



UPHOLDING DISCIPLINE IN UNIONS – A DEMANDING LEADERSHIP CHALLENGE

Union leadership is under constant pressure to respond to both the demands of workers and the broader societal trends that they are exposed to. This is increasingly a difficult position to be in. With a global economic slowdown eroding growth in South Africa, fiscal pressures weighing heavily on government, and with deep structural inequalities persisting, workers will increasingly demand that their leaders respond with equally radical measures in defense of workers' interests. Such a response would be understandable, since workers are naturally vigilant over their economic interests.

Leaders, however, have to balance worker demands with those of the state and firms, to manage the precarious position that many in the private sector find themselves in. Facing this dual mandate, union leaders are damned if they do and damned if they don't. Respond to the call of workers for better wages and protections, and firms could find themselves squeezed hard in an already unforgiving economic climate; yet, fail to respond to the calls from workers, and leaders could lose control over their unions, or risk fracturing their membership into new formations that are more militant and populist. In such a context, discipline must be conceptualised beyond simply union structures, and must be responsive to broader macroeconomic trends. This short paper explores trends that are likely to put pressure on discipline within unions, and offer some reading ways to manage these pressures.

Economic and political context

There is a great deal of diversity within the labour movement, with different unions and sectors facing vastly different challenges. But all operate on the frontlines of a common broader social-economic context of South Africa in 2016 that is characterised by five major challenges.

First, is increasing impatience with long-standing inequalities and injustices. South Africa remains a deeply divided society, ranked among the most unequal in the world. This inequality continues to manifest itself along racial lines, with black South Africans less likely to have access to work and more likely to face any number of social hardships.

With economic divides mirroring social divides, there is little capacity for the populace to accept injustices or inequalities. It is generally understood that societies with deep inequalities and a lack of cultural homogeneity are prone to disruptions that undermine the type of long-term economic planning needed to develop societies.

For states operating within this context, there is pressure to invest in short-term policies that immediately improve people's lives, and to neglect investment in long-term public services and goods such as education or infrastructure. Governments must walk a careful balancing act between making economics-optimising policies while keeping people secure and well enough to guarantee social progress. Unions sit at the frontline of these social pressures, and feel the impact of persistent injustices more keenly than most.

Second, there is an intensifying economic crisis in the country. South Africa's growth rates are expected to slow to close to zero in 2016, and with employment declining by 2,6% year-on-year in the most recent quarter. Rising interest rates and a weakening currency risk driving inflation, particularly in foodstuffs, which are yet to feel the full impact of the 2016 drought. While it is easy to blame the worsening economic context on government policy - and certainly part of the current struggles is domestically driven - the broader picture is of the economy being exposed to external economic forces that we have little control over. Much of South Africa's success during the growth years of the early 2000s was driven by a global economy buoyed by rapidly growing emerging economies such as China and Brazil, that had a seemingly endless appetite for commodities.

In the wake of the US subprime financial crisis and the Eurozone debt crisis, China and other emerging economies saw a slowdown in their export markets, consuming ever less commodities, and sending the prices of key goods like steel and gold into freefall. South Africa saw a number of our largest export products - including platinum, iron and steel, gold, and many others - collapse. And while certain manufactured products have continued apace, the impact of the collapse in commodity prices did serious damage to the economy and any prospects of future growth. While some commentators predict a rapid return to growth, there is increasing pessimism over whether that is really possible, or whether it will take another five or ten years to return to similar growth. Even then, it is not clear if commodity prices will ever hit the heights they saw around 2010, depriving the country of any clear growth driver during our transition to a more diversified, industrialised economy.

Third, in a situation like this, government would usually step in and spend to help balance out any weaknesses in the economy. But the government's budget is increasingly strained beyond capacity, thanks to two factors. First, is spending in response to the financial crisis, in which government used their resources to counteract the initial global slowdown in 2008. This is a classic economic strategy - to spend during a downturn and save during a boom. But the gap between economic shocks has simply been too short to rebuild fiscal supplies in time for this further blow eight years later. Second, is a large expansion in government spending under the administration of President Zuma.

Some of this spending was on potentially beneficial infrastructure programmes and vital initiatives such as the rollout of the antiretroviral drugs programme.

Other factors, however, include an increasingly unwieldy large cabinet, with many departments that have unclear mandates and very limited use, and a wide scale use of the government budget as a substitute for fixing serious structural problems. Regardless of the drivers, the situation we are in is one of extremely tight spending constraints on government. There are debates over whether the country could take on more debt, with a debt-to-GDP ratio that remains relatively low by global standards. Nevertheless, the National Treasury, under immense pressure from ratings agencies and the business community, is now resolutely opposed to further large-scale spending. Pressure from students for free education and from protesting communities in the wake of municipal elections both mean the most direct form of pressure on government is for interventions that will not bring about immediate relief for workers (although lowering education costs and provision of basic services may help many workers indirectly). The big picture is that government has little capacity to spend its way out of the current downturn.

Fourth, unions are still reeling from deepening fractures within the movement. The rise of more radical alternative formations like AMCU and the split in COSATU are both indicative of old structures struggling to react to new demands. Union leaders are increasingly accused of being disconnected elites that have been coopted into the government and private sector's view of the world. Thrown into this volatile mix is an increasingly complex political environment, where the homogenous support for the ANC among labour is potentially fractured by the entry of the likes of the EFF.

The sum impact of these shifts on labour movements is that union leadership has weaker capacity to control their membership at exactly the moment that members might be demanding a more radical stand. In tough times such as the ones we are sailing close to, there is usually a cleavage between union members and union leadership. It is a fissure that is sometimes exacerbated by the generational gap between those in leadership and ordinary union members, with the latter calling for militant solutions, taking to the streets, and sustaining strikes for longer periods of time; whereas, the former tends to be reasonable in trying to understand government constraints.

The result of these four factors is a critically difficult combination: deep inequalities that need to be addressed, but an economy that is too weak to do so, and a government that has vastly restricted capacity to do anything about it - and a weakened union leadership that must somehow balance the demands of union members with the strain placed on the economy.

Added to this is a fifth, all-encompassing concern, of workers being threatened by the growing incidents of mechanisation. Technology has been billed as a threat throughout human history, with every big step forward being proclaimed as the end of an era for some job: as emails were expected to destroy mail deliverers, or cars threatened the horse carriage makers.

Those predicting doom arising from technological progress have long been proven wrong, but we may be heading towards a point where that is no longer the case, as rapidly advancing robotics and artificial intelligence put more and more jobs at risk.

While all this may not be a concern in the immediate short term, within the next decade, union leaders will likely find themselves at the forefront of a technological change that workers will have to find a way to respond to. Within the public sector there is another immediate challenge that has nothing to do with mechanization. This is the existing moratorium on advertising posts. This could have an effect in how work gets allocated, with public servants finding themselves carrying burdensome work load for which they may not be fairly compensated.

Union mandate

This social context is particularly tricky for unions to manage, because union mandates have expanded and diversified. South African unions are not simply worker-focused lobby groups, but play a far broader role in society and political discourse. Unions find themselves having to balance a triple mandate: to workers, the underprivileged, and to political partners.

The first mandate, to workers, is complex in and of itself. Union leaders have to carefully balance the need for job protection with the desire for better working conditions and better wages. In the context of a hard economic climate, there may be a trade-off between the two in many sectors. Mining is a prime example. Mining firms have long threatened to replace workers with mechanised extraction strategies, but for a long time this was an empty threat, with investment in capital intensive methods being too expensive to justify not offering labour a better deal.

However, in the context of deep uncertainty over commodity prices, in which mines may need much greater flexibility in their operations and rock-bottom operating costs, this risk becomes more real. Union leaders may therefore face the prospect of having to protect worker jobs by fending off the call for mechanisation, while still delivering real progress to wages, benefits, and working conditions. This is an old tradeoff that has existed since the dawn of organised labour. In the present conditions, the tradeoffs are particularly sharp, and it's not clear if unions are in a position to accurately balance these factors, given the demands of their other mandates.

The second mandate, to the underprivileged is a lot vaguer. Unions traditionally focus on the plight of the workers, who in most societies are the group that is most vulnerable and most in need of organisation. While workers in South Africa are a group in need of passionate representation, the unique challenge for South African society is that the most vulnerable are the mass group of the country that is unemployed. When we think of the 'working class', it is not simply defined by the fact of being employed in blue collar jobs, but also by the type of work people would do if they could find a job.

Accordingly, the unemployed form an important bastion of the working class in South Africa.

Unions do not technically have to support this group, but as organisations that are dedicated to the working class and broader social upliftment, they certainly are expected by the wider public to throw their lot with the unemployed or the underclasses. But addressing the plight of the unemployed would need union leadership to consider the tradeoff between better conditions for current employers and the need to get more workers into the workforce.

The third, and final mandate, is a political one. Unions play a vitally important role in politics in South Africa, including as part of organized labour in the NEDLAC processes. With the rise of the likes of the EFF, and with breakaways from COSATU, the risk is that unions would be encouraged to align themselves with different political parties, or could be encouraged to run as their own political grouping. If that happens, unity within the wider labour movement is put at serious risk, and we risk creating a situation in which membership of a union isn't what helps workers - membership of the *right* union, with the right political affiliation is what helps workers. While political relationships will remain, thinking of them needs to be updated to reflect the new political world in which we live.

Strategies

A union leader in 2016 is someone who is constantly confronted with tradeoffs: do we fight for higher wages or to protect jobs? Do we listen to frantic calls from the beleaguered private sector, or do we respond to the demands by impoverished workers for a better life? Do we focus on worker's needs, those of the unemployed, or those of political patrons?

Most importantly, how does union leadership balance the demands of workers with the broader challenges of society and economy? This is where the question of discipline comes in. Worker discipline is what is needed to realise strategies that overcome these tradeoffs, but it is also a lot to ask of people who equally suffer the difficulties of an economy in deep trouble. Maintaining discipline is a political exercise, and the art of the possible: it is essentially finding the right balance in these tradeoffs. Doing so is a complex undertaking that will require responsive leadership. In the short-term, it will require strategic interventions to address immediate problems; while in the long-term, structural changes within unions may be necessary.

Empowering shop stewards

The capacity of unions to maintain discipline will require a careful consideration of the structure of unions and the power relations between the various union elements. When discipline breaks down, it will increasingly come in two forms. First, would be a loss of support for a specific action by the mass of union membership. This could be as a result of increasing frustration with maintaining a strike or deep unhappiness with accepting a settlement, or anything in between or beyond.

Second, and far more serious, is a long-term disenchantment within union structures, that lead to the formation of a breakaway union.

In neither scenario is it possible to stop the underlying causes of the conflict. Union leaders will inevitably come into conflict with members at certain moments. These are bodies that have to deal with fractious issues that are always going to have two passionate sides, particularly when dealing with people's livelihoods. Discipline is therefore not about never disagreeing. Rather it is about those that disagreed feeling that they were heard, and that their opinions and unique situations have been acknowledged and considered.

The key to assuring this is making sure there are close linkages between union leadership and the membership. This has become complicated, as unions have grown increasingly large and unwieldy, and union leadership has taken on ever more important positions. The daily work of the union leadership is not necessarily in the workplace, or living the experience of workers, but rather dealing with high level discussions with policymakers, politicians and business people. This gives rise to accusations that leaders are far removed from the issues that directly affect workers.

Shop stewards (and, to a lesser extent, local representatives and officials) are best placed to properly understand the needs of workers. They understand the working conditions that underpin demands, and they understand the various interpersonal intricacies of the workplace. This understanding comes with a level of legitimacy that is won by working alongside their union colleagues. Decisions that (1) take careful account of shop steward's views, and (2) bring shop stewards on board as a representative of whatever decision is taken can help make decisions better and make members feel more closely connected to the decision making process.

The problem is that shop stewards are given lots of responsibility but little capacity for decision-making themselves. Shop stewards and other local leaders who feel either excluded from decision-making processes or that their voices aren't adequately heard in those processes can become a serious problem for discipline. These leaders can become advocates for the marginalised among the local unions, and can be a fodder for unhappiness that is bound to be unleashed if it's not addressed.

How union leadership manages this middle level of control is essential, but the specifics will differ depending on the nature of the given union's structures. Regardless of the specifics, building strong communication networks, and offering opportunities for advancement to mid-level union leaders can both contribute to better decisions and better discipline.

Expanding knowledge

Labour negotiations require a tradeoff between the demands of the workers and what is possible for the organisations – both the private sector and the public service. That is a difficult tradeoff to manage, because of a fundamental information asymmetry. While workers fully understand the challenges they confront in the work place - their working conditions and their quality of life - the success or struggles of the organization they work in are often difficult to understand or have sympathy for.

For a miner working in the platinum belt, 2016 probably looks a lot like 2008, even though in the latter the companies had record profits and in the former the companies suffered deep losses. Asking workers to hold off on serious industrial action, but must contend with their own socio-economic struggles on their own, is a recipe for rebellion. Similar sets of issues are likely to arise within the public service in the face of enormous challenges in the macro-economic conditions and severe fiscal strain faced by the government, amidst rising standards of living.

Efforts to manage this knowledge imbalance, however, are dogged by distrust. Firms will always claim they cannot afford union wage demands, even in good times, and thus undermine their ability to ask for support during periods of economic hardship. Even when companies don't do so, the economic struggles they face may be difficult to communicate to workers who themselves have pressing concerns. In extreme cases, large firms can easily move finance around to create an image of hardship that isn't truly being experienced. Even when there is a legitimate problem that union leaders recognise, there is often too little trust for workers to accept that position.

This problem is hard to completely address, but can be ameliorated by two interventions. First, expanded education of shop stewards, to empower them to engage with firm management. Even where firms do bring labour representatives into their decision-making process, there are deep power imbalances involved in that dynamic, with workers not necessarily being fully equipped to engage with complex financial statements and dynamic business environments. Training on these issues recognises the importance of shop stewards, while better equipping them to gather front line information on the state of the company. This can also be an important supplementary intervention for the discussion above about empowering mid-level union representatives.

Second, there would need to be creation of expanded, targeted research capacity in labour unions, which are specially focused on understanding the health of the firms with which they must negotiate. This core research would empower union to enter into negotiations on an equal knowledge footing, and to understand when to push hard or when to hold off. If this information comes from the union themselves, it should have more credibility than if it came from the firms, and thus is more likely to help support union discipline.

Reinforcing the union's capacity to generate credible information should help underpin fairer decision-making, which is more likely to offer right decisions that maintain union discipline.

Empowering firm-level decision-making

Ill-discipline is often the result of workers feeling that the decisions that are taken at high level do not truly capture their experiences; or that there is a disconnect between union leadership and union members. As a far more ambitious initiative, unions should consider being more open to firm-level decision-making, to allow for big decisions to be adaptive to a very nuanced and diverse working environment.

This is difficult to do without undermining the central achievement of centralised bargaining.

Short-term interventions

While these structural changes could help build unions that are resilient to ill-discipline in the short term, union discipline is going to require a responsive approach to dealing with growing economic strain. There is no simple solution to this problem. Discipline is not a structural issue, or something that can be targeted and removed. It is a symptom of inevitable unhappiness in conditions of continuous difficult tradeoffs.

Union leaders will have to strive to maintain open and honest lines of communication with workers. The grievances of workers must be taken seriously, even when they oppose the views of the leaders, and leadership must strive to understand the root causes of the disagreement. Building a disciplined union isn't anything that can be prescribed on paper: it's a mindset of a responsive, dedicated leadership that is in touch with members and embraces the difficulties all sides of the negotiations encounter. Negotiations are the art of the imperfect, everyone has to give something, and no one is entirely happy. The best that can be done is to ensure everyone feels their voice was heard, and that they were an active part of the eventual compromise.