

Trade Union Organisation and Economic Recession

Dave Lewis¹

Introduction

I would like to share some general impressions gleaned from the relatively short experience in organising in the midst of what is widely regarded as a severe economic recession. The experience is short in the sense that the contemporary South African trade union movement has never really experienced this particular problem before. And it is short relative to what is conceivably yet to come in particular sectors of the economy. I must underline that the remarks that follow will be highly impressionistic in that they are not the product of in depth research nor, regrettably, are they gleaned from a particularly clear theoretical understanding of the character and true nature of economic recession. They are impressions gained from organisational experience in a small union.

I should also add some qualifications from the outset: Whilst there are undoubtedly generalised characteristics of recession many of the characteristics of recession are very particular and are heavily determined by the nature of a specific industry; by the economic and social character of a particular region; by the size of particular factories or enterprises. Accordingly the remarks that follow will be derived from experience in organising predominantly in the transport/trade sector and the heavy industrial sector. Moreover much of the organisational experience is gained in the Western Cape. Therefore in writing about the general characteristics of trade union organisation in an economic recession the following qualifications need to be borne in mind:

1) Firstly an economic downturn is uneven in the sense that certain sectors, (for example transport) are, also for obvious reasons, particularly severely affected. Moreover it seems even within a particular broad economic sector the effect of a recession will be uneven — for example a general engineering concern that is easily able to switch its product line will be less severely affected than a highly specialised engineering factory operating in a fairly competitive market.

2) Secondly, there is the well known fact that particular industries experience the effects of a recession at different times — for example the downturn in the construction industry will inevitably occur later than in other industries principally because of the relatively long term nature of the commitments made in the construction industry.

3) The effects of the recession can be geographically differentiated. Heavy industry in the Western Cape reliant on markets on the Rand will be more severely affected than, let us say, their competitors on the Rand or than light industry in the Western Cape where, conceivably, transport costs are not a particularly

significant factor.

With these qualifications in mind let us turn to the general question at issue: the effects of recession on union organisation. At the outset I made a statement which will seem to be incorrect. I stated that the contemporary union movement had not experienced the harshness of organising in a recession before. Union organisers will be quick to point to similar circumstances encountered in the 1977 recession. I believe that the two situations are critically distinct. In 1977 it is probably true to say that union organisation was highly unstable - the overwhelming concentration was on organising unorganised workers. The last few years have seen a considerable stabilisation of union organisation so that, by now, a large sector of the progressive union movement has two definite priorities: firstly, organising unorganised workers, and, secondly, stabilising and maintaining organisation in already organised factories. The recession will affect each of these activities in very different ways and it is these distinctions that I want to raise in this article.

Organising the Unorganised

Organisation of unorganised workers is not significantly retarded by economic recession — indeed it might even be enhanced. In an advanced industrialised country the opposite might be true and workers might consider far more carefully and conservatively the potential risks of joining a union struggle in the midst of a recession. In South Africa, however, this is not likely to be the case: firstly, the appalling conditions under which workers labour (i.e. the relatively low base from which workers emerge from the boom and enter the recession,) spurs organisation. Put more crudely, black workers in South Africa are generally not risking a well paid, satisfying job as certain of their counterparts in the advanced industrial societies might conceivably be doing. This is exacerbated by the fact that the recession does not in any way dampen down the spiralling cost of living, and this further eases the task of new organisation. Secondly, whilst there can be no doubt about the fact that unemployment has increased substantially in the past month, it is equally true to say that unemployment levels were so high during the preceding boom that the threat of unemployment is not perceived as being substantially greater now than in the immediate past. Accordingly 'recession-time unemployment' will not act as a brake upon new organisation. Finally, there is often a strong political imperative tied up in a black worker's decision to join a union. Unions are not generally seen by black workers as purely economic defensive organisations and accordingly there is a substantial political element involved in a decision to join a union. There is no reason to expect these political imperatives to abate in any way — in fact in the face of a concentrated political offensive by the state (with much of the offensive aimed directly at the workers) one might expect the political motive to turn workers to the union movement in increasing numbers.

Stabilising Organisation

These considerations do not necessarily apply to the task of maintaining and

stabilising organisation in already organised factories. In other words, it is to be expected that a recessionary economic climate will complicate this task. There are a number of reasons for this. Firstly, it is increasingly difficult to win demands — particularly wage demands — in a recessionary climate. It is probably true to say that the real earning and working conditions of *organised* workers have outstripped those of their unorganised counterparts. The fact of workers being organised in a boom period is palpable — just as the consequences of organising in a recession are palpable. The effect of organising in a boom is to ease the ability of the organised factory to improve wages and working conditions.

The consequences of negotiating during the recession are the opposite. The reasons for these difficulties are numerous. Amongst the more obvious are, firstly, the negotiating weaponry of the bosses is unquestionably enhanced. The bosses are able to point to declining work levels, declining profit rates and turnover, business bankruptcies and mergers and retrenchments and short time in other companies. In other words, the power of the bosses' arguments at the negotiating table is enhanced in a recession. This might sound like a fairly thin justification for accepting lower wage increases. But because one of the consequences of a *negotiated* relationship, if one wishes to maintain the undoubted benefits of the relationship, is precisely that one is obliged to 'hear' the arguments of the other side. In a recession, these arguments take the form of a verbal and empirical assault. Unquestionably the workers have plenty of negotiating weaponry at their disposal — the concrete conditions, the phenomenal price rises which are characteristic of contemporary recession. But, be that as it may, in the context of negotiation the bosses arguments are unquestionably enhanced by a recession, and all the more so if, during the boom period, they had agreed to wage increases above the national average.

Secondly there is the effect of industrial action during a recession and here there are two factors which lend weight to the intransigence of the bosses: firstly there is the common perception on the part of the bosses that in the face of retrenchments, declining work levels, etc, the workers will be 'sensible' enough not to strike. This 'sense', the bosses believe, takes two forms: the notion that the workers are 'reasonable' and will be able to see that the bosses cannot 'afford' these increases and that, accordingly, the workers will not further jeopardise the prosperity of the business by striking. But primarily, of course, the bosses believe that the workers will be 'sensible' enough not to risk the possibility of unemployment ie. a 'sense' borne out of fear and deprivation. This latter perception is not necessarily valid, principally because of the extreme deprivation experienced by *employed* workers in South Africa and because of the additional hardships generated by the inflationary impact of the recession. Secondly there is the fact that strike action during a recession is generally less effective — the clearest example of this is the Port Elizabeth motor strike where, faced by relatively declining sales volumes, the motor bosses' ability to hold out against the union was clearly enhanced and, accordingly, the impact of strike action was considerably reduced.

The Port Elizabeth South African Transport Services (SATS) strike is an even clearer case in point. Here work levels were so reduced (because of the seasonal nature of the work and because of the impact of the downturn) that SATS were actually able to keep the critical aspects of harbour work going with about one fifth of the work force.

The fact is that it is more difficult to win satisfactory improvements in wages and working conditions in a recessionary climate and this has a destabilising effect on an organised factory — the more so when the factory has been organised in boom conditions and where, starting usually from an extremely low base, there have been rapid improvements in wages and working conditions. In saying this I do not wish to peddle the cynical notion that workers will turn away from unions when they have difficulty in 'delivering the goods'. This is not so because it is not the sole, or ever the primary, reason why workers join unions. But at the margins — and in a large factory there are always margins — it is the case, and it is usually evidenced by reduced attendance at general meetings, by reduced subscription collections, and by a tendency for the leadership to turn itself inwards and to start blaming itself for its sudden lack of success.

These tendencies are, of course, extremely exacerbated when the union is faced with competition from unscrupulous unions who take advantage of the recession to promote their own union at the expense of the established union precisely by exploiting dissatisfaction at the margin of the union's membership.

Bosses Responses

So firstly then, the difficulty in obtaining concessions complicates the task of maintaining organisation during a recession. The second problem is closely related but is, nevertheless, a separate issue. A Pavlovian reaction of the bosses during a recession is to attempt, with varying degrees of subtlety, to reverse gains already made, to cut corners in order to 'save' money. Disciplinary procedures are very rigidly applied; health and safety factors are ignored in the name of increasing productivity; work loads are intensified; there are immediate attempts to alter shift patterns, to mention just some responses. In short *productivity* is the name of the game and, in order to give the company the 'necessary' competitive edge, the bosses look to the workers' present conditions in an attempt to recapture lost ground. I have even come across instances of 'progressive' bosses starting to gripe about the quantity and length of meetings with the shop stewards. Clearly the primary mandate of the industrial relations boss in a recession is not to ensure good 'communication' or 'industrial peace' but rather to press home the bosses' advantage by raiding the hard won preserves of the workers. Consequently the union, faced by these predators, is constantly fighting to preserve ground already won. This exercise is both time consuming and demoralising, particularly if one has been lulled into a sense of complacency by the sanctity of an established relationship. A recession teaches one the hard way that an 'established relationship' or an 'agreement' is principally (if not entirely) determined by the

power relationship at any given point in time, and in a recession, with the power relationship tipped in the bosses' favour, a union is constantly fighting to preserve the status quo.

Retrenchment

Thirdly, and unquestionably, the most demoralising effect of a recession is the advent of retrenchment. Many of the progressive unions have made public proposals aimed at ameliorating the worst effects of a retrenchment, and with strong organisation it is undoubtedly possible to reduce the scale and consequences of a threatened retrenchment. But it is extremely difficult to prevent retrenchment altogether. I am convinced that the real difficulty in preventing retrenchment results from the fact that redundancies do not arise directly from declining volumes of work but rather from declining rates of profit. In other words there is no one-to-one relationship between a decline in the volume of work and the size of a retrenchment. Retrenchment is necessary to halt a decline in profit rates or, what is the same thing, to increase productivity. In the short run this is achieved by an immediate intensification of labour (simply, making workers work harder) and in the long run by a complete restructuring of the production process. But, be that as it may, the point that I want to make is that fighting redundancies is not merely a question of fighting through an aberration, a bad patch, in the economic business cycle. Rather it is a question of fighting an inbuilt tendency in the economic system which manifests itself in the perpetual displacement of workers from the labour force. It is extremely difficult for the union movement, or, more, a single union in a single factory, to take on this task single-handed. And that is why there is something depressingly inexorable, something rearguard, about negotiating a retrenchment programme. Having to make the best of a bad situation is an important and necessary exercise, but it is not designed to raise the buoyancy and commitment of union members.

Retrenchment is also a tailor-made opportunity for straight union bashing. Unless the union is perpetually on its toes it will find victimisation of shop stewards (or at the very least, and equally damaging, rank and file leaders) disguised as retrenchment; it will find older workers — often the most solid union members — on the way out; it will find bosses exploiting the tendency for division between skilled and unskilled workers, coloured workers and African workers, contract workers and section 10 workers. In short a retrenchment will inevitably find a union with its back to the wall fighting for the jobs of its members, fighting to keep its leadership intact, and fighting to prevent divisions — and the consequent demoralisation — arising within the ranks of its members. This, to my mind, is the critical feature of organising in a recession. There is an acute dichotomy between the relative ease in organising previously unorganised workers on the one hand, and on the other hand, the acute problems experienced in maintaining strong organisation in established factories.

Consolidation vs Expansion

This dichotomy has one very important and interesting consequence. There is a widespread belief that the recession will affect the union movement by wiping out those unions which are not firmly based. It is, of course, acknowledged that even the stronger unions will take a knock in the recession, but, whilst it is generally held that these unions will survive, it is thought that the weaker unions will go to the wall. Whilst I have no doubt that the stronger unions will pass this critical test and will emerge extant from the recession, I am equally certain that the most rapid growth in membership will not be posted by the more established unions. The established unions will, as I said at the outset, have their work cut out maintaining organisation in their established factories — a smaller union which is not occupied with this complex and time consuming task will be free to devote most of its energies to new organisation. That is, of course, fair enough, and it is gratifying to know that energy will be devoted to the critical task of organising unorganised workers.

But there is a more disturbing possibility — unions which do not see the necessity for stabilising and maintaining tried and proven worker leadership, but rather wish to post spectacular gains in membership, will forget the unspectacular task of stabilisation for the more glamorous and exciting task of new organisation. If this is the case, factories will collapse soon after they have been organised, and union organisers will merely move on to the the next factory ripe for organisation.

If unions attempt to operate in this manner then they should be aware of the acute problems experienced in re-organising a badly lapsed factory and the extreme demoralisation engendered amongst the worker leadership in those factories. It will moreover be relatively easy for unions to poach members from the other unions, and particularly from newly organised factories. Workers will obviously be acutely dissatisfied with the treatment meted out to them by the bosses in this period. Accordingly it will not be difficult for an unscrupulous union on the basis of straight distortion and extravagant promises to persuade workers that it will be able to deliver a better deal. Workers organised in this way will soon realise that they have been duped but their anger and resentment will frequently be directed at trade unionism rather than at the union that has conned them. Finally, a union which does not see the necessity for a constructive retreat, that does not see that staying one's hand can, at this stage, be a more militant exercise than widespread action, will engage in spectacular organising successes and equally spectacular confrontation and could, in the process, do considerable damage to the trade union movement.

This is why I maintain that both unions and those organisations and individuals that support the trade union movement are going to have to be more sensitive in their assessment of the strength and weakness of the trade union movement. In the halcyon days of the boom, spectacular membership, constant confrontation and the winning of significant gains was an easy and, often (though not always), correct assessment of the development of the trade union movement. In these

times it is, additionally, stabilisation and maintenance of organisation that will provide a key indicator of the strength of the union movement.

I have heard the present predicament described by one worker leader in these terms. He reminded one of the more rhetorical proponents of spectacular growth and action that 'democratic unions are like eggs. Don't think you can just drop them one day and pick them up the next. You have to nurse them if they are to hatch. If you drop them it makes a helluva mess.' I could have eliminated much of the verbage that has gone before if I had started with this observation. This is exactly our predicament; the success or failure of the union movement confronted by recession will be counted not by the quantity of egg yolk on the ground, but rather by the number of eggs that survive to hatch.

Footnote

1. Dave Lewis is general-secretary of the General Workers' Union (GWU). This paper is written in his personal capacity.