organisations (Amendments), 2003 Act by the both government and the other 'big' public sector unions that TAWU do not meet the third of the total membership in the public sector to warrant recognition to bargain.

Various Sources: Public Service Act, 2008; Tswaipe, 2009.

Box 3: EXAMPLE OF PROVISION OF SERVICES – THE CASE OF TAWU

The Trainers & Allied Workers Union (TAWU) is the specialised, occupational, national union for tertiary education, vocational training and research institutions with 82 branches countrywide in public and private universities, colleges and research centres. It organises training, research and support/administration staff in training and research institutions. TAWU is a dual purpose (professional & industrial) union, whose trade union mandate is confined to the emerging knowledge industry sector. It offers the following services to its members:

- *Policy advocacy*
- *Collective bargaining and collective consultation*
- *Case Work (e.g. employment related advice, representation at tribunals and hearings etc)*
- *Workers Education*
- *Organising (strengthening local structures to offer other services at a local level)*

All their services are currently financed almost 100% from subscriptions and they have a small subsidy from Limkokwing University which pays a salary of Branch Administrator, based at the University. The services are managed in three ways or structures;

- *Members of the Central Executive Committee attend to policy representation in Boards and decision-making meetings, carry-out advocacy and networking activities and organise campaigns. They are assisted by the Cluster Executive Committee when issues are specific to a sub sector e.g. Technical Education, Teacher training, Brigades takeover etc. Individuals in the same bodies manage Cases, Collective Bargaining/Consultation, Organising and Workers Education. This depends on the experience and knowledge they have on each aspect. Some manage multiple responsibilities, while others do only one aspect, based on their constitutional portfolio. The Secretary General (who may be a full-time, seconded officer) coordinates activities from a political perspective. Except for seconded officers, all are elected part-time volunteers.*
- *The Staff (Secretariat) manage all the services from an administrative perspective. They are led by the Executive Secretary. There is a desk officer in each service aspect/unit e.g. the Case Work officer manages the Case management system, records cases and*

occasionally attends mediation and drafts letters for members. All staff are full-time on fixed contracts, ranging from 1 – 3 years.

- *The grassroots structures also manage the services at local level. For instance autonomous and multi-campus Branches (e.g. BOCODOL, Limkokwing, NAFTEC, GIPS), become part of the Bargaining Team and their branch raise local issues. It is the responsibility of branches to attend to collective consultation at institutional level. They also attend disciplinary hearings on less serious cases, while national structures attend to serious cases such as dismissals. Workers Education is carried out mainly through Regional committees.*

TAWU are of the view that though they had never done a systematic evaluation, their services could be said to be effective to varying degrees. They cited their performance as being good in Case Work, Policy & Representation and Collective Bargaining. On the whole, they indicated that their performance in the other services had been poor. More specifically, they added that workers education and organising were not effective at all.

TAWU could not establish the relationship between member growth and services they provided but felt that this was embedded in trade union activity. For instance, the success in cases resulted in strong retention at the affected branch and vice versa. They were of the view that the direct link should come through organising, which has not been doing well. The major internal challenges they face have been the following:

- *Shortage of trained personnel at various levels*
- *No strategic plan*
- *Formal structure is not fully developed*
- *Staff not well resourced*
- *Grassroots structures not fully involved*
- *Poor project writing skills limits donor funding*

TAWU has also faced the following external challenges:

- *Threats of competition from rival unions*
- *Employers who do not understand fully the role of trade unions*

- *Very limited support from Government and Labour Department*
- *Unfavourable labour laws e.g. Recognition clauses*

Source: TAWU's Organisational Profile, 2011; Interview with TAWU Vice President, Mr. Edward Tswaipe; May, 2012.

Benefits offered by Selected Trade Unions and their Effectiveness

This section examines the different benefit schemes in the selected unions, how these schemes are managed, financed as well as the challenges that the different unions encounter. Like in most other countries, in addition to statutory benefits, trade unions in Botswana have through collective agreements, supplemented the benefits accessible to their members.

Earlier research by FES (2008) and Kalusopa (2011) showed that most of the private sector unions are largely in-house unions whose membership is low and have not been able to garner substantial investment in schemes. They have largely relied on the existing structures of their employer organisations to get their statutory benefits. However, owing to their numbers, the public sectors unions seem to have taken a lead. The most notable have been the Botswana Public Employees Union (BOPEU), the Manual Workers Union, the Botswana Teachers Union (BTU), the Botswana Secondary Teachers Union (BOSETU), the Botswana Land Board and the Local Government Workers Union (BLLAWU). Others in the parastatal sector that have attempted to have such schemes include the Botswana Mining Workers Union (BMWU) and the Botswana Railways Amalgamated Workers Union (BRAWU). Most of these unions have investment schemes for their respective unions built on co-operative basis. Through such co-operative investments they provide loans on flexible terms. The unions are also co-operating with other business partners to provide legal services, funeral grants, computer services, etc for its members (FES, 2008; Kalusopa, 2011). Below are examples of services offered by two public sector unions.

Box 4:

(a) EXAMPLE OF PROVISION OF BENEFITS – BTU

As alluded to earlier the BFTU have had no extensive benefits to its affiliates and seems to have largely focused more on tripartite representation. However, there are some notable initiatives that could be singled out over the years. For example, for a long time the BFTU has been running a Day Care Centre which had four classrooms and a playground. It had a functional Parents Teachers Association (PTA) in place that carried out the task of governance of the school. However, this project wound up. The other initiative was the registration of an investment company under the trade name of Tsamaiso Investments. This company was meant to be a business vehicle for the Federation under which all business ventures such as property development would be undertaken. The Baberiki House (a multi-storey building for BFTU) was registered under this company. Some officials were then seconded to the investment company so that it could be stimulated and managed appropriately so that a return on investment could be realized. However, the Baberiki House project became very contentious over the years and ran into delay in completion and had project overruns. From 2005 up until 2012, the BFTU attempted to salvage the building. It was eventually sold to BOSETU, an affiliate of BOSETU.

Various Sources: BFTU Secretary General Report, 2007; FES, 2008; BFTU Strategic Plan, 2007-2012)

(B) EXAMPLE OF PROVISION OF BENEFITS – BOFEPUSU - UNIGEM (PTY)

The UNIGEM (PTY) Ltd is a company incorporated on the 29th May 2008 formed by five main public sector unions under BOFEPUSU with equal shareholding. The company exists as an investment vehicle for the unions to realize sustainability and fulfil their quest to satisfactorily represent their members. UNIGEM is owned by the Botswana Teachers' Union (BTU), Botswana Educators Sector Union (BOSETU), Botswana Public Employees' Union (BOPEU), the Botswana Land Boards and Local Authorities Workers' Union (BLLAHWU) and the National Amalgamated Central and Local Government and Parastatal Workers Union (NALCGPWU). The new company was contracted by the government to administer the Government Motor Vehicle and Residential Property Advance Scheme (GEMVAS). UNIGEM provides civil servants with loans for residential property and vehicles.

The genesis of this has that arising of the privatization policy, which the BFTU vehemently opposed as demonstrated in the policy position papers in 2006, the break way public sector union (except BOPEU that had never been affiliated to the BFTU) embraced the idea to get involved in the process when they had the possibility of outsourcing (the) GEMVAS scheme. It is understood that government initially consulted BOPEU about its intention to privatise GEMVAS, and BOPEU invited the other unions to subsequent meetings. This is after the unions had made a recommendation to the government that a better option than privatization would be for the unions to administer the popular scheme themselves. As echoed by one of the unions

“... we strategically positioned ourselves to take advantage of this bold initiative by the government...we realised that that was an important opportunity not to be missed as far as empowerment of our unions and members was concerned.”

Thus after the formal tendering process, the unions won the tender and went into negotiations about the amount of capital that each union should contribute before finally settling at P1.2 million for each union. This culminated into the signing of the shareholders' agreement among the five unions on April 1, 2009. This was the first time they experienced cooperation of the five public sector unions on such a scale and in the word of one Executive member of the union “we committed ourselves to incorporating a company run on good corporate governance principles,”

However, this has not been without concerns raised by other public sector unions. Some of the public service unions and associations, which are not part of UNIGEM, complain that the other five unions are making money out of their members. At least five unions and associations that include the Nurses Association of Botswana, Botswana Primary Teachers Union, Botswana Tribal Administration Staff Associations, Trained and Allied Workers Union (TAWU) and the Botswana Government Workers Union (BOGOWU) are not part of UNIGEM arrangement. The Trainers and Allied Workers Union (TAWU) are once quoted to have pointed out that:

“.. the whole process that led to the formation of UNIGEM was not fair...Secret meetings were held in Maun by the other unions where the idea of UNIGEM was conceived. They rushed to form UNIGEM because they had information advantage. Most of their members hold key positions in government who passed the information about government's plans to outsource. ???? The government should take a stand and work out an inclusive arrangement where all the employee organisations will be part of UNIGEM. Other trade unions are making money out of their members while the employee associations, which are not part of UNIGEM, are not benefiting from it...They should take an example of the Botswana Public Service Pension Fund where all unions have seats there irrespective of size” (Mmegi, 17th March, 2011).

However one of the public sector unions that are part of the schemes has been quoted as saying:

“...forming a company you should include such and such,” he said, adding that there was no secrecy when UNIGEM was formed ...All the unions were involved in the initial concept...Standards were set and some unions failed to meet them... These standards were not set by one of us but by all unions... [and then] ...all the five unions that own UNIGEM pumped P1.5 million to capitalize the company while the other unions did not...they must admit where they failed...” (Guardian News, 18-03-2011)

Various Sources: Guardian Newspaper, 18th March, 2011; Mmegi Newspaper, 17th March, 2011; UNIGEM website: <http://www.unigem.co.bw>

Box 5: EXAMPLE OF PROVISION OF SERVICES –Botswana Public Employees Union (BOPEU)

BOPEU is one of the public service workers union representing permanent and pensionable employees of the central government. The union claims to have about 17,000 members and provides members benefit scheme such as In-House Financial Advance Scheme, Airtime scheme and Insurance for life products. These are discussed below.

(a) Group Funeral Scheme

This is a compulsory cover for the member and his/ her immediate family members, and includes options for parents/in-laws. This has also been extended to the extended family members at an extra cost for each individual depending on their age category. The rates are very low and affordable to all members with high benefits.

(b) Financial Advance Scheme

This provides members with loans up to a maximum of P5, 000.00 at minimum interest of 5%. The loans are decentralized to local focal points for easy access.

(c) Souvenir sales to members

The Union also sales track suits and t-shirts at reasonable prices to members and supporters of the union for identity and image building. These are usually bought on instalment settlement to enable easy payment terms for a maximum of 2 months.

(a) Airtime Contracts

The Union has an airtime prepaid contract with all three major cellular networks namely Mascom, Orange and be Mobile. The members sign an application form authorizing the Union to deduct an amount of airtime purchase every month from their salary i.e. P65.00 (\$8) to P400.00 (\$50). Members with airtime deduction in their pay slips will be given vouchers to buy cell phones of their choice. The contract is for two years (2) and only subscribing members are eligible to enter into this contract. New members are to have first deduction before they can apply for airtime. Members who prematurely terminate their contracts will be expected to pay to BOPEU any un-elapsed part of the contract, upon which BOPEU would make good to them the rest of the contract airtime. Members who leave the Public Service either by retirement or dismissal are also expected to pay the un-elapsed period of the contract. Members are advised to purchase their handsets at authorized dealers this is, Nokia Warehouse, Mobitel and Sony Ericsson.

Other Services

The Union also has several other services such as the Bursary scheme, Life insurance, furniture material (where members have 10% discount at some furniture shops).

Source: BOPEU Website: <http://www.bopeu.co.bw>

Box 6: EXAMPLE OF PROVISION OF SERVICES - Botswana Sectors of Educators Trade Union (BOSETU)

BOSETU was established in 1987 and aims to assist in improving the working condition in the teaching profession and input on all educational reforms. The union has about 8,597 memberships and has financial benefits geared towards assisting its members such as the funeral scheme and the legal fund. Some of these are discussed below.

(a) The Funeral Scheme

The Union has a group funeral scheme to which all members subscribe. Monthly subscription is about P34 (\$8) and covers the principal beneficiary, spouse or child above 16 years at P6000.00 (\$900); parents or in-laws or 1-6 years children at P1200 (\$150); children 6-16 years old at P2400.00 (\$300). The claim requirement is certified copies or original copies of Omang of the deceased; death certificate or notification of death or letter from Kgosi (Chief) confirming death; a marriage certificate (if married); an affidavit from the police or Kgosi (Chief) if surname is different from that of the deceased.

(b) Legal Group Scheme

The Union offers a legal group scheme whose benefits differ according to the contribution based on the type preferred. Members can choose one of the schemes offered - Silver (with P42.50 (\$6) monthly premium of up to claimable maximum amount of P40, 000 [\$5,000]). This covers labour, disputes, civil & criminal matters, family matters, bail application, contracts & wills, motor vehicle accident claims. The Gold (with monthly P67.50 [\$8] premium for up to claimable maximum amount of P60, 000 [\$7,500]) apart from the silver benefits which covers divorce, taxation matters, and winding up the deceased's estate. Platinum (with monthly P97.50 [\$12] premium of up to a claimable maximum amount of P60, 000 [\$7,500]) and covers all the above including a road assistance plan.

(c) Legal Representation

The Union offers legal services on all matter related to professional work grievance or dispute. However, if the outcome of the grievance benefits all members, the union takes over and pays 100% legal costs. If the member benefits alone, the union pays only 33% and the member will pay the balance of 67%.

(d) Home Ownership Schemes

The union offers the following schemes for credit & discount with selected dealers building materials and payment done in three – six months.

(e) ICT Schemes and Services

The Union also offers internet services to its members at its computer labs in Gaborone, Francistown and Maun. It also has an agreement with a private ICT company, Modi Investments and to provide computers on credit to members. Members then pay the union in installments.

(b) Airtime Contracts

Like BOPEU, the Union has an airtime prepaid contract with all three major cellular networks namely Mascom, Orange and be Mobile.

(c) Business Discounts Services

BOSETU as a member of BOCCIM has been linked to about 100 shops and other business outlets which give discounts on clothes, building material, books, medication, car electronics, etc.

(d) Financial Help

The union offers loans up to a maximum of P5000.00 with a minimum interest rate of 5% compound. It also has a savings and credit scheme.

Source: BOSETU Website: <http://www.bosetu.org.bw>

Management and Financing of the Services and Benefit Schemes

The study revealed that most trade unions have a combination of both external and internal management systems. In that regard, trade unions finance benefit schemes from their membership fees and manage their own schemes. This is usually done by the finance and office

administrator or another person designated. In other instances, unions use external designated financial organisations to manage such schemes.

With regard to internal management of these schemes, the study found out that this placed a lot of administrative burden on the unions and was often cited as one of the causes for the delay of pay-outs. In addition, most trade unions indicated that most of the schemes offered were informed by the members' wishes. They reported that when a union introduces a scheme, members would approach their respective unions through the branches and make suggestions on what benefits they would want. In very few cases the trade unions stated that they actively conducted research on the type of benefits offered by other unions in the world and then implemented the most relevant benefits. As indicated by one union:

“Currently benefit schemes are managed mainly by the union office - employees transact payments, receipts and reports. Political officers negotiate tariffs and sign agreements; local structures extend benefit provision. In the case of cooperatives the union provides a platform through its annual conferences for scheme AGMs, which are only confined to scheme members. We rely on the feedback from the branches but there has not been very systematic research based on how the membership feels...perhaps that is why most of the trade unions have identical schemes and I cannot say this came out of systematic research rather it is out of necessity so that our members economically survive...”

Performance of the services and benefit schemes

There was mixed perceptions with regard to the performance of most of the services and benefits to the workers. Thus while it seems a win-win situation at face value, most agree that the success and benefits accrued to the general membership are still questionable. Thus while some hail them as effective others have been critical of them. One trade union official had this to say:

“The mere fact that workers' money is invested in a company does not empower workers... conversely it creates an independent source of income for the union bureaucracy or leadership...”

Another respondent, however, praised the initiative by the five public sectors unions regarding the establishment of UNIGEM Company:

“... government should be commended for taking a bold initiative not only to empower Botswana but also for trusting trade unions as partners in the initiative. This dispels the notion that trade unions stand in an adversarial and antagonistic position against the government...the point is that unions are indispensable partners in the development of the country. "This project, more than anything else, underscores this important fact”.

But there have also been reports that a year after the company was formed there was news that it was experiencing setbacks in rendering its services. The institution was reported as saying the financial assistance was not being fully utilized by civil servants because in most instances they did not qualify for the housing or vehicle loans. This was attributed to the UNIGEM loans being short-term with high premiums making it impossible for public officers to qualify. As was quoted in the Mmegi Newspaper one official said:

“Currently we are only authorized by the ministry to give out loans that can be paid in a maximum of 10 years period and such loans have high premiums. What we have realised is that most of our public officers cannot afford them due to financial challenges they have and we sent a proposal to the ministry requesting to introduce long term repayment loans of up to 20 years so as to make it possible for public officers to qualify for the loans”.

One respondent from the teachers’ union also cited problems with regard to the numerous schemes in place:

“To me the marketing of most of the schemes is poor given that there is no dedicated marketing programme. In fact there is no specific strategy and no policy. The management is not effective – it is confined to ‘transactions management’ and we are not aware of the performance review of these schemes”.

There were also strong views that point to the fact that the leadership of most of these unions’ focus on service to the workers had been compromised in that they have traded the core values of

trade unionism of independence, social justice, workers rights with “business suits”. As observed by TAWU about the UNIGEM company:

“But the Board Chairman is an employee of the Manual Workers Union. This means the interest of unions is simply a business model and nothing else, not employee interest representation since this does not form part of the investment concept. Effectively that makes them only 'private' investors in terms of equity holders. What then is the difference between such an investor and any other community group?” he quizzed further asking if the profit sharing formula is based purely on equity or it includes subscribers income since this is the driving source of business growth in these types of businesses?” Mmegi, 17th March, 2011)

As others have asserted, it is now becoming harder to distinguish unionists and the capitalist and that the unions in the long run will find it difficult to manage the conflicts between workers and capital. One of the respondents had this to say:

“There is lot of rivalry about competitor unions in the same sector that tend to use benefits as main competition strategy. You see there is a lot of pressure to move towards business unionism and also inherent manipulation by established multinationals with stronger bargaining power e.g. banks and insurance companies. In the end, there is a pronounced threat to cooperative business model which is based on the “solidarity economy” concept”.

However, others interviewed felt that there was nothing wrong with investment as long it is meant for the sustainability of the workers’ cause. The challenge is therefore to balance the drive for investments with that of the workers cause.

Summary, Conclusion and Recommendations

Summary of Findings

This study established that that most private sector unions are principally small and in-house whose coverage is mainly traditional trade union service such as collective bargaining and representation. The BFTU as a federation does not have elaborate or extensive investments that serve as benefits to its affiliates and currently concentrates on the core functions of national tripartite representation; while BOFEPUSU, apart from each of its representative unions having exclusive and identical services and benefits; under its aegis have pooled their resources to form a company called UNIGEM (PTY) to serve their members. In other instances, minimum benefits in terms of co-operative ventures were recorded as evident in parastatal sector unions such as Botswana Mine Workers Union (BMWU) and Botswana Railways Amalgamated Workers Union (BRAWU) in addition to the usual identical services. The financing of most the services and benefits is from both the internal sources such as subscriptions and externally through financial institutions on the market. There were mixed responses on the performance of most of the services and schemes with some members indicating that they were effective while others cited several challenges from administrative to ideological ones.

Conclusion of the Study

This report documents the diverse benefits and services that are provided by selected trade unions in Botswana. The study established that most of the trade unions in Botswana largely offered the traditional trade union service such as collective bargaining and representation. The benefits were largely driven by the unions in the public sector. Most of the schemes were said to be successful and a good complement to the services. As indicated below, the study recommends among others the expansion of services and benefits; evaluation of services through satisfaction surveys; improvement of the internal management of services and benefits; and the linking of services and benefits to membership recruitment drive.

Recommendations

The following are some of the key recommendations that can be discerned from the study:

(1) Expansion of Service/Benefits

The study revealed that most private unions do not go beyond the basic traditional services of collective bargaining and representation. It also established that though most of the benefits and services offered to members by unions were said to be based on expressed needs of the members, there was no clarity in the consultative process. It is recommended that unions explore ways to enhance their services and benefits. In that regard, unions should continuously consult the general membership on the viability of union benefits and services. It is thus important for union organizers, negotiators and educators, shop stewards and the rank and file to be continuously informed and their opinions sort on existing and future benefits and services. Existing and new union members should also be in a position to indicate newer ways of tackling new and emerging challenges in the financing and management of services and benefits. In addition, trade unions could form collaborative ventures across sectors that could enhance the collective interest of their members in the development of schemes as exhibited in public sector union model. This could make them exploit the spirit of solidarity and capitalise on their individual difference in membership strength and technical abilities to assist each other.

(2) Establishment of Evaluation Framework for Services and Benefits

The study established that though services and benefits were offered, there were no effective means to evaluate the satisfaction of such services and benefits. It is therefore recommended that user satisfaction surveys be instituted to evaluate the impact of the various services and benefits currently offered in the trade unions. External independent customer satisfaction surveys could be one way to do this.

(3) Linking services and benefits to membership recruitment drive

The need for trade unions to restructure and consolidate union structures through organising and recruitment continues to remain at the core of its activities. This study established that most trade unions could not establish a clear link between service or benefits and membership growth. The study also underscored the relevance of education and training as a key service that could enhance the membership recruitment drive. However, most of the Educational Committees were near moribund or non-functional. In that regard, unions need to intensify their educational programmes that target members. The contents of the education programmes should clearly

articulate the benefits and services that would accrue and members' responsibility in the sustenance of the existing and future programmes. The local education programmes should be in-built with exchange programmes and also be organised to entrench a cycle of training using the trainer of trainers model. The union should also have up-to-date databases to keep track of their membership development, have a gender breakdown as well as the number of beneficiaries for each service and scheme. Trade unions should also seek to introduce new services to attract or retain new members and the youth. Notable services could include but are not limited to programmes and activities aimed at organizing and recruitment targeting young workers that hold promise for the labour movement in Botswana. The programmes that are more attractive to young workers include training on financial discipline, drug abuse, leadership, participation in trade union activities, and the role of young workers in union leadership.

(4) Internal Management of Services and Benefits

The study established that there were internal administrative challenges and pressures in the management of their service and benefit schemes. It is thus recommended that trade unions employ and deploy officials with specialized knowledge to run this aspect rather than political leadership of the unions. It is also recommended that trade unions have regular consultations with their members to obtain their views on the internal management of the services and benefits that the union should provide them. Such regular consultations will help unions maintain or increase their membership as their activities and schemes would be geared towards their members' expressed needs.

(5) Political consciousness and Ideological clarity

The study established that most of the trade unions have failed to build political consciousness and solidarity anchored on concrete ideological clarity on how to develop services and schemes that reflect workers empowerment and social justice rather than crass accumulation of profits. It is recommended that trade unions should develop education activities that entrench the endogenous drive that can create wealth for the workers in the name of the struggle for social justice.

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TRADE UNION SERVICES AND BENEFITS IN GHANA

By

Clara Osei-Boateng & Mary Akosua Torgbe

Introduction and Background

Demographic and Political Trends

Ghana is an independent country with an estimated population of about 24.4 million and a per capita income of about \$1,343.7. The female population is estimated at (51.3%) about 2.6 percent more than males (48.7%). According to the Ghana Living Standard Survey Five (GLSS 5), life expectancy at birth is about 59 years for males and 60 years for females with an infant mortality rate of about 51 per every 1,000 live births. Like many developing economies, educational attainment in Ghana is generally low. Approximately 31 percent of all adults have no formal education. Despite efforts of reducing poverty, it is believed that approximately 28% of the population are living below the internationally-accepted poverty line of \$1.25 a day.

Ghana was the first Sub-Saharan African country to gain political independence in 1957. The political history of the country after independence was characterized by long periods of military rule with interlude of civilian governments not lasting for three years before their overthrow. However the political scene saw a change in the early 1990's when a successful multiparty election was held in 1992. This process has since continued with a record of five successfully held elections and a sixth set of Presidential and Parliamentary elections are expected in December 7, 2012.

It is important to note that the political developments, particularly of the 1980s affected the activities of mass organizations including the trade unions. These organizations were targeted and descended upon heavily by the government. Because the general political atmosphere in the era was dictatorial, the regime did not tolerate any institutions and individuals who expressed contrary views on government policies. This set the base for suppression of human, political and social freedoms of the populace. Labour power in the workplace as an organised force also reduced drastically. The redefinition of the space in which workers and their movements occupied in national development obliterated their role as prime agents for national development.

Social Economic Policy Reforms and Employment

The socio-economic growth path of the country especially after independence has rather been elusive. In the 1960s, the country pursued a two-pronged economic strategy: rapid state-led modernization strategy based on import-substitution industrialization and commitment to a wide range of social welfare benefits designed to improve living standards and providing a foundation for subsequent growth. This resulted in a high per capita income of about US\$1049 and an average growth rate of about 4.1 percent. However, the healthy state of the economy could not be sustained. In the late 1960s for instance, the economy went into a very severe recession. In response, the country pursued a neo-liberal economic reform (i.e. Economic Reform and Structural Adjustment Programs) which has had some positive impact in the area of growth. Economic growth has been even more obvious since 2001, in which period, growth had quickened and remained steady with an 8.4 percent growth in 2008. This impressive growth record was further confirmed by the recent rebasing which estimated a real growth of 7.7 percent in 2010.

In spite of these positive developments, employment generation continues to be a challenge. The implementation of the neo-liberal reforms shows a massive decline in the share of formal sector employment from 18 percent in 1987/88 to approximately 14 percent in 1999 (GSS, 2000). The total effect of the adjustment policies on employment was even more severe when one takes into account the policy of employment freeze that was implemented in the public sector.

In the GLSS V (2005/2006), the overall unemployment rate was estimated at 3.6 percent with approximately 70 percent of the adult population aged 15-64 being economically active⁷. Even though as the unemployment rate is low, the labour situation in the country is characterized by high underemployment. The seemingly low level of unemployment rate in Ghana is due to the large size of the informal sector.

The developments in the formal sector as a result of the neo-liberal reforms retrenchments lead to a decline in union membership density which consequently affected the revenue of unions. This was because trade union activities predominantly centred on formal sector economic

⁷ Either working or looking for work

activities. With the high informalization, trade unions have had to develop new mechanisms of organizing and galvanizing workers in the informal sector.

Even with all these challenges, trade unions in Ghana needed to perform their traditional obligations and at the same time attract new members. Trade unions have therefore introduced a number of services and benefits with the objective of improving the working conditions of their members. Even in the presence of these service and benefits, trade union membership density has been on the decline. There is therefore a need for an introspection to assess the capacity of trade unions in the provision of these services and benefits to their members and also to attract potential members.

Scope of the Study

This report provides an overview of the different benefits and services that are provided by the trade unions affiliated to the two trade union federations in Ghana. The report is divided into five sections. The first section reviews the demographic and socio economic trends in the country and the different methodologies used to get to answer the stated objectives. Section 2 looks at the state of the labour movement in Ghana. Section 3, analyses the effectiveness of services provided by trade unions. Section 4, assesses some benefit schemes instituted and managed by trade unions and section 5 summarises and concludes the study.

Research Methodology

The main objective of the study is to evaluate the ability/capacity of trade unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labour movement in Ghana.

The specific objectives of the study were to:

- i. Identify the services and benefits unions are providing to their members (with special attention to the gender differentials in access to such services and benefits);
- ii. Assess the effectiveness/ quality of trade union services and benefits (where such services and benefits are being provided);

- iii. Assess the relationship between the provision of these services and benefits and membership growth; and
- iv. Assess the effects of the provision of these benefits on the core trade union functions/services.

The main methodology employed in this study was descriptive analysis. Data was gathered from both primary and secondary sources. In the case of primary data, information was gathered through questionnaires and a structured interview guide. First to avoid the issue of biasness, sample questionnaires were sent to all eighteen (18) affiliate unions of the Ghana Trades Union Congress (TUC). After a careful examination of the information gathered from the affiliate unions⁸, a sample of four namely the Ghana Trades Union Congress (TUC), Ghana Mines Workers Union (GMWU), Ghana Agricultural Workers Union (GAWU) and Public Sector Workers Union (PSWU) were selected for the case study. Also included in the case study were two other unions (National Association of Teachers (NAT) and Food and Allied Workers Union (FAWU) outside the TUC's Umbrella. Among the criteria used in selecting the five were membership coverage, data availability and diversity in benefits and schemes to members. The study also interviewed officials from the unions running the schemes as well as some selected beneficiaries.

From the secondary data sources, information was gathered from books, articles, journals and various Collective Bargaining Agreements (CBAs). The use of these sources of information was due to convenience and cost effectiveness.

The State of the Labour Movement in Ghana

Emergence of Trade Unions in Ghana

Organising workers in Gold Coast (now Ghana) started in an adhoc manner in the early to mid-1900s. In 1919, employees of the Public Works Department and mine workers on separate occasions protested against the delay of payment of their wages. Also, domestic servants and teachers organized themselves to fight for their interest (Obeng-Fosu, 2007). There were pockets of agitations from workers, which sometimes resulted in strike actions in the 1920s. Eventually,

⁸ See Appendix 1 for membership density

some trade unions emerged; including the Government School Teachers Union in 1925, the Motor Drivers Association in 1928, Carpenters' Association in 1929, and the Motor Transport Union of Ashanti in 1931. In 1945, fourteen (14) trade unions formed the Trade Union Congress (TUC) of the Gold Coast.

The TUC enjoyed a cordial relationship with the first government of Ghana, headed by Dr. Kwame Nkrumah. Indeed the relationship between the ruling party, the Convention People's Party (CPP) at the time was described as that of Siamese twins. The TUC however suffered a setback after the overthrow of the first government in 1966. In 1971, the TUC was dissolved by the passage of the Industrial Relations (Amendment) Act. It was however restored in 1972 by the second coup maker, General I K Acheampong who overthrew the government of the second Republic.

Again in 1981, the PNDC⁹ government ushered in workers militancy groups. This was the result of the government's call for workers to usurp institutional power and clean their organizations of corrupt and inefficient leaders. Examples of some of these worker committees that emerged included the Workers' Defense Committees (WDCs), the People's Defense Committees (PDCs) and the Association of Local Unions (ALU). In April 1982, the ALU took over the leadership of the TUC but calm was restored to the TUC 10 months later. The TUC has since elected its leadership democratically.

Trade Unions Rights in Modern Ghana

Human and trade union rights are recognized by national legislations in Ghana. Ghana has ratified 50 ILO Conventions including the eight (8) core Conventions. Article 21 (e) of the 1992 Constitution guarantees "freedom of association, which shall include forming or joining trade unions or other associations, national and international, for the protection of their interest". Also both Article 24 (3) of the Constitution and Article 79 (1) of the Labour Act (Act 651, 2003) state that every worker has the right to form or join a trade union of his or her choice for the promotion and protection of his/her economic and social interests. Article 80 of the Labour Act

⁹ The PNDC was formed by a group of army officers who usurped the democratically elected government. It was led by Jerry John Rawlings.

further adds that “two or more people in the same undertaking may form or join a trade union”. However, clause 29 of the Act precludes managerial and supervisory staff from joining or forming a trade union. The Security and Intelligence Act of 1966 also exempts military and paramilitary personnel from joining or forming trade unions.

The Labour Act confers on trade unions the right to enter into collective bargaining with employers. Eligible trade unions must acquire a collective bargaining certificate from the Labour Department. The Act established the National Tripartite Committee (NTC) made up of government, employers and organized labour. The NTC determines the National Minimum Wage (NMW) and advises government on employment and labour laws, international standards as well as industrial relations and occupational health and safety.

Act 651 also established for the first time a National Labour Commission (NLC) made up of two representatives each from government, organized labour and employers. The Chairman of the Commission is jointly nominated by employers and labour. The NLC settles labour disputes through negotiation, mediation and arbitration without recourse to court actions. In the settlement of cases, the NLC has the powers of a High Court to enforce the attendance of witnesses; and its decisions are binding on the parties.

However, implementing these conventions and the accompanying legislations are sometimes confronted with a number of challenges. There are attempts by some employers (largely private employers) to frustrate workers effort to exercise their rights to unionisation and collective bargaining. Another significant challenge to collective bargaining is the inability to extend the benefits to the majority of Ghanaians clustered in the informal sector. Although the National Minimum Wage (NMW) applies to all sectors of the economy, compliance in the informal sector has been low. Non-compliance with labour standards particularly in the informal sector occurs due to lack of enforcement and monitoring. Many workers in the informal sector have little or no knowledge about the labour legislative framework in place.

Limited institutional capacity has been a challenge. The National Tripartite Committee (NTC) and the National Labour Commission continue to be under-funded and suffer human resource

constraints. The NLC until July 2011 had only one national office serving the entire nation¹⁰, hence affecting its capacity. In 2007, the NLC completely settled 215 cases out of a total number of 471 reported, representing less than half (46%).

Trade Unions in Ghana

There are two trade union federations in Ghana: the Ghana Trade Union Congress (TUC) with a total of 18 affiliates and five (5) associate informal sector members and the Ghana Federation of Labour (GFL) with ten (10) affiliates. A number of trade unions/associations are not affiliated to any of the two federations. They include:

- Ghana National Association of Teachers (GNAT)
- Ghana Registered Nurses Association (GRNA)
- National Association of Graduate Teachers (NAGRAT)
- Polytechnic Teachers Association of Ghana (POTAG)
- Ghana Medical Association (GMA)
- Civil and Local Government Staff Association of Ghana (CLOSAG)
- Judicial Services Staff Association of Ghana (JUSSAG)

The TUC remains the largest trade union federation and the mouth piece of organized labour in Ghana. Together, the TUC estimates its membership at about 350,000 (Britwum, 2009). The GFL also estimates its membership at about 10,000 (2009). The other trade unions not affiliated to the TUC or GFL together have over 200,000 members.

Trade union density has declined crudely following the implementation of Structural Adjustment Programme (SAP) in the 1980/90s. This has been a result of the massive retrenchment of public sector workers as part of the SAP. For instance, formal sector employment was estimated to have declined from 464,000 to 186,000 from 1985 to 1991, (Anyemedu, 2000).

Moving from SAP to Poverty Alleviation Strategies during the past decade, the decline in trade union density has also continued. The Ghana Statistical Services (2008) estimated a decline in trade union density from 52 percent to 37 percent between 1998/99 and 2005/06. The continuous

¹⁰ The NLC opened its first regional office in Takoradi, Western region in July 2011.

decline in trade union membership is explained by the subsequent inability of the formal sector to expand. The Government of Ghana implements a freeze on public sector jobs as a way to control the wage bill at the expense of job creation. The private formal sector in Ghana on the other hand has failed to expand and create sufficient jobs. It remains weak in the face of unfair competition with foreign companies and foreign goods and services in the over-liberalized economic environment in Ghana. In 2005, the Institute of Statistical, Social and Economic Research (ISSER) estimated that a total of 4,500 out of 230,000 that entered the job market in 2004 were absorbed by the formal sector. The remaining entrants (98 %) either remained unemployed or engaged in informal activities. So far the trade unions' efforts to organize the informal sector have yielded very little results.

Leadership and Governance of Trade Unions in Ghana

Trade unions in Ghana democratically elect or appoint their leadership. Commonly, quadrennial delegate congress/conferences are held during which national officers are elected. Likewise, local unions democratically elect their leadership on a four year term basis.

Trade unions are governed by constitutions which guide management (usually elected or appointed executives) in making the day to day decisions for the running of their unions. The unions are run on membership dues, which range between 1- 3 percent of gross salaries of members' deductible monthly. Federations such as the TUC and GFL receive a portion of dues (e.g. 30 percent) deducted by affiliate trade unions from their members. Dues collection from formal sector members is through a check-off system. Some informal sector members may pay fixed amount on monthly basis. For instance, self-employed members of the General Agricultural Workers Union (GAWU) paid monthly dues of GH¢1.20 (2009). Dues constitute about 80 percent of revenues of trade unions¹¹. Trade unions may also receive donor support (mostly from trade union bodies in the developed countries) or receive payment for providing specific services outside their traditional functions. They have affiliation with regional and international bodies such as the International Labour Organisation, the International Trade Union Confederation (ITUC), the Global Unions and the Global Network to mention but a few.

¹¹ About 82 % of the TUC's revenue between January and September 2009 were realized from dues. Similarly about 83 % of GAWU revenue in 2009 was realized from dues.

Through solidarity, many trade unions have secured resources from such international or regional bodies.

The financial strength of unions depends largely on their membership and non-traditional services and activities they may be involved in. Many trade unions have assets including buildings (office space for own use or renting, guest houses) and vehicles. These are sometimes rented out to raise revenue.

Services and Benefits Provided by Trade Unions

The main services provided by trade unions in Ghana can be put into three namely: collective bargaining, legal representation and education and training and research.

Collective bargaining

The right to organise and do collective bargaining¹² is one of the core conventions of the ILO. Ghana ratified the ILO convention in 1957 and has since provided a legislative and institutional framework for collective bargaining. Collective bargaining is either bipartite where an eight member Standing Negotiation Committee (SNC) or Joint Negotiating Committee (JNC) made up of representatives of the trade union and the employer or tripartite which are represented by the National Tripartite Committee (NTC).

In Ghana, a typical bargaining agreement spans an average of two years. The agreement may contain both monetary and non-monetary benefits. Among the monetary benefits are wages and salaries, conditions of service, allowances and bonus. Among the non-monetary benefits are social security (pension), provident fund, free medical care for employees and their close relatives (spouse and children), interest-free loans, education bursaries (for employees and dependents), free or subsidized transport and housing, maternity leave with full pay, paid annual leave, paid bereavement leave, paid casual leave, paid sick leave, funeral undertaking allowance, meals allowance, long service award, overtime, and severance award¹³. One striking observation in the sampled agreements was the provision of a two weeks paternity leave from the Ghana Agricultural Workers Unions (GAWU) which was absent in other unions.

According to the unions, negotiating for better conditions of service and at the same time achieving industrial harmony were their major priorities. For unions therefore, collective bargaining is an important avenue for advancing their agenda in areas such as organising and retention of membership. Even though information on wage levels was difficult to collect, it was generally observed that some unions have been innovative and managed to gain consistent increment for their members' wages whilst others have remained constant. According to the

¹² ILO Convention 98

¹³ These contents are analysed under the benefit.

GMWU, the introduction of ‘Agenda \$500’ in 2009 into their CBAs has resulted in an improvement in the industry’s average minimum wage from \$180 per month in 2008 to about \$400 per month as at 2011. The union is hopeful that by the end of 2012 the basic pay of members would have reached the \$500 per month benchmark. In order to cushion members from the effects of exchange rate volatility, the union has also negotiated for a salary indexation clause where salaries of members are determined in dollar equivalence.

In the case of GAWU, the rates of wage appreciations through negotiations have remained around 20% and 30% between 2009 and 2011 for its members. The union attributed the situation to the time variations in negotiation which was directly linked to the seasonal nature of the sector. For instance negotiations at the beginning of the peak season appear to be more rewarding than in the lean seasons. A typical example is with workers in the oil-palm industry where negotiations between the months of July to December tend to yield almost zero results because it is a lean season and employers believe that the loss of workers may not affect the operations of the industry.

Still on wages, it is worth mentioning the important role played by TUC together with other public based workers’ associations in the process of salary negotiations in the public sector. The TUC has consistently insisted on all governments to address the inequalities in public sector pay. Through the process of negotiations, the public sector has witnessed some significant changes in wages. For instance in 2000¹⁴, the basic salary in the public sector was only \$17 per month. It increased to \$22 per month in 2001 and to \$24 in 2002. It reached the one-dollar-a-day benchmark in 2003 and increased to \$41 per month in 2005¹⁵.

Again the TUC has been actively involved and committed to the implementation of the Single Spine Salary Structure (SSSS)¹⁶. Since the introduction of the reforms, organised labour has been engaged in the processes to prevent previous encounters where unions have come on board too late to make an impact. As at June 2011, about 68 per cent of public sector workers have been

¹⁴ Baah (2006)

¹⁵ The minimum wage for 2006 is ₦16,000 per day or ₦432, 000 (US\$47) per month

¹⁶ The new pay policy is a unified salary structure that places all public sector employees on one vertical structure, making sure that jobs within the same job value range are paid within the same pay range.

migrated onto the SSSS. Organized labour has raised a concern about the need for government to fast track the process of migrating the remaining 32 percent unto the spine.

Even though organized labour is in favour of the common salary structure, there are also concerns that when completed, this could have implications for individual collective bargaining agreements for the sector unions. According to Britum (2009), the SSSS will further reduce avenues for public sector based unions to exercise their major function of salary negotiations. In response, union leaders are of the view that the SSSS would not undermine collective bargaining agreements since they take on board other conditions of service, beyond salaries, that fall outside the ambit of the reforms.

Despite the successes made by unions in collective bargaining, there are a number of challenges. Some of these challenges were intra-union and inter-union in nature. Among the intra-union challenges were the increased presences of worker heterogeneity. This is when both full time and casual employees exist in one work place with differences in their concerns. For instance, while some may be more concerned with overtime, others may be worried about performance contracts. In such situations, unions find it difficult to galvanize them for effective negotiations.

Another challenge is information asymmetry, where some employers refuse to disclose important information which is relevant to the subject matter of negotiations as required by the labour laws of the country. Consequently workers and their unions negotiate from a position of weakness because they are denied the information needed for effective negotiations. According to the unions, one of the ways to address such a challenge is to rely on other sources for information. Even when this information is gathered, it takes a lot of education for their members to appreciate the data. In some cases after negotiations have been completed and an agreement reached, some employers blatantly refuse to abide by the tenets of the agreements.

There is also the lack of effective coordination among the unions. The bargaining process is often dominated by political figures who might not necessarily be knowledgeable in the subject matter of negotiations. Members with professional and technical expertise do not get the opportunity to be part of negotiating teams.

On the inter-union challenges, it was noted that individual unions operate in isolation. Unions do not capitalise on their individual differences in membership strength and technical abilities to assist each other. Some unions appear to have better negotiators than others and one would expect information sharing and technical assistance from such unions.

On the part of beneficiaries, the process of collective bargaining has generally presented a medium through which their needs are addressed. Members mentioned salaries, hours of work, overtime, allowances, leave, uniforms, misconduct, grievances procedure, retirement and retrenchment to mention but a few as the main content of their CBAs.

Members generally acknowledged their wage appreciations over the period but also appealed to their unions to step-up their efforts with some non-wage benefits particularly with rents. This was because close to 80% of members interviewed did not enjoy subsidised housing allowances. For these members, the scramble for rental apartments coupled with arbitrary charges by landlords is worrying for the average worker. Even though the majority of them acknowledged the presence of loan facilities by their unions and their companies, the challenge had to do with the accessibility criteria which they believe does not benefit the masses. One member shared his experience;

“How can a worker like me who earns Gh ¢ 300 – Gh ¢ 400¹⁷ per month be made to pay a rent advance for two years of Gh ¢ 960 for 40 per month for a single room. I also have my wife and a child with me. The worst part is that some landlords even go so far as to charge in dollars.” Stated a Respondent

With respect to working conditions, it was revealed that the majority of members worked for eight hours a day and forty hours per week which is in accordance with Section 33 of the Labour Act (2003).

Even though members acknowledged the wide coverage of their CBAs, they were also concerned with the implementation of some provisions in the CBAs. Most of their concerns centred on health and safety and training. More than half of the members believe that they were exposed to hazards of noise, excessive heat/cold, chemicals, radiation, typhoid fever or malaria

¹⁷ Exchange of ¢/\$=1.5

just to mention but a few. For them, inadequate training on the use and dangers of equipment and the absence of first aid in some cases tend to worsen the plight of workers.

Generally, members recognised the efforts by their unions in getting them to understand the processes and contents of their collective agreements. In spite of this assertion, it was generally observed that apart from the wage benefits in the agreements, members had limited or no idea about the other non-wage benefits contained in the agreements. In the words of one beneficiary in the GMWU:

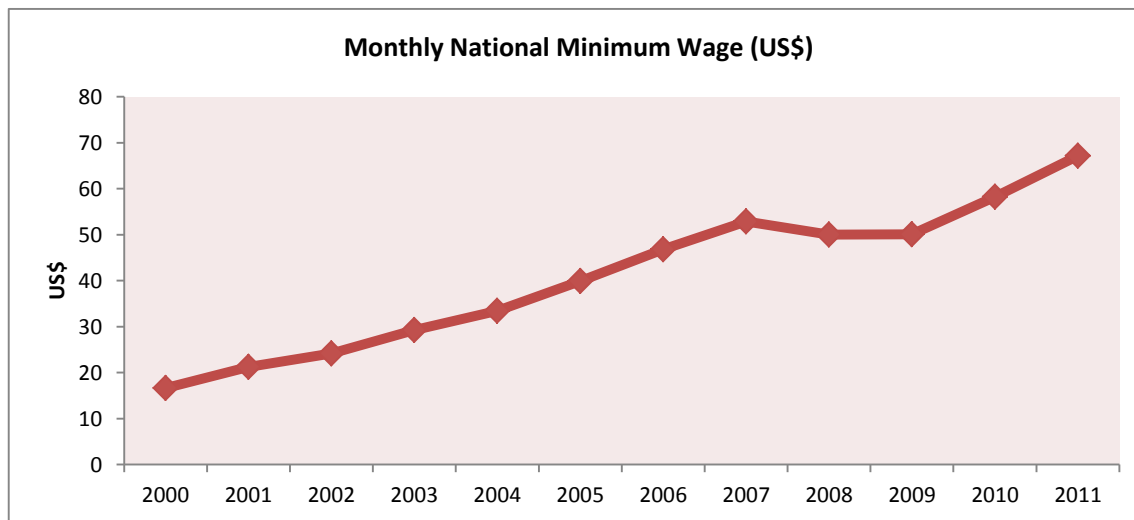
“This interview has exposed my lack of knowledge regarding the contents of the collective bargaining agreement and so I have to do more to understand them” Stated a Miner

Representation

The use of collective bargaining as a tool by trade unions to promote workplace cooperation is directly linked to the union's representation of their members. This means that a successful implementation of the agreements reached through collective bargaining depends largely on the union's representation. This study examines the TUC representation as an umbrella body and the legal representations by other trade unions on behalf of their members.

In Ghana, the TUC is one of the main pillars of the NTC that determines the minimum wage which serves as a catalyst to CBA negotiations by the unions. Even though the government reserves the right to determine the national minimum wage, efforts are made to reach a consensus during discussion with Tripartite Committee on Salaries and Wages¹⁸. Union negotiators always use the minimum wage as a benchmark in their negotiations. As depicted in Figure 1, the average monthly minimum wage increased from US\$ 27 between 2000 and 2005 to US\$ 54 between 2006 and 2011.

Figure 1: Trend in National Daily Minimum Wage (2000-2011)



Source: Author's Calculation

¹⁸ Made up of Government, Ghana Employers Association (GEA) and organised labour groups (i.e. the TUC, GNAT and Civil Servant Association)

The TUC is also represented on a number of state Boards and Committees that deal with matters of concern to workers. Notable among these boards and committees are the National Pensions Regulatory Authority (NPRA) which ensures efficient, effective and equitable development and administration of pensions in Ghana. The Social Security and National Insurance Trust (SSNIT) is in charge of administering social security fund for all workers in the country. As part of the SSNIT board, the TUC has constantly expressed concern at the apparent mis-management of contribution to the Social Security and National Insurance Trust and has noted that this does not only make the benefits under the Scheme inadequate but more importantly, puts the sustainability of the SSNIT Scheme into question (Kumado et al, 2003). It is against this backdrop that the TUC welcomed the New Pension Scheme (i.e. the Three-Tier Pension Scheme) which took effect from January 2010 and aims at extending the coverage of pensions to unprotected working Ghanaians.

Other boards are the Ghana Statistical Service (GSS) which among other functions is mandated to collect, compile, analyze, publish and disseminate official statistics and advise the government on all matters relating to statistics. The Public Interest and Accountability Committee (PIAC) is an independent committee set to monitor the use and management of oil revenues. In line with this, the TUC has developed its policy on the use of the oil revenue. Specifically the TUC holds the position that the oil revenue must be used in funding specific projects and programmes within a national development framework.

The TUC is also represented on the Divestiture Implementation Committee (*DIC*), the Council for Technical and Vocational Education and Training (*COTVET*) and the National Vocational Training Institute (NVTI) to mention but a few. To a large extent, the presence of the TUC on these boards has been instrumental in ensuring that decisions taken are in the interest of workers.

Apart from representation by the TUC, trade unions also provide legal representation on behalf of their members who suffer from any form of violation at the work place. In general, the study found a number of violations such as zero tolerance for trade unions at work places, hiring and firing of activists and sexual abuse at the work place. To address some of these challenges, it was found that for the most part, unions resort to the NLC or JNC/SNC for resolution. In other cases

they embark on demonstrations and strikes to back their demands. Depending on the level of consultation, unions sometimes ask for adjournment to undertake research on the issues at hand. A typical case between GAWU and the ‘Golden Exotics Limited’ took close to three years for an amicable conclusion to be reached. This is shared in the text box below:

The case of Golden Exotic Limited

The company was established in Ghana in 2005 and a year later, GAWU obtained a Bargaining Certificate and successfully negotiated a Collective Agreement with the management of the company on behalf of the workers. On January 30, 2008, the local union officially wrote to the General Secretary to complain about the practice whereby management was using 21 days to calculate the monthly pay of the workers, which was creating tension at the plantations. The local union suggested that management should be impressed upon to use 27 days instead. A meeting was arranged with management on February 4, 2008 but no agreement was reached as management needed more time to study the issue.

The grievance was referred to the SNC to be addressed alongside issues on conditions of service during the review of the Collective Agreement. At the SNC meeting held on November 26, 2008, the management of GEL explained that they had not denied any worker his or her right under the Labour Act. Management considered the Union’s demand for 27 days to be used to calculate workers monthly pay as inconsistent with the Labour Act 651. The attention of the SNC was focused on how to stop the strike action of the workers from continuing in order to prevent further losses to the company as production had come to a halt. The strike action by the workers lasted for 7 days regardless of the intense effort by the Union to get the workers to call it off. In their anxiety to have the strike stopped, the management of GEL per letter AC09/081 dated January 26, 2009 reported the case to NLC which ruled against the Union’s position.

The Union viewed the decision of the NLC as a miscarriage of justice and therefore vowed to fight on until justice was done. For nearly one year of research and preparations, the Union on March 12, 2010 wrote to the NLC requesting it to review its own ruling that granted that the management of GEL did not err in law and in practice by not using 27 days to calculate the workers pay. After meetings with management and Union on May 24, 2010, the NLC ruled that

the workers were on annual salary and their monthly pay shall be determined by dividing it by 12 months. An extra pay for overtime based on the monthly pay shall be paid to workers who do overtime. However, workers who absent themselves from work shall lose a proportionate pay deduction for the number of days they stayed away from work.

With regard to zero tolerance for trade unions at the work place, a classical example is found in the case involving Blue Skies Products (Gh) and FAWU of GFL. Blue Skies Products (Gh)¹⁹ Ltd is a fruit processing company established in Ghana in April 1997 and employs over one thousand workers. The FAWU of GFL organized the workers and was issued with the Collective Bargaining Certificate in February 2004. Since then the company has refused to allow the unionization of the workers, and as the NLC was adjudicating on the dispute, the company filed multiple suits at the High Courts in Accra to stall the process at the Commission. Currently the company has imposed an Enterprise Based Union which is being resisted by the workers. While the case remains in court, workers of the company will continue to work without a common voice. In 2009, the company embarked upon a redundancy exercise in February and paid non-negotiated benefits to the affected workers.

In another case involving the National Health Insurance Authority (NHIA) and UNICOF, it was established that in 2010, a union leader of the NHIA workers' union was dismissed for comments he made about the closure of some NHIA offices and some cash flow problems facing the health insurance scheme. By way of representation, UNICOF ensured that the victim was recalled. In the words of the general secretary

“UNICOF pointed out the wrongful nature of the dismissal and called for the immediate reinstatement of Mr. Kwabena Bobie failure of which they threatened industrial action. In a representation to management. the Union maintained that Mr. Bobie had acted for and behalf of the Union and therefore mgt. had no basis to terminate his appointment, which is supported by law. Subsequently, Mr. Bobie was reinstated but put on interdiction pending further investigations into the allegation”,

stated Bro. Francis Kofi Davoh

¹⁹ a subsidiary of Blue Skies Holdings UK

With regards to sexual violation in the workplace, the study gathered that such abuse was generally rare or did not exist. The low rate of reported cases is to a large extent a reflection of the situation in the national economy. Although sexual harassment is very prevalent in Ghana, a great majority of the victims do not formally report their experiences to their union leaders or other superiors for redress. About 95% of the cases go unreported (Andoh, 2001). Most victims try to handle the issue on their own for a variety of reasons, including the social stigma attached to harassment cases, the fear of the consequences of reporting, the high ignorance of human rights among employees, the unprofessional and insensitive manner in which complaints are generally dealt with in organisations, and the lack of laid down channels for filing complaints of sexual harassment. Despite these challenges, it was found that unions on their own had some mechanisms to handle such issues when they occur. First, unions conduct their own investigations before proceeding for justice. One of such cases occurred in GAWU when a female member accused one of the managers of sexual advances. Management denied the case and terminated the victim's employment. The union took the case up and ensured that the victim had her entitlements for both termination and redundancy.

On the part of victims or beneficiaries, the study gathered that the length of time in resolving some cases had huge costs on the victims who sometimes have to stay home without any financial support while awaiting investigations. Some also pointed out the emotional and physiological effects which impact negatively on their performance when they are recalled.

Again beneficiaries and victims were of the view that trade unions must show a lot more solidarity when it comes to representation against abuse. For instance the cases of Blue Skies, Gold Exotics and NHIA among others must not be left to FAWU, GAWU and UNICOF alone but needs support from all unions and especially the TUC.

Some members were also concerned about the silent nature of the TUC on some issues of national concern which affect all workers. One member summed up her frustration in the following words:

“You mostly hear about the TUC when it’s about salaries or ‘bread and butter’ issues. I believe the TUC must make regular and public comments/statements on issues such as the commercial banks response to policy rates, the human rights policy for gay/lesbian and how this can affect the society with particular reference to children of workers. I also expected the TUC to have made a statement about recent occurrences of factory accidents particularly among workers of Tema Steel Works Company. I think the TUC’s silence on these issues is worrying and driving away some potential members who think the unions have little to offer.” Stated a non-unionised member

Education, Training and Research

In addition to the traditional services of collective bargaining and representation, trade unions have also shown evidence of high commitment of educational support and training for their members. Unions have negotiated educational bursaries both for their members and their immediate families. Unions also offer in-house or in-service training to create awareness of issues in the labour movement and to equip members for effective union activism. About 80 percent of the agreements sampled for this report have provisions that require employers to offer in-house training to their workers.

The TUC as an umbrella body has set up an educational college with the mandate of providing both trade union education and academic education to union members. In trade union education, members are generally provided with basic knowledge in trade unionism. With donor support and the assistance from the educators’ network (i.e. resources persons selected from the national unions); the TUC has been able to conduct programs on labour market, economic and social issues by holding policy discussion seminars and workshops.

The TUC also carries out weekly educational programs (known as the Workers Link) on a state radio where work-place issues are discussed. The study however found that the level of awareness among union members and potential members was low. This was mainly attributed to the use of a single medium of exchange. The recent growth in radio and television stations, calls for the TUC to broaden the scope of the program by involving other radio and television stations.

With academic education, the study found that in 2001 and 1999, the TUC in collaboration with the University of Cape Coast, launched the Certificate in Labour Studies (CLS) and Diploma in Labour Studies (DLS) respectively with the broad objective of enhancing and facilitating the understanding of the theory and practice of labour relations in Ghana and internationally. Specifically, the program is expected to develop the capacity of candidates to enable them to effectively influence the socio-economic and political conditions at the workplace and within the larger society. The program is largely for trade unionists (i.e. policy makers, negotiators, educators, organizers, researchers and other activists), industrial relations officers, Human Resource Personnel and persons interested in labour issues.

Beneficiaries interviewed were generally happy for the knowledge gained in support of their career advancement and academic pursuits. According to them, the skills acquired are valuable in their job performance and are applied to a very high extent.

In spite of the enormous benefits of the programs, available data suggest that the trend of enrolment into the CLS as depicted in figure 1 has been declining especially from 2009 to 2011. Some of the factors cited for the slow decline include the inability of unions to support more of their members and also the lack of extensive publicity for the program. In 2011 enrolment, all the unions with the exception of TEWU²⁰ sponsored at most one member for the CLS programs. For these unions, the total admission fees together with other logistics are quite high hence their inability to sponsor more members per academic year.

Other unions also indicated their readiness to increase their membership enrolments but complained of the lack of management commitment to allow employees to participate in the program. Employees on the other hand also complained that the duration and lecture times make it practically impossible for them to participate. Such members were hoping for lectures to be conducted at weekends to enable them to participate.

We also found that non-unionized members had limited or no knowledge of the programs. For such students their main source of information about the program was mainly through friends

²⁰ Sponsored a total four members

who might have benefited. For those who have enrolled, their major challenge is the fees they have to pay. A student shared her experience;

“I believe the program was very useful since I had the opportunity to learn about labour related issues for which I had virtually no idea. A friend told me about the program. However I must admit that the fees were too much for me. I was a pupils teacher when I enrolled for the program and I remember spending about Gh¢ 1, 900 on fees and other logistics including accommodation and food”, stated a DLS student 2007/08 year group

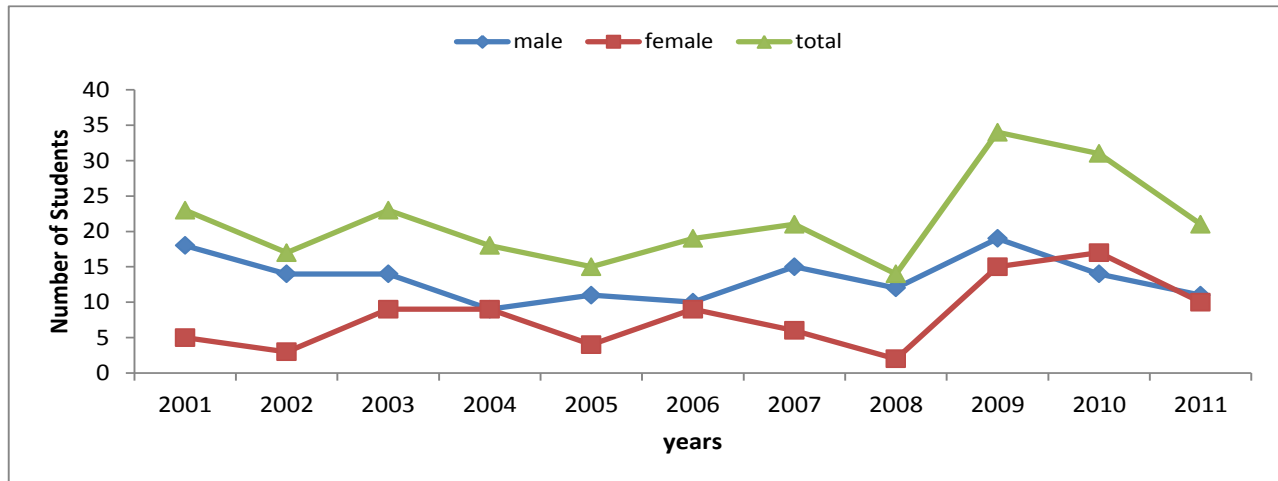
The program also appears to have less impact on female participation than male. Even though the TUC has subsidized the fees for females in the CLS program to encourage their participation, this has had little impact. This notwithstanding, female enrolments have improved on a year-to-year basis. Perhaps this reflects the general trend of male dominance in trade union activities.

It was also established that just a sizeable proportion of the beneficiaries believe that the programs has contributed to their promotion at their place of employment.

Apart from the academic education, the TUC has also established a research and policy institute responsible for providing relevant and timely information/data required for effective bargaining and general understanding on the labour market in Ghana. In line with this a number of research projects and activities have been conducted in the areas of social protection, economic reviews and labour market analysis.

To complement the works of the TUC, the study found that most unions were engaged in a number of in-house training programs for their members. Some of the training programs include leadership training, workers’ rights and productivity as well as voluntary counselling and testing exercise for workers with HIV/AIDS and other viral diseases. Available information from the GMWU for instance shows that an estimated 284 (73%) branch executives out of 340 have benefited from various leadership training programs. Similarly about 5,000 miners and their wives together with other dependents have benefited from a free voluntary counselling and HIV/AIDS testing exercise in the Obuasi community of the Ashanti region. Similarly about 53 percent of members of GAWU have benefited from agricultural programs to promote increased productivity.

Figure 2: CLS Enrolment Trend

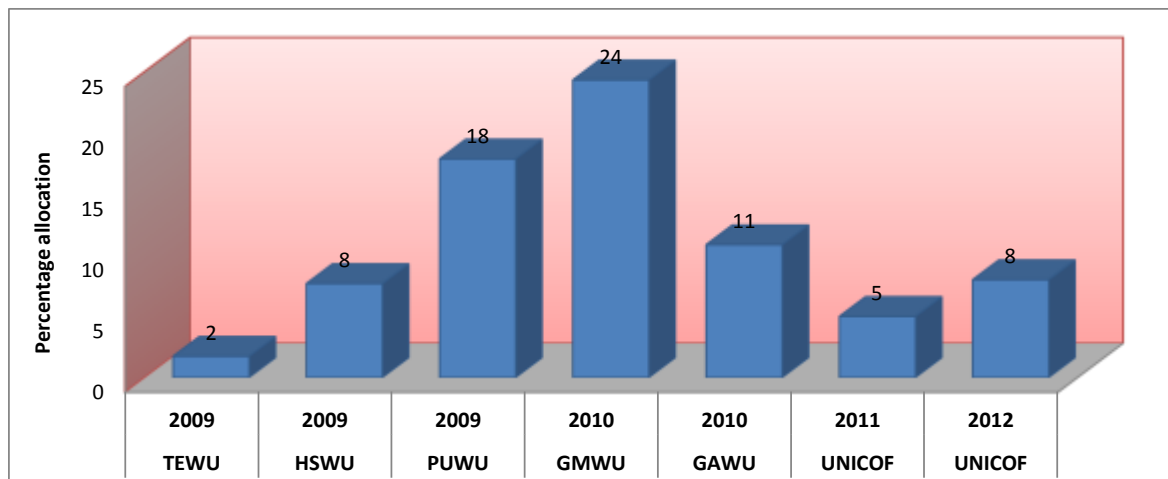


Source: Education Department-GTUC

Budget Allocation to Education

In order to exhibit trade unions' commitment to education and training, our study examined the budgetary allocation among the individual unions. Even though all unions had budgetary allocation to education and training, it was obvious that some allocations were relatively insignificant compared to their total annual budget. Some unions cited low dues collection as a result of low membership density as a reason for their low budgetary allocations. Despite these challenges some unions were committed to improving their budgetary allocation in subsequent years.

Figure 3: Budget Allocation to Education



Source: Various National Executive Committee (NEC) Reports

As shown in Figure 3, national unions like GMWU and GAWU committed as much as 24 percent and 11 percent respectively of their annual budget to education and training in 2010. PUWU, HSWU and TEWU on the other hand committed 18 percent, 8 percent and 2 percent respectively in 2009. UNICOF increased its allocation by 2 percent from 5 percent in 2011 to about 5 percent for 2012. The TUC as the umbrella body committed about 38 percent of its budget in 2010 for education.

Benefits provided by Trade Unions

Statutory and Non-Statutory Benefits

The relatively low wages in Ghana compared to other countries even in the West African sub-region justifies the need for non-wage benefits. Quite remarkably, the 2003 Labour Act, mandate the provision of certain benefits from employers to their employees. These include paid sick leave, paid maternity leave, paid overtime work, social security contribution (for old age, disability and death contingencies) and severance pay in case of redundancy. The Workmen Compensation Act of 1984 also requires employers to compensate employees who suffer injury in the course of performing official duties.

In addition to these statutory benefits, trade unions have through collective agreements supplemented the benefits accessible to their members. Otoo et al. al. (2009) notes a strong and positive relationship between unionization and access to benefits in Ghana. Baah (2005) found that unionized workers are more likely to have access to the major non-wage benefits such as pension, medical care, paid sick leave, paid holiday and provident fund compared to their counterparts in non-unionized sectors.

A typical collective agreement of unionized workers in Ghana shows a range of non-statutory benefits to include provident fund, free medical care for employees and dependents (e.g. spouse and children), interest free loans, education bursaries (for employees and dependents), free/subsidized transport and housing, funeral grant, paid casual leave, free/subsidized meals and long service awards among others as shown on Table 1.

Table 5: Benefits Common to Unionized Workers in Ghana

Statutory Benefits			
1	Social Security (pension)	4	Paid Annual Leave
2	Paid maternity leave	5	Work injury compensation
3	Paid sick leave	6	Paid overtime
4	Severance Pay		
Non- Statutory Benefits			
1	Provident Fund	20	Standby allowance
2	Free Medical care	21	Transfer allowance
3	Loans	22	Night duty allowance
4	Education/training bursaries	23	Shift allowance
5	Free Transport	24	Unsociable working allowance
6	Leave travelling allowance	25	Acting allowance
7	Rent/ housing allowance	26	Responsibility allowance
8	Clothing allowance	27	Shift work allowance
9	Bonus	28	Fuel allowance
11	Severance Pay	29	Vehicle maintenance allowance
12	Maternity leave with full pay	30	Paid bereavement leave
13	Childcare services	31	Casual leave
14	Free /subsidized meals	32	Study Leave
15	Funeral Undertaken Allowance	33	Funeral undertaking allowance
16	Transfer allowance	34	Long service award
17	Standby allowance	35	Out-of-station allowance
18	Travel allowance (local and international)	26	Hospitality allowance (for high level officers)

While some of these benefits (e.g. medical care) have unconditional access for all employees, others (e.g. housing) are restricted to a few. The conditions may include the number of years of services to employer, position or responsibility within the organisation.

The above listed benefits (both statutory and non-statutory) are usually covered by collective agreements. Beyond collective agreements however, some trade unions in Ghana have instituted schemes providing additional benefits to their membership.

Non-traditional Benefits Schemes instituted by Trade Unions in Ghana

The three common non-traditional benefits trade unions in Ghana provide to their membership are discussed below:

Welfare Schemes

Most trade unions provide welfare benefits to their membership on occurrence of life contingencies such as death and incapacitation as well as property losses resulting from natural disasters including floods and fire outbreak. Death benefits or funeral grants are provided to members who suffer loss of a close family member usually a spouse, child or parent. Welfare benefits are usually financed from the general revenue (dues) of the trade union. Few unions (e.g. PSWU) have instituted contributory schemes from which welfare benefits are paid. In such a situation, the benefits are limited to members of the scheme.

Credit Schemes

Loans or hire purchase arrangement are facilitated by trade unions in Ghana for their members. With regards to loans, some unions (e.g. GNAT, TEWU, GMWU, and PUWU) and the TUC have established contributory funds or credit unions from which members can borrow. Members may only be allowed to borrow equivalent to their contribution or more depending on the rules governing the scheme. Other trade unions facilitate linkages with private institutions (banks) to provide loans for their members. With this arrangement, the members' provident fund (where applicable) is used as a guarantee for the loan. Hence, the value of a members' provident fund determine the size of the loan.

Hire purchase or consumer credit arrangements are facilitated by trade unions to enable members' to acquire the use of household items or land for residential building. The GPRTU and the GNAT for example have hire purchase arrangements that enable members to acquire

commercial/personal vehicles. The FAWU of GFL also facilitates credit agreement with private real estate developer to enable its members to acquire residential plots for building. Credit schemes came up as one of the most challenging ventures unions have pursued. Most credit schemes started by unions became unsustainable due to poor recovery rates. The GAWU, FAWU and NUS had similar experiences to share.

“CSA Belgium assisted us with a revolving fund for our organized rice growers at Asutuari. The primary purpose of the loan was for the purchase of fertilizers and seeds but most people misused the facility. They used the loan for personal expenditure that had no returns. The young men used the money to marry, so they couldn’t pay back and the scheme collapsed”, stated the General Secretary of FAWU.

Provident Fund/Retirement Benefits

Aside from enterprise-based provident fund, some trade unions have instituted provident fund schemes for their members. Usually, members contribute a fixed amount or a fixed percentage of their wage paid through the check-off system. Trade unions instituted provident funds are either mandatory (GRNA) or voluntary (GNAT, GMWU, TEWU and PUWU) for members. Other trade unions (GRNA and PUWU) provide non-contributory retirement benefits in lump sum to members.

Table 6: Non-Traditional Trade Union Benefits Schemes in Ghana

Name of Trade Union	Benefit Scheme	Nature of Benefit
Ghana TUC	Labour Enterprise Trust Credit Union	Shares Savings and loans
Ghana Mine Workers Union (GMWU)	Housing Scheme	Home loans
	Scholarship Scheme	Paid tuition fees for dependents
	Development Fund	Education infrastructure
	Revolving Microfinance Fund	Subsidized interest loans
	Hardship Fund	Income support on strike action
	Funeral Undertaken	Funeral grant
Civil and Local Government Staff Association (CLOSSAG)	Medical Care Scheme	Medical care
Teachers and Education Workers Unions (TEWU)	Medical Care Scheme	Medical care
	TEWU Fund	Subsidized interest loans
Public Services Workers Union (PSWU)	Development and Social Services Fund (DSSF)	Training
Communication Workers Union (CWU)	Welfare scheme	Relief items and cash
	Parting gift	Gift
	Sponsorship	Education
	Insurance	Life policy
Ghana Private Road Transport Union (GPRTU)	Hire Purchase Scheme	Vehicle acquisition
	Welfare Fund	Funeral grant and subsidized interest loans
Public Utility Workers' Union	PUWU Fund	Pension and soft loans
Judicial Service Association of	Provident Fund	Pension income

Name of Trade Union	Benefit Scheme	Nature of Benefit
Ghana (JUSAG)		
Ghana National Association of Teachers (GNAT)	Teachers Fund Credit Mall	Personal and vehicle loans Home wares & equipment
Ghana Registered Nurses Association (GRNA)	Provident Fund Non-contributory retirement benefit	Retirement benefits
Food and Allied Workers Union (FAWU) of GFL	Two-eyed project (a loan scheme for land acquisition)	Land

Source: Survey Data, 2011

Case Studies of Benefits Schemes established by Trade Unions

a. Labour Enterprise Trust (LET)

The Labour Enterprise Trust (LET) was established in 1998 and began full operation in 1999. The LET was established by the TUC to create employment to counter mass public sector lay-offs that was being pursued as part of the Structural Adjustment Programmes (SAP). The initial capitalization of LET was raised through share offer to the members of the TUC: affiliates and their individual members. Although all shareholders were expected to be issued share certificate, some members claim they did not receive their share certificates. The TUC had hoped to raise about 25 billion cedis (GH¢ 2,500,000) from estimated membership of about 500,000. Members were allocated 100 shares at 50,000 cedis (GH¢5). The payment for the shares were spread over 20 month period and deductions made through the check-off system. However, only five billion cedis (GH¢500, 000) representing 20 percent of the expected initial capital was raised by the 20th month.

The TUC carried out a feasibility study to identify viable projects and these included:

- Unique Insurance Company
- Radio taxi services
- City car parks and
- Water tanker services.

About 85 percent share of the Unique Insurance Company is owned by the LET (i.e. by shareholders who are members of the affiliates) while the remaining 15 percent is owned by the TUC affiliate unions. The LET owns a 20 percent share in the Accra City car park together with four other shareholders. It also owns 5 percent shares in the United Bank of Africa (UBA) Ghana Ltd. Other enterprises such as the radio taxi and the water tanker services are wholly owned by the LET. A consumer credit enterprise was also instituted in 2005 but this was suspended in 2008. The LET encountered difficulties in recovering payment for goods sold on credit. The difficulty related to weak staff strength of the LET to facilitate recovery, hence the closure of the consumer credit scheme.

“The customers were located all over Ghana and so it was difficult collecting payments due to the weak staff strength of the LET”, stated a LET respondent.

The intended benefits of these projects were to pay dividends to shareholders who are the affiliate unions of TUC and their individual members. Shareholders were also expected to receive subsidized services in some cases. For instance, the water tankers services target deprived communities and supply water at a subsidized rate. Members purchasing insurance products from the Unique Insurance are also expected to be given discounts.

The LET-owned enterprises are governed by the Board of Directors who are predominantly the leadership of the TUC. Indeed the Chief Executive Officer of LET is a former Deputy Secretary-General of the TUC. Until 2008, the LET held an annual general meeting which was attended mainly by representatives of the unions. At the 2008 Annual General Meeting however, a decision was made to change the AGM to Bi-annual General Meeting. Presumably, a bi-annual general meeting was due in 2010 but the study learnt that no meeting has been held since the 2008 AGM.

“Representation at AGM was a big issue. Usually union leaders select people to attend. Most members feel they are not being represented well, stated a TUC staff.

“Because of the number of people involved, no hall/conference centre in Ghana can hold us. That is why we only limit it to representation. We [LET] only know the TUC and the affiliate unions as shareholders. The individual members bought the shares through their unions. So we expect that the union representatives would liaise between the LET and them. They should relay relevant information to them from the AGM and likewise receive and forward to us (LET) their complaints”, stated a LET Officer.

A respondent from the LET stated that all the subsidiary enterprises of the LET are viable. By December 2006 the LET had a net asset value of 14 billion cedis (GH¢140, 000) (LET 2006 Annual Report). In other words, the LET had almost tripled its assets in six years. The Unique Insurance for instance has branches in all ten regional capitals in Ghana.

“When they started they were doing well. The radio taxi services were effective. They were the only metered commercial vehicles in Ghana. So most people preferred their services. Later some of the cars were auctioned. Unique Insurance and Unique Life are the only ones that appear to be doing well [viable]”, stated a staff at the TUC.

The respondent from LET added that all subsidiary companies except the City car park have been declaring and paying dividends to shareholders.

“the city car park took three years to complete. In fact it is still work in progress and so has not been able to pay dividends. The other companies began paying dividends by their third year. We pay dividends to the unions expecting them to deliver to their individual members”, stated a respondent from LET.

A total of 100 shares in 2007 earned four pesewas (GH¢.04). This claim was challenged by a shareholder of LET who stated that no dividend had been received since its establishment. A staff of the TUC confirmed that some dividends have been paid in the past but very low.

“The last time I heard about dividends, it was very low; two pesewas (GH¢.02). Another problem was that most of the shareholders have retired. The LET requested national unions to buy off the shares of their retired members at the same price they [shareholders] paid for them. That was a problem”, stated a TUC staff.

The study also gathered from the leadership of the TUC²¹ that Unique Insurance does not appear competitive on the Ghanaian market. Concerns have been raised by customers regarding its inability to pay satisfactory claims. The leadership of the TUC contemplated on how to meet an additional capital requirement imposed by the Bank of Ghana on banking and non-banking financial institutions. While the leadership believed that the LET is incapable of raising the needed capital, it was concerned that, it would lose majority ownership of Unique Insurance if it goes public (i.e. the Stock market) to raise the required funding.

It was also noted that the asset of the radio taxi enterprise had reduced from the initial 21 to 14 cars. A respondent at the LET attributed the reduction to the exchange rate regime but this is

²¹ At the Executive Board Meeting on 30 June 2011

hardly convincing as the taxis have been in operation for eight years and thus were expected to increase the assets of the LET.

“The exchange rate regime in 1999 was such that prices of items changed so quickly. So we always needed to pay more for the same items acquired a while ago. That explains the reduction in our assets. For instance, we could not afford to replace our fleet of cars, so currently we have 14 cars, 7 less than the initial fleet”, stated a respondent from LET.

The study sought to establish if the LET was aware of the level of satisfaction among shareholders with the company’s performance.

“We know they are unhappy. I always tell people who come here complaining that all businesses need some incubation period to recover capital expenditures before they can pay dividends. Unfortunately most people in Ghana do not understand shareholding. They think companies should be able to pay dividends right from the start. This explains the numerous complaints from our shareholders,” stated a respondent from LET.

b. The Teachers Fund Labour Enterprise Trust

The Teachers Fund was established in 1998 by the Ghana National Association of Teachers (GNAT). The Fund is a voluntary retirement fund for members of GNAT. Registered members of the Fund currently pay basic monthly contribution of GH¢10.00 through the check-off system. Members have also the option to increase their contribution²².

Contributions are invested in diversified portfolios including treasury bills, government bonds, listed equities and the real estate. In 2001 and 2007, the Fund established the Credit Mall Ltd (CML) and the Teachers Fund Financial Services respectively as subsidiary companies. The CML operates consumer shops in all ten regions of Ghana providing electronics and household appliances such as television, refrigerators, laptops and satellite receivers among others to customers on credit. The Teachers Fund Financial Services is a non-banking financial institution providing variety of financial products to the general public. Both subsidiaries of the Fund pay dividends which are paid to members as interests on their invested capital.

²² The minimum monthly contribution was increased from GH¢0.10 in May 1998 to GH¢0.50 (¢5,000) in February 2002; GH¢2.50 (¢25,000) in October 2004 and GH¢5.00 in February 2008

Over the years, the Fund has increased its assets and acquired properties including an eight storey office block with a multi-storey car parking facility (the GNAT Heights) and completed a four hostel block at the University of Ghana, both for commercial letting. The Fund is governed by a 15 member Board of Trustees including ten teachers representing the regions of Ghana. The Chairman of the Board is selected by the National Council of GNAT. Two members of the GNAT Council are also represented on the board. In addition, the GNAT appoints three external experts to serve on the Board.

It is a defined contribution benefit which offers a lump sum retirement benefits equal to the total of one's contribution plus interests. Benefits are also accessible on occurrence of death or permanent disability. Registered members on annual basis receive a statement of account detailing their total contribution and interest earned. In addition to the retirement benefit, the Fund provides access to loan products including vehicle, housing, investment and consumer loans. Members of GNAT like the general public also have access to other consumer products through the Credit Mall Limited and the Teachers Fund Financial Services.

In spite of indications that the Fund is making reasonable returns on its investments, some beneficiaries bemoaned inadequate benefits offered by the Fund.

“After 38 years membership with GNAT, I only got GH¢200.00 benefits from the Fund on retirement in 2008. I received my benefit between 8 months- 1 year after retirement. I had to make several visits to their office. I applied just when I was due for retirement. It's not good at all”, stated a retired teacher

Based on information gathered on the basic contribution, assuming the retired teacher above made the basic contribution to the scheme on its establishment in May 1998 until her retirement in December 2008, that gives her total contribution of GH¢170.50. This gives total interest earned over the ten year period as GH¢29.50 representing 17 percent returns²³. Given the high

²³ The basic contribution was increased to GH¢ 0.50 (¢.5, 000.00) in February 2002 and GH¢2.50 (¢25,000.00) in October 2004. In February 2008, the basic contribution was further increased to GH¢5.00 (¢50,000.00).

rate of inflation in Ghana during the period under review, perhaps the respondent has justifiable cause to complain.

c. The Ghana Mine Workers Union (GMWU) Scholarship Fund

The Bissa-Macarthy Empowerment Fund was established by the Ghana Mine Workers Union (GMWU) and began implementation in the 2004/2005 academic year. The establishment of the Fund was motivated by the desire to assist in supporting the education of the dependents of union members. The Fund offers scholarship to the dependents of the members of the GMWU excluding union leaders. Beneficiary children must be ‘brilliant and needy’. The scholarship covers the payment of school fees for dependents in the Senior High School (SHS).

The Fund is governed by an eight-member committee; six of whom are nominated from local unions of the GMWU, one from the national union and an ex-officio member who is currently the Chief Executive Officer of the LET. The committee meets three times in a year and is paid sitting allowance to cover travel and other related cost incurred as a result of attendance. Additional sittings may be held as determined by circumstances.

The management of the scheme is undertaken by the Board and the union (both national and local). While the Board selects and awards beneficiaries during their sittings, local unions are expected to facilitate onward disbursement of the Funds to beneficiary schools within their catchment areas. This has been possible given that management of the Fund does not require day-to-day activities.

Beginning each academic year, union members are notified about the opening of submission of applications to the scheme. Eligible members then complete and submit an application with supporting documents. The selection of eligible applicants is undertaken by the Board. Selection of recipients of the bursary is by merit and on compassionate grounds. On merit, beneficiary children must have earned a minimum aggregate of 13 points from the basic school certificate exams. The requirements include the following:

- i. the length of service of the worker/union member;
- ii. the performance of the worker;

- iii. the performance of the child at the Basic Education Certificate Examination (BECE); and
- iv. Compassionate reasons such as children from rural schools to address rural/urban disparities; or children from single parents; and
- v. luck

Where applicants do not meet the minimum criteria, they may be admitted on compassionate grounds. For instance, the wards of workers who are widowed or whose spouse has been made redundant at work may be considered for the award. It was gathered that gender was not a prime consideration for awarding the bursary to beneficiaries. When quizzed, the Deputy General Secretary of the union stated that:

“We do not discriminate. But you would be amazed at the girls’ performance. Data gathered for an ongoing evaluation exercise shows the girls are doing very well”.

The scheme draws its funding from the following sources:

- i. a fixed sum allocated by the national union on annual basis;
- ii. 2.5 percent of the annual budget of local unions;
- iii. donation from corporate bodies on solicitation; and
- iv. individual donations;

The annual contribution from the national union was increased from GH¢10,000 to GH¢20,000 in 2011. Contributions to the Fund are kept in a separate account at bank and invested in treasury bills. A fixed amount of GH¢150.00 is awarded to each beneficiary per annum; and this is paid directly to the school of beneficiary children. This amount is much lower than the average of GH¢190.00 per term facility user fee paid by students in public schools in Ghana.

“We considered three scenarios. One was to increase the amount and reduce the frequency of the award to three year intervals. That means supporting one group to complete the three year senior high school before awarding new ones. However, we agreed that it is best to reduce the amount and cover 50 children every year”.

In principal, the continued support is dependent on the academic performance of the recipient; hence terminal reports are expected to be submitted to the union for monitoring and continuous

assessment. However this has not been effectively pursued. The scheme aims to cover 50 new students yearly. By the academic year 2010/2011, a total of 291 dependents of mineworkers will have benefited from the scheme.

Summary, Conclusion and Recommendations

Summary of Findings

The findings from the study show that trade unions in Ghana continue to deliver on their traditional services of collective bargaining, representation and education for the members. Some unions that have been proactive and innovative have used collective bargaining as a tool for both wage and non-wage negotiations. Such innovations include the use of the salary indexation clause as a gauge against the effects of exchange rate volatility and the “Agenda 500” which aims at ensuring that no miner in Ghana earns below US\$500 by the end of 2012. There is also the strategy to negotiate for wages using the total cost of production by firms as inflation continues to be on the decline.

The study also showed that generally beneficiaries viewed CBAs as a medium of addressing wage benefits as compared to non-wage benefits. Although members acknowledged the appreciations in their wages over the period, they also called on their unions to step-up their efforts in addressing other non-wage benefits especially rent.

Even though trade unions continue to carry out legal services by representing their members and offering financial support, findings indicate that a number of unionists continue to suffer abuse at their work place. Some employers have resorted to the use of the High Court instead of the NLC, SNC and JNC for grievance settlements. Some of the court rulings have disguisedly given the powers to employers to hire and fire without giving any reasons for the termination of employment.

It was also established that in spite of the ratification of ILO conventions 87 and 98 and the existence of the labour Act of 2003 (Act 651), some employers continue to be intolerant of trade

unions. Workers who attempt to form or join a trade union are either intimidated or dismissed. A good example is Blue Skies Ltd where workers are battling in court for the right to form a union.

Even though this study could not establish a strong evidence of sexual abuse cases among trade unions, there was a general perception that such acts do exist. Victims may not report their ordeal owing to the social stigma attached to such harassments and the fear of losing their jobs. In that regard, it was felt that the silence by the Ghana TUC may be one of the factors driving away some potential members.

The study further established that a number of trade union members have benefited from various educational and training programmes either through academic sponsorships, workshops or seminars. Using the TUC as a case study, the study found out that the establishment of the educational college and the collaboration with the University of Cape Coast have brought labour related courses such as the DLS and CLS programmes to both unionists and non-unionists. Despite its usefulness, available statistics shows a decline in enrolment for these programmes over the years. Some reasons cited were the inability of unions to sponsor more of their members due to fees charged and other logistics. Non-unionised members also complained of exorbitant fees and the lack of publicity of the programmes.

In terms of the benefits provided by trade unions, our results show that unions have instituted and managed a number of non-traditional-benefit schemes to complement those covered in their collective agreements. Notable among these schemes are the welfare schemes, credit schemes, provident fund/retirement benefits, Labour Enterprise Trust, Teachers Fund and the GMWU Scholarship Scheme. Even though a number of such schemes are still functioning, others have collapsed for lack of professional fund managers and high default rates among borrowers particularly with the credit schemes. The success of some schemes like the teacher's fund can be attributed to the professional manner in which the fund is being managed in that their portfolio diversification ensures maximizes returns as well as risk reduction.

Conclusion

The study sought to evaluate the effectiveness of services and benefits provided by trade unions in Ghana to their members as a means to sustain the interest of existing members and to attract new members to the labour movement. The study covered six unions including the TUC and three other affiliates namely GMWU, GAWU and PSWU as well as two non-affiliate unions namely NAT and FAWU. The selection of these unions was after a careful analysis of preliminary data collected from all eighteen affiliated unions of the TUC. The study established that most trade unions in Ghana continue to deliver on their traditional services of collective bargaining, representation and education for the members. The unions also offer non-traditional-benefit schemes to complement those covered in their collective agreements such as welfare schemes and credit schemes; and also that while very few were successful many were fraught with problems. The study recommends strengthening the services, the sensitisation the membership about the value of benefits and schemes, repackaging the various schemes, and co-operation in the deliver of services and benefits.

Recommendations

The following are some of the recommendations arising out of the study

- (1) It was observed that whilst fund managers and trade unions lauded the successes of their schemes, the same could not be said of many beneficiaries who expressed dissatisfaction with the total benefits; much of which were over expectations. In this light, it is recommended that trade unions should educate and sensitize their membership on the principles on which these schemes operate so that there are no false expectations.
- (2) It is clear from the study that there were numerous complaints and seemingly lack of confidence in some of the schemes. It is recommended that trade unions should repackage some of the monetary benefits of these schemes into social investments such as housing, health and education which provide direct benefits to the majority of their members and potential members.
- (3) The study found out that though a good number of unions such as the TUC, GMWU, GAWU and NAT have generally proactive and innovative in seeking the interest of their

members; there was generally a lack of co-operation among trade unions in the conceptualisation and implementation of the various schemes. It is thus recommended that trade unions collaborate more to effectively enhance the collective interest of their members. Unions must learn to capitalise on their individual differences in membership and strengthen their technical abilities to assist each other.

- (4) The study established that even though there is no strong evidence of sexual abuse cases among trade unions, a general perception of such acts does exist. It is therefore recommended that the TUC regularly speak on union violation and other national issues that affect workers in general.

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APPENDIX 1: MEMBERSHIP OF TRADE UNIONS IN GHANA

No.	Trade union	Membership	Year
1	Affiliates of Ghana TUC		
2	GAWU	50,323	June 2011
3	PSWU	26,378	June 2011
4	TEWU	39000	2005
5	HSWU		
6	PUWU	7,000+	June 2011
7	TWU		
8	CWU		
9	GPRTU	120,000	June 2011
10	CBMWU		
11	GTPCWU		
12	GMWU	16,800	
13	MDU	10,000	2009
14	NUS	500	2010
15	REU	152	2009
16	RWU	5,000	2009
17	LGWU		
18	UNICOF	12000	November 2011
19	FUSAG	3,445	2009
	Other unions		
1	GNAT	175,000	
2	GRNA		
3	GMA		
4	POTAG		
5	NAGRAT	13,109	Dec 2005
6	JUSAG	2,000	June 2000
7	CLOSAG		

APPENDIX 2: LIST OF PERSONS/UNIONS INTERVIEWED

No.	Name	Organisation / Position	Contact
1	Mr. Joseph Yartey	LET	0244254055
2	Ms. Christiana Mensah	Retired teacher NAT	0262256723
3	Mr. Paul Addo-Kissi	Teacher ,Otwereso, E/R	0245191316
4	Mr. Fokuoh	Retired GNAT Executive	0242225804
5	Ms. Jane Dampsey	LET Shareholder	0242963160
6	Mr. Kingsley Ofei Nkansah	General Secretary GAWU	0208196994
7	Mr. Edward Kariweh	Deputy General Secretary GAWU	0273419151
8	Mr. Isaac Yanney	Head of Education Unit TUC	0208228230
9	Mr. Baffour Boakye	Head of Administration and Finance GMWU	0277446073
10	Mr. Sampson Agyepong	Researcher Officer GMWU	0272904154
11	Mr. Emmanuel Aboagye	Acting Head, Administration Department - TUC	0208241055
12	Mr. Kenneth Koomson	General Secretary, FAWU-GFL	0247613973
13	Mr. Samuel Owusu	Teacher	0542878467
14	Two Miners	Wilson Baylys Holmes Ovcom (Operating in Brong Ahafo, Western and Eastern Regions)	-
15	Miss. Phyllis Asare	DLS 2007/08 Year Group	0244481639
16	Mrs. Harriet	CLS student 2001 Year Group	0277413180
17	Mr. Michael	CLS Student 2011 year group	0246730605
18	Mr. Alexander Kwadzobu	A non-unionized worker	-
19	Mr. Kofi Davoh	General Secretary UNICOF	0244363046

TRADE UNION SERVICES AND BENEFITS IN KENYA

By

Jane Masta & Mohammed Mwamadzingo

Introduction and Background

Demographic and Political Trends

Kenya has a land area of 592,909 square kilometres and is currently estimated to have a population of nearly 41 million people, representing 42 different peoples and cultures. The country is named after Mount Kenya, a significant landmark and second highest mountain peak in Africa. There are two official languages in Kenya (English and Kiswahili), with numerous indigenous languages.

Kenya is a multi-racial, multi-ethnic nation with citizens of diverse socio-economic, religious and cultural backgrounds co-existing with the collective will of making things better for future generations.

Since independence, Kenya has maintained remarkable stability despite changes in its political system and crises in neighbouring countries. Since the re-emergence of multi-party democracy, Kenyans have particularly enjoyed an increased degree of freedom.

In December 2002, Kenyans held democratic and open elections, which were judged free and fair by international observers. The 2002 elections marked an important turning point in Kenya's democratic evolution in that power was transferred peacefully from the single party that had ruled the country since independence to a new coalition of parties, the National Alliance Rainbow Coalition (NARC) under the leadership of President Mwai Kibaki.

The 2007 presidential elections were largely believed to have been flawed with international observers stating that they did not meet regional or international standards. The election results led to protests that escalated into large-scale violence and destruction of property. Almost 1,000

people were killed and nearly 600,000 displaced. In August, 2010 Kenya held a referendum that led to the adoption of a new constitution. Among other things, the new constitution delegates more power to local governments and gives Kenyans a bill of rights. According to the new constitution, the next general elections are set to be held in August 2012.

Following the adoption of a new constitution, Kenya is now divided into 47 counties that are semi-autonomous. These units are expected to be fully implemented by August 2012. The counties will be governed by elected governors and will operate independent of the central government in Nairobi.

Socio-Economic Trends

The economy of Kenya is the largest by GDP in East and Central Africa and has seen much expansion, fuelled by strong performance in tourism, higher education and telecommunications, and respectable post-drought performance in agriculture, especially the vital tea sector. The economy has also posted tremendous growth in the service sector, boosted by rapid expansion in telecommunication and financial sub-sectors over the last decade. This now contributes 62 percent of GDP. The agricultural sector contributes about 22 percent and employs about 75 percent of the total workforce.

Kenya has traditionally been a liberal market economy with minimal government involvement (price control) seen in other countries in Sub-Saharan Africa. However, recent legislation allows the government to determine and gazette price-controls on essential commodities like maize flour, kerosene and cooking oil.

Kenya's economy grew by 5.6% in 2010, supported by increased demand for Kenya's goods and services by the rest of the world, particularly in the sectors of agriculture and tourism. In the short- to medium-term, the Kenyan economy will need to navigate through difficult economic situations and manage rising inflation caused by higher food and fuel prices. Real GDP growth slowed in the second quarter of 2011 to 4.1% year-on-year, from 4.8% in the first quarter (revised down from 4.9%), Kenya National Bureau of Statistics (KNBS, 2011). The deceleration, which had been anticipated, reflects erratic precipitation during the main rainy season which

adversely affected agricultural production, as well as a more broad-based slowdown in response to inflationary pressures and global uncertainty. The extent of the retreat was highlighted by a steep, 4.6% contraction on a quarter-by-quarter seasonally adjusted basis; the weakest for several years (see Table).

Kenya is known to stand out as one of the top tourists' destination, a factor which is mainly attributed to the resources that it possesses. The major attractions include memorable wildlife safaris, eco-tourism, cultural tourism, sports tourism, business tourism, and an individual tourism.

However, despite moderate but sustained growth in the last decade, poverty is widespread. The poverty level in Kenya now stands at 57% of the population. Growth has failed to create enough decent jobs. Consequently, unemployment has become one of the key challenges to social progress.

Table 1: Kenya economic outlook, by sector (2010-2011)

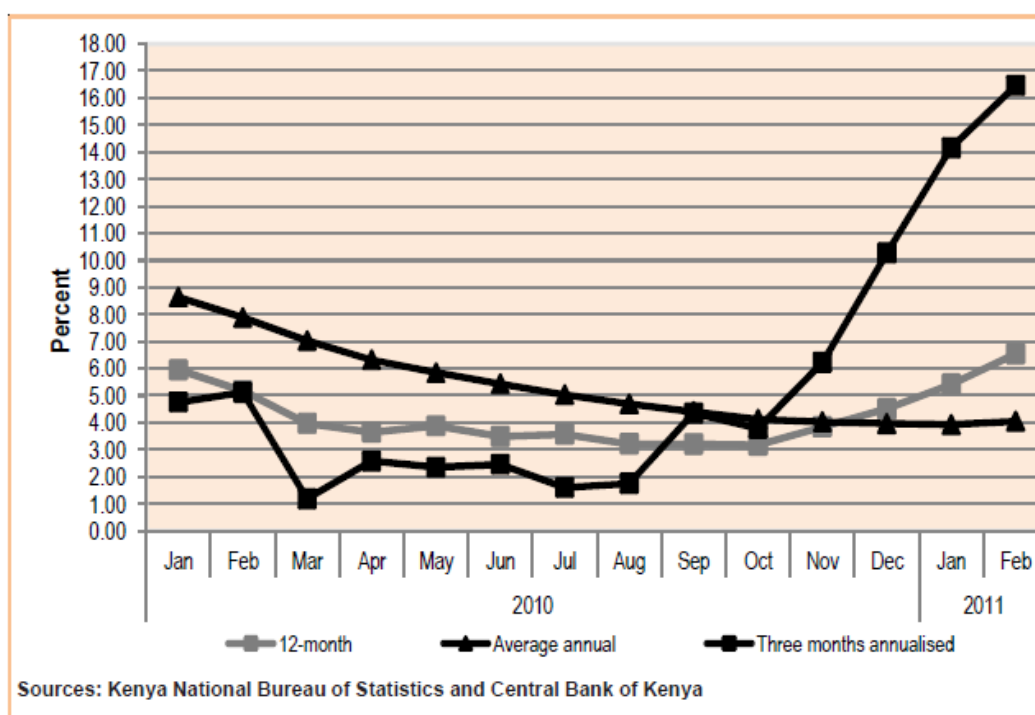
(% real change, year on year, unless otherwise indicated)						
	2010				2011	
Sector (ranked by size)	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr
Agriculture (including forestry & fishing)	5.6	3.0	8.4	7.4	1.7	5.2
Transport & communications	7.6	5.2	3.0	8.6	5.8	4.5
Wholesale & retail trade	4.5	5.0	4.7	16.1	3.3	5.7
Manufacturing	6.0	4.9	5.7	1.2	3.4	3.0
Public administration (including education)	3.0	4.2	4.4	3.6	2.8	2.7
Real estate, renting & business services	4.2	1.3	3.9	3.8	3.8	0.6
Financial intermediation	5.0	7.4	10.6	12.1	10.9	5.6
Construction	0.3	3.6	5.8	7.9	10.7	5.8
Power & water	-2.5	5.8	17.1	21.2	3.7	-4.6
Hotels & restaurants	-2.7	-1.1	10.8	16.2	8.3	2.9
Mining & quarrying	20.8	1.4	1.1	18.3	9.0	6.9
GDP (including others) Seasonally adjusted ^a	4.5	4.6	5.7	7.2	4.8	4.1
	4.7	0.5	1.4	0.7	2.0	-4.6

^a Compared with the previous quarter.

Source: Kenya National Bureau of Statistics (2011).

According to the Central Bank of Kenya, the country is now experiencing inflationary pressures due to food supply constraints expected to persist until the onset of the March-May 'long rains'. The other factor expected to add upward pressure on domestic prices is the sustained increase in international crude oil prices. The overall 12-month inflation rose from 5.4 percent in January 2011 to 6.5 percent in February 2011 reflecting higher food and fuel prices.

Figure 1: Inflationary pressures in Kenya, 2010-2011



On a positive note, according to the Economic Intelligence Unit, the long-term growth prospects are favourable for Kenya. It is envisaged that Kenya's location as a key regional hub and the process of EAC integration will support average annual growth of 5.6% in 2011-20 and 6.7% in 2021-30. Growth will also be underpinned by new investment in infrastructure (especially transport and power), pro-market reforms (including deregulation and privatization) and a gradual improvement in governance and public-sector capacity, although drought will remain a key risk. The main dangers in the long term are poor policy-making and climate change.

Labour and Employment in Kenya

The latest economic survey reports that in 2010, the labour market recorded 503,500 new jobs.²⁴ This was attributed to improved economic conditions and increased access to affordable credit from banks, the Women Enterprise Fund and the Youth Development Fund which aided in starting and expanding businesses thereby generating more jobs.

²⁴ Kenya National Bureau of Statistics (2011), Economic Survey 2011, Chapter Four

In total, 62,600 new jobs were created in the formal sector, compared to 56,300 in 2009, contributing 12.4 per cent of total jobs created. The bulk of the new jobs in the formal sector were created in Building and Construction, Transport and Communications, Wholesale and Retail Trade, Restaurants and Hotels.

The informal sector, also referred to as the “*Jua kali*” continues to play an important role in absorbing the unemployed persons in the labour force that are not able to secure employment in the formal sector. According to KNBS (2011), the informal sector economic activities provided employment for 8,830,000 persons in 2010, an increase of 5.3 per cent over 2009. Employment in the sector was highest in the wholesale and retail trade, hotels and restaurants which absorbed 59.6 per cent, followed by manufacturing with 20.4 percent.

However, it has to be noted that in spite of the concerted efforts by various key players to curb the ever-increasing unemployment problem, and especially urban unemployment, the rate of urban unemployment has remained consistently high, rising from 7% in 1978 to 16.2% in 1986 to 20% in 1999.

Kenya has held an active minimum wage setting policy since independence. Minimum wages apply to all salaried employees who are at least 18 years old and work in the formal sector. People in self-employment are not covered by statutory minimum wages.

According to the 2005-06 Kenya Integrated Household Budget Survey the labour force participation rate is 72 percent and the open unemployment rate is 10.5 percent. As is true in many economies in Africa, the figures on open unemployment provide a very limited picture of labour market conditions. This is because open unemployment rate does not take into account underemployment, or more importantly, poverty-level employment—that is, people who are employed but do not earn enough to enable them escape.

The survey also reveals that there are large disparities in open unemployment by region, age, and educational levels, while differences by gender are negligible. Thus, there is far more open

unemployment in urban than rural regions—17.3 percent versus 8.5 percent. Agewise, the largest proportion of unemployment occurs in the 15- 39 years old age group.

Scope of the Study

This study focuses eleven (11) national unions affiliated to the national centre, COTU (K). The unions involved include:

1. Kenya Plantation and Agricultural Workers Union;
2. Kenya Building, Construction, Timber, Furniture and Allied Employees Union;
3. Tailors and Textiles Workers Union;
4. Kenya Local Government Workers' Union;
5. Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers;
6. Communications Workers Union (Kenya);
7. Banking, Insurance and Finance Union (Kenya);
8. Amalgamated Union of Kenya Metal Workers;
9. Dock Workers Union;
10. Kenya Union of Entertainment and Music Industry Employees; and
11. Kenya Union of Commercial Food and Allied Workers Union.

This country report is thus divided into five sections. The first section reviews the demographic and socio-economic trends in Kenya and methodologies used in the study. Section 2, examines the state of the labour movement in Kenya. Section 3 analyses the effectiveness of services provided by trade unions. Section 4 assesses some benefit schemes instituted and managed by trade unions and section 5 provides the summary, conclusion and recommendations.

Research Methodology

The main objective of the current study is to evaluate the ability and capacity of unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labour movement in Kenya.

The specific objectives of the study are to:

- i. Identify the services and benefits which unions provide their members (with special attention to the gender differentials in access to such services and benefits);
- ii. Assess the effectiveness and quality of trade union services and benefits (where such services and benefits are provided);
- iii. assess the relationship between the provision of these services and benefits and membership growth; and
- iv. assess the effects of the provision of these benefits on the core trade union functions/services.

The study used a case study approach focussing on COTU (K) where trade unions were purposefully selected as multiple case study sites. The major instruments used for data collection were a questionnaire and document analysis.

The first questionnaire aimed at collecting information on the current situation in some of the COTU (K) affiliated unions, with respect to the state of the labour movement in Kenya, that is, membership, leadership structure, infrastructure, policies, services and benefits offered to members, and the extent of collective bargaining. For purposes of this study (see Annex) a trade union is defined as a workers' organization, registered to represent the workers and to defend the rights and obligations of workers. The questionnaire also sought information pertaining to collective bargaining in the sectoral unions. In this case, the term collective bargaining is used to refer to the negotiation of pay and terms and conditions of employment. Collective bargaining can take place at the national, regional or local/enterprise level. It can be cross-sectoral, sectoral or cover a single organization and can be bipartite (involving only representatives of labour and management) or tripartite (involving government representatives). In circumstances where employees of regional and local government are civil servants, such negotiations involving representatives of State authorities are characterized as bi-partite rather than tripartite bargaining, as the State fulfils a dual function in such cases. The second questionnaire was more comprehensive and was targeted at union members in the identified unions and workplaces. This questionnaire was administered to a limited number of union members, using a purposely-structured sampling frame. All union members interviewed were duly informed about the

purpose of the study and assured that the information collected would be treated with a high level of confidentiality.

The questionnaires were edited manually to make sure that the missing and uncompleted values were consistent. Each of the received questionnaires was then coded for ease of identification. Quantitative data was captured using CSPpro software and then exported to SPSS for tabulation and statistical analysis.

The study also made use of existing documentation available at the national centre and its affiliate unions as well as annual reports obtained at the Kenya National Bureau of Statistics.

Limitations of the Survey

This survey is the first of its kind to be undertaken by the labour movement in Kenya. While many of the processes went particularly well, several challenges and constraints were also encountered. For instance, COTU (K) secretariat and all its affiliated unions are poor in record keeping. None of the unions' structures in Kenya maintained a credible database.

Some of the affiliated unions do not keep records about membership from their regional, district or workplaces. Many of the unions have no records about membership by gender, by region, district and branches. Some unions did not have records of their branch leaders, trade union leadership by gender at the region, district and branch levels. Similarly, some of the trade union regional offices do not keep a register (list of members) at the branch levels.

State of the Labour Movement in Kenya

Early history of Trade Unions in Kenya

The trade union movement in Kenya has been an important feature of the country's economic, social and political struggle. Together with its working class, trade unions have brought about fundamental change in the political and economic fields since the emergence of foreign capital in Kenya. Throughout the colonial history of Kenya, there was a very close link between trade unions and those involved in national politics.

Trade unions have evolved through difficult situations created mainly by the colonial government, which persistently defended employers and thwarted the efforts of the development of workers and the trade union movements. The first African workers' movements had to take the form of associations, such as the Kenya African Civil Servants Association and the Railway African Staff Association formed after the First World War (Shiraz 2009).

However, the 1930s saw a change in attitude in the labour policy of the British which resulted in the enactment of the 1937 Trade Unions' Ordinance. Subsequently, the Registrar of Trade Unions registered three unions in Kenya: the East African Standard Union, the East African Standard Staff Union and the Labour Trade Union of East Africa.

In 1940, the 1937 Ordinance was amended and subsequently, the number of trade unions in Kenya rose from three to six. With the rising of political activities immediately after the end of the second world war, the situation began to change rapidly when the Kenya African Study Group was formed which was later replaced by the Kenya African Union (KAU) which started the agitation for the return of African land, better wages, and conditions and terms of services in industry.

The pre-independence period saw the emergence of registered unions. Among them: the Transport and Allied Workers' Union, the Domestic and Hotel Workers' Union, the East African Federation of Building Construction Workers' Union and the Tailors Union. This was followed by the formation of a national trade union centre – the Kenya Federation of Registered Trade Unions – in 1952. It was affiliated to and received advisory service from the International Confederation of Free Trade Unions (ICFTU).

The period 1948-1963 was the most dynamic and revolutionary period in the history of Kenya. Many forces that had been preparing the people for active resistance to colonialism were in place by the end of 1947. The experience of a creative alliance between trade union, working class, and progressive nationalist movements showed what can be achieved with patient planning and with mass popular support. Trade unions led the way by showing the importance of oral

communication. News of strike and worker struggles was spread by word of mouth over large parts of the country—often by railway workers, taxi, bus and lorry drivers.

After the declaration of state of emergency in October 1952, the trade union movement suffered great setbacks because leaders of several of the unions were arrested and detained for allegedly being associated with the Mau Mau Movement. This notwithstanding, more trade unions continued to be registered. It is at this time that rivalry for leadership almost ruined the trade movement. All this time, the industrial relations machineries were bad and the employer/employee relations grew worse.

Post-Independence Trade Unions

Soon after independence, the Kenyan government appointed a presidential ministerial committee to look into among others, the situation and the leadership conflict that characterised trade union movement. The ministerial committee recommended the formation of a new workers' union to be known as the “Central Organization of Trade Unions (Kenya)” COTU (K) and that a check-off system be compulsory for all members of trade unions. The Central Organization of Trade Unions (K) emerged and is still the only trade union centre in the country. COTU (K) is the sole national trade union federation in Kenya. It (COTU) (K) has 36 affiliates drawn from the various economic industries. In 2010 the total trade union membership was estimated at 1,350, 000. The largest non-COTU union is the 240,000-member Kenya National Union of Teachers (KNUT), which was excluded from rejoining COTU (K) by existing legislation. The Governing Council of COTU (K) is the supreme authority and conducts business, including laying down the policy of COTU (K) and giving directions regarding the organization. The Chairman, Secretary and the Treasurer of each affiliate unions are automatic members of the Governing Council of COTU (K).

For much of the first three decades after independence, the then ruling political party, the Kenya African National Union (KANU) government sought to control COTU (K) and ensured that the union's constitution gave the President the power to remove COTU (K)'s three senior leaders from office. In effect KANU determined the leadership of COTU (K). This practice continued

until 2001 with the emergence of new trade union leaders who were determined to ensure that COTU (K) remains independent of government. Many observers applaud the leadership for bringing progress and respect to the trade union movement in the country.

Notwithstanding the leadership changes, the organization of workers into trade unions in Kenya has historically been based on the principle of “one union one industry”. However, most of the unions generally operate beyond individual industries. For example, the Kenya Union of Commercial, Food and Allied Workers covers a number of industrial sectors, including banking, food, financial, retail, shipping and security services.

While the new Constitution, which took effect on 27 August 2010, recognizes fundamental trade union rights, union activity is hampered by excessive legal restrictions. The procedures for forming a trade union are long and cumbersome, and the law requires that a certificate is obtained before members can be recruited to form a union. Furthermore, the Registrar of Trade Unions may refuse to register a union if another trade union already exists which is sufficiently representative. The law imposes strict conditions and limitations on the use and management of union’ funds and the Registrar of Trade Unions has extensive powers to audit these funds. The Labour Relations Act excludes members of the prison service and the National Youth Service from its scope. The new Constitution also guarantees the right to bargain collectively, but it is not clear whether this right can be enjoyed by all employees in the public sector.

The Legal and Institutional Framework of Trade Unions

Kenya’s labour sector has undergone several transformations since independence, key amongst them being the enactment of the New Labour Laws in the year 2007. The set of laws are the Employment Act 2007, the Labour Institutions Act 2007, the Labour Relations Act 2007, the Occupational Safety and Health Act 2007 and the Work Injury Benefits Act 2007. The Laws are aimed at providing the legal framework necessary for streamlining the operations of the sector. The review of the Laws was motivated by the necessity for a comprehensive labour legislation that would be responsive to contemporary economic and social challenges. In particular, technological innovations have heightened global competition thus presenting new opportunities and constraints to workers and employers. The New Laws are aimed at addressing decent work

deficits in informal employment, greater demands for enterprise competitiveness and entrenching fundamental principles and rights at work.

The other important legal reform is the adoption of the new Constitution. Article 41 of the new Constitution recognizes the following rights: fair labour practices generally; fair remuneration; right to reasonable working conditions, to form, join and participate in the activities of a trade union and the right to go on strike. It also outlines employers' rights that include the right to form and join an employers' organization and participate in its activities.

The Constitution contains a Bill of Rights in its Chapter Six. This Bill lays down the principle of equality (Section 35, 37), the freedom from discrimination (Section 36), the freedom from slavery and forced labour (Section 46) and the Freedom of Association (Section 52). Section 59 on Labour relations determines the rights of workers, employers and trade unions, in particular the right to fair remuneration, the right to reasonable working conditions, the right to join a trade union or employer's organization, the right to strike and the right to engage in collective bargaining.

It is also important to mention that Kenya is an active member of the International Labour Organization and has adopted international labour standards as a comprehensive system of instruments on work and social policy, backed by a supervisory system designed to address all problems in their application at the national level. To date Kenya has ratified seven (7) out of the eight core ILO conventions; only Convention 87 on Freedom of Association has not been ratified by Kenya.

The other important instrument of industrial relations is the Industrial Relations Charter. This charter has its origins in the threshold of independence when, both employers and trade unions felt that it was vital for the infant nation to make economic progress by way of capital and labour working together in harmony to reduce the incidence of strikes and lockouts. As a result, in October 1962, history was made through the signing of the Industrial Relations Charter by the government of Kenya, the Federation of Kenya Employers and the Kenya Federation of Labour, the forerunner of COTU (K), the Central Organisation of Trade Unions (Kenya).

The Industrial Relations Charter spelt out the agreed responsibilities of management and unions and their respective obligations in the field of industrial relations. It defined a model recognition agreement as a guide to parties involved, and set up a joint Dispute Commission. The Industrial Relations Charter has been revised several times since then, but has remained the basis for social dialogue and labour relations in Kenya all these years. The Industrial Relations Charter gives workers the right to engage in legitimate trade union organizational activities.

Kenya is reputed to have some of the oldest institutions for tripartite consultation and social dialogue in Africa. The National Tripartite Consultative Committee, the Joint Industrial and Commercial Consultative Committee, the Labour Advisory Board; the National Industrial Training Council, and the National Advisory Committee on Occupational Health and Safety are some of such tripartite structures. The law permits workers in enterprises of seven workers or more to form and join trade unions, although the Registrar of Trade Unions has to consent. Most employers are affiliated with the Federation of Kenyan Employers (FKE), an umbrella body representing employers' interests with regard to industrial relations and human resource development. Although all labour laws, including the right to organize and bargain collectively, apply in the Export Processing Zones (EPZ) union leaders continually complain of hindrances to union activities in the EPZs.

However, the role of these institutions has largely been confined to labour law and industrial relations issues. And even then, the institutions have not been consistently and regularly used. In recent times, the role of the institutions has been influenced by two inter-linked factors: legal and constitutional reforms, and labour and employment profile in the country.

Affiliation Regional Trade Union Organisation (s)

Together with their Ugandan and Tanzanian trade union counterparts, Kenyan labour leaders formed the East African Trade Union Consultative Council (EATUCC) in 1988.²⁵ The upcoming protocol on the free movement of labour by the East African Community (the Customs Union is

²⁵ EATUCC was reconstituted as the East African Trade Union Confederation (EATUC) in 2003 and had since been under the chairmanship of COTU (K).

already in place) will have other far-reaching effects on workers in the sub-region. It is important that their implications on workers be taken into consideration.

COTU (K) is a senior member of the ITUC-Africa (holding a vice President position), and the Secretary General is a member of the Governing Body of the International Labour Organization. COTU (K) belongs to OATUU, having also provided the very first Secretary General of the organisation. Until recently, COTU (K) was the chair of the Eastern Africa Trade Union Federation with its base in Cairo.

COTU (K) Contribution to Change Processes in Kenya

The trade union movement has been pivotal in the social and economic development of the country since the colonial times. This was apparent when most politicians were detained by the British colonialists; trade unionists emerged as the only voice calling for political independence. As noted earlier, the agitation for political independence by trade unions was occasioned by discrimination and unequal treatment by the colonialists.

Trade unionists like Tom Mboya found themselves with the dual role of fighting for political independence and improvement of the welfare of Workers. In the late 1950s, as part of the campaign for political independence, trade unionists demanded the release of all political detainees. This was eventually granted when Jomo Kenyatta (the first president of Kenya) and others were released in 1961. At this time, most trade unionists went ahead to form and join various political parties and eventually joined the government at independence in 1963.

In the new independent Kenya, trade unionists became instrumental in influencing the government's policies. Earlier successes in this endeavour include the much publicized Sessional Paper no. 10 on African Socialism and its application to planning in Kenya of 1965.

In recent years, COTU (K) has played the role of an agent for social justice in Kenya. COTU (K) has continued to champion the rights of not only workers but Kenyans as a whole. This was particularly evident when COTU (K) played a central role in the change processes that ushered in the NARC Coalition Government in 2002. With the support of collaborating partners, COTU

(K) held public rallies throughout the country calling for change towards good governance and for democratic consolidation.

In August 2001, under a new leadership, COTU (K) resolved that the labour movement must continue to support and initiate other organs clamouring for a change in government. These nationwide campaigns had a massive impact and eventually saw the election of President Mwai Kibaki to take over the reins of leadership of Kenya, after a one-party rule for over 40 years.

When the clamour for a new Constitution started, COTU (K) was at the forefront. Following the political skirmishes that followed the 2007 general elections, COTU (K) was the first organization to warn the government that Kenyans wanted a new constitution. Large public meetings were held nationwide, with massive media attention. These efforts were aimed at creating a departure from the old-fashioned governance arrangements. COTU (K) played a pivotal role in the adoption of the new constitution

Besides the struggle for political reforms, the trade union movement remains strong and continues to pressure the government and employers for better wages and improved living standards.

Services and Benefits Provided by Trade Unions

Overview of Services and Benefits

This section examines the role of trade unions in providing benefits and services in Kenya. COTU (K) and its affiliated national unions thus provide various services that include: negotiation and representation including collective bargaining, training/education, representation (at enterprise, national and international levels), counselling, generic advisory roles. Services include the non-statutory non-wage incentives provided by trade unions outside traditional collective agreements. These are discussed as findings based on eleven national unions affiliated to the national centre, COTU (K). The unions involved in this survey are:

1. Kenya Plantation and Agricultural Workers Union;
2. Kenya Building, Construction, Timber, Furniture and Allied Employees Union;

3. Tailors and Textiles Workers Union;
4. Kenya Local Government Workers' Union;
5. Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers;
6. Communications Workers Union (Kenya);
7. Banking, Insurance and Finance Union (Kenya);
8. Amalgamated Union of Kenya Metal Workers;
9. Dock Workers Union;
10. Kenya Union of Entertainment and Music Industry Employees; and
11. Kenya Union of Commercial Food and Allied Workers Union.

Table 2 shows the basic descriptions of the respondents, indicating that 81 percent of those interviewed were male, with only one female leader being included in the sample out of eight general secretaries. This in itself is an indication of the dominance of male union leaders in the country.

Table 2: General descriptions of respondents

Union	Leadership		Membership	
	Male	Female	Male	Female
Kenya Plantation and Agricultural Workers Union	1			1
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	1			
Tailors and Textiles Workers Union			1	
Kenya Local Government Workers' Union	1		1	
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	1			1
Communications Workers Union (Kenya)	1			
Banking, Insurance and Finance Union (Kenya),			1	
Amalgamated Union of Kenya Metal Workers			1	
Dock Workers Union		1		
Kenya Union of Entertainment and Music	1			

Industry Employees				
Kenya Union of Commercial Food and Allied Workers Union	1		1	1
TOTAL	7	1	5	3

Source: Baseline Survey, June 2011

The domination of males in unions is also indicated by the gender composition of union membership and workers employed, as shown in the Table 3 and Table 4.

Table 3: Gender Composition of Union Membership

Union	Proportion of male/female in union membership
Kenya Plantation and Agricultural Workers Union	<ul style="list-style-type: none"> • 66% male • 34% female
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<ul style="list-style-type: none"> • 95% male • 5% female
Kenya Local Government Workers' Union	<ul style="list-style-type: none"> • 50% male • 50% female
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	<ul style="list-style-type: none"> • No information
Dock Workers Union	<ul style="list-style-type: none"> • 80% male • 20% female
Kenya Union of Entertainment and Music Industry Employees	<ul style="list-style-type: none"> • 85% male • 15% female
Kenya Union of Commercial Food and Allied Workers Union	<ul style="list-style-type: none"> • 70% male • 30% female

Source: Baseline Survey, June 2011

Table 4: Gender composition of union employee

Union	Number of people employed by unions
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	Male	Female	Total
Kenya Plantation and Agricultural Workers Union	5	8	13
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	10	4	14
Kenya Local Government Workers' Union	4	6	10
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	28	13	41
Dock Workers Union	10	2	12
Communications Workers Union (Kenya)	5	3	8
Kenya Union of Entertainment and Music Industry Employees	1	1	2
Kenya Union of Commercial Food and Allied Workers Union	52	18	70
TOTAL	90 (64.7%)	60 (35.3%)	170

Source: Baseline Survey, June 2011

Trade Union Services in Kenya

The two most prominent services provided by the trade unions in Kenya include workers education and training, and collective bargaining. The study shows that training is considered as an important service to workers in Kenya. Many interviewees considered workers' education as the anchor upon which the trade union culture is created and adapted to changing needs. Trade union leadership also believe that workers' education is a vehicle for building the capacity of trade unionists in order to enable them to cope with new challenges, have deeper insights into their trade unions and master the tools to change society through democratic participation. Education and training are important long-term responses to the challenges of globalization and

trade union capacity building. They also mentioned that it is through grassroots education and mobilization of their members and community allies that unions have won victories on many challenging issues, including membership recruitment and organizing. Training is mostly employer-financed hence it is captured in collective agreements.

In that regard, it is important for union organizers, negotiators and educators, shop stewards, and the rank and file to be continuously trained on new and innovative ways of tackling new challenges of work conditions such as issues of retrenchment, HIV/AIDS and other emerging issues affecting workers and their unions. The newly recruited workers must also be included in labour education programmes. Table 9 summarizes the narrative responses from trade union leaders interviewed.

Table 9: Type of union services provided to members

Union	Type of services provided to members unions
Kenya Plantation and Agricultural Workers Union	<i>CBAs</i> <i>Legal assistance</i> <i>Training</i> <i>Financial assistance (school fees, sickness, death)</i> <i>Putting up decent homes for workers</i> <i>Job security</i>
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<i>Negotiation of CBAs, improved wages and general terms and conditions of employment, representation in both local and industrial court levels</i>
Kenya Local Government Workers' Union	<i>Legal protection</i> <i>Payment of medical bills for those who cannot afford</i> <i>Encouraging members to join cooperatives</i>
Kenya Union of Domestic,	<i>CBAs, Grievance handling</i>

Hotels, Educational Institutes, Hospitals and Allied Workers	
Communications Workers Union (Kenya)	<i>Negotiate collective bargaining for them</i>
Dock Workers Union	<i>Training, provision of legal services when a dispute arises, CBA's, Advocacy on gender issues, formulation of policies for Trade Unions and Employers, adopting formulated policies</i>
Kenya Union of Entertainment and Music Industry Employees	<i>Training, Legal representation</i>
Kenya Union of Commercial Food and Allied Workers Union	<i>Training, Organizing, CBA</i>

Source: Survey data, June 2011

With regard to collective bargaining, the study revealed that much has been achieved. The trade union leaders interviewed showed a deep understanding of the techniques for negotiation. Similarly, employers were said to be very cooperative. The government, which is duty bound to erect machineries for negotiations, has also committed itself to that effect thus rendering trade union efforts in constituting collective bargaining exercises much easy.

Table 10 gives the breakdown of collective bargaining agreements (CBAs) registered by the Industrial Court between 2009 and 2010. The industrial court has jurisdiction to arbitrate and register collective bargaining agreements negotiated between employers and workers representatives in order to improve terms and conditions of employment.

Whereas the total number of agreements registered in 2010 was 266 compared to 297 in 2009, there was a notable increase in the number of agreements in the Agriculture, Forestry, Hunting and Fishing and the Transport and Communications industries, each recording an increase of 5 agreements.

Table 10: Collective Bargaining Agreements registered by the Industrial Court, 2009-2010

	No. of Agreements		No. of Unionisable Employees covered by the Agreements	
	2009	2010	2009	2010
Agriculture, Forestry, Hunting & Fishing	25	30	14,773	33,210
Mining and Quarrying	1	1	109	96
Manufacturing of:				
Food, Beverage & Tobacco	44	29	4,991	5,213
Textile, Wearing Apparels & Leather Industry	20	23	5,496	8,499
Wood & Wood Industry including Furniture	3	4	29	3,523
Paper & Paper Products, Printing & Publishing	12	8	897	842
Chemical, Petroleum Rubber & Plastic Products	32	21	1,910	1,564
Glass, Ceramic & Cement	5	1	838	29
Basic Metal Industries	3		114	
Electronics & Electrical Products	34	35	1,513	1,841
Other Manufacturing Industries	2	1	296	22
Electricity & Water	4	4	4,470	2,007
Building & Construction	6	1	980	58
Wholesale & Real Trade, Restaurants & Hotels	29	23	2,243	2,825
Transport & Communication	24	29	4,978	10,339
Finance, Insurance, Real Estate & Business Services	25	24	27,985	16,142
Community & Social Services	55	32	12,285	15,072
Total / Average	297	266	82,612	101,282

Source: Ministry of Labour and Human Resource Development

During the interviews, trade union leaders were asked to indicate the extent of the provision of union services. Table 11 shows multiplicity of services that workers receive by virtue of their membership in the unions. They include financial assistance (soft or interest-free loans), maternity/paternity protection, annual leave, free or subsidized medical care, car loan and maintenance allowance, and free or subsidized transport among others.

Table 11: Services provided to union members

Union	Benefits currently available to members
Kenya Plantation and Agricultural Workers Union	<i>CBA's</i> <i>Financial assistance e.g. a members knows that if he/she join the union they will be assisted in terms of school fees, wages, maternity / paternity leave, leave, basically all the services to the members are included in the CBA</i>
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<i>Terminal benefits, e.g. appropriately earned wages, notice or pay in lieu of notice, annual leave or pro-rate payments, service gratuity</i>
Kenya Local Government Workers' Union	<i>Medical schemes</i> <i>Retirement benefit (the best in Kenya at the moment)</i> <i>Injury compensation</i> <i>Occupational health and safety</i>
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	<i>All benefits are direct from the CBA</i>
Communications Workers Union (Kenya)	<i>Good salaries, Maternity, Medical, Promotions, Retirement benefit</i>
Dock Workers Union	<i>Salaries, medical cover, car allowance, insurance cover, house allowance, commuter transport, mortgage, training, overtime, maternity / paternity leave, study leave and unpaid leave (maximum 3 years)</i>

Kenya Union of Entertainment and Music Industry Employees	<i>CBA – include in general all terms and conditions, Medical, HIV/AIDS</i>
Kenya Union of Commercial Food and Allied Workers Union	<i>Maternity, Paternity House allowance Gratuity Pension schemes etc</i>

Source: Baseline Survey, June 2011

It was stated that a variety of the services were indeed offered to all members. The same services were also extended to the staff working with the unions. The union leaders indicated that the motivation to provide the services is derived from the unions' constitutions and has been the practice in the country since the early 1960s. In fact, the services are indeed used as a bait to woo in other workers to join the unions. The responses from the leaders are shown in Table 12.

Table 12: Has the provision of services attracted new members?

Union	Leadership response
Kenya Plantation and Agricultural Workers Union	<i>Yes, we now have many new members</i>
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<i>Yes</i>
Kenya Local Government Workers' Union	<i>Our members are automatically recruited to the union once they get employed. I can say it is attracting members because we do not have pull-outs</i>
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	<i>I do not think so but if it has it must be very little</i>
Communications Workers Union (Kenya)	<i>Yes</i>
Dock Workers Union	<i>Yes. We took over membership in 2009 when membership was only 2,900</i>
Kenya Union of Entertainment and Music Industry Employees	<i>Yes so many</i>
Kenya Union of Commercial Food and Allied Workers Union	<i>Yes</i>

Source: Baseline Survey, June 2011

Many of the services are financed by membership dues, while in some cases the role of the national centre (COTU-K) and Global Union Federations is also acknowledged (Table 13).

Table 13: Financing of trade union services

Union	Financing of union services
Kenya Plantation and Agricultural Workers Union	<i>Membership fee, donors, COTU (K)</i>
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<i>Membership fee International donors (e.g. BWI)</i>
Kenya Local Government Workers' Union	<i>Members contribution</i>
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	<i>Union dues, employers (allocation for education activities by the management)</i>
Communications Workers Union (Kenya)	<i>COTU (K) and donors</i>
Dock Workers Union	<i>Union dues, donors, through affiliation to national and international organizations (ITF and COTU) and the employers Kenya Ports Authority (KPA)</i>
Kenya Union of Entertainment and Music Industry Employees	<i>Through COTU (K), Employer Union and International affiliates</i>
Kenya Union of Commercial Food and Allied Workers Union	<i>COTU (K), IUF International affiliates</i>

Source: Survey data, June 2011

Three quarters of the unions surveyed reported that they have systems of monitoring and evaluation of services they provide. The systems are mainly in the form of audit reports as required by the unions' constitutions. Monitoring is ordinarily undertaken by involving shop stewards in the provision of services.

Notwithstanding the positive contribution of services offered to members, the interviews conducted with union leaders also report major challenges. These challenges related largely to inadequate funds, difficult employers who refuse to negotiate with unions, and lack of control

mechanisms within the unions. Union leaders also raise concern about the attempt by some donors to control the operations of their unions as a condition for their support.

The union leaders interviewed were of the view that for the challenges to be overcome, trade unions need to offer more and better services to membership. These services could include young workers programmes and activities aimed at organizing and recruitment, training of young workers on financial discipline, drug abuse, leadership, participation in trade union activities, and role of young workers in trade union leadership. Additional services that could be offered may relate to fighting HIV and AIDS at the workplace, gender awareness, and health and safety issues at the workplace. Other innovative services mentioned include the creation of cooperatives and social economy enterprises.

Trade Union Benefits in Kenya

The study established that many of the benefits offered to members were directly related to the principal services offered by unions. These benefits were related to the provisions already contained in the collective bargaining agreements in force. Thus, unions in Kenya offer very limited benefits beyond collective bargaining. Most of the union members interviewed reported that these benefits have been in existence since the formation of the unions.

The study revealed that shop stewards are the main drivers in the provision of union services. They play an important role in the dissemination of information regarding available benefits to members. In addition, unions also make use of websites, newsletters, education programmes, media outlets and announcements at conferences to reach workers and union members.

In terms of satisfaction, all the union leaders interviewed expressed their full contentment with the performance of the benefits schemes. On the part of beneficiaries, 50% expressed full satisfaction of the services and benefits provided by the unions.

However, when asked if the services met their need, 37.5% of the beneficiaries indicated that the available services and benefits did not meet their needs. The beneficiaries also called for more consultations with their union leaders in the process of coming up with services and benefits.

All the benefits provided to union members were financed and managed by employers, as prescribed in collective bargaining agreements. In addition, Kenya Plantation and Agricultural Workers Union reported that it has some additional benefits being financed by the union, through membership subscription fees and through donors.

The major challenges facing the benefits schemes include funding difficulties, inflation-induced cost of living, membership threatened by redundancy. Outsourcing of activities or services and the introduction of mechanization (such as tea plucking machines) have also caused some difficulties with the schemes. The HIV and AIDS menace has similarly decimated the workforce. In any case, it is encouraging to note that none of the benefit schemes have been discontinued, with the notable exception of reports from the Kenya Union of Entertainment and Music Industry Employees that there was a company that refused to honour the benefits stipulated in the CBA. The union took the management to court and won the award.

Most of the unions interviewed as part of this report indicated a number of benefits that they would wish to introduce. Table 14 gives an indication of benefits that unions in Kenya wish to introduce in the future.

Table 14: Type of benefits to be introduced to attract or retain members

Union	Benefits to be introduced
Kenya Plantation and Agricultural Workers Union	<i>Investment</i> <i>Cooperatives</i> <i>Benevolent fund</i>
Kenya Building, Construction, Timber, Furniture and Allied Employees Union	<i>Full medical cover</i> <i>Provision of school fees loans</i>
Kenya Local Government Workers' Union	<i>Soft loans to build residential houses</i> <i>Access loans for cars</i> <i>Expand the medical scheme to other members</i>

	<i>of the family e.g. sick /old parents, inherited / adopted children</i>
Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers	<i>Push for regular employment rather than casualisation</i>
Communications Workers Union (Kenya)	<i>Cooperatives</i> <i>Improvement of commuter allowance</i> <i>Introduction of consumer cooperatives</i> <i>Improve agriculture (increase food capacity)</i> <i>Provide monitoring and evaluation mechanisms</i>
Dock Workers Union	<i>Car loans because at the moment it is only offered to management staff</i>
Kenya Union of Entertainment and Music Industry Employees	<i>Medical – some employers have put in very little and some have not put in anything at all</i>
Kenya Union of Commercial Food and Allied Workers Union	<i>Cooperatives</i> <i>Soft loans (guaranteed by the union)</i>

Source: Baseline Survey, June 2011

Summary, Conclusion And Recommendations

Summary of the Findings

The study established that the most prominent services provided to members by trade unions in Kenya are; workers' education and training, and collective bargaining. The decision to provide the services was derived from the Union Constitution and has been in practice in the country since the early 1960s. The services are provided to all paid up members and staff of the unions. Most of the benefits offered are generally contained in the Collective Bargaining Agreements. The benefits have been in existence since the formation of the unions. The study reveals 100% compliance of some employers in terms of implementing collective bargaining agreements with four indicating that their employers do not always comply with the provisions of collective agreements. Shop stewards are used to disseminate information regarding available benefits to

members. Other sources of dissemination of information include; use of websites, newsletters, education programmes, media outlets and announcements at conferences. The leadership interviewed expressed their full satisfaction with the performance of the benefits schemes. For the beneficiaries 50% expressed full satisfaction of the services and benefits provided by the unions while more than one-third (38%) of the beneficiaries indicated that the services and benefits did not meet their needs. From all the interviews that were carried out, it was reported that the benefits were financed and managed by the employer as prescribed in the collective bargaining agreements. The study revealed that the major challenges facing the benefits schemes include funding difficulties, inflation-induced cost of living, membership threatened by redundancy, outsourcing of activities or services and the introduction of mechanization (tea plucking machines).

The findings indicate trade union education and training is the single most important service/benefits that trade unions in Kenya provide to their members. Trade union leaders believe that workers' education is a vehicle for building the capacity of trade unionists in order to enable them to cope with new challenges, have deeper insights into their trade unions and master the tools to change society through democratic participation.

Conclusions

The study sought to evaluate the ability and capacity of unions to provide services and benefits to their members so as to sustain the interest of existing members and to attract new members to the labour movement in Africa. The study involved the National Centre COTU (K) and its affiliates. The study examined services and benefits unions are providing to their members, the effectiveness of these services and benefits, and the relationship between the provision of these services and benefits. The major conclusion from this study is that the main function of a trade union is to negotiate collective bargaining agreements for members. This should include the wages, and terms and conditions of employment. Trade unions can only recruit and retain members if they clearly show the services and benefits that the members can derive from the unions. The study showed that union membership has been declining over the years and that there is an urgent need to get an immediate solution. The study findings clearly indicate that services and benefits provided have retained and attracted new members. In this regard, unions

will be able to recruit and retain members if they clearly show the benefits that are attributable to belonging to a trade union.

Recommendations

On the basis of the study findings and the key issues that came up, we make the following recommendations.

First, benefits and services provided by unions are part and parcel of union organizing. For unions to retain and recruit new members, there is need for them to be aware of the needs of the members. This study has shown that training and education are key services desired by membership. In this regard, unions need to intensify their education programmes that target members. The contents of the education programmes should clearly articulate the benefits attributable to members and must also be appealing to prospective members (workers).

Secondly, trade unions should always strive to introduce new services to attract or retain new members. Some of these services include programmes and activities aimed at organizing and recruitment aimed at young workers who hold the future of the labour movement. Some of the programmes that are more appealing to young workers include training on financial discipline, drug abuse, leadership, participation in trade union activities, and role of young workers in union leadership. Other services could relate to fighting HIV and AIDS at the workplace, gender awareness, and health and safety issues at the workplace, creation of cooperatives and social economy enterprises.

Thirdly, the benefits and services offered to members by unions must be based on the needs of the members. Trade unions should continuously consult the general membership on the viability of union benefits and services. It is important for union organizers, negotiators and educators, shop stewards and the rank and file to be continuously informed and their opinions sought on existing and future benefits and services. Union members should also be in a position to indicate newer ways of tackling new and emerging challenges of the world of work and issues affecting the function of unions.

Finally, it is prudent for trade unions to conduct surveys on union's and services and benefits on regular basis. Such surveys have the potential to generate new and precise information about the membership and could provide insight on important characteristics of the dynamic world of work.

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ANNEX: Trade Unions affiliated to COTU (K)

Kenya Union of Commercial Food and Allied Workers Union

Transport and Allied Workers Union

Kenya Building, Construction, Timber, Furniture and Allied Employees Union

Tailors and Textiles Workers Union

Kenya Local Government Workers' Union

Kenya Union of Domestic, Hotels, Educational Institutes, Hospitals and Allied Workers

Communications Workers Union (Kenya)

Railway Workers Union (Kenya)

The Seafarers Workers Union

Kenya Union of Journalists

Kenya Chemical and Allied Workers Union

Kenya Engineering Workers Union

Kenya Airline Pilots Association

Kenya Scientific Research, International

Kenya Union of Printing, Publishing, Paper Manufacturers and Allied Workers

Kenya Petroleum Oil Workers Union

Amalgamated Union of Kenya Metal Workers

Bakery, Confectionery, Manufacturing and Allied Workers Union (Kenya)

Dock Workers Union

Kenya Union of Entertainment and Music Industry Employees

Kenya Plantation and Agricultural Workers Union

Kenya Game Hunting and Safari Workers Union

Kenya Shipping, Clearing and Warehouses Workers Union

Kenya Union of Sugar Plantation Workers

Union of National Research Institutes Staff of Kenya (UNRISK)

Kenya Quarry and Mine Workers Union

Kenya Electrical Traders Allied Workers Union

Kenya Shoe and Leather Workers Union

Kenya Jockey, Betting Workers Union

Universities Academic Staff Union (UASU)

Kenya Hotels & Allied Workers Union

Kenya Union of Post Primary Education Teachers (KUPPET)

Kenya Guards & Allied Workers Union

TRADE UNION SERVICES AND BENEFITS IN MALAWI

By

Paliani Chinguwo

Introduction and Background

Demographic and Political Trends

Malawi is a small landlocked country in Southern Africa bordered by Mozambique in the South and the east, Zambia to the west and Tanzania to the east and north. It covers an area of 118, 484 square kilometres; of which approximately 20 percent is water. Malawi was called Nyasaland during the British colonial rule which stretched from 1891-1963. It was part of the federation of Rhodesia (Zambia and Zimbabwe) and Nyasaland (Malawi) between 1953-1963. Malawi attained self-government status and independence in 1963 and on 6th of July 1964 respectively and it became a republic on 6th of July 1966. Since then, for almost three decades, Malawi was ruled by a dictatorial Malawi Congress Party (MCP) government under the leadership of Dr. Hastings Banda till it transformed back into a multiparty democracy in June 1993.

Preliminary results from the 2008 Census indicate that the total population of Malawi is 13.07 million, of which 49 percent are males and 51 percent are females. This represents a population growth of 2.8 percent during the 1998-2008 inter-censal periods. Population density within the same period rose from 105 people per square kilometre to 139 (National Statistics Office, 2008).

Social Economic Policy Reforms and Employment

Malawi has a very fragile economy which heavily depends on rain fed agriculture and a weak industrial base. Malawi's agricultural sector is the mainstay of the economy which provides a livelihood to 80 percent of the population. It accounts for 90 percent of export earnings and about 35 percent of GDP. Malawi's largest export is tobacco which generates 60 percent of export earnings. Maize remains the staple crop and the most critical crop in terms of domestic consumption and land use (Ministry of Economic Planning and Development, 2005; Ministry of Labour et al, 2009).

According to the Government of Malawi (GoM), unemployment rate in Malawi has remained impressively low since 2008 (Ministry of Development Planning and Cooperation, 2011). For instance, 2006 and 2007 registered unemployment rates of 6 and 3 percent respectively (Ministry of Development Planning and Cooperation, 2010). This means that according to GoM; at least 94 percent of the population has been employed since 2008. However, the United Nations Development Programme (UNDP) Human Development Report of 2010 indicates that 80 percent of the people employed in Malawi live on less than USD 1.25 a day. This then implies that the majority of the people in Malawi who are claimed by the government to be employed do not have decent and gainful jobs. This is therefore, a clear indication of a decent work deficit in Malawi as defined by the International Labour Organization (ILO).

Estimates show that the formal economy constitutes less than 15 percent of the workforce whereas over 85 percent of the workforce ply their trade in the informal economy. The informal economy largely constitutes of a labour force that is engaged in subsistence agriculture particularly in the rural areas, small scale businesses in urban and semi-urban areas also referred to as Micro and Small scale Enterprises (MSEs). MSEs contribute an income of about 25 percent to Malawi households (National Statistical Office, 2001). By employing over 1.7 million people, MSEs thus absorb about 38 percent of total labour force in Malawi (Ministry of Labour et al, 2009).

In the agricultural sector, it is estimated that women constitute 70 percent of full time farmers, carry out 70 percent of the agricultural work and produce 80 percent of food for home consumption (Ministry of Gender, Child Welfare and Community Services, 2004). Drawing from Welfare Monitoring Surveys from 2005-2008, Mwasikakata (2009) attempts to give a snapshot of participation of women in the labour market for the years 2005, 2007 and 2008 only as summarized in the Table 1.

Table 1: Estimated percentage employment distribution by industry

Industry	Year								
	2005			2007			2008		
	Total	M	F	Total	M	F	Total	M	F

Agriculture, forestry and fishing	80	73	87	77	71	84	84	77	90
Manufacturing	3	4	1	2	2	1	1	2	0
Construction	3	5	1	3	4	1	1	2	0
Wholesale, retail, marketing/hotel	8	9	6	6	7	6	7	8	6
Social and community services	6	8	3	6	9	4	2	5	1
Other	1	2	0	6	9	4	2	5	1

Source: Mwasikakata (2009)

From Table 1, it is evident that as compared to the other industries the participation of women in agriculture, forestry and fishing surpasses that of men. Nevertheless, generally the participation of women in the labour market as a whole remains marginally low.

It is argued that since the colonial era, Malawi has been the lowest wage paying country within the Southern Africa developing Community (SADC) region (Dzimhiri, 2009). This then explains the massive labour migration (mostly males) from Malawi²⁶ to Southern Rhodesia, Northern Rhodesia, South Africa, Tanzania and Zaire in the 1950s after the introduction of poll tax (Dzimhiri, 2008). . Further to this, it is argued that real wages in Malawi have continued to decline since the 1960s (Dzimhiri, 2009). To a certain extent, this explains the decent work deficit in Malawi as substantiated by the 2010 UNDP report.

Nevertheless, Malawi's economy is reported to have achieved an economic miracle by growing at an average rate of 6.7 percent since 2005, well above the average rate of 5.5 percent for the Sub Saharan region. Besides, inflation has continued to remain at single digits declining from 8.4 percent in 2009 to 7.4 percent in 2010 (Ministry of Development Planning and Cooperation, 2011). However, as far as the labour movement is concerned, this is a "jobless growth"²⁷ which is

²⁶ Then Nyasaland

²⁷ This is economic growth that has not created employment.

not desirable. For instance, in spite of the impressive economic growth rate that Malawi has managed to attain coupled with the current single digit inflation, the UNDP Human Development report of 2010 still ranks Malawi at 153 out of 162 countries in terms of human development.

Scope of the study

This study sought to assess the capacity of the trade unions in Malawi with regards to the provision of services and benefits to their membership. In light of this, the specific objectives of the study were to:

- Identify the services and benefits delivered by trade unions to their members in Malawi;
- Assess the effectiveness and quality of services and benefits delivered by trade unions in Malawi
- Assess the relationship between the delivery of these services and benefits and membership growth within the trade unions in Malawi;
- Assess the effects of the delivery of the benefits on the core trade union functions.

Research Methodology

The study was conducted from April to July 2011. The study sought to get in-depth information pertaining to the provision of services and benefits by trade unions to the membership in Malawi. This could be achieved through the use of qualitative methods. A case study was thought to be an appropriate research strategy to assess trade unions in Malawi in terms of delivery of services and benefits.

In this study 93 interviews were conducted targeting 21 trade unions including the federation. The study used a triangulation of measures through the interviews (in-depth) and document analysis. At each union, at least four interviews were held with one representative of the national executive committee i.e. General Secretary or President (1); Shop steward (1); Employed staff where available (1); Ordinary members (2). In few instances, some unions were subjected to more than five interviews. The interviews essentially sought to capture the experiences and perspectives of leaders and members of the unions pertaining to the services and benefits provided by their respective unions. An analysis of official and unofficial documents was also conducted. MCTU and some affiliates provided various documents i.e. reports, recognition

agreements, collective bargaining agreements etc. Besides, government documents such as acts, republican constitution and other policy papers; research papers; United Nations Development Programme (UNDP) Human Development Report were also utilized. However, it was noted during the study that some documents gave biased accounts. Such shortcomings were addressed by consulting documents from other sources and use of the interviews to probe further.

All participants in this study were selected on a voluntary basis. Confidentiality was guaranteed to all participants of the interviews by assuring them that their identities would be anonymous in the report particularly on sensitive issues. Besides, all interviewees were assured that data and information collected would strictly be used for purposes of this study.

Sampling

Purposive sampling was used to select interviewees to participate in the study. The interviewees comprised of General Secretaries; Presidents, Shop stewards; Women leaders; Support staff; and Ordinary members who were drawn from twenty one of the twenty two affiliates of Malawi Congress of Trade Unions (MCTU) including MCTU itself.

Limitations of the study

Firstly, as a matter of procedure, it was not possible to approach the respondents directly without passing through the offices of the General Secretaries who in many instances identified the workplaces and in some instances particular individuals to be interviewed representing the membership. There is a high likelihood that the General Secretaries might have carefully selected the respondents from their unions who would give biased accounts in favour of the perspectives of the General Secretaries. As such, to some extent the findings and results of the study may tend to be biased towards the views of the General Secretaries.

Secondly, for union political reasons, we were not able to involve six unions which are not affiliated to MCTU and the quasi-defunct federation called Congress of Trade Unions of Malawi (COMATU) that broke away from MCTU in 2000. Therefore, the interpretations of the findings and the results predominantly hinge on the experiences and perspectives of the leaders and the membership of only those unions which are affiliated to MCTU.

The State of the Labour Movement in Malawi

Historical Context and Status of Trade Unions

The history of trade unionism in Malawi goes back as far as 1945 when the first trade union Transport and General Workers Union, then called *Magalimoto*²⁸ was set up by two truck drivers cum nationalist-politicians by the names of Lawrence Makata and Lali Lubani. This was amidst the strike activity in Blantyre²⁹ against poor wages and working conditions by teachers, night soil workers, domestic servants and rail workers (Dzimbiri, 2008). In 1949, the Transport and General Workers Union (TGWU) became the first trade union to be registered followed by the Commercial African Trade Union (CATU) in 1952 and then the Nyasaland Railway Workers Union (NRWU) in 1954. A federation by the name of the Trade Union Congress of Nyasaland (TUCN) was formed in June 1956. A few years later, a breakaway federation called National Council of Labour (NCL) emerged. From 1949 to 1964, a total of 19 unions were formed with a combined membership of 4,763 (Dzimbiri, 2008).

During the last stages of colonialism, the trade union movement aligned itself to nationalist interests with the conviction that economic benefits to the working class and the nation at large would be guaranteed amidst political freedom (Dzimbiri, 2008). More importantly, some trade unionists were also key figures in a political party called the Nyasaland African Congress (NAC) that was agitating for independence.

Barely two months after attaining independence³⁰, Malawi experienced a cabinet crisis. This was a muddle within the first cabinet of post independent Malawi which was created by abrupt expulsions of some ministers from the cabinet and subsequent resignations by other ministers following an irreconcilable and growing rift that had developed between the then Prime Minister Dr. Hastings Banda and cabinet ministers largely over counter progressive policies orchestrated by Dr. Hastings Banda (Chiume, 1982; Pike, 1968). Trade unions which had felt greatly sidelined by the post-colonial government since 1963, took a leftist position against such policies in support of the dissident cabinet ministers. Hence forth, trade union leaders were intimidated, harassed, forced out of office or thrown into detention without trial. By the end of 1964, fourteen

²⁸ Magalimoto in English is translated as 'vehicles.'

²⁹ This is the commercial city

³⁰ Independence was attained on 6th July 1964

trade unions out of 19 had been de-registered by the Ministry of Labour. All civil service unions were immediately banned and the Teachers Union of Malawi was renamed the Teachers' Association of Malawi. Thereafter, in 1965, the ruling party Malawi Congress Party (MCP) called for a compulsory affiliation of the federation of trade unions to the party, thereby giving the party the mandate to meddle in union affairs, to restrict trade union activities and co-opt union leaders who were regarded as potential threats into the state machinery (Dzimbiri, 2007 and 2008). As such, the trade union movement lost its autonomous capacity to influence national policies and particularly labour relations in Malawi.

The socio-economic impacts of the Structural Adjustment Programme (SAPs) which the Government of Malawi (GoM) started to implement in the 1980s coupled with a wind of democratisation that was blowing across Africa in the early 1990s sparked a rejuvenation of a vibrant trade unionism. This process commenced with a strike activity that sprang from 1992-1993 that at one moment almost paralysed all sectors of the economy. This then resulted in a series of negotiations between government and workers' and employers' representatives. These negotiations paved the way for the rebirth and formation of more trade unions while the existing five unions which were affiliates of the only federation called Trade Union Congress of Malawi (TUCM) fore-runner of the Malawi Congress of Trade Unions (MCTU), demanded greater autonomy and influence on the direction of government policies and labour relations. These unions became part of the significant opponents of the one party state till its demise in June 1993.

Lately, the trends of neo-liberal globalisation and national struggles in light of the nascent democracy have compelled the trade union movement to reconceptualise its historic relationship with the state. This has then opened up opportunities for new alliances, strategies and partnerships at both national and international level. Currently, there are thirty registered trade unions in Malawi including two federations namely: the Malawi Congress of Trade Unions (MCTU)³¹ and the quasi-defunct Congress of Malawi Trade Unions (COMATU). Of the twenty eight unions, twenty two are affiliated to the Malawi Congress of Trade Unions (MCTU); two

³¹ A congress meeting of TUCM held in 1995 resolved to change the name to MCTU.

are still reported to be affiliated to Congress of Malawi Trade Union (COMATU) while four are not affiliated to any of the two federations.

Legal and Institutional Framework

There are three major key players in the terrain of labour in Malawi. These are: the government through the Ministry of Labour, Employers through the Employers Consultative Association of Malawi (ECAM) and trade unions. The Ministry of Labour is mandated to provide policy direction, arbitration and guidance on labour administration. With slightly over 200 corporate members, ECAM was registered in 1963 primarily to promote, guide and protect employers' interests in labour and social policy (Kayuni & Chinguwo, 2009).

In Malawi, there are legislations that were enacted to protect the rights of workers and regulate labour relations. These include:

The Employment Act of 2000

This seeks to establish, reinforce and regulate minimum standards of employment with the purpose of ensuring equity necessary for enhancing industrial peace and social justice.

The Labour Relations Act of 1996

This essentially seeks to promote sound labour relations through the protection and promotion of freedom of association, the encouragement of effective collective bargaining, and orderly dispute settlement.

The Occupational Safety, Health and Welfare Act of 1997

This provides for the regulation of conditions of employment in workplaces as regards the safety, health and welfare of persons employed at every work place.

The Workers Compensation Act number 7 of 2000

This provides for the compensation of all injuries suffered, or disease contracted by workers during employment, or death resulting from injury, or disease while at work.

Industrial Relations Court

This was established under Section 110 (2) of the Malawi Republic Constitution. It has original jurisdiction over labour disputes and other issues relating to employment.

Core Conventions of International Labour Organisation (ILO)

GoM has ratified all the International Labour Organizations (ILO) core conventions. These are: the Freedom of Association and the Protection of the Right to Organise; the Right to Organise and Collective Bargaining; Forced Labour; Abolition of Forced Labour; Minimum Age; Worst Forms of Child Labour; Equal Remuneration and Discrimination.

Nevertheless, the Employment Act, the Occupational Safety Health and Welfare Act, and the Workers Compensation only target workers in the formal economy, thereby marginalizing the majority of workers in the informal economy. This means that in contrast to the formal economy, the informal economy in Malawi lacks adequate legal and regulatory environment.

Local and International affiliation

Unions under MCTU are also affiliated to respective Global Union Federations (GUFs); where as the MCTU at the regional level is affiliated to the Southern African Trade Union Coordination Council (SATUCC), and the International Trade Union Confederation (ITUC)-Africa and the Organisation of African Trade Union Unity (OATUU) at the continental level.

Internal union democracy, capacity and density.

Constitutionally, congress meetings and elections for both MCTU and affiliates are supposed to be held in respective intervals of four years. The top leadership of MCTU and its affiliates generally comprises of 6 positions namely- the President, the Vice President, the General Secretary, the Deputy General Secretary, the Treasurer General and the Chairperson of the Women's Committee. These positions are filled at a congress meeting which the highest decision making body. In contrast, the national executive committee (NEC) of the National Organization of Nurses and midwives (NONM) comprises of 12 people (ibid). In all unions, on average, women representation at top union leadership and lower levels i.e. membership ranges from 25-30 percent (Kayuni & Chinguwo, 2009).

MCTU has four elected leaders who work full time namely the Secretary General, the Deputy Secretary General, the Treasurer General and the Chairperson of the Women's Committee. MCTU currently employs 8 full time support staff: the Education and Organizing Officer; messenger (2); the driver; administration officer; finance officer; security guard; and researcher. All these including the full time elected leaders are based at the Secretariat in Lilongwe. MCTU does not own fixed assets except a piece of land within Lilongwe intended for the construction of its own office premises. Similarly, all unions except two i.e. the Teachers Union of Malawi (TUM) and the National Organization of Nurses and Midwives of Malawi (NONM) do not own any fixed assets and employ not more than seven full time members of staff. There are at least five unions affiliated to MCTU that do not own any of the following office equipments: computer, fax machine, printer, and photocopier etc. Whereas MCTU does not have any other office country wide apart from the Secretariat, there are only four unions which operate at least one auxiliary union office (s) country-wide. The other seventeen unions either have only one union office country-wide which serves as a union secretariat, or utilize employer-designated office rooms and equipments of some full time members of staff at particular workplaces organized by respective unions. These individuals tend to be General Secretaries of their respective unions³². Exceptionally, there is one full time General Secretary of one union who does not operate from any office.

The unions' sources of funds are the monthly membership subscriptions which range from MK 2,000 (USD 13) to MK 4, 000,000 (USD 26,316). At least fifteen out of twenty two affiliates earn not more than MK 120,000³³ (USD 789) per month from membership subscription (Kayoing & Chinguwo, 2009). On average, for a union with two full time officers i.e. General Secretary and Office Assistant, MK 120,000 (USD 789) is only enough to pay the following bills in a month to keep the union office running: office rentals, electricity, water, communication and stationery etc. This excludes expenses on salaries for the two staff and core union activities namely organizing, education and training (Kayuni & Chinguwo, 2009). Another source of funds

³² Not on full time

³³ At the time of the study in July, exchange rate was at 1 USD=MK 152

for unions is finances from the cooperating partners which are strictly directed towards specific project activities.

Due to lack of adequate funds, most unions fail to meet the constitutional requirements to regularly organize scheduled national executive committee and congress meetings and conduct regular auditing of union accounts. For instance, eight unions did not hold their respective congress meetings in 2009 which had fallen due. Further to this, in 2009, only two unions out of twenty two affiliates had met the constitutional requirement to submit audited accounts to MCTU within six months (Kayuni & Chinguwo, 2009).

A survey conducted by Kayuni and Chinguwo in 2009 revealed that out of twenty MCTU affiliates, seven unions which were either enterprise or craft unions commanded a union density of above 50 percent, while six unions which were either sectoral or industrial unions commanded union density of not more than 20 percent as shown in Table 2.

Table 2: Union density for MCTU affiliates

Level of union density	Number of affiliates
Less than 10 percent	4
Between 11 and 20 percent	2
Between 21 and 29 percent	1
Between 30 and 40 percent	2
Between 41 and 49 percent	2
Between 50 and 59 percent	2
Above 60 percent	5

Source: Kayuni and Chinguwo (2009).

This then means that in relative terms, sectoral or industrial unions in Malawi have not performed satisfactorily in terms of recruitment of membership as compared to enterprise and craft unions.

Services and Benefits Provided by Trade Unions

Scope of services

All unions affiliated to MCTU provide various services to their membership. These services can be summarized as:

- Grievance handling (representation);
- Trade union education/trainings;
- Advisory and counseling; and
- Collective bargaining process.

In all the unions, the provision of these services is stipulated in the respective union constitutions and resolutions made at the respective union congress meetings. The members of the unions are mainly informed about these services through workplace meetings conducted by shop stewards; trade union training and educational programmes conducted by top union leaders. In some instances, unions use notice boards, leaflets, newsletters. In isolated instances, unions use e-mails to communicate to their membership about the services.

Eligibility

In all unions, services such as grievance handling (representation) and trade union education and training are solely targeted at the members of the respective unions, whereas the collective bargaining process, and advisory and counselling are directly provided to both members and non-members.

In all unions, the common criterion for one to access any of the services is firstly to become a paid up union member. Then in case of need with regards to grievance handling, one is required to bring the matter to the attention of union official (s) at the workplace level for redress. In some instances, the matter is referred to the union secretariat depending on the nature of the case and the intervention required. With regards to trade union education and training, in most instances, it is the paid up members who are eligible for nomination by the union to access this service. Though the general feeling is that the services are not adequate, generally the members in the unions consider the procedure for accessing the services as fair and straight forward.

Finances

Financial assistance from cooperating partners abroad supplemented by member subscriptions is the major source of finance for the services that the unions provide. However, it is common in all the unions that budgeting for the services provide in a particular year is essentially adhoc. The services such as education and training are provided whenever the funds become available in the union coffers. In most instances, training provided by the unions is not designed based on the needs and coverage. Hence unions do not have the flexibility to allocate the funds based on their own assessment of the particular demand or need of the service.

Management

The services provided by the unions are managed by the union secretariat in terms of planning, scheduling, identifying the resources required etc. Almost all unions do not have comprehensive monitoring and evaluation systems for the services provided by the union. Nevertheless, the unions are able to conduct adhoc evaluation of their services based on feedback from their membership obtained from workplace meetings and other union fora such as congress meetings.

Impact of services

Both leaders and members of the unions acknowledged that the services particularly grievance handling (representation) and trade union education and trainings have assisted in attracting non members to join their respective unions. It was further suggested that other services such as legal or paralegal and Occupational Safety and Health services, sensitization campaigns on workers' rights at all workplaces, if introduced would attract more members for the unions in Malawi.

Union effectiveness

The level of union effectiveness as far as the collective bargaining process is concerned is heavily compromised by various challenges confronting the unions. One such a challenge is that at least seven unions have never signed any Collective Bargaining Agreement (CBA) with any employer (Kayuni & Chinguwo, 2009).

Nevertheless, for those unions that operate within the framework of Collective Bargaining Agreement (s) it is a trend that when negotiations with their respective employers break down, a union would declare a dispute by providing the employer with a written notice. Thereafter, at least two meetings between the employer and the union would be arranged, failure of which both the employer and union may agree to seek the intervention of a mediator. In few instances, upon the failure of the mediator to resolve the dispute, a union may resort to industrial action. Alternatively, the dispute may be referred to the Industrial Court for hearing and judgment.

Members of the unions cited income increases and general improvements of working conditions as indications of effectiveness of union interventions. However, members in the unions that have signed Collective Bargaining Agreements (CBAs) expressed ignorance of the contents of the Collective Bargaining Agreements (CBAs) that their respective unions had signed with their respective employers.

On the whole, the level of union effectiveness in service provision is far below the satisfaction of members. This is due to high expectations of members for radical and rapid improvements in their general welfare at the workplaces. The study also revealed that most employers do not engage in good faith with the respective unions with regard to the collective bargaining process. As such, this derails the negotiations between the unions and employers to the dissatisfaction of the union membership at large.

Challenges

The following are the main challenges that unions face as far as service delivery is concerned.

Lack of capacity and resources

The offices of the General Secretaries are always overloaded and overburdened with work. For instance at the union secretariat, in most instances there is a General Secretary (full time) with at least one employee as a support staff. This entails that the planning and delivery of union services largely hinges on the shoulders of the General Secretary who serves as an administrator of the union; Chief negotiator; Organizer; Educator and Spokesperson. Besides, there are General Secretaries of at least six unions who are full time employees at their respective

workplaces. This entails that the six unions operate without any full time union leader at national level.

Low levels of membership

Most of the unions have low levels of membership, the result of which is poor monthly subscriptions. In some instances, this is worsened by lack of a check-off system that would be the most effective means of collecting membership subscriptions. Low subscription levels thus inhibit the unions to provide adequate services to their membership from their own coffers.

Lack of Awareness and Exposure

To a greater extent union members at the workplace levels are less aware of the labour laws, workers' rights and procedures of handling disputes and grievances. Generally there is lack of regular workplace meetings for members to effectively engage with their union leaders and learn more about the activities of their respective unions. This has resulted in a disjuncture between union leaders and the membership in terms of knowledge, exposure and articulation of labour and other relevant issues.

Limited accessibility of ICT

Access to Information Communications Technology (ICT) among the membership such as mobile phones and internet is very limited. The situation is more grave for the membership in the remote rural areas. This hampers the flow of information from the union secretariat to the members at grassroots.

No or Outdated Collective Bargaining Agreements

At least seven affiliates of MCTU have never signed any Collective Bargaining Agreements with respective employers, whereas Collective Bargaining Agreements that some unions have signed are outdated. There is an urgent need for these agreements to be revised in accordance with the ever changing circumstances on the ground as far as socio-economic context is concerned.

Employer Compliance to Negotiation Agreements

Unions particularly public sector unions and the Malawi Union For the Informal Sector expressed concerns that in some instances the central government and City and Town Assemblies respectively do not comply with some agreements reached during negotiations.

National Politics

Public sector unions admitted that in most instances the central government which is the employer formulates and implements some policies which are detrimental to the workers without making consultations with the respective unions. They argued that whenever the public sector unions stepped in to defend the workers interests, the unions are accused of practicing partisan opposition politics. The same applies to the Malawi Union for the Informal Sector each time the union engaged the Town and City Assemblies on various bye laws that disadvantaged its membership.

Services to Women Union membership

Though unions have women committees, these do not effectively fulfil their mandate. For instance, during planning and budgeting for union activities, women committees in the respective unions are not actively involved. Further, funds specifically meant for women activities are sometimes diverted to other activities without prior consultation with the respective women structures. On paper, some unions have specific allocations for gender related issues or women activities. Thus, the Electronic Media Workers Union of Malawi allocates 20 percent of its budget to women activities. The cooperation agreement between MCTU and Lo-Norway provides for the allocation of 10 percent of the financial assistance to MCTU from Lo-Norway to women activities. Unfortunately, this is not translated to action on the ground as women membership through the women committees continues to grumble that they hardly access such allocations. One can therefore conclude that union women members are denied some services that would have been provided by their respective unions through their respective women committees.

In addition, there is gender discrimination within the unions when it comes to identification of participants to trade union training and education activities. For instance, some unions do not

delegate women to represent their respective unions at meetings/fora unless specified in the invitation letter that a delegate from that particular union has to be female. Besides, very few unions are able to produce up to date membership data and accurately disaggregate their membership according to sex.

Services from MCTU to Affiliates

The unions affiliated to MCTU receive a number of services from the federation. However, it was difficult to make a clear distinction between services and benefits that MCTU provides to its affiliates. What other unions described as services that MCTU provides, were referred to as benefits by some unions. Nevertheless, generally the unions identified the following as key services which they benefit from by virtue of being affiliates of MCTU

- Various trade union education and trainings for their leadership and membership at both local and national level;
- Representation at both national and international level;
- Hosting of their respective union officials at the MCTU secretariat;
- Fostering and facilitating cooperating partnerships with sister unions abroad
- Technical support in organizing and research

Funds from cooperating partners of MCTU and monthly subscriptions from affiliates are the major sources of finance as far as the provision of the above mentioned services is concerned. The delivery of the services such as trade union education and trainings, technical assistance, and union representation does not follow a particular calendar. The provision of these services solely depends on the availability of the funds. Budgeting and planning for these services is adhoc and is not designed according to need and demand. Budgeting and planning is mostly on the digression of the cooperating partner directly funding that particular service. The services are managed by the MCTU secretariat. The monitoring and evaluation of the services is mostly adhoc as well and relies on the feedback from the affiliates during union fora organized by MCTU. On one hand, the unions acknowledge that the provision of the services by MCTU has greatly contributed to the building of the capacity of the affiliates in various respects.

Assessment of the impact of services provided by affiliates (unions) and MCTU

The services provided by the unions do not adequately satisfy the needs of the union members. Similarly the services provided by the federation (MCTU) partially satisfy the needs of the affiliates. Below is a discussion of the current assessment of the service.

Decline of Educational and Training programmes

According to the affiliates, the number of workshops and trainings provided by MCTU in a particular year at national level has been decreasing over the past few years. The same was also a concern expressed by union members pertaining to the services provided by their respective unions. However, one contributing factor is the gradual withdrawal of technical and financial support of some cooperating partners on the grounds that in comparison with other national centres and affiliates in the developing countries that are supported by the same cooperating partners, unions in Malawi and MCTU ought to have institutionally grown to stand on their own.

“Reduction of support from our cooperating partners over the years has had an effect on the quality and quantity of services provided by MCTU to its affiliates and unions to their members”. MCTU Secretary General, Interview, 20th June 2011.

For instance, during the 1990s MCTU had the following cooperating partners who have now withdrawn their technical and financial support:

- Solidarity Centre which was technically and financially supporting MCTU and affiliates in strategic organizing
- Friedrich Ebert Stiftung (FES) which was technically and financially supporting MCTU and affiliates on legal matters
- Commonwealth Trade Union Coordinating Council which was technically and financially supporting MCTU and affiliates on education and training
- Israel Agency for International Development and Cooperation (MASHAV) which was technically supporting MCTU on trainings for union leaders conducted at universities in Israel.
- American Federation of Labour which was technically supporting MCTU on trainings of union leaders conducted at universities in USA.

In addition, the financial support from MCTU's major cooperating partner called Lo-Norway, and LoCTO-Sweden to the affiliates have remained static over the past few years despite persistent increases in the rates of inflation.

Increase in non residential workshops

According to both the union members and union leaders, perhaps in order to cut costs there has been an increase in the number of non-residential training workshops mostly conducted in the major cities and towns. This disadvantages the union members from the remote rural areas since they do not benefit from the training/workshops provided by both MCTU and the affiliates. It is the same union members in the urban areas who continue to be targeted to attend the non-residential workshops. As such, this has aggravated inequality in terms of exposure and knowledge between the union members in the rural areas and urban areas.

Misplacement of Delegates to Union Fora.

According to both union members and the union leaders, as a matter of political expediency, there is a tendency by MCTU and the affiliates' secretariats to misplace delegates to union fora particularly abroad. A good example is a scenario whereby a top union official from the Teachers' Union of Malawi (TUM) was deployed to represent MCTU in Harare at a particular international union forum which targets workers in the informal economy. It is also an observation of some unions that MCTU is biased towards the unions which are represented in the top leadership of MCTU as far as the provision of services is concerned.

"Unions represented in the top MCTU leadership are the ones which are always involved in all MCTU activities more than the rest of us. To me this is a manifestation of favouritism by MCTU...There must be fairness". General Secretary of one of the affiliates, Interview, 29th May 2011.

To a greater extent, this has aggravated inequality in terms of exposure and knowledge among the union members.

No proportional consideration and lack of consultations

The number of delegates invited by MCTU and the affiliates to attend union trainings/workshops has not been proportional to the size of unions and sectors as far as membership is concerned. For instance, a union like the Teachers Union of Malawi (TUM) with a membership of over 45,000 has been required to send the same number of delegates as the Railways Workers Union with a membership of less than 300. This has been a source of dissatisfaction as far as large unions such as the Teachers Union of Malawi (TUM) and the Civil Servants Trade Union are concerned.

“The problem lies with the affiliates themselves. At General Council the consensus has always been that unions should be treated equally regardless of the size of the union because all unions have been paying the same subscription fee of MK 3,000. So MCTU secretariat’s role has been to implement this as agreed at the General Council, so is it fair then to blame MCTU secretariat for something which the unions themselves are responsible?” MCTU Secretary General, Interview, 20th June 2011.

The union members expressed similar concerns regarding the disproportionate delegate representation. Further to this, it was established that ordinary members are not well informed or regularly consulted by the top union leadership on critical matters. The same was also echoed by some unions which expressed a concern that MCTU is fond of making unilateral decisions on critical issues that need ample time for discussions among the affiliates.

“Because unlike other unions we are not consulted on any issue by the federation, we then feel like our union is an unwanted child within the MCTU family. This pushes us to contemplate dissociating ourselves from the MCTU family which does not like us in the first place”. President of one of the affiliates, Interview, 25th May 2011.

Too much into Politics

Some unions expressed a concern that MCTU has lately become too pre-occupied with national politics other than core labour issues. This, according to these unions, has negatively affected the quality and quantity of services that MCTU provides to its affiliates.

“It is not proper for MCTU as a federation to drag all of us (affiliates) into national politics. Let those few individuals at MCTU who aspire for positions in political parties

abandon the trade union movement with immediate effect and venture into national politics full time. We should not mix national politics and trade unionism". General Secretary of one of the affiliates, Interview, 23rd May 2011.

This was also expressed as an issue of concern among some ordinary members towards their respective unions. However, some unions hold that it is necessary for MCTU to continue its active involvement in national politics on the grounds that national politics have a critical bearing on labour issues.

"There is a thin line between trade unionism and national politics. Trade unionism itself cannot be separated from the activities of a federation. Were it not for our engagement in national politics, our union would not have made some significant strides which we failed to achieve since inception". General Secretary, one of the affiliates, Interview, 24th May 2011.

The differences of opinions on the subject matter of national politics as far as the role of trade unions is concerned signify the polarization of affiliates of MCTU with regards to the political divide. In one way or the other this may negatively affect the unions as the top leadership may waste time bickering on this matter instead of discussing how best to improve the union services. To substantiate this, at the MCTU General Council meeting held in February 2009, espousing their rivalry in light of affiliation to party politics, the top union leaders spent a considerable time debating without even agreeing at the end on whether it was necessary to invite the State President as a guest of honour to the forth coming May Day celebrations.

More so, it was further established that it is the concerns discussed above that recently compelled a few unions into discussions among themselves to explore possibilities of breaking away from MCTU to form and register a third federation.

Finally, gender disparity in terms of access to services as discussed above, has eventually widened the gap between women and men within the unions with regards to knowledge, exposure, articulation of labour and other relevant issues. Nevertheless, to a larger extent the trade union education and training programmes have had a very positive impact on the growth of

the unions in Malawi particularly with regards to the building of capacity of women to actively participate in union activities. For instance, the increasing numbers of women contesting and occupying top union leadership positions can partly be attributed to the impact of the trade union training and education programmes.

Contributing factors to inadequate delivery of services

Unions in Malawi are generally constrained as far as capacity is concerned. As such, generally unions do not adequately provide services of good quality to their membership. More particularly, unions in Malawi have failed to deliver better quality services because of lack of financial capacity as a result of weak numerical and organizational strength of the unions in the broader context of neo-liberal globalization.

“Lack of institutional capacity of the unions in Malawi translates into the lack of capacity of unions to provide adequate services to their membership. Sometimes, union members bypass their respective unions and bring their cases for redress to the MCTU secretariat. This should give you the picture of how unions lag behind in terms of service delivery”. MCTU Secretary General, Interview, 20th June 2011.

Firstly, the institutional capacity of unions in Malawi has been negatively affected by the tentacles of neo-liberal globalization. Just like in other developing countries, neo-liberal globalization has led to fundamental changes at the work place in Malawi. For instance, full time employment has increasingly been on the decline due to privatization and liberalization of trade and finance among others. This has eventually led to high unemployment levels, the creation of non-standard employment with less or no benefits i.e. casualisation of labour. For instance, though Malawi registered a remarkable growth in the manufacturing sector in the 1960s and 1970s, the manufacturing sector has been declining since Malawi started to implement neo-liberal trade policy reforms under the Structural Adjustment Programmes (SAPs) in the 1980s. Subsequently, amidst the neo-liberal agenda, particularly since 1995, there has been sustained decrease in the share of manufacturing to the GDP such that by 2008, the share of manufacturing to the GDP had declined to 9.2 percent, nearly the same level as at independence 47 years ago (Chirwa, 2009). Simultaneously the informal economy has been swelling as it absorbs the pool of people who have been losing jobs in the formal (manufacturing) economy.

In the broader context of neo-liberal globalization, while the power and dominance of global corporations on the global political economy has increased, the power of the national states has been declining and so has been the numerical and organizational strength of trade unions. In Malawi for instance, following the broad based implementation of neo-liberal policies under the SAPs, by mid 2008 about 70 state owned enterprises out of the 120 which were earmarked for sale on the divestiture sequence plan approved by the cabinet in 1997 had been transferred to private ownership (Tobias, 2008: 14). Subsequently the unions have continued to experience a drastic decline of union density as a result of job losses following privatization.

Table 3: Status quo of Textiles, Garments and Leather Sectors in Malawi

	Textiles	Garments	Leather	Total
Initial workforce before 1995	5, 950	11,000	1, 400	18, 350
Job losses by 2009	5, 197	5, 100	1, 300	11, 597
Companies closed by 2009	1 out 4	3 out 9	2 out 3	6 out 16

Source: Textiles, Garments, Leather and Security Services Union (Malawi).

Table 3 shows the status quo of the textiles, garments and leather sectors in Malawi following privatization and liberalization of the economy in the mid 1990s. Out of 18, 350 workers initially employed in 1995, it is estimated that about 11, 597 (63 percent) workers have lost jobs through retrenchments that followed privatization and liquidation of the firms in the three sectors while 6 out 16 firms have so far closed. It is further estimated that over 70 percent of the total number of the retrenched were members of the Textiles, Garments, Leather and Security Services Union. Whereas a few of the retrenched workers eventually managed to secure other jobs in the formal economy, given the high levels of unemployment, a majority of them have been relegated to the informal economy. The shrinking of the formal economy out of which the union draws its membership, has led to drastic reductions in union membership. As such, this has negatively affected trade union finances and operations to a great extent. Subsequently, this has had a

critical bearing on the quantity and quality of services delivered by the unions to their membership.

Secondly, due to lack of institutional capacity unions particularly the sectoral and industrial unions have failed to organize the workplaces and reach the threshold that qualifies them for the collective bargaining process. For instance, Section 25 of the Labour Relations Act stipulates that an employer can only recognize a particular trade union for purposes of collective bargaining if that particular union has managed to unionise at least 20 percent of the workers at one or more workplaces. As shown on Table 2, there are at least 6 sectoral or industrial unions that command union densities of not more than 20 percent.

Further to this, some top union leaders who serve as key decision makers at MCTU General Council and Board meetings, lack adequate trade union experience. For instance, structurally it is possible within some unions for an ordinary member at shop floor level to be elected into the national executive committee of a union. As far as the MCTU constitution is concerned, provided there is support from his or her union, such a person who has never risen through the union rank and file, is eligible to contest for any top leadership position at an MCTU congress meeting.

“Within the affiliates of MCTU, we have some presidents and General Secretaries who have never been shop stewards in their respective unions, who do not even know what a CBA is all about. How do you expect such union leaders without any knowledge and experience in grievance handling and worker representation to draft a CBA for you and effectively negotiate with an employer on your behalf?”

General Secretary of one of the MCTU affiliates, Interview, 5th July 2011

Failure by the unions to reach a threshold of 20 percent to qualify for collective bargaining process coupled with lack of adequate experience in trade unionism, are to a greater extent major reasons why almost half of the 22 affiliates of MCTU are reported to have never signed any Collective Bargaining Agreement with respective employers. One can therefore conclude that institutional capacity and structures of governance within unions have a huge bearing on service provision.

Thirdly, neo-liberal globalization entails the shifting of investments to relatively low cost production locations and imposition of homogeneity at workplaces across the world with similar production systems and work standards and interchangeably production facilities. This phenomenon has stimulated the development of more sophisticated global logical systems (Haiven et al, 2005:24). Eventually to match this trend, the demand by employers for highly skilled and professional personnel particularly at management level has increased a great deal. Hence in this regard, issues of collective bargaining have become very complex such that in light of neo-liberal globalization, they require the sufficient engagement of well trained negotiators and researchers on the part of unions to effectively confront with highly qualified and well experienced managers and employers' representatives at the negotiating tables. "Unfortunately trade unions do not yet have the capacity to address the new and emerging labour related issues within the liberalized economy" (ICFTU-AFRO; 2005, 25). Thus, unions continue to struggle to make significant strides for the workers they represent through the collective bargaining mechanism. This is one challenge that unions in Malawi are generally confronted with. For instance, none of the affiliates of MCTU has a full time researcher or a specialist in the area of collective bargaining. This would perhaps explain why efforts by unions to effectively negotiate with respective employers to revise the outdated Collective Bargaining Agreements have proved futile.

Next, the creation and registration of splinter unions sometimes under the influence of employers or the state machinery as a tactic of muzzling the trade union movement, has brought about the proliferation of smaller unions in Malawi. This has led to union fragmentation and considerably weakened the trade union movement at large numerically, financially and politically. To a greater extent, this is another contributing factor to the failure of some unions in Malawi to adequately deliver quality services to their membership. For instance, the signing of a collective bargaining agreement in the tea sector in Malawi has been stalled for almost a decade largely because of the existence of two rival unions in the tea sector which have always failed to engage each other to come up with common positions in readiness for negotiations with one body that represents the employer in the sector. These unions are Plantations Agriculture Workers Union (PAWU) affiliated to Malawi Congress of Trade Unions (MCTU) and Tea Coffee Macadamia

workers union of Malawi (TECOMA) affiliated to the MCTU breakaway federation called the Congress of Malawi Trade Unions (COMATU). The end losers in this ‘cold war’ between the two rival unions have been the thousands of workers in the tea estates whose conditions of service remain miserable, and whose interests both unions claim to represent but cannot be effectively negotiated upon with the employer in the absence of a collective bargaining agreement which is exceedingly long overdue.

Union fragmentation such as the one evident in the tea sector in Malawi and the agricultural sector at large defies the very fundamental recognition among trade unionists and activists globally that workers become stronger when they unite and bargain and lobby with employers and government respectively in solidarity, and when they have a common voice to represent their interests (Jackson; 2004, 1).

Box 1: Splinter unions in Malawi

“The divide and rule tactics relate to alleged state sponsorship of splinter unions to create chaos in the labour movement (in Malawi). While the multi-party state (in Malawi) sought to promote trade unionism, in practice it encourages rebellions within unions.

For example Malawi Congress of Trade Unions (MCTU) breakaway Congress of Malawi Trade Unions (COMATU) created in 2000, as a second federation is perceived as a state machination to strangle the labour movement.”

Source: Paper by Dr. Lewis Dzimbiri (2005), *The State And Labour Control in Malawi*.

Finally, much as it is true that the quality and quantity of services provided by MCTU to its affiliates has been declining due to the withdrawal of financial support from some cooperating partners, the unions themselves have also contributed to this aberration. Unions do not regularly pay affiliation fees to MCTU which would be utilized by MCTU to improve the provision of services to the affiliates. For instance, records indicate that in 2009, MCTU only received approximately MK 1 million (33 percent) equivalent of USD 6579 out of MK 3 million (USD 19737) which MCTU forecast to collect from the unions as affiliation fees. Lack of commitment among the unions to honour the affiliation fees whenever due is a manifestation of lack of ownership of the federation by the affiliates themselves. Hence to a certain extent one may argue

that the affiliate's grievances over the poor service delivery by MCTU as discussed above lack substance.

Benefits to Trade Union

There are only four unions that run established benefit programmes for their membership as part of their planned union activities. These are the National Organization of Nurses and midwives of Malawi (NONM), the Teachers Union of Malawi (TUM), the University Workers Union, and the Malawi Housing Corporation Workers Union. Among these, it is only TUM and NONM that provide benefits of relatively wider scale and scope.

With regards to the rest of the unions, it can be concluded that the provision of benefits is not part of their planned union activities. In few instances, benefits such as loans; distribution of items such as T-shirts and agricultural inputs; and funeral cash assistance are provided to the membership by some unions on adhoc basis depending on the availability of funds in the union coffers. These unions do not plan nor budget for such benefits on an annual basis. Neither do these unions sensitize their membership regarding the provision of these services as it is the case with the services. As far as these unions are concerned, not every member is eligible to access these benefits whenever funds are available. Since information is not always made available to the ordinary members, mostly it is the top union officials who have access to such benefits. As such, it cannot be argued that the provision of benefits such as loans, T-shirts and funeral assistance on an adhoc basis has served to attract more members for these unions. More so, there are no attempts to monitor and evaluate the provision of such benefits.

The major challenge that is given by the unions for not prioritizing the provision of benefits is generally lack of financial capacity. Given adequate funds, the unions admit that they would wish to provide more loans to their membership on a large scale basis, financially support their members to upgrade their academic qualifications, establish bursaries for children and orphans of both the leaders and ordinary members etc. The provision of such benefits at a large scale might assist to attract more members for the unions.

Five Case studies on the provision of benefits

Below are five case studies that illustrate the provision of benefits offered by selected trade unions in Malawi.

A. The Malawi Housing Corporation Workers Union

Malawi Housing Corporation Workers Union has two distinct benefit schemes that it provides to its membership:

Canteen and Restaurant

The workplace which hosts the largest number of members of the union is located far away from eating joints where members would go during lunch time to fetch food and report for work on time after lunch. To address this problem, using monthly subscriptions, the union executive decided to establish a canteen and restaurant in 2009 at the workplace which is open to both members and non members. However, members of the union buy food stuffs at relatively subsidized prices.

End of year bonuses

Out of the proceeds from the canteen and restaurant supplemented with monthly subscriptions, the union is able to provide a reasonable amount of cash to every member of the union at this workplace as a token of thanks for contributing to the development of the union in one way or the other. These incentives were started in 2006 when the employer failed to remit bonuses to all employees as it had been tradition towards the end of each year.

Information pertaining to these benefits is communicated to the members through workplace meetings and circulars posted on notice boards. It is the union secretariat that manages these schemes. Management of these benefits also involves regular monitoring and evaluation. Besides, the union is still able to provide services to its membership amidst the general challenges that are common to all unions as far as service delivery is concerned. Apart from attracting more members for the union, these benefits have served to entrench commitment and confidence towards the union among the members. The major challenge has been lack of

financial muscle to introduce more and better benefit packages to the satisfaction of the union membership at all the workplaces.

B. Teachers Union of Malawi

The Teachers Union of Malawi (TUM) is involved in the provision of the following major benefits:

In-service Training Programme

The Teachers' Union of Malawi (TUM) runs a programme that enables primary school teachers (paid up members of the union) to sit for O' level national examinations in order to acquire the qualification or re-sit to obtain better grades. This is distinct from the ordinary trade union education and training that the union provides to its membership.

Information on the In-service Training Programme is communicated to the members through workplace meetings, newsletters and circulars posted on notice boards at various workplaces. It is the union secretariat that manages this programme. Management of these benefits also involves regular monitoring and evaluation. Apart from attracting more members for the union, this benefit has served to entrench commitment and confidence towards the union among the members. The major challenge has been lack of adequate finances to increase the number of beneficiaries per year.

Teachers' Living Positively with HIV/Aids

This is a support group for teachers who are infected with HIV/Aids. It has over 3500 members. Among its activities are tips, discussions and support among the members on positive living. Farming is also another source of income for the support group to finance its activities such as small loans to its membership. TUM is one key stakeholder of this programme.

Information about this programme is communicated to the union members through workplace meetings, a newsletter and circulars posted on notice boards at the workplaces. There is a steering committee which manages the programmes and directly reports to the Ministry of Education. Monitoring and evaluation is conducted by the steering committee. One of the impacts of the programme is the increase of the number of teachers going for Voluntary Counselling and Testing (VCT) and remarkable increase in the union membership. However,

apart from lack of adequate financial resources, stigma is a major factor that prevents some teachers from disclosing their status in order to benefit from the activities of the support group.

C. The National Organisation of Nurses and midwives in Malawi (NONM)

The following are the benefits that NONM provides to its membership:

(a) Wellness Centre Programme

Since 2010, the union has been running a Wellness Centre that provides care and Voluntary Testing and Counseling (VCT) facilities to its members who are infected with HIV/Aids. Over 90 percent of the beneficiaries of the Wellness Centre are reported to be women. There are a total of 46 support groups under this programme which serve as support systems for health care workers living with HIV/Aids. There are 2 managers who are in charge of the management of the programme on behalf of NONM. Management of the programme also involves regular monitoring and evaluation. Funds for the programme are partly drawn from membership subscription and from cooperating partners such as Norwegian Nurses Organisation (NNO) and National Aids Commission (NAC). The major challenge is that there is a growing number of health care workers infected with HIV/Aids who need the services at the Wellness Centre which cannot be spread thinly to cater for all the infected members due to financial constraints.

(b) Shop

As part of the income generation activity, the union operates a shop which sells official merchandise for the union such as pieces of cloth, T-shirts, batches, caps etc. Individual members in collaboration with the union are shareholders of the shop. The capital to establish the shop was provided by the union drawing from finances from a Norwegian cooperating partner, Norwegian Nurses Organisation. The proceeds for the union are in turn channeled to the Solidarity Fund. The shop is managed by the accounts department of the union on behalf of NONM. Management of the shop also involves regular monitoring and evaluation. The major challenge has been insufficient advertising to increase sales.

(c) Loan Scheme

The union runs a loan scheme for its members. The funds for the loan scheme are drawn from the Solidarity Fund. The scheme is managed by the union's accounts department on behalf of NONM. Management of the scheme also involves monitoring and evaluation. The major

challenge for the loan scheme among other factors is the increased rates of defaults in repayment.

(d) Legal aid

When a member requires representation by a lawyer in a court of law on workplace related matters, the union hires a lawyer and meets all the legal costs. The funds are drawn from the union's solidarity fund. The part-time services of a lawyer are partly contributed by a cooperating partner, CORDAID. The scheme is also subjected to monitoring and evaluation by the Accounts department which manages it on behalf of NONM.

(e) Other benefits

The union also financially supports bereaved families of the former leaders and members i.e. by paying school fees for the orphans. The members who have been unfairly dismissed also receive monetary compensation from the union. The cash for these benefits is drawn from the union's Solidarity Fund.

Distribution of information materials is another tangible benefit for members. The Malawian Nurse Magazine, posters, and nurse angel badges are given to members upon confirmation of one's payment of membership subscription fees. Additionally, information pertaining to membership benefits and other events and activities are communicated to the members through workplace meetings, a newsletter, emails and circulars. The union is also piloting the use of SMS technology as a means to communicate with members.

The union admits that some workers joined the union particularly in order to access these benefits. Further to this, the members expressed satisfaction with the benefits amidst the various challenges confronting the union.

Meanwhile the union is in the process of transforming the Wellness Centre into a fully fledged medical clinic that will be open to the general public. Access to the services of the clinic will be free for members while the general public will be required to pay a fee. The income raised from the fees paid by the general public will be used to improve the services of the clinic and finance other union activities. The union also has plans to introduce a savings and credit scheme for members as a significant step towards the improvement of the loan scheme. This means that the

amount of cash a member will be eligible to borrow will be commensurate with the amount of savings the member shall have accumulated.

D. University Workers Union

At the union's second largest workplace in terms of membership, there are the following two benefits:

(a) Canteen and Restaurant

Using monthly subscriptions, the union established a canteen and restaurant. The canteen and restaurant which are open to both members and non members offer affordable prices compared to other canteens and restaurants outside the workplace.

(b) Revolving fund

The union operates a revolving fund for its paid up members only. The interest rate is pegged at 7.5 percent. This was introduced as a remedy following halting of the loan scheme which was previously provided by the employer.

Information pertaining to these benefits is communicated to the members through workplace meetings and circulars posted on notice boards. It is the union secretariat that manages these schemes. Management of these benefits also involves regular monitoring and evaluation. Besides, the union is still able to provide services to its membership in light of the general challenges that are common to all unions as far as service delivery is concerned. There are two major challenges that the union faces as far as the provision of benefits is concerned. These are:

- 1) Lack of financial capacity to improve and introduce other benefit packages*
- 2) Insufficient funds in the revolving fund and payment defaults.*

The union admits that some workers joined the union particularly in order to benefit from the revolving fund. The members expressed satisfaction with the benefits in terms of delivery particularly the time and procedure it takes for one to access the loan which is far much shorter and straightforward compared to the employer's defunct loan scheme.

E. Workers' Committee at MCTU

In 2008, members of staff at MCTU formed a workers' committee which is recognized by the MCTU leadership. With a membership of 13 including 5 union organizers from affiliates of MCTU who are hosted at the MCTU secretariat, the Workers' Committee provides similar services that are provided by unions affiliated to MCTU such as grievance handling (representation); advisory and counselling; and the collective bargaining process. Achievements of the Workers' Committee since 2008 as far as Collective Bargaining process is concerned include: Successful negotiations for salary increments; introduction of a non-discriminatory medical scheme; and restructuring of work and positions etc. The Workers' Committee provides the following established benefits to its membership:

(a) Loan scheme

Using monthly subscriptions, the Workers' Committee started an interest free loan scheme of amounts not exceeding MK 100, 000 which is open to members only.

(b) Special Assistance scheme

Using monthly subscriptions and a small scale business on beverages and snacks, the Workers Committee provides a Special Assistance scheme to its membership and MCTU leadership on occasions of weddings, bereavement, sickness or death of a member of the Workers' Committee or MCTU leadership. Further to this, when a family of members of staff or MCTU leadership has been blessed with a new born baby, the Workers Committee draws cash from its coffers to purchase assorted items which are presented as gifts on behalf of the Workers' Committee.

(c) End of year party

At the end of every year, the Workers' Committee organizes a get together party for members of the Workers' Committee, their children and spouses. The invitation is also extended to MCTU elected leaders, their spouses and children. About 90 percent of the total cost of the party is met by the Workers Committee while the remaining 10 percent is drawn from individual contributions from the members of the Workers Committee and MCTU leaders who confirm attendance in advance.

Information concerning these benefits is communicated to the members through workplace meetings and circulars. It is the executive of the Workers' Committee that manages these

schemes. Management of these benefits entails regular monitoring and evaluation. Apart from satisfying the members of the Workers' Committee, the benefits have attracted keen interests among the workers employed by unions affiliated to MCTU who are currently exploring possibilities of establishing their own. The major challenge has been lack of financial muscle to introduce more and better benefits to the satisfaction of the membership of the Workers Committee.

Benefits for Union employees

Unions which are also employers confirm that, they provide bargaining space on a regular basis, medical scheme, house allowance and training and education opportunities and in some instances loans to their employees. The picture given by union leaders regarding the conditions of services for their employees is rosy and impressive contrary to the perspectives of the employees themselves. However, it was established that it is only employees at TUM, NONM and MCTU who enjoy the above mentioned benefits though generally not to the optimum satisfaction. Employees at TUM, NONM and MCTU still have grievances which need to be redressed by their respective employers. Nevertheless, employees in these three unions are better off as compared to their counterparts in the other unions as far as working conditions are concerned.

Benefits provided by MCTU

MCTU provides established benefits to both its members of staff and the affiliates. These include financial support for various professional trainings; Loans and Special assistance particularly during bereavement. These benefits are managed by the MCTU secretariat. Management of these benefits involves regular monitoring and evaluation. Information pertaining to these benefits is communicated to the members of staff and the affiliates through emails and circulars. The source of finance for the professional trainings and loans are the funds from a cooperating partner (Lo-Norway), while the special assistance is largely financed by the affiliation fees collected from the unions.

However, in the late 1990s, MCTU was able to provide the following benefits to the affiliates and workers:

- Legal support in court cases by settling financial costs.
- Monetary compensation to workers in an event of unfair dismissal.
- Support to communities affected by child labour with regards to small scale businesses and education.

It was possible for MCTU to provide these benefits because of the technical and financial support it used to receive from such cooperating partners such as Solidarity centre; Friedrich Ebert Stiftung (FES); and Commonwealth Trade Union Coordinating Council among others. However, these cooperating partners are no longer assisting MCTU. This therefore explains why MCTU is no longer able to provide these benefits any more.

Contributing factors towards disparity in the provision of benefits

The services provided by unions can be categorized under the traditional roles of trade unions while the benefits can be classified as falling under the non-traditional roles of trade unions. In light of neo-liberal globalization, trade unions should strive to perform both the traditional and non-traditional roles.

Firstly, unions in Malawi have generally performed poorly as far as the provision of benefits is concerned. One reason is that there is a narrow view of trade unionism in Malawi which is confined to workplace issues. This explains why unions have not moved beyond to engage in investments and medium to large scale businesses as a means of raising funds to provide non-traditional services i.e. benefits to their membership in addition to the traditional roles i.e. services. The provision of benefits may serve to attract more members for the unions and also entrench a high level of satisfaction and discipline among the union members. This then makes the unions become relevant as far as the needs of their own members are concerned. As such, provision of benefits must constitute an integral part of core union activities. This then justifies the argument that trade unions in Malawi should broaden the scope of trade unionism from the confines of traditional roles.

“At one time I had failed to pay school fees for my children, they were sent back from school. I then applied for a loan at my union...I got it within a day and my children went

back to school the following day”. Shop steward of University Workers Union, Interview, 21st April 2011.

The traditional roles of trade unions i.e. services are geared towards the betterment of the position of the members in relation to their employment. Therefore, these services may subsequently assist to ensure adequate wages, better conditions of work and employment through the collective bargaining process. However, the unions in Malawi need to also provide welfare measures in order to improve the morale of workers and generate self confidence among them; encourage sincerity and discipline; and provide opportunities for growth. These measures may include payment of school fees for the education of leaders’ and members’ children and orphans, provision of opportunities for professional training, provision of assorted loans to members, provision of library facilities for the members and their children, provision of recreational facilities etc. These are services which were previously provided by employers. But in light of neo-liberal globalization which is driven by profit maximization and cost minimization, the employers have discontinued the provision of these services to the workers. As such, in response to the impacts of neo-liberal globalization, unions in Malawi need to move in to cushion their members by broadening their scope of trade unionism from the traditional activities i.e. provision of services towards performing non-traditional functions i.e. provision of benefits. However, the performance of non-traditional activities i.e. benefits by unions largely depend on the availability of funds, which the unions should largely raise from subscription from members among other sources and support from cooperating partners complimented by competent , visionary and patriotic leadership within the unions.

Secondly, in the Malawi context the nature of a particular union has a bearing on the provision of benefits. For instance, two unions such as TUM and NONM which have performed relatively well with regards to the provision of benefits can be classified as craft unions. These are unions composed of workers in a particular industry along the lines of a particular craft or trade or skill level. In contrast, the unions that have not managed to provide tangible benefits to their membership happen to be industrial unions which are composed of workers in the same industry regardless of differences in skill or trade. By their nature organising does not appear to be a core union activity that demands a relatively huge allocation from the union budget and expenditure

in craft unions such as TUM and NONM, as it is the case in industrial unions. Hence, the revenue that craft unions accrue which would have been spent on organizing if they were industrial unions could probably be allocated to the provision of benefits and services. This then explains why TUM and NONM are relatively star performers as far as the provision of benefits to members is concerned in terms of magnitude and coverage.

In addition, apart from the craft unions, the other two unions which have also performed relatively well in the delivery of benefits have tended to be enterprise unions such as the Malawi Housing Corporation Workers Union and the University Workers Union. These are unions that represent employees working for one employer. In contrast, the unions that have not managed to provide any tangible benefit to their membership are essentially sector unions which organize a wide range of workers working for different employers. Analysis indicates that the function of organizing upon which sector unions spend much of their revenue is not a core activity for enterprise unions as they only target one employer as far as recruitment campaigns are concerned. As such, a huge chunk of revenue for enterprise unions which would have been channelled towards organizing if they were sectoral unions could possibly be allocated to the provision of benefits for the membership. This then explains why it has been possible for enterprise unions such as the Malawi Housing Corporation Workers Union and the University Workers Union to introduce benefits for their membership though at a relatively small scale.

Thirdly, among the unions, there is a connection between self reliability and the provision of benefits of relatively high magnitude and wide coverage. For instance, the only two unions which are able to sustainably provide benefits to their membership at a relatively wider scale and scope are TUM and NONM. These happen to be the only two unions in Malawi whose degree of self reliance is relatively high though they also receive some financial and technical support from cooperating partners. For instance, compared to all the affiliates of MCTU including MCTU itself, it is only TUM and NONM that own office buildings they occupy. They both have at least three vehicles which are all in good condition; they both employ at least 13 members of staff on a full time basis. This signifies the extent of institutional capacity that TUM and NONM have which enables both of them to provide benefits at a wider scale compared to the other unions.

Besides, both TUM and NONM previously operated in Malawi as craft associations for decades under the one party state before they metamorphosed into trade unions. While trade unions were heavily suppressed during the one party era, TUM and NONM as craft associations enjoyed overwhelming financial and technical support from both the state as an employer and international cooperating partners. In contrast, during the one party state, following the cabinet crisis of 1964, the five existing unions and the federation were prohibited by the state from receiving any technical and financial support from outside the country without state approval. As such, the largesse which was then denied to the unions greatly assisted to build the institutional capacity of both TUM and NONM which created an enabling environment for them to provide benefits to their members at a relatively wider scale compared to the other unions. By the time TUM re-registered as a union in 1995, after operating as a craft association since 1964, it already had an office building of its own, full time employees and at least one vehicle. Similarly, by the time NONM became a trade union in 2007 after operating as a craft association since 1979, it had full time employees on its pay roll, at least two vehicles, and had already acquired land and commenced the project to construct office premises.

Last but not least, the power struggle and opportunism which characterizes party politics has also roped the trade union movement in Malawi.

“Trade unionists vie for top union leadership positions not to serve the interests of the workers first and foremost, but for personal gain. You find union leaders spending more time attending local and international workshops and conferences instead of doing work in the office to address concerns of the workers. Their interest is on allowances and per diems...and they hardly delegate others to represent the union or federation where they know fully well that there are attractive allowances and per diems”. Francis Antonio (Former Secretary General of MCTU), Interview, 28th June 2011.

The power struggle at MCTU is manifest during congress meetings which are characterized by rival camps contesting for the grip of power on the federation. Unfortunately, the rival blocs continue to exist way after congress elections. The recent attempts by some unions to break away from MCTU and form another federation years after the previous congress elections, is a good example of the extent of rivalry over power that exists among the top union leaders. Ultimately

opportunism and power struggles have created a disjuncture between union leaders and the grassroots membership on one hand in terms of knowledge and exposure to labour and other related matters and between MCTU top leadership and its affiliates' leaders on the other hand in terms of policy direction. Ultimately besides eroding solidarity, these disjunctures have further become sources of resentment and hostility among the union members and top union leaders. Such a tense atmosphere is not conducive for the provision of both services and benefits to the union membership.

TUM and NONM which are apparently the only two unions affiliated to MCTU which have performed relatively well with regards to the provision of benefits to the membership, have not performed any better in the area of articulation of core labour issues and cultivating class and political consciousness among their membership. For instance, training and education programmes carried out by the two unions do not sufficiently cover core labour matters such as labour laws; the role and mandate of trade unions; workers' rights; collective bargaining; Grievance handling etc. Instead, their education and training programmes are largely confined to matters pertaining to their specific professions. This perhaps explains why on a number of occasions MCTU has been officially engaged by NONM to intervene on some elementary workplace disputes that would have been effectively handled at the workplace level or by the union itself on its own. Further to this, according to the chairperson of the Government Negotiating Team (GNT), negotiators from TUM and the Civil Service Trade Union (CSTU) who represent the teachers and civil servants respectively in negotiations with government (the employer) generally lack basic skills of collective bargaining.

“Mr. Samute the chairperson of the Government Negotiating Team once expressed a concern that those who represent TUM and Civil Servants Trade Union in the negotiations do not have the capacity to negotiate at all...He stressed that these comrades need capacity building in the collective bargaining process. He had a point...I have worked with these unions and I totally concurred with him” Anonymous, Interview, 7th July 2011.

This, therefore, substantially indicates that in these two unions particularly TUM and NONM, there is generally a lack of skills and adequate basic knowledge of trade unionism within the rank

and file. On the other hand, education and training activities conducted by unions such as Hotels Food and Catering Services Union, Transport and General Workers Union substantially cover issues pertaining to core labour issues in spite of their poor performance in the area of provision of benefits. One can therefore conclude that the primary focus of education and training programmes by NONM and TUM is not labour matters but rather matters that underlie their particular craft or profession. Nevertheless, it is difficult for one to conclude that TUM and NONM are able to provide benefits to their membership at the expense of education and training programmes of core labour matters.

Summary, Conclusion And Recommendations

Summary of Findings

The key findings can be summarised as below.

- Most Trade Unions in Malawi generally provide traditional services. However, these services are not adequately provided by the union to the satisfaction of the membership. Only four unions falling under the category of craft and enterprise unions are able to perform non-traditional roles of unions i.e. the provision of established benefits.
- It is only two craft unions namely TUM and NONM which are able to play both traditional and non-traditional roles i.e. provision of both services and benefits on a relatively wider scale and scope. These are the only unions which apparently have a high degree of institutional capacity in terms of self reliance. As compared to enterprise unions, the sectoral unions in Malawi have performed relatively poorly as far as the provision of services and benefits is concerned.
- The institutional capacity of unions in terms of self reliance is a major determining factor for the ability of unions to adequately provide services and benefits to their membership.
- Apart from the monopolisation of the trainings and seminars at both local and international levels by top union leaders, there has also been a disjuncture between union

leaders and members at grassroots level with regards to knowledge and exposure to trade unionism and other related issues.

- The provisions of services by both MCTU and affiliates have lately been dwindling in terms of both quantity and quality. Firstly, this has been a result of the gradual withdrawal of financial and technical assistance from some cooperating partners who used to directly support MCTU and its affiliates to provide the services.

Conclusion

This study sought to ascertain the provision of services and benefits by trade unions to the membership in Malawi. The study established that the institutional capacity (in terms of numerical, financial, organizational strength of unions and internal democracy) has a huge bearing on the extent to which unions can provide services and benefits to their members. This is therefore a key challenge. Other challenges include: lack of visionary, passionate and well experienced leadership; lack of adequate service delivery in the unions (e.g. education and training) leading to the lack of basic trade union knowledge among the members at the shop floor; low level of class and political consciousness among the union leadership and general membership. The study makes recommendations below that include: effective education and training;

Recommendations

The following are recommendations arising from the study:

Firstly, the study revealed that there was a lack of class and political consciousness among some union leaders and ordinary members. It is recommended that education and training should be stepped up and incorporated in the curriculum of trade union education and training

Secondly, in reaction to the decline of formal employment due to tentacles of neo-liberal globalization, unions should mobilize resources alternatively from their membership and cooperating partners to invest in productive enterprises as a means of creating employment opportunities for their membership to compensate for the massive job losses caused by neo-

liberal globalization though in a relatively small measure. This step can serve to boost the financial muscle of unions thereby making them stronger and capable of providing good quality services and benefits. Unions should further encourage their branches to mobilize their members to establish small scale businesses at the workplaces as part of income generating activities for the union. The revenue accrued can then be used to cater for benefits for the members at the workplace level other than waiting for the union secretariat to directly provide benefits at every workplace. A very good model in this regard can be the Workers' Committee at MCTU.

Thirdly, splinter trade union should merge as a way of entrenching organizational strengths of unions. This could be leverage for resource mobilisation for the provision of services and benefits. In addition, sectoral and industrial unions should significantly increase efforts in the area of organizing in order to increase membership. The increase in membership translates into increase of the numerical, financial and organizational strength of the sectoral and industrial unions.

Fourthly, noting that unions spend huge chunks of their annual budgets on settling rental bills other than core union activities, unions in Malawi should negotiate with the cooperating partners towards ensuring that a considerable portion of the financial support from the cooperating partners is channelled towards building investment portfolios such as property ownership. The capacity building of unions should start with enabling the unions to own the office buildings they occupy which they can partly rent out as a means of generating income.

Trade unions should establish co-operatives as soon as possible as a way of cultivating self sufficiency of the unions in Malawi

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TRADE UNION SERVICES AND BENEFITS IN NAMIBIA

By

Hilma Shindondola-Mote & Maria Namukwambi

Introduction and Background

Demographic and Political Trends

Namibia has one of the lowest population densities in Africa. With just 2.1 million people, 67% of the population resides in the rural areas where they are mainly dependent on subsistence farming. Only 33% of the populations reside in the urban areas. More than 50% of the total population is made up of the Oshiwambo speaking people who also form the majority of the population in the four central northern regions (Ministry of Labour 2010).

Namibia is a democratic country with various political parties that contest national, regional and local elections as set out in the country's constitution. Regional elections are currently held every 6 years and those that are elected by the different regional councils form part of the 26 members of the National Council. The National Assembly is comprised of 72 seats which are elected in national elections based on the lists of political parties on a proportional basis. The Namibian judicial structure is comprised of the Supreme Court, the High Court and the lower courts (Tapscott, 1997). Sam Nujoma, who was the leader of SWAPO before and after independence, served as president of the country from 1990-2005 and was succeeded by Hifikepunye Pohamba who was elected for his first term in November 2005 and then re-elected for his second and final term in November 2009.

Socio-Economic and Employment Trends

Namibia is classified as an economically stable country with a GDP growth of around 4.5 % a year. In 2009, the GDP dropped by 0.8% mainly due to the 2008/2009 global economic crises which hit the mining industry the hardest. Namibia has a population growth of around 3% per year and a GDP per capita income of US\$ 4310. These socio-economic development indicators place Namibia among the upper middle income countries (www.worldbank.org). The country's

human development indicators, however, range between poor and average despite the infusion of significant resources into education and health services after independence.

Despite some progress made in terms of addressing the colonial and apartheid legacies, Namibia is still a highly unequal society, divided along the lines of race; gender and social class (see Jauch et al, 2009). The gini-coefficient for Namibia is 0.74 and for that reason Namibia is classified as one of the countries with the highest levels of inequality as only a small portion of the population controls the countries resources (UNDP, 2009). The Human Development Index for Namibia is 0.606 while the human poverty index stands at 0.187. Namibia thus faces the challenges of fighting inequality, creating jobs and alleviating poverty despite its upper middle income status.

Recent Economic trends and the impact on labour

Namibia has adopted free market economic policies after independence, with the aim of creating jobs and economic development. The economy is largely dependent on the income generated from exports such as diamonds. The country is also highly linked and dependent on the South African economy, mainly food imports. Namibia exports mainly diamonds, beef and fish. A huge portion of the population depends on subsistence farming hardly contributing anything to the GDP of the country relative to other economic sectors. Although many private entities operate in most of the economic sectors, the government owns several companies in the different sectors such as in mining, telecommunications, tourism and fishing.

Mining is one of Namibia's biggest economic sectors, contributing about 10% to the GDP in 2009. The diamond and uranium mining are the biggest contributors, with Namibia holding the title of being the fourth largest producer of uranium oxide worldwide which accounts for close to 10% of the global uranium consumption. Other important minerals include zinc, copper, lead, gold, fluorspar and salt. Although the Namibian economy is highly dependent on extractions and processing of minerals, the mining sector only employs about 2.7 % of the economically active population. Despite the minimal amount of people employed in the mining sector, it provides about 50% of the foreign exchange earnings. The mining sector is however internationalized with the main players being from Australia, Canada, South Africa, the UK and China. The

establishment of the state-owned Epangelo mining is an initiative of the Namibian government to create some Namibian ownership of the country's minerals.

According to the 2003/04 National Household Income and Expenditure Survey (NHIES), 48% of rural households depend primarily on subsistence agriculture. However, the sector only contributed about 5 % of Namibia's GDP for the past 5 years, implying that it contributes less than 1.7% per year (Sherbourne, 2010). Agricultural products like meat, live animals and crop exports make up about 10.7 % of the total Namibian exports with the meat mainly exported to the EU. Agriculture only employs about 15.9% of the economically effective population (Ministry of Labour 2010). The employment figures in agriculture however vary as it's classified by high levels of seasonality, casual labour and unpaid family labour which are dominant in subsistence farming. Overall, there was a huge reduction of employment in agriculture from 146 899 in 1997 to 52 788 in 2008 (Ministry of Labour 2001 & 2010).

In 2009 the Namibian fishing sector contributed 3.6% of the GDP, excluding the onshore fish products processing which contributed about 1.4 % of the GDP in the same year. The fishing sector employs about 14 000 people (New Era, Independence Supplement, March 2011; Ministry of Labour 2010). Hake, anchovies and horsemackeral are some of the species that are in abundance in the Namibian water, with skinless baby hake exported mainly to the US markets and horsemackeral for the African markets. The Namibian government is currently pursuing the issue of value addition to increase on shore processing and also resource management to avoid a huge decline in fish stocks over the years. The allocation of quotas to fishing companies enables the government to control and avoid exploitation of the resources in the fishing industry at the same time the quota fees also serve as a source of income for the government. Just like in the agricultural sector, commercial fishing remains in the hands of foreign companies and therefore the government has set different quota fees where the fees are lower if the fish is caught by a Namibian vessel and also if they are brought on shore for processing (Sherbourne,2010).

The manufacturing sector remains dominated by food processing, employing about 6.3% of the economically active population. This sector contributes about 13.5% of the GDP in 2009 despite having a small number of key players. This sector is divided into meat processing, fish

processing, food and beverages and other manufacturing like diamond cutting and polishing. Due to its small size, the Namibian government introduced EPZ incentives to develop the manufacturing industry and by June 2004 the ODC had 32 companies registered although only 20 were operational by the end of 2009 (Sherbourne, 2010). The EPZ incentives were meant to kick-start various manufacturing enterprises in the country but fell far short of the government's expectations. Instead of creating 25 000 jobs within 5 years, Namibia's EPZ companies created less than 400 jobs during that period (Endresen & Jauch, 2000). Overall, the manufacturing industry is faced with some serious challenges such as competition from South Africa, Europe and China which makes it difficult for Namibian manufacturers to establish themselves.

Tourism is the third largest contributor to the GDP (14.5 %) and a source of foreign exchange. It has significant growth potential and therefore has become a priority sector of the government to help reduce the unemployment rate in Namibia. Although it was previously white-dominated, with the establishment of the state-owned Namibia Wildlife Resorts (NWR) and the Namibia Tourism Board (NTB), black Namibians have slowly branched into tourism. Namibia's political stability and natural beauty are the main attractions behind the increase in tourism. The establishment of conservancies has paved the way for employment creation and also for the ownership of resources by local communities.

The Namibian Labour Force

The Labour Force Survey of 2008 revealed that fifty four (54%) percent of the population is economically active. These are those who are 15 or older but younger than 65 years of age. This means that 44.6 % of the population is classified as inactive, comprising of students, home makers, pensioners and people with illness or disabilities. Students make up almost half (46.1 %) of the inactive population followed by the old age pensioners, accounting for 28.1%. As indicated in table 1, the labour force participation is higher in the urban areas than in the rural areas with 74.4% and 41.5% respectively. This can be explained by the fact that people usually migrate to the urban areas in search of better jobs while life in the rural areas is mainly characterized by subsistence farming. One tends to find more industries in the urban areas and therefore more jobs are available compared to the rural areas. From the same table it can be deduced that there is very small labour force participation amongst people of the age group 65+

with a mere 5.6% being recorded. This can be attributed to the fact that the age of retirement in most workplaces is set at 65.

Table 1: Labour force participation rate by age, area and sex

Age Group	Namibia			Urban			Rural		
	Total	female	male	Total	Female	Male	Total	female	male
15-19	13.3	11.3	15.4	21.2	20.0	22.4	9.9	7.8	12.2
20-24	70.5	68.5	72.5	78.7	78.4	78.9	63.2	59.8	66.6
25-29	86.5	84.4	88.6	92.4	91.2	93.7	79.1	76.0	82.4
30-34	87.6	82.7	92.6	93.7	91.5	95.8	80.2	73.1	88.4
35-39	88.2	84.1	93.4	95.0	93.2	97.1	79.1	73.3	87.6
40-44	83.5	76.4	92.0	92.2	88.2	96.3	73.1	64.6	85.7
45-49	76.1	64.2	89.1	91.5	85.8	96.4	63.1	49.4	81.3
50-54	70.5	57.1	87.1	87.1	81.7	93.5	57.2	38.4	81.8
55-59	52.7	36.9	71.7	73.5	63.2	83.3	40.4	23.8	63.4
60-64	15.0	7.0	29.3	28.2	20.0	39.0	11.0	3.7	25.6
65+	5.6	3.4	8.9	11.1	6.1	16.9	4.5	2.9	6.9
Don't know	44.5	36.9	53.4	94.2	100.0	89.2	26.2	18.1	36.9
Total	55.4	49.9	61.6	74.4	72.0	76.9	41.5	35.5	49.1

Source: Ministry of Labour, 2010.

Table 1 also shows that those in the age group 35-39 have the highest participation rate of 88.2 % followed by those in the age group 30-34 with a rate of 87.6 %. This can be attributed to fact that by the age of 30 a person's formal education process is usually completed and thus he/she is counted amongst the economically active. People in this age group are also considered to be more physically able as compared to those in the 55-59 age brackets for instance who tend to suffer more from illnesses etc. Table 1 also shows that the male participation rate (49.1%) in the rural areas was generally higher than the female participation (35.5%). This can be explained by the type of work that is dominant in the rural areas, which is mainly characterized by subsistence farming. The men are the ones that usually work on farms are herd cattle etc while women tend to work in the house and are regarded as "home makers" which count amongst the economically

inactive. Male participation (76.9 %) in urban areas is also higher than that of the females (72.0 %), probably due to the same reasons. The gender stereotype of men being the head of the house and also the provider forces the men to look for jobs in order to provide for their families whilst the women are at home. The small difference in the participation rate, however, shows that this scenario is changing as more and more women enter the labour market in their own right and not merely as dependants of men.

Table 2 depicts that the labour force participation rate is high in the Erongo region with a rate of 80.1 %. Erongo region is a coastal region and accommodates many industries with the main ones being mining, fishing and manufacturing specifically fish processing. The majority of the workers in those sectors originate from northern Namibia, a trend which was created during the apartheid era. The northern and north eastern regions mainly Ohangwena, Omusati, Oshikoto, Kavango, Caprivi and Oshana regions have the lowest rates. This is because these regions can be classified as rural and their rate is lower than that of the urban areas. Also, people from these regions migrate to the other towns in Namibia in search of better job opportunities.

Table 2: Labour force participation by regions

Region	Total labour force participation rate %
Caprivi	50.4
Erongo	80.1
Hardap	61.1
Karas	74.6
Kavango	45.3
Khomas	75.1
Kunene	69.3
Ohangwena	24.5
Omaheke	77.3
Omusati	31.4
Oshana	53.0
Oshikoto	39.2

Otjozondjupa	71.4
Namibia	55.4

Source: Ministry of Labour, 2010

Table 2 shows that overall the regions with high levels of subsistence agriculture have a relatively low labour participation rates (24.5 – 50.4%) compared with those regions that have higher levels of industrialization and commercial agriculture.

Employment and Unemployment

The labour force survey of 2008 defines unemployment in two different ways. It is defined in the broad and strict measure with the broad definition always giving higher rates of unemployment compared to the strict one. A person is considered employed based on whether they do not have work, whether they are available for work and whether they are looking for work. The broad definition of unemployment considers all the people without work, available or looking for work as unemployed regardless of whether they are actively looking for work. The strict definition makes provisions for only those who are without work, available and actively looking for work.

Table 3: Unemployment-broad and Strict definition (2008)

Area	Broad			Strict		
	Total	Female	Male	Total	Female	Male
Rural	64.9	72.1	56.8	46.6	52.8	41.0
Urban	36.4	42.9	29.9	30.6	35.7	25.8
Namibia	51.2	58.4	43.5	37.6	43.0	32.5

Source: Ministry of Labour, 2010

Table 4 shows that the current rate of unemployment using the broad definition is 51.2% whilst its 37.6% when using the strict definition. Both the broad and strict definition show that unemployment is higher amongst females than male and this can be attributed to the gender stereotypes and discrimination where males are usually given more preference than females when it comes to employment. Stereotypes of women belonging at home can also be a possible explanation for the higher unemployment rate found in females. The unemployment rate of

women is higher when using the broad definition (64.9%) compared to the strict definition (46.6%). This can be attributed to the limited job opportunities available in the rural areas as compared to urban areas. As a result, most of the unemployed have given up and are no longer actively seeking work.

Globalization and its impact on labour

Globalization is seen by many as a spread of global capitalism and despite its aim to develop the national economies by creating a conducive investment environment; it has been the cause of the widening gap between the rich and the poor thus increasing the income inequalities. Permanent labour is replaced with cheap labour as a means of reducing the cost of production and maximizing profits. With trade unions trying to curb the income inequalities in Namibia, which were initially caused by colonization, political independence failed to reduce these gaps. Like other developing countries, Namibia struggles to attain economic independence as globalization benefits the industrialized “economically powerful” nations and their Transnational Corporations (TNCs) whose interests are promoted by the International Monetary Fund’s (IMF), the World Bank, and the World Trade Organization (WTO). Developing nations are pressurized by these international financial and trade institutions as they are required to create “conducive investment conditions” in their countries to increase the inflow of foreign capital in exchange for loans. The Namibian mining sector is a good example of foreign domination as it is the biggest source of foreign capital in the country, with the major player being TNCs from Australia, Canada, the UK, and South Africa etc. Namibia is proof that an investment friendly environment does not automatically have a positive impact on human development and on employment creation.

Although the Namibian government was not forced to implement structural adjustment programs (SAPs) in exchange for IMF and World Bank loans, it decided to implement neo-liberal policies like the privatization policy and the EPZ (explain) policy to create an investment friendly environment. There was an increase in foreign investments especially in the mining sector, but manufacturing remained under-developed. The EPZ Act of 1995 aimed at attracting investors in the manufacturing industry which was lagging behind. As mentioned earlier, these policies did not lead to the intended results but had a negative effect on workers. Privatization of state owned enterprises aimed at reducing production costs and increasing efficiency led to job losses

and insecure form of employment in some cases. This had a negative impact on trade union membership as contract workers are more reluctant to join trade unions and thus more difficult to recruit. Also, in order to reduce costs, mining companies would make use of sub-contractors and retrench some of their permanent workers. The EPZ Act of 1995 initially stated that the provisions of the Labour Act would not apply in EPZs. It was only after vehement protests from the country's main trade union federation, the National Union of Namibian Workers (NUNW) that the Act was amended to allow for the provisions of the Labour Act to apply. However, there was no right to strike or lock-out for a period of 5 years (Endresen & Jauch, 2000). The government feared losing investors and thus avoided doing anything that may not be in their interest. Consequently, jobs in the EPZs were highly exploitative with little regard for workers health and safety. A particularly drastic example was the Malaysian textile company Ramatex which operated in Namibia from 2002 until 2008 (Jauch & Shindondola, 2003; Jauch, 2008).

Scope of the Study

This report provides an overview on the different benefits and services that are provided by the trade unions affiliated to the two trade union federations in Namibia. It is divided into four sections. The first section looks at the demographic and socio economic trends in the country; and the different methodologies used to get to answer the study's objectives. Section two gives a brief outline of the role and values of trade unions, trade union history and the different legislative governing trade unions as a whole and the provision of benefits and services to their members. Section three identifies the services and benefit schemes offered by the unions that were interviewed. This section also looks at how effectively and actively these benefits and services are provided. It further looks at how the trade unions finance and manage these services and at their sustainability strategies. Furthermore the paper analyses the views of union members and the impact that union services have had on their working lives. This is followed by an outline of the challenges that unions face in providing services and benefits. Lastly section four concludes and provides recommendations.

Research Methodology

The core objective of the study was to assess the capacity of trade unions in Namibia to provide services and benefits to their members as a way of retaining existing and attracting new members. The study therefore aims to:

- Identify the services and benefits unions are providing to their members (with special attention to the gender differences in accessing such services and benefits);
- Assess the effectiveness/ quality of trade union services and benefits (where such services and benefits are provided);
- Assess the relationship between the provision of these services and benefits and membership growth; and
- Assess the effects of the provision of these benefits on the core trade union functions/services;

The study managed to address these aims through a collection of three types of data which include the review of existing literature and background information on the roles of trade unions, collection of data from the beneficiaries, administrators and the leadership of the respective unions. Affiliated unions from both federations in Namibia, namely the NUNW and the Trade Union Congress of Namibia (TUCNA) were involved. Interviews were conducted based on open-ended questions. Fourteen trade unions were interviewed, 8 trade union leaders 6 office administrators from the NUNW, 4 trade union leaders and 4 office administrators from TUCNA. Only 5 beneficiaries were interviewed, all of whom were members of NUNW affiliates. This small sample limits the generalisation of the views expressed by members.

Sampling method

Sampling was done according to the number of trade unions in Namibia. All trade union leaders were selected and an interview was scheduled with them and in cases where they were not available a staff member from that union was interviewed. Beneficiaries were randomly selected whereby at least two beneficiaries from each union were interviewed. Most of the interviews took place at the respondents' workplaces and thus took place during working hours. Although

we wanted a mixture of men and women respondents, the nature and gender dynamics in the trade unions are such that women are not well represented especially at leadership level.

Data Analysis

All the interviews were recorded and then subjected to a content analysis.

Strengths and limitations of the study

From the interviews conducted with trade union leaders and administrators, the researchers were able to gain an understanding of the types of benefits and services provided by each union and how they impact on union members. Secondly, the interviews with the beneficiaries provided us with a glimpse of their views on what type of benefits and services they would like their unions to offer. This provided the basis for our recommendations. Altogether the existing literature, data gathered from the trade union leaders and administrators and the voices of the beneficiaries enabled us to make an informed analysis of the benefits and services that are provided by our unions.

There were, however, some limitations which impacted on the quality of the data collected and analyzed. For instance, trade union leaders from the NUNW affiliates were hardly available and therefore we were forced to talk to either the administrators or the organizers to get a picture of what they were offering their members. Some of the interviews were scheduled to be done telephonically, but some trade union leaders were unwilling to answer questions over the phone. This limited the number of interviews with union leaders outside Windhoek. Secondly, some of the staff members were reluctant to talk to us without getting the go-ahead from their leaders. This delayed the process or prevented us from getting any information from those specific unions. Thirdly, some of the unions either did not have proper data bases of members and therefore they were not able to give us the exact number of members they have, how many are paid up and how many have been beneficiaries of existing schemes. Fourthly, some of the trade unions were scattered all over Namibia and some of the telephone numbers provided by their federation were not working anymore. Thus, not all were contacted as initially planned. In some cases, one would find that two unions were run by one person while other unions did not have

offices. This compromised the data collected for this study. Also, the small sample of union leaders, administrators and members interviewed does not constitute a representative sample.

State of the Labour Movement in Namibia

Historical Context

Namibia was colonized by Germany from 1884 – 1915 and then occupied by the South African apartheid regime until independence in 1990. Workers struggles started in the early days of colonialism which were characterized by exploitation with workers being forced to work under inhumane circumstances: long working hours with very low wages and no right to stay with families in the case of migrant workers. The need to resist oppression and unjust working conditions forced workers to embark on early strikes as an early form of resistance (LaRRI, 2010). Trade unions played a major role in fighting against oppression during the liberation struggle and thus contributed to Namibia attaining independence in 1990.

The struggle for the equal rights of workers in Namibia was in no way different from the struggle for independence. The problems faced in mainstream society at the time were also faced by workers, most especially those in the mining and fishing sectors. The struggle against the contract labour system that culminated in the general strike of 1971-72, for example, highlighted the link between economics and politics. It was as much a struggle against the contract labour system as it was a struggle against colonialism. The class struggle waged by workers was seen as one and the same as the liberation struggle of SWAPO. Political consciousness was highest in places where workers were concentrated in hostels which extended their interdependence beyond the point of production, thus explaining why the first and strongest unions emerged in the mining and fishing industries.

Most of Namibia's trade unions were established inside the country since the mid-1980s. Although several attempts to form unions had been made before, they were suppressed by the colonial regime time and again. However, earlier efforts laid the foundation for the later emergence of the National Union of Namibian Workers (NUNW) and its affiliates. The mere formation of trade unions in Namibia did not necessarily mean that the rights of indigenous

workers were protected from the colonial regime. There had to be other mechanisms and bodies that ensured the lawful representation of worker grievances. The crushing of trade unions by the colonial regime meant that the involvement of churches became paramount in ensuring that workers' rights before the law were exercised efficiently. Community organizing surged inside Namibia from 1984 onwards, focusing on the crisis of housing, employment, health, education and social welfare. In the absence of trade unions, workers began to take their workplace problems to social workers at the Roman Catholic Church and the Council of Churches in Namibia (CCN) (Jauch & Karuombe, 2008). At that time, the umbrella of the churches provided political activists with a shield under which they could start organizing workers. Unlike trade unions, which had been crushed by the colonial state, churches were able to operate across the country. By 1985 workers and community activists had formed a Workers Action Committee in Katutura which became the forerunner of trade unions. At the same time, South Africa's National Union of Mineworkers (NUM) began to organize workers at Namibia's CDM and Rossing mines in Oranjemund and Arandis. They linked up with the Workers Action Committee and formed the Rossing Mineworkers Union by April 1986. This union later became the Mineworkers Union of Namibia (MUN). The MUN and other NUNW affiliated unions provided workers with an organizational vehicle through which they could take up workplace grievances as well as broader political issues, which were always seen as linked to the economic struggle (Jauch, 1999).

The emergence of trade unions in Namibia was further influenced by the release of Namibian political prisoners from 1984 onwards. Some returned to Windhoek and began working for the SWAPO structures again. A decision was taken to reactivate the NUNW inside Namibia and by April 1986 a Workers Steering Committee had been formed. It incorporated the Workers Action Committee and all other efforts to organize workers around the country. The organization of various workplaces by fieldworkers led to the formation of a multitude of trade unions representing various industries (ibid).

Current status of Trade Unions in Namibia

Currently, Namibia has almost 40 registered trade unions which are organising workers in the formal economy. Very few unions recruit amongst contract workers and those in the informal

economy. There is no doubt that trade unions should continue to fight for permanent jobs in the formal economy and actively oppose any policy that threatens these jobs. However, due to the growing informal economy, unions may also need to become engaged there and contribute to improved livelihoods for its operators and workers.

Legal and institutional framework governing Trade Unions in Namibia

Since independence, the Namibian government has enacted several legislations in favour of good labour relations in Namibia. The current legislation covering labour in Namibia is the Labour Act No 11 of 2007. This act became a law in December 2007 and replaced the Labour Act of 1992. The biggest changes between the two Labour Acts are the dispute resolution mechanism and the banning of labour hire in Namibia. The 2007 Act abolished the district labour courts and refers cases now to either conciliation or arbitration. This is aimed at saving time as court proceedings usually take very long to resolve matters. The government initially banned labour hire practices in the country but could not implement the ban as that clause was challenged in court by one of the biggest labour hire companies in the country, Africa Personnel Services (APS). Although the High Court upheld the ban, the Supreme Court declared it illegal in December 2009, thus overturning the provisions of the Labour Act. In October 2011, the Ministry of Labour introduced an amendment to the Labour Act to limit the operations of labour hire companies.

Other significant legislation dealing with labour are the Social Security Act of 1994 and the Affirmative Action (Employment) Act of 1998. The Affirmative Action (Employment) Act aims to ‘achieve equal opportunity in employment; remedy, through suitable affirmative action, the conditions of disadvantage in employment experienced by the masses through past discriminatory laws and practices and to constitute procedures to contribute towards the elimination of discrimination in employment (Affirmative Action [Employment] Act, 1998). This act is an intentional effort to redress the effects of apartheid in both private and public employment. The Social Security Act, on the other hand, provides for the payment of maternity and sick leave benefits while also covering death benefits. It also provides for medical benefits, old age pension and has a fund to support training schemes for disadvantaged and unemployed people (Social Security Act, 1994).

The 2007 Labour Act confirms the fundamental right of the freedom of association entrenched in the Namibian Constitution. The act protects employees against prejudice from an employer and makes it clear that nobody can be discriminated against by employers. Workers have the right to exercise any rights provided for in the labour act, disclose information required in terms of the labour act or any other law and refuse to do something that is not lawful. Workers have the right to be members of a trade union and to participate in lawful trade union activities, (Jauch & Nakuta, 2008). Trade unions and employers' organisations are not allowed to discriminate against a person regarding membership, elections or organisational activities based on any of the following:

- Race, colour or ethnic origin;
- Sex, marital status or family responsibilities;
- Religion, creed or political opinion;
- Social or economic status;
- Degree of physical or mental disability;
- AIDS or HIV status;
- Previous, current or future pregnancy

A trade union or employers' organisation has to register with the Office of the Labour Commissioner and must provide a constitution that does not conflict with Chapter 3 of the Namibian Constitution, which deals with the fundamental human rights and freedoms. Upon registration, trade unions and employers' organisations are required to comply with issues such as accountability of organisational structures, appointment of officials and office – bearers, election of shop stewards and procedures for changing the constitution; amongst others. Once registered, trade unions have the right to represent their members in any proceedings brought under the Labour Act. They are also entitled to access to an employer's premises, to have union membership fees deducted, to form federations with other organisations, and to affiliate and participate in any international workers' organisations activities (Jauch & Nakuta, 2008). Employers' organisations also have the right to represent their members in any proceedings brought forward under the labour act, to form federations with other employers' organisations, and affiliate and participate in the activities of any international employers' organisation.

According to the Labour Act of 2007, a registered trade union that represents the majority of the employees in an appropriate bargaining unit is entitled to recognition as the exclusive bargaining agent for the purpose of negotiating a collective agreement on any matter of mutual interest. This, of course, only applies to a trade union registered according to the Labour Act and if the union indeed represents the majority of the employees. A trade union can seek recognition as the exclusive bargaining agent of an appropriate bargaining unit by delivering a request to the employer as well as the Labour Commissioner. Within 30 days, the employer then has to notify the union whether the request was successful or not. As long as the majority of workers are members of a union, it has the legal support to become the 'exclusive bargaining agent'.

Bargaining takes place either at the industrial or the company level. Company level bargaining is the common form in most of Namibia's industrial sectors. On an industrial level, Namibia has three industrial minimum wage agreements, namely in the agricultural, security and construction sector. Thus far, the government has never prescribed minimum wages but only played the role of a facilitator when employees and employers bargain on an industrial level. That was the case with the agricultural, construction and security sectors. To date, no wage commissions were established to determine minimum wages for specific industries or sectors as provided for in the Labour Act of 2007.

Labour disputes in Namibia are no longer resolved through labour district courts but through arbitration and conciliation. Disputes are classified as either disputes of interests or disputes of rights. Disputes of rights cannot legally end up in strikes but are referred to arbitration while disputes of interests can lead to protected/legal strikes if not resolved through the conciliation process.

The Labour Act recognises the fundamental right of employees to strike and the right of the employer to lockout his or her employees. A legal strike though, can only take place if:

- It is a dispute of interest;
- The dispute has been referred to the Labour Commissioner for conciliation;

- 30 days have expired since the dispute was referred for conciliation and the dispute still remains unresolved;
- 48 hours notice has been given to the Labour Commissioner and the other party to the dispute;
- The strike conforms to any agreed rules regulating the conduct of the strike of lockout or any rules determined by the conciliator.

If the legal provisions have not been complied with, the strike is illegal and unprotected; workers thus, and employers in the case of a lockout, will breach the law and expose themselves to risks such as retrenchments and financial losses.

The Labour Act of 2007 has also provided for the establishment of an Essential Service Commission to recommend to the Labour Advisory Council if all or part of a service should be declared as an essential service. Essential services are basically services which, if interrupted, would endanger the life, personal safety or health of the whole or parts of the population of Namibia. The Act prescribes the procedures that must be followed before a service can be declared an essential service. Once a service has been declared as an essential service, no strikes or lockouts can be conducted there; disputes arising within essential services are resolved through arbitration (Jauch & Nakuta, 2008).

Namibia's institutionalised tripartite structures include the Labour Advisory Council, the Committee for Dispute Prevention and Resolution, an Essential Services Committee, the Wages Commission and the Labour Commissioner. The Labour Advisory Council (LAC) comprises members from the state, registered trade unions and registered employers' organisations. Members are appointed for a 3 - year term and advise the Minister of Labour on collective bargaining issues, codes of good practices, national policies pertaining to basic conditions of employment, health and safety and welfare at the workplace and any other labour matters which the council considers useful to achieve the objectives of the labour act.

The Committee for Dispute Prevention and Resolution performs an advisory role to the Labour Advisory Council on matters relating to the prevention and resolution of disputes. Its main

functions include the recommendation of rules for the conducting of conciliation and arbitration, recommending policies and guidelines on dispute prevention and resolution for application by the Labour Commissioner, recommend a code of ethics for conciliators and arbitrators and recommend the qualification and appointment of conciliators.

The Essential Services Committee recommends the designation of essential services and investigates disputes about whether or not an employee or employer is engaged in an essential service and to make recommendations to the Labour Advisory Council in this regard. The Wages Commission is a body that consists of a chairperson and between two and four additional members, including a member nominated by a registered trade union and a member nominated by registered employers' organisations. The function of the commission includes the investigation of terms and conditions of employment, including remuneration, and report to the minister for the purpose of making a wage order.

Affiliation to regional and international bodies

National trade unions are usually affiliated to international and regional bodies of trade unions. Both the NUNW and TUCNA are affiliated to the International Trade Union Confederation (ITUC). ITUC is the biggest trade union organization, promoting and defending workers rights globally through campaigns and advocacy. This organization came about as a merger between the International Confederation of Free Trade Unions (ICFTU) and the World Confederation of Labour (WCL) in 2006. ITUC's main focus areas include promotion of equality and non-discrimination for workers, human rights and international solidarity to name a few. The NUNW is also affiliated to regional bodies such as SATUCC and OATUU (which was formed in 1973 as an independent regional federation). The NUNW is also affiliated to a non-governmental body called SATUCC, which is responsible for coordinating activities in Southern Africa. Although it was more focused on political independence for southern African countries, SATUCC is now more focused on assisting with economic and social development within the SADC region. The main focus is on social security rights for migrant workers as well as the regulation of health and safety and the protection of workers' rights in the region. Most Namibian industrial trade unions are affiliated to Global Union Federations (GUFs), covering particular sectors such as ICEM, IUF, UNI etc. This is shown in table 4.

Table 4: Trade Unions and their regional and international affiliations

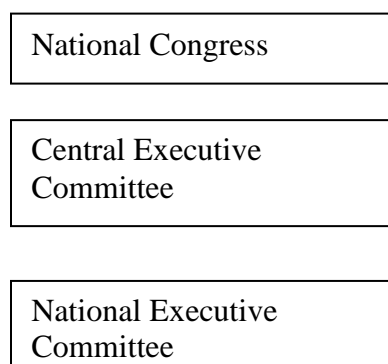
TRADE UNION	AFFILIATED TO
NUNW	ITUC, OATUU, SATUCC
NAPWU	Public Services International (PSI)
NANTU	Education International (EI)
NAFAU	No international affiliation ³⁴
NATAU	International Transport Workers' Federation (ITF)
NAFINU	Union Network International (UNI)
NAFWU	IUF
MANWU	IMF, BWI
MUN	ICEM
TUN	ANTUSA,EI

Source: Sakaria, 2010

Trade Union Democracy

Trade unions have structures through which they are governed. These structures are highly hierarchal and therefore all information and tasks are communicated via these structures. The figure below shows a typical structure of a trade union;

Figure 1: Trade Union Structure



Regional Branches

Branch Executive

Shop stewards

The national congress is the highest decision making body of a union. The national congress is responsible for reviewing union progress with regards to the challenges, weaknesses as well as their strengths. Most union congresses are held after a period of four years. Congress resolutions are used as a tool by which the union will be operating until the next congress. The congress is therefore also responsible for evaluating the central executive committee and its works and if not satisfied have the power to revoke their decisions, it also has the right to change the constitution of a union. The national congress is worker-driven and is comprised of union delegates from different branches and regions who are then responsible for electing people onto the central and national executive committee (Sakaria, 2010)

The central executive committee is accountable to the national congress only but its role is to supervise the national executive committee. The national executive committee has a more hands on role, as they are responsible for managing all the unions' affairs and implementing policies at the national level. The central executive committee is also responsible for imposing discipline in the union itself and for monitoring and evaluating the progress of the union in carrying out its core duties (ibid.). The regional offices merely act as a link between the local branches and the head office of a particular union.

Branches are responsible for representing members at branch levels, settling grievances and disputes between union members and management. It's the branches that are also responsible for the education and training programs for the members. Recruitment of new members is also done at branch level and therefore organizing forms part of the roles of the branches. At every workplace the members vote for a representative and these are called the shop stewards who are the link between the branch and the workers at the workplace. Shop stewards are the direct

workers representatives at the workplace and are responsible for dealing with workers grievances directly. Workers are the people that make up the trade union and pay membership fees in return for services such as representation in negotiations, disciplinary hearings etc. A trade union is responsible and accountable to its members.

Membership Density

The NUNW is the biggest trade union federation in terms of membership, with a total of 70 000-100 000 members from its eight trade union affiliates. TUCNA has a combined membership of about 40 000-60 000 and 12 trade union affiliates. Despite a loss of members during the 2008/2009 global financial crises, trade union membership numbers seem to have stabilized although accurate figures are difficult to come by. The mining sector was hit the most during the crisis, thus affecting the mine workers union most severely. The current estimated membership of the key unions in Namibia is reflected in Table 5. It must be noted that the membership figures provided here are those given by the trade unions themselves. No independent verification was carried out and the real number of paid up members is likely to be significantly lower.

Table 5: NUNW affiliates and membership numbers

Name of the Union	Membership
Metal and Allied Namibia Workers Union	12 000
Mine Workers Union of Namibia	6 000
Namibia Financial Institutions Union	4 500
Namibia Food and Allied Workers Union	15 000
Namibia National Teachers Union	12 800
Namibia Public Workers Union	30 000
Namibia Transport and Allied Workers Union	7 000
Namibia Music Workers Union	n/a
Namibia Farm Workers Union	13 000
NUNW	100 300

Source: Sakaria, 2010.

Table 5 shows that the public sector unions especially NAPWU have the most members within the NUNW as they organize in the civil service, at state-owned enterprises (parastatals), at municipalities and all the other local authority institutions. NAPWU has a claimed membership of about 30 000 as the public sector is the biggest employer in Namibia. It is also important to note that NAPWU is the exclusive bargaining agent in most of the companies in the public sector.

Table 6 shows similarities in membership trends amongst those unions affiliated to TUCNA. The Public Service Union of Namibia (PSUN) has by far the most members, followed by the Namibia Wholesale and Retail Workers Union (NWRWU).

Table 6: TUCNA affiliates and membership numbers

Name of the Union	Membership
Namibia Wholesale and Retail Workers Union	15 000
Public Service Union of Namibia	23 000
Namibia Building Workers Union	8 000
Namibia Bankers Union	500
Bank Workers Union of Namibia	502
Namibia Telecommunications Union	N/A
Teachers Union of Namibia	7 000
Namibia Retail and Allied Workers Union	N/A
Namibia Seaman and Allied Workers Union	7 500
Namibia Security Guard and Watchmen Union	355
Namibia Nurses Union	3 500
Namibia Railways and Harbour Workers Union	N/A
Local Authorities Union of Namibia	532
Namibia Fishing Industries and Fishermen Workers Union	480
TUCNA-Total	66 369

Source: Sakaria, 2010.

The Namibia Wholesale and Retail Workers Union recently merged with the Namibia Building Workers Union, increasing its membership as the merged union now organizes in two different sectors. Although TUCNA has a large number of affiliated unions, some of them have a very small membership. Disorganizations and lack of capacity are some of the reasons workers have given up for leaving trade unions but political affiliation also plays a role in the choices made by workers to join one union or another.

Trade union capacity

The capacity of trade unions depends on the size of the trade union, with the bigger unions having more staff members than the smaller ones. The bigger unions also have more branches countrywide as compared to the smaller unions which usually have only one office, mainly in the capital city. Trade unions with less members experienced challenges when providing service to

their members as one person would be responsible for both administrative work as well as organising. This was clearly expressed by the general secretary of a small union:

“We are only two, 1 male and 1 female who is the office administrator. I do everything else including organizing, training and recruiting” (Interview with the General Secretary of the Namibia Bank Workers Union, July 2011).

Women in trade unions are usually in financial and administrative positions and tend to be less than their male counterparts. The male employees are usually in leadership positions and are the organisers in most unions. There are a few exceptions mostly in the financial sector (which is female dominated as expressed in the following statement):

“NAFINU is a very young union so we currently have 4 staff members countrywide, three in Windhoek and one in the North. Females dominate in this union. There is just 1 male and the rest are females” (Interview with Nafinu Administrator, July 2011).

All the trade unions that were interviewed stated that they mostly depended on membership fees which are sometimes supplemented by donor funds. Those unions with “business arms” are able to supplement their incomes with the returns that they obtain from investments. Smaller unions are unable to cover all of their operating costs and therefore in cases where they are not in a position to supplement their membership dues then they experience many challenges which have an effect on the provision of services. Education and training programs are however sometimes financed by the federation to which the union is affiliated. Most trade unions charge 1 % of the member’s salary whilst others charge a fixed rate, which ranges from N\$30-N\$50 per month. The number of members determine the income of the specific unions and therefore the more the members the more the income and the better the ability to provide services efficiently. Trade unions with a large membership such as those operating in the public sector tend to be more financially stable and thus self-sufficient.

Trade unions in Namibia tend to be in possession of all necessary equipment with the bigger, financially stronger unions faring better than the small unions. This equipment includes basic office equipment and some vehicles for staff. However only the bigger unions have internet connections and in the cases of the public sector unions they also have air conditioned offices

and sufficient office space. The smaller unions, such as in the case of TUCNA, sometimes rent offices from the larger unions whilst all the NUNW affiliates are renting offices from their federation. The NUNW's public sector unions have their own offices situated in the NUNW complex.

Below are some quotes relating to trade union capacity:

“Since 2009, there has been a growth in membership and this growth has also brought many challenges facing service provision to members; resulting in the need for more staff to service the needs of the members. There isn't sufficient open space. We need each department to have its own space. If you look at other unions like NAPWU, NAFAU or NANTU, you find allocated spaces for different departments. We do not have enough space at all” (Interview with MANWU office administrator, July 2011).

“We rent the building. Our offices are just too small. As a financial administrator I need to get bigger office space especially for filing. Our safe is also too small and a lot of our files go to the safe so that we can have enough space in our offices” (Interview with NAFAU office administrator, July 2011).

The trade unions that are renting from the NUNW stated that the rent that they were paying was reasonable compared to what they would have been paying if they were renting from a private property:

“We pay rent to the NUNW. The rent is reasonable and there is a certain percentage of the rent that we pay from our membership fees (approximately 10 percent of membership fees). At the moment there is sufficient space but we will definitely need a bigger space in the future” (Interview with NAFINU office administrator, July 2011).

Services and Benefits Provided by Trade Unions

This section will be looking at the different benefits and services that are offered by the interviewed unions, how they are financed, managed and sustained.

Services

Based on the interviews conducted, it seems that all the trade unions provide nearly the same services for their members. These services are:

Representation

One of the key services offered by most trade unions is representation at disciplinary hearings, conciliation and arbitration. When workers encounter problems at the workplace, trade unions represent the workers and thus try and come to reasonable solutions to avoid dismissals. In cases where they are not able to take up the cases brought forward by their members the cases are forwarded to the Labour Commissioner's office. Unions provide these service as workers are not able to defend themselves at the workplace and therefore need representation by the trade unions.

Collective bargaining

Collective bargaining is one of the most appreciated services that all unions are providing to their members in Namibia. Trade unions are able to improve the working conditions for the workers and more importantly the wages earned by the general worker. Negotiations for benefits like housing, transport allowance and maternity benefits to name a few also form part of the negotiations during collective bargaining. The interviews revealed that unions are slowly but surely improving and learning new ways on how to bargain better for their members.

Despite some notable successes, it is evident from the collective bargaining agreements that trade unions still prioritized wage-only negotiations?? excluding any provisions on HIV/AIDs and wellness at the workplace. Gender and women issues tend to be excluded from the agreements.

Fighting against retrenchments and unfair dismissals

This is another service that all unions offer their members. It was observed that some of the trade unions prioritized collective bargaining and therefore felt that individual services are less crucial to attract members. Other unions, however, place great emphasis on solving members' grievances effectively and efficiently. Word of mouth from one member to another (or even to

non-members) about the effectiveness of their trade unions is one of the ways to popularize the union.

Training

Most of the unions provide shop steward training and training on the Labour Act to their members. As a result, members are aware of what the law expects of them and from the employers. The provision of legal assistance and representation through trade union appointed lawyers is also one of the services that some of the much bigger unions provide to their members. Some members are not fully aware of the importance of trade unions or their rights and therefore it is also one of the core duties for a union to build capacity of their members.

Advice

Legal or general advice on several issues to members is also a service provided by the unions. Matters like sexual harassment that are not really spoken about, can be addressed by the union. Workers sometimes don't know what to do when they encounter such issues at the workplace and thus the unions must be able to assist them and advice them accordingly. Matters such as sexual harassment are of a sensitive nature which means that some people refuse to talk about them, although such acts are prohibited by the Labour Act. Unions must be entrusted by their members so that they can take up such matters.

All services provided by the interviewed trade unions are informed by the Labour Act of Namibia and by the members themselves in cases like training where members request for the type of training they want. In some cases trade unions also identify what areas they feel some of their members would need to be trained in.

Effectiveness of the Trade Union Services offered

From the data it can be gathered that trade unions themselves felt like they are actively providing these services with some unions reporting cases whereby they had members from the rival unions approach their offices for assistance on matters that their own unions could not solve. Some workers were dissatisfied with what they were being offered by their own union and thus were looking for alternatives. We found that the bigger unions in terms of membership like

NAPWU, NANTU, PSUN, MUN and TUN were praised by their members as they felt that they were receiving the promised service despite some weaknesses in the union. This points to the fact that the larger unions have sufficient resources to firstly have access to all their members and therefore are able to deal with grievances faster than smaller unions which struggle with transport to even reach their members. The larger the membership a trade union has, the more financial resources are available to provide services efficiently.

Collective bargaining agreements give an indication of how effective trade unions are in providing services to all their members in the bargaining unit. The latest wage bargaining report of LaRRI (2010) shows that trade unions in Namibia still prioritized wage only negotiations, neglecting benefits like housing, transport, maternity benefits, HIV/AIDS awareness programs at the workplace for their members (Namukwambi, 2010). Although members tend to appreciate increases in their wages, such increases will only have a positive effect on their lives if they are well above the inflation rate. In the past, trade unions only negotiated for any increase, even if such an increase was below the inflation rate. This has improved in recent years with all unions negotiating for wage increases above the inflation rate during 2009 (Ibid.). Trade unions operating in the mining and fishing industries made efforts to negotiate for shift, standby and night allowances for the members. The collective agreements, however, do not make any provisions for female workers in terms of flexible working hours and child care facilities for working and breastfeeding mothers.

Although most of the unions indicated that the collective agreements were implemented, some unions stated otherwise. Trade unions such as NAFWU that organize farm workers and domestic workers admitted that despite the agreements that they signed with employers, there are complaints from members about the extremely poor working conditions and that employers do not adhere to the agreed minimum conditions. . It can however be concluded that collective bargaining indeed has a positive impact on the lives of the workers and that unions are working hard to achieve better conditions for their members. NAFWU pointed out that:

“Three workers were unfairly dismissed on a farm because they refused to sign a voluntary contract provided to them by their employers as they didn’t agree with the terms and conditions contained in the contract. These workers reported the case to their

respective unions and after some efforts from the union; the case was forwarded to the Labour Commissioner. The Labour Commissioner found that the employer had no right to force employees to sign any contract they do not agree with. The employer was asked to re-instate the workers or compensate them and he chose to compensate them instead". (Interview with the office administrator, NAFWU, 2011).

Benefits provided by the Trade Unions

This section will examine the different benefit schemes that some of the trade unions have in place and also look at the way these schemes are managed, financed as well as the challenges that the various unions encounter.

The NUNW has a commercial arm called the Labour Investment Holding (LIH) which was established in September 1997. The LIH is an investment company with an aim of ensuring sustainable access to investments and other economic activities for workers registered with trade unions affiliated to the NUNW. The LIH is a shareholder in companies in the mining, fishing and financial sector namely Ongopolo mining, Twafika fishing enterprises, Prosperity health, Capricorn investments, Nam-mic financial services as well as Avbob to name a few. The LIH can pay dividends to the NUNW. The Mineworkers Union of Namibia (MUN) also has a business arm called the Namibian Miners Investment Company (NAM-MIC). Although it initially only benefited MUN members it has now included all the members belonging to the NUNW affiliates, although the MUN has a stronger say on the board of directors.

Provision of loans

Members belonging to unions affiliated to the NUNW all qualify for loans offered by NAM-MIC financial services. NAM-MIC has a stop-order agreement with companies which have more than 50 employees so that loan repayments are paid directly from the employee's salary to NAM-MIC. The loan scheme was established to assist low wage workers that would otherwise not qualify to get loans at the bank or that would not be able to afford to pay it back at high interest rates. The loans enable the workers of the NUNW to assist their families if the need arises.

Discounts at AVBOB

Members of NUNW-affiliated unions are also entitled to discounts for any purchases at AVBOB which is a private funeral undertaker which preserves and stores dead bodies, and provides coffins and burial services. Upon presentation of union membership cards and verification by the union, members are entitled to various discounts. When purchasing a coffin, for example, union members are provided with free transportation of the casket to the cemetery.

Bursaries

Another benefit for the NUNW affiliated unions is that the members themselves or their dependants can apply for bursaries offered by the Labour Investment Holdings itself or by Old Mutual with whom LIH collaborates. This benefit assists those workers in low income categories who cannot afford to send their children to further their studies. Trade unions identified the low income brackets that most of their members fall in and thus felt the need to provide bursaries for those members' children.

Members benefit fund

Besides those benefits that are shared among the NUNW unions, some of the unions like NAPWU have other separate benefits for their members. These benefits include death benefits if a member passes away. The trade union pays out the member's family an amount of N\$3500 and the only condition is that at least one union membership fee deduction has been made from the members account.

Pension fund: Trade unions like the Metal and Allied Namibia Workers Union (MANWU) have negotiated pension funds for workers in the construction industry as part of the industry-wide minimum wage agreement which is legally binding. Large employers tend to provide pension funds for staff but this is not the case amongst smaller companies. Thus many unions will still have to negotiate for a pension fund or retirement annuity for their members.

Death Cover: Ten (10) of the interviewed trade unions have death cover group schemes for their members. The reason behind the establishment of these schemes specifically was such that the unions could assist the families of the members in death cases.

Although TUCNA as a federation does not have one benefit for all its affiliates, all affiliated unions have separate benefit schemes for their members. Trade unions like PSUN have a death cover for their members with Old Mutual for both the member and their spouse that pays out at different rates depending on the member contribution as seen on the table below:

Table 7: PSUN membership fees /contributions and death grant

Rates	Death grant (member)	Death grant (spouse)
N\$ 12	N\$ 4000	N\$ 1500
N\$ 20	N\$ 5000	N\$ 2000
N\$ 25	N\$ 6000	N\$ 2500
N\$ 30	N\$ 7000	N\$ 3000

Savings and credit facilities: The PSUN also has a credit and savings facility called CREDO which is registered with the Ministry of Agriculture. A certain amount is deducted from their salaries which they have agreed to save and instead of borrowing and being charged interest, they take from their own savings. The secretary general of the PSUN explained:

“CREDO was actually established when the NUNW started providing loans to their members. PSUN members approached their union with a suggestion of offering the same benefit. Instead the union felt it would be better to have a savings facility for its members where through the Ministry of Finance they can apply to get a certain amount from it when the need arises. Due to a lot of politics, the cabinet took long to approve the establishment of CREDO but it is now in operation”. (Interview with PSUN Secretary General, 2011).

Trade unions like the Teachers’ Union of Namibia (TUN), the Namibian Bank Workers Union and the Namibia Builders, Retail and Wholesale Workers Union all provide funeral grants and covers to their members with TUN providing N\$7000 for the death of a member and half for their spouse through BONlife Namibia. The smaller TUCNA trade unions provide from N\$80-N\$500 for the death of their members and flowers. Members belonging to the TUN are entitled to discounts at places like Ritters Toyota and the shops at the Khomasdal Mall. The rest of the

trade unions which are much smaller and younger are still in the process of working on new benefit schemes like having a medical aid and pension fund for union members. Other ideas include cash back for contributing members with no grievances and toll free lines, building flats for members and providing airtime top-up for members that buy from a specific company.

Beneficiaries

Although all trade unions that were interviewed either had benefit schemes in place or are planning to establish them, none of the unions had specific figures to show exactly how many members have benefited from these schemes so far. It seems that the provision of loans is the most popular benefit amongst the members. The NUNW affiliated unions believe that close to 70% of their members have made use of the loan facility offered by NAM-MIC.

Financing of the benefits

The smaller unions in terms of membership tend to finance all their benefit schemes through membership fees. This is mainly because they don't have the same arrangements as larger unions that have agreements with certain companies to establish facilities for their members. Smaller unions that provide funeral grants, for example, make use of membership fees to pay this grant while some of the larger unions have agreements with private companies like Old Mutual or Capricorn life and have a group scheme for their members. Most of the unions have international donors that help fund some of their benefit schemes and thus also reduce dependency on membership fees and thus help sustain the schemes. The bigger the union, the more the financial resources available to finance and introduce more benefits schemes for members. Private institutes are also more likely to agree to have an agreement with a bigger, more self sufficient trade union instead of a struggling union. Therefore, the bigger unions are better placed to provide membership benefits on a sustainable basis than the smaller unions.

Management of the schemes

From the data collected it is evident that there is a combination of both external and internal management systems. Trade unions financing the benefit schemes with part of their membership fees, manage their own schemes and this is usually done by the finance and office administrator or another person designated to deal with the membership database. Internal management of

these schemes places a lot of administrative burden on the union and is often cited as one of the causes for the delay of pay-outs. Larger trade unions that co-operate with private institutions on some of their schemes manage and merely monitor and verify the benefit pay-outs; these seem to have fewer problems running their schemes. For example all the trade unions affiliated to the NUNW, benefit from NAM-MIC and Avbob but are not involved in the administration of the schemes. Other unions like the PSUN make use of consultants to manage some of their schemes while trying to capacitate their own staff to be able to manage the schemes successfully.

Most of the schemes offered by the different trade unions are informed by the members' wishes. When a union introduces a scheme, members would approach their respective union through the branches and make suggestions on what benefits they would want. In very few cases the trade unions stated that they actively conducted research on the type of benefits offered by other unions in the world and then implemented the most relevant benefits.

Performance of the benefit schemes

Although some of the trade unions stated that they have experienced a growth in membership, none of them were able to necessarily link the increase to the schemes that the different unions have in place. The provision of loans through NAM-MIC has however been the main benefit scheme that has gained a lot of popularity among the Namibian workers thus making the NUNW affiliates popular. The increase in membership in these unions can therefore be partly attributed to the schemes they have in place. Some of the members indicated that the services provided by the unions were very important to them when deciding which union to join. The benefit schemes provided by private institutions performed better than those that were offered and managed by the unions themselves. This can be attributed to the management of these schemes, whereas in cases where the unions do not have enough capacity to manage these schemes, they may be discontinued due to administrative challenges.

Nature and scope of union services and benefits

All 22 trade unions provided the same kind of services ranging from representation of the workers at disputes and arbitration, collective bargaining at the workplace, training on HIV/AIDS to shop steward training. Trade unions provide these specific services as their core

duties. The financial benefits provided by the unions include funeral covers, bursaries, and discounts at retail outlets as well as loans. The benefits and services are mainly informed by members' wishes or by the trade unions themselves when they identify a need. For example, many unions have funeral benefits as they saw that the death rate among their members was increasing and thus they decided to provide assistance to the members' families.

Financing and management of services and benefits

The financing and management of the services and benefits shows two distinct trends. The larger trade unions which have more financial resources either use their membership fees or have international donors that help them to finance certain services like shop steward workshops and other training activities. The trade union federations like NUNW and TUCNA also assist their affiliates by providing certain training workshops provided for the affiliated unions. Smaller unions are often dependent on their federation or international donors to provide training for their members.

The services that all the unions are providing include representation of members in disputes, conciliation and arbitration, collective bargaining, legal advice and training in various labour-related fields. All the unions confirmed that they chose to provide these services in line with identified needs and members' wishes. Larger unions such as those in the public sector and the mining industry provide their services much more efficiently than the smaller unions which are constantly faced with resource-related challenges. Smaller unions such as the Namibia Building Workers Union (NABWU) tend to provide cash related benefits such as funeral grants or flowers when people pass away.

Trade unions that are affiliated to the NUNW tend to enter agreements with companies in which their business arm LIH has shares. Such agreements then provide for members' benefits such as education bursaries, funeral covers and discounts etc. NAM-MIC provides loans to union members on a commercial basis and this scheme is self-financing. The smaller NUNW trade unions such as NAFWU don't have any other distinct benefit schemes for their members apart from those offered through the NUNW.

Out of the six interviewed trade union affiliates of TUCNA only the TUN and PSUN had entered into an agreement with some private companies such as Ritters Toyota for discounts for their members. In addition, the PSUN has established a savings and credit facility which was registered with the Ministry of Agriculture.

Performance of the schemes

The trade unions affiliated to TUCNA have either new schemes in place or do not have benefit schemes yet unlike the unions affiliated to the NUNW whose benefit schemes were set up since the late 1990's. According to all the trade union leaders the schemes have been performing well, providing benefits for the unions and their members.

Impact of the schemes on the beneficiaries

Although none of the interviewed unions had an exact figure of how many people had benefited from the schemes, trade union members that are affiliated to the NUNW expressed a huge appreciation for the loan scheme as they felt it had an impact on their lives for the better, for example by being able to afford to send their children to school. More and more union members have been making use of this loan facility and it is estimated that about 75 % of the NUNW members have used it. The following quotes below confirm the statement:

“At times we are unable to qualify for loans anywhere else but with NAM-MIC we can get the loans at a much lower interest rate than at the bank and therefore it really helps us workers”. (Interview with NAFINU member, 30 August 2011).

“The commercial banks interest rates are very high compared to that of NAM-MIC. It is very convenient to take a loan there than at the bank”. (Interview with NAPWU member, 30 August 2011).

The interviews with the beneficiaries also revealed that the ability of the trade union to negotiate for better wages for instance had a positive direct impact on the lives of union members. The bursary scheme that is offered by Old Mutual reduces the financial pressure on the parents and thus also enables those children that are performing well at school but whose parents cannot

afford to pay for tertiary education, to further their studies. This is one of the schemes that union members highly appreciate as indicated by the following statement:

“Our children finish secondary school but are forced to go and look for jobs because it is just so expensive to pay for university and the government loan is not given to everyone these days. For our union to give us this chance means our children can now go to university” (Interview with NAFINU member, 30 August 2011).

With both the services and benefit schemes that the unions have in place, they are able to improve the working conditions and social conditions of their members.

The relationship between benefits and union membership

From the interviews with the trade unions and beneficiaries it is evident that there is no direct relationship between the benefit schemes provided by the unions and the increase in membership. It is, however, interesting to note that the loan scheme is very popular among the members and when first established it saw an increase in membership for the trade unions affiliated to the NUNW. The beneficiaries however stated that the provision of services such as the ability of the trade unions to negotiate for better wages successfully is the most important determinant when it comes to increasing membership. Trade union members tend to move from one union to another in search of better provision of services. Some of the leaders stated that economic conditions of a country had a much greater impact on membership rather than on the different financial benefit schemes that unions have in place. Loyal members felt the need to consult their unions on the types of benefits they are looking for instead of moving on. In some cases, the different benefits and services are the main reason that members register with two different trade unions as indicated in the statement below:

“There are members with dual membership as they want the best of both worlds so they register with our union and also another union from NUNW organizing in the same sector” (Interview with NABWU administrator, 24 July, 2011)

Challenges and Risks

Internal challenges

The interviews revealed that the challenges experienced differ from one union to another. However, we found that the smaller unions face common challenges mainly when it comes to resources. Some of them stated that they had a shortage of staff and therefore had problems when assisting the members, for example with grievances. Lack of staffing also meant that members were not assisted as fast as they wanted to and typically the person assisting is both the office administrator and organizer at the same time. This has proven to be costly for the trade unions in terms of retaining members as they demand to be assisted fast and some matters are urgent. The longer it takes for the union to intervene the longer the workers stay out of work in cases like unfair dismissals. Smaller unions explained that the lack of staffing was not necessarily attributed to the inability to find qualified staff but mostly because of lack of financial resources to pay salaries that will attract and retain dedicated staff. The limited membership base and resultant lack of finance causes a vicious cycle: Due to limited finances these unions are not able to carry out many activities for their members such as educational workshops. Limited financial resources also mean that these unions are not able to afford transport which is important in the operation of a union as members tend to be scattered all over the country. As a result, union members become frustrated and tend to leave the union which makes the financial situation even worse.

The challenge of transport for smaller unions is shown in the following statement:

“Transportation is a very big challenge for us as we only have one car at the head office and have none in other branches. The driver has to drop people at different stations and it is very time consuming and sometimes we either miss or are not in time for our appointments” (Interview with office administrator, NABWU, 2011).

Another problem that most of the unions face is dual membership. Furthermore, there are instances when leaders of one union move to another union within the same federation or to the other federation. For members, this often means a loss of trust towards their new leaders and

officials. A lack of trust from members can result in members moving to other unions where they feel they can get better services. Overall, unions with more members and financial resources have fewer challenges when it comes to providing services for their members as they are able to reach all their members, set up several branches in locations where their members are located and can therefore also afford to employ and maintain staff with good organizing skills etc. Finance seems to be the biggest challenge for trade unions internally. This is the main reason unions try and branch into investments despite the current debate around trade union involvement in investments and the conflicts of interest that may arise.

External challenges

The main common external challenges that the interviewed unions face relate to the nature of the industries they operate in. Some industries are characterized by low wages as they are regarded as industries where fewer skills are required. Examples are the farming and the retail industries. Workers tend to be paid very low wages and unions experience challenges in obtaining membership fees regularly. The Namibian Labour Act only provides for compulsory trade union membership deductions if the union is recognized as the exclusive bargaining agent by the employer. All other unions rely on the goodwill of the employer to receive their membership fees. This puts employers in a powerful position to prevent non-recognized unions from obtaining membership fees. Furthermore, some employers disregard the provisions of the law and in some instances even government officials seem to turn a blind eye. This was experienced in the construction industry where Chinese companies and small contractors frequently violate the minimum wage agreement.

Trade unions that are affiliated to TUCNA, which has no political affiliation stated that their biggest challenge is the inability to organize in certain regions like northern Namibia where most of the people are members or supporters of SWAPO. The stigma that is associated with TUCNA is that it is a federation for non-SWAPO workers which make it difficult for TUCNA unions to recruit in certain areas. TUCNA unions also experience a challenge of recognition mainly from government parastatals as exclusive bargaining agents despite meeting the requirements of having the majority of members in some of the bargaining units.

Challenges related to Benefits

Internal challenges

Most unions that manage their own benefit schemes stated that the challenges they face were mostly related to the administration of the schemes. They found that it was a burden to manage these schemes as it involves registration of members and making monthly deductions. Administrative challenges were also mentioned as the main cause of certain schemes being discontinued as there was a lack of capacity within the unions to run these schemes. Many believed that in order to manage these schemes there is a need to train certain individuals within the union on how to manage specific schemes and have people dedicated to only the management of such schemes rather than placing this additional burden on the office or the finance administrator. The unions that finance their own schemes stated that a lack of finances to continuously provide the benefits of the scheme was an ongoing challenge. Disorganization of the membership data base in some of the unions was a further challenge as the unions were often unable to keep track of how many beneficiaries there were to each scheme. The bigger unions that are in cooperation with private institutions like insurance companies do not face such challenges as the whole administrative role is performed by the private company. Old Mutual, for example, manages the different group schemes on behalf of several unions.

External challenges

TUCNA affiliated unions stated that they experienced resistance and lack of support from government regarding the approval and implementation of benefits schemes. They believe that this is due to political factors as they are not linked to the ruling SWAPO party. The registration process of a scheme is time-consuming and sometimes the TUCNA unions are only given trials and receive a permanent contract only after one or two years. The NUNW unions did not experience such challenges but the MUN stated that the economic crises of 2008/2009 posed a challenge to their schemes as some of their members lost their jobs and therefore were unable to contribute. Some of the members who had taken loans from Nam-mic were unable to repay them. All trade unions covered by this study indicated that they were trying to come up with benefit schemes that are more attractive than those offered by rival unions in the same sector. This was seen as a way to retain or increase their membership. As mentioned before, the ability to offer benefit schemes clearly depends on the size of the union and the resources at its disposal.

Negotiating for benefits at the workplace as part of collective bargaining can fill the gap in the case of those unions that are unable to afford certain benefits for their members. Thus negotiating for more benefits with employers is still a promising strategy for unions to attract and retain members.

Summary, Conclusion and Recommendations

Summary of Findings

Despite the different sectors in which each union organizes, it is evident that most of them offer the same services which mainly include representation during disputes and at disciplinary hearings, collective bargaining and training. All trade unions used part of the membership fees to finance these services although some unions had international donors that supplemented their incomes which enabled them to provide more services to their members. These donors are usually international trade unions that organise in the same sector and thus share the perspective of Namibia's trade unions. Most unions still prioritize wage only negotiations, neglecting other benefits like transport and housing allowance for the workers as well as flexible working hours for breastfeeding mothers.

Lack of finances and staff are some of the major challenges that are experienced by the smaller unions in Namibia thus affecting the provision of some of their services. The challenge of finances is one of the main reasons why trade unions have embarked on union investments. Different unions offer different financial benefit schemes with the general pattern being that larger unions were able to offer more than their smaller counterparts. Larger unions have more members and therefore more membership fees that they can use to finance some of their schemes. Trade unions with investment arms like the NUNW and its affiliate unions offer benefit schemes like discounts from Avbob, loans from NAM-MIC, bursaries, as well as a group schemes with Old Mutual. Members of the unions under the NUNW umbrella benefit from common schemes despite operating in different industries. Private companies are usually responsible for managing and monitoring these schemes. Smaller unions, on the other hand, tend to run their own schemes but usually face huge administrative challenges to run them efficiently. Several unions negotiate additional membership benefits such as discounts at certain shops and retailers.

Trade unions that are affiliated to TUCNA do not have common benefit schemes although funeral covers/grants are provided by most of the unions. Having many newly established unions, some of these unions currently do not provide any benefit schemes although they have

plans to establish them in future. TUCNA unions face external challenges as they experience rejection and failure to be recognized by government parastatals due to their political position.

Opinions on whether the provision of the mentioned services and benefits has an effect on membership numbers varied. Some believe that hard work (recruitment) and the success rate of a union (collective bargaining) have the greatest effect on the increase of membership in a trade union. They also believe that the effectiveness of financial service provision has a direct impact on membership numbers. Other trade unions stated that membership decreased and increased due to other external factors like the economy and not necessarily because benefits provided by unions. The dedication of a trade union leadership and staff also has an effect on the ability to retain its membership as members are able to recognize and appreciate the efforts of their union. It can then be concluded that the provision of basic services such as representing members and negotiating successfully with employers has a greater impact on membership than the financial benefit schemes that a union has in place. Members tend to be more concerned with job security and the general working conditions, and seem to consider benefits as just something extra and not their first priority.

Conclusion

This study was able to identify the different benefits and services offered by the different trade unions in Namibia and how the provision of those services affect the lives of the members and the ability of the unions to retain or increase membership. Furthermore, the study points out how effective the unions provide these benefits to their members. As indicated below, the study recommends that unions expand the negotiation beyond those contained in collective agreements; prioritise the services and benefits provided; internally assign responsibilities in the management of benefits; create tracking membership databases and {increase consultation the form and type of services and benefits provided meaning??}.

Recommendations

The following are some of the recommendations of the study:

- (1) Given the high levels of inequality in Namibia, trade unions need to strengthen their role in reducing the wage gap between the rich and the poor and this process has to start at the workplace. Unions can do this by not limiting themselves to wage only negotiations but also including other benefits in the collective bargaining agreements like better housing and transport allowances, maternity and flexible working hours for breastfeeding mothers. It further recommends that unions offer additional benefits for their members.
- (2) Despite the importance attached to financial benefits provided by the unions, trade unions need to prioritize the direct services that they provide to their members. These relate to the core function of trade unions which is to improve workers' lives and working conditions.
- (3) In order to reduce some of the administrative challenges and pressures, trade unions that manage their schemes internally should assign at least one person to do this task as a specialized area of work.
- (4) There is need for creation and updating membership databases so that trade unions would be able to keep track of their membership development, have a gender breakdown as well as the number of beneficiaries for each scheme in order to provide effective and well targeted services and benefits.
- (5) Trade unions should have regular consultations with their members to obtain their views on the services and benefits that their union should provide to them. Such regular consultations will help unions maintain or increase their membership as their activities and schemes would be geared towards their members' expressed needs.

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APPENDIX 1: LIST OF INTERVIEWS

1. Interview with office administrator, NABWU, 2011
2. Interview with NABWU administrator, 24 July 2011
3. Interview with NAFINU member, 30 August 2011
4. Interview with NAPWU member, 30 August 2011
5. Interview with NAFINU member, 30 August 2011
6. Interview with PSUN secretary general, 2011
7. Interview with the office administrator, NAFWU, 2011
8. Interview with NAFINU office administrator, July 2011
9. Interview with MANWU office administrator, July 2011
10. Interview with NAFINU Administrator, July 2011
11. Interview with the General Secretary of the Namibia bank workers union, July 2011

TRADE UNION SERVICES AND BENEFITS IN NIGERIA

By

Hauwa Mustapha and Baba Aye

Introduction and Background

Demographic and Political Trends

Nigeria is the highest populated country on the African continent. It is currently estimated at 167 million people (Subsidy Reinvestment ProgramSURE 2011). The country's estimated population includes 49% females and 51% males. The population grew by 2.5% in 2008, declined by 1.9% in 2009. The birth rate for the two years also reflects this decline from 43 births per 1,000 in 2008 to 37 per 1,000 in 2009. The death rate equally declined from 18 deaths per 1,000 in 2008 to 16.56 per 1,000 in 2009 (SURE program 2011). The life expectancy at birth was 46.94 years as of 2009. From the last census estimates, in 2006, 66.9% of Nigerians above the age of 15 are literate; while 71.3% of males in this category were literate whilst the figure for females was estimated at 62.4%³⁵. There is a high rate of urbanization which stands at 5.5% per annum (percentage of people living in urban area). While in 1985, 39% of the population lived in cities, by the year 2000, it had risen to 43.5%. Presently it is estimated at ½ the national population and this is expected to rise to about 70% in the next ten years³⁶.

In its over 50 years of independence from colonial rule, the military held the reins of power in the country for more than twenty-five years. Currently the country has had an uninterrupted democracy for the thirteenth year with four consecutive general elections. Unfortunately, tribalistic, ethnical and religious clashes have further weakened the fragile economy and society.

Socio- economic Trends

Though Nigeria has been described as a fast-growing economy with an annual growth rate of about 6.5%, the country remains severely under-industrialised. In recent times, the economic

³⁵ See, Auta, Benjamin (2009-10-01). "Literacy level has improved in Nigeria by 66.9%". *Daily Trust (Abuja)*. Media Trust Ltd (Media Trust). http://www.news.dailytrust.com/index.php?option=com_content&view=article&id=7033&catid=41&Itemid=127

³⁶ See Nwaka 2005

trends in Nigeria have been characterised by (jobless) growth, sustained by petro-dollars income which resulted in a seemingly commendable GDP average growth of 6% in the last five years. Nigeria ranks 25th in global agricultural production, and 1st in Africa. The country's agriculture sector accounts for almost 30% of GDP. It provides employment to about 75% of the population and it is substantially a subsistence small scale practice.

Industrial production has hardly fared much better outside the extractive oil industry. The oil industry accounted for 33.8% of GDP in 2009 which was largely driven by receipts from the export of crude oil and generated 98% of export earnings and 83% of total government revenue. Just 10% of the country's labour force³⁷ of about 68 million is employed in the manufacturing and industry, against 12% in 1980 with 20% involved in services delivery³⁸. Real wages, which started their decline with Structural Adjustment Programs (SAP) in the 1980s, have plummeted to barely a quarter of their value in the "golden" mid-1970s, while the official unemployment figures are 19.7% (up from 11.9% in 2005), with youth unemployment in the urban being as high as 40%.

About 75% of economic activities take place within the informal labour market. The rate of casual and sub-contract employment is growing rapidly in the formal sector. At least 60% of the workforce in the formal sector is in casual employment. The impact of this on the labour movement has been very dire in that decent work is limited to the 'core' staff of a few multinational corporations. Precarious jobs are the order of the day, with an absence of social security. Women were mostly among the first victims of the economic malais largely due to gender imbalances but more so because of their lower skills in comparison to their male counterparts (NLC gender files and interviews).

In the spirit of implementing National Development Plans, hinged on Import Substitution, a series of decrees were enacted in the 1970s. These were intended to 'indigenise' enterprises, provide credit and support institutions for industry, agriculture and small-scale enterprises. Among these were the Industrial Development Centres (IDCs), Small-Scale Industry Credit

³⁷ This was the same percentage of the workforce in industry as at Independence in 1960

³⁸ The percentage of workers in services, *within the formal sector* as remained largely consistent over the past 30 years

Scheme (SSICS) and a plethora of Finance Development Institutions (FDI), most of which have been consolidated into the Bank of Industry.

The effects of neo-liberalism which has not helped Nigerians started in the 1980s and the Economic Stabilization Act of 1981, of the 2nd Republic foreshadowed neo-liberalisation. Subsequently, a wage freeze was instituted for the better part of that decade, while prices of commodities rose sky high and the government took over the sales of 'essential commodities' such as rice and cereals, thereby manifesting massive corruption in the country.

The SAP formally commenced in 1986, with a military fiat, and with it retrenchments in the organised private sector shooting up, as infant industries failed to compete with cheaper foreign products in the liberalised market. The regime was clear about shifting employment relations as much as possible into the informal economy. Due to the existing gender inequality, women were mostly affected in the job losses that followed. As poverty deepened, women particularly became more vulnerable.

The National Directorate of Employment was formed in 1987, with a National Open Apprenticeship Scheme between 1990 & 1992. More than 200 Peoples Bank branches and Community banks were established across the country by then. Small and medium-scale entrepreneurs were strengthened, albeit with much corruption and waste along the way.

With the failed attempt at introducing a Poverty Reduction Strategy Paper (PRSP), the National Economic Empowerment & Development Strategy (NEEDS) was formulated as the cardinal programme of the government in the year 2000. It is in essence a rehash of New Partnership for Africa's Development (NEPAD) () packaged for the national economy. The decline in the real economy which started with SAP has worsened. The visible impact of this neo-liberal policy on the Nigerian economy has been the high rate of the informal economy with its little income base and high vulnerability. The majority of women participants in the economy happen to fall into the informal sector. Growth has been guaranteed mainly by oil receipts, while development remains very much stunted.

Scope of the study

The Nigerian trade union has two main umbrella organisations; the Trade Union Congress (TUC) and the oldest and largest which is the Nigeria Labour Congress (NLC). While the TUC has about 7 affiliate unions, the NLC has 40 affiliate unions with a membership of about 4 million. For purposes of this study, the 20 unions were targeted from the NLC umbrella, with 10 each covering the public sector and the private sector. Data was collected in the cities of Lagos, Abuja and Kaduna where the trade union leadership and secretariats are largely concentrated.

Research Methodology

The method employed for data collection was the employment of a questionnaire, which was administered through one-on-one interviews. Often times it was quite challenging reaching the leadership due to their very busy schedule. Some primary data collection had to be collected via the phone.

Four research assistants were trained on the subject and how to administer the questionnaire. In every union, at least two members of the leadership were targeted as well as office staff and shop floor members. A total of 5 questionnaires were administered in each union. At least two women were interviewed in each union, one of whom was a female leader where applicable or available. A total of 18 unions were interviewed with 5 representatives each making a total of 90 persons interviewed for the purpose of this research (see appendix 1 for list of unions).

The State of the Labour Movement in Nigeria

Historical context and traditional roles of trade unions

The earliest record of trade union activities in Nigeria was of the Mechanics Mutual Aid & Improvement Association in 1883, while the first evidence of a strike action was that by daily-paid workers of the Public Works Department, Lagos in 1897³⁹. The first trade union in the formal sector, the Nigeria Civil Service Union was formed in 1912, while the first trade union centre, the Trade Union Congress (of Nigeria) was formed in 1942, and split six years later over

³⁹ See Fashoyin, ...

ideological differences⁴⁰. From then to 1975, the trade union movement was sharply divided along ideological lines.

The left trade union centres, allied to such parties as the Socialist Workers and Farmers Party (SWAFP) in the 1960s saw their roles as being part of the struggle for a socialist Nigeria. The moderates were however not conservative either, they were more *social-democratic* in their values. Thus, with the eventual merging of the two trends in 1978, the Nigeria Labour Congress that emerged was and has been a fighting federation which has consistently stood against neo-liberalism and for the transformation of society.

Based on its broader social vision, NLC has forged united fronts with other social movements over the years. These include the Alliance for Democratic Rights in the early/mid-80s, Women in Nigeria in the 80s, and since 2005, both the NLC and the TUC, have collaborated with the Joint Action Forum (of Left/pro-labour civil society organisations) under the auspices of the Labour Civil Society Coalition (LASCO). At several times in its history, the trade union movement⁴¹ has similarly formed or joined political parties⁴². It has also formulated people-oriented alternative development pathways through documents such as the *Workers Charter of Demands* and *Nigeria Not for Sale*, in the 1980s. It recently also finished drafting an *Alternative National Development Agenda*.

Organised labour's more political and broader socio-economic agenda have not been at the expense of the traditional promotion of workers' interests in the industrial relations sphere. The first two general strikes in post-colonial Nigeria⁴³ were for increases in wages. Increases in the minimum wage have also been won thrice in the past decade. Non-wage issues have been given considerable attention as well in its bargaining engagements with employers. These include such non-traditional issues as HIV & AIDS and the Economic Partnership Agreements (EPAs). The NLC has particularly placed the issue of HIV/AIDS in the workplace as a priority with government and the business community.

⁴⁰ See Wogu Ananaba, 1969

⁴¹ Before 1975; factions of it i.e. the left-leaning unions

⁴² These include: the National Council of Nigeria and the Cameroons, 1964; SWAFP & Labour Party, 1963/64; Nigeria Labour Party, 1989; Social-Democratic Party, 1990 & Labour Party, 2002

⁴³ in 1964 & 1981

The NLC has transformed from the era of having a ‘women’s wing’ to having a commission for women. They further developed a gender policy; unfortunately, much headway has not been made by the unions in mainstreaming gender issues into industrial relations. This is despite the commitment of the trade union federation to this issue.

Beyond the arena of collective bargaining the NLC is active in the tripartite process of social dialogue. It is not only represented on ad-hoc tripartite bodies, it is part of the National Labour Advisory Council (NLAC). Despite the potentials of NLAC in promoting social dialogue, it remains largely ineffective in recent times. Its technical committee, with support from the ILO, has however come with five conceptual bills aimed at reviewing the labour laws in the country. The contents of these are presently being considered for legislation by the National Assembly.

The trade union movement has faced huge challenges in organising informal economy workers. Over the past fifteen years, NLC affiliates in the textiles and garment, construction, agriculture and oil and gas sectors, in particular, have tried to organise workers in the informal employment sector with minimal success. The establishment of the Federation of Informal Workers of Nigeria (FIWON) (explain) , in June last year however, represents the greatest leap forward in organising within the informal sector. Within a year this establishment now has 31 affiliates with 11 of these being national combinations.

The Current Status of Trade Unions in Nigeria

Trade unions became legally recognised bodies in Nigeria with effect from April 1, 1939, based on the Trade Union Ordinance which allowed any combination of five or more “workmen” to be thus registered. This resulted in the formation of a plethora of unions and by the early 1970s there were over 1,000 registered trade unions. There were trade union federations, which were at the peak in this period, were 4, which were established along ideological lines.

Decree No. 31 of 1973 was the first post-colonial legislation defining the status of unions. It set the number of 50 persons as the minimum membership of trade unions. Subsequent legislations, building on it, are Decree 22 of 1976, Decree 4 of 1996 and the Trade Union (Amendment) Act, 2005.

Between 1973 and 1975, the 4 trade union centres *independently* resolved on unification leading to the formation of the Nigeria Labour Congress on December 19, 1975. The military government on December 4 of the same year came up with its ‘new policy’ on labour, with the tenets of ‘limited intervention’ & “guided democracy”, on the basis of which it banned the NLC, instituted probes into the affairs of the 4 federations and subsequently banned 11 leading unionists from trade union practice, *for life*. This was an attempt to integrate the emerging NLC which the government then re-organised over two years, holding its founding congress on February 28, 1978. This intent failed, however it did succeed in redefining the status of trade unions in the country.

Before the 1976-78 re-organisation of the trade union movement, unions included blue-collar, white-collar and informal economy workers, with some unions simultaneously organising these workers. Subsequently, workers in the informal economy have been legally de-barred from being considered as trade unions, while a ludicrous wedge between blue-collar “workers” and white-collar “senior staff” was instituted through legislation.

Affiliates of the NLC are supposed to be unions representing blue-collar “junior workers”, while the Senior Staff Consultative Association of Nigeria (SESCAN), which transformed itself into the Trade Union Congress earlier this decade was deemed as representing “senior staff associations”. Until 2005, its affiliates were not considered as trade unions by the government.

Indeed, the Trade Union (Amendment) Act 2005 in eventually recognising TUC as a trade union federation and its affiliates as unions intended to weaken the NLC, due to its pro-people struggles, including general strikes against the state.

Legal And Institutional Framework Governing Trade Unions

The Trade Union (Amendment) Act 2005 is the primary legislation bearing on trade unionism in the country. It defines a trade union as “any temporary or permanent combination of workers or employers”, which could act in restraint of trade.

The next most important legislation is the Trade Disputes Act, designed to curtail systemic problems arising from workers' grievances and disputes between workers and employers, through a dispute resolution mechanism. This includes mediation, reconciliation and arbitration. It's a rather torturous procedure as calling for a strike action is often ignored by trade unions who rather issue ultimatums to government/employers.

The Industrial Arbitration Panel is a tri-partite institution to which disputes could first be taken to for arbitration. The National Industrial Court (NIC) was recently accorded the status of a court of records and is considered the appellate industrial relations court, and the minister of labour and productivity could directly refer cases to it. The regular High Courts have been used by trade unions for litigation, especially where issues of fundamental human rights are concerned. With the upgrading of the NIC though, litigation on industrial relations matters, even when fundamental human rights are concerned is strictly vested in the NIC.

Nigeria has ratified 30 of the ILO Conventions, including 5 of the 7 core labour standards. The two core Conventions that have been ratified are Convention 111 on the elimination of all forms of discrimination in employment and Convention 138 on child labour. There is however very little respect for these international labour standards on the part of the Nigerian state. This is largely due to the excuse that since the ratified Conventions have not been domesticated through Acts of the National Assembly, they are not enforceable. This position, which the then Attorney-General of the Federation raised in opposition to the NLC's stand during public hearings by the National Assembly on the Trade Union Act in 2004, is weak. For example, the Courts had earlier ruled that Nigeria is bound by the African Peoples and Human Rights Convention, though it had not been domesticated.

Internationalism has played crucial roles in the history of trade unionism in Nigeria. In the 1950s-70s, the ideological divide had pitted World Federation of Trade Union (WFTU) affiliated unions against International Confederation of Free Trade Unions (ICFTU) affiliated unions. Virtually all the Global Union Federations are quite active in Nigeria. The most visible is Public Services International (PSI), with 8 affiliates, which include some of the largest and most influential affiliates of NLC. The affiliates of the GUFs, particularly those in the private sector

include both NLC and TUC affiliates. PSI, EI & IFJ affiliates in Nigeria are however all NLC affiliates. There are also trade unions that belong to two GUFs, such as the Agricultural & Allied Employees Union of Nigeria (AEUN) which belong to both PSI & IUF, & the Non-Academic Staff Union of Educational Research & Allied Institutes (NASU), which belong to both PSI & EI.

A number of unions in Nigeria have also quite recently become active in the World Federation of Trade Unions (WFTU) and its Trade Union Internationals. These include both NLC & TUC unions and at the recent WFTU World Congress, a National Executive Council member of NLC was elected into the WFTU's international Presidential Council.

NLC's role in the Organisation of Trade Unions of West Africa (OTUWA) is a central one. Some of its affiliates have also forged sub-regional combinations on a sectoral basis. The most prominent of these is the West African Health Sector Unions Network (WAHSUN), initiated by the Medical & Health Workers' Union of Nigeria, in conjunction with the health services union of Ghana which now has spread across the English-speaking countries on the sub-continent.

Building a strong, virile and visionary continental trade union movement has always been a major aim of the trade union movement in Nigeria. It has thus been very active in ITUC -Africa from its inception and presently one member of staff on secondment from the NLC handles the continental body's desk on trade union & human rights.

Forging alliances and establishing collaboration with other federations on the continent is considered critical for building ITUC-Africa & OATUU. In this light, NLC has forged bilateral relations with Ghana TUC & COSATU over the last 9 years and in May 2010, it was part of the 1st Trilateral Conference of the three federations in Accra, Ghana.

Trade union democracy

The trade union movement places great premium on internal democracy. This is reflected in the structures and processes of unions and the union federations, in line with the finest traditions of the international trade union movement.

The unions tend to have 3 (or 4) layered structures. The local branch is the primary unit where branch general meetings comprising all members are held monthly or twice a month. The branches have branch executive committees, chairpersons and secretaries of state (or zonal) executive council members. Public sector unions generally have state councils as they are present across the 36 states and the federal capital territory of the country.

Most private sector unions' super-ordinate structures to the branches are zonal councils. These zones are based on the areas where economic activities, in which their memberships are employed, exist in the country. Most public sector unions also tend to have some form of zonal bodies for administrative convenience, along the lines of the country's six geo-political zones.

The State/Zonal Councils have leaderships elected at delegates' conferences which are held two or three times per year. These office-bearers constitute the state/zonal administrative (or working) committees. These committees, which meet monthly, bi-monthly or quarterly, are responsible to the state/zonal executive councils comprising state/zonal office-bearers and the chairpersons and secretaries of branch executive committees. The executive councils meet quarterly or at least once every six months, depending partly on the periodicity of the administrative/working committees' meetings, to receive reports and in situations of industrial conflict for mandate on industrial action.

At the national level, most NLC affiliates hold National Delegates Conferences at least four times a year (while TUC affiliates hold theirs three times), at which national office-bearers who comprise of the National Administrative Council (NAC) and the Central Working Committee (CWC). The NAC/CWC is responsible to the National Executive Council (NEC), which meets annually or once every six months, in-between delegates' conferences and comprises NAC/CWC members and the State/Zonal Councils Chairpersons and Secretaries.

While the National Delegates Conference (NDC) which is the highest decision making body of all the unions set the policy framework for unions and is as well vested with the powers to amend or review union constitutions, the NEC: ensures the implementation of NDC resolutions; is

responsible for discipline of members and officers of the union; receives detailed reports of NAC/CWC activities; constitutes statutory committees of the union and provides mandate for strike action.

The trade unions federations' national structure is quite similar to that of the trade unions. Both NAC and CWC however exist, with the CWC comprising both the NAC (elected office bearers) and the Presidents and General Secretaries of the affiliated trade unions.

The National Women Commission (NWC) was formed in 2003 and it is today replicated in all the states. The chairperson of the NWC is automatically a member of the NAC, while at the state level the chairperson is a member of SAC. Based on the resolution adopted during the 2011 delegates' conference of NLC, the deputies are now admitted as NAC members as well.

Membership Density

Congress membership is estimated at about 7 million and spans the public and private sectors of the economy. It has 40 affiliate unions and 37 state councils. The affiliates also have corresponding structures in at least 85% of the states. However, the membership excludes the military and paramilitary services as well as some civil establishments that offer services classified by law as essential. An example is the Central Bank of Nigeria. Nigeria's massive and dynamic informal sector is also largely unorganised although the modalities for its unionisation are now the subject of internal debates in the movement.

The Miners union, railway workers union, textile workers unions, constructions are among the unions that do not have a 100% geographical spread across the country largely due to the nature of their economic practice that is either not widely spread or has become exhausted, i.e. the Miners union and the railway workers' union.

Unfortunately, getting specific membership data from the trade unions is like squeezing water out of a stone. The impression given is that the actual figures are deliberately kept away or distorted so that they do not contradict when audits are done in relation to subscriptions by

members. The findings from this study indicate that women form only about 35% of trade union membership.

Trade Union Capacities

The trade union movement in Nigeria could be said to be relatively well equipped in human, material and financial resources. Virtually all the unions have functional national secretariats, with trained personnel, ancillary staff and vehicles for organising and mobilization. At least 70% of the unions own their secretariat premises. Membership subscription is their main source of income. Many unions have however invested some of the funds accrued over the years, particularly in real estate, transport and hotels, which get patronised by union members and members of the public.

The typical national trade union secretariat has departments such as: education; training and research; organisation and industrial relations; administration and establishments and; finance and accounting. The finance and accounting department's head usually has reasonable professional background in accountancy. The other departments are headed by full-time secretaries who in most cases have served as field secretaries in the state/zonal councils previously.

The NLC's annual national (Rain & Harmattan) Schools have been of immense use in helping to build the capacity of these cadres as well as those of field secretaries and elected office-bearers of the unions at national and state/zonal levels. Some of the GUFs (particularly PSI) also run regular capacity-building training programmes for the cadres of their affiliates as part of their broader sub-regional union development programmes.

There is however a great lack of capacity in research within the unions. This is reflected in the scarcity of documentation and both qualitative and quantitative analysis of data. The Labour Centre for Social and Economic Research (LACSER) envisioned by the NLC which was largely to fill this gap, has not really taken off after about 9 years in existence. Indeed less than 25% of the unions do have research departments/units which are all largely ineffective. This is so

because the research departments are often lumped with the education and training departments and at the end only education and training activities are usually carried out.

All the unions who have been in existence for at least 30 years either own the properties in which they are currently located or they own land and buildings in other parts of the country. At the state/zonal council levels, a number of unions also own the premises of their state/zonal council secretariats. Most unions have only a full-time state/zonal secretary, who in some instances is aided by an organising secretary, apart from the ancillary staffers such as drivers and cleaners.

Most councils as well own vehicles. In most of the states, these have been provided for all the unions by the state governments. The NLC State Level Schools have been of great use in building the capacities of these state organisers and members at the state/zonal councils and shop floors.

Services and Benefits Provided by Trade Unions

The study showed that in Nigeria, most of the trade unions provide traditional services related to wages and employment conditions. However, most of the trade unions are increasingly integrating benefits and services in collective bargaining and trade union programmes, both as a strategy for sustaining and increasing membership and very importantly as incentive for increasing productivity.

Services provided by Trade Unions

In Nigeria, union services largely covered under collective agreements include personal financial assistance, interest free loans, education sponsorship, end of year bonus, health counselling, and crèches. The study further revealed that whereas the urban workers have access to most of the services available, the rural areas are less covered. This trend unfortunately follows the typical tradition of poor and inadequate infrastructure provision in the rural areas. Specifically services like the provision of crèches, grains/rice and housing are often located in the urban areas.

Table 1 indicates the types of services provided the unions that are providing them and the extent of provision.

Table 1: Services

S/no	Name of Union	Services Provided	Actively	Partially	Not at all
1	NUP, SSANU, NUT, NANNM, NUPTE, NURTW,	Access to special provision by employers e.g. grains, foodstuff, education & medical facilities to members & their families (some states).	XXX		
2	SSANU, MHWUN	Christmas/Sallah/End of year bonus	XXX		
3	SSANU, AEUN, NUT, NANNM, NUJ, NUPTE, NURTW,	Interest free loans on vehicles, housing, transport and other personal needs	XXX		
4	NANNM	Crèches, health HIV/AIDS counselling	XXX		
5	NUT, AEUN, NANNM, MHWUN,	Car loan, house and rent advance		XXX	
6	JUSUN, NULGE,NUPTE, NUJ, NURTW	Insurance scheme, Welfare scheme,	XXX		
7	MHWUN, NUPTE,	Salary advance, medical bills	XXX		
8	All Public sector unions	Contribution to pension fund and NHIS.	XXX		
9	All Unions	Disability and death benefit		XXX	
10	JUSUN, NCSU,	Provision of housing	XXX		

	SSANIP, ASUU	scheme with the assistance of government/employer			
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The study revealed that services such as medical bills, vehicle loans and children education were only offered to management. Said one respondent:

“ ... I know that they provide vehicle loans, and they pay mortgage but I have been working here for 17 years now and I am an Assistant Secretary. I Have never benefited from such loans....When I try to apply I am told that there is no money... but they easily give me salary advance whenever I request” (Admin staff, in a public sector).

In most of the unions, salary and rent advances are common. The provision of rent and salary advances is usually included in the organisation’s constitution. However, most of the respondents said that such services were inadequate for those that live in big cities such as Abuja and Lagos. A local government union member lamented that:

“The money may not be enough to pay for my rent in Abuja but it is better than nothing because it goes a long way to assist me since I can supplement with other savings”

About three years ago the NANNM under the auspices of the Federal Capital TerritoryFCT chapter sought and got allocation of about 750acres of land on behalf of their union members in Abuja. Though the asking price for trade union members was negotiated for N500, 000.00, non members bought a piece for a minimum of N1million Naira. The NLC headquarters is in the process of securing a similar deal for its staff and other trade union members.

This, according to an official of the FCT chapter of NLC, “is a priceless way of motivating trade union members and also making the reward of trade unionism here on earth and not just to suffer and die for nothing”.

Benefits offered by Trade Unions

The study indicates that most of the unions interviewed provide one form of benefit or the other to their members. In terms of coverage and consistency more than 60% of the respondents especially in the junior level are of the opinion that the benefits provided are not sufficient to meet their needs but that they are enough to give them a sense of belonging to the unions. [A fundamental benefit that the trade unions offer their members is the power of solidarity, which helps to strengthen the processes of negotiation, bargaining and indeed capacity for increased self esteem which has a positive impact on productivity and output. Other key benefits generally include insurance, cooperatives, transport and special rates in transport and health. All the unions interviewed provide at least two of each of the services and benefits. Only the NUJ and NURTW provide insurance that covers accidents and death probably due to the nature of the job. In the case of cooperatives and insurance, only members who subscribe to the programme do benefit. Many others do not subscribe for reasons that range from spiritual to financial constraints. Table 1 shows the type of benefits in the Nigerian context.

Table 2: Trade unions and Benefits provided

S/no	Union	Benefits Provided	Actively	Partially	Not provided
1	NUP, SSANU, AEUN, NUT, NCSU, MHWUN, SSANIP	Collective bargaining in the process of pension matters, Arbitration btw employers & workers, facilitate legal representation	XXX		
2	SSANU, NUT, NUP, NCSU, AEUN,	Financial Assistance on burials, naming, marriage & sickness. Annual bonuses.		XXX	
3	SSANU, AEUN, NUT, NANNM, NUJ, NUPTE,	Interest free loans on vehicles, housing, transport and other personal needs. Guarantor	XXX		

	NURTW, SSANIP	for bank loans			
4	AEUN, All unions	Membership of cooperatives, collective bargaining	XXX		
5	NUT, SSANIP	Special allowance that can be drawn when on strike and employers refuse to pay.		XXX	
6	NANNM, SSANIP	Training, housing/land acquisition at special rates (only FCT), membership of cooperatives, rates on medical facilities for members & their families. Access to transport facilities (some states)		XXX	
7	RATTAWU, NUJ	Facilitate Training at training Institute, membership of cooperative	XXX		
8	MHWUN	Annual increment and immediate implementation of new national min wage for staff.		XXX	
9.	JUSUN, SSANIP, ASUU	Collective bargaining on housing and rent.	XXX		
10.	NULGE	Promotions & Annual increments for staff		XXX	
11.	NUJ, NURTW	Insurance scheme to cover	XXX		

		job hazards.			
12.	NUPTE	Training, cooperative society/loans	XXX		
13.	NURTW	Road accident insurance, special reduced fare when travelling through any public motor park.	XXX		
14.	NUTGWN	Opportunity to showcase handwork during any event, direct contract to produce materials for union campaign and rallies.	XXX		

Who is benefiting from these schemes?

Every member of the union irrespective of gender, physical ability and position is eligible to access these benefits. In reality however, there are constraints to accessing these benefits in terms of location and position of the members. For instance most workers in the rural areas do not have easy access to the benefits as much as members located in the urban areas.

NUBIFIE and ASSIBIFIE do negotiate *“in favour of equity and justice in regular cases where some banks deny couples the right to be employees of the same bank even if they joined the bank separately before marriage”* (NUBIFIE union leader).

However, not all the benefits are accessible in all the states neither are they sufficient monetarily. For instance it is only the FCT chapter of NANNM that practice mass land acquisition on behalf of members. Though the land is located in Abuja, every member of the union all over the country is qualified to buy at least a piece.

Eligibility to access the benefits under RATTAWU is for nominated members of the union except in the case of cooperatives according to the RATTAWU General Secretary. He further added that the most attractive and common benefits have to do with financial benefits. In all the unions interviewed though every union member is eligible to join the cooperative, only contributors therefore can draw from the benefits of the cooperatives. SSANIP is also in the process of acquiring land for housing for its members. Again this is currently being sourced only in Abuja.

How the Services/Benefits are financed?

The sources of finance in the unions include membership subscriptions, special levies on members, voluntary contribution, government, employer and NGO donation and partnership with banks. These schemes are managed by the leadership of the trade unions, the secretariat, welfare committees in collaboration with partner sponsors.

Finance is usually a big challenge towards the success or failure of the provision of benefits/services to trade union members. The most common source of finance however is the membership subscriptions. Cooperatives are generally financed through membership subscription and profits from assets so derived. However, in all the unions interviewed issues directly related to collective bargaining are financed through union deductions from employee salaries. For programmes on transport and Housing, JUSUN and NANNM finance these through special levy on members and partly through check off dues. NULGE in addition to check off dues receives donations from local government councils. At this juncture, it is important to note that indeed most of the state chapters of NLC as well as unions often get donations in kind and in cash either from their related ministries or from their state governments.

Specific in this area is the Radio Television and Theatre Arts Workers Union (RATTAWU) training Institute which was developed largely on the basis of donations from related government communication agencies. National Union of Journalists (NUJ) also receives donations from some state governments and related government agencies. National Union of Road Transport Workers (NURTW) on the other hand has a working relationship with some banks and financial houses to finance its accident insurance and transport programmes.

Capacity building programs such as education, training and services on health and legal matters are funded 90% by funding partners that include ACILS, CLC, TUC-UK and FES among others.

How these Services/Benefits are managed

Most of the benefit programmes are not stand alone, but are usually an integral part of collective bargaining or regular welfare programmes for the union members. Their management structure and process is not outside the leadership structure of the unions. JUSUN's scheme is managed by an Administration officer, while RATTAWU, MHWUN and AEUN are managed by the elected leadership.

NUPTE and NCSU are managed by the secretariat of the union, while the NURTW programme is managed by the union in collaboration with the financial institutes that finance their programme. NUJ is managed by the secretariat with representatives from each state while that of NULGE is managed by a welfare committee. Indeed about 90% of the unions interviewed stated that the management of these benefits is in the hands of the leadership which also has constitutional coverage.

Consequently the design and implementation of the program is vested within the leadership while financial accounting and evaluation is done in conjunction with the finance department. Except in the case of NURTW where the management of the road transport scheme includes the financing institution, all other unions manage their program in-house using internal expertise where available.

Benefit programs specifically related to HIV/AIDS are often managed on a daily basis by health officers who often attend trainings on occupational health and HIV/AIDS. Such trainings are either internal within the affiliate unions or centrally organised by the NLC.

Performance of the Services/Benefits

There is a general acknowledgement that in spite of the challenges of check off dues and trade union membership, the various programmes have been performing *"fairly well"* (MHWUN),

“successful” (NUPTE), and “above average” (RATTAWU). However, a few others have not been so successful “the performance is not encouraging...because they probably last for just one year” (NUJ).

The general dwindling of union membership particularly in the formal sector over the last decade has had a negative effect on financial resources available to the unions and consequently it has affected the capacity for the provision of services and benefits to unions. Regarding the programme on co-operatives its effectiveness has been affected by the growing inflation and the increasing high cost of living in the country. Consequently the ability to save is very low.

On the provision of crèche services a union leader in the construction industry indicated that:

“We have not given it a serious thought especially if you consider our dwindling resources, you know that our membership has decreased by more than 55% in the last ten years. This has affected our financial position...so definitely we have to prioritise”

Services that cover health issues like HIV/AIDS and child care seem to be the least in the priorities of many union members as they seem not to see its direct linkage to collective bargaining and core trade union issues.

Apart from the challenges of dwindling finance, these various programmes have continued albeit at different rates of success. For instance *“the number of people that are able to access educational services are fewer in a year due to generally low numbers of staff and few resources... We used to have an average of five staff going on study programmes annually, now we can only afford to release a maximum of two at a time” (NUPTE, Admin).*

The Insurance scheme of the NUJ was established in 1955 along with the union but was revitalised in 2009 after more than a decade of dragging. However, according to the union this scheme has not been effective in meeting its objectives due largely to dwindling funds and mismanagement.

There are general views that about 70% of the benefits program has not been consistent. For instance accident and health insurance schemes by the NUJ and housing schemes by ASUU and SSANIP are usually defined by hiccups due largely to scarcity of funds and the large demand from members.

Impact of the schemes on the beneficiaries

The financial assistance programmes have been a source of motivation to the members. This has also boosted the confidence of members and their commitment to their unions.

“...it increases productivity and provides some peace of mind when you know that there is something to fall back on...” (Member, SSANIP)

The educational and training programmes on the other hand do help to increase the capacity of members in negotiating skills as well as to improve on the quality of their jobs. For the women, this has helped to boost their self esteem and often times led to an increase in the level of women participation. Here are cases of some beneficiaries of trade union education and training programs:

Anita is a 43 year old worker in the health sector who started work twenty years ago as a clerk, but attended her first training workshop through the harmattan school in 2005. This was her first real break into mainstream trade union work. Since then she has attended about six other training workshops on HIV/AIDS, and gender including two outside the country. Today she has become a trainer and has had the opportunity for a higher education.

Until 2008, Moses was a security guard, but was given a training opportunity and now he is the camera man at the NLC who is in charge of pictures and video recordings during occasions.

“I joined the NLC as a graduate of education with a few years experience in teaching. I had no knowledge of political economy, gender, child labour and HIV/AIDS before joining the union. Today I can say that I am very knowledgeable in these areas... thanks to trade union education and training. My earlier experience as a teacher was basically

around theories in accounting and business. Trade union education and training have helped me to be more versatile and practical. TUE gave me the opportunity for exposure and development of self esteem... at a more personal level these experiences have also helped me to be a better wife, mother and home manager...” (Maureen, NLC).

“Since I got training on HIV/AIDS, I have learnt to be more diplomatic with my clients and now I feel more comfortable to relate with my clients and teach them about rights and not just demand”(Ifeoma, a nurse).

The Insurance programme from NUJ has not been so successful due to “mismanagement” of the scheme thus in this case the effect is “very minimal” (NUJ).

There is no direct relationship between the programmes and union membership growth because membership is automatic once you are within that profession.

However, the strength and general success of collective bargaining and the high esteem that the trade union movement has been able to achieve in the country has recently attracted more affiliate membership. Thus in the last five years membership affiliation has increased from 33 to 40 therefore offsetting the loss of membership in the largely formal sector over the last decade.

Challenges, Risks, Opportunities

The common challenge that runs across all the respondents is insufficient funds, management, capacity and membership.

Challenges related to Services

Internal challenges: The principal challenge facing the scheme is insufficient funds. This has reduced the ability to effectively meet peoples cash requirement while often times the unions ration the little that is available. In the area of facilities related to health and educational assistance, this has also created a challenge in the level of capacity and knowledge to members and staff. Because the women are mostly in the lower job cadre and are less visible in leadership,

they tend to be worse affected when there are such deficiencies for instance capacity and knowledge of union leadership.

External challenges: The biggest threat to the successful implementation of these programmes is the dwindling membership of the union due to the policy on labour market liberalisation which has led to much loss of jobs especially in the formal sector. Indeed many of the members who had acquired rich capacity over the years that could be useful to the younger generation have since lost their jobs due to this policy. In both the public and the private sector the practice of casual labour comes with a lot of job uncertainty, lower income and mostly workers who are not unionised and this edges them away from the possibility of being part of the provision of services such as cooperatives and financial assistance.

Challenges related to Benefits

Internal challenges: The commonly expressed challenge is that of insufficient funds. “...*we are unable to extend our coverage to every member due to insufficient funds...especially now that membership strength has reduced...*” (Admin, AEUN). Internal resource from check off dues is the major source of finance to the trade unions. Dwindling membership, low income and a high cost of living have made it difficult to pool sufficient resources from within the trade unions which impacts on the ability of the unions to provide an effective and sustainable practice of benefits such as insurance, transport, medical, housing and training programmes.

Even where these programs are on track the effectiveness or success of the scheme has often been hampered by the poor understanding and management of the program and they have not been contracting the program out to external management. This is in exception of a few cases like the NURTW programme on Road Accident Insurance where it is partly being managed by the financial institution that is financially supporting the project.

External Factors: External factors that were considered include the general policy on economic liberalisation and its attendant consequences on the cost of living, low productivity, poor income and thus a poor saving culture. Some trade unions are of the opinion that if the development programme of the government had genuinely considered the interest of labour, then perhaps

trade unions would not have been saddled with the burden of providing benefits for their members which ordinarily should have been contained within a government's programme of infrastructure development and social security.

“...government continues to increase the rate of interest even when the cost of living is already high... this discourages many people from taking bank loans and that means they cannot invest easily on something like building a house for their family”.

Possibility of replication of schemes in other sectors in the country

While about 95% of the schemes are very general in nature and can easily be adapted in sectors where they currently do not exist, about 5% of the schemes are unique to the nature of the jobs within particular sectors. For instance accident insurance in the road transport union is necessitated by the nature of the job which exposes members to the hazards of road travels especially in a country where the roads are far from being classified as safe.

Yet however, such schemes could be adapted to fit into other sectors under health/hazard insurance. The health sector, the air transport, maritime and the media sector in particular could benefit from this kind of adaptation.

Schemes that are general include finance assistance/loans, education/training, legal aid and representation. The cooperative scheme is already a popular scheme in many sectors of the economy while the insurance scheme is run by RATTAWU, NUJ and NURTW can be replicated in other sectors if only they can make it a top priority in their collective bargaining process.

Currently only the NLC and a few unions provide crèche services for nursing mothers. The success story of this practice can be documented and circulated for other sectors to replicate. The same could be applied to all other successful programmes.

While there is currently no conscious plan or process of exchanging information and experience between the affiliate unions, the NLC has been encouraging unions to establish crèches, operate HIV/AIDS counselling unit and to operate or strengthen gender desks.

Summary, Conclusion and Recommendations

Summary of Findings

This report presents the benefits and services provided by selected trade unions in Nigeria. Twenty unions were selected for the purpose of this study. The study established that most of the trade unions in Nigeria offer traditional trade union service such as collective bargaining and representation.

The study revealed that Nigerian trade unions have continuously struggled to maintain a dynamic and virile labour through the provision of various benefits for its workers while ensuring that employers provide adequate services to supplement wages and incomes of workers. The benefits and services provided by the Nigerian trade unions to its members include negotiations, representation, information, advisory, education/training, legal assistance, finance and welfare. The study underscored the fact that there were, however, challenges in terms of membership coverage, sustainability, paucity of funds and inadequate management expertise.

Conclusion

In the context of contemporary socio-political systems in Nigeria and its implication for trade unionism, this study sought to identify the various benefits and services that are provided by trade unions to their members. Furthermore, it sought to identify the impact of these benefits and services and the challenges therein. Through structured interviews and amidst the challenges of getting very busy trade union leaders to respond to interviews, the study highlighted the weaknesses of the Nigerian trade unions in terms of record keeping and more so general trade union weaknesses towards research and documentation.

Most of the schemes were said to be successful and a good complement to the services. As indicated below, the study recommends among others expansion of services and benefits; improvement of the internal management of services and benefits; and the linking of services and benefits to membership recruitment drive.

Recommendation

- 1) Trade unions should strengthen workers solidarity by increasing the exchange of ideas and experiences between workers within the same union and across unions.
- 2) That trade unions broaden and deepen their education curriculum by linking core trade union issues to non-core trade union issues which have a long term bearing on labour and employment e.g. climate change, international trade rules and regulations and international communication technology.
- 3) There is a need to extend the coverage of these facilities to the rural areas while a more conscious gender consideration should be given to the design and implementation of the services that can increase and sustain female membership
- 4) Beyond material, finance and representation, trade unions need to extend solidarity to personal levels especially on issues that relate to disputes and psychological wellbeing. Again an intervention program that covers this area will help to boost morale, strengthen confidence and subsequently it can heighten membership commitment and obligation.
- 5) Women's role in the trade unions and in women's issues in collective bargaining must as a matter of urgency go beyond tokenism and or policy document to actual mainstreaming, for instance where unions can collaborate to provide joint facilities that can be beneficial to women and their children e.g. operating a labour staff school for working mothers' children.
- 6) Finance assistance appears to be the most attractive form of benefit to union members. There is a need for trade unions to invest in property and other fixed assets through which more resources can be raised to meet the growing demands of members

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APPENDIX 1

LIST OF UNIONS INTERVIEWED

1. AEUN Agriculture Employees Union Of Nigeria
2. ASSIBIFIE Association of Senior Staff of Banks, Insurance and Financial Institutions
3. ASUU Academic Staff Union of Universities
4. NUP National Union of Pensioners
5. NUT National Union of Teachers
6. NANNM National Association of Nigerian Nurses and Midwives
7. NUBIFIE National Union of Banks, Insurance and Financial Institutes Employess
8. NUPTE National Union of Pot and Telecommunication Employees
9. NURTW National Union of Road Transport Workers
10. NUJ National Union of Journalist
11. NULGE National Union of Local Government Employees
12. NUTGWN National Union of Textile and Garment Workers of Nigeria
13. NLC Nigeria Labour Congress
14. MHWUN Medical and Health Workers Union of Nigeria
15. NCSU Nigeria Civil Service Union
16. JUSUN Judiciary Staff Union of Nigeria
17. SSANIP Senior Staff Association of Nigerian Polytechnics
18. SSANU Senior Staff Association of Nigerian Universities
19. RATTAWU Radio Television and Theatre Arts Workers Union

TRADE UNION SERVICES AND BENEFITS IN SOUTH AFRICA

By

Chere Monaisa & Melisizwe Tyiso

Introduction and Background

Social Economic Trends

South Africa is a middle income emerging economy with an abundant supply of natural resources and a Gross Domestic Product (GDP) per capita of US\$5, 914. South Africa also has a well-developed financial, legal, communications, energy and transport sectors, a stock exchange ranked favourably in the world, and a modern infrastructure supporting efficient distribution of goods throughout the Southern African regions (NEDLAC, 2010:6). Although traditionally reliant on its mineral wealth, South Africa's economy has become increasingly more diversified and is built upon a number of other key sectors such as tourism, mining, automotive assembly, information and technology, and chemical industries (NEDLAC, 2010:6).

Since 1994, South Africa has had positive economic growth where GDP averaged 3% during the decade of the new democratic dispensation, exceeding 4% since 2004 and ultimately rising to 5,3% in 2007 to represent the highest rate of economic growth in many years (NEDLAC, 2010:7). However, recent International Labour Organization (ILO) *G20 Country Briefs (2010)* details how South Africa's integration in the world economy made it vulnerable to the effects of the global financial and economic crisis. By the end of 2008 the South African economy went into recession for the first time in 17 years. 'Real GDP was down 0.7 per cent in the fourth quarter of 2008, and the economic contraction intensified in the first half of 2009, with GDP falling 7.4% and 2.8% during the first two quarters of the year' (ILO, 2010). South Africa was enjoying a healthy pace of economic growth before the crisis hit in late 2008, with real Gross Domestic Product (GDP) averaging 5.5% during the period 2005 to 2007 (ILO, 2010).

NEDLAC acknowledges that, despite being a middle income country, South Africa is characterised by high levels of poverty and high income inequality between populations groups⁴⁴ and within individual population groups. A 2010 OECD report found that South Africa's inequality levels are among the highest in the world; indicating that income inequality increased between 1993 and 2008 from a gini-coefficient of 0.66 to 0.70. 'Poverty and inequality in the country also have racial, gender and age dimensions with high poverty concentrations found predominantly among black Africans, in particular black women and black youth' (NEDLAC, 2010:7). In a 2010 Legatum Prosperity Index Rating, South Africa was ranked 66th in the overall standings; receiving average ratings (i.e. middle 50 countries) in: economy; entrepreneurship and opportunity; governance; education; personal freedom and social capital. However, the country was ranked in the bottom 30 countries when it comes to health, safety and security.

A succinct characterisation of the South African labour market is provided by Makgetla et al (2007: 107):

Under apartheid, labour rights varied by race, gender and economic sector. White workers could organise and strike, and were protected from forced and child labour. From the late 1970s, African workers in manufacturing also won some legal rights to organise and strike, although they faced considerable state harassment nonetheless. In mining and farming, however, workers enjoyed virtually no organisational rights; child labour and prison labour were both found on white owned farms.

After the 1994 democratic elections, post-apartheid South Africa's first democratic parliament saw the enactment of the 1996 Constitution and the establishment of the core new labour legislation framework consisting of the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Skills Development Act (HSRC, 2005: 24). The Human Sciences Research Council (HSRC, 2005: 24) broadly summarises the intentions of these laws as being: to establish core worker rights; facilitate South Africa's reintegration into the world economy and overcome the apartheid inheritance of a labour market marked by high levels of inequality and unemployment; and low levels of productivity. The

⁴⁴ Black Africans, Whites, Asians and Coloureds

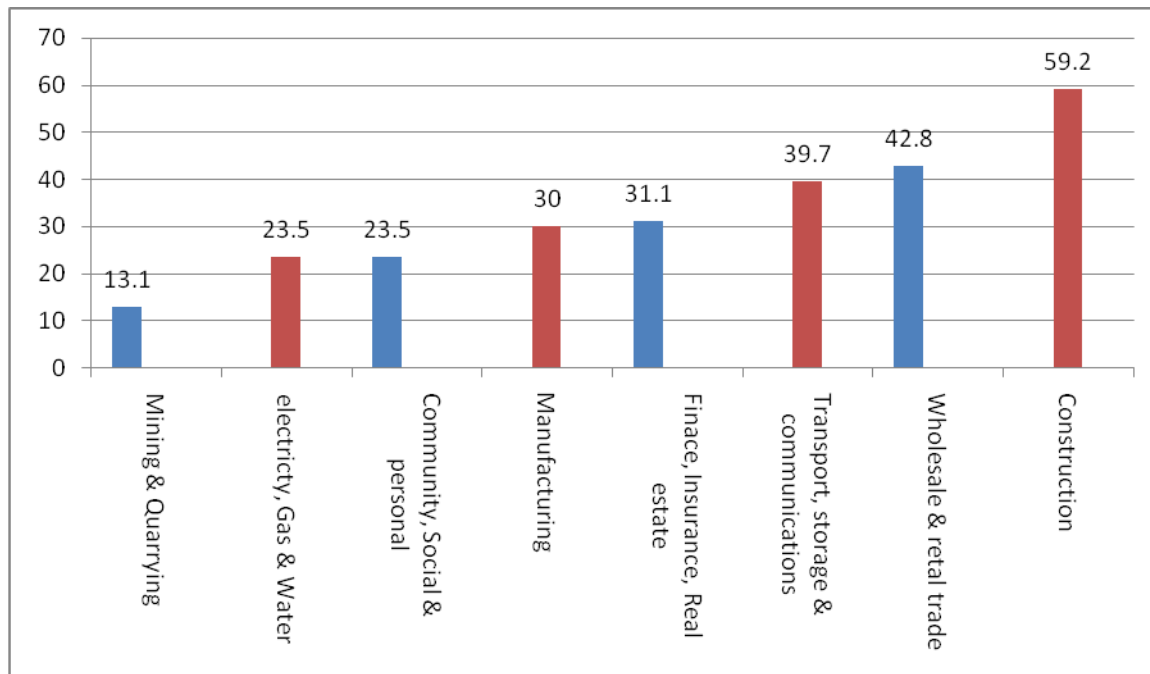
changes introduced or at least, endeavoured for, in South Africa's new labour legislations signalled a clear break with the oppression and intolerance of the past (Braude, 2005: 370).

Employment Trends

According to the StatsSA Labour Force Survey (2009), the South African labour market has been characterized by a gradual rise in the number of employed individuals between 2002 and 2008. Accordingly, the number of employed individuals rose from 11,019,806 during the third quarter of 2002 to settle at 12,884,565 during the third quarter of 2009. Employment grew an average of 3% between 2003 and 2008. This was also accompanied by an annual average decline in unemployment of 1.5% during the same period. Thus, there remain concerns in South Africa around the quality and nature of jobs created as casualisation is more and more prevalent.

StatsSA, in 2008 second quarterly labour force survey report, found mining and quarrying sector (13.1%) had the lowest proportion of casual employees; the construction sector had the most with close to 6 in 10 (59.2%) workers employed on a casual basis. [Overall, the total proportion of casual workers, with all types and form of casual work included, is approximately 33% (StatSA, 2008)]

Figure 4: Proportion of Contract Employment in Total Employment by Sector



Source: QLFS, Quarter 2, 2008

Scope of the study /research

The main objective of the study is to evaluate the ability/capacity of African unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labour movement in Africa.

The specific objectives of the study are to:

- Identify the services and benefits unions provide to their members (with special attention to the gender differentials in access to such services and benefits);
- Assess the effectiveness/ quality of trade union services and benefits (where such services and benefits are provided);
- assess the relationship between the provision of these services and benefits and membership growth; and
- Assess the effects of the provision of these benefits on the core trade union functions/services.

Research methodology

The field research methodology utilised for this study was qualitative; consisting of extensive documentary analysis and a comprehensive questionnaire for a small research sample. Due to the annualised analysis of COSATU trade unions (see 2. State of the Labour Movement), the main focus of this study was on the voice of workers. Thus, for information on benefits and services, we mainly refer to the 2010 State of COSATU affiliates report. Two focus groups were also held with workers in auto-manufacturing and wholesale retail. Seven trade unions were included in this study:

- Chemical, Energy, Paper, Printing and Allied Workers Union (CEPPWAWU)
- General Industries Workers of South Africa (GIWUSA)
- National Union of Metal Workers of South Africa (NUMSA)
- National Union of Mine Workers (NUM)
- South African Catering, Commercial and Allied Workers Union (SACCAWU)
- South African Clothing and Textiles Workers Union (SACTWU)
- South African Municipal Workers Union (SAMWU)

Twenty-five (25) workers were interviewed; two national office bearers and one finance manager were interviewed. Two workplace case studies were also included herein. Geographically most of the interviews were conducted in Gauteng (Pretoria and Johannesburg) and Mpumalanga (eMalahleni) provinces. The sample presented here reflects solely on the responsiveness of targeted trade unions.

Table 7: Field interviews at a glance

Nature of interview/s	Sector/Union	Number
Worker Interviews	Mining (NUM)	9
-Six Non-Union	Municipal (SAMWU)	2
-Nineteen Union Members	Manufacturing (NUMSA)	4
	Retail (SACCAWU)	4
	Chemical (GIWUSA &	4

	CEPPWAWU) Financial Services (Non-union)	2
Worker Focus Group/s	Manufacturing (NUMSA) Retail (SACCAWU)	Two
Trade Union Leader Interview	NUM SACTWU	Two
Finance/Treasury Interview	NUM	One

Limitations of the Study

Although this study was meant to be comprehensive; incorporating the voices of three key stakeholders, namely: *trade union members* (workers), *senior trade union office bearers* and *finance managers/treasury officials*; the study was hamstrung by low responsiveness on the part of identified research participants. Although there are three major trade union federations namely the *Congress of South African Trade Unions (COSATU)*, the *Federation of Trade Unions of South Africa (FEDUSA)* and the *National Congress of Trade Unions (NACTU)*⁴⁵ with a total of sixty-three (63) affiliated trade unions, only trade unions affiliated to COSATU participated. However, even in this scenario, the participation of the COSATU affiliated trade unions does not contribute far enough to ameliorate the unsatisfactory participation of the whole labour movement in the country:

- Only 9.5% (six trade unions) of a potential 63 trade unions participated in the study by allowing and arranging for NALEDI researchers to visit certain workplaces and interview workers;
- From COSATU, only 24% (five trade unions) of a potential 21 trade unions participated in the study by allowing and arranging for NALEDI researchers to visit certain workplaces and interview workers;
- Although five COSATU trade unions supported the idea that some workers should participate in the study, only two trade union (NUMSA and SACTWU) senior office bearers responded to requests for information and/or interviews;

⁴⁵ Traditionally, NALEDI research projects hardly succeed in securing the participation of non-COSATU federations- i.e. NACTU and FEDUSA- and their affiliated trade unions.

- GIWUSA was the only trade union that was not affiliated to COSATU who participated in the study;
- the Majority (76%) of workers that participated in the study were union members;
- One trade union, NUM, is slightly over-represented as its workers accounted for the single largest group of workers with 36% of all workers.
- Only two senior office bearers participated in the study: the General Secretary of SACTWU and the National Organiser of NUM⁴⁶.

Besides the foreseeable non-participation of non-COSATU affiliated trade unions; the low response rate on the part of COSATU affiliates is partly attributable to the fact that the study coincided with the preparation for most trade unions' regional executive councils. Simultaneously, the same affiliates had to prepare and attend the **5th COSATU Central Committee** in June 2011. Thus, most senior office bearers were generally unavailable to commit themselves or delegate other office bearers to represent their unions and provide NALEDI with the necessary support and information.

Although the participation of the few trade union members is greatly welcomed by the research team, it became clear that trade union members are desperate for a platform to raise their grievances with their trade union leaders. This fact impacted on the ability of workers to appropriately respond to the questions posed to them by the researchers as most workers took it as an opportunity to vent about problems at work or with their trade union representatives. Also, given the low participation of non-union members and trade union office bearers in this study, there is no voice to counter-balance the opinions and incidents put forward by union member workers.

Besides the aforementioned challenges, the research team also encountered an element of *research fatigue* on the part of many COSATU affiliates due to the similarity of this project to the annual "*State of COSATU Affiliates*" reports that senior office bearers regularly respond to. In retrospect, given the limited time and financial resources allocated for this study, the project

⁴⁶ The finance manager of NUM provided information. However, as the only financial submission to the study, it does not lend itself for comparison and analysis in this report.

would have been better served and provided more telling outcomes had the research team made it a worker (union and non-union) biased study focusing on what all workers want and need from trade unions when it comes to the question of benefits and services.

State of the South African Labour Movement⁴⁷

The trade unions in South Africa were largely shaped by the apartheid system. They were organised more on the basis of race than class. The racialised social order created cleavages of winners and losers. The state mediated working class struggles by maintaining a racialised labour regime through repression and discrimination. Black workers responded by establishing militant trade unions which played a pivotal role in challenging the racialised social order. They embraced broader societal problems. However, between the 1960's and 1972 trade union movement was seemingly overwhelmed by the repressive apartheid regime as its activities were almost subdued during this period (NALEDI, 2010).

In 1973 there was a spate of wild cat strikes which were by black workers in Durban. They became popularly known as the Durban strikes (Brown 2010:31). The strikes marked an important point in the history of South Africa's industrial relations. They later resulted in the rise of black independent trade unions. The rise in black trade unions culminated in the formation of a new trade union federation, FOSATU in 1979. The trade union movement was consolidated in 1985 by the formation of COSATU which later adopted the Freedom Charter; a document drafted by the nationalist movements which envisioned a united, non-racial and democratic South Africa (NALEDI, 2010).

Freedom and democracy were attained in 1994 on a high note for the labour movement. The close alliance with the ruling party set the pace for a review of the industrial relations regime. The repressive industrial relations regime was supplanted by a labour friendly regime in line with the new dispensation.

At the moment, there are three main trade union federations in South Africa: COSATU, FEDUSA and NACTU. The division of the labour movement into the three federations is closely linked to the history of the struggle against apartheid. COSATU emerged from the independent black trade unions which embraced multi racialism within its ranks. FEDUSA is a

⁴⁷Summary: NALEDI (2010) *Second Draft Consolidated Report on State of COSATU Affiliates: November 2010*; COSATU

federation of the former white unions. It has since accepted multi-racialism and is in the process of transformation. NACTU originated from the black consciousness movement.

Generally, trade union density in South Africa has declined from a peak of 57 per cent in 1992 to 34 per cent in 2006 in the formal sector (Pillay, 2008:54) and to an estimated overall of 24 per cent in 2008 (van Klaveren.M, Tijdens. K, Hughie-Williams. M, Martin.N.R 2009:25(b). This is still relatively high in comparison with other developed and developing countries. South Africa is considered one of the most unionised countries in the world. The table below provides the latest trade union membership figures by federation:

Table 8: Trade Union federations, number of affiliates and membership 2010

Federation	No affiliates	Membership
COSATU	21	2 006 810
FEDUSA	19	366 748
NACTU	23	224 700
Total	63	2 598 294

Source: COSATU, FEDUSA and NACTU 2010

Neoliberal globalisation has heightened the demand for flexible forms of employment. In recent years this has seen a decline in the formal employment and an escalation of the informal, precarious and flexible forms (Webster and Von Holdt, 2005). Trade unions are facing formidable challenges in organising workers in these new forms of employment. As in other countries in the region, South Africa has been affected by a slowing rate of unionisation since 1997. In the private sector, some unions are battling to represent over fifty per cent of workers in the sector; while in the formal sector, industries like agriculture, domestic work, retail and security services, are barely organised (Vavi, 2005). This is attributed to the decline in formal employment and the proliferation of informal, precarious and flexible forms of employment (Webster & von Holdt, 2005).

Although, South Africa was enjoying a healthy pace of economic growth before the crisis hit in late 2008, with real gross domestic product (GDP) averaging 5.5 per cent during the period 2005 to 2007 (ILO, 2010); it was characterized by growth in the underemployed and casualisation:

Unemployment was already high prior to the crisis and began rising further from the fourth quarter of 2008. The open unemployment rate increased 2.4 percentage points from 21.9 per cent in the fourth quarter of 2008 to 24.3 per cent in the fourth quarter of 2009. The rise in the broader unemployment rate, which takes into account jobless persons who are not actively seeking work, gives a bleaker picture. In the third quarter of 2009, broader unemployment stood at 31.2 per cent, up 3.6 percentage points from a year earlier. This rise mirrors the increase in the official estimates for the number of discouraged workers, which increased from 1.1 million in the second quarter of 2008 to 1.7 million by the fourth quarter of 2009. In view of these figures, the impact of the recession on South Africa's labour market is best reflected by the broader definition of unemployment.

This low employment and declining unionisation is partially reflected in trade union membership of the two main federations; FEDUSA and NACTU. The two federations lost more than a third of their membership between 2002 and 2010. However, COSATU surprisingly did not register a decline. It instead recorded a marginal gain (from 1.9 million in 2002 to just over two million in 2010. The majority of COSATU's membership is now drawn from the Public Sector (Pillay, 2008:54) where there are more secure forms of employment. The overall membership of the three main federations declined from 2 74 733 to 2 373 558.

Services and Benefits Offered by Trade Unions

Services and Benefits offered by COSATU Affiliates⁴⁸

The majority of COSATU members are either covered by a Bargaining Council or a workplace bargaining arrangements. All Public Service workers are covered by a Public Service

⁴⁸Second Draft Consolidated Report on State of COSATU Affiliates: November 2010

Coordinating Bargaining Council (PSCBC). Notably, DENOSA, SADNU, NEHAWU and POPCRU have increased their membership base at individual workplaces in the private sector and have moved beyond their traditional support base. CEPPWAWU, FAWU, SACCAWU, SASBO and SATAWU continue to strive for centralized bargaining arrangements as the vast majority of their members are covered through workplace collective bargaining agreements. Significant proportions of FAWU, SACCAWU and SATAWU⁴⁹ members have to accept sectoral determinations in determining their wages and conditions of employment, indicating a low degree of union density in those specific sectors. Table 7 provides a detailed breakdown of the various bargaining forums and levels of coverage per union:

Table 9: Bargaining Arrangements

Union	Bargaining Council	% Covered	Work-place	% Covered	Other Forum	% Covered	Sectoral Determination	% Covered
CEPPWAWU	27799	46%	23407	39%	9441	16%	0	0%
DENOSA	56723	80%	8651	12%	5310	8%	0	0%
FAWU	4000	4%	92000	83%	0	0%	15000	14%
NEHAWU	172019	71%	68981	29%	0	0%	0	0%
NUM	0	0%	272001	89%	10234	3%	25044	8%
NUMSA	167000	87%	0	0%	25600	13%	0	0%
PAWUSA	15282	100%	0	0%	0	0%		0%
POPCRU	137000	50%	485	0%	76	0%	137000	50%
SACCAWU	20000	12%	12000	7%	0	0%	130000	80%
SACTWU	80000	93%	5000	6%	603	1%	0	0%
SADNU	8932	50%	0	0%	0	0%	8920	50%
SADTU	242089	50%	242089	50%	0	0%	0	0%
SAFPU	0	0%	762	100%	0	0%	0	0%
SAMA	7818	100%	0	0%	0	0%	0	0%
SAMWU	127000	96%	1000	1%	4500	3%	0	0%
SASBO	0	0%	66882	100%	0	0%	0	0%
SATAWU ⁵⁰	57110	22%	6740	3%	14038	54%	53502	21%

⁴⁹ There is a bargaining forum for both Private Security and Contract Cleaning.

⁵⁰ This may not be the correct membership figures provided or it may have been incorrectly completed, given the SATAWU membership at COSATU 10th National Congress was 140 000 members

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Source: NALEDI State of Affiliate Reports, 2010

Many affiliates enjoy the gains made through Centralised Bargaining as reflected above. Certain affiliates continue to engage in workplace or company based bargaining to achieve improved wages and working conditions for members, such as FAWU (1822 workplaces), SACCAWU (2030 workplaces), NUMSA (some info provided) and SATAWU (no info provided) in particular. Undoubtedly this requires a considerable amount of coordination and support at all levels of the union. Continued support will be required to ensure COSATU's demand for Centralised Bargaining is achieved in few sectors. Both NUM and SACCAWU are currently in discussions to create a bargaining council or bargaining forums for their members.

Benefits Provided to Members

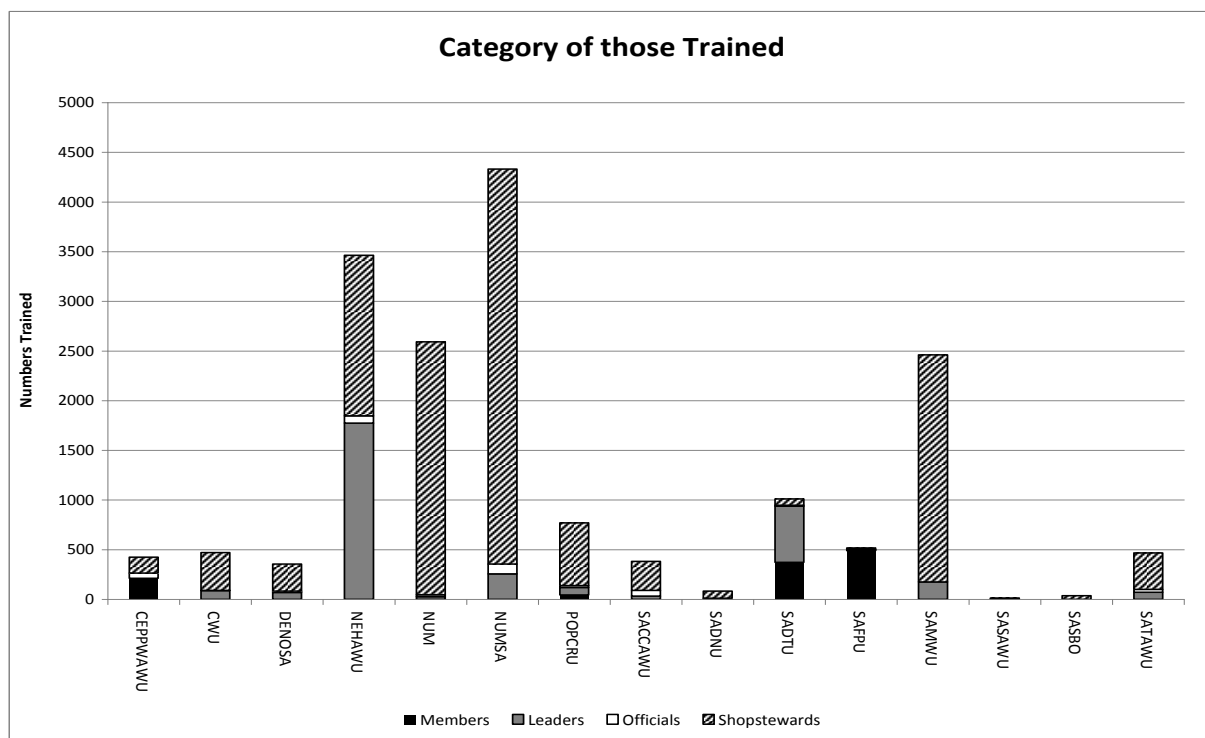
This section reflects on union education provided by the affiliates. As a result of poor responses and unspecified time periods in the second round submissions, this data has not been updated beyond April 2010. The State of Affiliates Report of 2010 points to the following trends in the provision of education:

- Only 5 unions provide direct education to union members – CEPPWAWU, POPCRU, SADTU, SACTWU and SAFPU (excludes shop steward, organizers and office bearer training)
- SACTWU provided education to 174 080 members on HIV/AIDS and sectoral issues
- It is positive to note the emphasis on shop steward education in union education provision
- 16 affiliates reported that they provide shop steward education; 11 provided education to more than 100 shop stewards per union.
- NUM, NUMSA, SAMWU and SACTWU provided shop steward education for more than 2 000 shop stewards
- SACTWU, NUMSA, NEHAWU, NUM, SAMWU and SADTU are the biggest providers of education overall
- Most affiliates provide more education for shop stewards than any other category, with the exception of NEHAWU and SADTU who educate more leaders and SACTWU (more members)

- A total of 194 480 members, shop stewards, leaders and officials received union education and training over the last year (according to the figures provided). SACTWU contributed a massive 177 110 to this total
- A total of 175 198 union members attended education courses (of which the vast majority – just over 174 000 – were SACTWU members)
- 15 634 shop stewards were trained by COSATU trade unions during a one year period (the majority of 3 977 were in NUMSA)
- A total of 3 236 leaders received training (of which the majority – 1 774 – were NEHAWU leaders)
- 412 officials received union education

Figure 5 illustrates the trends described above.

Figure 5: Category of those Trained



Source: NALEDI State of Affiliates Report, 2010

Each union provided data on the areas of focus within the education provided, giving a reflection on each union's key education focus areas, as reflected in the table below.

Table 10: Education by Course Topic for All Affiliates*

Course Topic	Total Attending Courses	Percentage of Total Education
Labour law	1262	6%
Negotiations	912	5%
Health and safety	738	4%
Skills development	1040	5%
Pensions	79	0%
HIV/AIDS	2206	11%
Political school	1719	9%
Economics	93	0%
Induction	9415	48%
Organising	449	2%
Sector specific issues	1355	7%
Other	157	1%

* This includes all affiliates that provided data

In summary, the key focus areas in union education were as follows:

1. Induction was the biggest area of focus – this is encouraging given the importance of proper induction particularly for new shop stewards (although in a survey of this nature we are not able to measure the quality of the training provided as mentioned previously)
2. SADTU (5486), NEHAWU (1633), NUM (1528), SAMWU (686), SACCAWU (400), NUMSA (212) and CWU (115) all had a significant focus on induction
3. This was followed by HIV/AIDS, political schools and sector specific issues
4. The unions doing the most training on HIV/AIDS were SACTWU (1232), SADTU (328), SATAWU (270) and NEHAWU (244)
5. NEHAWU (1040), NUMSA (378), POPCRU (51) and SATAWU (76) placed an emphasis on political schools
6. NEHAWU, SACTWU and NUM focused on sector specific issues

7. The third big cluster of issues included labour law, negotiations, skills development and health & safety
8. Most affiliates conducted some training in these areas, although it was given more emphasis by SACTWU, CWU, DENOSA and NUM
9. Organising, economics and pensions received relatively less focus in union education
10. The biggest focus on training around organising was in NEHAWU (184) and NUMSA (108)
11. SATAWU trained the largest group on economics (76)

Benefits and Services Provided By Trade Unions

The voice of national office bearers was provided by the national organizer (organizer) of the National Union of Mineworkers (NUM) and the General Secretary (GS) of South African Clothing & Textiles Workers Union (SACTWU). These are two unions with completely opposite fortunes as indicated in the most recent “*State of Affiliates Report*”, prepared by NALEDI for COSATU, NUM which reported a 5.5% (15 000) positive change in membership between April 2009 and April 2010 while SACTWU posted a 19.8% (-20 975) loss of membership.

Services

Both unions offer all basic services and support to their membership, i.e.: *disciplinary hearing; personal grievances; dismissal/CCMA hearing and contract negotiations; wage negotiations, skills/career development and service/performance benefits*. By way of elaboration, the organizer of NUM adds that these services are provided through collective representation on legal issues, wage increases, pension provident fund, housing subsidy, medical and living allowances. According to NUM, the union also tries to deal with issues of transformation (Black Economic Empowerment) and with mining charter and benefits that have not yet been achieved in the short term. SACTWU adds that it also bargains for productivity benefits, strengthening organizational facilities and protection for vulnerable workers.

Both unions represent all workers (except those in atypical forms of employment) where they are officially recognized, including non-union workers who have to pay agency fees since they

benefit from outcomes of collective bargaining entered into by unions. Similarly, both unions do not use mobile phones or email to communicate with their members as they both still depend on union newsletters or meeting and/or workplace notice boards to deliver news and updates to workers.

Workers generally give their union mandates through general membership meetings where they can raise their issues and get feedback from the union, as highlighted by the GS of SACTWU. Both unions finance the services they provide through union subscription and agency fees but NUM also gets additional financing through its union investment company. Given that workers pay for these services, the question of the efficacy of the services provided is paramount. To this end, SACTWU believes it is better than the average trade union when it comes to service delivery. Similarly, NUM believes that it is effective in its service delivery but acknowledges that there are shortcomings. Furthermore, referring to a study conducted by SWOP on behalf of NUM, the organizer reports that NUM has a monitoring programme called '*13 values of service*'; unfortunately only 1% of the members are aware of this programme meant to empower workers to monitor the union. Although both unions regularly sign collective bargaining agreements (CBAs) with employers, the unions are not satisfied with the levels of compliance. SACTWU reports that compliance is poor and unsatisfactory in the clothing industry. NUM places the complications with CBAs at the feet of the wording used in the CBAs as it caused confusion and gives employers room to interpret things to their advantage.

Both union officials believe that the services they provide have attracted new members to their unions. In particular, most new members are attracted to the union by *collective bargaining, bursaries, educational workshops and skills development* (SACTWU); *wage negotiations, living allowances, provident fund, medical and housing subsidy* (NUM). The SACTWU GS believes these services could be supplemented through '*assistance with funeral practical arrangements such as pamphlets printing*' and the NUM organiser suggested that workers be offered mobile phones and phone vouchers, once or twice a year.

The unions have systems in place to monitor and evaluate the quality of services delivered to members. SACTWU monitors service delivery through quarterly assessments and reports to the

National Executive Committee Meetings. The union also maintains a central case register. At NUM, the union holds regular shop stewards councils to see how CBAs have been implemented. There are also regional committees, branch committee meetings and central committees where the union's performance over different periods is evaluated.

Benefits

Both unions offer additional service beyond workplace issues. SACTWU benefits are only open to its members while NUM benefits are open to members and the public. Access to these services is automatic upon joining either of the unions. Both unions do not use mobile phones or email to communicate with their members as they both still depend on union newsletters or meeting and/or workplace notice boards to deliver news and updates to workers. From the responses provided by both leaders, it seems that the benefits have had a positive impact on union membership and attracted new members:

"It has been a great source of support to them and kept them rooted in the union"
(SACTWU GS)

"We think it is good. NUM is still growing. A recent study by SWOP found that 70% of our members would not leave the union" (NUM organiser)

NUM indicates that it offers members *funeral benefits, skills/career development and bursaries*. Skills development is facilitated through the *J.B Marks Education Trust* which provides bursaries for NUM staff and ordinary members. SACTWU provides a wide range of additional benefits which include: *funeral benefits scheme, skills/career development and bursaries, retirement fund, entrepreneurship skills and financial management*. SACTWU also provides HIV/AIDS awareness and treatment; winter school programmes (numeracy and literacy programs at pre-school and primary school level); fashion productions; job campaigns and distress support. For SACTWU the motivation to provide these services was informed by requests from members and the actual availability of resources to deliver the benefits. NUM provides the services in line with its ten year plan which acknowledges the need to provide additional benefits that shows workers the union is working for them. Both SACTWU and NUM manage the benefits internally.

Concerning the performance of the of schemes, SACTWU reports that its benefits schemes have performed very well; except the retirement fund management which has recently come under the spotlight for alleged mismanagement problems. At NUM they also report good performance from their benefits schemes. The NUM organiser illustrates this point by referring to the *J.B Marks Education Trust* which has contributed to the tertiary education of hundreds of people and the fact that they provident fund has R1 Billion in reserve for retiring members. The schemes of both these unions are monitored through regular meetings at constitutional structures and external audits.

As can be seen in Table 9, SACTWU has provided extensive education in particular to its members and shop stewards around HIV/AIDS and sector specific issues, as well as skills development, labour law and health and safety.

Table 11: SACTWU Education Provision

Course Topic	Members	Leaders	Officials	Shop stewards
Labour law	n/a	5	3	355
Negotiations	n/a	12	12	26
Health and safety	n/a	0	0	301
Skills development	n/a	13	3	503
Pensions	n/a	3	0	0
HIV/AIDS	155 284*	15	3	1214
Political school	n/a	8	2	33
Economics	n/a	6	0	5
Induction	n/a	0	0	41
Organising	n/a	3	2	41
Sector specific issues	18 796	17	5	401

*Some more than once

As with any project or programmes the schemes do experience some challenges, both internal and external:

Table 12: Challenges for NUM and SACTWU

Union	Internal Challenges	External Challenges
SACTWU	Better monitoring and management and impact assessment required	Improved governance controls
NUM	Provident fund is managed by trustees who tend to ignore the union. Some people try to influence the trustees to invest where they prefer	JB Marks, the issue of bursaries cannot be guaranteed

The two unions have different strategies to ensure sustainability of these benefits. NUM wishes to train shop stewards to market the benefits to workers so they can enjoy them and also encourage other workers to join. SACTWU's strategy is focused on making sure there is always enough reserves; thus, the union does not provide services or benefits that are not readily covered by existing internal resources. Additionally, besides strategic investments, SACTWU also includes some costs as levies that have to be imposed on employers through CBAs. SACTWU has, to date, not had a scheme fail because they run a pilot before introducing it throughout the union. NUM used to provide a funeral cover for members. The cover provided the families of deceased union members R2500, but it was discontinued as a result of challenges experienced.

Positively, for both unions, the provision of additional benefits has not taken away from the union focusing on its core functions. In fact SACTWU GS suggests that provision of additional benefits has strengthened the union. The NUM organiser sees the benefits as positive as they have attracted new members who hope to benefit themselves and their families. The SACTWU GS also confirms that benefits help attract new members because workers regard benefits

received as an element of service delivery from the union. The union officials were also able to indicate which benefits have been particularly attractive to workers:

- SACTWU: *healthcare, retirement funds, funeral schemes and bursary funds*
- NUM: *bursaries trade union education and securing full time employment for casual or contract workers.*

Unfortunately, no single ordinary member of SACTWU participated in this study to corroborate or contradict assertions made by the union's GS on services and benefits provided by the union. Similarly, though for different reasons, the NUM members that participated in the study do not share the same enthusiasm as expressed by their national organizer on services and benefits. Albeit, the organiser has indicated that NUM is in possession of a study that has highlighted that virtually no workers are aware of the benefits they are entitled to as members of the union. The following section provides a more diverse sample as more South African unions and sectors are represented.

(a) Demographics and Union Membership

The following demographic details are those of workers interviewed individually and not those of individuals that participated in focus groups. All the workers were of African descent in a male dominated sample as only six of the twenty-five were female. In terms of South Africa's official definition of youth, only eight (32%) of the respondents were under the age of thirty-five years old with only one respondent under twenty-five years old. The majority (fourteen) of the workers were in the 36 to 50 age group and only two (8%) in the more senior 51-65 age group.

Educationally, only five (20%) of the workers had a tertiary qualification. However, four of these five workers are non-union members. Most (15 or 60%) of the workers report having completed secondary schooling (i.e. Grade 12) and the remaining five went as far as Grade 10 (three or 12%) and Grade 11 (two or 8%) in their educational development. All the workers had mobile phones as their primary mode of communication. Sixty per cent also had access to a post box but only five workers (two union members) reported regular use of, or access to email.

The majority (10) of the workers have been employed for fifteen to twenty-five years in total, including previous jobs. Only one worker had a work life span more than twenty-six years. The other fourteen workers had indicated they have the following working experience: 1 to 5 years (6 or 24%); 6 to 10 years (4 or 16%) and 11 to 15 years (4 or 16%). In most cases, the number of years that were or have been spent as members of unions mirrors those of the various periods of employment.

A total of twenty-five workers were interviewed, consisting of six non-union members and nineteen workers from six different unions: CEPPWAWU (1), GIWUSA (3), NUM (9), NUMSA (2), SACCAWU (2), and SAMWU (2). The individual interviews were backed up with two focus groups with workers from Ford (Pretoria) and Makro (Johannesburg) around the key themes of trade union services and benefits. All the workers in both focus groups are union members: Ford/NUMSA and Makro/SACCAWU.

Eleven of the participating nineteen union members reported the existence of other trade unions such as Solidarity; MWASA; IMATU and FAWU- that organise workers within the same companies. None of these latter mentioned unions participated in this study. Interestingly, the workers who are members of GIWUSA are all former members of CEPPWAWU and switched unions within the same companies due to unsatisfactory trade union services and other internal issues prevalent at that time in CEPPWAWU.

From the workers responses (16 of 25) it seems that the trade unions at their workplace do endeavor to recruit non-union members, including temporary workers, seasonal workers and workers employed by labour brokers. Unfortunately none of the workers could provide examples of what the unions offer non-union members to entice them to join. The workers at Makro indicate that, although, the union had previously tried to recruit temporary workers and other non-union members but recently it had become hard. This is because non-union members had joined a strike after they were promised nothing would happen to them but those workers lost their jobs a week later.

Keeping in mind that this question was directed at the nine-teen union members; we find: a slight majority (7/19) of the workers have been union members for 15 to 25 years; followed by six

workers with 6 to 10 years union membership, four with 1 to 5 years and only two workers with 11 to 15 years of their work life spent as union members. Of these nineteen union members, only three had been members of a different union before joining their current union. These workers gave the following reasons for switching trade union allegiance:

“I changed unions because I realized that SAMWU helped in making us permanent workers”.

“I left my old union due to poor communication”.

“The region had problems which include misuse of funds by officials; not allowing workers to speak and address the issues because leaders dictate”.

(b) Awareness of Trade Union Services

Workers were asked if they were aware of the services they ought to receive from their union or trade union services in general (for non-union members). Except for two, all the workers had a general awareness of the services that a trade union has to provide its members, giving some of the following examples:

“...unions must protect the working class against the business system”.

“...Wage negotiations, labour related disputes, conditions of employment, workers development”.

“...Secure bonuses; Maternity leave; 40 hour week and long service awards”.

“...they make sure that information from management is delivered down to the people”.

“It [the unions] protects my labour rights and educates me on rights”.

(c) Examples of Trade Union Services

The trade union members were asked to provide examples of services that they have received directly as individuals in the years that they have been members. Only two of the nineteen workers reported having never used trade union services for their individual needs while other workers variously confirmed utilising the following services in individual cases: *disciplinary hearings, personal grievances, dismissal/arbitration hearing and/or contract negotiations*. In this regard, the following details were provided:

“I got permanent status which comes with medical aid, etc.”

“One of my managers was racist and we sat down & the matter was addressed through union mediation”.

“They helped me with problems with my team leader. The union called him in and he ended up apologizing”.

(i) Trade Union Worker Outreach Methods

As part of assessing modes of outreach used by unions, workers were asked to indicate how they found out about services provided by their unions. The nineteen union members indicated that they found out of the services provided by unions through the following means:

When a union was trying to recruit them (3); during a trade union meeting or from a shop steward (11); from a friend/co-worker or family member (3) and only (2) two (8%) from a workplace notice board.

None of the workers found out about trade union services from media based sources like radio, television or newspapers; nor has any worker received a trade union communiqué via mobile phone or email. The workers in the Makro focus group reported that they communicate with the union through weekly Friday meetings; similarly at Ford, workers get to raise the concerns or get updates at general meetings. One of the Ford workers provides a succinct description of how the unions communicate with workers:

“They send out pamphlets to notify us of meetings.... They don’t notify us of anything via text messages. During strike they use radio, TV and newspaper”.

(ii) Collective Bargaining

Collective bargaining; either through bargaining councils/forums, or company level is the norm in many sectors in the South African labour market. Through these structures and processes; on behalf of workers; trade unions have managed to secure housing subsidies, adult basic education, wage increases, skills and career development, performance/service awards and making sure all statutory benefits are fulfilled at company level. Although all workers are automatically represented when they are union members (or indirectly through shop floor agreements in cases of non-union workers) three union members still felt or reported that they have not benefitted from trade union services stating that they have not yet required the services as they have not had problems. It has to be added here that it is possible that these workers were responding to the question on services accessed on an individual basis because any wage or working conditions settlement reached with employers is to the benefit of the workers.

In most cases workers who are non-union members do benefit from collective agreements achieved by trade unions as reported by workers adding that in some cases non-union members pay agency fees⁵¹. Only three workers believed that non-union members did not receive any benefits.

Interestingly, the workers at Makro feel that they do not participate in collective bargaining. The explanation given is that Makro, which is a wholesale retail chain, is owned by a company called Massmart⁵². Massmart owns other retail outlets. The workers are not happy about the fact that they can only bargain at Makro, not as a collective of different entities in one roof. The Makro

⁵¹ Agency Agreement is an agreement reached between a union/s and employer/s where both parties are in majority. The Agency Agreement regulates the deduction of agency fees from non-union members who benefit from collective bargaining but have opted not to join a trade union. The Agency Fee amount is equivalent to union membership fee and is paid into an account used by union/s for training and education of shopstewards and members.

⁵²Massmart was recently purchased by USA retail multinational giant, Wal-Mart

workers want to see the union bargaining on the same table for all workers at various Massmart chains.

Satisfaction with Trade Union Services

Most workers (15 out of 19) affirmed that the work done by trade unions meet their needs:

“Effective because where matters are raised; we make sure all cases are dealt with & we push cases up to the Supreme Court”

“We are not scared to deal with useless organizers”

“The issue of MAKRO being sold to another company, SACCAWU played a critical role in those negotiations”

“The union is always there. When there is a problem at home the union is there to help me. There is also a programme to help workers with personal problems”.

Dissatisfaction with Services

Though workers are satisfied with the overall services provided by the union there are always challenges that do emerge in relation to service delivery. The above positive outcome is somewhat contradicted by the explicit dissatisfaction expressed by workers in the two focus groups:

“We are not satisfied. I used to work under the tyre department; it was under FORD but it was outsourced; it is now a different department. I no longer get the benefits I used to get at FORD and they reduced the pay”. Ford focus group

“There are no services we are getting from the union. We get services from our shop steward. We are not even sure who our organiser is. Nobody knows. We only know when there is a problem. That person is only going to come out once”. Makro focus group

Furthermore, other members provided different views on union services and expressed some concerns about memberships dropping because of perceptions that organizers are close to management; or that there is lack of leadership for workers who end up derailing legitimate labour processes due to lack of information or, in some cases, illiteracy. This last point indicates the need for more worker focused induction on how the labour processes in the country work and the role trade unions play in ensuring that workers are ideally served by the country's labour laws.

Asked to provide concrete examples of how the quality of trade union services can result in a gain or loss of membership, nine of the 25 workers reported seeing other workers terminate their union membership and not join another union at all because they felt that the unions were not effective or some workers do not like strikes. Other comments about why other workers quit all union activities include that the unions tend to agree with employers in disputes and power hungry members that tell employers the plans of workers. The workers in the focus groups were quite vocal about their dissatisfaction with the quality of the services and/or support provided by their unions:

“Our shop stewards don't get along themselves and they are divided. I'm sorry to say this; the shop stewards are tools of management. When they call a meeting- if you have a problem or questions, they are not going to act” (Ford focus group).

“One other thing you see in this organisation of ours there is where they mislead us. In that 10 years we have been paying subscriptions to them when you get to the 13th year maybe the job is stopped you are told to hold on while they solve your problem. The union expects us to pop out money for those workers who are not working. Why don't they take out a certain amount to help those people?” (Makro focus group).

One of the workers in the Makro focus group went even as far as to question the wisdom of paying his subscription fees as he does not see where the money goes because even when their shop steward have to attend official trade union meetings or conferences the workers are also required to fund the shop stewards travel. While at Ford the workers believed that another thing that makes the shop stewards to not represent workers effectively is the fact that the company

lures them with money and cars. All these factors, they believed, affect the ability of the union to recruit more workers.

The issue of satisfaction with union services is linked to workers views on unions' performances regarding fulfillment of collective bargaining agreements (CBAs). Whereas eleven of the nineteen union members confirm that their union has recently signed CBAs, only one of them felt that the CBAs met actual worker demands and needs, three felt that workers' needs were partially met and the remaining seven saw no fulfillment at all. Although, the majority the (6 of 11) expect the unions to ensure that CBAs are fulfilled, three of these workers also felt that companies have a role to play in meeting set conditions.

To ensure fulfillment of CBAs conditions, workers suggested:

- Senior office bearers visit workplaces regularly so they can directly interact with workers and see their circumstances;
- All members should be given copies of any CBAs;
- Union leaders need to be proactive in pursuing fulfillment of CBAs;
- Unions need to fight for remedial action in the event of companies not fulfilling signed CBAs.

These views were supported by the Makro focus group; and similarly acknowledging that the responsibilities of ensuring fulfillment of conditions set out in CBA's lie equally with companies and the unions. Nonetheless, there remains a sense that the workers expect the company to default on CBAs given the contentious nature of employer/employee relations. Thus, at the end the union is still expected to be the main watchdog in ensuring that all CBAs are adhered to.

Improving Trade Unions Services

To sum up the section on trade union services, all twenty five workers were asked to comment on whether trade unions should *improve existing services* or *introduce new services* or *both*.

- Thirteen (52%) of the workers suggested that trade unions need to improve on the quality of existing services;
- only two (8%) recommended the introduction of new services;

- The remainder (40%) envisioned more value for trade union members if trade unions simultaneously improved existing services and introduced new ones.

Awareness of Trade Union Benefits

Thirteen⁵³ (60%) of all workers indicated that they are aware of the additional benefits that are provided by their trade unions beyond protecting basic worker rights. However, we must express a word of caution on interviewees understanding with regard to separating statutory benefits from union benefits. Thirteen workers reported awareness of benefits offered by their union. For instance, workers that stated that their union offers benefits substantiated their responses with the following examples: retirement/provident fund; medical aid and funeral schemes. Other examples of union support and benefits included assistance with social problems; housing loans; support for dismissed workers; funeral policies, provident funds, bursary schemes and/or medical aid. However, some of these benefits had various challenges and are subject to some unhappiness on the part of some union members:

“Funeral policy but members are not always interested since they are covered with funeral benefits through the provident fund. Though there is a provident fund, workers are not adequately advised of benefits and rules. In addition some of the medical aids have very limited benefits. For instance, only certain doctors can be visited or even the entire medical aid (HOSMED) is rejected by many doctors. We had bursary schemes but since 1997 there has been nothing”.

The Makro focus group was fully aware of what is meant by benefits and could also identify who was actually providing these/this benefit/s. The workers have access to an education trust provided by Massmart and, through their provident fund with Old Mutual⁵⁴ their children can apply for bursaries at Old Mutual. However, the workers expressed unhappiness with the management of their provident funds as they never get any notice and financial statements of their individual policy benefits. These workers were also unhappy about the medical aid. The medical aid was only recognised by very few doctors in the country. The workers credit their

⁵³Three non-union members.

⁵⁴Old Mutual is a financial services provider: life insurance, provident fund, pension etc

union for negotiating provident fund and securing medical aid. However, the union does not provide any specific benefits for its members.

The Ford focus group also indicated that workers do not receive benefits from the union as some said that it is the first time they had heard anything about benefits based on the explanatory example the interviewer provided. However, other workers do speak of benefits that used to exist but are no longer provided and were provided by the company instead of the union. There used to be a bursary scheme that gave R1500 at the beginning of the year if they had a child going to university but the workers were not happy with it saying it merely amounted to transport money. Even at Ford, the company was the sponsor of bursaries, not the union. Although the workers spoke of a burial scheme, there was uncertainty about the future of the burial scheme as the workers received a notice about potential changes to the scheme.

Only eight respondents were able to indicate how members can access benefits where they exist. Five of these eight workers reported that to access any benefits as offered by their union, they would have to register separately for a specific benefit; while only three stated that the benefits are covered by the monthly union subscription fee. The workers at Ford reported having to pay additional fees for their burial scheme. Six responding union members felt that the procedures that they had to follow to access any benefits from the unions were simple and accessible.

Unfortunately, it seems that consultation was not a basic feature where there were benefits introduced by unions as only two workers had an idea of the reason a union chose particular benefits nor could they indicate which forum such benefits would have been debated. Similarly, no worker was able to confirm if any members of trade unions had a choice or say in the type of benefits provided or acquired by unions on their behalf.

Two workers from one union were the only ones to report a case where the union used to offer a certain benefit for members, in this case it was R2 500 that workers received for support in the event of a death within the family of a union member. These workers could not provide explanations as to why the service was discontinued. On a similar theme of lack of consultancy, only six workers had their unions providing financial reports indicating the benefits are financed

and how they are performing; of these, only four of the respondents were able to indicate the frequency of the financial reports: monthly, quarterly and annually.

Satisfaction with Trade Union Benefits

Eight workers responded to the question regarding the satisfaction (or lack thereof) with their unions existing choice of services. Six reported being satisfied while the two that were not satisfied said because *'there are delays and issues'*. Although none could provide examples of benefits provided by trade unions, three of the six non-union members indicated that they are impressed by the current benefits that are currently accessed by union members. In fact, two of these non-union members confessed that they could be enticed to join a union based on the benefits it provides.

Although few (three) union members responded to this question, two of the workers suggest something that could amount to empowering workers in a hostile environment where businesses force workers to resort to strikes annually simultaneously undermining workers' rights to strike with the *'no work- no pay'* clause. Some respondents pointed out that their union had spoken of introducing a strike fund but to date it has still not materialized. The third respondent indicated that they have suggested to their union to start supporting members during times of bereavement. The workers at Ford suggested that the union could put away a fraction of their subscription fees to contribute to workers' families when a worker dies; also, they would like their union to introduce a bursary fund for all children of members at no extra cost. The latter suggestion was echoed by the Makro focus group, strongly emphasizing the need for workers to get some benefits directly from the unions and not the employers.

Reasons to Join a Union and other Issues

All workers were asked to say why they would encourage other workers - even if they belong to another trade union - to join a union. Some of the unionized workers gave their worker representative bodies the following words of endorsement:

"SAMWU is better in the municipal industry and it is very effective".

“NUM defends its members effectively and; when you have a problem, you cannot solve it without NUM”.

The workers at Makro were quite weary of the idea of encouraging other workers to join their union, partly based on past experience and partly due to their own disappointment with their union's performance. There is a fear of recruiting non-union members to union activities because in the past these workers have lost their jobs for aligning themselves with unions. Some even argue that if the union was representing workers effectively there would not be so many non-permanent workers within Makro.

More damning for the trade union is the fact that some of the workers would not encourage others to join their union because they have lost faith in the union. Furthermore, workers are equally uncomfortable with the fact that when it comes to raising subscription fees, the union communicates effectively with workers, even going to the media. However, according to these workers, when they have cases and problems at work and workers need the union's assistance or feedback, workers have to wait for longer periods.

The Ford focus group expressed mixed feelings as some workers acknowledged the importance of joining a union as a means of getting legal protection at the workplace as most people cannot afford lawyers. However, other workers are not happy with companies like Ford giving shop stewards company cars; as this compromises their commitment to representing workers; and may be viewed as even recruiting workers to get more money. On the other hand, three non-union members recognised that union representation is always welcome because unions can assist in dealing with a lot of labour malpractice that goes on unpunished in some big companies. However, some of these workers emphasise the need for unions to educate all workers about the role of trade unions and the benefits of belonging to a union. Furthermore, strategies for organizing non-permanent types of workers remains a key organizational concern as some workers would only join a union once they became permanently employed.

Other Issues

At the end, workers were given the opportunity to raise some of their other concerns and issues not particularly addressed or raised by the research questions. The workers expressed some of the following thoughts:

“I feel better protected in a union than if I wasn't in a union”.

“Benefits must be improved. When we strike we must get something from the union”.

“We would like more benefits for example provision of transport at funerals and funeral cover; as well as performance/service awards”.

“Unions can make sure that when there are job opportunities in the company, the company must hire workers within the company”.

“We don't get anything we need. Our President was linked to corruption there is politics involved”.

Key Findings and Analysis

Based on the limited participation of most trade unions leaders and finance managers/treasury official, the conclusion and subsequent recommendations are based on the responses provided by the twenty-five workers and two focus groups.

Although both NUM and SACTWU speak of recruitment strategies for non-union members of all employment types and some workers in this study back up this assertion, there does not seem to be a publicly known marketing campaign to make unions attractive to non-union members. Due to the fact that unions still communicate with workers mainly through general meetings and/or workplace notice boards, the unions do not have a reach beyond certain workplaces, limiting its' influence to union members within the confines of a workplace. In some cases,

workers do not see the need to join a union because they already pay union fees where they benefit from CBAs in the form of agency fees.

Many of the non-union members indicated a willingness to join some unions based on the services and benefits that other workers receive as union members. But this opportunity is missed because the unions do not have marketing strategies in place. This lack of visibility is not only limiting the unions ability to recruit new members, but it also denies union members full enjoyment of the benefits they can access due to lack of information and publicity on existing benefits.

The current *modus operandi* of companies in the car manufacturing sector to provide shop stewards with cars and other benefits is slowly eroding the confidence of workers on the ability of the unions to represent them without fear or favour. As once elected shop stewards get caught-up in the trappings of an elected office they may become beholden to their company bosses and less responsive to workers' needs. These workers believe that their union, NUMSA, given its' financial resources, should provide the perks to shop stewards to make sure they remain loyal to their core constituencies.

The fact that workers are generally dissatisfied with the quality of the services received is clear, despite workers seemingly contradicting themselves in some instances. Although most workers report that their unions have effectively delivered services, it seems that most workers feel like they are stuck between a rock and a hard place. Many workers stick with one union for a long period, but recent trends show the emergence of new union within the same company or sector due to dissatisfaction with incumbent unions.

Of the current bouquet of services workers are entitled to as union members, the majority (52%) want the union to improve existing services; 40% would like to see improved quality of current services and the introduction of completely new services and only 8% would like to see completely new services introduced by trade unions as a means to attract new and retain current union membership.

From the **Benefit and Service** section above, it is clear that most of the educational training is directed at shop stewards, National Office Bearers and Trade Union Officials, with very little of the training undertaken for ordinary members (SACTWU might be an exception). From the fieldwork, 60% of workers reported that their unions do offer additional benefits. However, the mixed responses indicate that there is a lack of benefits from trade unions or that unions over sell minimal benefits or; at worst; unions pass over statutory benefits as an additional benefit to workers from the unions. Also, workers display signs of doubt regarding the bona fides of union officials when it comes to issues of trade union funds and investments. Workers at Makro complained that they can hardly get information or statements of their provident funds, but continue to hear rumours of trade union funds being used to buy farms. This lack of clarity goes to other schemes like funeral/burial schemes where workers complain of the unions always introducing new products that they market to workers at additional costs (i.e. not included in subscription fees).

Other workers point to a situation where previous benefits have been done away with without sufficient explanation or without being offered alternatives. At times schemes get introduced but are never actually implemented. The one benefit that workers would like to see, probably more than any other, is the introduction of a strike fund to counter the ‘no work; no pay’ principle used by employers to undermine the organisational muscle of strikes.

In terms of what could be done to improve workers faith in trade unions, some stand-out worker recommendations include the enhancement of benefits offered by trade unions; unions ensuring that workers get internally promoted within companies (this recommendation has skills development implications) and prevent companies (namely, motor manufacturers) from stunting the academic and skills development of black African learners by taking them out of tertiary/colleges to take up semi-skilled jobs.

Summary, Conclusion and Recommendations

Summary of Findings

The following is a summary of findings regarding the state of trade union services and benefits in South Africa:

- Trade union members feel that more could be done in ensuring value for money and are increasingly dissatisfied with both the quality of services and benefits provided directly by unions;
- There are concrete examples of poor union services leading to the establishment of new trade unions within the same companies/sectors made up of long term members of historically incumbent unions;
- The apparent dissatisfaction amongst existing and/or former trade union members is influencing non-union members desire to join a union negatively;
- Positively, both union and non-union workers still have reasons to join a union and provide examples of what unions can do attract more members and keep existing members.

Conclusion

This study presents an in-depth analysis of workers views on trade union benefits and services offered by trade unions in South Africa. It is clear from the study that workers are now demanding more efficient, responsive and relevant services and benefits. It is important to underscore the fact that COSATU annually analyses the state of its affiliates through a questionnaire and information templates prepared by NALEDI's Organisations Renewal Unit. These surveys are strictly self-reporting as they are completed by trade union officials and do not include any input from trade union members. This study thus provides a holistic view of the state of trade unions services and benefits. The study concludes that failure to improve services and enhance worker benefits on the part of trade unions will guarantee the continued loss of membership; a rise of new unions within the same companies and/or sectors and may seriously hamper the ability of unions to recruit new members who are increasingly aware of the unhappiness of the union member colleagues.

Recommendations

The following are the recommendations arising out of the study:

1. For COSATU and its' affiliates, the annual state of affiliates report must be accompanied by annual membership satisfaction surveys that delve deep into what the members want and need. Such surveys must also consider the voices of non-union members (former members and new job market entrants) as to what would entice them to join a union or what factors are keeping them away from joining trade unions.
2. NALEDI should carry out a comprehensive desk-top study of national and international trends, especially regarding the provision of additional services to union members or workers in general, and produce a '*Trade Union Worker Benefits Best Practice Report*' that can be used as a template for annual trade union satisfaction surveys. The outcomes can be used to complete a long-term research and development study with COSATU or directly with visionary trade unions.
3. Trade unions need to consider a standardised service charter linked with regular workshops with ordinary members to ensure they are fully aware of the work done by the union on their behalf; and to ensure full awareness and access to existing benefits.
4. There is also a need for trade unions to give workers a clear definition of what benefits they are entitled to statutorily; and which benefits are being provided directly by the union as a supplement to their services as union members.
5. Trade unions must start to invest directly in providing benefits for workers and (indirectly) their families. For example, workers want trade unions to offer full bursaries for their children and more funeral benefits.
6. Although the next recommendation can only succeed in line with sustainable financial resources, all trade unions should consider establishing **Strike Funds** to pay workers once the unions are forced to strike to counter the morale sapping **no work, no pay** used by employers to undermine workers ability to engage in protracted strikes.

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TRADE UNION SERVICES AND BENEFITS IN UGANDA

By

Baligasima Yazidi

Introduction and Background

Demographic and Political Trends

Uganda is a land-locked country in the Eastern Africa sub region. It is a member state in the East African Community and a UN member state since 1962. It has a total surface area of 241,038 km² (197,000 km² comprises land and 43,938 km² consists of water and swamps). Uganda is the source of the famous and legendary River Nile. It is divided into four regions and 112 districts in order for government to deliver services to the people and thus bring about administrative efficiency and development. The country lies astride the Equator and is bordered in the North by Southern Sudan, in the East by Kenya, in the west by the Democratic Republic of Congo, in the South by Tanzania and in the South -West by Rwanda.

Uganda is estimated to have a population of over 32 million with a high growth rate of 3.4 percent per year, making it a country with the third fastest growing population in the world (Population Reference Bureau, 2005). While approximately 85percent of this population lives in the rural area, only 15 percent lives in the urban areas as shown in Table 1.

Table 1: Distribution of population by residence and regions

	2005/06	2009/10
Residence		
Rural	84.6	85.0
Urban	15.5	15.0
Total	100	100
Region		
Central	29.2	26.5
Eastern	25.2	29.6

Northern	19.7	20.0
western	25.9	24.0
Total	100	100

Source: UBOS, Uganda National House Survey report 2009/10

As shown in Table 2, Uganda's most productive population is between the ages of 15– 64 and lives in urban areas. It is important for the union leaders to know where the working people are so that they can approach them to join the unions. Trade union leaders must also know where different age groups live for better service delivery since each age category requires different services and benefits. For instance the ages between 0–18 are regarded as children; ages 18 to 65 are regarded as the working population and 65 and above are the retiring ages.

Table 2: Percentage Distribution of population by age group and residence

2005/06				2009/10		
Age Group	Rural	Urban	Uganda	Rural	Urban	Uganda
0 – 14	52.0	43.8	50.7	52.5	41.7	50.8
15 – 64	44.8	54.2	54.2	44.2	57.0	46.1
65+	3.5	2.0	3.1	3.3	1.3	3.1
Total	100	100	100	100	100	100

Source: UBOS, Uganda National House Survey report 2009/10

Uganda attained her independence on 9th October in 1962. The country's political developments can be divided into four distinct phases. The first phase is the period ranging from when the country was colonized until 1962 when it got its independence from its colonial masters. It was the period when Uganda was a mere source of raw materials and thus primarily a country of peasant agriculture. The second phase was the post independence period ranging from 1962 to 1971. This was during the Obote 1 regime, which was basically characterized by a break in democratic governance. However, the country's economic situation remained relatively stable with Gross Domestic Product (GDP) of 2.4 percent per annum. The third phase (1971-1985) saw the country deteriorate not only politically but also economically. It was also punctuated by a succession of rapid ineffective regimes. The fourth phase (1986 to date) saw the coming to

power of the National Resistance Movement through the use of the guerrilla war. This regime, headed by President Yoweri K. Museveni, later transformed into a democratically elected government, and has gone through four elections that have enabled the president to stay in power to date.

Socio-economic trends and Impact on Labour

Uganda is endowed with substantial natural resources including fertile soils and regular rainfall. It is a well-watered country with many lakes and rivers, hydropower and arable land. The underground natural resources include copper, gold, cobalt, limestone and oil, which were recently discovered in the Albertine region. Agriculture is the most important sector of the economy and employs about 80 percent of the workforce with coffee accounting for the bulk of export revenue. Other products include tea, cotton, tobacco, cut flowers, cassava (tapioca), potatoes, corn, millet, pulses, beef, goat meat, milk and poultry (UBOS, 2009/10).

It is worth noting that since President Museveni took over in 1986, the country has implemented economic reforms (mainly at the macro level), aimed at achieving annual economic growth of at least 5.0 percent and subsequently lowering mass poverty. However, that growth has not translated into the expected gains in increasing employment, productivity, or real wages. The impact of the crisis has been characterized by a decline in real wages, especially for vulnerable casual workers, driven by soaring food prices and stagnating nominal wages. This situation therefore, calls for the kind of investments that should address labour supply constraints, particularly the large number of poorly educated new labour market entrants as well as investment in agriculture and infrastructure which could provide immediate and long-term employment opportunities (LO-Norway/NOTU, 2010).

The labour force was estimated at 11.5 million persons in 2010 reflecting an increase of 2 million from 9.5 million in 2005/2006; an annual growth rate of 4.7percent. This can be said to be above the national population growth rate of 3.2 percent per year. The high growth rate of the labour force poses a challenge in that jobs should be secured to match the increasing labour force. Gender disparities in the labour force with 53 percent females and 47 percent males were also noted (Uganda Bureau of Statistics, 2010).

There was a significant change in the distribution of the labour force by residence in the period between 2006 and 2010 but the labour force remains principally rural (82 percent). Another notable difference was seen in the growth rate of the labour force with 8 percent in rural and 4 percent in urban areas. Regional variations in the labour force indicate that the Eastern region had the highest share (26 percent) followed by the Central (24 percent). All the regions registered positive growth rates (Uganda Bureau of Statistics, 2010). Furthermore, the proportion of the youth (national definition, 18-30 years) rose from 44 percent in 2005/06 to 48 percent in 2010.

The informal sector is a significant area of economic activity that generates employment for many Ugandans. Statistics show that 1.2 million households have an informal business with 36 percent of them in the Central region. Of all the informal businesses, 27 percent of them are in the Agricultural sector. The northern region boasts of 85 percent of informal businesses in forestry. Paid employees in the informal sector increased from nine percent in 2002/03 to 13 percent in 2009/10. Female employees mainly dominated the food and processing industry (24 percent) while 33 percent of the businesses were operated at home without special working space. The majority of the businesses (25 percent) started because it is family tradition. Lack of enough start-up capital is the main problem faced in setting up businesses (Uganda Bureau of Statistics, 2010).

Scope of the study/research

The study was conducted to identify the services and benefits that unions are providing to their members and to assess the capacity of the trade/labour unions in Uganda in the provision of services and benefits to their members. The study also assessed the relationship between the provision of these services and benefits and membership growth; and the effects of the provision of these benefits on the core trade union functions/services. Furthermore, the study looked at the innovations that have been undertaken in recruiting and retaining members, plus challenges experienced; what new services and benefits are offered to cope with emerging trends in the global economy and the changing and challenging world of labour.

Research Methodology

This part consists of the entire process of data collection; the respondents involved, the tools used and how the data was analyzed.

Categories of Respondents

A total of 103 respondents participated in the study. They consisted of union leaders and rank and file members. The leaders include general secretaries of Trade Unions, shop stewards and the technical staff. The rank and file members make up the rest of the union membership. All these categories of respondents participated in the study because they were all able to provide the necessary information regarding the services and benefits provided to members in the different trade unions. These respondents were from eight unions and one national centre, (NOTU). They were randomly selected to participate in the study.

Methods of Data Collection

In carrying out this study, qualitative methods of data collection and analysis were adopted. During the data collection process, primary and secondary data were collected from the unions and the national centre. Four tools were employed in the data collection process of this study. They were questionnaires, focus group discussions, interviews, and document reviews.

(a) Questionnaire

A questionnaire was developed to be filled by different respondents. It was filled by 40 rank and file members of the unions. The questionnaires sought to find out the nature of services and benefits they receive from the unions and how these services and benefits are accessed by the members. This category of union members is usually busy, so it was suitable for them to fill the questionnaire at their convenient time.

(b) Interview Guide

Interviews were conducted with eight general secretaries of the selected unions at separate intervals. They helped to establish the kind of roles played by such leaders, plus the nature of services and benefits that they offer to their union members, including the challenges facing such

schemes. Interviews were suitable in this category of respondents given that they were few but interviews also gave the opportunity to these leaders to provide in-depth information about the unions. Another category of 12 technical staff was interviewed. They also helped to provide information regarding the kind of services and benefits that the unions provide to their members, given that they also form part of the leadership at the Secretariat of a union.

(c) Focus Group Discussions

A total of 43 shop stewards participated in Focus Group Discussions (FGDs) in seven different groups. These discussions helped confirm the kind of services and benefits that the union members get from the unions, and how they are accessed.

(d) Document Reviews

The document reviews helped show the guidelines that the trade unions follow in their operations, the services and benefits that members are to be offered from the unions. Other documents provided information regarding the employment status of the available workforce in the country, and the challenges faced. Other documents provided information on the current union membership.

The State of the Labour Movement in Uganda

Historical context including traditional role of trade unions

Trade Union development in Uganda can be traced as early as the 1930's when the first trade union was formed. There are mainly three factors that contributed to the formation of trade unions in Uganda.

- The agitation for Political and Economic Independence
- External Influence
- Depression of the 1950s.

Around that time, trade unions were used as a vehicle for political expression in a bid to fight colonialists and the Buganda kingdom government. Therefore trade unions were basically used by some few politicians to achieve their political ambitions. The available literature emphasizes

that the political functions of the trade unions were taken over by overtly political organizations (Scott, 1966). Despite the above, the economic depression gave fertile ground for the normal functioning of the trade unions.

The first Trade Union called the “Uganda Motor Drivers’ Association”, was formed in 1938 by Mr. James Kivu, assisted by Mr. Ignatius K. Musaazi who later became very prominent in Buganda’s politics. The Union was duly registered with the Labour Department but it rarely functioned, as a true trade union. It comprised of the young and politically active taxi drivers, (employees and taxi owners). The association continued to gain momentum and recognition and reached its climax in 1945, when it organised a number of strikes and riots. Consequently, some members especially the leaders like Kivu and Musaazi were deported to Karamoja and the Union wound up its activities (Scot, 1966).

When Musaazi and others were released in 1946, they continued to pursue this line of union organisation. As a result in 1949, the Transport and General Workers’ Union was registered and again there were strikes and riots that caused a total ban on trade unions and deportation of leaders once again.

The development of true trade unionism commenced between 1952 and 1960’s, being assisted and guided by the liberal regime of Sir Andrew Cohen, and then by a depression of agricultural prices. Under the administration of Cohen, there were two trade union ordinances that were put in place. The Development and Welfare Act, 1942, saw the birth, in 1950, of the trade disputes (Arbitration and Settlement) Ordinance, in addition to the Trade Union Ordinance 1952. The former Ordinance was basically to provide a trade disputes settlement machinery and the latter, the formation and registration of Trade Unions (Scott, 1966).

The Current Status of Trade Unions in Uganda

Currently, there are over 40 unions with two national centres; the **National Organisation of Trade Unions (NOTU)** and the **Confederation of Free Trade Unions (COFTU.)** The NOTU is the most representative.

National Organization of Trade Unions

The National Organization of Trade Unions (NOTU) was established by Decree No.29 of 1973 during the Presidency of Idi Amin Dada. It is currently the most representative Labour Centre in Uganda with 20 labour union affiliates and with an estimated membership of 192,373 (an increase of 28.2 percent from the previous figure of 150,000 in 2005). The vision of NOTU is to help build a leading Trade Union National Centre with capacity to promote and defend workers' interest in the country. Its mission is to build a strong service-oriented self-sustaining Labour Organization through management of viable affiliated unions and to achieve dynamic employment environment; facilitating the enactment and surveillance of acceptable labour laws/standards and employment policies for sustainable human and trade union rights of all working people of Uganda.

Some of NOTU's preoccupations since its inception in 1973 include, among others:

- national recognition with five workers' representatives (including a Minister in Parliament);
- review and enactment of labour legislation;
- affiliation to NOTU of 20 trade unions;
- ratification of ILO Conventions;
- sensitization of members on the current industrial relations in the country;
- reaching out to members in the informal sector;
- sensitization of the public about child labour and its evils;
- sensitizing the public about sexual harassment in the workplace;
- improvement of occupational health , hygiene and safety in the workplace;
- establishment and implementation of HIV/AIDS policies in the workplace;
- ensuring payment of full benefits to the workers affected by retrenchment and privatization; and
- general improvement of working conditions in the country.

Although NOTU has not been quite successful in addressing all these pursuits, it should in close cooperation with the other social partners and its affiliates, redouble its efforts in ensuring that these important concerns are adequately addressed.

Confederation of Free Trade Unions

The Confederation of Free Trade Unions (COFTU) is a breakaway of four trade unions from the original 21 NOTU affiliates. These include: The Uganda Medical Workers Union; the Uganda Textile, Garment, Leather and Allied Workers Union; The Printers, Polyfibre and Allied Workers Union; and The Uganda Government and Allied Workers Union.

Trade unions in Uganda are represented in Parliament by five Workers' Representatives directly elected by delegates from all labour unions and the two national centres. However, the splintering of the trade unions in Uganda has further weakened the trade union movement in Uganda. Besides, trade unions hardly enjoy support from government.

The traditional roles of trade unions are, among others, as provided for in their constitutions as shown below:

- Representation;
- Negotiation;
- Research and Documentation;
- Grievance Handling;
- Education and Training;
- Participatory democracy;
- Lobbying and advocacy;
- Legal assistance; and
- Collaboration and Networking

(NOTU constitution as amended, 2006, NUPAW constitution and UBCCECAWU constitution)

Legal and Institutional Framework Governing Trade Unions in Uganda

After independence, a number of changes including reviews of labour legislation took place. Among them was the introduction of the nationwide union-- Uganda Labour Congress, through

the Trade Union Act No 40 of 1970. This Act took away the autonomy that the unions previously had. The move did not only remove powers from unions to carry out collective bargaining but also denied them the chance to select their representatives at different levels of operation. However, later, the unions had their mandates restored following the Binaisa Commission by the Trade Union Decree No 20 of 1976. After the take-over of the Obote 1 regime, the new government of Amin supported the idea of one national centre and autonomous unions. This was the time when the National Organisation of Trade Unions (NOTU) was introduced by decree No 29 of 1973. This decree made it compulsory for all trade unions to be affiliated to NOTU. Uganda has ratified 30 ILO conventions which have been domesticated into laws; a move which has enabled parliament in the enactment of the current labour laws. With the ratification of the ILO Convention 87 and repealing of the trade unions decree No 29 of 1973, a new **Labour Unions Act** of 2006 came into force.

According to the Constitution of Uganda (1995) and the Labour Unions Act (2006), workers are granted freedom of association and the right to collective bargaining. Through the collective bargaining agreements (CBAs), unions bargain for better working conditions (salaries, wages, social security, and others) for their workers. The improved workers' salaries enable them to increase their purchasing power and use some of the money in small investments. In addition, unions, through NOTU, participate in national development by writing position papers, carrying out lobbying and advocacy, research plus working with legislators on issues pertaining to the welfare of workers.

Democratic Structures and Procedures of the Trade Unions in Uganda

Trade Unions in Uganda operate under several structures as discussed below. The first structure is the Quinquennial Delegates Conference (QDC). This is a level at which the NOTU office bearers are elected and it is done after every five years. The second hierarchical structure is the Annual Delegates Conference (ADC), which is held annually to evaluate the performance of the trade unions and to plan for activities of the following year. The third structure is the NOTU Central Governing Council (CGC), which determines and approves policies concerning the operations of NOTU in between conferences. This is equated to the National Executive Council (NEC) in the affiliates of NOTU. It is worth noting that the day-to-day administration of a trade

union is run by the secretariat, both at the national centre level and affiliates level. The lowest structure in the unions is that of the rank and file. It constitutes the general membership of the union.

Gender Disaggregation in NOTU

As shown in Table 3, the participation of women in leadership positions in NOTU is still very low. There are only three women in the nine-person secretariat. However, measures have been taken to mainstream gender in NOTU leadership structures. This also includes the participation of the NOTU Women's Committees in the Central Governing Council activities. This has resulted in the monitoring of the women's activities and also women's active participation in decision making at the CGC level (NOTU annual report, 2010).

Table 3: NOTU Leadership by Gender

Position	Women	Men	Total
Chairman General	-	1	1
Vice-Chairman General	-	1	1
Secretary-General	-	1	1
Deputy Secretary-General	-	1	1
Treasurer-General	1	-	1
Deputy Treasurer –General	1	-	1
Trustee	1	2	3
Total	3	6	9

Source: NOTU Secretariat---Department of Economics and Research

Gender Disaggregation in Affiliate National Executive Committees

The women representation in the union management positions is 30 percent according to the union constitutions reviewed. Table 4 shows an increase in the number of women participating in the trade unions leadership positions visa avis the provision of the union constitution.

Table 4: Affiliate Executive Committee Positions by Gender

	Men	Women	Total
Total	252	126	378
Percentage of Total	66.7	33.3	

NOTE: Trustees have been included in the Affiliate NEC Positions.

Union Membership and Capacity

There are 40 registered unions in Uganda with a membership of about 300,000 organized members. This gives about 3 percent of the labour force or 15 percent of workers in the formal sector who are regarded as organized labour. Twenty unions are affiliated to NOTU with a membership of 196,000 and twenty unions are affiliated to COFTU with a membership of over 100,000.

In terms of earnings, the least paid union worker gets an equivalent of US \$ 60 and a highly paid worker in the union, gets US \$ 1,600. Definitely, there is need to address the concern regarding the differences in payment given that labour movements are seen as a vehicle for social justice and equity. However, on the other hand, it also implies that once union workers' salaries are improved, there will be an increase in their purchasing power and also an increase in the number of investments made in the country. And if the unions expand their membership base by including workers in the informal sector, the country will realize more economic development.

Services and Benefits Provided by Trade Unions

Services

The main objective of a trade union is to promote and defend the rights and interests of its members, to fight social injustice and inequalities, and to fight for the deliberate regulation of the conditions of employment for the betterment of its members. Trade unionism is a means for workers to liberate themselves from poverty and social exclusion. It is an effective tool for workers to escape exploitation and the violation of their basic human dignity. Hence workers use trade unions as their representative voice to demand their rights and improve their living and working conditions. Trade unions help the thousands of their members with a wide range of

different workplace problems. They protect members from unfair treatment in the workplace and improve their job security. Trade unions traditionally offer the following services:

- Represent members at local, national and international levels;
- Negotiate with employers on behalf of the members through Collective Bargaining on terms and conditions of employment;
- Carry out research on a number of issues that affect workers and disseminating the findings;
- Train and educate members in trade union and labour market issues;
- Participate in a number of decision making bodies as representatives of the members;
- Lobby and advocate the government for fair legislations and policies for workers;
- Provide legal advice and accompany members to a disciplinary hearing as well as represent them if they are in dispute with employers;
- Mobilize solidarity in supporting other members as an injury to one is an injury to all;
- Support and assist members in distress; and

Collaborating and networking with other labour unions and civil society organisations in the protection and promotion of workers and human rights, fight against corruption, HIV/AIDS and other issues that affect workers and society at large. In Uganda, the situation is appalling in that there are some unions that have not been able to offer the above services. This is due to the duplication and multiplication of unions, to the extent that there are pseudo unions that have no paid up membership and have never secured any single agreement with any employer but have a registration certificate.

However, there are genuine unions that have effectively provided these services to their members. These genuine unions have a number of collective bargaining agreements in place and some of the issues covered in these agreements include among others: -

- Recruitment
- Appointments
- Categories Of Employment
- Probation and Confirmation
- Induction/Training

- Promotion
- Staff Performance Appraisal
- Hours And Place Of Work
- Salaries and Wages
- Rate of pay, Salary Scales and Structure
- Salary Increment
- Salary Advance and Deductions
- Overtime Work and Payments
- Annual Leave
- Annual Leave Procedure
- Leave Benefits
- Sick Leave
- Maternity Leave
- Paternity Leave
- Study Leave
- Compassionate Leave
- Gazetted Public Holidays
- Absence Without Official Leave (Awol)
- Discipline, Disciplinary Offences and Punishments
- Letters of Warning
- Suspension
- Termination of Service
- Summary Dismissal
- Death, Bereavement and Funeral Assistance
- Redundancy
- Retirement
- Gratuities
- Long Service Awards
- Staff Provident Fund Scheme
- Group Personal Accident Cover

- Service Gratuity
- Medical Facilities
- HIV/AIDS and the Workplace
- Health and Safety Code
- Health and Safety Committee
- Uniforms and Protective Wear
- Loan Schemes
- Housing and Housing Allowance
- Acting Appointments and Acting Allowance
- Subsistence Allowance
- Warm Clothing Allowance
- Staff Transport
- Mileage Claim
- Selective Allowances
- Meals Provision and Meals Allowance
- Performance Awards
- Recreation and Facilities
- Retention of partially incapacitated employees
- New Technology
- Certificate Of Service
- The Right to Stop and Search
- Child Labour
- Code Of Conduct
- Discrimination
- Sexual Harassment
- Exemptions
- Job Evaluation
- Rain Off and Work Stoppage
- Sanitary Facilities
- Shift Work Conditions

- Shop stewards Councils
- Trade Union Rights
- Trade Union Subscriptions
- Transfer and Relocation
- Travel Allowances
- Unfair Labour Practices

Benefits

Unlike trade union services to their members, very few unions provide benefits that are outside the collective bargaining agreements. Some of the benefits provided include: -

- Financial support to members in distress especially during times of bereavement;
- Vocational training and skills development;
- Savings and Credit Cooperative Societies (SACCOS);
- Low price purchase schemes; and
- Recreational and Wellness Centre facilities.

The above benefits are provided by unions as shown below:

- Financial support to members in distress more so during time of bereavement(URWU, NUEI)
- Vocational training and skills development (NUPAWU, NUCCEPTE)
- Savings and Credit Cooperative Societies (SACCOS)- (NUEI, ATGWU)
- Low price purchase schemes (NUEI, NUPAWU)
- Recreational and Wellness Centre facilities (ATGWU)
- Pension scheme- (UCEU)

These benefits are provided without discrimination, and all members (in those unions) are free to enjoy the benefits in accordance with scheme rules and regulations. A number of schemes are funded by the unions apart from the SACCOS, where members contribute individually. Some schemes are run under project funded schemes. For example the Recreational and Wellness centres, are run by USAID-aided ROADS project. The findings indicate that the services and

benefits are managed by the existing union structures. In addition, benefits to members would only be given whenever funds are available and also at the discretion of the trade union management.

Key findings and analysis: Services and benefits/schemes provided to members

Services

The Trade Unions in Uganda are obliged to extend services to their members as afore mentioned in this report. Most of these services are similar across the board in unions as per the responses given by the leadership of the different unions that participated in the study. These services include, among others, collective bargaining, representation, advocacy and, negotiation for workers' pay; all aimed at improving the workers' welfare at the workplace and also at individual level. The leaders also added that they are compelled to offer such services to their members because it is a constitutional mandate, while others say they want their members to be knowledgeable about issues affecting their lives.

Some Trade Unions (like the Railways and Education) have gone an extra mile to sensitize and train their members on the dangers of HIV and AIDS, given the vulnerability of their members. Notably, the Plantation Union has had arrangements to offer vocational training to the girl-children (school-drop-outs) of their members. These school-dropouts undergo a tailoring course to enable them to become self-reliant; it also serves as a motivation to the parents, who double as members of the union.

In this study it was established that workers, who are at the same time union members, were in agreement on the issue of core services offered to them by their different unions. Most of them mentioned services that range from legal representation, collective bargaining, negotiation for better working conditions and training in general. However, according to their responses, some of these workers seem not to differentiate between services offered by their unions and the extra support offered by their employers at the workplaces. For example, some of them kept listing support like free medical care, voluntary counselling & testing and leave (maternity, paternity, etc), which they get from their employers, but confusing them for services from their unions.

This shows that some members are not aware of the kind of services they should get from their unions.

(a) Types of services got and how

When asked about the services they got directly as individuals, these workers acknowledged having done so. Most of them were happy to talk about skills training, sensitization and awareness created on workers' rights, knowledge attained and having better negotiation skills at the workplace. One of them was quoted saying:

"I can stand firm and demand an appointment letter now, which wasn't the case before"

Another one added boasting of what they are able to do as shown in the verbatim below:

"I can also mobilize fellow workers at our workplace and we talk about things which are for our good!"

Sadly, of the 40 rank and file workers, seven of them indicated having not gotten any form of service from their individual unions saying their unions have never offered services to members.

(b) Knowledge of Trade Unions Services

Different union members got to know about the services offered by the trade unions in various ways. Some of them learned about these services as they were joining the union. The majority got wind of them through sensitization workshops and meetings organized by their union. Interestingly, a small number got to know about the services after some union members started complaining. In unions where no formal arrangement existed to sensitize members on the same, members simply learned about the services through interaction with others. One member reported being lucky by virtue of his participation in the drafting of the CBA while also doubling as a trainer of, he got the opportunity to learn about these services. The leadership of the unions however, said they had different channels of informing their members about the services provided by their unions. According to them these channels are utilized: use of circulars, meetings, brochures and also communicating through branch leaders. In addition, leaders of the Plantation union boast of the use of youth study circle that they say enables them to easily circulate any kind of information to the members. The Education leadership said, in addition to

using ordinary means, they ensure they reach out to their members via electronic media, like radios.

About 30 per cent of the members admitted that the said services meet their needs. In some unions, the services are received strictly by members who are subscribed to the union. However, some unions offer certain services like legal representation even to non-members. This is supported by the verbatim of one member, thus;

- ‘a person must be a registered member in order to get services from the organization, though non-members can be defended in case of grievances as long as they promise to join the union afterwards.’
- The Communications and the Railways unions seem not to discriminate; they say all workers in their company whether registered or not, are eligible to access union services.
- About 40 percent of the respondents expressed dissatisfaction with the services offered by their unions, and another sizeable number of them either did not respond to this item seeking to establish the satisfaction level of the services offered or provided inappropriate responses. This also indicated that these workers had difficulty in comprehending some of the questions (research items) in the questionnaire. This difficulty could be attributed to their low level of education.

(c) Access to Trade Union Services

The study established that different unions use different methods of enabling members to access services according to their leaders. The Railways Union basically offers services only to members who have endeavoured to attend the meeting. As mentioned earlier, the Communications Union and the Plantations Union allow all their employees to access their services; while the Education union has a system of ensuring that all members apply for the services through their branches. Most members’ experience is, in unions where subscription is mandatory and one must clear such fees first in order to be registered. Thereafter, the member fills in a form, which goes through the different administrative levels before any service is accessed. It was absurd to learn that some members have no idea about services offered since their unions do not have such arrangements. Some members lamented about the painful process

they undergo in order to access any services. Others said it is a smooth sail for them as long as one is a member and has used the right formal process.

(d) Financing and Management of Schemes

Both the leaders and members admitted that their service schemes are financed largely through contributions made by monthly deductions from union members' salaries. Other unions have their schemes co-financed as they get external funding in the form of grants and donations. Surprisingly, some members do not know the sources of financing for their schemes. The leaders cited a number of challenges faced in light of managing these services. They decried that government and employers were against the idea of the existence of trade unions. This, they claimed was evidenced by the nature of restrictive policies made by the state, plus threats issued against unions that push for workers' rights. They also argued that some employers were uncooperative in the running of unions. For instance, management at several workplaces allegedly refused to release workers to attend some of the workshops or meetings as required in collective labour agreements. Some employers were said to be ignorant of the labour laws, while others were said to be just hostile towards the idea of unionism. The union leaders further added that besides having insufficient funding some of their members do not take union programs seriously. An example was given where some members claim that the HIV and AIDS programs are monotonous.

(e) Level of Service Provision

Regarding the issue of effectiveness in the provision of services, the leaders' responses were rather silent on the issue of Collective Bargaining Agreements (CBAs) and their contents. However, they were able to talk about measures taken in the event that negotiations broke down. The leaders said in such scenarios, they seek arbitration from labour offices to have their concerns addressed. On the other hand, not even implementation of these agreements was discussed. Several members were furious regarding the issue of the CBAs. They claim that they do not know what is contained in the CBAs and that they are not even consulted when their leaders formulate these documents in the process of negotiating for their welfare with their employers. A sizeable number (40 percent) of the workers admitted to being dissatisfied with the contents of CBAs saying they do not meet their needs, while others left the area blank signifying

ignorance of these contents. However those who may be in the know of the CBAs indicated that some of their needs have been catered for in those agreements.

Members also decried having uncommitted leaders who do not care about the interests of the union but rather continue with what they called ‘milking’ the union for personal gains. These members also blamed their leadership in to handling of workers’ disputes. They claim that their leaders do not follow the stipulated procedures of resolving some disputes to the dissatisfaction of the workers.

(f) Members and knowledge of Collective Bargaining Agreements

The respondents were asked to state whether they were aware of any CBA signed by their union. Most of them admitted that they were aware of them, since they are regularly signed between the union and employer representatives. The respondents also mentioned that among the contents of the CBA signed, were issues relating to terms and conditions of service like hours of work, annual leave, maternity and paternity leave, medical, salary and salary scales, HIV/AIDS policy, gratuity, sick leave, appointments, training and promotion, among others. Some members noted that there were articles in the CBAs that need urgent review in order to meet the pressing needs of the members.

Furthermore, it was suggested that all the stakeholders be involved during the making of CBAs. The respondents argued that this would lead to owning of the CBAs and their participation in implementation, monitoring and evaluation.

The focus groups insisted that they were not satisfied with the level of provision of services, citing several flaws from the union leadership. They were unanimous on the fact that grievances were usually handled first at the shop level and when this failed, the union engages management at national level. They added that the workers’ grievances against their employer are supposed to be handled in reference to the CBA signed. However, some of them argued that they did not know what those agreements contained. Others who have some knowledge of these agreements claimed that statutory benefits were not included in the CBAs, putting most workers at a loss. Members of the focus group of the Railways union added their voice of dissatisfaction thus,

‘...this is still poor...union leaders and employers hardly meet to discuss workers’ issues...’

However, other union members admitted that there is some level of compliance in relation to the CBAs, adding that in case of grievances, union leaders met with the employers/Board to reach an agreement regarding any situation in question.

Suggestions on improvement of Service Provision

The workers suggested that there is need to consult them on issues relating to the formulation of the CBAs through their shop steward... Some (52 per cent) said that in addition to involving all the concerned stakeholders, these agreements should be reviewed every three years. Others (30 per cent) indicated that apart from the General Secretary, it was important to have the presence of their branch leaders as well in the negotiations and conclusion of the CBAs. However, it was disappointing to hear some of the members indicate that they could not give input because they are ignorant of the entire process. They then requested to be sensitized so that they are empowered to participate in the process in future.

Although there was no clear evidence, most of the union leaders interviewed attributed the attraction of new members to the union to services enjoyed by existing members under the CBAs such as leave and training. They suggested that more services such as SACCOs and insurance schemes need to be introduced as a way of attracting and retaining members to improve members’ welfare.

Benefits

The findings showed some few unions offer benefits to their members. It should be noted that in their response, both the leaders and the members kept mixing up benefits with services. It appears these two aspects have not been well explained by the union members.

However, the major benefit that some unions provide is the financial support extended to workers who lose dear ones, *mabugo*, as it is popularly known in Uganda. According to the responses, the death benefit ranges from UGX 30.000 to UGX 700.000 depending on the union

and the position of a member. In some unions such a benefit scheme started as early as the 60s, in others it started in the 90s, while others had their benefit scheme implemented after the year 2000; with a few others indicating their unions have never started any benefits schemes to-date.

In their responses, the union leadership indicated that they started the benefits schemes for some reasons and members were informed about these benefits through various avenues that include general meetings, circulars and also informally through colleagues. Members agree with them on this. Findings show that these benefits are provided to members regularly. Whereas some respondents mentioned that they received these benefits annually, the majority said that they were received on a quarterly basis. However, others mentioned that the said benefits are provided to members whenever the need arises. Others added that the provision of such benefits is partly dependant on when one joined the union. The death benefit is received whenever the need arises and is meant to show emotional and moral support to a member undergoing bereavement. Many union members have welcomed the death benefit as they expressed their appreciation thus,

‘one of our union member was stuck with a dead body because the employer did not send the financial help that workers get...the union came in and transported the body to the burial place’

(a) Eligibility and procedure for accessing benefits

Different unions have different criteria for eligibility according to the various leaders. Whereas some unions insist on one being a registered member in order to get benefits, others (like Communications Company and Plantations Company) clarified that such benefits go to all company employees because they do not want to discriminate. According to the union leadership, members have to apply in writing through the branch secretary (or other administrative structure) for whatever benefit. In the Communications Union, once a member retires, or they are facing disengagement or after job loss, one arranges to apply through the relevant authorities in order to access the benefits. Members were in agreement regarding the procedure of accessing the benefits. However, others felt that in their unions, one must register first prior to accessing the benefits. This is done through the shop steward and later forwarded to the executive council for consideration. The challenge that the members experience is that the process tends to be difficult for them because one has to wait until the General Secretary has approved before they get the benefit applied for. The process, according to them takes almost

four days. Other union members were happy to say that it takes them as little as one day to get benefits applied for.

(b) Financing and Management of the benefits Scheme

All the respondents agreed that the financing of the benefits is by the members' contributions from their salary to their union. Other unions have additional sources. One leader of the Communications Union said initial funding to the union was done by the State and presently the employer contributes 10 percent of the employee's salary and the employee also makes a contribution of 5 percent to the scheme. This is similar to the NSSF saving scheme arrangement in Uganda for the rest of workers. A member also added that their union gets additional money from their canteen and hostel investment plus the donor support.

Management of the benefits scheme varies a little in different unions but basically it is handled by the top management of a union. For example, the Communications Union leadership intimated that their managers have been assigned various roles relating to the running of this scheme. The individuals responsible here are the Administrator and the Fund Manager. However, the Railways union has the Cabinet of the union handling the benefits scheme. On the other hand, over 60 percent of the members do not know who exactly manages the benefits scheme in their union. Other members mentioned positions/committees that seem to be handling the scheme. This included a group of administrators, welfare department and a committee for benefits and services.

Although many union members have applauded the scheme, it has not come without criticisms. Some members in leadership positions have accused some workers of abusing the benefits scheme. Some of the members are alleged to have told lies in order to get the death benefits. They would concoct a scenario showing that they have lost a close relative. With time such members were discovered and penalized while others that connived with them lost their jobs. Such acts have been blamed, in the past, on the nature of monitoring systems which had loop holes. Unions have now strengthened their systems to ensure checks and balances and avoid similar occurrences. This has also presented a challenge to members, causing delays in accessing money, especially if a member needs it for funeral arrangements.

(c) Improvement of the benefits scheme

The workers think that this scheme can be improved in order to attract more members and also provide the benefits as expected by members. They thought that the first boost should come from workers' increased salaries, which will in turn boost their contributions to the union. They added that it would call for their leaders to help negotiate for the workers' pay rise with their employers. The members also suggested that it would be important for them to access long term loans from the union and also have an arrangement of honouring long-serving members by offering them monetary appreciation. However, other members are of the view that benefits be extended to all members on a monthly basis because some of them may never get those benefits. To unions that offer no benefits to their members, a call is made so their members too can start enjoying the benefits as other union members. The members are also agitating for improved and democratic practices in their unions. They want their leaders to be more accountable to the union members and work with transparency since they are the ones handling union money for the benefits and services scheme. They added that leaders have to style up and stop owning the unions, among others.

(d) Proposed Schemes/programs which were never implemented

The findings show that there are some programs that were agreed upon but were never implemented. An overwhelming number of respondents pointed out the salary loan scheme that has not been implemented to date. They regretted this occurrence given that they had hoped to get such a financial service at low interest rates. The individual thus noted:

“I was very eager to benefit from the salary loan scheme from my employer. I am a low salary earner and banks cannot give me a salary loan since my employer is not recognised and my employment terms are not permanent. This scheme would have helped me a lot”.

This implies that if such an arrangement had been put into practice, members would have benefited from the financial services which they cannot access elsewhere because they may not meet the conditions of financial institutions.

(e) Other issues raised by Workers

The following issues were raised:

- The members noted that it will be important to keep copies of their CBAs in NOTU office and also get the opportunity to read them;
- Members would also like to get more enlightened on the labour laws;
- They wish to get training on collective bargaining; and
- They would also like to send a message to their employers to watch out on issues concerning discrimination of workers, child labour and HIV and AIDS.

Summary, Conclusion and Recommendations

Summary of findings

The study findings show that all the unions were advocating for workers to have access to services and benefits; this implies that the traditional roles played by trade unions are of a similar nature. However, the services and benefits provided to members differ from union to union. Benefits are eligible to only fully paid-up members of the unions, with the exception of two unions that participated in the study. However, further findings show that there are challenges regarding funding and management of these services and benefit schemes. Some members were happy to say that the services they got from their union have improved their welfare at the workplace. Other union members openly expressed dissatisfaction with the services provided. They complain that things in unions are not as they appear on paper.

Regarding the provision of benefits, although some workers kept mixing statutory benefits got at the workplace with those that unions should be providing, it is clear that members get the mabugo (death benefit) majorly. In addition, the nature of communication to members about how the services and benefits should be provided is still wanting. It is also apparent that some members of the unions have never benefitted from the union services or benefits. Members' sentiments show that they are not happy to see that the union leaders are the same people running the services and benefits schemes. That some workers lie in order to get death benefits is a sign that people are not only in dire need of money but also want to use any dubious means to access the union money. Some of them could be heard sending a warning signal to the union leaders about 'styling up' and properly accounting for union money. This whistle-blowing relates to allegations by workers claiming that union leaders are using the money for their personal benefit. This is because everyone who contributes to the union (from their meagre salaries) expects to enjoy quality services and benefits at some point in time. Concerns were raised about CBAs. A sizeable number of workers are not aware of the contents of these important documents. This makes it difficult for them to know the terms and conditions under which they are to operate at the workplace.

Members have expressed the need to access loans since most of them feel that the union benefits and services are not helping them much.

Conclusions

On the basis of the above findings, the following conclusions can be made:

- It can be concluded that workers are dissatisfied with the nature of services and benefits provided by the unions.
- The manner of communication to workers about the services and benefits from the union is unsatisfactory as it leaves many workers in the dark.
- Workers do not have an input in the making of the CBAs, which makes most of them to be ignorant of their contents.
- Workers protest the manner in which benefits and services are provided given that the union administrators are the ones handling them.
- There is an outcry by workers for loan schemes.

Recommendations

On the basis of the above conclusions, the following recommendations are made:

- There is need for the union leadership to improve on the services and benefits provided to the members. This might require that the leaders revisit the available arrangements of provision so that members' needs are met. Besides, such new measures could help to attract potential members to the unions and also retain the existing ones.
- The unions need to work out a better and formal system of enabling their members to know the kinds of services and benefits provided, the procedures followed and when to access them. Such an arrangement will also help members to distinguish between union benefits and those offered at their workplaces.
- The unions will also have to work out modalities of expanding the benefits base so that members who are not eligible for the death benefit can have something else to get.
- It is important for the unions to ensure that workers' views are incorporated in the CBAs. Plans also need to be put in place by unions regarding how and when workers' views can be forwarded. This will not only make workers have ownership of such agreements but it will also present an opportunity for them to know what the CBAs entail.

- The unions will need to employ neutral persons to manage the services and benefits schemes as one way of clearing allegations (by workers) that leadership utilizes union funds to their benefit.
- It will be important for the unions to introduce (or reinstate) well managed loan schemes to enable members to borrow money for personal development.

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TRADE UNION SERVICES AND BENEFITS IN ZAMBIA

By

Boniface Phiri

Introduction And Background

Demographic and Political Trends

The Republic of Zambia is a landlocked country in the Southern part of Africa covering an area of 752,614 square kilometres. The country is bordered by Malawi, Mozambique, Zimbabwe, Botswana, Namibia, Angola, Democratic Republic of Congo, and Tanzania. It was recently reclassified by the World Bank as a lower middle income country. Currently its population is estimated at 13 million people, 51% are females and 49% are male. The population is highly multi-ethnic comprising 72 ethnic groups.

Zambia gained political independence from Britain in 1964 and currently has a multiparty governance system. Presidential and legislative elections are held every five years. The elected president is only eligible to run for a maximum of two (2) consecutive terms. From the time of independence in 1964, Zambia was led by the United National Independence Party (UNIP) under the first republican President Dr. Kenneth David Kaunda. A multi-party governance system was followed until 1972 when Kenneth Kaunda abolished the existence of opposition political parties. Until 1991, UNIP was the only political party which became synonymous with government. In 1991, however, the government reintroduced multi-party politics due to pressure from civil society groups.

The socialist economic system embraced by the UNIP government was heavily criticised for the worsening economic situation. It was during that period when the Zambian economy experienced a downward trend characterised by shortage of commodities, high inflation, and shortage of foreign exchange reserves among other challenges. Such a negative economic situation prompted the call for change of government and leadership. In 1991 the Movement for Multiparty Democracy (MMD) replaced the UNIP government through a majority vote. MMD

ruled Zambia for 20 years and was replaced by the Patriotic Front in the latest Presidential and Parliamentary elections in 2011.

On the economic front, the Zambia's economy is largely dependent on copper production and export. Copper constitutes about 80 per cent of Zambia's export earnings. For the period 2005-2010, Zambia's was described as robust, recording positive economic growth averaging over 6 per cent of GDP. Inflation levels have also remained within single digits except during the years 2005 and 2008 when annual inflation was recorded at 15.9% and 16.6% respectively (CSO, 2011). The exchange rate also remained stable during the same period largely because of the steady increase in copper exports and inflow of Foreign Direct Investment (FDI) (BoZ, 2011). Table 1 shows economic trends from 2005 to 2010.

Table 1: Zambia selected economic statistics from 2005 to 2010						
	2005	2006	2007	2008	2009	2010
Real GDP Growth (%)	5.3	6.2	6.2	5.7	6.4	7.6
GDP per Capita (US\$)	654.9	908.1	949.0	1,174.0	1,058.6	1,152
Annual Inflation (%)	15.9	8.2	8.9	16.6	9.9	7.9

Source: Bank of Zambia (www.boz.co.zm)

From Table 1, real GDP growth was 7.6%, up from 5.3% in 2005. GDP per capita also increased in the last six years from \$654.9 in 2005 to \$1,152 in 2010. The consistent increase in GDP per capita necessitated Zambia's recent elevation by the World Bank from a poor to a lower middle income country.

In addition, interest rates have decreased from the average lending rate of 54.5% in 2001 to an average lending rate of 26.6% in March 2011 (CSO, 2011). However, the overall reduction in interest rates has not been corresponding to the reduction in inflation rates where the cost of borrowing still remains high. It is expected that with a consistent low annual inflation rate, banks would respond by reducing lending rates and in turn reduce the cost of borrowing. On the other hand, Gross International reserves have continued to accumulate. Gross International Reserves have increased from 0.8 months of import cover in 2001 to 4 months of import cover in 2010 (BoZ, 2011).

It is nevertheless argued that with continued macroeconomic stability, medium term economic growth prospects are bright. Zambia is expected to continue attracting strong investment inflows. However, risks to growth include high and volatile international fuel prices. The challenge of diversification and dependency on copper production and exports also threatens future economic sustainability. Furthermore, agricultural production is largely driven by small scale farmers who are dependent on subsidies from Government. This brings into question the sustainability of high agricultural production, especially maize bumper harvests recorded in the last few years.

Labour Market Trends

The classification of Zambia by the World Bank as a lower middle income country which is largely based on analysis of per capita income does not take into account the distribution of wealth among the citizens. Poverty levels also remained high and were estimated at 64% (CSO, 2011), despite consistent economic growth. Consistent growth is also expected to provide a sustainable base for job creation and poverty reduction. In contrast, this has not been the case. The following table shows the distribution of the labour force based on 2008 statistics.

Table 2: Proportion of Labour Force in the Formal and Informal Sectors

Sex/ Residence	People employed in formal sector	Percent share of formal sector	People employed in informal economy	Percent share of informal economy	Total number of employed
All Zambia	511,338	11.0	4,095,508	89.0	4,606,846
Males	369,882	15.0	2,021,903	85.0	2,391,785
Females	151,456	6.0	2,073,605	94.0	2,215,061
Rural	139,877	4.0	3,205,670	96.0	3,345,547
Urban	371,461	29.0	889,838	71.0	1,261,299

Source: Central Statistical Office (LFS 2008)

Available data shows that the population aged 15 years and above was 6,716,031. Of this, the labour force constituted 5,003,871. Of the total labour force, 397,025 people were unemployed, representing an unemployment rate of 7.9%. On the other hand, 4,606,846 were employed, representing an employment rate of 92.1%. Further, statistics show an increase of 11.5% in employment levels from 4,131,531 in 2005 to 4,606,846 in 2008. However, a large part of this was accounted for by the informal sector employment which grew by 13% to 4.1 million in 2008 from 3.6 million in 2005 (CSO, 2011).

On the other hand, formal sector employment grew from 495,784 in 2005 to 511,338 in 2008. Although formal employment registered growth, its proportion remained low at only 11% of total employment. In terms of gender, the distribution of males and females in employment was even at about 50% for each gender. However, in the formal sector, male employment was exceptionally high accounting for 71% compared to 29% for females (SNDP; 2010). Therefore, the picture of the labour market shows growing informality, with the share of formal employment shrinking further. Although unemployment estimates are around 7.9%, only 11% of the labour force is in formal employment while 89% is in informal employment. This implies that about 89% of the Zambian workforce does not have decent jobs; have low wages and cannot meet basic needs, and generally lack social security/protection coverage.

Although mining is the cornerstone of Zambia's economy, the sector often contributes very little in taxes and royalties. Mining currently contributes about 13% of total domestic revenue to the national budget while a few formal sector workers (10% of the labour force) contribute about 22 per cent of total domestic revenue. The labour movement, in this respect, has continued to advocate for a fair and just tax system to spread the tax burden by extending tax revenue collection to the informal sector. The emphasis to review the tax system is in line with the broad objective of reducing poverty among the working poor by strengthening redistributive policies and ensuring that the gains of growth translate into better working conditions and improved wellbeing for the majority.

Scope of the study

This study was conducted to identify a range of services and benefits provided by trade unions to their members in Zambia. The main objective of the study was to evaluate the ability and capacity of Zambian trade unions to provide services and benefits to their members as a means to sustain the interest of existing members and to attract new members to the labour movement in Zambia⁵⁵. In this research, services were defined as provisions contained in the Collective Bargaining Agreements (CBAs) mainly arising from the Collective Bargaining process. Benefits, on the other hand, were defined as those benefits provided by individual trade union initiatives aimed at assisting members in addition to the services contained in the CBAs. The study had four specific objectives, these included:

- to identify the services and benefits unions provide to their members, with special attention to the gender differentials in access to such services and benefit;
- to assess the effectiveness and quality of trade union services and benefits where such services and benefits are provided;
- to assess the impact of providing these services and benefits on membership growth;
- to assess the effects of the provision of these benefits on the core trade union functions and services.

⁵⁵ Concept note; Trade Union Benefits and Services Study (2011), Africa Labour Research Network

Research Methodology: Sampling, data collection and analysis

To provide answers to these research objectives, a qualitative research method was used in the data collection process. The qualitative approach in this regard was considered appropriate in view of the fact that the type of information required to inform the research was mainly from in-depth interviews and available documents. In this regard, the data collection method took mainly two forms. On the one hand, primary data was collected through in-depth interviews with trade union leaders, shop stewards and other members. On the other, document analysis involved an assessment of the provisions of various collective agreements. The analysis of collective agreements was not confined to specific agreements belonging to sampled unions but rather extended to include many other agreements belonging to unions not included in the sample. This was made possible because all collective agreements were easily accessible through the registry at the Ministry of Labour and Social Security.

Zambia has 44 trade unions represented by two federations. The Zambia Congress of Trade Unions (ZCTU) has 33 affiliate members, and the Federation of Free Trade Unions in Zambia (FFTUZ) has 11 affiliate members. When undertaking this study, it would have been more appropriate to collect information from all members of ZCTU and FFTUZ to comprehensively inform the findings of the study. However, due to limited time and resources, it was convenient to take a representative sample of affiliate unions from ZCTU and FFTUZ which provided valuable and representative information to inform the interventions proposed.

Sampling

Membership of the trade union movement in Zambia is drawn from different sectors. In selecting the sample, a non-probability sampling method was used. This method of sampling was best suited for this type of study. This is because the different sectoral union have unique characteristics that in turn affect the kind of services and benefits they would provide to their members. For this reason, sampling was done in such a way that unions were selected from a wide range of sectors.

Among the unions interviewed, the Zambia National Union of Teachers (ZNUT), the Civil Servants and Allied Workers Union of Zambia (CSAWUZ), and the National Union for Public Service Workers (NUPSW) were from the public service. Apart from these, the University of Zambia Workers Union (UNZAWU) represented workers from the University. The rest of the unions interviewed such as the Gemstone and Allied Workers Union of Zambia (GAWUZ) are from the private sector.

Among these, ZNUT was one of the oldest having been founded in 1959 as Northern Rhodesia African Teachers Union (NORATU). Later in 1964, the name changed to Zambia National Union of Teachers (ZNUT). At the time of its formation, ZNUT was the sole representative union of all teachers in Zambia. The legislative requirement then compelled all teachers in Zambia to be members of the union. As a sole representative, ZNUT enjoyed the monopoly of being the only collective bargaining agent for all the teachers.

Similarly, CSAWUZ is one of the largest unions representing workers from the civil service. The union was formed in 1975 and currently has a membership of about 17,000 across the country. The members include the judiciary workers, wildlife workers, nurses, agricultural officers and civil servants. On the other hand, NUPSW, which is among the oldest unions, was formed on the 23 July 1960. The union has membership from the classified public service employees. These are mainly low ranked public service workers that include cleaners, drivers and other general workers. Current membership is estimated at 13,000, with about 9000 males and 4,000 females.

The main sectors were therefore identified as education, mining, construction, agriculture, tourism, transport, finance, communication, energy, health, civil service, and local government. Knowing that the majority of unions belong to ZCTU, only one union (ZUFIAW) was selected from FFTUZ. This union, coming from the financial sector, was specifically preferred because Bankers Union of Zambia was not active as a member of ZCTU and had not been effectively articulating the interests of its members for some time. ZUFIAW had been outstanding and was one of the strongest unions belonging to FFTUZ.

On the other hand, the rest of the unions included in the sample were affiliated to ZCTU. These were Lusaka based unions selected from different sectors. Lusaka based unions were preferred in this case to save on time and resources in view of the financial and time constraints mentioned above. The unions selected were CSAWUZ, GAWUZ, HCWUZ, NUPSW, NUTAW, UNZAWU, UNZALARU, ZNUT, ZRAWU, ZUNO, and NUCIW⁵⁶.

Data Collection and limitations

Data for the study was mainly collected through in-depth interviews using an interview guide. Interviews were conducted with union leaders, shop stewards and members of respective unions. Interviews with union leaders aimed at soliciting information regarding the provision of services and benefits to members and establishing the impact of such services and benefits to membership growth where possible. Interviews with union members helped to assess members' perception and responses to provision of the identified services and benefits. While some collective agreements were collected from the unions, 56 collective agreements were accessed through the registry of the Ministry of Labour and Social Security. The collective agreements provided information with regard to the number of provisions enshrined in CBAs for analysis.

Limitations

Despite the time limitation, another major limitation was the non-positive response from ZUFIAW leaders who did not make arrangements for interviews to be conducted with their union. This could be attributed to the lack of trust for ZCTU because of their affiliation to FFTUZ. In addition, some of the union leaders from the selected unions such as NUCIW were not available for interviews during the time interviews were conducted.

⁵⁶ See appendix for full list and names of unions

The State of the Labour Movement in Zambia

Trade Unions in Zambia: History & Political engagement/influence

The main trade union movement at the time of Zambia's independence was the Zambia Congress of Trade Unions (ZCTU). It emerged from the Northern Rhodesia Trade Union Congress that was formed in the late 1950s during the independence struggle. *'ZCTU was founded in 1966 after being registered under section 8 of the Trade Union and Trade Disputes Ordinance of 1949 of Northern Rhodesia'* (Shikwe, 2003). Until 1993, ZCTU was the only trade union federation in the country to which all national unions were affiliated as was required by law.

From the time of formation, the trade union movement in Zambia has been independent and free from direct government control. The general policy of trade unions was to support and work with the government of the day in order to contribute objectively to a number of policies. However, depending on the political landscape, the labour movement has a history of forming alliances with other civil society groups and opposition political parties. One example is when the labour movement openly supported and even provided leadership to the Movement for Multiparty Democracy (MMD) in 1991 and eventually MMD replaced the ruling United Party for National Independence (UNIP) administration. Another example was the formation of the Oasis forum, a consortium of civil society organizations, where trade unions actively participated in demonstrations to oppose former republican president Fredrick Chiluba's administration from amending the constitution to allow for a third term of office.

On the other hand, the trade union movement has worked with government on important national policy issues such as the 2005-2010 Mungomba Constitutional Review process where the vice chairperson was the President of ZCTU. A number of union leaders were also involved and participated in the review process. The labour movement was also involved in other policy processes mainly at the tripartite level with the employers' organisation and the Ministry of Labour. Currently, the official position of the labour movement is to be non-partisan to ensure objectivity. Despite this, however, the labour movement is often perceived to have been

supporting the previous MMD administration mainly because of a lack of clear objectivity on several contentious issues.

Generally, after 1991 Zambia experienced an increase in the fragmentation of trade unions. This fragmentation somehow weakened the capacity and power of unions. Before this experience, the labour movement had the capacity to mobilise nationwide demonstrations and strikes. This is not the case under the current status. However, there are some demonstrated efforts and intentions to merge the two trade union centres. This is expected to set pace for the merging of sectoral national unions.

Affiliation

ZCTU is affiliated to regional and international bodies such as the Southern Africa Trade Union Coordination Council (SATTUC) and the International Trade Union Centre. ZCTU also collaborates with Lo Norway, Friedrich Ebert Stiftung (FES) and the Rosa Luxemburg Foundation. Among the national unions affiliated to ZCTU are the Zambia National Union of Teachers (ZNUT) and the Basic Education Teachers Union of Zambia (BETUZ)-which are both affiliated to the Education International (EI) Southern Africa Teachers Organization (SATO) and the Association for Non-aligned Teachers Unions in Southern Africa (ANTUSA). ZNUT also collaborates with the Union of Education Norway (UEN) in capacity building programmes. Furthermore, the Civil Servants and Allied Workers Union of Zambia is affiliated to the Public Service International (PSI).

Apart from their affiliation to ZCTU, most of the unions interviewed are affiliates of other international bodies. GAWUZ is affiliated to the International Chemical Energy, Mining and General Workers Union, NUTAW is affiliated to the International Transport Workers Federation, HCAWUZ is affiliated to the International Union for Food, ZNUT is affiliated to Southern Africa Teachers Organization and Education International, while CSAWUZ, NUPSW and UNZAWU is affiliated to Public Service International.

FFTUZ: Zambia has another trade union centre called the Federation of Free Trade Unions (FFTUZ). FFTUZ was formed in 1997 after the introduction of multiparty democracy and liberal

politics in 1991. This was necessitated by the eventual change in the main labour legislation to allow for formation and existence of more than one union in the same industry. Currently, ZCTU has 34 national union affiliates while FFTUZ has eleven (11) national union affiliates. ZCTU affiliate membership has doubled from only 17 in 1990 to the current membership size of 34 national union affiliates largely attributed to the increasing number of breakaway unions.

Legal and Institutional Framework

Zambia ratified ILO conventions No 87 and 98 in 1996. The conventions promote freedom of association and uphold the right to organise. Despite ratifying the conventions in 1996, the provisions and recommendations of these conventions were already incorporated in the industrial relations legislation before ratification. The basis of the legal framework for industrial relations in Zambia is founded on the fundamental rights in Part III of the Constitution of Zambia. *Article 21 and sub article (1) states that “...no person shall be hindered in the enjoyment of his freedom of association...and in particular to form or belong to any.....trade union for the protection of his/her interests”* (Government, 2009). These provisions enshrined in the national constitution have been incorporated and expanded in the Industrial and Labour Relations Act, the main labour legislation. The other legal instruments for industrial relations in Zambia include the Employment Act, the Minimum Wages and Conditions of Employment Act, and the Employment of Young Persons and Children Act. All these are described below:

Industrial and Labour Relations Act (Chapter 269): The Industrial and Labour Relations Act were first enacted in 1971 and were replaced in 1990. The Act was later repealed in 1993 with the adoption of neo-liberal policies. The Act provides the legislative framework for the establishment, organisation and management of trade unions, employers’ organizations and their federations. It provides for collective bargaining, settlement of industrial disputes, defines the framework for the tripartite process, and the establishment and operation of the Industrial Relations Court. The Act underwent massive changes in 1993 to accommodate, among others, the dictates of the liberalised political and economic environment. The changes entrenched the principles of freedom of association in accordance with the ILO standards and abolished the policy of ‘one union one industry’ which somewhat promoted monopolistic trade unionism. The

massive changes in the legislation, has however, succeeded in weakening the bargaining position of trade unions.

Establishment and Functioning of Trade Unions: The Industrial and Labour Relations Act provides detailed provisions on the rights of employees in respect of trade union membership and its activities, the establishment and organisation of trade unions and indeed employers' associations. In particular, Section 5 of the Act as amended in 1997 provides every employee with, among others, the following rights: the right to take part in the formation of a trade union and to be a member of a trade union of his choice; the right to take part in the activities of a trade union including the right to seek and hold trade union office subject only to the rules of such trade union; the right to obtain leave of absence from work for the purpose of taking part in trade union activities; the right not to be prevented, dismissed, penalized victimized or discriminated against or deterred from exercising trade union rights; the right not to be a member of a trade union or be required to relinquish membership; and the right not to do work normally done by an employee lawfully on strike or locked out unless such work constitutes essential service. In addition this Act grants for registration and autonomous operation of trade unions and their officers by protecting them against manipulation by employers. However, the Act excludes employees in the Zambia Defence Forces, the Police and Prison Services and the Zambia Security Intelligence Service. Certain officers in the Judiciary are also excluded from participating in trade union activities. These include Registrars, Local Court Justices, Magistrates and Judges.

The Employment Act (Chapter 268): The Employment Act (Chapter 268) was first enacted in 1965 and is the basic employment law. It provides the legal framework for employment relationships. It provides for enforcement of contracts of employment, protection of wages and welfare of employees. This Act was also extensively amended in 1997 to take into account, among others, ILO Conventions which Zambia has ratified relating to minimum contractual age, termination of employment, protection of wages, and maternity protection.

The Minimum Wages and Conditions of Employment Act (Chapter 276): The Minimum Wages and Conditions of Employment (Chapter 276) is an enabling law aimed to protect

employees not covered by collective bargaining processes and agreements. The Act empowers the state through the Minister of Labour to prescribe minimum wages and other conditions of employment for sectors where collective bargaining is not possible. This Act allows for the Minister of Labour, through the tripartite arrangement, to revise regularly, wages and conditions of employment for protected employees depending on the existing socioeconomic situation.

Employment of Young Persons and Children Act (Chapter 274): The Employment of Young Persons and Children's Act provides protection to young people particularly in occupations that are hazardous or injurious to their health, safety and development. Zambia ratified the ILO Convention No. 182 on the elimination of the Worst Forms of Child Labour. Thus, the Act has undergone review to take account of and conform to the new ILO requirements.

The Factories Act: The Factories Act provides for occupational safety and health in factories, construction sites and other workplaces. The Act empowers Factory Inspectors to enforce occupational safety and health regulations at workplaces.

Organisational Structure of ZCTU

The highest decision-making body of the Zambia Congress of Trade Unions is the Quadrennial Congress, which is comprised of two executive organs, Executive Board and Committee, and delegates from affiliate unions determined by the membership size of each union. The Quadrennial Congress meets once every four years to elect new leaders. Next in the chain is the General Council which is smaller in composition compared to the Quadrennial Congress as it is made up of lesser delegates and meets twice per annum. The General Council makes decisions based on recommendations from the Executive Committee and makes follow-ups on decisions of the Quadrennial Congress.

The Executive Committee which comprises of all ZCTU elected officials and General Secretaries from National Unions and some representatives from the Women's committee is the third in the ZCTU decision making hierarchy. This organ meets quarterly and their main responsibility is to superintend over Congress administration.

The Executive Board is the next in the chain of command. It is made up of only ten ZCTU elected officials; the Board manages the day to day affairs of congress. Below the executive committee there is the National Secretariat which is made up of the Secretary General, two Deputy Secretary Generals and seven departments. The departments include Education and Training, Research and Economics, Women and Child Affairs, Public and International Relations, Organisation, Accounts, and Administration. The departments are run by technical personnel who are responsible for implementation of activities and providing technical support to elected officials.

Lastly, the Women's Committee is an organ established to take care of women's affairs. It is made up of ten women representatives elected every four (4) years. Provincial and District Committees handle regional affairs of the ZCTU. District Committees were composed of union officials at grassroots level who are elected after two years.

Trade Union Democracy in Zambia

Trade Unions in Zambia have similar management structures. The main decision making body for all unions is the Quadrennial Congress which meets every four years to conduct elections and pass resolutions for the new executive. Like most unions in Zambia, all the unions interviewed administer policy issues at the Quadrennial level through receipt of submissions obtained from general membership while the administrations are carried out by respective National Executive Committees. Below the Quadrennial comes the General Council, National Council or the National Executive Council, as could be stipulated by respective national unions. As custodians of union assets, trustees work below the Deputy General Secretaries.

As is the case for most unions in Zambia, all the unions interviewed are headed by General Secretaries who are assisted by two Deputy General Secretaries. The General Secretaries are heads of secretariats and are responsible for the day to day affairs of the respective unions.

Regarding to the conduct of elections, all trade unions have different dates hence the terms of office for respective elected officials do not run concurrently. Furthermore, the rules governing the conduct of elections are prescribed in the Industrial and Labour Relations Act and the

respective union constitutions. Before the change of government to the current PF administration, there was a general outcry concerning government interference in the conduct of union elections. The outcry was climaxed by events of the last Quadrennial Conference of the Congress held in Livingstone in December 2010. Two prominent candidates who wanted to contest the positions of President and Secretary General of ZCTU were disqualified by the Labour Commissioner on the grounds that they were unemployed. The two were dismissed from employment by their respective employers allegedly under the influence of government officials.

Under the new administration, however, government demonstrated its intentions to limit its influence in the affairs of trade unions. So far, there have not been any cases of government influence under the new administration in the elections that have been conducted by trade unions.

Membership and Women Participation

Full participation of women in the unions is lacking. Not only is it difficult to get data on women membership in most of the unions in Zambia, but also that data on union membership in general is not well organized hence very difficult to obtain reliable information. However, available data indicates that the proportion of women membership can be as low as 2%, especially in private sector unions, to about 50% in public service unions.

Table 3: Distribution of selected ZCTU Affiliates' membership by Gender

No.	Name of Union	Membership	Males	Females	%Female
1	AAWUZ	696	518	178	26%
2	BETUZ	20,161	9,787	10,374	51%
3	ZNUT	31,492	15,070	16,422	52%
4	HCWUZ	16,500	12,380	4,120	25%
5	NUTAW	1,374	1,292	82	6%
6	UHDWUZ	889	670	219	25%
7	UNZAWU	1,151	1,024	127	11%
8	UNZARLU	242	201	41	17%
9	COBUWU	284	182	102	36%

10	MUZ	13,358	11,911	1,447	11%
11	NUBEG	15,243	14,939	304	2%
12	NUCIW	20,250	16,602	3,648	18%
13	ZUSOAW	20,978	19,697	1,281	6%
14	NUCW	5,140	3,443	1,697	33%
15	NUPAW	12,520	8,218	4,202	34%
16	RWUZ	1,003	861	142	14%
17	WUT	1,421	1,320	101	7%
18	GAWUZ	408	401	7	2%

Source: ZCTU Women's Committee Secretary Report; 2009

As indicated above, women participation in decision making positions is lacking. Available information shows that even in trade unions where women membership is impressive such as public service unions, few women hold decision making positions. The table below shows the number of women in decision making positions at the trade union centre and national affiliates.

Table 4: Distribution of Women in Trade Union decision making positions (ZCTU Affiliates)

Title	Available positions at ZCTU	Number of Women at ZCTU	Number of Women at Affiliates
President	1	0	1
Vice Presidents	2	0	2
General Secretary/Secretary General	1	0	1
Deputy General Secretary/Secretary General	2	0	7
Trustee	4	2	15

Source: ZCTU Women's Committee Secretary's Report (2009)

From the table, it shows that women mainly hold positions up to Deputy General Secretary. From all the unions affiliated to ZCTU, only one union had a woman president, and only two had women Vice Presidents the rest had women in inferior positions. It remains to be seen whether the absence of women in influential positions also affects the advancement of gender equality in the provision of trade union benefits and services in the unions. Needless to say that women participation in trade unions remains limited. This justifies the need for deliberate initiatives that would effectively help enhance women participation.

Services and Benefits Provided by Trade Unions

The background of the trade union movement in Zambia demonstrates a commitment by trade unions to effectively represent their members. However, the emergence of neoliberal policies adopted by consequent governments has greatly affected the framework of collective bargaining and advanced competition for membership among unions due to fragmentation. Competition, thus, has worked to change the past practice of providing trade union services to include innovative methods and strategies that help retain old members while at the same time attracting new members. Needless to say, trade union services and benefits have evolved with changing times in response to changing needs of members.

During the colonial era, trade unions were united in the fight against colonial oppression and exploitation. The preoccupation of unions was to fight for fairness and equality of treatment between the indigenous African workers and their European counterparts. Thus, collective bargaining demands were largely centred on the promotion of equality of treatment and provision of better working conditions. Douglas G. Anglin (2009) states that....*'debates in these meetings centred on the issues of racial discrimination and poor working conditions particularly the very low wages paid to hardworking mine workers'*.

On this premise, the struggle for equality and better working conditions especially in the mines was enforced with the general political appeal against colonial oppression. As mentioned earlier, a number of factors in this regard culminated into an independent Zambia.

After independence, new issues such as challenges of HIV/AIDS and gender discrimination emerged and became part of the core issues for collective bargaining. In this view, the post-independence struggles and the neoliberal era have seen emerging issues incorporated in collective bargaining.

“You may be aware that before independence, the main struggle was between blacks and whites. Blacks were treated as second class workers and were paid less than their white counterparts even when they were doing the same work. But after independence, new issues have come on board, such as the challenge of gender equality”.

In light of this, it is important to note that the provision of trade union benefits and services can be located in the specific historical era of the trade union movement. Although the fight for social justice has been the broad mandate of the trade union movement, each era presents unique social challenges. It goes without saying that so much change in the provision of trade union benefits can be traced in the neoliberal era where fragmentation and subsequent competition for membership has been the driving force for unions to adopt innovative strategies in Zambia.

In the following analysis of specific services and benefits provided by selected trade unions in Zambia, it can be observed that there is a trend where competition for members has shaped and shifted the core mandate of trade unions.

Services provided by ZCTU

Currently, ZCTU remains the largest trade union in Zambia. It has evolved with time from being the only trade union under a socialist government system to the current neoliberal era where there are two federations. ZCTU has a number of programmes involving member affiliates. Being the largest trade union, it is a major social partner at the tripartite consultative labour council where a number of policy decisions related to labour, including revision of labour legislation are made. The Federation of Free Trade Unions of Zambia (FFTUZ) is also a member of the tripartite body though ZCTU usually takes a leading role during tripartite meetings. However, Congress has also been affected by the multiplicity of unions, which in turn has weakened its capacity to provide effective representation to affiliate members.

Benefits provided by ZCTU

Apart from the tripartite involvement, ZCTU holds occasional workers education programmes for affiliate members. At times, the Congress has also assisted affiliate unions with financial and technical support towards capacity building programmes in the area of collective bargaining and other programmes specific to members' needs. In some instances, ZCTU has also provided material support towards bereaved families of leaders from affiliate unions.

Apart from providing workers education training and assisting some members, ZCTU initiated the formation of the Workers Development Corporation (WDC) Limited. WDC was registered on 12 February 1969 under the Company Laws of Zambia. The prime objective of forming WDC (ZCTU) Ltd was to expand the income base of Congress while encouraging workers organisations to participate and be involved in economic activities. From the time of WDC formation, ZCTU has been the largest shareholder with the current shareholding of 62%. Other shareholders are drawn from national affiliate members of ZCTU and FFTUZ. By September 2011, the share price was K4 (about US\$0.0008) and unsold shares were 38,640. Table 5 shows the shareholding structure of WDC.

Table 5: Structure of Shareholding of WDC

S/N	Name	Percentage	No. of shares
1	ZCTU	62.53	38,369,432
2	ZNUT	0.03	18,100
3	NCW	3.84	2,356,126
4	NUBEGW	6.37	3,911,061
5	NUPSW	3.34	2,052,384
6	MUZ	6.79	4,165,908
7	NUCIW	6.73	4,130,383
8	ZUFIAW	0.19	114,442

9	ZULAWU	0.01	4,361
10	NESAWU	2.54	1,559,300
11	CSAWUZ	5.08	3,118,603
12	AAWUZ	2.54	1,559,300
Total		100	61,360,000

Source: Report of ZCTU Technical Committee on improving the operations of WDC

Management of WDC: To strengthen the management and ensure efficiency of WDC, a management committee was put in place. The Committee is responsible for the day-to-day operations of the corporation. The highest decision making body of WDC is the Board which constitutes representatives, usually General Secretaries, from affiliate shareholders. The board is chaired by the ZCTU Deputy Secretary General responsible for Finance. On the other hand, the management Committee is headed by the General Manager who is responsible to the board. The General Manager is assisted by the Director, the Accountant and the Company Secretary.

An analysis of the performance of the Corporation has revealed that shareholders are not satisfied with the way the organisation is being run. They have complained that no value was being added in terms of investment expansion for more than twenty years in addition to the company's failure to declare dividends. Following a ZCTU strategic planning meeting held in May, 2011, it was recommended that the investment should be realigned in order to improve its asset base and thereby increase cash-flow.

Further analysis of audit reports for the period 2005 to 2010 showed that the company had huge expenses and high liabilities. Except for the year 2005 when the company made a net profit of K89,923,048 (US\$17,984⁵⁷), it recorded net losses of K16,204,140 (US\$3,240), in 2006, K14,364,000 (US\$2,873) in 2007, K22,606,000 (US\$4,521) in 2008, K195, 759,000 (US\$39,151), in 2009 and K65,992, 000 (US\$13,198) in 2010 (ZCTU, 2011). As at September

⁵⁷ The exchange rate for the Zambian Kwacha to the US Dollar was at K5, 000 to US\$1 for all the years under consideration. The change in the inflation rate between 2005 and 2011 was not taken into account in the computation of profits and losses.

2011, the loss for the year 2011 was estimated at around K39 665,600 (US\$7,933). The losses mainly arose from huge expenses, particularly travel expenses.

However, the financial statements show that there is relatively high revenue realised through sales from the bar and collections from real estate. A further assessment also showed that available assets included a commercial building in Kitwe which is rented out to a night club, offices, and a bar operated by WDC management. Other assets included fourteen (14) houses on rent in Kitwe and a desolated building with potential commercial value in Chingola.

Arising from the dissatisfaction expressed by shareholders regarding the performance of WDC, the ZCTU Executive Board recommended an overhaul of the whole management. The decision to change personnel in management was mainly informed by the understanding that the current staff had overstayed and thus lacked the vision to expand the investment. A committee was put in place to regularly assess the performance of the company in preparation for laying off the current personnel in management. In the event that the company continued to make losses after change of personnel in management, the ZCTU Executive Board recommended closing down the company as the last solution.

Benefits and Services provided by some ZCTU affiliate unions

Unions affiliated to ZCTU provide a range of benefits and services to their members. The main services provided by affiliate unions largely as a result of the collective bargaining processes. All unions in Zambia, regardless of size, enjoy the right to collective bargaining. According to the provisions of the Industrial and Labour Relations Act, any registered union is expected to commence the collective bargaining process within three months of recognition. In this case, all the unions in Zambia engage in collective bargaining processes which culminate into respective collective bargaining agreements.

Services provided by Public Service Unions

Like ZNUT, the core service provided by CSAWUZ and NUPSW is collective bargaining. Collective bargaining was identified as the core function of all the unions interviewed because it

is considered the very basis on which unions are formed. In an interview, one of the union leaders stated that:

“This was the basis for which the union was formed; to protect the individual and collective interests of employees”.

Thus, arising from successful collective bargaining processes, the unions have been able to bargain for better wages and the introduction of new allowances such as retention allowance, rural hardship allowance, and extra duty allowance, among others. The Unions were also able to bargain for the introduction of a contributory medical scheme for all public service workers in 2003.

Recently, public service unions have been forming informal alliances during the collective bargaining process. These alliances have mainly been formed in order to strengthen the bargaining position of the unions. There is a general realisation that the division among unions due to multiplicity of tasks weakens the union’s bargaining strength. For this reason, the three teachers unions have been bargaining as one unit since 2007. CSAWUZ and NUPSW have also been bargaining as one unit since 2003. This is mainly possible because government provides standard wage awards across all public service workers regardless of union affiliation. In this regard, the outcomes of the collective bargaining process in the public service are similar and extended to non- union members as well.

With regards to provision of these services, the leaders indicated that members were informed through circulars and general meetings. They also indicated that eligibility is by membership. However, there was an outcry caused by the fact that the Government awarded the same salary and wage increments to non-members of the union. Union members felt such extension of benefits to non-union members weakens the strength and bargaining power of the trade unions.

This disillusioned the members who felt that they had no reason to belong to a union which negotiates even on behalf of non-members who do not pay subscription fees. As far as the procedures for accessing collective bargaining services, it was pointed out that CBAs outlined such procedures as well as eligibility of members. For the CSAWUZ, the services provided

through collective bargaining assisted the union in attracting more members where new recognition agreements were signed in 2008 with the Zambia Wildlife Authority (ZAWA) and the Nutrition Commission.

Benefits provided by Public Service Unions

From the three public service unions that were interviewed, a number of benefits and services were identified. Outside the collective bargaining process, workers education programmes were the main service provided to members. The other benefit outside collective bargaining was grievance handling. For ZNUT in particular, workers education was conducted using Study Circle modules. An analysis of the Study Circle modules showed a range of subjects that were covered in education training programmes. These were largely based on trade union rights, and the role of members in the trade union movement. Other training modules included capacity building in the area of enhancing writing skills. Arising from the training, some members contributed by writing supplementary books which eventually were supplied to public schools.

As earlier mentioned, ZNUT remained the largest public service union despite the formation of two other teacher unions. At the time of the study, ZNUT membership stood at 31,492, while BETUZ, the second largest had 20,161 members while SESTUZ with the lowest membership had 5,550 (PMECC, 2011)⁵⁸. With the fragmentation of unions, especially after 1993, ZNUT was threatened with collapse due to the rapidly waning membership base and hence low income from membership subscriptions. After the formation of BETUZ and SESTUZ in 1997, a number of members left ZNUT to join either SESTUZ or BETUZ on the understanding that ZNUT no longer represented their interests. In turn, ZNUT membership fell from about 40,000 in 1990 to about 21,000 in 2000. The waning membership base necessitated innovative strategies for ZNUT to regain the lost members and remain the largest and most representative union in the country. In response, ZNUT introduced loan schemes to members, provided legal support, and provided t/shirts and chitenge (wrap cloth) materials to members, among other things. The main loan scheme was with Bayport Financial Services which provided easily accessible loans to members of ZNUT. The scheme was introduced in 2004 and was only open to ZNUT members. In an

⁵⁸ PMECC stands for Payroll Management and Establishment Control Centre. It is the main Central Government payroll centre.

interview with the Deputy General Secretary in charge of Finance and Business Administration it was stated that:

“ZNUT was able to regain membership from about 20,000 to about 31,000 teachers from the time the scheme was introduced. But you should know that we didn’t introduce the scheme for our benefit as a union but because teachers had problems accessing credit from government whenever they had financial problems. The Bayport Scheme in this case provided an alternative source because government was not able to provide loans to teachers”. (19th August 2011).

The scheme was of much benefit to ZNUT because any of the teachers who applied to obtain a loan from Bayport were required to be members of the union. For those who were not members, they were required to be members before they could access the loan. Apart from helping members with easy access to credit, the scheme mostly helped in regaining part of lost membership which then increased from about 21,000 members by 2004 to about 31,500 members in 2011. However a number of micro financial institutions emerged, however, which contributed to ZNUT no longer enjoying the advantage of the Bayport scheme because the members had a wide range of micro financial institutions available from which they could easily access credit facilities.

The other benefits mentioned by the three public service unions that were interviewed were mainly grievance handling, workers education; legal support and welfare schemes. Grievance handling was more prominent with all public service workers indicating that it was considered one of the core functions of unions. It was further mentioned that grievance handling procedures existed which members and union officials had to follow. The financing of benefits such as grievance procedures was usually through income from membership subscription.

As was the case with ZNUT and CSAWUZ, NUPSW also provided soft loans to members through internal social welfare schemes. The provision of such loans was funded mainly through monthly subscriptions. However, such welfare schemes were not formally established and well developed because of limited funding which constrained the capacity of the union to meet the increasing demand from members. Members were informed of the schemes through newsletters,

circulars, workshops and general meetings. To access the schemes, one was required to be a fully paid up member and the procedure was based on 'first come first served' basis. The number of beneficiaries from the schemes could not be ascertained due to lack of a data base of loan beneficiaries. However, ZNUT estimated that about 50 members could access financial assistance in a month.

From all the unions interviewed, only ZNUT indicated that it has business investments in the country. It was reported that ZNUT owned a farm and was also running a restaurant. However, it was also stated that the investments were not profitable because of poor management and inadequate resources. It was established that the investments were usually sustained by subscriptions from members. For this reason, ZNUT management decided to use the farmland to construct a guest house. At the time of the study, the construction work of a guest house at the farmland had already started.

Benefits and Services provided by Private Sector Unions

Interviews were carried out in the private sector unions and these included the Hotels, Catering, and Allied Workers Union of Zambia (HCAWUZ), the Gemstone and Allied Workers Union of Zambia (GAWUZ) and the National Union of Transport and Allied Workers (NUTAW). HCAWUZ was formed in 1966 and is affiliated to ZCTU and the International Union for Food. The union has about 10,500 active members with about 7,875 male members and about 2,625 female members. Over 80% of the membership is based in urban areas. GAWUZ represents workers from small scale mining companies in Zambia while the National Transport Union represents workers from the transport sector.

As is the case with public service unions, the main service provided by the private sector unions is collective bargaining. The services being provided are accessible to fully paid up members and union subscriptions mainly help in financing the availability of these services. These include formulation of conditions of service to be included during collective bargaining, and the eventual collective bargaining process.

HCAWUZ's core business is basically collective bargaining and grievance handling and its mission is to secure decent standards of living for workers by negotiating for better wages and working conditions. The union also negotiates for ensuring job security and protection of workers against unfair victimization and dismissals. Members are usually informed about these services through circulars and meetings and eligibility to such services is by membership. Although the unions would always work to provide such services to the members, the employers extend the services to non- members as well because most of the services were provided through CBAs. In all the unions, the collective bargaining process was entirely financed by membership subscription. However, challenges usually come from non-compliance by some employers. The provision of the services is effective through feedback from members. In one of the interviews, a union leader stated that:

“In case of a breakdown in negotiations, the union invokes the Labour Laws on dispute resolution. The union members have been experiencing unfair treatment such as dismissals, non-compliance to the labour law by the employers (e.g. in Livingstone where one employer was not paying Service Charge and the union took the matter to court and the employer was ordered to start paying”. (3rd September 2011).

Although the new services were known to have attracted new members, it was not specified by how much change in membership could have been attributed to Collective Bargaining services. It was indicated that the unions had a monitoring system at every level to monitor the provision of services to their members. In the case of HCAWUZ, it was stated that:

“The union has a system of monitoring and evaluating the provision of services. In every establishment where the union provides these services, workers elect Executive Committees who the union trains in among other things, branch administration. Organizing Secretaries visit these places at least two times in a month in order to monitor the activities and obtain reports. The National Office also holds its staff meetings to evaluate the work of field workers and monitor the daily activities of the union”.

(3rd September 2011).

Services and Benefits provided by Grant Aided Institutions: UNZAWU

The University of Zambia Workers Union (UNZAWU) represents University of Zambia workers and is the only grant aided institution interviewed. The membership of the union excludes lecturers and researchers at the institution. Union membership was estimated at 1,500 where about 1,050 were males while 450 were females. This was also reflected in the composition of the union's management where there was only one (1) female from a total of nine (9) executive members. In terms of distribution, all members of the union are urban based. The union is affiliated to ZCTU and PSI.

The union has no offices of its own; they are housed at the university where management provided some office space for the union to operate from. The office space was considered not adequate because some staff members had no offices to work from. The main source of union financing is from membership subscriptions.

Collective bargaining is the core service provided by UNZAWU mainly because they are considered the core function of the trade union. Members were informed about the services through meetings and circulars. Some of the statutory benefits mentioned as part of the provisions of CBAs included the Compensation Fund, the National Pension Scheme Authority (NAPSA) and non – statutory provisions such as a scheme with the Zambia State Insurance Cooperation (ZSIC).

Other than collective bargaining services, the union provided grievance handling and legal aid as benefits to members. To be eligible for the benefits, one has to be a member of the union. An established union structure is usually used to handle grievances starting with the shop floor level to the national office. Some of the grievances could be addressed at shop floor level while some grievances required the attention of top management. In all cases, collective bargaining services and grievance handling processes were financed from members' subscription. It was pointed out that members had a lot of expectations but the resources were limited and largely dependent on membership subscription.

In the area of grievance handling, UNZAWU has been successful due to their presence on staff disciplinary committees. The challenge pointed out mainly stemmed from the non-compliance by employers to the implementation of the CBAs. Conditions of service such as terminal benefits, leave pay and bonus were not fully honoured by employers. One of the leaders stated that:

“There is some element of non-compliance with regard to the implementation of CBAs. For example, terminal benefits, leave pay and bonus are not being honoured. The observation is that management tends to put aside these conditions of service that are not paid on a monthly basis” (27 August 2011).

As mentioned above, the procedure for grievance handling started at branch level for grievances brought forward by the shop floor. The cases were referred to the National Executive Committee when they were not resolved at shop floor level. It was pointed out that effective grievance handling helped attract new members as well as retain old members. In this case, grievance handling was considered the most attractive benefit for members.

Generally, it was mentioned by one of the union leaders that unions in Zambia were operating in a challenging environment. He said this made it difficult for the unions to meet members’ needs. Particularly, he stated that the public sector unions were the most affected because of the wage ceilings imposed on the institutions by government. Government has for some time set ceilings on the extent of wage awards. The legal framework was also considered to be weakening the status of unions by encouraging multiplicity and casualisation of employment, making it difficult for unions to organise membership.

Benefits provided by private sector unions are not very different from benefits provided by public service unions. Grievance handling is the main benefit outside collective bargaining that was provided to members. Apart from grievance handling, all the private sector unions indicated that they have been conducting workers’ education and training. The main contents of training include labour rights, occupational health and safety, HIV/AIDS and gender. GAWUZ in particular indicated that the union also assists members to open bank accounts where necessary.

The unions indicated that they were using their operational structures such as the branch office to disseminate information to the general membership. Another avenue that was reported to have been used in dissemination of information was general meetings. It was also stated that in some cases, members took it upon themselves to request information from the secretariat.

In the case of HCAWUZ, apart from the services provided through CBAs, only grievance handling and training were identified as the only benefits for members that were exclusively from union initiatives. It was stated that although the union conducted workers capacity building programmes, mostly they targeted union leaders at different levels of the union structure. The training could mainly focus on strengthening union leaders' capacity in organising, bargaining and grievance handling. Other meetings organised by the unions were mainly to inform the members of new developments such as contents of new CBAs.

Procedure to access Benefits and Services

In the case of grievance handling, the union uses existing structures to access services. It was pointed out that the aggrieved members were required to start with the local branch. If the issue was not resolved at the lower level, then it was referred to a higher level. The union mainly depended on membership subscriptions for financing of the collective bargaining process, grievance handling and workers education programme.

The main challenge in effectively providing services and benefits to members comes from limited resources and dependence on subscriptions. Another challenge was from non-provision of some agreed conditions by the employer and this included the non-provision of long Service Bonus. Regarding the effectiveness of the services, it was stated that:

“Workers see the importance of a union when they have problems at workplaces. Effective representation of employees at Chainama Hills College enabled the union to attract more than 200 new members”. (26th August 2011).

In the same perspective, grievance handling was considered to be one of the most attractive services provided to members. The introduction of new benefits and services was not considered necessary by union leaders.

Perceptions of Beneficiaries: from the private and public sector unions

All the members interviewed, except one, accepted that the union is representing the members through the collective bargaining process. One member, who said they did not have knowledge of what the union was providing, also did not have knowledge of any collective agreement, including the existing collective agreement. It was also observed that those who had knowledge of the existing collective agreements did not have knowledge of most of the provisions. All teachers were familiar with the wage offers especially the salary, but did not know most of the main provisions such as car or house loans possibly because they do not easily access such facilities. Some of the comments from the respondents included the following among others:

“I have been a member of ZNUT since 2001. I have not seen any benefit of belonging to the union, except for a t-shirt on World Teachers Day which comes once a year. ...I have not seen a Collective Agreement before, whether at the head teacher’s office, Ministry headquarters, District Education Board Secretary, I don’t know” (Interview with a teacher on 23/08/2011.

I know most of the benefits provided by ZNUT through fellow teachers. My colleague once advised me to apply for a loan at ZNUT when I wanted money for my studies. But I didn’t apply because when I went to ZNUT, I was told there was a long list and I had to wait because the loan was given on first come first served basis and I wanted the money immediately. Concerning legal provisions, I knew about it from my colleague as well. I remember a case where a colleague slapped a child in class and the child eventually died. The teacher was sued and the union provided legal support by way of hiring and paying a lawyer. On services, there is not much that I can say and I wish I had a collective agreement with me”. (23/08/2011).

“There is no information flow from the unions. We know more about what we should not do and not what we should do as members”. (23/08/2011).

“I feel that I am not benefiting from the union while we contribute too much. Only a few may have got real benefits but the majority don’t benefit. Unions should be more transparent and explain the procedures”. (23/08/2011)

From the comments, the general picture shows that union members were not satisfied with the performance of the unions and union leaders. Although some of the respondents highlighted some of the challenges facing the unions, most of the respondents attributed the weak union representation to lack of strong union leadership and accountability.

Generally, there is a rising concern among public service unions where the members are increasingly expressing dissatisfaction and lack of confidence in union leadership. There have been calls by delegates to remove the current union leadership since they no longer have confidence in them. Consistent with the growing lack of confidence, an assessment of members' perceptions of the services and benefits provided by unions showed that members were not satisfied with the performance of the unions and the union leaders in particular.

The interviews with some members of ZNUT show that a large number of the membership was able to identify some of the services and benefits the union was providing. However most of the services identified were through the collective bargaining process. These included wage awards, medical schemes and a few allowances such as retention and extra duty allowances which were enlisted in the Collective Bargaining Agreement.

In addition, the benefits which were identified outside the collective bargaining process include provision of t-shirts and chitenge materials during teachers' day celebrations, support with legal services, support with education and workers education. Surprisingly, none of the teachers interviewed considered access to credit through Bayport loans as a benefit for belonging to ZNUT. In any case, one of the teachers noted that the loans were expensive because interest rates were too high. Generally none of the members interviewed was satisfied with the provision of benefits and services from the unions.

Key outcomes of Collective Bargaining Agreements (CBAs)

One of the main outcomes of collective bargaining is the medical scheme which the union negotiated and ensured its establishment. It is a contributory scheme where the employer contributes 60% while the employee contributes 40% of the premium. The scheme, which is

called the Premier Medical Scheme, was established in 2007. It provides health cover to all public service unionised workers. Eligibility to the scheme is by union membership while it is further extended to the non-unionised members as well. Members of the scheme access the services through chosen service providers (medical centres) in their localities. In the case of the number of beneficiaries, it was not easy to access the information from the union since no evaluation was ever made from the time of inception of the scheme. However, it was noted that there are indications to show that some members had presented complaints for not accessing medical services after contributing to the scheme. It was also pointed out that government had not been remitting its 60% contribution. This could be one of the reasons the scheme has not been providing the services to contributing members. Most of the agreements analysed show a range of provisions contained in collective bargaining agreements. These include wage and non-wage benefits such as medical aid schemes, housing, maternity protection and transport allowance, funeral benefits, working hours and annual leave. Most agreements provide for paid maternity leave of three months, however, there are no other specific provisions regarding the promotion of gender equality in places of work. In addition, most agreements do not provide for HIV/AIDS workplace programmes. Out of 56 collective bargaining agreements, only three indicated that they have HIV/AIDS workplace policies. Despite this, a wide range of medical schemes are provided most of which are contributory and ranging from 15% employer contribution to 100%.

The analysis of salary levels shows wide polarisation among unionised employees in various sectors. The lowest salary recorded in a CBA between the National Union for Commercial and Industrial Workers (NUCIW) and NISCO Industries was at the rate of K297, 781 per month, equivalent to US\$61 per month. The highest salaries were observed in the financial sectors. This was from the analysis of CBAs between the National Union for Financial Institutions and Allied Workers (ZUFIAW) and financial institutions which included pension schemes and the banking sector. The highest salary was from the Local Authorities Superannuation Fund (LASF) at the rate of K13, 100,000 per month, equivalent to US\$ 2,673, followed by Stanbic bank at the rate of K9, 328, 966 per month, equivalent to US\$1,904, and Indo Zambia Bank at the rate of K7, 516,355.6 per month, equivalent to US\$1,533 per month.

The highest salary among the commercial workers union as contained in a CBA between NUCIW and National Breweries was K1, 986,294, which is equivalent to US\$405, per month as per the exchange rate at that time. A number of agreements show salary ranges between K1, 000,000 and K3, 000,000 (approx. US\$200 to US\$600) per month. With the current basic needs basket estimated at K2, 917,350 (about US\$595) per month for an average family of six (JCTR, 2011), and the current minimum wage rate set at K419, 000 (Minimum Wage Act, 2010) (about US\$86) per month, it can be deduced that the wages of some unionised workers in Zambia were still less than what was provided by the Minimum Wage Act.

Additionally, a large proportion of unionised employees, including public service workers, had their wages below the poverty datum line. This observation raises questions as to whether the continued prevalence of poor working conditions among unionised employees implies weak bargaining processes which in turn translate into poor CBAs.

Broad Challenges affecting Unions

Generally, all the unions interviewed had similar challenges. One of the main challenges pointed out by the union leaders was the current state of the labour movement. It was observed that there had been a reduction in the level of influence exhibited by the unions as many players had come on board and playing the role previously played by trade unions. These mainly were non-governmental organisations such as the JCTR. Some of the union leaders interviewed indicated that the labour movement has a huge responsibility of ensuring that all investors, both local and international were adequately educated on the need to adhere to the Zambian Labour laws.

It was also a general feeling among affiliate members that the unions had been compromised as evidenced by the failure to successfully lobby government for lower income taxes among other issues pertinent to labour. Other issues pointed out were that some submissions made by the unions during the national constitution review process were not included in the draft amendment constitution. In order to tackle these highlighted weaknesses, it was suggested that there was a need to enhance solidarity among unions affiliated to ZCTU. The leaders expected the Congress to take a leading role in ensuring that there was unity and coordination in the labour movement. The Congress was further expected to initiate collaborations with civil society organisations in order to strengthen the position of workers. In one of the interviews, one union leader stated that:

“The labour movement is slowly losing contact with its members. The leadership is perceived to side more with the employer (especially government) than the workers. There is need to get back to the basic fundamentals as to why the unions exist and the realization of the relationship between an employer and a worker. We have seen situations where labour leaders have defended the employer at the expense of an employee. As such, the labour movement will become irrelevant”. (17th August 2011).

Regarding the legislative framework, some leaders pointed out that the Industrial and Labour Relations Act is biased towards employers and they observed weaknesses in some statutory instruments that disadvantaged unions. This is because mostly, unions are not involved in the final amendment process of the statutory instruments. The example was the audits of unions and the involvement of the labour commissioner in determining the credentials of candidates during elections. Furthermore, it was indicated that much as the unions appreciated freedom of association, the encouragement of splinter groups had also worked to weaken the labour movement.

From the national unions’ leaders, the general observation is that currently there are no clear benefits realised by affiliating with ZCTU. One of the reasons was that some unions were sidelined in most of the programmes. The other reason pointed out is the reduction in workers education programmes which was attributed to lack of information flow to members.

Among the union members interviewed, some were concerned with lack of consultation by union leaders especially during collective bargaining. Members observed that union leaders did not consult them before engaging into the collective bargaining process. Thus, the contents of the collective bargaining agreements did not usually meet members’ needs. In addition, both members and union leaders complained of collective bargaining agreements being extended to non-unionised workers.

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All the unions interviewed expressed concern over inadequate resources mainly because of dependence on membership subscription as the main source of funding. Some of the unions

mentioned that limited resources constrained their capacity to recruit competent personnel into the union. This situation was worsened by the multiplicity of unions. Some union members also acknowledged that lack of resources also constrained unions from carrying out workers educational programmes. Members were also concerned with the weak structures especially at low levels of the union and weak bargaining skills of union leaders which they said needed to be improved.

New Benefits and Services to be included

The interviewed members provided some suggestions for new benefits and services. For the National Union of Transport and Allied Workers, some new services under consideration included entering into partnership with transport providers which would enable members to get discounts on bus fares and also establishing a Memorandum of Understanding with micro-financing organisations which would enable members to access loans at concessional rates.

Some union members especially from public service unions generally expected union leaders to be proactive in advancing workers' interests. The members were of the impression that union leaders were compromised, leading to poor collective bargaining agreements. Some members in the transport sector suggested the introduction of risk allowance to be included in the Collective Agreements.

Generally, members were aware of the contents in the collective agreements that had been signed by the union representatives and management. It was mentioned that CBAs could be improved by ensuring that negotiations for new CBAs were in conformity with the provisions of the law. In the gemstone mining sector, the collective bargaining process was undertaken every two years, particularly for underground workers. Most of the members, however, insisted that existing conditions were adequate and the unions except that most of the provisions were abrogated by employers. Therefore, it was emphasised that unions should strengthen their capacity to compel management to enforce all agreed conditions.

Summary, Conclusion And Recommendations

Summary

From the findings, the general picture shows that currently, collective bargaining is the core service provided by all unions in Zambia and is the profound basis for the establishment of unions. Collective bargaining demands in this era are centred on conditions of service and equal treatment of workers. Currently, it can be concluded that a bargaining structure has emerged and transformed over time through the revision of the legal framework. Bargaining issues have also changed to include emerging cross-cutting issues such as gender, HIV/AIDS, maternity protection and childcare.

The emergence of neoliberal economic paradigms has also contributed to a change in the bargaining structure and somewhat weakened the bargaining position by contributing to a multiplicity of unions. Although the current labour legislation in Zambia guarantees the right to organise and to freedom of association, the position of unions is weakened by the existence of many unions representing workers in the same the sectors.

The collective bargaining process is defined by the Industrial and Labour Relations Act. The Act stipulates the conditions for commencement and conclusion of the bargaining process. It also stipulates the conditions for approval or extension of CBAs. The Act further stipulates the rights of unionised workers and the circumstances under which they can call a legal strike.

An analysis of CBAs showed provisions that included monetary and non-monetary wages, severance and statutory clauses. Monetary provisions included salaries, allowances, and loans. Other provisions included medical schemes, housing, maternity protection, transport, funeral benefits, working hours and annual leave. Most of the agreements provided for maternity leave of three (3) months, however, there were no specific provisions meant to promote gender equality. Moreover, most CBAs did not provide for HIV/AIDS programmes; only three out of 56

CBAAs that were analysed indicated that they have workplace policies. Nevertheless, a number of medical schemes exist, ranging from 15% to 100% employer contribution.

The main benefits provided by most unions to members in Zambia include workers education, grievance handling, welfare schemes, legal support and loan schemes. Other benefits include commemorating world events such as Labour Day, World Teachers Day and World Aids Day. The commemoration of world events provide union members the opportunity to benefit by, among other things, obtaining t-shirts, chitenges, caps or any other paraphernalia associated with the event. Some unions had gone beyond mere commemoration by holding parties for members following such events. Such unions included the Basic Education Teachers Union of Zambia.

From the interviews, it is clear that grievance handling is the main benefit provided to members by all unions largely because it is also considered a core function of unions. It was for this reason that grievance handling was further extended to providing legal support to members where internal structures of the union are not adequate to provide support to the aggrieved member. [Workers education, though on the decline, is also considered an important avenue of communicating with members. Most of the unions interviewed indicated that they conduct workers education programmes. However, most of the union members that were interviewed decried lack of information from union leaders. An assessment of members' awareness also indicated that most members were aware of CBAAs but could hardly explain the provisions except for wage adjustments.

Although not considered core functions of the union, welfare schemes had also emerged as an important component of benefits provided by unions to members. Most of the union leaders interviewed said they had welfare schemes for members. However, none of the unions had a structured welfare scheme programme. Mostly, the schemes were informal and did not have a consistent budget allocation for their sustenance. Sustenance of the schemes was also undermined by the sole dependence on membership subscription. Incidentally, the amount of funds allocated to the welfare schemes generally did not meet the growing demand for financial assistance from members. In this respect, some unions initiated loan schemes with micro-finance

institutions to address the growing demand for financial support. Currently, a number of micro-finance institutions exist and provide easily accessible payroll based loans to workers.

In 2004, ZNUT entered into a memorandum of understanding with Bayport Financial Services. The memorandum of understanding requires Bayport to provide loans only to members of ZNUT. This arrangement helps ZNUT regain some of the membership lost through multiplicity of unions. As one of the early micro finance institutions in Zambia, Bayport enjoys its unique position and extended its clientele base among public service teachers with the help from ZNUT. Currently, a number of micro finance institutions have entered the market. For this reason, Bayport opened up to all public service workers regardless of their union affiliation. The agreement with ZNUT, therefore, no longer served as an incentive to members. In addition, there was a general outcry of high interest rates charged on loans from microfinance institutions.

Among the challenges pointed out by union leaders were limited resources, weak labour legislation, multiplicity of unions, wage ceilings especially for public service workers and grant aided institutions, lack of solidarity around pertinent labour issues in the trade union movement, and tolerance for free riders. From the members, main challenges include lack of consultation by union leaders, extension of provisions of CBAs to non-members, and lack of information from leaders. Members were also concerned with the weak bargaining skills of union leaders which they said needed to be improved.

In broad context, the outcomes of the collective bargaining process are perceived to be unsatisfactory, coupled with lack of implementation of some agreed provisions by employers. Some union leaders from the public sector mentioned that Collective bargaining had been reduced to “Collective Begging” because of wage ceilings. They contended that the Collective bargaining process was undermined by wage ceilings where the wage awards were predetermined arbitrarily before commencement of the bargaining process.

Conclusion

Neo liberal policies so far have impacted negatively on the labour movement in general. Massive retrenchments that came with Structural Adjustment programmes and the subsequent multiplicity

of unions have weakened the bargaining position since 1991. The emergence of neo-liberalism extended the focus of trade unions from their core business to include innovative strategies for self-preservation. With ensuing competition, union leaders were more focussed on attracting and retaining members. The introduction of welfare schemes and loan schemes are strategies meant to retain and attract new members. The general picture is that unions had lost enough ground on their niche and can no longer provide effective representation to workers. No single scheme initiated and funded by unions can be identified to have had a significant impact on workers. Internal welfare schemes are not structured and institutionalised and are poorly funded, while loan schemes provided by microfinance institutions attract huge interest rates. In this respect, grievance handling could be considered the main benefit outside collective bargaining currently provided by trade unions.

Recommendations

Arising from the findings, trade union leaders in Zambia need to scale-up awareness of workers' rights to strengthen trade union solidarity on pertinent labour issues. This would also help to bridge the information gap between trade union leaders and members. To strengthen their bargaining position, same sector unions need to form alliances possibly with other civil society groups.

It is also apparent that unions in Zambia are not innovative in providing a wide range of benefits to members. The stark absence of innovative and sustainable schemes for members is an oversight in the current dispensation of trade unionism. Therefore, unions in Zambia should expand from their focus on traditional core functions to include establishment of sustainable schemes that could have significant impact on the members. In this regard, trade union leaders need to seek expert advice on possible alternatives concerning establishment and financing of schemes. Thus, there is a need for benchmarking through international solidarity networks on how best to attract and retain members in this evolving and dynamic trade union world.

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TRADE UNION SERVICES AND BENEFITS IN ZIMBABWE

By

Prosper Chitambara

Introduction and Background

Demographic and Political Trends

The latest information on Zimbabwe put the country's population at 12.5 million in 2009. This is an increase compared to a population of 10.5 million in 1990. The 2002 Population Census puts the country's population at 11.6 million compared to 10.4 million in 1992, showing an inter-censal growth rate of 1.2 percent. Between 1982 and 1992, the inter-censal growth rate was 3.9 percent. The decline in the population rate is partly explained by the impact of the HIV/AIDS pandemic over the past few decades.

The 2004 Population Census indicates that females (51.2%) outnumber males (48.8%). This means a sex ratio of 95 males per 100 females. The available information indicates a slight change in the sex composition of the population. The 2002 population census shows male to female ratio of 48.4 percent to 51.6 percent. Like the rest of Sub-Saharan Africa, Zimbabwe has a young population. One-fourth of the population of the country is below 15 years. Just about 3.5 percent of the population is 65 years and older reflecting a low life expectancy.

Socio-economic trends

Zimbabwe's economy has recovered from the brink of collapse since the formation of the Inclusive Government in 2009. The country has since been implementing a stabilization programme intended to get the economy back on track. Most observers, however, agree that recovery has been weak. Full economic recovery has been hampered by the volatile political situation of the country and the prevailing economic uncertainties. This raises the political/country risk premium. Consequently, there has been very little inflow of investment and

capital into the country as most potential investors and cooperating partners adopt a wait and see attitude.

The 2011-2012 Global Competitiveness Report compiled by the World Economic Forum (WEF) ranked Zimbabwe 132 out of 142 countries. The country also fares badly in the World Bank's Ease of Doing Business where it is ranked 171 out of 183 countries. These rankings have projected Zimbabwe as a risky place to do business rendering the country less competitive in the global market place. Added to this, are plethora of other challenges including policy inconsistencies, conflicts, rundown infrastructure, energy constraints and poor institutional framework among others have made recovery far from real. Table 1 below shows the rankings of Zimbabwe in terms of competitiveness and ease of doing business.

Table 1: Zimbabwe Rankings in Competitiveness and Ease of Doing Business

	World Economic Forum (WEF) Global Competitiveness Rankings	World Bank (WB) Ease of Doing Business Rankings	World Economic Forum (WEF) Global Enabling Trade Rankings	Heritage Foundation Index of Economic Freedom	Transparency International Corruption Perception Index
2007/08	129 / 131	154 / 183			150 / 179
2008/09	118 / 121	160 / 183	112 / 118	145 / 147	166 / 180
2009/10	132 / 134	156 / 183	118 / 121	175 / 179	146 / 180
2010/11	136 / 139	157 / 183	122 / 125	178 / 179	134 / 180
2011/12	132 / 142	171 / 183			

Consequently, there has been very little inflow of investment and capital into the country as most potential investors and cooperating partners have adopted a wait and see attitude. Foreign Direct Investment (FDI) declined from USD69 million (2007) to USD60 million (2009). FDI is forecast at about USD58 million in 2011. All this has led to a considerable slowdown in the growth rates

of the country's Gross Domestic Product (GDP) (see figure 1). From a high rate of 9.7 per cent in 1996, economic growth turned negative (-14.8%) in 2008. As we have already indicated, economic growth resumed after 2009 but it is way below the pre-crisis level.

The deceleration of growth has led to high incidence of poverty. In the formal economy most workers continued to earn incomes below the Poverty Datum Line (PDL). The average wage of about USD200 is below the prevailing PDL of about USD500. Table 2 shows Zimbabwe's HDI trends from 1980 to 2010. According to the UNDP, Zimbabwe's 2010 HDI of 0.140 is below the average of 0.389 for countries in Sub-Saharan Africa, and is also below the average of 0.393 for low human development countries.

Figure 1: Trends in Real GDP Growth, 1996-2010

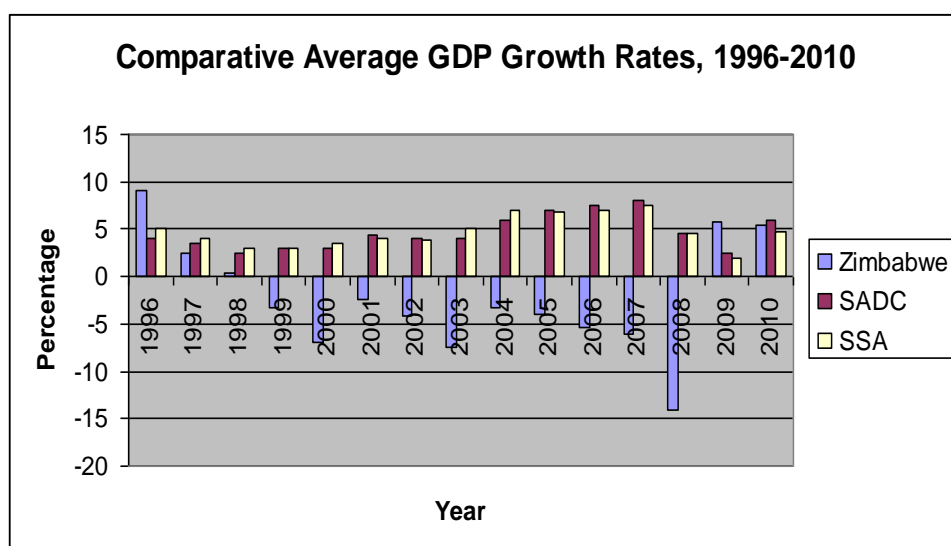


Table 2: Zimbabwe's HDI trends from 1980 to 2010

	Life Expectancy at birth	Expected years of schooling	Mean years of schooling	GNI Per capita (PPPUS\$)	HDI Value
198	59.0	6.5	3.4	265	0.241

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1985	61.3	11.5	4.1	265	0.278
1990	60.8	10.1	4.5	277	0.284
1995	53.1	10.0	5.5	260	0.262
2000	43.3	9.8	6.0	256	0.232
2005	41.7	9.2	6.7	189	0.159
2010	47.0	9.2	7.2	176	0.140

Source: Central Statistical Office/ZIMSTAT and Ministry of Finance. The figure for 2010 is projected.

Furthermore, the economic paralysis and crisis of 1997 to 2008 had a detrimental effect on trade union membership as the proportion of people employed in the formal economy declined from about 15 percent of the total labour force to about 6 percent of the total labour force. The decline in trade union membership has adversely affected the influence and relevance of the unions. The unions' ability to defend and protect the interests of their members and working class people became severely eroded. At the same time the workforce faces harsh conditions which needed the attention of the unions. This report looks at trade union services and benefits that are targeted at workers to help them cope with either workplace challenges or personal household difficulties.

Research Methodology

This study was undertaken using a combination of face to face interviews, telephone interviews, focus group discussion and desktop analysis. In depth interviews were carried out with the following unions: the Zimbabwe Congress of Trade Unions (ZCTU), the Zimbabwe Banks and Allied Workers Union (ZIBAWU), the Zimbabwe Textile Workers Union (ZTWU), the National Engineering Workers Union (NEWU), the General Agriculture and Plantation Workers Union

(GAPWUZ), the Zimbabwe Construction and Allied Trades Workers Union (ZCATWU), the Zimbabwe Amalgamated Railways Union (ZARU), the Progressive Teachers Union of Zimbabwe (PTUZ), the Zimbabwe Teachers Association (ZIMTA), the Zimbabwe Nurses Association (ZINA) and the Civil Servants Employees Association (CSEA). Most of these interviews were undertaken using face to face interviews with the relevant union officials using a questionnaire. However, for those unions whose offices are located outside Harare telephone interviews were carried out so as to reduce the costs of travelling. The interviewees included the National Organizer of the Zimbabwe Congress of Trade Unions (ZCTU) and the Secretary Generals of the aforementioned unions. Furthermore, a focus group discussion was organized and undertaken with 10 workers drawn from a number of affiliate unions. Annual reports of unions and a number of other union documents were also analyzed and reviewed. Data and information collected was carefully analyzed, reviewed and tabulated.

The State of the Labour Movement in Zimbabwe

Zimbabwe currently has two trade union federations. These are the Zimbabwe Congress of Trade Unions (ZCTU) and the Zimbabwe Federation of Trade Unions (ZFTU). The ZFTU was formed in 1998 and is the smaller of the two federations with about 30,000 members as at 2010.

The ZCTU was formed in 1981 following the amalgamation of 6 national trade union centres – the African Trade Union Congress (ATUC), the National African Trade Union Congress (NATUC), the Trade Union Congress of Zimbabwe (TUCZ), the United Trade Unions of Zimbabwe (UTUZ), the Zimbabwe Federation of Labour (ZFL) and the Zimbabwe Trade Union Congress (ZTUC). The ZCTU has a total of 31 affiliates representing about 200,000 workers.

Trade unionism in Zimbabwe started during the colonial era grooming leaders among the black majority under white settler rule. Like most other unions in Africa, the labour movement in Zimbabwe played a critical role in the struggle for the emancipation of Zimbabwe from the colonial regime. In fact, the labour movement was at the vanguard of the anti-colonial struggle particularly between the 1940s and early 1960s.

At independence in 1980 the labour movement had as its base a formal working class of about 1 million constituting less than 20 percent of the total labour force. The formal economy has progressively declined over the past few years owing to the economic crisis and paralysis. At the present moment the formal economy now accounts for less than 10 percent of the total labour force.

The adoption of a market-led development strategy in the form of Enhanced Structural Adjustment Programme (ESAP) in 1991 and the economic and political crisis which began in 1997 posed formidable challenges for the labour movement. The liberalization of trade resulted in massive de-industrialization. While the manufacturing sector accounted for 20.5 percent of GDP and 17 percent of formal sector employment on the eve of ESAP in 1990, by 1996, the respective shares had declined to 16.4 percent and 14.4 percent.

The liberalization of the labour market made it easy to retrench without paying meaningful compensation and the liberalization of the financial sector resulted in the marginalization of small-scale enterprises, owing in part to the prevailing punitive interest rates and the unrealistic collateral often demanded by banks. The Structural Adjustment Participatory Review Initiative (SAPRI) involving government, the World Bank and civil society in a joint review of ESAP analyzed the impact of the liberalization of trade, financial market, agriculture, labour market and the minimalist state on the economy. The findings show that the adverse impacts outweighed the limited positive ones, as suggested by the overall impact on poverty.

The ZCTU in particular was highly critical of ESAP and developed a detailed sector-by-sector alternative entitled “Beyond ESAP: Framework for an Alternative Development Strategy in Zimbabwe” in 1995. It called for an institutionalized framework for stakeholder participation in policy formulation, implementation and evaluation in proposed framework – the Zimbabwe Economic Development Council (ZEDC). In October 1996, ZCTU facilitated a tripartite study visit of the National Economic Development and Labour Council (NEDLAC) of South Africa. Following this initiative, the three parties (ZCTU, Ministry of Public Service, Labour and Social Welfare and EMCOZ) started working on how to create a similar initiative in Zimbabwe, which they agreed would be called the Zimbabwe Economic Development and Labour Council

(ZEDLAC).

The relationship between the federation and the government remained cordial for the first sixteen years. During this period, labour was considered a strategic ally of the ruling party. Cracks in the alliance started emerging in 1997 when the government announced that it was introducing a 5 percent levy on all the workers to finance payment of pensions to over 50,000 veterans of the liberation struggle. The ZCTU strongly opposed the levy and organized demonstrations countrywide that forced the government to abandon the idea. The government nevertheless went on to pay the pensions even though it was not budgeted for. This triggered the collapse of the Zimbabwe dollar in November 1997. Additionally, the government embarked on the costly intervention in the war in the Democratic Republic of Congo (DRC) which weighed heavily on the national budget. In order to mitigate the impact of the DRC war, the government then increased sales tax from 15 percent to 17.5 percent towards the end of 1998. Again the labour movement led by the only federation in the country, the ZCTU organized mass protests forcing the government to reverse its decision. Thus the federation became totally independent of the ruling party and ZANU-PF and actually became its worst critic.

Though the ZCTU began criticizing government policies and actions way back in the late 1980s and more notably in the early 1990s as it introduced the Structural Adjustment Program (SAP), it was the successful strikes that set it on a collision course with the ruling party.

Subsequent demonstrations and highly successful mass "stay-always" at the beginning of 1999 sealed the fate of the alliance. It culminated in the formation of the opposition Movement for Democratic Change (MDC) by the federation with the then Secretary General Morgan Tsvangirai becoming its leader. The MDC is the most formidable opposition ever to emerge in Zimbabwe since the country gained independence from Britain in 1980. The party won half the parliamentary seats in its first attempt at contesting a national election. While the ZCTU gave birth to the opposition, it has remained autonomous with a new generation of leadership that has successfully fought for the rights of workers and maintained the status of the ZCTU as the most representative and effective Civil Society Organisation in the country. However, because of its

role in the formation of the MDC, the federation is viewed as an arm of the opposition and has therefore been a target of the ruling party's attacks.

Another important development within the ZCTU over the past few years has been the organization of the informal economy workers. There are over a million workers who are now members of the Zimbabwe Chamber of Informal Economy Associations (ZCIEA). Despite all the challenges, the ZCTU remains committed to fighting for the rights of the workers both in the formal and informal sectors. It also continues to give tacit support to the MDC as it fights for the levelling of the political playing field. It is also taking seriously the important issue of fighting against HIV/AIDS with emphasis on workplace policies, programs, counselling and testing and provision of ARV treatment.

The three main sources of trade union law in Zimbabwe are the Constitution of Zimbabwe, legislation and the common law. The Constitution of Zimbabwe is the supreme law of Zimbabwe. The constitution enshrines the fundamental freedoms of association, assembly and expression. These basic freedoms are crucial for the operation of trade unions in Zimbabwe. The Zimbabwe labour law distinguishes between government employees and non-government employees (other ordinary workers). The right to collective bargaining is clearly set out in the Labour Relations Act. However, there is no specific provision in the Constitution allowing workers to engage in collective bargaining as is the case in other countries such as South Africa. The right to strike by workers is seriously curtailed. For example no strikes are permitted in 'essential services' and these are defined so widely as to cover virtually every sector. There is also no constitutional provision on the right to strike.

Benefits and Services Provided by Trade Unions

Services

In terms of services provided at enterprise level the main service relates to representation of workers by the various affiliate unions in collective bargaining processes. The relative economic stability that currently prevails in the country has allowed Collective Bargaining Agreements (CBAs) to be negotiated on an annual basis and in some few cases such as in the agriculture sector once every three years. During the period of the hyperinflation, negotiations were

undertaken on a monthly basis in order to cushion employees from the effects of the ravaging hyperinflation. CBAs in Zimbabwe incorporate both monetary and non-monetary benefits. The monetary benefits include: wages and salaries, allowances, gratuity and payment of overtime. Non-monetary benefits include health and safety; leave provision, hours of work, protective clothing, and seasonal employment, special provision for women, employment basis regulations and grading schemes.

There are however some challenges with respect to compliance in a number of sectors especially in agriculture as employers resist paying the agreed upon wages and conditions. In other sectors such as banking and retail however compliance is satisfactory. The major argument by employers in some sectors is that their companies are still operating way below capacity utilization and therefore they are unable to pay the stipulated minimum wages. Generally, levels of capacity utilization are still on the low side and below optimum with the average hovering around 45-55 per cent. The low levels of liquidity currently prevailing within the local financial markets coupled with scarcities in energy supply and erratic supply of other utilities such as water have conspired to negatively affect capacity utilization across the economy.

ZIBAWU has the highest compliance levels among the unions surveyed with a compliance level of 95 per cent. The lowest levels of compliance are in the agriculture sector with compliance slightly below 30 per cent. The average levels of compliance among the unions surveyed is 60 per cent. Tables 3 and 4 below show the minimum wages (both old and new for the various sectors) contained in both the registered and unregistered collective bargaining agreements for 2011.

Table 3: Registered Collective Bargaining Agreements 2011

	NEC/ WORKS COUNCIL	OLD MINIMUM	%	EFFECTIVE DATE	NEW MINIMUM	HOUSING ALLOWANCE	TRANSPORT ALLOWANCE	DATE OF NEXT REVIEW
1.	Commercial	150.00	33	01/01/11	200.00			01/07/11

	al Sectors							
2.	Electronic Communi cations and Allied	142.00	12.5	01/02/11	160.00	50.00	20.00	
3.	Grain Marketing Board	180.00	29	01/01/11	232.00	69.00		
4.	Printing, Packaging and Newspape r Industry	183.00	9	01/01/11	200.00	50.00	22.00	01/07/11
5.	Motor industry	193.00	7	01/01/11	207.00			01/07/11
6.	Tobacco industry	231.00	17	01/01/11	271.00			01/01/12
7.	Pulp and Paper	110	10	01/01/10	130.00			01/03/11
8.	Catering Industry	85.00	35	01/09/10	115.00	30.00	40.00	
9.	Insurance Industry	232.00	19.2	01/01/11	277.00			01/01/12
10 .	Fibre Cement	172.00		01/01/11	250.00			01/01/12
11 .	Textile	150.00			No negotiatio ns yet			
12	Sugar	115.00		01/04/11	127.00			31/03/12

.	milling							
13	Rural District Councils	151.00		01/04/11	200.00			01/01/12
14	Harare Municipal Undertaking	245.00			No negotiations yet			
15	Soft Drinks Manufacturing	224.00			No negotiations yet			
16	Tobacco Industry	180.00	27.22	01/01/11	229.00			01/01/12
17	School Development Associations & Committees	140.00	15	01/05/11	161.00			01/01/12
18	Leather, Footwear, Skins, Sports Equipment, Travel Goods, Canvas Goods and Allied	175.00 198.00 175.00 198.00	13.29 4.67 13.2	01/01/11 01/10/11 01/01/11 01/10/11	198.23 207.49 198.23 207.49	20.00 20.00 20.00 20.00	20.00 20.00 20.00 20.00	31/09/11 31/12/11 31/09/11 31/12/11

	Manufacturing Industries - Travel Goods sector - Canvas Goods		9 4.67					
19	Chemicals & Fertilizers - Phosphates & Explosives	180.00	19.44	01/01/11	215.00			01/01/12
20	Commercial Sectors	200.00	10	01/07/11	220.00			01/07/12

Table 4: Unregistered Collective Bargaining Agreements 2011

	NEC/WORKS COUNCIL	OLD MINIMUM	%	EFFECTIVE DATE	NEW MINIMUM	HOUSING ALLOWANCE	TRANSPORT ALLOWANCE	DATE OF NEXT REVIEW
1.	Banking Industry	273.00	30	01/01/11	354.00	188.00	33.00	
2.	Construction Industry	170.00			Negotiating			
3.	Communications and Allied Services -Postal Services -Fixed	160.00		01/01/10 01/01/10	292.00 368.00			

	Telecommunications							
4.	Transport Operating Industry	180.00		01/01/10	180.00	20.00	25.00	
5.	Chemicals and Fertilizers Industry							
	-Pharmaceutical Sector							
	-Industrial Chemicals sector	174.00 150.00		01/01/11 01/01/11	205.00 163.00	50.00 60.00	22.00 22.00	
	-Phosphates	180.00		01/01/11	215.00			
	- Fertilizer and Agro sector	154.00		01/01/11	170.00	60.00	22.00	
	-Paints and Inks	160.00		01/01/11	180.00	55.00	35.00	
6.	Cotton Industry	150.00		01/03/11	200.00	40.00	22.00	
7.	Cement and Lime	220.00		01/01/11	271.00			01/01/12
8.	Railways	125.00		01/01/11	172.00		22.00	01/01/12
9.	Zimbabwe Electricity and Energy Industry							
	-ZESA	214.00		01/01/11	224.00	67.00	70.00	01/01/12
	-REA	240.00			Negotiating			
10.	Battery Industry	156.00		01/01/11	175.00			01/06/11
11.	Plastics Industry	125.00		01/01/11	125.00	50.00	22.00	01/06/11
12.	Food and Allied Industry							
	i) Brewing and Distilling sector	166.00		01/01/11	191.00	40.00	26.00	01/01/12
	ii) Sweets and Confectionary sector	155.00		01/07/10	162.00			01/02/11
	iii) Food processing	176.00			At Arbitration			
	iv) Meat Fish sector							
	v) Milling sector	176.00	3.23	01/01/11		50.00	25.00	01/08/11
	vi) Sugar Refinery	173.00			182.00 Negotiating Negotiating			
13.	Glass Industry				Not Operational			
14.	Ceramics Industry				Not Operational			

15.	Clothing Industry	147.00			Negotiating			
16.	Lumber Milling, Timber processing and Trading Industry	135.00			Negotiating			
17.	Grain Milling and Allied Industries				Not Operational			
18.	Rubber and Allied Products Manufacturing				Not Operational			
19.	Brick Making Industry				Not Operational			
20.	Furniture Manufacturers				Can't find it changed address and phone number			
21.	Engineering and Iron and Steel Industry	200.00			Negotiating			
22.	Ferro Alloy Industry	200.00			Negotiating	45.00	22.00	
23.	Detergents, Edible Oils and Fats Industry	125.00			Arbitration	45.00	22.00	
24.	Agriculture							
	- General	44.00		01/01/11	55.00			31/06/11
	- Horticulture	70.00		01/01/11	84.00			31/06/11
	- Agro sector	80.00		01/01/11	80.00			31/06/11
	- Timber sector	75.00		01/01/11	87.00			31/06/11
	- Kapenta sector	77.00		01/01/11	91.00			31/09/11
25.	Welfare and Educational Institutions							
	- Independent Hospitals and Independent Schools (2 sectors)	195.00 200.00			Negotiating Negotiating	35.00 35.00	30.00 30.00	
	- Welfare (NGOs)	215.00			Negotiating	35.00	30.00	
	- Mission Schools and Hospitals							

	- Tertiary and Training Institutions	180.00			Negotiating	35.00	30.00	
	- SDA/C	165.00			Negotiating	35.00	30.00	
	- Welfare A,B,C and ECD (4 sectors)	130.00			Negotiating	35.00	30.00	

The minimum wages in almost all the sectors remain low and way below the poverty datum line (PDL). As at September 2011, the PDL was about USD500. This therefore implies that most workers are living in poverty. Moreover, Zimbabwe has one of the highest marginal tax rates in the world. In contradistinction, evidence from the Ministry of State Enterprises actually shows that management personnel in some private and public institutions earn on average not less than USD5,000 per month with some reportedly earning about USD15,000. As most workers earn below the PDL it therefore means that disposable income in the economy is still very low. Hence, the level of aggregate demand in the economy is also very low and this is exacerbated by the prevailing high levels of taxation that workers have to bear.

The income structure in Zimbabwe is also characterized by high levels of inequity in the pay structure. Few people in the top echelons of society in both private and public sectors earn a disproportionate share of the pay envelop. This adversely affects productivity of the majority of the workforce who earn incomes that are below the poverty line. Improving equity will allow the majority of the workforce to have decent incomes and go a long way in improving productivity.

In addition to representing workers and undertaking negotiations on behalf of their members, all the unions included in this report also provide some form of education and training for their members. This training ranges from training of shop stewards, para-legal training in labour law, economic literacy training provided in collaboration with the Labour and Economic Development Research Institute of Zimbabwe (LEDRI), training in health and safety provided in collaboration with the ZCTU Health and Safety Department. These programmes have gone a

long way in improving the levels of capacity within the unions especially with respect to capacity for collective bargaining.

All the unions also provide grievance handling and free legal representation to their members at the Labour Court, Ministry of Labour and at NEC level and shop floor level. In terms of grievance, all the unions interviewed stated this was done using a code of conduct negotiated for jointly by both the workers and the management. The Zimbabwe Textile Workers Unions (ZTWU) for example had handled 192 cases between 2005 and 2010. Out of these 72 percent were won by the unions. The ZTWU has also to date trained about 3,844 members in health and safety.

All the unions surveyed also provide counselling for members affected by HIV/AIDS. However no union provide free Anti-Retroviral Therapy (ART) yet although some unions have made the provision of ART a bargaining issue. The Zimbabwe Banks and Allied Workers' Union (ZIBAWU) for instance has successfully negotiated for the provision of ART for its members and immediate family members. The Zimbabwe Amalgamated Railway Union (ZARU) has also negotiated a similar scheme for its members and immediate family. Most unions have also negotiated an HIV/AIDS policy at the shop floor level. The GAPWUZ has a department of health that offers HIV/AIDS counselling. They also have an HIV/AIDS policy through which they provide HIV/AIDS awareness programmes at shop floor level. The Zimbabwe Congress of Trade Unions (ZCTU) health and safety department also provides HIV/AIDS counselling to members.

At the macro level the ZCTU represents workers in the International Labour Office (ILO), the Tripartite Negotiating Forum (TNF), the Wages and Salaries Advisory Board and the National Social Security Authority (NSSA) board. These are all tripartite bodies with representation from all social partners namely: Government, Organized Business and Organized Labour. The ZCTU is also a member of the Southern African Trade Union Coordination Council (SATUCC). In addition affiliate unions are also represented in the various occupational pension fund boards that are in existence. Representation on these bodies affords the unions a unique opportunity to

defend, protect and promote the interests of not only their members but also the generality of the Zimbabwean working class.

The ZCTU through the Tripartite Negotiating Forum (TNF) and the Wages and Salaries Advisory Board (WASB) has been vigorously pushing for the full ratification, implementation and upholding of all the fundamental principles and rights at work as enshrined in the 8 Core Conventions of the International Labour Organization (ILO). Although Zimbabwe has ratified the core ILO conventions which place emphasis on freedom of association, (Conventions 87 and 98), its conduct has been in violation of these fundamental standards. Freedom of Association is a fundamental human right enshrined in most international instruments like the Universal Declaration of Human Rights 1948 (Articles 20.1 and 23.4), the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the African Charter on Human and People's Rights. These international conventions and charters have all been ratified by Zimbabwe. These international instruments are specific on the right of workers, employers and the population at large to form and join their own associations, assemble and carry out their activities unhindered by the State. Yet, Zimbabwe has not lived up to its commitments as enshrined in the conventions and charters it has agreed to.

The Tripartite Negotiating Forum (TNF) is a voluntary and currently unlegislated chamber in which socio-economic matters are discussed, explained or negotiated with Social Partners namely, Government, and Business and Labour. However, since it is not legislated and institutionalized it has remained largely a paper tiger.

Benefits

Beside the statutory and employer-funded services that have been secured for workers and in particular trade union members, trade unions have on their own initiated several other schemes that provide direct benefits to their members. In this section of the report we review some of these benefits schemes that the unions are running for their members. It is important to state on the onset that many unions do not provide these benefits. At the same time the unions that provide these benefits are doing so on an ad-hoc basis. Most of the schemes provide benefits that

are grossly inadequate. The unsustainable and tenuous economic situation will continue to negatively affect the provision of benefits in Zimbabwe by unions.

Funeral Grants

A number of unions have a burial society scheme, which provides funeral assistance to the family on the death of a member or the spouse of a member. The Zimbabwe Textile Workers Union (ZTWU) for instance has a funeral scheme that provides a donation of USD50 to the family of a bereaved member. This amount is financed from the union's own funds. For the railways union the amount is fixed at USD950. This scheme is however, financed by a USD1 monthly subscription from the members. The Progressive Teachers Union of Zimbabwe (PTUZ) and the Zimbabwe Furniture and Timber Workers Union (ZFTWU) also provide funeral assistance to their members in the form of a donation of USD150 and USD100 respectively. PTUZ union members contribute a compulsory amount towards the Bereavement Fund. The levy amount is adjusted from time to time. The level of bereavement assistance is also adjusted upwards as and when the bereavement levy is increased. The Fund offers support to members or surviving spouses on the death of a parent, child, spouse or member. The Zimbabwe Construction and Allied Trades Workers Union (ZCATWU) have negotiated for a 100 percent funeral policy for its members. The National Engineering Workers' Union (NEWU) has also negotiated an Engineering Medical Fund; a medical aid scheme supported 50 percent by the employer and the employee.

Soft Loans

The Civil Service Employees Association (CSEA) and the Zimbabwe Teachers Association (ZIMTA) also provide short term soft loans of up to 3 months maturity to their members to enable them to meet emergency expenses such as paying children's school fees. The loans that are provided to members do not attract interests. This arrangement allows members to meet their emergency financial commitments without having to pay high interest rates that the traditional banks and money lenders charge. The HIV/AIDS workplace education provided an opportunity for the union to recruit 300 new members.

HIV/AIDS Fund

The Progressive Teachers Union of Zimbabwe (PTUZ) established the HIV/AIDS Fund for its members in 2008. The fund allows the union to buy ARVs for infected members who have also contributed prior to their infection. The scheme is funded by a levy of the members of the union. The union also carries out educational programmes on HIV/AIDS on a regular basis for its members. The General Agriculture and Plantation Workers Union of Zimbabwe (GAPWUZ) union also undertakes HIV/AIDS awareness programmes for its members every Friday.

Trade Union and General Education

Most of the unions interviewed for this report have various education and training programmes that offer both trade union and general education to their members. The Progressive Teachers Union of Zimbabwe (PTUZ) offers intensive training to Union activists in human rights, democracy and governance, labour law, trade union education, child labour and HIV/AIDS issues. PTUZ has also entered into a coalition with the General Agriculture and Plantation Workers Union (GAPWUZ), African Network for the Protection and Prevention of Child Abuse and Neglect (ANPPCAN). The three organisations head a formation called the Coalition against Child Labour in Zimbabwe (CACLAZ). This is an arm to fight all forms of child labour in Zimbabwe.

Humanitarian Services

The General Agriculture and Plantation Workers Union of Zimbabwe (GAPWUZ) has established a humanitarian wing which provides food, clothes, blankets and temporary shelter to members displaced by the land reform exercise. According to Sachikonye (2003) and UNDP (2009), more than half of the farm workers (around 200,000) lost their jobs in the first wave of the First Track Land Reform Programme (FTLRP). Indeed over the past decade, hundreds of thousands lost their livelihoods as a result of the land reform programme. According to the General Agriculture and Plantation Workers' Union (GAPWUZ), by 2009, some 71 percent of farm workers had been evicted (GAPWUZ, 2009). The union therefore took it as its responsibility to come to the aid of the affected workers and their families. GAPWUZ is also strongly advocating and lobbying for the provision of social services and amenities (like schools, health care) on newly resettled farms.

The ZCTU and its affiliate unions have also initiated programmes intended to organize informal economy workers and provide them with support. In 2001, the ZCTU and the Commonwealth Trade Union Council (CTUC) launched the Informal Economy Project. Two full-time coordinators were recruited to run the project, which was to run for three years. Through this project, an umbrella organization for the informal economy, the Zimbabwe Chamber of Informal Economy Associations (ZCIEA) was formed.

Key Analysis of the Benefits and Service Scheme

The study established that owing to the prevailing volatile macroeconomic situation following a decade of sustained economic paralysis, the scope and extent of benefits of services and benefits being provided by Zimbabwean trade unions is very limited, ad hoc and highly inadequate. The study also underscored the fact that most of the benefits and services are financed through membership subscriptions and therefore sustainable.

Notwithstanding the above, the link between the provision of these services and benefits and union membership has been difficult to establish. In fact in some sectors such as textiles and clothing union membership has been significantly eroded owing to the collapse of the textile industry. In 2001 for instance the Zimbabwe Textile Workers Union (ZTWU) had a total membership of about 11,000 and by 2010 this number had been whittled down to slightly less than 6,000. The National Clothing Workers Union (NUCI) on the other hand had about 15,000 members in 2005 and by 2010 this number had fallen to about 7,000. On the other hand membership for the National Engineering Workers' Union (NEWU) jumped slightly from 10,000 to about 11,000 between 2007 and 2010. However, it is not clear whether these changes in the membership of the unions could be attributed to the implementation or otherwise of services and benefits schemes. Other factors such as organizing and recruitment efforts or lack of it could help explain these changes.

The major challenge with respect to the provision of these services and benefits largely emanate from factors that are outside the control of the unions. The key issue is the prevailing unstable political and economic environment. The Zimbabwean economy has just emerged from a decade

of economic crisis and paralysis which saw the economy contracting by a cumulative 50 per cent between 1997 and 2008. Also the adoption of the multi-currency regime (partial dollarization without compensation) literally wiped out overnight the Zimbabwe dollar denominated investments that unions had accumulated. Hence, most unions had to start from scratch literally in terms of mobilizing savings and investments. This, combined with the membership loss experienced by most of the unions has severely negatively impacted on the finances of the unions and hence their ability to offer services and benefits to their members.

The dwindling formal sector is a huge challenge not only to the sustainability of union schemes that intend to provide services and benefits to members but more importantly the very survival of the unions themselves is threatened. At independence in 1980, Zimbabwe inherited a relatively large manufacturing sector that contributed about 25 percent to GDP. This compared to an average of 10.4 percent for SSA over the period 1980-1989 and 23.3 percent (World Bank, World Development Reports, various issues).

Apart from the low membership, the unions have also suffered from a shortage of strong organizational skills and capacity. The ZCTU currently has ten departments namely: organizing; advocacy; information; accounts; health and safety; gender; informal; education; legal; and the emergency desk. In addition the ZCTU has six regional offices throughout the country, the Western Region; the Northern Region; the Central Region; the North-eastern Region; the Southern Region and the Eastern Region.

In terms of awareness, all the workers that were interviewed indicated that they were aware of the benefits and services provided by their unions. The majority (60 percent) however intimated that they were not consulted in the design of these benefits schemes. Fifty percent of the workers interviewed indicate that they were not satisfied with the services and benefits provided by unions.

In some cases however the impact of the provision of trade union benefits and services has been positive. For instance, the ZCTU has remained at the vanguard of fighting and advocating for social and economic justice including pro-poor and inclusive development strategies in spite of

sustained state-sponsored onslaught against it. Through this sustained advocacy and lobby some positive changes in economic policy have been experienced. This has gone to the benefit of workers improving their living conditions in the process.

Summary, Conclusion and Recommendations

Summary of Findings

The study established that the scope and extent of services and benefits provided by Zimbabwean trade unions remains very limited, ad hoc and highly inadequate. This mainly owes to the prevailing volatile macroeconomic situation following a decade of sustained economic paralysis and crisis. Most of these benefits and services are financed through membership subscriptions. In a number of cases, the sustainability of some benefits and services has largely depended on donor funding.

It will, therefore, be imperative for trade unions in Zimbabwe to strengthen their membership awareness and training programmes to ensure that the members are fully aware of the benefits and services being currently provided. It is also important for the unions to ensure that their services remain relevant and responsive to the evolving needs of their members. This will also call for the unions to be proactive and holistic in terms of their approach to the issue of benefits and services

Conclusion

It is clear that the government inherited an economy that was based on a philosophy of white supremacy that resulted in the evolution of a relatively well-developed and modern formal sector, employing about 1 million people (a fifth of the labour force) existing alongside an underdeveloped and backward rural economy, the home of 70 percent of the black population. Thus, the 'jewel' was the enclave part of the economy, which was developed on the basis of the ruthless dispossession of the source of livelihood of the majority of the people, and in particular access to land, forcing the black majority into wage employment. Movement across these sectors was strictly controlled such that the prevailing relationship between the two sectors was an exploitative one. Not only has this dualism been preserved, it has also been exacerbated to the extent that the formal sector is much smaller than it was in 1980.

Thus, beyond the traditional services described in this chapter, trade unions in Zimbabwe need to expedite the issue of pursuing ethically and socially responsible worker investment initiatives as a way of achieving sustainability and leverage. Currently, trade unions in Zimbabwe are relying almost exclusively or significantly on donor and co-operating partner funding as well as dwindling subscriptions to sustain their operations in terms of service and benefit provision.

Recommendations

The following are some of the many possibilities that trade unions should pursue to improve services and benefits in Zimbabwe:

- The ZCTU has to continue to vigorously lobby and engage the government for the adoption of pro-poor and inclusive development strategies as well as structural reforms so that macroeconomic environment can be improved. In this regard, a proactive role of the state is needed to integrate the non-formal economy and “endogenize” the growth process in a manner that allows the majority of the labour force to be in productive activities. The strategy recommended involves targeted supply-side measures to resolve market failures through redistribution of productive assets and building the capabilities of those in the non-formal sector. As the economy improves even the scope and extent of benefits and services provided by unions will also improve.
- Establish a Workers’ Bank along the lines of the Amalgamated Bank in the USA;
- Start a Micro Finance Institution (MFI) to offer concessionary and short-term loans to members;
- Start a Funeral Assurance company to offer funeral assurance. This is a potentially lucrative and viable venture in light of the high incidence of morbidity and mortality. In South Africa the biggest funeral assurance company is owned by the NUMSA Investment Company;
- Provide financial services to members e.g. personal loans, insurance etc at concessionary rates;
- Purchase unit trusts, government bonds and treasury bills;
- Invest in the Zimbabwe Stock Exchange (ZSE) through buying shares in a number of companies;

- Establish a communication company to provide air time in bulk to members at a discount. The airtime can be distributed throughout the country through shop stewards; and
- Build or purchase hotels and/or training facilities to offer training facilities and accommodation to members and non-members.

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