

Trade Unions and Poverty Alleviation in Africa

Edited by

Mohammed Mwamadzingo

and

Ditiro Saleshando

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Mohammed Mwamadzingo and Ditiro Saleshando, editors

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Foreword

For almost all history on record, poverty has been a severe thorn in the side of mankind, to such an extent that it is now accepted as a permanent feature of our existence. Consequently, pervasive poverty, inequality, and underdevelopment are so widespread that they are perceived as some of the deadly threats to political stability, social cohesion, environmental health, and global development. It is, therefore, no wonder that the threat poverty constitutes to the world at large has brought about a need for further reflection and is finally inducing the moral indignation that it deserves.

The ILO has been a pioneer of international action against poverty ever since its creation in 1919. The preamble to the Constitution adopted in 1919 mandates the ILO to pursue social justice, and the 1944 Declaration of Philadelphia states ‘... poverty anywhere constitutes a danger to prosperity everywhere ...’. The World Employment Programme, which was launched in 1969, gave rise to extensive work on how employment strategies could help in the realisation of basic needs and strongly influenced development thinking during the 1970s and early 1980s.

Undoubtedly, one of the more recent turning points in gaining widespread recognition of the extent and implications of world poverty was the 1995 Copenhagen United Nations World Summit for Social Development, which mapped out a global action programme for employment and the elimination of poverty. The ten commitments agreed on at the Summit as prime goals of global development policy included full employment, the eradication of poverty, and popular participation. Furthermore, world leaders called for a reorientation of the work of international institutions, including the United Nations.

In order for poverty in Africa to be halved by 2015 – the target agreed at the Copenhagen World Summit – all African economies will, among other things, have to grow by an average of 8% per annum rather than the average growth of about 3% of the last few years. Of the nine countries in the middle-income category, seven – Botswana, Cape Verde, Gabon, Mauritius, Namibia, Seychelles, and Swaziland – have a combined population of less than six million, this being a mere 1% of the regional total. The other two – Angola and South Africa – are special cases, associated with the effects of civil war and wide disparities in incomes, respectively.

Juan Somavia, through his role as Chairman of the Copenhagen Summit, brought new impetus and strong moral persuasion to the ILO’s poverty eradication activities when he became its Director General. In his first Report of the Director General to the International Labour Conference in 1999 he defined the ‘decent work’ agenda as the ‘promotion of opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity’. Decent work is now the driving force behind the ILO’s conviction that a broad-based strategy for poverty reduction is needed.

In translating the concept of decent work into a policy framework for poverty reduction, the ILO has adopted four broad and interconnected components,

namely (i) Employment; (ii) Standards and Fundamental Principles and Rights at Work; (iii) Social Protection; and (iv) Social Dialogue. These provide the ILO with a framework to adopt and implement integrated strategies for poverty reduction. The immediate goal certainly involves a combination of measures to promote productive employment, social protection rights and representation, and the effective functioning of social dialogue among ILO constituents. In effect, this is where the comparative advantage of the ILO within the multilateral system can be brought into effective use. It is imperative to build on ILO's knowledge of the world of work and of tripartite systems of social dialogue as well as to focus on the institutional framework needed to promote decent work and thus enhanced poverty reduction.

Given its constitutional tripartite structure (governments, employers' and workers' organisations), the ILO has a well-built institutional forum with which to catalyse action in its constituencies by supporting the implementation of policies and programmes designed to expand and deepen decent work opportunities and thus realise the targets for poverty reduction.

The concept of decent work is thus built on the foundation of long experience of working with constituents in a variety of programmes, and in analysis of the interactions between employment, labour market and social protection policies in many different circumstances. Within this perspective, a persistent theme in the ILO's work is the importance of embedding both labour and social policies in an institutional framework that creates opportunities for full, productive, and freely chosen employment. However, the decent work approach also recognises the need for the ILO to re-examine how, based on an enduring set of fundamental principles and rights, existing institutions of and around the labour market should respond to increasing international economic integration while at the same time contributing to a more coherent international architecture for sustained and equitable growth.

More specifically, the Copenhagen Summit went a long way towards meeting trade union demands for a global solidarity pact. The trade union movement strongly believes that the best approach to the eradication of poverty is through social dialogue. It is on realisation of this that the Bureau for Workers' Activities of the ILO endorsed the interest for the labour movement in Africa to hold a high level workshop in Nairobi in December 2001. We are glad to note that the workshop provided a forum for participants not only to exchange views and experiences but also deliberate on how trade unions can strategically plan actions that will shape and guide their organisations towards enhanced participation in the processes of poverty alleviation.

Through this same workshop, from which this publication is derived, the ILO and the trade unions gained critical information on innovative and good practices adopted by workers' organisations at the national, sectoral, and enterprise level. This publication also highlights the environment within which social dialogue takes place, the conditions that influence its effectiveness (or not), and the lessons that trade unions can learn from each other with respect to alleviating poverty, amongst their members in particular and the community at large.

Manuel Simón Velasco
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Acknowledgements

For a long time now the labour movement in Africa has looked upon poverty in its agenda from the traditional sense of industrial relations. Their efforts in collective bargaining, the mobilisation of union membership, workers' education, the integration of youth and women issues in the development process, the campaign for good governance, democracy and transparency, and their campaign against child labour are among the strategies aimed at alleviating poverty. However, in many African countries similar efforts and actions of other stakeholders have been disappointingly slow and the relative gap between the richest and poorest countries has continued to widen. This is reflected in huge amounts of unnecessary human suffering and the enormous squandering of human potential.

Recognising these contradictions, trade unions in Africa expressed to the ILO their desire for the poverty agenda to be given the attention it deserves. Of the original conceptualisation that provided the terms of reference for most of the work in this volume, a large part came from the national trade union centres in Africa, through their interactions with the Bureau for Workers Activities (ACTRAV). We appreciate the support given by the national, sub-regional and regional trade union organisations in Africa to bringing to the fore the initial ideas that led to the publication of this book. Many thanks must also go to our ACTRAV colleagues working in Africa, particularly Mr John Fallah (Addis Ababa) and Mr Frederick Parry (Harare) for collating the views of labour leaders in the field, and for their supporting and co-ordinating roles towards the Nairobi seminar.

This book is a direct outcome of the regional workshop on 'Poverty Alleviation through Social Dialogue: the Role of Trade Unions in English-speaking African Countries', which was held at the Holiday Inn, Nairobi, Kenya between 3rd and 5th December 2001. We are very grateful to the researchers and the resource persons who dedicated precious time to the preparation of the workshop. More importantly, we are thankful to the contributions from practising trade unionists throughout the animated discussions and group sessions, all of which helped to enrich our understanding on the complex linkage between poverty alleviation and social dialogue. We also wish to acknowledge the technical and editorial contributions from Mr Jan Sakko and Ms Frances Marks, and the typing and logistical arrangements from our secretary Ms Queen Mawoyo.

Very special tributes go to the Management of the Bureau for Workers' Activities (Director Manuel Simón Velasco and Deputy Director Michael Sebastian) for believing in our potential to come up with a readable format of the workshop proceedings.

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Abbreviations and Acronyms

| | |
|------------|--|
| ACTRAV | Bureau for Workers' Activities |
| ANC | African National Congress (South Africa) |
| APADEP | African Workers Participation Development Programme |
| CDF | Comprehensive Development Framework |
| COMESA | Common Market for Eastern and Southern Africa |
| COSATU | Congress of South African Trade Unions |
| CSD | Commission for Sustainable Development |
| EAC | East African Community |
| ECA | Economic Commission for Africa (United Nations) |
| ECOWAS | Economic Community of West African States |
| ESAP | Enhanced Structural Adjustment Programme |
| FDI | Foreign Direct Investment |
| FEDUSA | Federation of Unions of South Africa |
| FES | Friedrich Ebert Stiftung of Germany |
| FTTUZ | Federation of Free Trade Unions of Zambia |
| GDP | Gross Domestic Product |
| HIPCs | Highly Indebted Poor Countries |
| HPI | UNDP's Human Poverty Index |
| ICFTU | International Confederation of Free Trade Unions |
| ICFTU-AFRO | International Confederation of Free Trade Unions-African Regional Organisation |
| IFIs | International Financial Institutions |
| ILC | International Labour Conference |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| ITs | International Trade Secretariats |
| JFA-PRESA | ILO's 'Jobs for Africa' Poverty Reducing and Employment Strategies in Africa Programme |
| MP | Member of Parliament |
| NALEDI | National Labour and Economic Development Institute |
| NEDLAC | National Economic Development and Labour Council |
| NGO | Non-Governmental Organisation |
| NOTU | National Organisation of Trade Unions (Uganda) |
| NRM | National Resistance Movement (Uganda) |
| OAU (AU) | Organisation of African Unity (African Union) |
| PRSP | Poverty Reduction Strategy Paper |
| SADC | Southern Africa Development Community |
| SAPs | Structural Adjustment Programmes |

| | |
|--------|--|
| SATUCC | Southern Africa Trade Union Co-ordination Council |
| SMEs | Small- and Medium-Scale Enterprises |
| TANU | Tanganyika African National Union |
| TFTU | Tanzania Federation of Free Trade Unions |
| TUC | Ghana Trades Union Congress |
| TUCTA | Trade Union Congress of Tanzania |
| UNAIDS | The joint United Nations Programme on HIV/AIDS |
| UNDP | United Nations Development Programme |
| UNDAF | United Nations Development Assistance Framework |
| UPPAP | Uganda Participatory Poverty Assessment Process |
| WEP | ILO's World Employment Programme |
| WER | World Employment Report |
| WLR | World Labour Report |
| WTO | World Trade Organisation |
| ZAR | South African Rand |
| ZCTU | Zambian Congress of Trade Unions/ Zimbabwe Congress of Trade Unions |

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Part One : The Role of Trade Unions in Poverty Alleviation

Chapter 1

Executive Summary

Mohammed Mwamadzingo and Ditiro Saleshando

Bureau for Workers' Activities

International Labour Organization

I Background

Poverty is one of the main obstacles to social progress. Efforts towards alleviating poverty have been disappointingly slow in many developing countries and the relative gap between the richest and poorest countries continues to widen. In Africa, it is estimated that the level of today's real per capita income is lower than that of 30 years ago. This represents both huge amounts of unnecessary human suffering and an enormous squandering of human potential.

Recognising these contradictions, the ILO's perspective on the social impact of salient developments in the global economy is that poverty and social exclusion are two inter-related issues that constitute the core of social disquiet in the global economy. Thus, a major feature of the work of the ILO throughout much of its existence has been towards ensuring a close interdependency of economic and social policies.

The ILO's concern about issues of poverty dates back to at least 1944, when the Declaration of Philadelphia (which concerns the aims and purposes of the Organisation) stated that 'poverty anywhere constitutes a danger to prosperity everywhere.' This gave the ILO an explicit mandate to help fight poverty in the world, making it one of the earlier UN agencies to be given the express authority to address the poverty dilemma.

Most of the chapters in this volume were originally presented at the regional workshop on 'Poverty Alleviation through Social Dialogue: The Role of Trade Unions in English-speaking Africa', which was held in Nairobi, Kenya between 3rd and 5th December 2001.

The workshop, which was sponsored by the Bureau for Workers' Activities of the International Labour Organization, aimed at providing information on the operations and performance of trade unions as social dialogue institutions in the fight against poverty in selected countries in Africa. The overall objective of the workshop was to enable trade unions to better articulate an agenda for poverty alleviation in their respective countries and economic sectors. It was expected that the workshop participants would be able to come up with a Programme of Action toward enhancing the role of the trade union movement within the process of fruitful engagement in the strategic frameworks for poverty reduction.

The workshop brought together 40 participants – trade union leaders/researchers and selected experts – from Ghana, Kenya, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe. Also in attendance were resource persons, specialists from the ILO, and representatives from Friedrich Ebert Stiftung (FES), Germany.

The workshop provided a forum for the participants to exchange views on how strategic planning can, as a disciplined effort, produce fundamental decisions and actions that will shape and guide that which their organisations can undertake towards enhanced participation in the PRSP process. The workshop specifically deliberated on what needs to be done, and why, when and by whom, to ensure that trade unions and all their related structures are ready to face the challenges of alleviating poverty among their members and the communities in which they live.

II Methodology

Through four country studies, the ILO's Bureau for Workers' Activities sought information on the innovative and good practices adopted by workers' organisations at national, sectoral and enterprise level in South Africa, Tanzania, Uganda, and Zambia. These studies highlighted the environment within which social dialogue takes place, the conditions influencing or affecting its effectiveness, and the lessons that trade unions can learn from each other with respect to alleviating situations of the poverty, amongst their members in particular, and the community in general.

The main actors in these studies were national trade union centres and selected industrial national unions. Attempts were also made to hold discussions with other individuals or agencies proposed by the trade unions, in order to have a full and complete understanding of the role of workers' organisations in the fight against poverty within the precincts of social dialogue.

The study methodology entailed field visits to the selected countries, during which consultations were held with key actors in the social dialogue institutions and poverty alleviating mechanisms and processes.

The countries that participated in this study were selected by using the following factors:

- ❖ Prior or existing participation in various ILO programmes, particularly under the 'Jobs for Africa – Poverty Reducing and Employment Strategies in Africa' (JFA-PRESA) Programme
- ❖ A good and effective trade union leadership
- ❖ A favourable national political environment
- ❖ The potential capacity for national trade union centres to counteract negative policy decisions
- ❖ The potential for co-operation with civil society
- ❖ The explicit presence of International Financial Institutions and the adoption of Poverty Reduction Strategic Frameworks

III Summary findings

This publication is divided into three parts. The first part sets the stage by discussing the role of trade unions and other collaborative organisations in the alleviation of poverty in Africa. More emphasis is given to the conceptual understanding of poverty and social dialogue as a mechanism to address the many ills now affecting modern societies. The second part picks up on each country's experiences, combining the finding of the thorough studies

undertaken in the four countries (South Africa, Tanzania, Uganda and Zambia) with the experience of other researchers from Ghana, Kenya and Zimbabwe. Each national report is followed by a commentary from trade unionists, which balances the discussion. The third part summarises the workshop proceedings and presents a workable programme that could be utilised to enhance the role of trade unions in the process of poverty alleviation in Africa.

ILO activities have a direct and indirect bearing on poverty reduction

In the opening chapter, Michael Sebastian put forward the ILO's perspective, starting with the fact that the ILO has both a direct and indirect bearing on the goal of poverty reduction. The ILO's mandate towards this purpose is clearly reflected in its four strategic objectives: (a) to promote and realise standards and fundamental principles and rights at work; (b) to create greater opportunities for women and men to secure decent employment; (c) to enhance the coverage and effectiveness of social protection for all; and (d) to strengthen tripartism and social dialogue.

These four strategic objectives provide the policy framework within which the ILO's role towards decent work and poverty reduction is entrenched. Being a tripartite organisation, the ILO benefits from the advantage of its institutional/constitutional framework in promoting its work on poverty by involving employers, workers, and governments.

The role of trade unions in poverty alleviation in Africa

In the second chapter, Mohammed Mwamadzingo argues that the fight against poverty can only be sustained and won if due consideration is given to the presence and strength of institutional arrangements for consultation and negotiation. In other words, it is paramount to involve intensively and quite directly those affected by the ongoing social and economic transformations, i.e. workers and their communities.

Mwamadzingo believes it is with this realisation that international financial institutions are now also stressing on the importance of country ownership of the poverty reduction strategy. The growing concern for the latter, including the involvement of civil society, is intended to reduce the risk of slippages in implementation as countries themselves take greater responsibility for the design and success of their economic plans.

The main hypothesis of the chapter is that the absence of social dialogue has hindered the development of effective and equitable policies for achieving broad-based social progress, thus reducing the expected outcome of the renewed approaches towards the eradication of poverty in many developing countries.

The multiple faces of African poverty and the role of the international labour movement

Valentine Ntandayarwo attempts to define the problem of poverty in Africa by bringing to the fore its multiple faces. His analysis concludes that the African poverty problem is complex and has had, and is having, a devastating impact on social and economic development. Consequently, Ntandayarwo feels an appropriate need for trade unions and other stakeholders to put their heads together to identify appropriate mechanisms with which to tackle it. In Chapter 5, Austin Muneku discusses trade union initiatives in poverty alleviation in the context of the global labour body, the International Confederation of Free Trade Unions. Muneku argues that trade unions are motivated to engage in poverty-alleviating activities through promotion of social dialogue, directly by undertaking specific programmes, and by encouraging union-community interface.

South Africa: the trade union movement is a powerful and well-organised social formation, around which other pro-poor formations can mobilise

The second part of this publication opens up with the chapter by Ravi Naidoo, which extends the discussion of the concept of social dialogue by giving the South African perspective. Naidoo contends that, in view of the long-term paths needed for development in Africa, inclusive involvement of all stakeholders, and democracy-building processes are important. In this regard, social dialogue has the potential to create spaces for relevant social forces to reach national agreements and approaches to consensus building.

The trade union movement is a powerful and well-organised social formation, around which other pro-poor formations can mobilise themselves. This is important for South Africa where formal employment may never become the norm that it is in Europe. Hence there is a need for trade unions to build a more inclusive and broad membership base.

Tanzania: little trade union participation in the Poverty Reduction Strategic Papers process, partly due to internal problems within unions

The study from Tanzania (Professor Mlawa et al.) has two major findings. Firstly, there has been little trade union participation in the Poverty Reduction Strategic Papers (PRSP) process in Tanzania. Secondly, a number of factors seem to explain the observed findings. These factors include, inter alia: structural problems within the trade unions; inappropriate 'mindsets' amongst trade union leaders; government disregarding trade union roles in economic policy-making; and inadequate preparations and organisation of the poverty reduction process and other economic fora.

Zambia: richly endowed with natural resources but devastated by poverty and HIV/AIDS. Trade Unions are largely ignored in the decision making processes

In Zambia, trade unions have always implored government to find a lasting solution to poverty through effective trade union participation in the PRSP process. Trade unions have come together to form a network that has served to enhance social and policy dialogue on the poverty reduction strategy process in Zambia. However, despite some optimism and the belief that breakthroughs in social dialogue are more likely in Zambia more than anywhere else in the region, deeper analysis shows a different picture of the state of social dialogue and its impact on the lives of citizens in general and, the working class in particular.

Uganda: characterised as a success story, but investors are known to violate workers' rights

Uganda has undergone major political and economic structural changes in the last one and a half decades. Although characterised as a 'success story' by International Financial Institutions, Uganda's economic reforms have had adverse effects on the trade union movement in particular, and entire society in general. The labour movement calls for social dialogue in the promotion and sustenance of sound industrial relations nation-wide.

Kenya: poverty has worsened since independence, with women being the worst hit

At independence, the Government of Kenya identified poverty, ignorance, and disease as the major constraints to the country's socio-economic development. Nonetheless, the poverty situation in Kenya has worsened, with women being more affected than men. The chapter on Kenya presents a gender analysis of poverty, using both descriptive and econometric procedures. The study highlights two main findings. Firstly, women are likely to be poorer than men, and secondly, labour market outcomes differ by gender and often lead to lower earnings for women.

Zimbabwe: the role of social dialogue in solving national issues has also long been recognised, with trade unions at the forefront of espousing an alternative strategy that integrates the formal and informal sectors of

Trade unions in Zimbabwe have long realised that poverty alleviation is related to the type of development strategy adopted. Subsequently, they have sought to influence the choice of economic strategy in many ways. The launch of the publication ***Beyond ESAP: An Alternative Development Strategy for Zimbabwe*** in 1996 espoused an alternative strategy that integrates the formal and informal sectors of the economy. This strategy begins by focusing on people, as opposed to the growth-oriented policies of ESAP. It calls for empowerment of people through entitlement to assets. The publication also proposed the establishment of an institutional framework for dialogue by social partners.

The last few years have been a particularly difficult period for Zimbabwe, which is currently suffering from its worst-ever social and economic crisis. The lack of complete collaboration with stakeholder-partners in the development process has led to the understanding that an institutional environment that is conducive to social dialogue is important in shaping the outcome of the process. Therefore, the government has to realise that social partners, both local and external, have a role to play in creating an atmosphere of trust that would ensure that transaction costs are minimised and progress is made to eradicate ever-increasing poverty.

Ghana: another 'success story', but poverty still abounds

Although the Ghanaian economy recorded an average growth of 4.4% per annum during the 1990s, about 43% of the population still fall below the threshold of the poverty line. Trade unions have tirelessly used traditional industrial relations tools in their fight against poverty and to improve working conditions for their members. For instance, the collectively bargaining instrument has been effectively used to help alleviate poverty and improve the incomes of members and non-members alike.

The final part of the publication presents the way forward derived from the workshop deliberations. In Chapter 13, Hubert Schillinger proposes a concept for a joint capacity building programme on trade union participation in PRSPs for trade unions in selected African countries. The development objective of the programme is to promote the interaction between the international financial institutions and the international trade union movement.

The last chapter contains the report of the workshop and summarises the main outcome of the workshop: the "Trade Union Action for Poverty Alleviation in Africa".

Chapter 2

Poverty Reduction and Decent Work: The Role of the ILO

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I Introduction

In many ways, the ILO was a pioneer of international action against poverty. The preamble to the ILO Constitution, which was adopted in 1919, mandates the ILO to pursue social justice, whilst the 1944 Declaration of Philadelphia states that 'poverty anywhere constitutes a danger to prosperity everywhere'. In the last four decades the ILO's World Employment Programme (WEP), which was launched in the late 1960s, has generated considerable interest in development thinking and has led to some good work on employment strategies. In effect, WEP paved the way for an outreach analysis of the problems of rural workers and workers in the informal sector in the 1990s.

However, in global terms, despite the efforts of the ILO, about half the world's population, and almost exclusively in developing economies or in economies in transition, continues to live in poverty. This is also in spite of the increasing concern demonstrated by other international organisations, including the UNDP and the International Financial Institutions (IFI), regarding issues of poverty and the enlarged scope and meaningful clarity given to understanding poverty in its various forms and dimensions.

From 1990, the UNDP described its analysis of human development in an annual report on a composite index of measures reflecting achievements in the most basic human capabilities – living a long life, gaining knowledge, and enjoying a decent standard of living. The UNDP reports also include information on other important factors such as access to safe water, food security, and nutrition. Of special interest to workers and workers' organisations is the fact that the UNDP's *Human Development Report 2000* incorporated human rights as an indicator of poverty.

This approach, the analysis of human development from the notion of development as freedom, is rooted in the intellectual underpinnings enunciated by Professor Amartya Sen, a Nobel Prize winner. Sen had analysed poverty in terms of various forms of the lack of freedom that prevents people from realising and enlarging their capabilities. This view of development is broad and integrated, encompassing both civil and political liberties and economic and social rights as primary goals towards development and the principal means of progress. Sen's concept is also very close to the heart of the work of the ILO in its fostering of *decent work*.

It is notable that both the World Bank and the International Monetary Fund, who were once perceived as traditionally less mindful of the social dimension, now pay attention to poverty and the social dimensions of globalisation. The World Bank's *World Development Report 1990* focused on health and education as two key determinants of poverty-reducing growth. More

importantly, the World Bank's *World Development Report 2000-1* enlarged its analysis by using concepts of opportunity, empowerment, and security.

The effort to strengthen poverty reduction policies has, in recent years, come to acknowledge the need for direct assistance in implementing the framework of a comprehensive approach designed and developed through consultation by national authorities and international agencies. This development approach is referred to as a Comprehensive Development Framework (CDF). Using CDF principles, the World Bank and the IMF are collaborating to support a process aimed at producing national Poverty Reduction Strategies Papers (PRSP), which in turn form the basis for funding specific programmes, including debt relief for Highly Indebted Poor Countries (HIPC). Similar initiatives include the UN Development Assistance Framework (UNDAF), which is aimed at linking the work of all UN development agencies.

II The 'decent work' agenda

There is no doubt that the important impetus and prominence given by multilateral agencies to eradicating poverty is linked to the World Summit for Social Development that was held in Copenhagen in 1995. Here, mention must be made of the role played by Juan Somavia, who was Chairman of the Summit and is now the present Director General of the ILO. Understandably, Somavia has brought with him to the ILO a strong moral persuasion to battle poverty through his concept of 'decent work for all'. Decent work is now the driving force behind the ILO's conviction that a broad-based strategy for poverty reduction is needed.

The Report of the Director General to the International Labour Conference in 1999 defined the 'decent work' agenda as the 'promotion of opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity'. In translating the concept of decent work into a policy framework for poverty reduction, the ILO has adopted four broad and interconnected components (Strategic Objectives), namely (i) Employment; (ii) Standards and Fundamental Principles and Rights at Work; (iii) Social Protection; and (iv) Social Dialogue.

These four components provide the ILO with a framework for adopting and implementing integrated strategies for poverty reduction. The immediate goal certainly involves a combination of measures to promote productive employment, social protection, rights and representation, and the effective functioning of social dialogue among ILO constituents. In effect, this is where the comparative advantage of the ILO within the multilateral system can be brought into effective use. It is imperative to build on ILO's knowledge of the world of work and tripartite systems of social dialogue and focus on strengthening the institutional framework needed to promote decent work and thus poverty reducing growth.

Given its constitutional tripartite structure (governments, employers and workers' organisation), the ILO has a well-built institutional form with which to catalyse action by its constituents. It is also ideally placed to support the implementation of policies and programmes designed to expand and deepen decent work opportunities and thus realise the targets for poverty reduction.

III Decent work to promote poverty-reducing growth

Various complementary elements must continue to be effectively employed by the ILO in the development of its strategy for focusing decent work on the goal of poverty reduction. These include:

- ❖ A more comprehensive effort to determine the practical and conceptual linkage between poverty reduction and employment, social protection, standards, and social dialogue with the overall aim of giving a better understanding of the relationship
- ❖ A parallel mapping exercise that will enable the ILO and others to see how its work connects with that of other agencies, with a view to maximising its specific contribution within an integrated policy framework
- ❖ Planned further research by the ILO on the scope for integrated policies in the context of the challenges of globalisation addressing the relationship between, on the one hand, international and regional integration process, and on the other, growth, decent work, and poverty reduction
- ❖ Further work to deepen the intellectual underpinnings of decent work and demonstrate its relevance to the challenges posed by globalisation
- ❖ Testing the operational value of the decent work agenda as a tool for moving towards integrated economic and social policies for poverty-reducing development

These aspects are rooted in the implementation of the four strategic ILO objectives as follows:

Standards, fundamental principles and rights at work: To promote and realise fundamental principles and rights at work:

- ❖ ILO member-States put into effect the principles and rights concerning the freedom of association, collective bargaining, and the elimination of forced labour, child labour, and discrimination in employment and occupation
- ❖ The progressive elimination of child labour, with priority being given to the urgent elimination of its worst forms and the provision of alternatives for children and families
- ❖ The provision of services for supervisory bodies, constituents, the Governing Body, and the International Labour Conference, thus enabling existing standards to be supervised and new standards set

Employment: To create greater opportunities for women and men to secure decent employment and incomes:

- ❖ ILO constituents are better equipped to analyse trends in national and global employment and labour markets, and to elaborate, advocate, and implement effective strategies for the promotion of decent employment for men and women
- ❖ ILO constituents invest more in training and skills' development to provide men and women improved and equal access to decent jobs
- ❖ ILO member-States and constituents are better equipped to design and implement employment promotion programmes in the areas of enterprise development and employment-intensive situations, paying particular attention to the situation of women

Social Protection: To enhance the coverage and effectiveness of social protection for all:

- ❖ Member-States broaden the scope and the instruments of social security (including the informal sector and the working poor), improve and diversify benefits, strengthen governance and management, and develop policies to combat the adverse effects of social and economic insecurity
- ❖ ILO constituents target and take effective action to improve safety and health and conditions of and at work, with special attention being given to the most hazardous conditions at the workplace

Social Dialogue: To strengthen tripartism and social dialogue:

- ❖ The representation, services, and influence of social partners are strengthened
- ❖ The legal frameworks, institutions, machinery, and processes for social dialogue are strengthened

IV An overview of ILO activities on poverty and decent work

(a) Research, analysis, and advocacy

At the level of global analysis, both the ILO's *World Employment Report 2001* (WER) and its *World Labour Report 2000* (WLR) focused on how the impact of trends in the information economy and in social protection were affecting different groups, the least well-off in particular. The WER included a chapter on overcoming the digital divide and poverty alleviation.

The ILO also produces a stream of thematic studies of global issues related to poverty reduction. The most recent studies include Wouter van Ginneken, Bernd Balkenhol (1999), Paul Bennell, Willem van Geest and Rolph van der Hoeven (eds). Each of these substantial volumes highlights important aspects of the challenges that face policy-makers in addressing poverty.

There is also a modular package available on gender, poverty, and employment (ILO 2000b and ILO 2000c) that draws on research and analysis for the purposes of advocacy. The package is intended for use by trainers to support capacity-building of a wide range of social actors and institutions in developing countries and could be used to address a number of gender-specific poverty development issues.

In November 2001, the ILO hosted a **Global Employment Forum** that, amongst other things, aimed at establishing a comprehensive employment strategy. An ILO background report is currently being prepared, having as a major theme the relationship between employment growth and poverty reduction. The Office has also started to prepare a report on the informal sector for general discussion at the International Labour Conference in 2002. Preparation for this item entails a broad examination of how the concept of decent work can be incorporated into the informal sector and the contribution that the ILO can make to the issue of poverty reduction in this area.

(b) Standard setting and supervision

It is important to note that conceptual and empirical work demonstrate that institutions of voice, founded on freedom of association and the right to organise and collective bargaining, can play an important role in building consensus around successful national strategies for development.

Child labour is both a cause and a consequence of poverty. Thus, the progressive eradication and prevention of child labour is, to a large extent, associated with long-term efforts to reduce poverty. Furthermore, it requires a three-

pronged strategy, i.e. one built on measures to i) reduce family poverty through the creation of decent work opportunities for adults, ii) enlarge access to education for children, especially girls, of poor families, and iii) assure the application of labour market regulations.

In addition to Conventions on fundamental rights, numerous other Conventions and Recommendations are also potentially important instruments in the fight to reduce poverty. Among these, mention must be made of the following: Human Resource Development (C142); Occupational Health and Safety (C155); Indigenous and Tribal Peoples (C169); Right of Association (Agriculture) (C11); Rural Workers' Organizations (C141); and Minimum Wage-Fixing Machinery (C131).

(c) *Advisory and capacity-building services*

Furthermore, the ILO has a considerable range of programmes offering advisory and capacity-building services, which are often coupled with closely-related research on aspects of decent work relevant to poverty reduction. *Small Enterprise Development* is a notable focal point vis-à-vis the ILO's efforts to boost decent work opportunities, particularly in the informal sector of developing countries. The InFocus Programme on Boosting Employment through Small Enterprise Development (SEED) focuses on the latter, using its knowledge of the global picture of small enterprise development. It is able to set priorities for activities, develop innovative pilot projects, advise ILO constituents and others on the most effective ways to boost employment through small enterprise development, improve their working conditions, and increase their productivity thus making them more attractive outsourcing partners for larger enterprises. The ILO's Employment-Intensive Investment Programme (EIIP) is concerned with developing coherent policy packages that combine investments targeted at the needs of the poor with appropriate social policies.

In conjunction with the UNDP, and with governments and social partners, the ILO's African Regional Office is currently implementing an Employment Generation for Poverty Reduction Programme, otherwise known as Jobs for Africa, as a follow-up to and in support of the Copenhagen Declaration of March 1995. The Programme was initially launched in 1997 in ten countries (Burkina Faso, Cameroon, Côte d'Ivoire, Ethiopia, Mali, Nigeria, Senegal, Uganda, Zambia, and Zimbabwe). It has since extended to seven others (Algeria, Egypt, Ghana, Kenya, Namibia, South Africa, and the United Republic of Tanzania). Its conceptual framework is based on an investment-led macroeconomic policy reorientation strategy that is geared towards promoting poverty-reducing employment. This initiative compliments and supports the World Bank/IMF's national Poverty-Reducing Strategy Papers (PRSPs) and/or Comprehensive Development Framework (CDFs). It also explores the application of HIPC funds in a coherent effort to address the challenge of employment creation and poverty alleviation in Africa. Jobs for Africa's main objective is to implement mutually reinforcing actions with which to combat poverty through employment creation by:

- ❖ Developing a conceptual framework based on investment-led growth strategies that maximise employment and reduce poverty
- ❖ Identifying policy tools and operational systems (impact assessments of public/private investment on employment and poverty are the main policy tools, with the main operational systems being national advocacy groups that can influence the shift of investment policies for more pro-poor, pro-employment, and pro-growth activities)

- ❖ Designing a comprehensive regional programme to support country-level employment creation activities

In the short term, Jobs for Africa aims at developing and strengthening the capacity of national and regional institutions and networks in Africa to assess, design, and advocate policies for poverty reduction through employment creation. In the longer term, the objective is to build sub-regional and regional capacity to design and adopt poverty-reducing employment strategies that are based on investment-led macroeconomic policies, and are explicitly targeted towards the poorest segments of the population and are coherent at the micro, sectoral and macro levels. Jobs for Africa, for which an allocation of US\$4.6 million in extra-budgetary funds was provided between 1992-2000, provides a strong foundation for the integration of the ILO's 'decent work' approach into the PRSP process, one in which most African countries are now heavily engaged. The programme is also attracting considerable interest as a component to national PRSPs, which is likely to lead to substantial additional funding from multilateral and bilateral donors.

Social expenditure and performance reviews (SPERS) are aimed at helping countries monitor the effectiveness of social protection systems. Reviews are planned for South Africa and the United Republic of Tanzania, amongst other countries, and are expected to identify vulnerable groups that are not covered or whose coverage is insufficient to alleviate or prevent poverty.

The InFocus Programme on *Socio-Economic Security* starts from the viewpoint that basic security for all is fundamental for social justice. The Programme's objectives are to work towards developing a sound knowledge base and policy framework, so contributing to the founding of a just society that provides work-based security for all. *Strategies and Tools against Social Exclusion and Poverty (STEP)* aims to develop and disseminate innovative methods with which to fight social exclusion and extend social protection that reconciles economic efficiency with social efficiency by combining social justice, efficient management, and economic realism. At local level, STEP is mainly involved in the identification of new and complementary social protection mechanisms that aim to address the priority needs of disadvantaged groups.

One of the most dramatic challenges to poverty reduction is the rapidly spreading impact of the HIV/AIDS epidemic. More than 90% of the estimated 34 million people infected with HIV/AIDS live in developing countries. Preventing the spread of the epidemic has become a vital part of all anti-poverty strategies, not least because HIV/AIDS is decimating the prime income-earning generation of entire communities, especially in Africa. As part of a multilateral mobilisation led by UNAIDS, the ILO has developed a workplace-based programme that will increase awareness, combat the spread of the disease, and address its implications for workers, employers, and public policy.

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Chapter 3

Poverty Alleviation and the Role of Workers' Organisations in Africa¹

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'Poverty anywhere constitutes a danger to prosperity everywhere.'

Declaration concerning the aims and purpose of the International Labour Organization, Philadelphia, 1944.

I Background

Poverty has long been accepted as a permanent feature of human existence and without arousing any accompanying and deserved moral indignation. Pervasive poverty, inequality, and underdevelopment have grown and spread to such an extent that they are now perceived as serious threats to political stability, social cohesion, and the environmental health of the planet. Indeed, as we start a new century and enter a new millennium, poverty remains a global problem of huge proportions.

The World Bank conservatively estimates that more than one billion people in the world live in abject poverty and that more than 700 million men and women lack productive employment. They also have limited access to income, infrastructural resources, education, health care, and good nutrition (World Bank 2001a). They are also powerless, voiceless, and vulnerable and live in a state of constant fear and uncertainty.

II Why is Africa so poor?

The incidence and prevalence of poverty in Africa

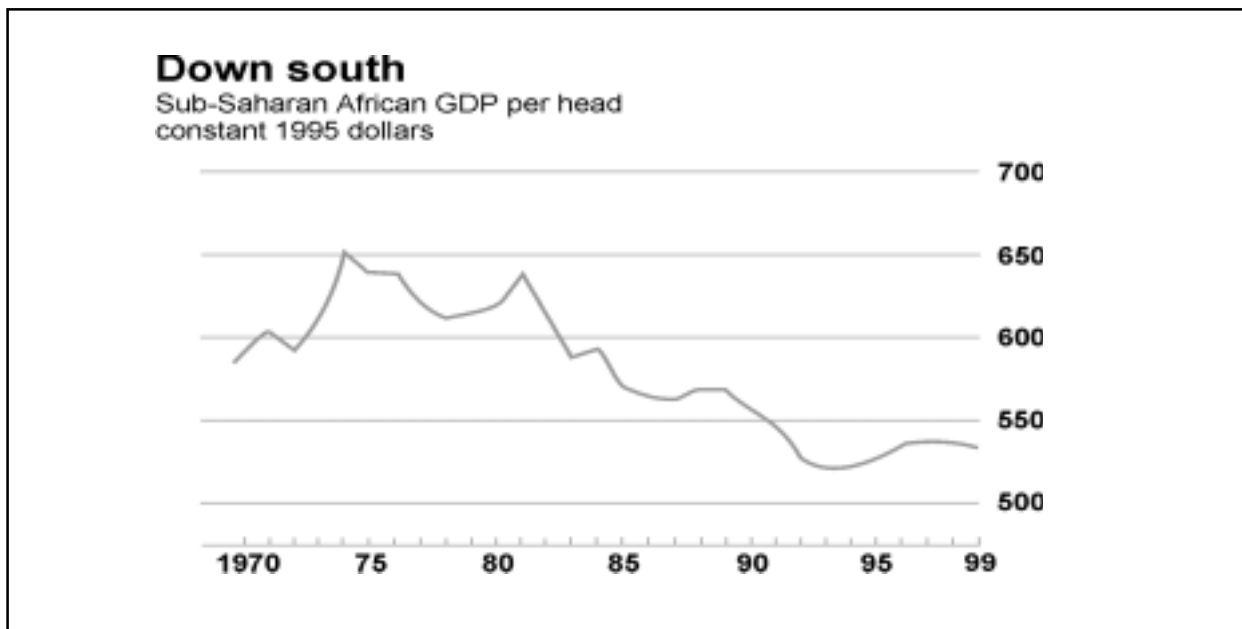
Africa enters the 21st century as a continent of some of the world's poorest countries. Today, the average per capita income is lower than it was in the 1960s (see Figure 1, below); almost half of sub-Saharan Africa's 640 million people live on no more than 65 American cents a day. The average GNP per capita for the region is US\$ 492, but in 24 countries the GNP per capita is under US\$ 350, with the lowest incomes found in Ethiopia (US\$ 100), the Democratic Republic of Congo (US\$ 110), Burundi (US\$ 120), and Sierra Leone (US\$ 130).

Although about 44% of Africa's population live below the region-wide poverty line of US\$39 per capita per month, the depth and incidence of poverty varies both between and within sub-regions (ECA, 1999). In the North African sub-region, only 22% of the population falls below the poverty line of US\$54 per capita per month, while 51% of the population of sub-Saharan Africa falls below the poverty line of US\$34 per capita per month. The 1999 ECA study recorded the highest incidence of poverty in Guinea-Bissau, where 70% of the

¹ *The views expressed in this paper are those of the author and may not necessarily correspond to the policy of the International Labour Organization.*

population were living below a poverty line of US\$26 per person per month. Similar records for other countries were given: Niger (68%); Tanzania (67%); Zambia (60%); Guinea (56%), Senegal (51%); Madagascar (50%); Kenya (50%); Lesotho (48%); and South Africa (44%). The lowest incidence of poverty was reported in Algeria, where only 15% of the population were found to be living below a poverty line of US\$74 per person per month (ibid).

Figure 1



Source: World Bank

Limited structural transformation

Unlike those of any other region in the world, African economies have experienced *little structural transformation* to warrant any significant dent in the poverty quagmire. One of the major manifestations of this problem is limited export diversification. Most countries in Africa remain highly dependent on primary production and export. In the World Bank's classification of economies by major export categories, not a single African country belongs to the 'exporters of manufactures' league. On the other hand, 26 are listed as 'exporters of non-fuel primary products' (World Bank, 1996:53-54). In several countries export earnings are dominated by one commodity. Moreover, the reliance on one or two low-value agricultural export commodities has left several African economies extremely vulnerable to volatility of commodity prices. Worst of all, this is a clear reflection of the underdevelopment of the continent's manufacturing industry, as export performance in manufactured products is a powerful indicator of productivity and competitiveness.

Lack of sustained long-term high growth

There have been few examples in Africa of *sustained long-term high growth* (i.e. exceeding 5% per annum). Although many countries in Africa achieved periods of more than ten years of average growth exceeding 5% per annum in the 1960s and 1970s, in almost all cases this broke down between the mid-1970s and early 1980s, with growth continuing to be generally slow. Only Botswana (from 1965) and Mauritius (from 1980) have managed to sustain this growth rate over more than two decades, while Mozambique and Uganda, recovering from intense economic crisis and war, have maintained rapid growth since the mid-1980s (Berthelémy and Soderling, 2001).

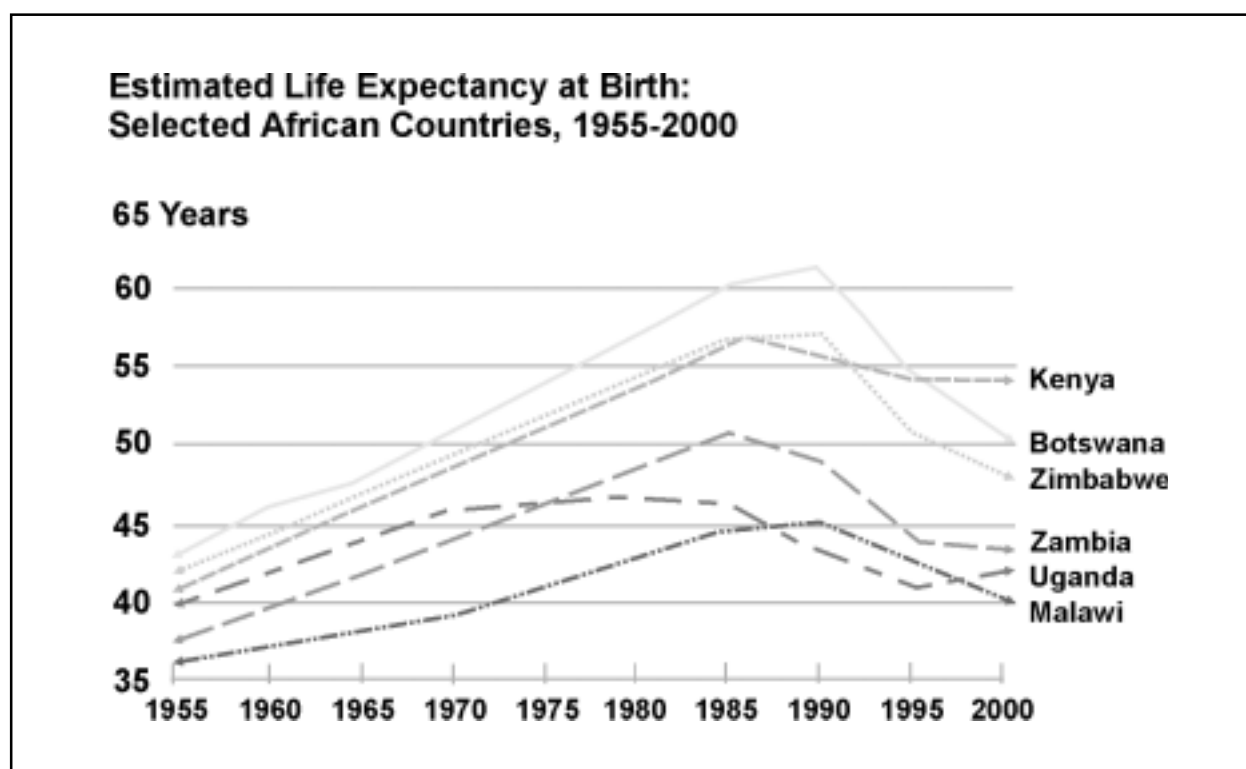
The devastating effects of the HIV/AIDS pandemic

The report released by the United Nations Secretariat in February 2001 now considers HIV/AIDS as 'the most formidable development challenge of our time.' AIDS is now a world-wide problem, but it has hit sub-Saharan Africa the hardest. 70% of all adults and 80% of all children in Africa live with HIV, and 75% of the global deaths due AIDS since the epidemic began have been African men, women, and children. During 2001, an estimated 3.4 million people became infected with HIV in sub-Saharan Africa and 2.3 million people died. AIDS is now the primary cause of death in Africa, with the cumulative total of all deaths since the beginning of the epidemic now being around 20 million.

On the global level, the 21 countries with the highest prevalence of HIV are all in Africa. In Botswana, South Africa, and Zimbabwe, one in four adults is infected. Today, a child born in Zambia or Zimbabwe is more likely to die of AIDS than not. In many other African countries, the lifetime risk of dying of AIDS is greater than one in three (see Figure 2).

What makes HIV/AIDS unique is its impact on development, for it undermines five of the latter's foundations. These are economic growth, good governance, the development of human capital, and the investment climate and labour productivity. A decade of data from 75 countries world-wide suggests that AIDS costs a typical African country more than 0.5% per capita growth every year. Because this disease kills so many young adults in the prime of their lives, the impact on both the public and private sector is devastating.

Figure 2



Source: UNAIDS

Continued armed conflicts and political uncertainties

Africa is further disadvantaged by having more continued-armed conflicts and political uncertainties than anywhere else in the world. The World Bank's latest edition of ***African Development Indicators 2001*** also attempts to show how civil conflicts in Africa have blunted and reversed the prospects of growth for war-torn countries (see Figure 3). Continued conflicts in Angola, the Democratic Republic of the Congo, and other countries in sub-Saharan Africa, not too mention political uncertainty elsewhere, add to difficulties these countries – if not the region as a whole – face in attracting capital and laying the groundwork for stronger growth. While the trend for many African countries during the 1990s was one of slow economic improvement, those nations in conflict suffered negative growth and an alarming deterioration in basic conditions (Angola, -0.2%, Burundi, -2.4%, Democratic Republic of Congo, -4.6%, Rwanda, -2.1%, and Sierra Leone, -4.6%).

Those born in African countries beset by conflict are also likely to have shorter life expectancy, and the infant mortality rates are also higher than in other more stable countries. Sierra Leone is a striking illustration of this trend, having the region's lowest life expectancy rate, one of just 37 years.

Figure 3:



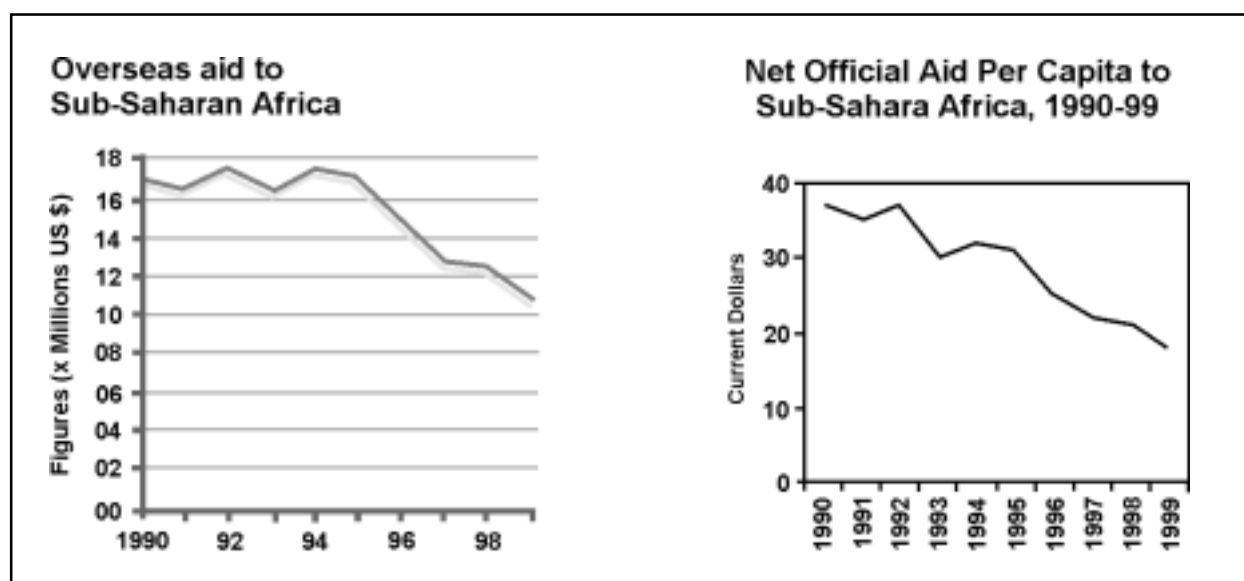
Misplaced economic policies

To many observers, much of the blame for the continent's poverty lies with *bad economic policies*. Price and currency controls, state ownership of industry, doomed attempts at self-sufficiency, and uncontrolled public spending have been the norm since many countries' independence. Aid, including soft loans from the Bretton Woods Institutions, may have aggravated these problems by keeping regions with ruinous policies afloat, thus delaying reform. Aid also failed spectacularly in alleviating poverty; by the beginning of the 1990s donors had grown tired of giving and official aid to Africa fell from US\$ 32 per head in 1990 to US\$ 19 in 1998 (see Figure 4).

Declining foreign direct investments and official aid

According to the World Bank's *African Development Indicators 2001* (World Bank 2001b), two important sources of finance, *foreign direct investment* (FDI) and *official aid*, are also declining in size, and tend to favour those countries with lucrative mining and oil industries in the case of FDI, or countries with sound social and economic policies as regards aid. Of the US\$2.52 billion in FDI that flowed into sub-Saharan Africa during the last decade, three countries together alone accounted for much of that total – Angola, US\$626 million, Lesotho, US\$170 million, and Nigeria, US\$876 million. If South Africa is excluded (both as a recipient and a source of FDI), five other countries accounted for a further US\$576 million (The Democratic Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Namibia, and Sudan), leaving the remaining 40 countries of sub-Saharan Africa to compete for just \$US275 million in annual FDI flows.

Figure 4:



Source: World Bank

According to the World Bank, this is a pity, because aid was just starting to work when it was squeezed. With the end of the Cold War, donor dollars were no longer used to reward support for East or West alliances. Instead, aid finally began to favour countries with sensible economic policies. This is crucial: aid to countries with 'foolish' economic policies has been shown not to reduce poverty. Yet in countries with sound policies (low inflation, a budget surplus, openness to trade) and sound institutions (little corruption, the rule of law, effective bureaucracy), aid has helped to get growth going and so relieve large numbers from penury. In 1966, Ghanaians were almost twice as prosperous as South Koreans in terms of GNP per head. However, by 1999, South Koreans were 22 times richer. Nonetheless, one or two other African states, notably Botswana, have shown that good government is possible in Africa.

III Conventional strategies for poverty alleviation

Economic growth does not necessarily benefit the destitute and the poorest of the poor

Arguably, overall efforts towards alleviating poverty have been disappointing in many developing countries. The relative gap between the richest and poorest countries has thus continued to widen, reinforcing the differences between and within continents. In Africa, it is estimated that the level of real per capita income today is lower than that of 30 years ago. This represents both huge amounts of unnecessary human suffering and an enormous squandering of human potential.

Included among the earliest strategies to combat poverty is the conventional economic growth approach, which is based on the assumption that if national output expanded, social groups and classes in society would be uplifted automatically and could thus begin to enjoy higher standards of living. It was further assumed that growth incentives would initially accrue with groups at the top of the economic ladder, whilst gradually or indirectly benefiting those at the lowest steps by a 'trickle down' process (Kuznets, 1955). The analytical emphasis here is on factors that increase the level or the price of the outputs of the poor. Increasing output entails increasing the volume, distribution, and productivity of the factor output. The output is a function of the factors of production (land, labour, capital, and technology). Later studies found that a 1% increase in average real household incomes was associated with a 2% decline in the incidence of poverty. Closely following Professor Kuznets' economic logic, as countries become richer, the incidence of income poverty tends, on average, to fall. Just as income poverty declines as average incomes increase, so does non-income poverty such as health, education, and social infrastructure.

Empirical investigation nonetheless discounts this view and notes that while economic growth may improve overall standards of living it may actual fail to benefit the destitute and the poorest of the poor, who are often unable to undertake wage employment due to inadequate education and training, disability, infirmity, or the need to care for dependants. As some studies have indicated, economic growth accounts (statistically) for only 35-50% of poverty reduction, which attests to the importance of other explanatory factors (UN, 1998:51).

IV Poverty alleviation through social dialogue: the role of workers' organisations

(a) Mandate of social dialogue institutions to fight poverty

The fight against poverty will only be won if due consideration is given to the presence and strength of institutional arrangements for consultation and negotiation

The ILO and its social partners, including workers' organisations, share the conviction that the social impact of salient developments in the global economy is demonstrated by two inter-linked issues that constitute the core of social disquiet in most countries: poverty and social exclusion. A major feature of the work of the ILO throughout much of its existence is its concern about issues of poverty, which dates back to at least 1944 when the Declaration of Philadelphia stated that 'poverty anywhere constitutes a danger to prosperity everywhere'. This Declaration is what gave the ILO, one of the earlier UN agencies, an explicit mandate to help fight world poverty.

Various approaches to poverty reduction are now promoted by bilateral and multilateral organisations, many of which build on the traditional emphasis on macroeconomic and structural soundness. Yet the fight against poverty can only be sustained and won if due consideration is given to the presence

and strength of institutional arrangements for consultation and negotiation. In other words, it is paramount to intensively and directly involve those affected by ongoing social and economic transformations, i.e. workers and their communities.

Workers' organisations believe it that it is with this realisation that international financial institutions are now also stressing the importance of country ownership of poverty reduction strategies. The growing concern for country ownership, including the involvement of civil society, reflects the aim to reduce the risk of slippages in implementation as countries themselves take greater responsibility for the design and success of their economic and social plans.

The trade union movement strongly believes that the best approach to the successful and sustainable eradication of poverty is through social dialogue. This is a tripartite process that gives a voice to employers and workers in the formulation of national and local policy on work-related and other social and economic issues. Meaningful dialogue with workers' organisations throughout the process of structural adjustment and economic reforms could facilitate their implementation, particularly in privatisation and public sector reform issues.

Poverty must be addressed through employment creation and collective bargaining

Trade unions see a lasting solution to addressing poverty by reviving and fostering the productive sectors of the economy and in creating jobs. The starting point is to come up with a framework for labour market policy that will fit within the overall macro-economic policy framework.

Collective bargaining for productivity-related wage increases is the most direct contribution of trade unions to poverty reduction, in that union members include the working poor in Africa and that incomes in the organised sector of the economy often support a number of extended family members. Trade unions traditionally stipulate collective bargaining as a means of determining wages and other forms of working conditions, for workers are entitled to *decent working and living conditions*. Better housing, improved health and safety, education for children, and income distribution – the very factors used in assessing the levels of poverty in a given population – have been attributed to the collective efforts of trade unions.

(b) The broader agenda for trade unions

Trade unions have a broader agenda in alleviating poverty through wide-range of development campaigns such as elimination of child, gender equality, conflict resolution and fight against HIV/AIDS

In addition to their traditional roles of promoting social dialogue and industrial relations, trade unions also take on other issues of social policy and human development role.² Trade unions in Africa are proactively involved in a number of campaigns on human development. These include focusing on raising awareness and monitoring child labour; promoting gender equity; providing education and training for trade union members; promoting national government accountability and fighting corruption; protesting against arms proliferation and aiding conflict resolution; and educating their members about HIV/AIDS. Recent initiatives involve organising workers in the informal economy and providing training in entrepreneurial and related skills. Trade unions are also instrumental in pressuring governments to adopt employment-intensive economic policies and adequate social protection schemes.

² In order to better articulate the agenda for poverty alleviation in the new millennium, various regional and sub-regional trade union organizations in Africa have organised high-level fora. One of the recent activities is the high level symposium on the theme "the Role of Trade Unions in Poverty Alleviation and Employment Creation in Africa" held on the eve of the 13th Congress of the International Confederation of Free Trade Unions, African Regional Organisation on 22 May 2001, in Nairobi.

Trade union membership is all-encompassing. In Africa, union membership is drawn from working women and men, the informal sector, youth, and the rural sector. Besides representing the working poor, workers' organisations are also cognisant of the traditional African extended family, which further broadens the trade union mandate. *As part of a vigilant civil society, unions do not only represent the interests of its book membership, but also speak for the entire society, especially in situations where government efforts are not adequate.*

Of all the continents, Africa has the highest percentage of children who are forced by circumstances to participate in economic activities at a vulnerable age. Arguably, *poverty is both a cause and consequence of poverty.* Participation of children in economic activities aggravates poverty by degrading the stock of human capital necessary for economic development while it simultaneously increases unemployment and underemployment of adults. Trade unions are aware that child labour is exploitative, detrimental, hazardous, and abusive, and that it affects the overall physical, mental, spiritual, moral, and social development of the child involved. Furthermore, it is discriminatory and inconsistent with democracy, human rights, and social justice, as it adds to the burden and disadvantage of individuals and groups already among the socially excluded and benefits the privileged. For Africa, fighting child labour is a major component of fighting poverty.

Poverty studies have shown that *women* are in a more disadvantaged position vis-à-vis their male counterparts. The status of women has been enhanced through union membership. Unions have sought to involve women in all spheres of their activities. Education programmes and activities that ensure women's participation in national development have been part and parcel of the trade union movement since its establishment in Africa in the 1950s. Trade unions have also fought for the rights of women of all levels in society.

Institutionalisation of high-level national stakeholder structures (such as South Africa's NEDLAC) in which major economic and social policy issues are articulated

Unions cannot meaningfully contribute to poverty alleviation if the atmosphere in which they operate does not facilitate the exercise of their right to associate and collectively bargain. If allowed to operate in an atmosphere devoid of fear, unions could do a lot to complement the efforts of other development actors. Through strengthening union structures, capacity building education activities and policy formulation, unions call on their members to be involved in national development programmes. Trade unions in Africa have been calling for the institutionalisation of high-level national stakeholder structures in which major economic and social policy issues are articulated. In such organs, trade union views, along with those of other stakeholders, are arrived at through consensus and dialogue. Such structures could be instrumental in checking the excesses of corruption, allocation of tenders, nepotism, and so on. The experience of the National Economic Development and Labour Advisory Council (NEDLAC) of South Africa could be taken advantage of.

Unions have been involved in uplifting the poverty situation good governance, democracy and transparency

Finally, but by no means least of all, trade unions have been involved in uplifting poor living conditions in their respective communities through three catchwords – good governance, democracy, and transparency. It is the belief of unions that social ills can only be tackled if the atmosphere is sufficiently conducive for all stakeholders to air their views. Trade unions give a voice to the voiceless through their continued campaign for democratic principles in society. These organisations are a logical consequence of the freedom of association and have often played instrumental roles in laying the foundations for democracy in many countries, principally by expanding civil liberties and by providing the vehicles through which people can be acquainted with the democratic way of doing things.

U Conclusions

In order to devise suitable policies with which to ensure the alleviation of poverty through social dialogue, it is necessary to acquire a clearer understanding of the nature of the linkages that exist between institutions of social dialogue and trade unions in the countries selected. It is recognised that weaknesses and strengths, and how and under what conditions social dialogue is practised, vary between countries and within the sectors of a country. Consequently, it is imperative that various selected economic sectors of the country concerned are investigated. The purpose here will be to identify the incentives, rules, and actors shaping the creation, functioning and dynamics of each sector and to assess the constraints undermining the potential of efficient and responsive 'voice' institutions. In so doing, both the innovative and enabling mechanisms of negotiation and broad-based social dialogue involving trade unions and wider civil society will also be charted.

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Chapter 4

The Role of Trade Unions in Poverty Alleviation: Priority Agenda for the 21st Century

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I Introduction

Poverty is a unique malady in that it is both a symptom and a cause. It is a symptom because its manifestations are indicators of deep-rooted problems. It is a cause because it gives birth to other socio-economic problems.

Poverty is estimated as afflicting about 1.3 billion or over 20% of the world's population. Africa's share of this figure is monumental; over 400 million (50% of all people living in Africa) are estimated to be living below the poverty line of one American dollar per day. It has been said that if Adam Smith were here today to revise or rewrite his celebrated treatise, *The Wealth of Nations* (1776), he would most probably deem it contextually appropriate to rephrase the title as follows: *The Poverty of Nations: The African Case*. There are two reasons that make this plausible. The first is that poverty is wealth turned upside down, as poverty cannot be sustainable or meaningfully addressed without creating wealth. The second is that there is potentially more resource base than it would take to eradicate poverty in the continent. Hence, the onus of harnessing the existing stock of knowledge and resources, as well as the political will and commitment to do alleviate poverty lies squarely on the shoulders of African leadership.

II Definitions and the nature of poverty in Africa

In its attempt to deal with the poverty in Uganda, the Government carried out a Participatory Poverty Assessment Process (UPPAP) in nine pilot districts over a period of eight months, with the consultations involving the poor themselves. The report attempted to provide a complete and realistic picture of poverty, in terms of understanding it and how local people personally perceive, view, and deal with poverty, with particular regard to service delivery, infrastructure and governance, the dimensions and trends of poverty, and the impact of government policies on the poor.

The finished report indicates that local Ugandans define poverty as more than just a lack of income and material assets; they consider poverty as including the absence of those social aspects that support life. Among these are the absence of social support (which creates feeling of isolation and exclusion), the feeling of powerlessness, deprivation of basic human rights, and a feeling of helplessness regarding an influence upon surrounding conditions. A distinction is made between individual or household poverty and community poverty. Individual or household poverty is regarded as a situation of perpetual need for the daily necessities of life together with a feeling of powerlessness, while community poverty is regarded as the absence of basic physical infrastructure and services, productive assets, and social harmony within the

community. Moreover, poverty is not seen as uniform; it is complex, multi-dimensional, cyclic, and seasonal.³

Respondents in Uganda perceived poverty as the lack of resources required for acquiring basic needs, knowledge included, defining it as 'a situation of perpetual need for the daily necessities of life, such as food, shelter, or clothing. A feeling of powerlessness to influence the things around you'. Poverty is thus defined in terms of material and non-material aspects that support life at various levels: individual, household, and community.

A situation in which an individual or household consistently fails to attain those living conditions defined and accepted as the social minimum is defined as one of *relative poverty*. However, where an individual or household lives in conditions of life 'characterised by malnutrition, illiteracy and disease as to be beneath any reasonable definition of human decency', such deprivation is known as *absolute poverty*.⁴

III The sixteen faces of African poverty

Poverty is a unique phenomenon with particular features that are prominent in Africa. It is analytically useful to identify other ramifications of poverty over and above statistical accounts. The imperative for this is the consideration that poverty is not only *income deprivation but also capability deprivation* (Sen 1999)⁵. Thus, crossing over the income poverty threshold is no guarantee that one is capable of living a 'minimally acceptable' life. A typical example of this is person who lives above the poverty line but suffers from a financially demanding illness such as HIV/AIDS or cancer.

In the absence relevant rigorous statistics, let us consider the multiple faces of poverty, as depicted diagrammatically in Figure 5.

³ Para 4: Executive Summary of the Uganda Participatory Poverty Assessment Report (UPPAP), June 2000, p. 10.

⁴ ILO (1995), "Employment Convention in Uganda" Report of the Joint ILO/UNDP Employment Advisory Mission, EAMAT, Addis Ababa.

⁵ See the Nobel Lecture of Amartya Sen (1998) "The Possibility of Social Choice", *American Economic Review*, June.

Figure 5: The multiple faces of poverty



- (i) Poverty can be *unemployment* and/or *underemployment*. Unemployment is the single most important cause of poverty (Lipton 1983, Chipika 1999).⁶
- (ii) Poverty has a *gender*. Women constitute about 51% of Africa's population and correspondingly bear a disproportionate burden of poverty.
- (iii) Poverty has the face of an *ignoramus*; the lack of knowledge and skills make it impossible for people to create wealth and get out of the poverty trap.
- (iv) Poverty has the face of a *criminal*. Poverty is a strong correlate of crime. The chronically poor stay alive economically by constantly committing crime. Poverty and unemployment have driven many young African graduates into crime. Where poverty distribution is highly skewed, as in South Africa, criminality becomes a convenient bedfellow.
- (v) Poverty has the face of *corruption* and is its single most important cause. The corrupt civil service structure in most African countries is associated with low (poverty-level) wages. To development, any generalised or institutionalised corruption is a 'Road to Nowhere'.⁷
- (vi) Poverty has a *rural* face, being mostly concentrated in rural areas, where the majority of the populations live and work.

⁶ See Lipton M. (1983), *Labour and Poverty World Bank Staff Working Papers No. 616*. Washington, D.C., and a recent (1995), "Poverty Assessment Study in Zimbabwe", cited in Jesimen T. Chipika, "The Poverty and employment situation in Zimbabwe where from, When and How Far?", a paper presented at SIMNNANG Training Workshop at Kadoma, Zimbabwe, October 6-8, 1999.

⁷ See elaboration in Vito Tanzi and Hamid Davoodi (1998), "Roads to Nowhere: How Corruption in Public Investment Hurts Growth", *IMF Economic Issues Series 12*, Washington D.C.

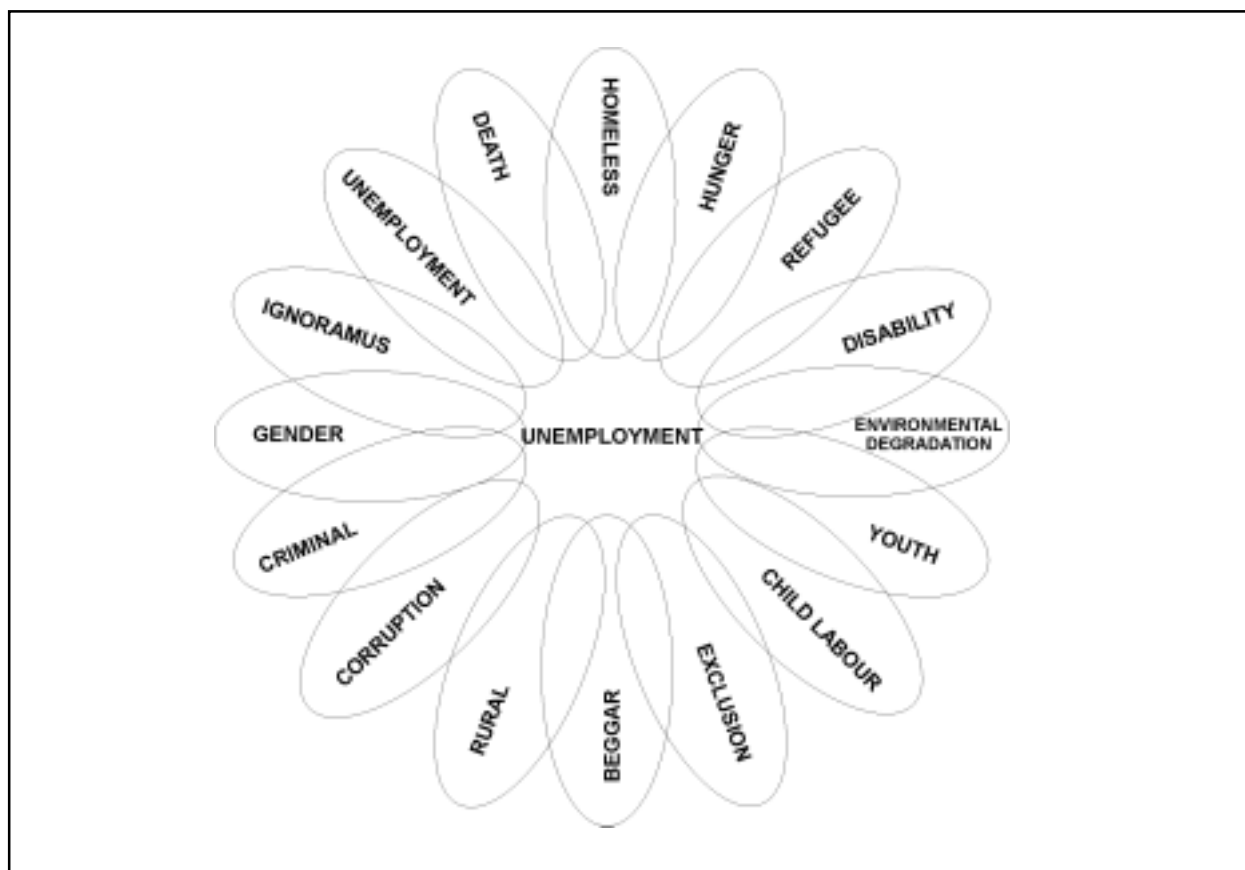
- (vii) Poverty has the face of a *beggar*. Although some Africans beg for religious and/or cultural reasons, most Africans are driven to it by poverty. Anecdotal evidence shows that wherever poverty deepens, there is explosion of beggars.
- (viii) Poverty has the face of the *socially excluded* and *the marginalised*. The abject poor are barely included in the affairs of society, and are often ignored and marginalised instead. And, in the midst of the rich, those who are *relatively* poor also feel socially excluded (Sen 1999).
- (ix) Poverty has the face of a *child labourer*. It is estimated that 16 million African children – some of whom are child soldiers – are active in the labour market. Most are driven into labour by their own poverty and/or that of their parents.
- (x) Poverty has the face of a *youth*. African youths aged between 15 and 25 are most affected by unemployment. Unless it is arrested, this trend is set to grow.
- (xi) Poverty has the face of a *degraded environment*. It has driven many people to engage in deforestation, over-fishing, over-grazing, and over-hunting, thereby rendering the environment economically unsustainable.
- (xii) Poverty has the face of the *disabled* and the *incapacitated*. Most disabled people suffer from unemployment and economic discrimination because of their 'abnormal' status, rather than an inability to function economically.
- (xiii) Poverty has the face of a *refugee*. Those who become refugees or are economically displaced tend to be victims of wars, conflicts, or natural disasters. Deprived of the means of their livelihood, poverty for them is almost inevitable. A conservative estimate of the number of such refugees in Africa is 7 million. It is estimated that there are over 10 million displaced persons in Africa alone.
- (xiv) Poverty has the face of *hunger* and *malnutrition*. Income poverty inevitably leads to food poverty and inadequate nutrition. A vast majority of Africans are food-insecure. Recent estimates show that a quarter of the world's 823 million malnourished people live in Africa; after South Asia, sub-Saharan African has the highest concentration of malnourished children.⁸
- (xv) Poverty has the face of *homelessness*. The homeless are a common phenomenon in most urban centres.
- (xvi) Ultimately, poverty has the face of *death*. This arises from the close association of poverty with sickness, especially such deadly diseases as AIDS. 30% of today's African population are not expected to live beyond the age of 40. This makes poverty the ultimate monster.

The single most important message of the above facial description of African poverty is that it is a highly complex and powerful phenomenon. Its impact on development is devastating, irrespective of the angle of approach. Quality or productive employment is considered to be the most effective means of reducing and/or eradicating poverty. This is because it is only this type of employment that can generate an income adequate to maintain a basic, and decent and acceptable standard of living, and make an individual socially relevant.

⁸ The Economist 6 November 1999, p. 138.

To appreciate this more clearly, one must consider the cross-cutting positive links that quality employment can have on the sixteen faces of poverty. Figure 6 shows how quality employment can create a virtuous circle of development by impacting, positively or negatively, on the relevant variables. The multifarious impacts of quality employment in dealing with all the facets of poverty thus mean that the twin crises of poverty and unemployment can be tackled with an appropriate employment strategy. This is one of the unique dimensions of the Jobs for Africa (JFA) initiative.

Figure 6: The multiple faces of unemployment



IV Trade union approaches to poverty alleviation

(a) International labour standards and defence of human and trade union rights

International Conventions have always been an inspiration in the development of national legislation and practices. However, numerous structural weaknesses at national level reduce both the capacity and efficiency of the bodies responsible for ratifying and applying or implementing international labour standards.

The process of democratisation in African can be significantly strengthened and supported by the better application of international labour standards, for example, the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). In addition to Convention 144, a concerted effort

by all stakeholders, one that involves information, advocacy, and training, is required to facilitate and expedite the ratification of the eight Core Conventions that are aimed at defending human and trade union rights.⁹

Poverty, ethnicity, and inequitable distribution of the national 'cake' are among the root causes of underdevelopment. So too are the effects of armed conflict, civil tension, and unrest, for they all erode socio-economic development, destroy workplaces, and undermine working conditions as well as training opportunities. It is against this background that the African trade union movement has intensified its mission of defending trade union rights. Trade unions should therefore take every possible opportunity to expose and denounce the repression and violation of trade union rights. Whenever repression and violation take place, the culprits should be exposed, irrespective of the situation. Trade unions should also intervene in other situations. For example, protest messages or missions should be sent to investigate and engage governments and employers, or be on the spot during strikes or trials of trade union leaders. In international meetings and conferences, trade unions should continue to expose persistent violators of trade union rights and freedoms and have them brought to account.

(b) The proposal for a social clause

African trade unions have relentlessly supported the observance of internationally recognised core labour standards. These standards are aimed at preventing repression, exploitation, and discrimination. Trade unions have therefore suggested that these standards, which are not industrialised country standards but globally applicable, should constitute the basic floor of workers' rights. Moreover, observance would not depend on the level of development; these standards aim at confronting or averting the serious danger that unscrupulous countries may, in an increasingly competitive and global market environment, seek to gain short-term advantage by abusing fundamental workers' rights. Universal adherence to basic standards would therefore prevent or put an end to the most extreme forms of exploitation, and discrimination and repression, and cut-throat competition.

The major issues stressed in the 'social clause' campaign are that:

- ❖ the international labour standards suggested by trade unions constitute basic human rights for workers. No proposals are made for global minimum wages and working conditions. Trade unions seek to stop governments from trying to gain competitive advantage through the repression, discrimination and exploitation of workers
- ❖ the proposals are anti-protectionist, and are aimed at opening markets and increasing growth and employment. A world-wide commitment to basic workers' rights will help to spread more fairly the benefits of trade within and between countries. Workers' rights are enabling and will create opportunities for unions to work with employers and governments to improve wages and working conditions as trade and economic performance increase

⁹ The eight ILO conventions are (i) Forced Labour Convention, 1930 (No. 29); (ii) Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); (iii) Right to Organise and Collective Bargaining Convention, 1949 (No. 98); (iv) Equal Remuneration Convention, 1951 (no. 100); (v) Abolition of Forced Labour Convention, 1957 (No. 105); (vi) Discrimination on (Employment and Occupation) Convention, 1958 (No. 111); (vii) Minimum Age Convention, 1973 (No. 138); and (viii) Worst forms of Child Labour Convention, 1999 (No. 182).

- ❖ the key to successful linking of workers' rights to trade is an agreed step-by-step procedure that is open, fair, and multilateral, and allows time for problems to be resolved through discussion and negotiation. Trade measures should be reserved for cases of prolonged non-cooperation. Both the WTO and the ILO should co-operate closely in the implementation of international workers' rights and trade environments

Trade unions should, indeed they must, continue dialogue to ensure that social and labour concerns are reflected in the new international framework of rules and policies that governments are developing. Through international institutions such as the WTO, IMF, World Bank, OECD, other decision-making bodies such as G-7, and the agencies of the United Nations, governments must ensure that the global market serves the interests of working men and women and their families rather than those of the business community only.

(c) Role of trade unions in employment creation and poverty alleviation

Poverty and employment are twin problems that need to be tackled with a unified approach. For this to happen, it will be necessary to institute and implement a programme that will support, energise and complement existing poverty alleviation and unemployment-reducing initiatives in all African countries. To accomplish this goal, and to create synergy for a sustained attack on the twin crises of poverty and unemployment, African trade unions should actively participate in national programmes designed to alleviate unemployment and poverty.

There are a number of ways in which trade unions can either directly or indirectly contribute to poverty reduction and employment creation. Meaningful dialogue with trade unions throughout the process of structural adjustment could facilitate implementation, particularly in privatisation and public sector restructuring projects. Collective bargaining for productivity-related wage increases is the most direct contribution of trade unions to poverty reduction. In Africa, trade union membership also includes the working poor, whose incomes in the organised sector of the economy often support a number of poorer extended family members.

In addition to their economic role, trade unions also have a role in social policy and human development. Trade unions in Africa are proactively involved in a number of human development campaigns: raising awareness and monitoring child labour; promoting gender equity; providing education and training for members; improving national government accountability and fighting corruption; protesting arms proliferation and aiding in conflict resolution; and educating members about HIV/AIDS. Recent initiatives involve organising workers in the informal sector and providing them with training in entrepreneurial and other skills. Trade unions are also instrumental in pressuring governments to adopt employment-intensive economic policies and provide adequate social protection schemes.

Trade unions have a specific and important role to play vis-à-vis ensuring that the new poverty reduction commitments on the part of IFIs translate into effective change at country level. On one hand, as representatives of workers, trade unions have a particular interest in ensuring that the respect of fundamental labour rights and the enforcement of basic labour standards are part and parcel of any national poverty reduction strategy. On the other hand, as by far the most organised and structured element of 'civil society', trade unions must obviously take a lead in ensuring that genuine consultation of civil society takes place, and that they themselves take part in poverty reduction programmes and participate in monitoring the programmes' effectiveness.

In view of the central importance of tripartism, it must be recalled that, after discussing the issue of reform of the Social Security Systems in Africa, one of the recommendations made by the 23rd Session of the OAU Labour and Social Affairs Commission in Algiers, April, 2000, was that the principle of tripartism should be upheld as sacrosanct in the management, functioning, and administration of social security schemes in order to improve their management and administration, as well as the services provided to members, governance, transparency, and social security principles and objectives in general. Thus, all stakeholders should be consulted, involved, and represented in equal numbers on the schemes' Boards of Directors.

Social dialogue embraces consultations, negotiations and information-sharing among Government, Employers' and Workers' Representatives on the whole range of issues of mutual interest in the sphere of social and economic policy. Therefore, it can be seen that tripartism is the foundation of social dialogue. Social dialogue is also a necessary part of the process of establishing and securing democracy, sustainable development, social and distributive justice, peace, security, and stability. It also fosters transparent governance under the rule of law. Social dialogue can help reduce tensions and is a means of dispute or conflict prevention, management, and settlement that has a direct impact on productivity, economic efficiency, and competitiveness. Moreover, the partnership involved in preparing and implementing decisions that social dialogue engenders helps to create a more equitable distribution of the fruits of labour.

(d) Trade unions and the Jobs for Africa Programme

The Jobs for Africa Programme (JFA), supported by the UNDP and ILO, focuses on employment generation and poverty reduction. It was initiated as a practical expression of the WSSD, with its main objective being to reduce or eliminate poverty through creation of productive employment. Trade unions are actively participating in the implementation and monitoring of the JFA Programme and in its potentially innovative elements for employment creation and poverty alleviation. Trade unions play a catalytic role by, and are vanguard in, participating in the following programmes, at continental, regional and national levels:

- a) Training Policies and Systems (TPS) and capacity-building: Involves a multi-pronged training approach, the mobilisation of resources, and establishing mechanisms for recognition of skills and competence by the poor, young people, and women.
- b) Small and Medium Enterprise Development (SME): Reorienting SME programmes for creating awareness; consensus-building and bottom-up approaches for problem solving; targeting women and young people.
- c) Co-operative Employment (COEM): Focuses on modernising and reforming co-operatives; promoting new co-operatives (including worker-owned enterprises and labour contracting co-operatives) and client-owned co-operatives.
- d) Labour Market Information and Poverty Monitoring System (LMIS and POMOS): African trade unions should actively participate in building capacities and training for regular and timely generation of labour market and poverty data.
- e) Employment Intensive Infrastructure Programme (EIP): Concerned with investment policy and capacity-building in local and central government, and in all sectors of employment-intensive technology and engineering programmes in universities, polytechnics and other tertiary institutions.

- f) Employment for Peace (EFP), which will attempt to fill the gap in the employment policy gap. Trade unions should be closely involved in post-conflict employment rehabilitation and reconstruction programmes.
- g) Enhancing Women's Employment in Africa (Gender) (EWE). Promotes rural and rural non-farm activities; enhancing women's employment in newly emerging agro-export sectors in Africa; economic reform and new employment opportunities and promotion of women's entrepreneurship in regional and international dimensions of informal sector activities. Trade unions should ensure that woman benefit from this arrangement and that the phenomenon of the feminisation of poverty is reduced.
- h) Micro-finance for Africa (MIFA). This offers cross-cutting services in almost all JFA programmes. Trade unions should ensure that all workers take advantage of this facility.
- i) Urban Informal sector Employment (UEP). Trade unions should militate for strengthening and transforming the informal sector.
- j) Strengthening the Role of the Social Partners in Employment Creation (SSPEC). African Trade Unions should sensitise their members to the changing economic/technological landscape and the need for appropriate adaptation; capacity-building for involvement in economic reform policies; capacity-building for supporting SMEs, co-operatives and in entrepreneurship development; and research activities and study foci for the promotion of JFA programmes.

(e) Priority activities to be undertaken by the trade unions in the context of the JFA Programme

In order to augment the activities that should be undertaken by African trade unions within the JFA Programme, unions should also undertake the following responsibilities:

- a) Strengthening tripartism – trade unions are the weakest party in tripartite consultations – and ensuring social dialogue and a level playing field; lobbying for an urgent strengthening of Ministries of Labour by according them adequate human, material and financial resources necessary to enable them carry out their responsibilities. Full respect of workers' rights and the participation of employers and workers and their respective organisations in decision-making. Sensitisation and advocacy to ensure that the Workers' and Employers' Organisations are free and independent and can thus manage their responsibilities meaningfully.
- b) Participation in all aspects that affect or are likely to affect labour and employment issues, i.e. labour administration and inspection; industrial relations; national labour advisory councils or commissions; economic and social councils; industrial courts; social security/pension schemes; labour policy formulation, including policies for mainstreaming vulnerable groups such as women, young people, children, people with disabilities, the aged and ageing; labour/investment codes; health and primary health care services; food security; basic education; safe drinking water and sanitation; and participation in social and cultural life.
- c) Playing the vanguard in advocacy, and sensitisation of government and employers' organisations to the necessity of establishing a Labour Advisory Committee or an institution comparable to South Africa's NEDLAC.
- d) Ensuring democracy or democratic governance, human and workers' rights and freedoms; representation in national parliament and in other parliamentary bodies such as EAC, SADC, ECOWAS, COMESA and the Parliament of the African Union, as and when it is established.

- e) Participation in the implementation of the ILO Declaration on the Workers' Rights at Work and in the Declaration and Programme of Action of the WSSD.
- f) Spearheading the campaign calling on African governments to ratify and implement the provisions of the Employment Policy Convention; the eight Core or Fundamental Conventions of the ILO; and Convention 144 (1976) on Tripartite Consultation (International Labour Standards).
- g) Promotion of advocacy and networking with all social partners, i.e. organisations of women, young people, the disabled, and the aged and ageing, relevant NGOs, and international organisations.
- h) Fighting against and exposing corruption and graft in all institutions operating nation-wide, in the National and Branch Trade Unions themselves, and in the administration and functioning of National Social Security Schemes. Trade Unions should be responsible, transparent, accountable, and democratic.
- i) Ensuring representation in all national, regional/continental, and international fora in order to champion and defend workers' interests, i.e. in the OAU Labour and Social Affairs Commission, in Sessions of the International Labour Conference, in other organs or fora of the ILO, and in other relevant regional or international meetings.
- j) Participating in policies supportive of reduced population and labour force growth, reduced rural–urban migration, and more equitable regional development.
- k) Improving working conditions, occupational health, hygiene and safety for workers.
- l) Championing policies and strategies that are supportive of accelerated human resources development, workers' education and training, and raising the productivity of the African worker.
- m) Playing a catalytic role in the improvement of Social Security and Income Maintenance Schemes and in enhancing social protection for operators in the informal sector, the self-employed, and those working in the rural and non-farm rural sector.
- n) Ensuring effective representation of workers on Investment Authorities/Boards so that the employment component and workers' interests and welfare are taken on board in any investment venture. Ensuring also that the creation of employment, the reduction of unemployment, and the promotion of adequately remunerated employment are at the centre of governments' development strategies and policies.
- o) Ensuring that national budgets and policies are oriented towards the provision of basic needs, reducing inequalities, and targeting the poor.
- p) Establishing good relations and rapport with the media in order to support, defend, and promote the objectives and interests of trade unions.

Chapter 5

Trade Union Initiatives in Poverty Alleviation in Africa: A Glance at ICFTU Activities

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I Introduction

The issue of poverty has always be among the top agenda items the trade union movement the world over. It is issues of poverty and the related workplace injustices that brought together what we know today as organised labour through trade unionism. Furthermore, it is issues of poverty that pushed trade unions into the political arena and challenge governments to uphold democratic principles to ensure economic and social justice.

The poverty situation in Africa needs no introduction. This is so because Africa is one continent rich in poverty. Africa needs not look for scientific definitions of poverty neither do we require academic discourse or statistical references because we feel it, we live in it and are affected by it.

II The Mandate of the ICFTU

Established in 1949, the International Confederation of Free Trade Unions (ICFTU) is a global trade union body that represents over 155 million members from 148 countries and territories. The bulk of its membership is drawn from developing and transitional economies. In Africa, ICFTU-AFRO represents over 15 million members from 44 countries. The ICFTU continues to represent trade unions in international and regional discussions on a number of issues, including poverty and sustainable development. It has been assisted in its work by International Trade Secretariats (ITSs), which represent trade union members in specific sectors.

Through joint effort, trade union participation – nationally, regionally, and internationally – has increased over the years. One of the breakthroughs came during the Earth Summit I in Brazil in 1992, when workers and trade unions were first designated as a major group in Chapter 29 of Agenda 21. Since then trade unions have increasingly been taking part in sessions at the United Nations Commission for Sustainable Development (UNCSD). More recently, trade unions have been increasingly seeking, nationally and through the ICFTU and ITSs, to engage the IMF and World Bank on issues relating to economic reforms in developing countries.

III Trade union initiatives on poverty

The motivation of trade unions to engage in poverty-alleviating activities stems from their firm conviction that they play a critical role in the poverty alleviation matrix. Trade union strategies on poverty have usually focused on three types of action:

- (i) Participating in dialogue and lobbying at international, regional, and national level
- (ii) Specific programmes of activities for trade unions
- (iii) An interface between themselves and the community

(a) Participation in dialogue and lobbying

The underlying issue here is the trade unions' resolve to promote both social dialogue and human interaction at all levels of development. Creating an enabling environment for effective social dialogue is one of the greatest challenges facing trade unions in Africa. Some notable actions taken by trade unions include the campaign for restoration of democracy and political pluralism, and the promotion of tripartism and the ratification and implementation of core ILO Conventions.

Trade unions have long recognised that economic reforms imposed on African states by IFIs have had a heavy toll, and not only on the workers but also on society at large. The ICFTU Congress in Brussels in 1996 summed this up as follows:

'Prospects for Africa are bleak, with tens of millions barely surviving in a degrading and debilitating poverty. In many developing and transition countries people are compelled to struggle to survive through casual employment or small income generating activities in the so-called informal sector of the economy. Dire poverty is causing increasing numbers of desperate people to migrate in search of employment. The harsh strategies of structural adjustment programmes of the International Monetary Fund (IMF) and the World Bank have resulted in large scale job losses, severely reduced living standards, lower real minimum wages and cutbacks in much needed investment programmes.'

Most of the policies under these economic reforms (such as reduced social spending, wage restraint, retrenchments, decline in real wages, privatisation, and commercialisation, to mention but a few) have contributed to the worsening poverty situation in Africa. This has prompted trade unions to lobby for more consultation with IFIs in order to ensure that they place people at the centre of development. This marked the start of the trade unions' social dimension campaigns that pressed the need for more socially oriented and more clearly planned long-term policies.

The 1995 UN Social Summit in Copenhagen marked a significant step in re-establishing issues critical to poverty. The ten Commitments of the Summit include full employment, the eradication of poverty, and popular participation as the prime goals of global development policy. Furthermore, world leaders called for a reorientation of the work of international institutions, including the IMF and World Bank.

Trade unions, through consistency, and support from UN agencies such as the ILO, UNDP, the Economic and Social Council and the Commission on Sustainable Development, have made their voice heard. Now the IMF and the World Bank

are opening up. Following a number of trade union missions to the IMF and World Bank, both institutions are now consulting trade unions and civil society during their missions to member-countries in Africa.

On this front, the major breakthrough for trade unions has been the acceptance by IFIs that their programmes do need to focus more on the issue of poverty reduction. This development has seen the introduction of Poverty Reduction and Growth Facility (PROF), in place of the failed Structural Adjustment Policies (SAPs). Underpinning PROF is the requirement for countries to design Poverty Reduction Strategy Papers (PRSPs) whose main aim is to identify goals for reducing poverty and to create a policy framework for reaching these goals.

Trade unions are striving to influence the polity and the economy at regional and national level. In Africa, trade unions are involved in some regional policy institutions that have a direct impact on poverty. Over the past decades, a number of regional integration schemes have taken root in Africa. Although trade unions are involved in some, they are still pressuring for recognition in others. Typical examples where trade unions are involved include the Southern African Development Community (SADC), through the Southern Africa Trade Union Co-ordination Council (SATUCC), and the East African Community (EAC). SATUCC, for instance, has managed to initiate and pursue the adoption of the 'Social Charter of Fundamental Rights', which stipulates basic fundamental rights critical to poverty measures that ought to be respected by all SADC member-States collectively.

At national level, trade unions are pressing governments on issues of democracy, good governance, and popular participation. This implies inclusion and involvement in decision-making. Following the requirement of both the IMF and the World Bank that governments of member-States develop PRSPs with input from representatives of the general public or civil society and trade unions, the latter now have the opportunity to examine and discuss draft PRSPs, and suggest alternative policy reforms and strategies before they are submitted to the Executive Boards of IFIs for endorsement. To this end, the ICFTU has developed a 'Guide to Poverty Reduction Strategy Papers' for use by trade unions.

Furthermore, trade unions in Africa have been and continue to be involved in a number of other poverty-reduction strategies. These include:

- ❖ Bargaining on national issues such as national budgets and reform policies
- ❖ Human and trade union rights activities through free trade unionism
- ❖ Campaigns against child labour
- ❖ A campaign for debt cancellation
- ❖ A campaign for good governance, democracy, transparency, and accountability
- ❖ A campaign against corruption
- ❖ Conflict resolution and the campaign against arms proliferation
- ❖ The fight against HIV/AIDS
- ❖ A campaign for Active Labour Market and Employment Policies
- ❖ A campaign for efficient, responsive, and comprehensive social protection
- ❖ Championing the interests of women

(b) Trade union specific programmes and activities

Various other poverty-related trade union programmes and activities have been undertaken in Africa with the support of the ICFTU-AFRO and its co-operating partners. The main programmes have been delivered through workers' education and training programmes. Some of the activities carried out have included:

- ❖ National conferences on structural adjustment and the social dimensions, with case studies conducted in several African countries
- ❖ Workshops on the promotion of social dialogue and tripartism
- ❖ A high-level symposium on the Role of Trade Unions in Poverty Alleviation in Africa. This led to the Trade Union Programme of Action 2001-2005, which focuses on enhancing trade union strategies concerning their role in alleviating poverty in Africa
- ❖ Capacity-building activities on trade union research and policy analysis, with programmes such as the Research Training and Development Programme (RTDP), New Approach to Economic and Social Policies and Poverty Alleviation in Africa, and Strengthening the Research Capacity in the Trade Union Movement in Africa
- ❖ Developing alternative social and economic policy by trade unions in several African countries;
- ❖ ITS's work on poverty, the Public Service International (PSI) in particular
- ❖ Activities for women
- ❖ Activities on combating child labour
- ❖ HIV/AIDS and the workplace
- ❖ The trade union programme on African Workers Participation Development Programme (APADEP), which aims at enhancing democratic worker participation through education and research
- ❖ Democracy and good governance activities
- ❖ Membership recruitment from and organising of the informal sector
- ❖ Programmes for retirees and retrenched workers, i.e. entrepreneurial training
- ❖ Jobs for Africa – an ILO initiative supported by UNDP – focusing on poverty-reducing employment strategies
- ❖ Traditional trade union collective bargaining

Some trade unions have also been involved in direct activities on investment and income-generation. Through their national federations, trade union members have formed investment units to run and operate income-generating activities. Such investments have contributed to employment and poverty alleviation. In Ghana, for instance, the TUC has an investment wing that runs a number of businesses including insurance, micro-financing, transport, and a water tanker service that provides the cheapest clean water to water-starved suburbs of Accra.

(c) Trade union and community interface

The trade union-community interface is an important aspect of poverty alleviation. In Africa, union membership is drawn from workers in the formal sector in both urban and rural areas. Some are now also drawing membership from the informal sector. Behind the social fabric of African society is the traditional extended family, which makes the trade union mandate even broader. As part of a vigilant civil society, trade unions not only represent the interests of its membership, but also speak for entire communities, especially in situations where government efforts are inadequate.

Trade unions are also known mobilise societies in respect of tasks of national importance. Possibly, this is due to the well-developed structures they have at their disposal. Trade union networks extend from grassroots level through to the international community. Democratically-elected workers' representatives are to be found at all levels. Moreover, through its network of structures, the concerns of various groups of society can be easily taken into account, and with minimal conflict. In addition, to strengthen the voice of the poor and ensure that they participate in policy formulation and implementation aimed at uplifting their standard of living, various strategic alliances have already been formed between trade unions and civil society.

IV Conclusions

Trade unions have traditionally co-operated in the struggle against any forms of social injustice and exclusion. It is evident that trade unions are striving to address the issue of poverty from different standpoints. The trade union movement remains discontent with the poverty initiatives currently being advocated by IFIs. The fact that PRSPs are being premised on liberal free market dogma is also of some concern to unions. Questions such as 'Are PRSPs disguised SAPs?' are becoming common at some trade union forums. However, one thing is certain, which is that trade unions will support and promote any measures that are genuinely aimed at eradicating poverty.

Part Two : Country Experiences

Chapter 6

Poverty Alleviation through Social Dialogue: the Role of Trade Unions in South Africa

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I Introduction

Internationally, there are different interpretations of 'social dialogue', and many commentators are still trying to grapple with the meaning of the term. Firstly, 'social dialogue' is often used to refer to industrial relations between employers and trade unions. In this case, the term has the same meaning as collective bargaining. Secondly, the term can refer to the process of exchanging information and viewpoints that may facilitate successful negotiations, although 'social dialogue' does not betoken negotiation. Thirdly, it could be used to refer to institutional configurations designed to encourage positive-sum interaction. Fourthly, 'social dialogue' can refer to a normative orientation towards 'social partnership'.

For many, social dialogue is synonymous with the tripartite arrangements between government, trade unions, and businesses. This view is grounded on the experiences of European social democracies, where trade unions entered into a social compact, with the capital underpinned by Keynesian government economic policies. Governments pursued full-employment policies and achieved economic growth, and had more space to reward a labour compromise. Trade unions were strong and representative of the workforce. Moreover, with economic growth and rising rates of profit, capital was generally supportive of these arrangements. This 'Golden Age', which spanned the period between the end of WWII and the late 1970s, was undermined by subsequent economic crises. Newly-elected conservative governments departed from policies of full-employment. And increasingly, global corporations took a harsher stance towards national tripartite arrangements. Nonetheless, most of these social dialogue processes continue to exist and to play an important role, albeit one more consultative rather than decision-making.

The first important difference between this traditional European approach and the South African approach is that in South Africa social dialogue does not imply the existence of a 'social partnership'. Such a social partnership between the working class and capital would have to be underpinned by a common vision for society. In South Africa, the trade union movement, with the largest workers' federation – the Congress of South Africa Trade Unions (COSATU) – at the helm, is socialist-orientated. Therefore, even though trade unions have led the way in establishing important national social dialogue structures in South Africa, such processes imply only an institutionalised exchange of views and, possibly, negotiations towards specific agreements.

A second important conceptual point relates to the tripartite mechanisms of social dialogue at national level. In Africa, the size and significance of formal sector employment is less than it is in Europe. Indeed, with changing labour

markets and the growing informalisation of employment, formal sector employment may never become the norm in Africa. Even in South Africa, with its relatively developed economy and larger formal sector, there is increasing recognition within the labour movement that much more needs to be done to build a strong voice for other broad organisations that genuinely represent the interests of the poor. Nonetheless, in South Africa as in Europe, tripartite approaches are the norm, with the most important social dialogue processes seeking agreement between labour, government, and capital. However, there has been the recognition that social dialogue needs to go beyond tripartism. During the establishment of the National Economic Development and Labour Council (NEDLAC), South Africa's premier social dialogue body, it was decided that institutionalised policy dialogue should not be restricted to tripartism. Hence, representatives of the 'community' sector are now included in a 'Development Chamber'.

In short, social dialogue in South Africa can be described as a process of institutionalised exchange of views, consultation, and agreement-making between various representative constituencies, including, but not restricted to, trade unions, employers' organisations, and the government.

Moreover, the trade union movement in South African generally regards social dialogue as a means to 'deepen democracy' in post-apartheid society. Such an approach is based on the union movement's concept of worker-control, which requires union leadership to constantly report back to union members, and to obtain new mandates before finalising any agreements with employers or government. NALEDI research into unions and democracy shows that organised workers want government policy formulation to follow a structured and institutionalised process of reporting back and mandates via a social dialogue structure. In one sense, unions are promoting 'high-intensity democracy', i.e. a democracy that requires leaders to constantly take into account the views of the governed before making important decisions.

This approach to democracy is especially significant in this era of neo-liberal globalisation. Many conservative commentators argue that globalisation requires rapid and unpopular decisions that democratic processes could not generate. Furthermore, such commentators argue that 'credible' (for investors) economic policy needs certainty and therefore cannot be open to societal influence and change. This technocratic view of economic policy-making holds that experts, shielded from political pressures, are capable of formulating effective policy. Commentators reject the claim that technocratic processes are undemocratic by noting that the government is ultimately accountable to the public through electoral competition every five years or so, i.e. essentially seeking shelter behind 'low-intensity democracy'.

This technocratic approach, while clearly expedient, is flawed. In reality, 'non-negotiable' policies are an illusion. Even macro-economic strategies only influence wages, investment, and prices; they do not determine them. For instance, the success of inflation-targeting policies depends on support from labour and business. So macro-economic policy enters the public arena, with successful implementation dependent on popular support as well as the support of important social formations.

Thus, through bringing public policy formulation into open and extensive public debate, social dialogue can play an important role in 'deepening democracy'.

II The history of trade unions in South Africa

Although apartheid was a visible form of institutionalised racism, it was underpinned by economic logic: the perpetuation of a super-exploitative cheap labour system. This system was implemented through the forced conquest of indigenous Africans, and the subsequent oppression of all black people thereafter. Extensive race-based exploitation then drove the development of a powerful industrial and mining economy. As part of this system, there was a clear need to ensure the denial of trade union rights to black workers.

'Such racial discrimination, which existed throughout the centuries of colonisation, was at its most institutionalised in South Africa after the rise to power of the Nationalist Party in 1948. In the 1960s, the South African apartheid-based economy recorded one of the highest growth rates in the world. Second only to the resurgence of Japan, it came on the back of the brutal suppression of the rights of the majority, including the imprisonment and execution of many trade union activists. Labour laws met the twin aims of controlling workers and channelling their labour to meet the needs of the bosses. For years, strikes were virtually unheard of.

Thus, apartheid proved to be good for business, what with government interventions to decimate black trade unions and drive down labour costs. Real African industrial wages fell between 1948 and 1953, and did not recover until 1959. In the gold mining industry, and as recently as 1969, real African wages were still below the level of those of 1896. In short, capitalism in South Africa was built and sustained precisely on the basis of the systematic racial oppression of the majority of South Africans.

The sustained exploitation and poverty of black workers led to the outbreak of the broad and spontaneous strikes of 1973. Despite black trade unions being outlawed, workers were striking back. The response was predictable, with employers and the state co-operating in their often-violent attempts to crush the strikes. Nonetheless, these strikes made it clear to employers and the state that significant changes, including altering labour laws to allow black trade unions, needed to be made. While the apartheid-state hoped to shape the development of trade unions into a form that could be co-opted, the re-emergence of black trade unions in the 1980s had an entirely different outcome.

In 1985, after four years of unity talks between unions opposed to apartheid and committed to a non-racial, non-sexist and democratic South Africa, COSATU was launched. Representing most unionised workers in the country, COSATU became the most organised and powerful anti-apartheid force within the country. Employers and whole sectors that promoted and benefited most from the apartheid logic were first to be targeted by massive joint worker-community actions. Apartheid became increasingly less enticing and profitable for employers. The gradual loss of employer support doomed the ever more unstable apartheid system to failure. COSATU's approach aimed at establishing a social movement based on a system of wide consultation and consensus building in South Africa.

III The challenge of poverty, inequality and unemployment

Social dialogue has most value when it is able to bring about improvements in peoples' lives. In this regard, it is widely recognised that the challenges that social dialogue must address in South Africa are poverty reduction, job creation, and more equitable income and wealth distribution.

Poverty rates in South Africa are extremely high and follow the race, gender, and spatial patterns of apartheid policies of deliberate underdevelopment. Table 1 reflects that over 35% of households and 45% of people live in absolute poverty. In this context, trade unions are interested in 'poverty-reduction' strategies that will change these underlying patterns rather than the ameliorative strategies of 'poverty alleviation'.

Table 1 : Poverty head count and ratio per province

| Province | % households living in poverty | % individuals living in poverty |
|-------------------|--------------------------------|---------------------------------|
| Western Cape | 14.1 | 17.9 |
| Northern Cape | 38.2 | 48.0 |
| Eastern Cape | 56.8 | 64.0 |
| KwaZulu-Natal | 40.4 | 50.0 |
| Free State | 36.1 | 47.1 |
| Mpumalanga | 33.8 | 45.1 |
| Northern Province | 61.9 | 69.3 |
| North West | 29.7 | 41.3 |
| Gauteng | 15.4 | 21.1 |
| Total | 35.2 | 45.7 |

Source: Heintz & Jardine, 1998.

There is a strong relationship between low wages and poverty, with a large proportion of the formally employed earning sums that fall below than the poverty line. The working poor remain poverty-stricken because the labour market is failing to pay a living wage. Under this interpretation, improving poor wages and improving conditions of employment are important strategies for fighting poverty.

Looking at the source of household income in South Africa for various income groups helps clarify the issues. Table 2 indicates that for the very poor households, i.e. the poorest 20%, approximately half the household income comes from wages, through direct employment or through remittances from working relatives. Since low wages have an important impact on poverty levels, improving wages and the conditions of employment are crucial strategies for South Africa.

Table 2 : Household income by source

| | Poorest 20% | Second 20% | Third 20% | Fourth 20% | Richest 20% |
|------------------------------------|----------------|---------------|---------------|-----------------|-----------------|
| 1993 Average monthly income | ZAR200 | ZAR531 | ZAR962 | ZAR1,872 | ZAR6,879 |
| Regular employment | 23% | 44% | 67% | 79% | 65% |
| Remittances | 27% | 14% | 6% | 2% | 1% |
| Casual labour | 6% | 5% | 4% | 2% | 2% |
| Self-employment | 6% | 6% | 5% | 6% | 8% |
| Agriculture | 6% | 3% | 2% | 1% | 6% |
| Rent | 0% | 1% | 2% | 4% | 10% |
| Other | 31% | 27% | 15% | 7% | 8% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: Naidoo, 1999.

Table 3 below provides a breakdown of 'working-poor' households and unemployed poor households in South Africa. Only Category 4 can be strictly termed working-poor households, while only Category 2 can be strictly termed as unemployed poor households. In the case of Category 3, both unemployment and low wages can be offered as an explanation of poverty. Thus, from the available data, both low wages and unemployment contribute to poverty in South Africa.

Table 3: Poor households by employment category

| Household employment categories | Share considered poor | Share considered very poor |
|--|-----------------------|----------------------------|
| 1. No economically active members | 25% | 28% |
| 2. All economically active members are unemployed | 28% | 37% |
| 3. Some economically active members are employed, others not | 21% | 16% |
| 4. All economically active members are employed | 26% | 19% |
| Total | 100% | 100% |

Source: Naidoo, 1999.

When considering all poor households, the impact of low wages and unemployment are approximately evenly split. Those 'very poor' households, however, suffer disproportionately from the lack of employment opportunities. In this regard, unemployment represents a critical challenge for South Africa. Using the expanded definition, the most recent figures from Statistics South Africa put the level of unemployment at 36%. The number of unemployed people grew from 4,566,000 in 1996 to 5,882,000 in 1999.

There has also been a net loss of formal sector jobs (mainly lower-skilled jobs) in manufacturing over the past decade. In situations where there has been an increase in jobs in some sectors (mainly services), such jobs have often been less secure and poorly paid. As a general trend, the economy is witnessing a shift from formal to informal employment, bringing with it growing inequality, insecurity, and poverty.

With the number of formal sector jobs declining, many poor households have lost their key source of income. Incomes of the poorest 40% of households declined by 20%, whilst the proportion of black households among the richest 10% doubled from 9% to 22% between 1991 and 1996. This has exacerbated income inequality in South Africa, which was already amongst the highest in the world.

IV Public policy in the transition to democracy

(a) Political alignments

In 1991, when the ban on popular political organisations was lifted, the African National Congress (ANC), the South African Communist Party (SACP), and COSATU agreed to work together in a tripartite alliance in order to pursue a programme of people-centred transformation. This resulted in the Reconstruction and Development Programme (RDP), initially outlined by COSATU, and would become the ANC's 1994 election manifesto. Since the advent of political democracy, COSATU has focused its attention on changing South Africa's apartheid economy to one that favours working people and the poor.

Historically, South Africa's growth path depended on exports of gold. This allowed import-substitution manufacturing as well as the financing of infrastructure. Overall domestic demand was limited due to large inequalities in income, which also helped to support the manufacture of luxuries for a relatively small high-income group. During this period the state played an active role in the economy, providing cheap labour, subsidised infrastructure and energy tariff protection for domestic manufacturers, state support of commercial agriculture, and the establishment of state-owned enterprises.

A new and progressive growth path must see the state play a central role in changing the underlying patterns of concentrated economic production and ownership, in developing new job-creating sector strategies, and shifting production away from luxuries to that of wage-influenced goods. However, in terms of economic conventions, such an approach would be heavily state-led, which goes against the neo-liberal ideas of letting markets lead, even in the South African context, where, unfortunately, markets do not work for the majority, who have little or no purchasing power.

Domestic monopolies, however, have moved quickly to garner maximum support among the growing ranks of the black middle-class. The goal of a monopoly is simple: to secure a transformation from an abnormal apartheid economy (with massive racial exploitation) to a capitalist economy. By co-opting the leading black elite into their number, any moves to fundamentally alter the exploitative base of the economy can be forestalled. Predictably, the contest over economic policy has been heated, and bitter at times. Conservatives have argued that 'global realities' preclude major state intervention in the economy. Such interventions would disrupt the 'efficiency' of markets, and send the 'wrong signals' to international investors. Conservatives also argue that the correct approach is to use the markets, even those that are grotesquely distorted, to further the goals of reconstruction and development. This view focuses predominately on 'building business confidence', while fundamentally steering clear of challenging the underlying economic pattern of exploitation and contradiction.

(b) Public policy outcomes

In 1996, the Government adopted a neo-liberal macro-economic policy – ‘GEAR’ (Growth, Employment and Redistribution Strategy). It was implemented in a period when emerging markets were facing crises, and was ostensibly intended to stabilise financial markets by introducing conservative economic policies. These included national budget cutbacks, tax cuts for the better-off, accelerated trade liberalisation, and privatisation. In other words it effectively functioned as a sort of self-imposed structural adjustment. While the apartheid economy clearly needed restructuring, this self-imposed adjustment primarily aimed at appeasing the interests of international investors and domestic monopolies.

The outcomes of GEAR were predictable from the start, as Table 4 shows. Although GEAR succeeded in cutting the budget deficit (albeit at considerable social cost), the economy did not respond positively. Instead, it experienced a trend of declining employment and generally low investment. Rather than seeing the creation of 400,000 jobs on average per year, as projected by GEAR, the economy experienced a loss of more than 100,000 formal jobs a year or a negative difference of 500,000 jobs per annum. Since there is no meaningful social security for the unemployed, most retrenched workers (who have an average of five dependants) have fallen into even deeper poverty.

Table 4: Results of GEAR, 1996-2000

| (All figures in %) | 1996 | 1997 | 1998 | 1999 | 2000 | GEAR predicted average | Actual average |
|------------------------------|------|------|------|------|------|------------------------|----------------|
| Inflation | 7.4 | 8.4 | 7.1 | 6.9 | 7.8 | 8.2 | 7.5 |
| Real interest rate | 12.6 | 11.6 | 14.7 | 11.1 | 6.7 | 4.4 | 11.3 |
| Budget deficit (% of GDP) | 4.6 | 3.8 | 2.3 | 2.0 | 2.4 | 3.7 | 3.0 |
| Government investment growth | 5.3 | 4.4 | 2.6 | -5.1 | 0.1 | 7.1 | 1.5 |
| Private investment growth | 7.4 | 4.7 | -1.5 | -3.6 | 5.2 | 11.7 | 2.4 |
| GDP growth | 4.2 | 2.5 | 0.7 | 1.9 | 3.1 | 4.2 | 2.5 |

Sources: SARB, June 2000, Department of Finance, 2000.

In response, the ANC and its tripartite alliance partners in 2000/01 identified four main strategies that could be used by the democratically elected government to ensure that growth promotes a more equitable pattern of ownership and income. These were as follows:

(i) The provision of public services to poor communities

This can play a direct role in alleviating poverty and boosting productivity, and be a catalyst for increasing demand and economic growth. A combination of infrastructure provision, social services, and welfare grants would also modify demand, and by so doing restructure production to meet basic needs through wage-influenced goods. The provision of public services would also have major benefits for women, by reducing the time spent on domestic chores and widening opportunities for income generation.

(ii) Skills development and education

This addresses one of the key obstacles to economic expansion. Focusing on skills development would not only improve competitiveness, but, if appropriately structured, it would also generate employment and raise wages on a broader scale.

(iii) Appropriate strategies for key economic sectors

The economy needs to shift away from an accumulation strategy that is vastly dependent on the mining sector. While bearing in mind possible constraints for the balance of payments, sectors need to be developed that do not only support foreign exchange, but also meet basic needs and create jobs. Difficult decisions must be made to create a more balanced pattern of growth that stimulates investment, and creates employment by shifting investment to more labour-intensive sectors and sectors with labour-intensive downstream production. This will eventually result in a more democratic economy. It is important that such a strategy generates new centres of economic power by supporting public, co-operative, community, or small-scale ownership. Sector strategies must form part of a coherent development plan, with appropriate policies – fiscal, monetary, labour, trade, and spatial – in cross-cutting areas.

(iv) Supportive macro-economic policies

These must allow for more targeted interventions that support growth while acknowledging the trade-off between stability and growth. International experience shows that investment (especially foreign investment) responds to more rapid economic growth. Pursuing macro-economic policies that expand economic activity, through lower interest rates and directed government spending will therefore encourage investment. In particular, public expenditure on infrastructure and education can stimulate investment, simultaneously having a positive impact on reducing the extent of inequality.

The extent to which the government is now implementing these strategies has been subject of considerable debate and controversy. Nonetheless, despite these challenges, the government's achievements in strengthening the basis for a 'rights culture' in South Africa deserve acknowledgement. The strategies used have immeasurably empowered ordinary people. The strategic importance of, for example, having socio-economic rights entrenched in the Constitution is reflected in increased opportunities for social movements to challenge negative public policies.

(c) No easy solutions to job creation

The last five years have shown that South Africa cannot continue on its current path of growth. More proactive and targeted interventions are required to ensure that the economy not only delivers economic growth, but more importantly also delivers, in terms of job creation, reductions in poverty and inequality.

As part of the Presidential Job Summit in 1998, NALEDI investigated the underlying causes of unemployment and labour demand in South Africa. This research included an econometric study and a case study of large private firms, and revealed some of the employment dilemmas that social dialogue process have to address. The econometric analysis revealed that job creation in the private sector depends, in part, on a share of profits going to the capitalist. This is not atypical, but does illustrate a central dilemma for policy-makers. In South Africa, far more people depend on wage income than on income derived from profits. A pro-profit strategy might well increase private investment but it would exacerbate the already enormous inequalities.

In the survey that accompanied the research, large firms were asked to assess the importance of different economic variables on their investment decisions. Interest rates, economic growth, and the overall stability of the economy were considered as most important for investment behaviour (see Table 5). Average wage levels and maintaining good labour relations were considered

least important. Most large firms also reported that they would need fewer workers in the future.

Table 5: What determines investment? Company responses

| Variable | Not important | Somewhat important | Important | Critically important |
|-----------------------|---------------|--------------------|-----------|----------------------|
| Interest rates | 0% | 20% | 10% | 70% |
| Inflation rates | 0% | 20% | 40% | 40% |
| Exchange rates | 0% | 20% | 30% | 50% |
| Economic growth | 0% | 0% | 40% | 60% |
| Consumer spending | 0% | 10% | 40% | 50% |
| Average wages | 10% | 20% | 40% | 30% |
| Good labour relations | 20% | 20% | 30% | 30% |
| Overall stability | 0% | 0% | 30% | 70% |

Source: Heintz, 1998.

The social dialogue constituencies considered subsequently several broad options:

- a) If the private sector is unlikely to create jobs, then the public sector should endeavour to promote employment through fiscal policies. The current dispute between the labour movement and the Government mainly concerns Government's refusal to explore increasing its spending, which is fed by the argument that international markets would react negatively to such a strategy.
- b) If private firms are to create more jobs, the issue of profit shares nonetheless remains important. Any shift towards higher profit shares being available to capital owners (at the expense of labour) would undermine the conditions of the poor already in work, and exacerbate already serious inequalities. If the Government and the business sector were to prefer such an approach, they would face fierce resistance from trade unions and other progressive social formations.
- c) A brisk redistribution of asset ownership would counter South Africa's underlying economic inequality. A broad segment of society could derive benefits from such a redistribution programme, which would reduce the impact profit-led growth strategies would have on inequalities. There is a strong case for asset redistribution in South Africa, but redistribution strategies would have to confront the power of capital owners.
- d) There are possibilities to develop job creation strategies through Small, Medium and Micro Enterprises (SMEs). This route may be a vital one to follow should SMEs prove to be net job creators¹⁰. However, SMEs are already facing major problems such as a lack of access to cheap credit, thus calling for government intervention in the financial services sector.
- e) Labour-shedding trends in large South African firms seem to be a reaction to the need to become more competitive in the international marketplace. Therefore, there is a need to tackle the terms under which South Africa enters the global economy.

¹⁰ There is considerable doubt among researchers as to whether SMEs in South Africa are creating new jobs or growth is rather as a result of displaced employment and retrenchments by larger firms.

Clearly, no job creation strategy is easy to deal with, nor can it be dealt with quickly, without engendering substantial dialogue or possible trade-off effects.

To mobilise support for its socio-economic vision and proposals, the labour movement needs to clearly show that the current labour agenda is developmental. A broad developmental agenda needs to accommodate the needs of the formal, informal, and communal sectors. The traditional notion that the formal sector can be expanded by large increases from foreign investments has proved increasingly. Rather, there is a clear and present dynamic between these three domestic sectors, one noting that rising incomes in the informal and communal sector can raise effective demand in the formal sector, and vice versa.

A developmental agenda that is broader than the one current must therefore consider ways that enhance all three sectors in a balanced and inclusive manner. Strategies should tackle asset redistribution, boost communal activities, better infrastructural services (such as public transport and municipal services), and assist with informal activities and more comprehensive social protection measures that reduce risks and increase the income security of the unemployed and low-paid. Such an agenda would reinforce the point that social dialogue needs to go beyond the traditional tripartite structures. Clearly, South Africa needs a social dialogue process that can embed a focus on informal and communal sectors.

U Trade unions actions in social dialogue processes

(a) Trade union diversity and membership

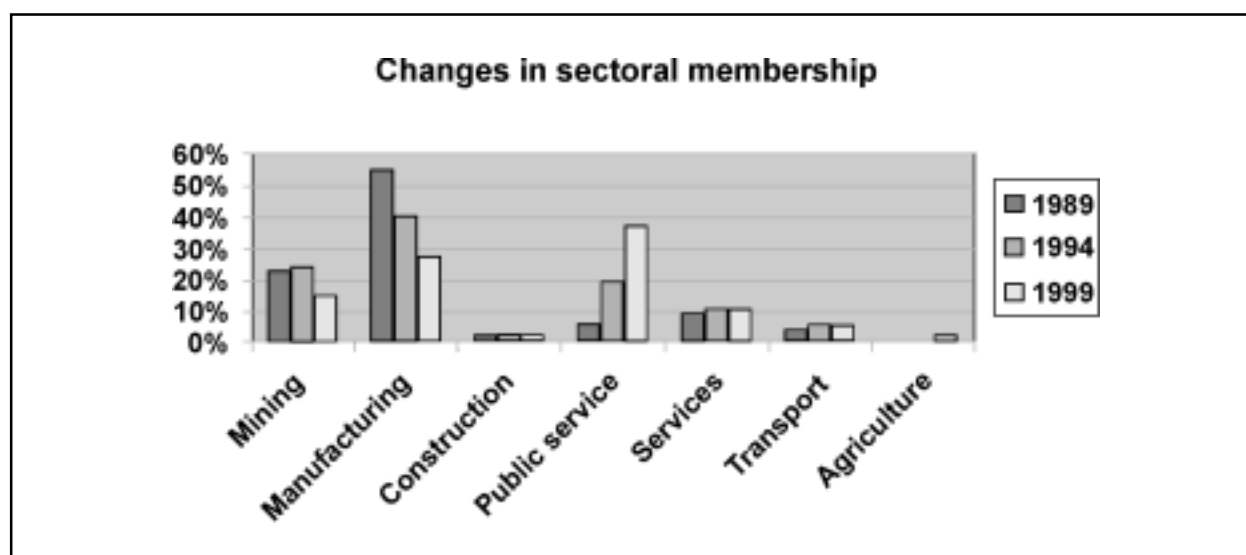
South Africa's labour laws enable workers to organise themselves with relative freedom. COSATU unions operate on the basis of workers-in-control, extensive mandating procedures, and regular election of leadership. COSATU also operates on the basis of 'one industry-one union', encouraging the merger of its affiliates in the same sector to create a stronger union. According to research conducted by the Department of Labour, trade union membership represents 69% of the 4.9 million workers in registered non-agricultural employment. Of these, the 21 COSATU affiliates have a paid-up membership of 1.9 million. South Africa's remaining union members belong to several smaller federations and about 200 small independent unions.

In contrast to most union movements elsewhere in the world that saw their membership decline, South African union membership has increased by approximately 131% since 1985. In particular, COSATU membership has grown by 450%, bringing the total number of members to 1.8 million, compared to the 400,000 members of 1985. However, the current dilemma facing trade unions is that the traditional 'union-strong' sectors are shedding jobs while those sectors that are 'hard-to-unionise' are expanding. Trade unions in South Africa are feeling the impact of this changing employment pattern. Figure 7 shows the changing pattern of union membership of COSATU. Public service unions are currently the largest within COSATU, representing 37% of all membership. This is a strong contrast to its 1989 share, which was only 6%. At that time, manufacturing was the largest sector with 55% of total membership, followed by mining at 23%. The decline in COSATU membership experienced by manufacturing unions has been dramatic, falling from 55% to 28% by 1999. Overall, and in absolute numbers, membership of COSATU fell from 530,625 in 1994 to an estimated 484,258 in 1999.

The decline in membership of manufacturing unions mirrors some of the changes occurring in the economy. These include slow economic growth and the restructuring of industry and the workplace, which have resulted in wide-scale and rapid job losses. The decline in membership of manufacturing unions implies a considerable loss of worker experience that cannot be easily replaced. It also has the effect of reducing union influence over strategic issues and priorities within the labour movement.

Furthermore, the shrinking of the formal sector threatens to reduce unionism to a small enclave that could easily be accused of serving an elite group. Strategically, it is essential that unions avoid any such development. Conversely, expanding the working class through growing employment will strengthen trade unions. There is thus an inherent pressure on unions to engage in policy dialogue at national and industry levels in order to reach agreements for employment creation and retention.

Figure 7: Changes in COSATU sectoral membership, 1989-1999



(b) Labour institutions in social dialogue at national level

South Africa's national institutions of social dialogue came about as a result of worker struggles. In the late 1980s, the use of power by the major progressive union federations saw the development of two tripartite forums: the National Manpower Commission and the National Economic Forum. These were the forerunners of NEDLAC. The immediate cause for this struggle was the 1988 attempt of the apartheid-based Government, with the support of employers, to amend the labour laws with the aim of curbing union power. In 1990, after two years of intense struggle, unions, employers, and the Government reached an agreement. Known as the 'Laboria Minute', it accepted that all future labour laws would be considered by employer bodies and the major union federations before being sent to Parliament. In one of the first acts of the new democracy, NEDLAC was created as an Act of Parliament in September 1994 (Act No. 35) and was launched on 18 February 1995. With its new statutory status, NEDLAC became a body more powerful and stable than any of its predecessors, whose roles it incorporated. The NEDLAC Act requires it to:

- ❖ strive to promote the goals of economic growth, participation in economic decision making, and social equity
- ❖ seek consensus and conclude agreements pertaining to social and economic policy

- ❖ consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament
- ❖ consider all significant changes to social and economic policy before implementation or introduction in Parliament
- ❖ encourage and promote the formulation of co-ordinated policy on social and economic matters

NEDLAC is a representative body whose parties seek agreement primarily through negotiation and discussion based on mandates. While NEDLAC has the power to consider and agree on draft policies, Parliament is still sovereign. Therefore, any NEDLAC agreement has to be accepted by Parliament before it can become law. Although Parliament is able to change NEDLAC agreements, for it is aware that such agreements often represent a delicate balance reached between powerful social formations and carry the weight of their constituencies.

Besides the reaching of agreements, NEDLAC's role includes information sharing, research, workshops and seminars, and dispute resolution, thereby serving to strengthen social dialogue and create the basis for future agreements and shared visions. NEDLAC is structured so as to be able to address issues that are clustered within four Chambers: (i) Labour market, (ii) Public finance and monetary policy, (iii) Trade and industry, and (iv) Development. These Chambers feed their agreements to the management committee, which in turn reports to the Executive Council, NEDLAC's highest decision-making body. NEDLAC holds an annual summit, where feedback and input on progress made is established.

In NEDLAC, each constituency freely decides on its own representatives, and how they are allocated to the Chambers and other NEDLAC structures. In the labour constituency, the six labour seats in each of the Chambers are divided among three major federations, in rough proportion to their relative membership numbers. In the business constituency, the six seats are divided between Business South Africa (four seats) and the National Federation of Chambers of Commerce (two seats), which mainly represents black businesses. Government is represented in NEDLAC structures according to the nature of the Chamber, so that the Department of Labour is most central in the Labour Market Chamber, and the Department of Finance in the Public Finance Chamber, and so on.

The community constituency has representation in the Development Chamber. There is, however, the challenge of who will represent 'the communities'. As adopted, the formula catered for several large organised groups (women, disabled, rural people, youth, and civics) to play this role. The degree to which the relevant organised group is representative, both in terms of nature of the constituency and level of organisation, is key. Nonetheless, the overall composition of the community constituency is open to debate, for example: 'should the civic group receive a larger representation than that of youth'?

(c) Labour institutions at sector and plant levels

Engagement and negotiation at plant- and industry-level is a strong feature of South African social dialogue. The unions of the 1970s and 1980s grew from the shop floor, where they focused their organisational power around rank and file levels controlled by shop stewards, who were capable of extracting concessions from employers at plant-level bargaining. However, this strategic emphasis proved insufficient, as employers and conservative unions could exploit industry-level bargaining in industrial councils over which progressive unions exerted little influence. Many unions had refused to participate in

such structures, which required formal registration with the then apartheid Government's labour administration. However, as union shop floor strength and density grew and became more progressive, many of these unions chose to challenge management in industrial councils, making centralised bargaining a core demand of the labour movement.

In the early 1990s, COSATU's strongest affiliates were able to use their power to engage in broad questions of industry restructuring. This issue had been placed on the agenda as a result of South Africa's impending reintroduction into global markets, following the political democratisation. This was expected to be a significant adjustment, given the long history of protectionism associated with much of South Africa's industrialisation. Unions feared that the adjustment would be based on neo-liberal terms entailing massive job losses, unless they developed appropriate restructuring plans and the institutional means for establishing these as government policy. Indeed, thousands of jobs have effectively been lost in the clothing, textile, automobile, and mining industries. Nonetheless, in the years prior to the 1994 elections, the unions had already sought to ensure that industrial policy would be developed on a tripartite basis between Government, business owners, and organised labour. Trade unions were able to bring business owners to the negotiating table, largely because employers were as threatened as the unions by restructuring. Both had an interest in implementing consensus-based policies to ensure the long-term viability of industries.

Currently, in view of the massive industrial restructuring taking place and the strategic need to develop important sectors, South Africa is preparing for a series of sector job summits. These summits focus on sectors where jobs are being lost, or where output can be expanded and jobs created. These summits are to be convened by NEDLAC, with extensive prior preparation by labour, Government, and business institutions.

(d) Labour at social movement unionism level

In 1996, COSATU formed the so-called September Commission to consider the labour movement's strategy for the 21st century. The Commission recommended building on the country's history of social movement unionism. It defined 'social movement unionism' as: *'... concerned with broad social and political issues, as well as the immediate concerns of its members. It aims to be a social force for transformation. Its goal is democracy and socialism. Its influence on society is based on its organised power, its capacity to mobilise, its socio-economic programme and policies, and its participation in political and social alliances.'*

Recent campaigns that reflect social movement union character in South Africa include:

a) *The People's Budget*

Despite the constitutional requirement that Parliament has the power to change the national budget, Parliament has yet to pass the necessary legislation to give itself the mandate to do so. The state's constitutional obligation to deliver on socio-economic rights draws attention to the national budget. In response, COSATU, the National NGO Coalition, and several religious organisations began *'The People's Budget'* campaign in 2000. This campaign aimed at increasing the budgetary commitment to social goods, as well as greater openness and participation in the budget process. Many of the NGOs now mobilising around the strength of unions are worker advice offices that address the needs of non-unionised or 'atypical' workers. Many of the demands being made by that this

combined social movement concern the use of the national budget for more effective social support and the creation of quality jobs. Partially as a result of this growing pressure, the Government is, in due course, likely to announce a new social security system to address poverty and inequality.

b) *Crush Poverty, Create Quality Jobs*

In May 2000, four million workers went on a one-day general strike as part of an ongoing campaign to place unemployment and the massive wave of layoffs higher up on the national agenda. A few months earlier, COSATU had organised a civil-society conference on the unemployment crisis, where a broad social coalition endorsed the campaign. The conference boosted broad civil-society support for the workers' struggle, and immediately galvanised national debate on retrenchments and job creation.

c) *Putting People before Profits*

Perhaps the most famous and recent victory of the social movement came in April 2001. Over thirty-nine of the largest pharmaceutical multinationals in the world took the South African government to court to stop it from making less-expensive HIV/AIDS medicines available to the poor. COSATU and NGOs active in HIV/AIDS issues, as part of a broader social movement, together created a massive local and international campaign against the pharmaceutical industry under the banner of 'Putting People before Profits'. Under pressure, key companies withdrew from the case and the lawsuit collapsed.

Though social movement unionism campaigns are becoming a regular feature, the definition of 'social movement unionism' remains a subject of debate. The term implies an orientation rather than a fixed set of structures or goals. Historically, South African unions have placed themselves at the centre of the country's movement for social change, but the nature of these movements has varied over time. The social movement unionism of the 1980s was more socio-political (pro anti-apartheid) in focus and even included black business groups, whereas the social movement unionism of today is more socio-economic (i.e. concerned with jobs and poverty) in focus, and has the support of the white working class. One of the more important features is that social movement unionism creates the space to reach the marginalised sections of the working class previously reached only by NGOs and community-based organisations. Social movement unionism can help the labour movement to mobilise more of the 'atypical' and hard-to-unionise working class, and in so doing it offers a strong answer to neo-liberal jibes that unions merely represent a 'labour elite'.

VI Union capacity to deal with social dialogue processes

Through its Conventions and Recommendations, the ILO has outlined some preconditions for social dialogue in tripartite consultations:

- ❖ Countries must respect the right to freedom of association, allowing workers' and employers' organisations freedom to organise themselves without any intimidation or harassment
- ❖ Employers' and workers' organisations must be representative of their constituencies, thus promoting useful tripartite consultation
- ❖ Representative organisations must be selected without any discrimination, and organisations must be free to decide who should represent them

- ❖ All partners must be capable of participating in the consultation process; this means having enough manpower, finance, and access to information and knowledge
- ❖ All partners must be willing to co-operate in the tripartite process, as commitment is essential for all social partners
- ❖ Consultation should take place before decisions are made, and at appropriate intervals, so that a real impact on the decision-making process can be made
- ❖ Equal representation of all social partners is vital for the success of tripartism
- ❖ A competent authority should arrange administrative support for the consultation process

This list could be developed further for a typical development context. Nonetheless, the key points hold: constituencies must be representative, have capacity, and they must be willing to engage in real consultations before decisions are made. A few observations relevant to experiences of South Africa's social dialogue processes at NEDLAC are relevant. All constituencies lack capacity. This includes a lack of technical capacity to develop, analyse, or respond to proposals. A study of the labour constituency revealed that despite efforts to develop research and training facilities, the impact of the rapid loss of experienced and senior staff led to an extensive loss of capacity at NEDLAC. Capacity constraints include senior negotiators being unable to devote more time to NEDLAC activities, on which some already concentrate about 40% of their time.

More generally, and due to capacity constraints, agreements are often driven by a small group of constituency leadership. Neither information on agreements nor on the progress achieved reaches the percentage of membership that it should. Such weaknesses probably exist in all constituencies, and include those between Ministers and bureaucrats, and between business representatives and employers. It must also be noted that any new social dialogue institution will have inherent weaknesses. New processes are relatively flexible, as rules and protocols are still evolving. The extent to which different constituencies abide by these protocols may also vary from constituency to constituency and from time to time. One negative aspect might be the unpredictability of processes arising. And, if the degree of flexibility is too large, the role of strong personalities is enhanced. Furthermore, social dialogue is undermined when economic policies are kept out of discussion.

As mentioned earlier, conservative forces have often tried to keep economic policy outside the discussions of South African social dialogue institutions. Nonetheless, disagreement about macro-economic strategies inevitably spills over into social dialogue on other issues, as economic policy does affect other strategies. Putting macro-economic policy more squarely on the social dialogue agenda, and sooner rather than later, may help with designing policies that are better co-ordinated, more effective, and enjoy higher levels of popular support.

VII Policies and institutions that affect poverty strategies

Some key factors to be considered when engaging in transformation towards poverty reduction are institutional bias, engagement with the global economy, macro-economic policy, and social protection measures. Each is dealt with separately in the following sections.

(a) Changing the institutional bias against redistribution

By 'institution' one refers to more than an 'organisation' alone. A regularised pattern of behaviour, or system of legitimate rules that are embedded in social relations and can be enforced, is part of the picture. The development of both institutions and organisational structures is primarily determined by the existing social, political, and economic context. Historically, institutions in South Africa were developed to exclude the majority. The legacy of these arrangements has some key features, for example:

- (i) A two-tier system of delivering public services (the poor – mainly black people – use the increasingly cash-strapped and inadequate public services, while the rich – mainly white people – use well-resourced private services)
- (ii) Race and gender are, to a certain extent, predictors of poverty levels. Entrenched patterns of racism and sexism in the economy serve to undermine anti-poverty strategies at various organisational and policy levels
- (iii) Entrenched poverty renders the market bias towards 'consumer choice' exclusionary. Since 45% of South Africa's population is poor, 'consumer choice' effectively means reducing basic services to inadequate levels that people can afford, or cutting them off entirely. This traps the poor in the vicious circle of poverty, where lack of access to services reduces their ability to rise above it.

Major shifts in these underlying biases have been made possible through the transformation from an undemocratic to a democratic Government and through the introduction of a Constitution. Although new policies, organisations, and legislation are evolving, the degree to which institutions and organisations can change or develop depends on the influence different stakeholders have on policy-making. Invariably, the rich are able to influence processes most directly through information and media access, management of the economy, and by lobbying decision-makers. There is an inherent bias in institutional transformation, as there is in all social policy formulation, against vulnerable and marginalised groups. For example, the Government can introduce legislation to improve the rights of groups of vulnerable people, but as result of pressure from the status quo, it may fail to provide an adequate budget to ensure enforcement of these rights. The net result is that reforms are nullified. As a rule, institutional reform should prioritise the participation of vulnerable and marginalised groups. This underscores the need for a broader approach to national social dialogue than has been seen before.

(b) Engaging global economic pressures

The economy of South Africa is relatively small, being about 2% of the size of the European Common Market. Now considerably open to world markets, South Africa has sought to engage in the global economy by developing alliances. The Government argued that engagement in the World Trade Organisation (WTO) is better than abstention, because the country will benefit more from a rules-based trade system than from trade agreements with naked power. The Government has since been consciously seeking to build alliances with other countries from the South; at the recent trade summit in Seattle a grouping of these countries was given the title of 'G-South'.

South Africa has pleaded for reform of the WTO, arguing that there is a need for a global restructuring of production and that adjustments in the production systems of Northern countries are as essential as those in Southern economies. Nonetheless, it is realised that this agenda is, at best, a long-term objective. Furthermore, South Africa has removed its exchange controls in order to encourage foreign investments. However, given its lack of a more stable capital

flow of a developed economy, the South African economy is subject to sudden capital flight to G8 countries, especially when emerging markets are in trouble. Foreign investment has not been forthcoming, and the net result is that rather more capital has left South Africa.

(c) Re-orientating macro-economic strategies towards social outcomes

In recent economic tides, foreign investments seem to follow growth, rather than leading it. Attention should therefore focus on expansionary domestic policies. Such policies should seek to mobilise domestic resources, make interventions to build the national economy, and support poverty strategies. The GEAR strategy needs to be re-orientated to be more supportive of developmental objectives. South Africa's national budget needs to be expanded and its priorities reviewed to address development and poverty. Reorientation also includes reconsidering or adjusting public policies that have a high impact, such as privatisation. Such policies meet a financial requirement of the Government but risk undermining service delivery to people with few resources. A review of how economic policy affects the delivery of social services might mean that social targets have to be included in sets of indicators for evaluating the performance of growth strategies.

(d) Social protection measures

The Cabinet has already established a Committee of Inquiry into Comprehensive Social Security for South Africa. This positive step is based on analyses commissioned by the Department of Welfare, which concluded that the existing system is archaic, lacks integration, and has many gaps. The Committee will look into various issues, including retirement provision, affordable health care, unemployment insurance, social assistance, and a basic income grant.

VIII Gender impact

Economies are invariably built on hierarchical gender relations. Unfortunately, the gender-neutral terminology of economics disguises the inherent male bias in economic policies. Orthodox economics do not take account of some economic realities that women face, such as unpaid household labour, discrimination, labour market segmentation, etc. Features such as 'productivity', 'economic restructuring' and 'industrial restructuring' tend to ignore and undervalue the work of women, focusing on the inherited view of manufacturing for export, while generally excluding the services, retail, and informal sectors, in which women predominate.

Hence, 'gender-blind' policies and programmes (which fail to identify targets, participants, or beneficiaries by sex) do often not have a gender-neutral impact. This means that they do not affect men and women in the same way, as the following examples show:

- ❖ Policies that result in the loss of formal sector jobs, particularly unskilled jobs, have a gender bias, since women are more likely to have those jobs
- ❖ The privatisation of basic services, which reduces access to services to those who cannot pay, impacts heavily on women; they perform most of the household duties, and are therefore generally obliged to engage in substitute activities.

IX Role of small, medium and micro-enterprises

There has been considerable discussion in South Africa over the question of whether SMEs are the engines for employment growth. There is little evidence to show that SMEs create new jobs. NTSIKA, the Government's SME development arm, states that '... SMEs play an important role as job retainers, as shown in relatively better employment growth compared to large enterprises. We do not yet have statistical proof that SMEs actually create new jobs' (NTSIKA 2000).

While employment in micro-enterprises has increased by 18%, NTSIKA points out that this may reflect the loss of jobs in the formal sector may have forced many persons into informal sector activity. Other, international studies confirm the positive relationship between rising unemployment and the growth in new micro-enterprises. A report commissioned from the World Bank states that 'most new firms are not registered and were created, not because the owner was attracted by the pulls associated with entrepreneurship (independence, prospects of higher income, and so forth), but rather in response to unemployment. Persons who are not employed create micro-enterprises principally as a survival strategy' (Riley, 1993). The growth in micro-enterprises should thus be seen within the perspective of the micro-enterprise and survival sectors being able to absorb those unemployed that fail to find formal jobs.

Furthermore, SMEs' contribution to employment tends to be located in the services sectors of the economy, which typically have low barriers to entry and low start-up costs. These jobs are often associated with job insecurity, low pay, and few benefits.

The growth in services may therefore suggest the relocation of certain activities to different sectors. For example, it may reflect the practice of subcontracting specific services that were previously done in-house, such as canteen, cleaning and security activities. What we may be seeing is lower-paid, less secure jobs with few or no benefits being performed by small enterprises, rather than better-paid in-house jobs with more benefits.

A sound SME policy could, however, play an important role in redistributing business ownership in South Africa. Some specific measures have been taken, such as forms of affirmative procurement. The development of SMEs is an important strategy for poverty alleviation, through its ability to provide an independent basis for income generation. There is a need for more intensive promotion of SMEs as part of the country's integrated development strategy, which targets and assists people in the formal, informal, and communal sectors.

X Conclusion

Social dialogue is an important part of the processes of democracy and development, which are interwoven. This has clearly been shown through the struggle for a democratic, non-racist South Africa. Development, understood as giving the poor a real choice of life options, entails Freedom. The presence of democratic political institutions is an important instrument for development. They ensure that policy choices and the allocation of scarce economic resources reflect the will and interests of ordinary people. However, such institutions do not come about easily. Throughout their history, trade unions have played and continue to play an important role in the struggle for democracy.

The extent of poverty, inequality, and economic underdevelopment is still enormous. The challenge of poverty reduction encompasses both the working as well as the non-working poor. Hence, South Africa's transition from apartheid to democracy and development is a long and difficult journey. Trade unions are as important now for the success of building South Africa's new democratic and economic order as they were to the collapse of the apartheid regime. It is crucial to bring these strong constituencies into the policy-making process and harness their potential for transformation, particularly on the economic front.

Democracy in South Africa has, ironically, come at a difficult time. The transformation process has been accompanied by increasing economic globalisation. The neo-liberal spin-off of the globalisation process tends to contradict the underlying principles of development and democracy. Social dialogue, its form and content, is therefore a site of intense struggle. There is also the awareness that there are no easy solutions to South Africa's problems of development and growth.

The outcome of social dialogue engagements, on any particular issue, depends largely on the balance of social forces represented at that time. Is dialogue able to effect changes in the balance of forces? It was argued that social dialogue could offer progressive formations, in particular to the labour movement and community constituencies. The orientation and characteristics of a *social movement union* have relevance for creating both an agenda and extra room to articulate and mobilise the demands of all constituents, including the (non-working) poor. Social dialogue processes also carry dangers of co-option or giving legitimacy to difficult decisions taken in political arenas elsewhere. This danger becomes more real if unions not representative, not worker-led, or lack a long-term vision for progressive social change.

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Commentary on Chapter 6

Poverty alleviation and trade unions in South Africa: Learning from the Job Summit

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'Despite the Job Summit and related initiatives, our economy continues to yield jobless growth. In this special edition of the FEDUSA debate we aim to add impetus to the social partner debate on the question of job creation, by providing some views and insight into a workable and available options at grass route levels.'

FEDUSA General Secretary, Chez Milani

Areas for job creation in South Africa

Any attempt towards job creation should be clustered around one of the following four distinct areas (i) meeting basic needs, (ii) manufacturing, (iii) services, and (iv) technology.

Meeting basic needs and land reform

All South Africans must have access to food, water, housing, and clothing. Each of these issues is inextricably linked to land and its redistribution. South Africa requires an extensive land reform distribution programme that will make use of large, inactive tracts of government-owned land. Similarly, the expropriation of land should take place at fair market-related prices. In addition, land should only be allocated to persons who have the competence to productively farm the land as a result of past experience or training.

The situation that must be avoided is where the land is distributed solely for subsistence farming with no job creation taking place. The results of a land distribution programme should also be regularly monitored to ensure that the desired outcomes are being achieved at all times.

Such land should be used to generate food for local as well as export markets. Farms should strike a balance between being labour-intensive and mechanised, so that they do not become unproductive as technology improves. It should be kept in mind that the agricultural sector holds the potential to create many thousands of jobs.

Public works programmes aimed at building houses, dams, roads, bridges, and so forth should be actively pursued. The community, especially in rural areas, should be central to such an initiative.

Manufacturing

Many industries are shedding jobs at an alarming rate, largely as an effect of globalisation. The whole question of trade tariffs and the importing of inexpensive goods produced by cheap and exploited labour is clearly, for many reasons, a bitter pill to swallow. This would entail, at the very least, the closure

¹¹ FEDUSA is the second largest Trade Union Federation in South Africa, with 27 affiliated Trade Unions, with a paid-up membership base of 540 000 members in a variety of sectors and industries.

of South African businesses and resultant job losses. As the tariff debate will continue, it is important that social partners have concurrent and effective strategies relating to manufacturing.

Service

Tourism has been correctly identified as a major source of job opportunities and revenue for South Africa. The economy needs to improve on its service culture and maintaining a professional approach to clients.

The public service is, and must remain, the largest employer in the country. If financial considerations prevent employment levels from increasing beyond 1,100 000 employees, then this level should at least be maintained. More emphasis should be placed on service and efficiency, thereby enhancing the value added by the public service at all levels. The public service, as the backbone of social service delivery, should be enhanced rather than curtailed through restructuring and privatisation.

Emphasis on technology

South Africa needs to consciously focus on information technology and encourage its integration within all areas of business, as far as is possible.

Reflections on the Job Summit

Although the Job Summit was a success in certain areas, it ultimately failed to stem unemployment and create sufficient jobs. This was due to the following five reasons:

(a) The amount of information available was insufficient. A prospective entrepreneur or employer should readily be able to access information on the following:

- ❖ Consumer needs in a particular geographic area
- ❖ Export demands
- ❖ Available resources
- ❖ Available incentives

(b) A lack of coherent co-ordination: It is important that the left hand knows what the right hand is doing, so that the necessary momentum and synergy are built up around the activities and programmes implemented.

(c) It is of no use if the leadership of the social partners debate and agree on issues without the matter going any further. At the end of the day, it is the union members, public servants, small and big businesses and the community at large that will be required to give practical effect to what the social partner 'think tank' has developed.

(d) The implementation of any project or initiative at grassroots level must be managed properly.

(e) Everybody must see the value of the project(s) and want to be involved. No player should feel obliged to partake in any process to safeguard existing interest.

Conclusion

It is important that we are all agreed upon where we are going before we attempt to get there. It is therefore proposed that earnest, focused, and practical discussions on job creation should take place at the Presidents' International Investor Council. Focused talks should also take place at NEDLAC, in conjunction with the Minister of Labour's 15-point plan.

Chapter 7

Trade Unions and Poverty Alleviation Initiatives in Tanzania

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I Historic perspectives of trade unions in Tanzania

(a) Trade union activities during the colonial period

The imposition of oppressive and exploitative economic structures in Tanganyika during the colonial period stirred the emergence of workers' movements and activities as early as the 1920s. The 'native' workers employed in the harbours, sisal estates, mines, and other productive sectors organised themselves to fight for improved social and working conditions. The colonial administration considered workers' movements and activities as illegal. However, the enactment of the Trade Union Ordinance in 1932 legalised the formation of trade unions. Thereafter, trade union membership and activity in this region increased.

Nonetheless, in the early days activities were not particularly successful, partly because of inadequate capabilities and poor organisation within the unions. The colonial government also used a range of oppressive mechanisms to control and contain the nascent and inexperienced workers' unions.¹²

Workers formed a stronger trade union during the mid-1950s. In part, this was a response to the struggle for independence, which had stepped up its pace with the birth of a strong political party, the Tanganyika African National Union (TANU) in July 1954, with Julius K. Nyerere as its President. It was in 1955 that the Tanganyika Federation of Labour (TFL) was formed, with Rashid M. Kawawa as President. Quite naturally and in line with expectation, TFL worked very closely with TANU in the struggle against colonialism. In addition to working for improved working and welfare conditions for its membership, TFL boldly took on a political and developmental dimension by active participation in the struggle for political independence.

(b) Trade union activity after independence

Soon after achieving political independence in 1961, it became evident that the close alliance between TANU and TFL was under stress. After independence, TFL hoped to achieve greater levels of autonomy in several trade union matters; an idea that was not so palatable to the majority of TANU's leadership and the Government. In fact, TANU and its leadership believed that greater autonomy of the trade union would ultimately jeopardise the strong unity achieved between workers and peasants during the independence struggle. This unity was considered vital for national development. Thus, it was not surprising that the Government applied a variety of means to limit trade union movement in the period immediately after independence. It enacted a number of laws under which the autonomy of the TFL was contained¹³.

¹² Mihyo (1981) gives an excellent account of the labour movement and activity in colonial Tanganyika.

¹³ Notable of these pieces of legislation include: (i) *The Trade Union Disputes (Settlement) Act No.43 of 1962*; (ii) *Trade Union Ordinance (Amendment) Act No.51 of 1962*; (iii) *The Civil Service (Negotiating Machinery) Act No.52 of 1962*; and the *Preventive Detention Act No.60 of 1962*.

The NUTA Act No.18 of 1964 brought a sudden end to the limited autonomy that the TFL had so far enjoyed. The Act established the National Union of Tanganyika Workers as the sole trade union in Tanzania. Its objective was to establish a strong workers' association for all workers. This new trade union was meant to bring about economic development by promoting discipline, hard work, and common sense among workers. Furthermore, the union was to be a part of and propagate the policies of TANU, mobilising and encouraging its members to become faithful to it. A specific objective was to promote good relations at the workplace between employers and employees, as well as between various worker groups.

In spite of the developmental scope of the objectives of the National Union of Tanganyika, this institution was born with basic shortcomings. Firstly, it was infused into TANU structures and practically became an 'outfit' of TANU and its Government. For example, the Secretary General was appointed by the national President and, at the same time, was the Minister responsible for Labour in the Union Government of Tanzania. (There were other trade unions officials who were not directly elected by the workers.) The Secretary General became the appointing authority of all the top-line union officials, including the nine Assistant-Secretary Generals of the nine industrial divisions.

The Government took a further step to curtail trade union autonomy in 1977, when the National Union of Tanganyika was transformed into Jumuiya Ya Wafanyakazi Tanzania (JUWATA). JUWATA became one of the mass organisations of the newly-formed ruling party, Chama Cha Mapinduzi (CCM).¹⁴ JUWATA was absorbed into CCM's structures and its Secretary-General was appointed by the party Chairman, who also held the Presidency of the Union Government. As was the case with its predecessor, JUWATA was henceforth the sole trade union in Tanzania.

The pressure from union members to allow trade unions greater autonomy continued unabated in the 1990s. Enhanced political pluralism and reforms led to the formation of the OTTU/Tanzania Federation of Free Trade Union (TFTU) in 1995. The Federation consisted of 11 sectoral trade unions¹⁵ and was headed by a Secretary General and two Deputies, one for Zanzibar and one for mainland Tanzania. For the first time, union members themselves elected TFTU officials. TFTU has a General Council composed of representatives from all sectoral trade unions. Chaired by the Secretary General, the General Council is the highest policy-making body of the Federation.

In 1998, the Government passed the Trade Union Act No. 10, which became effective on 1 July 2000. The significance of this Act was that it provided for the formation of free associations of trade unions of both employees and employers on mainland Tanzania. Acting on the basis of these provisions, the eleven sectoral trade unions of TFTU formed a congress in April 2001 – the

¹⁴ Chama Cha Mapinduzi was formed in February 1977 through the merger of TANU and the Afro-Shiraz Party, the ruling party of Zanzibar. The party's mass organizations included: Umoja wa Wanawake Tanzania; Co-operative Union of Tanzania; Tanzania Parents Association; and the National Youth Association.

¹⁵ These included: (i) Tanzania Railway Workers Union; (ii) Conservation, Hotels, Domestic and Allied Workers Union; (iii) Tanzania Union of Industries and Commerce Workers; (iv) Tanzania Mines and Construction Workers Union; (v) Researchers, Academicians and Allied Workers Union; (vi) Communication and Transport Workers Union of Tanzania; (vii) Tanzania Teachers Union; (viii) Tanzania Union of Government and Health Employees; (ix) Tanzania Local government Workers Union; (x) Tanzania Seamen Union; and (xi) Tanzania Plantation and Agriculture Workers Union.

Trade Union Congress of Tanzania (TUCTA). Under TUCTA, most of the existing sectoral trade union structures as well as organisation modalities remained the same.

II Poverty reduction initiatives in Tanzania

(a) Poverty levels in Tanzania

A recent report indicated that poverty is rampant among the 31 million people living in Tanzania¹⁶. The report notes that '... about 50% of all Tanzanians live in poor conditions, while 36% live in abject poverty ...'. It also suggests that while rural poverty dominates, urban poverty is increasing. The incidence of poverty in Tanzania is not uniform across its administrative regions. Box 1 and Table 6 show these variations between regions, with Coast, Lindi, and Kigoma as among the poorest regions, while Tabora and Kilimanjaro are relatively better off.

One of the special initiatives undertaken by the Government was the development of the *National Poverty Eradication Strategy* in 1998. In a sense, the strategy responded to the agreements made at the United Nations' *World Summit on Social Development*, held in Copenhagen in 1995 and at the *Tokyo International Conference on Africa Development: An Agenda for Action*, which was held in 1999. The *National Poverty Eradication Strategy* takes a long-term perspective on development. More recently, the Government co-ordinated the development of the *Poverty Reduction Strategy Paper* (PRSP), which was published in October 2000. The PRSP is a medium-term strategy, and notes that '... incomes in the rural areas are lower and poverty is more widespread and deeper than in the urban centres ... Although urban poverty is less acute, it is still a serious problem, especially in urban centres other than Dar es Salaam.' (United Republic of Tanzania (1998, p.6).

¹⁶ Consult *United Republic of Tanzania (1998) p.3. 13 For a clear account of the various dimensions of poverty, please consult amongst others: ILO (1999); World Bank (1990, 2000, 2001); UNDP (1997); Sen (1984); and Sagasti (1999).*

Table 6: Tanzania – Regional variations in poverty, 1999

| Indicator | Least deprived | Most deprived region | Most deprived regions |
|---|-------------------|----------------------|---|
| 1997 per capita GDP (in Tanzanian shillings and US\$) | 371,811 (US\$608) | 95,623 (US\$156) | Kilimanjaro, Dodoma, Kigoma, Kagera |
| Literacy rate (%)* | 96.4 | 68.1 | Shinyanga, Arusha, Singida, Kigoma |
| Gross primary school enrolment rate (%) | 100 | 63.0 | Kagera, Kigoma, Rukwa, Tabora, Dodoma |
| – Boys | 99 | 65.0 | Tabora, Dodoma, Kagera, Kigoma, Rukwa |
| – Girls | 100 | 60.0 | Tabora, Dodoma, Kagera, Kigoma, Rukwa |
| Life expectancy (years) | 59 | 45 | Dodoma, Morogoro, Mtwara, Kagera, Rukwa, Iringa |
| – Men | 57 | 44 | Dodoma, Morogoro, Iringa Mtwara, Kagera, Rukwa |
| – Women | 62 | 45 | Dodoma, Morogoro, Iringa Mtwara, Kagera, Rukwa |
| Infant mortality (per 1000 children) | 52 | 130 | Dodoma, Lindi, Kagera, Mtwara |
| Mortality of under-fives (per 1000 children) | 78 | 220 | Dodoma, Lindi, Kagera, Mtwara |
| Low birth weight (%) | 4.7 | 15.6 | Mara, Ruvuma, Mwanza, Morogoro |
| Severe malnutrition (%) | 2.7 | 14.7 | Iringa, Lindi, Kagera, Singida |
| Food security (cereal equivalent)** | 590 | 177 | Coast, Dodoma, Morogoro, Tanga |

Source: United Republic of Tanzania (2000b: 12-13)

Notes:

* For women, the most deprived regions were Shinyanga, Tabora, Coast, and Kigoma

** Availability of cereal equivalent levels (in kilograms) from 1992-96

(b) Tanzania's Poverty Reduction Strategy Programme

(a) Targets

The PRSP covering the period 2000/2001-2002/2003 was prepared by the Government, in collaboration with International Financial Institutions (IFI) and the donor community. Local civic society groups were also involved, following a specific consultation procedure.

In particular, implementing the PRSP should contribute positively to the following targets:

- ❖ Reducing the proportion of the population living below the income poverty line from 48% in 2000 to 42% by 2003 (with the long-term target set at a reduction to 24% by 2010)
- ❖ Reducing the proportion of the rural population living below the income poverty line from the current 57% to 49.5% by 2003 (with the long-term target set at a reduction to 29% by 2010)

Reducing the proportion of the underfed poor from 27% to 23.5% by 2003 (with the long-term target set at a reduction to 14% by 2010).

Box 1: Tanzania – Regional Variations in Poverty, 1999

| Indicator region | Least deprived region | Most deprived | Most deprived re regions |
|--|-----------------------|------------------|---|
| Per capita GDP in 1997 (Tanzanian shillings and US\$) | 371,811 (US\$608) | 95,623 (US\$156) | Kilimanjaro, Dodoma, Kigoma, Kagera |
| Literacy rate (%)* | 96.4 | 68.1 | Shinyanga, Arusha, Singida, Kigoma |
| Gross primary school enrolment rate (%) | 100 | 63.0 | Kagera, Kigoma, Rukwa, Tabora Dodoma |
| – Boys | 99 | 65.0 | Tabora, Dodoma, Kagera, Kigoma, Rukwa |
| – Girls | 100 | 60.0 | Tabora, Dodoma, Kagera, Kigoma, Rukwa |
| Life expectancy (years) | 59 | 45 | Dodoma, Morogoro, Mtwara, Kagera, Rukwa, Iringa |
| – Men | 57 | 44 | Dodoma, Morogoro, Mtwara, Kagera, Rukwa, Iringa. |
| – Women | 62 | 45 | Dodoma, Morogoro, Mtwara, Kagera, Rukwa, Iringa |
| Infant mortality (per 1000 children) | 52 | 130 | Dodoma, Lindi, Kagera, Mtwara |
| Mortality of under-fives | 78 | 220 | Dodoma, Lindi, Kagera, Mtwara |
| Low birth weight (%) | 4.7 | 15.6 | Mara, Ruvuma, Mwanza, Morogoro |
| Severe malnutrition (%) | 2.7 | 14.7 | Iringa, Lindi, Kagera, Singida |
| Food security (cereal equivalent)** | 590 | 177 | Coast, Dodoma, Morogoro, Tanga |

Source: United Republic of Tanzania (2000b: 12-13)

Notes:

* Rank '1' implies the most deprived region and '20' the least deprived region.

Weighted average ranking for infant mortality rate, life expectancy, and crude death rate.

Average weight and ranking for population per health facility and per hospital bed.

Average weighted rate for population per health facility and population per hospital bed

For non-income poverty indicators, the PRSP has set a number of targets. In the education sector, the gross primary school enrolment ratio should increase to 85% (with net primary school enrolment rising from 57% to 70%). The transition rate from primary to secondary school should rise from 15% to 21%, and the dropout rate in primary school be reduced from 6.6% to 3%. Furthermore, adult education programmes should be expanded and special efforts made to raise educational attainment. The latter include, *inter alia*, teacher upgrading and reallocation, strengthening of inspection services, and improved availability of textbooks.

In the health sector, targets are set to lower infant mortality rate from 99 to 85 deaths in 1000 children. In 2003, under-five mortality should have been reduced from 158 to 127 deaths per 1000 children. A lower maternal mortality rate, from 529 to 450 per 100,000 women, should be achieved by the same year, and malaria-related fatalities for under-fives reduced from 12.8 % to 10

%. The proportion of the rural population that has access to safe and clean water should have risen from 48.5% (2000) to 55% in 2003.

(b) Delivery requirements

The PRSP hopes to provide quality health service through the delivery of essential health packages. These targets should be achieved by better focusing on quality. In addition, strengthening and reorienting the delivery of secondary and tertiary health services are needed to ensure more effective support of primary health care. This cannot be achieved without training personnel. Private sector and civil society activities in the health sector are to be promoted and co-ordinated.

To achieve the target of access to safe water, rehabilitation works – of malfunctioning water supply schemes, for example – are unavoidable, as is the protection of water sources, and the expansion of schemes (to be determined by local communities). Other necessary activities include promoting nutritional education (especially to mothers), and promoting awareness of HIV/AIDS and other matters of public health, by making use of peer education in schools for example. The programme on the *Integrated Management of Childhood Illnesses* should likewise be strengthened.

(c) Funding and monitoring

It is anticipated that the poverty reduction programme will principally be financed from domestic resources (roughly 70%), largely paid from the Central Government budget. External sources, chiefly in the form savings from the Highly Indebted Poor Countries (HIPC) debt relief and grants, will make up the remaining 30%. To be able to achieve the targets, monitoring and evaluation procedures are set out. Impact and outcome indicators have been carefully developed for each category of poverty. The Vice-President's Office is assigned with the overall responsibility of monitoring and evaluating the progress made against targets set.

(d) Process of formulation

The Government committed itself to involving all main stakeholder groups in the processes of the PRSP's formulation, implementation, and evaluation. As the Strategy Paper asserts, '... Government intends to ... seek fuller representation of the poor and other stakeholders in the implementation, monitoring and evaluation of the poverty strategy and in subsequent revisions of the PRSP' (*op. cit.* p.3). The Government therefore evolved a participatory and consultative schedule of meetings and workshops to be followed in the process of developing the PRSP. A more detailed picture of this procedure is given in Annex 1.

Box 2: Tanzania Consultative Steps in Preparing the PRSP

| S/N | Consultative steps (date) | Consultation objective | Outcome |
|-----|---|---|---|
| 1. | Domestic Stakeholders | | |
| | Committee of Ministers and Central Bank Governor | Steer preparation of PRSP | Final PRSP |
| | Inter-ministerial Technical Committee, researchers, editors, etc. | Technical preparation of PRSP | Final PRSP draft |
| | Zonal workshops (May 2000) | Ascertain views of 'grassroots' stakeholders | Identification of priority concerns and requirements for poverty reduction |
| | Members of Parliament (July 2000) | Establish reactions to the findings of the zonal workshops, and solicit their views | Concurrence with the findings of the zonal workshops; under-scoring of regional differences in the incidence of poverty |
| | Regional Administrative Secretaries (August 2000) | Discussion of PRSP draft | |
| | Cabinet (September 2000) | Review and discussion of final PRSP draft | Reviewed and approved final PRSP |
| 2. | Joint consultation with international partners | | |
| | ❖ Consultative meeting with donors (May and June 2000) | Review and exchange views on the preparation of PRSP | |
| | ❖ National workshop (August 2000) | Review draft PRSP | Concurrence with the orientation of the draft and noting of specific concerns, such as unemployment, child labour and the environment |

Source: Adapted from URT (2000b:4).

III Involvement of trade unions in the PRSP process

(a) *Trade unions not involved in design and review stages*

The poverty reduction process in Tanzania is but a continuation of the ongoing socio-economic reforms that have initiated from the mid-1980s onward. Probably, the innovation in the PRSP process is the opportunity for Government to engage in a social dialogue process with a number of stakeholder groups on the design, implementation, and evaluation of national poverty initiatives.

It has been established that not one of the national trade union centres in Tanzania has been invited to participate in planning meetings, or in any form of arrangement leading to the development of the PRSP in 2000¹⁷. Similarly, none of the unions were invited to participate in meetings to evaluate and review the PRSP, for example at the important consultative meeting held in Dar es Salaam between 7-8 September, 2000. Neither have the trade unions participated in any other process review structure. Clearly, the involvement of

¹⁷ The unions interviewed coincide with the list in footnote 4. For more details, please refer to Appendix 1.

the trade union movement in the PRSP process has virtually be non-existent so far. It is noted, however, that the involvement of the Government and the main stakeholder groups (such as Bretton Woods institutions and foreign donor organisations) with local civil society groups has been quite remarkable, during both the preparation stage in 2000 and the evaluation of the PRSP.

(b) Reasons for non-involvement

a) An environment of mutual mistrust

Since Independence, both the Government and the trade unions have developed and lingered in an atmosphere of mutual mistrust. Quite often, the Government has blamed the trade unions for demanding wage increases that do not match increases in labour productivity and work efficiency. Likewise, the trade unions have blamed the Government for pursuing reform measures in directions that impoverish and pauperise workers.¹⁸ In this kind of persistently negative environment, meaningful social dialogue processes between the Government and trade unions cannot bear fruit. This may explain why the Government has, to a large extent, felt uneasy about inviting trade unions to directly participate in the PRSP process.

However, this is to disregard the significant development role that the trade unions played during the struggle for independence. More important is the fact that many reform measures (e.g. civil service reform, parastatal sector reform, privatisation programmes, etc.) have a profound impact on the welfare of the workers. This in itself should have resulted in Government seeking trade union participation in the poverty reduction strategy process. As it is, trade unions look upon Government actions and reform initiatives as suspect at best. Consequently, they seek to absent themselves from involvement. There is no evidence to suggest that trade unions wish to participate actively in the process, or that the Government is rejecting such requests and blocking unions' moves. The implication here is that an element of apathy reigns within most trade union centres in Tanzania.

b) General misconceptions about the role of trade unions

Linked to the above notion of mutual mistrust is the narrow understanding of the actual role that trade unions could play in poverty alleviation. This is true not only within the government circles, but also with trade union leadership itself, as well as the rank and file. To both Government functionaries and labour activists, the key role of trade unions and their leadership is improving salaries and working conditions of workers, through the traditional approaches of collective bargaining with employers. The noble reality of trade unions working closely with government partners and other stakeholders in developing and evaluating economic policies and programmes that aim for sustainable growth has not taken root in Tanzania.

c) Trade union members as salaried employees

The limited participation of trade unions in policy fora in Tanzania is structural; it is not restricted to the PRSP process. Since trade union members and their leaders are also employees of their respective organisations or companies, or work at government ministries, it is natural that workers are involved with preparing and implementing education programmes. Moreover, discussions and proceedings in many policy fora have a sectoral focus, such that position papers are often prepared and presented by staff of the relevant organisation from that sector.

¹⁸ Such measures include, for example, Civil Service Reform, Parastatal Sector Reform, Education Sector Reform, Health Sector Reform, etc.

Curiously, many trade union leaders and union members, like the government officials, feel that they have only a limited role to play in economic and policy discussions. By abdicating from performing such roles, they further contribute to the fact that unions currently do not actively participate in the processes of designing and implementing the national poverty reduction strategy.

d) Formal and inert character of consultations

Currently, there are no immediate structures within national policy fora through which trade union participation can be nurtured. The mechanisms and timetables proposed in the PRSP are quite formal and bureaucratic in nature. Outside the 'straightjacket' mechanisms and defined timetable for seeking stakeholder participation, there is little opportunity for stakeholder groups to provide inputs in the PRSP process.

This is further hampered by the fact that the participation mechanism does not specifically identify trade unions as one of those groups whose participation should be sought. The participation mechanism simply states 'domestic stakeholders', 'zonal workshops', etc. For trade unions and others to participate in these workshops depends very much on their own initiatives and commitment, which is in contrast to groups of stakeholders from whom the government 'feels' obtaining input is crucial. The Government organises workshops for specific interested parties such as Members of Parliament and regional administrative secretaries, but makes no attempt to reach out to workers and their organisations. These difficulties are further complicated by poor preparation (for example, lack of formal invitations, and delays in sending out background reports and minutes). As such, people start to believe that PRSP process meetings are simply a formality, convened to rubber-stamp decisions and opinions that have already been taken by the main stakeholders, namely Government and the donor agencies.

e) Inadequate capacity among trade unions

By and large, trade unionists in Tanzania lack the technical and professional expertise needed for discussing the PRSP. A more practical issue is that unions feel such fora are unnecessarily mystified by technical jargon. Most trade union leaders' knowledge and understanding of the PRSP subjects is quite limited, with only a few individual leaders and members able to master the required knowledge and expertise for discussing PRSPs.

IV Conclusions and directions for future action

On the whole, the trade union participation in the PRSP process in Tanzania has been negligible. A number of reasons and related factors have been explained. Critical are, *inter alia*, the structural relationship between the Government and the trade unions, and structural problems within the trade unions themselves. Inappropriate mindsets amongst trade union leaders and membership, as well as within the Government, block opportunities to explore what broader role the unions and their members could play in various economic policy fora. There are practical limitations too, such as capacity, which prevent trade unions from participating in a more active manner. Nor is the poor preparation and organisation of PRSP process meetings a trigger for more spontaneous involvement.

Consequently, several interventions are needed to enhance the social dialogue process and involving all main stakeholder groups in economic policy-making.

Enhancing trade union participation in the PRSP process requires specific attention.

a) *Improving the environment for dialogue through awareness campaigns*

The Government needs to adopt a positive view of trade union roles in the PRSP process. In particular, the Government should take deliberate steps to improve the environment within which trade unions can work in partnership with other interested groups. This should be an environment of more trust, commitment, respect, transparency, and openness, as is expected in of any typical social dialogue process. The Government should aim at 'levelling the playing field' if social dialogue is to take root with the trade unions. This requires a change in the Government's 'mindset', as well as a sustained educational campaign.

Similarly, massive and sustained campaigns will have to be mounted to change the mindsets and perspectives of trade unions as regards engaging in policy dialogue with the Government. Trade unions must be aware that they form one of the most important strategic stakeholder groups in society and that many of the reforms taking place have profound impact on the level and quality of well-being of their members and society in general. As such, they should have a prime stake in the design, implementation, and evaluation of poverty reduction strategies.

b) *Trade unions are role models for development*

In their participation in public policy fora, trade unions must not confine themselves to the narrow, mundane, short-term traditional roles. They must tackle more the substantive problems that are affecting the long-term security and welfare of their membership and the larger communities. These issues would include, for example, pushing forward the agenda of workers' security and protection at the workplace, employee benefits after retirement or retrenchment, the achievement of global resolutions on 'Decent Work For All', the prevention of child labour, and the expansion of national productive capacities. In other words, trade unions must be at the centre and at the front of national policy discussions.

c) *Upgrading of internal knowledge and education*

The skills, expertise, and competence base of the trade unions in matters of economic policy also require substantial upgrading. The aim is to empower trade unions by enabling them to engage other stakeholder groups on PRSP matters. Such educational programmes can take several forms, such as customised short courses, formal certificate and diploma courses, and university courses. Trade union understanding of and expertise in issues of economic policy should include labour policy and management, macroeconomics, labour relations, democratisation, and governance. An adequate mastery of these subjects is needed if trade unions are to fully grasp and participate effectively in the PRSP process.

For example, in August 2001, the University of Dar es Salaam approved a new certificate course programme: the Advanced Certificate Course in Labour Policy¹⁹. The course is managed by the Institute of Development Studies of

¹⁹ The main topics this course will focus include, inter alia: *Theory of Labour Relations; Institutions for Labour Relations, Organisations and Strategic choices; Labour Economics; Sociology of Work; Labour Legislation and the Politics of Democracy.*

the University and started in the 2001/2002 academic year. However, other efforts targeted at improving the knowledge and skills base of trade union membership and leadership are also needed.

(d) *PRSP procedures and social dialogue*

The current system of structures and procedures under the PRSP must be improved in order to solicit the frank and genuine involvement and participation of trade unions and other main stakeholder groups. Such improvements should focus on limiting the existing formal constraints. In view of the strategic role of trade unions, it would be an improvement if the Government would consult with trade unions and their members directly.

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Annex I: Participatory Process for the PRSP

(i) Policy and Technical Co-ordination of the PRSP Work

In October 1999, a Committee comprising 12 Ministers and the Governor of the Bank of Tanzania was formed to steer the process of preparing the PRSP. Co-ordinated by the Vice President's Office, it was supported by a Technical Committee co-ordinated by the Ministry of Finance. The Technical Committee was made up of officials from the Vice President's Office, Prime Minister's Office, the Planning Commission, the Bank of Tanzania, and the Ministries of Finance, Education, Health, Works, Community Development, Local Government, Agriculture, Water, Energy and Minerals, and Labour and Youth Development. The Technical Committee was specifically asked to prepare the interim and final PRSP, and organise the zonal PRSP and national workshops.

(ii) The Interim PRSP

The interim PRSP was prepared by the Technical Committee in early January 2000; discussed at a consultative technical meeting, including Government representatives and stakeholders from the donor community and civil society; and reviewed and approved by the Cabinet in early February 2000.

(iii) The Zonal Workshops

In preparation for the zonal workshops, the Technical Committee secured expert assistance to draft a Reference Document that outlined, among other things, objectives of the workshops; issues to guide the discussion; composition and numbers of participants; and the methodology to be used in conducting the workshops.

The zonal workshops, which were mainly aimed at soliciting views from grassroots stakeholders, were conducted concurrently in seven zones covering all regions of mainland Tanzania from May 11-12, 2000. The zones were as follows: **Lake Zone** (Mwanza, Mara and Kagera); **Western Zone** (Kigoma, Shinyanga and Tabora); **Northern Zone** (Arusha, Kilimanjaro and Tanga); **Central Zone** (Dodoma and Singida); **Southern Highlands Zone** (Mbeya, Ruvuma, Rukwa and Iringa); **Southern Zone** (Mtwara and Lindi); and **Eastern Zone** (Dar es Salaam, Morogoro and Coast).

Each district was represented by 4 villagers (randomly selected from two villages), one District Councillor, one Town Councillor, and one District Executive Director (DED). For every zonal workshop, civil society was represented by one person from each of five NGOs.

The workshops involved a total 804 participants (426 villagers, 215 councillors, 110 District Executive Directors (DED) and 53 persons from NGOs), of whom 180 (22%) were women. The workshops were conducted through working groups and were followed by plenary presentations. To ensure active participation, villagers were grouped according to region and gender; councillors by region; DEDs by region; and NGOs by zone. Among the issues discussed by each group were: the definition of poverty, causes of poverty, characteristics of poverty, indicators of poverty, and the identification of priority areas for poverty reduction and actions required.

The zonal workshops were generally successful in highlighting the views and reactions of grassroots participants, women in particular. The report on each zonal workshop was presented to the Technical Committee on May 16, 2000.

In summary, participants in all zones identified education as the top priority area for poverty reduction, followed by agriculture, health, roads, and water. The following were identified as constraints in the effort to reduce poverty: 'poor governance', cultural factors, illiteracy, the poor condition of rural roads, the poor marketing system for agricultural produce, the unavailability of inputs and implements, and inadequate (and poor) extension services.

(iv) Consultative Group (CG) meeting (May 22, 2000)

At the CG meeting, which took place in Dar es Salaam, the Government reported on progress toward the preparation of the PRSP, including the outcome of the zonal workshops.

(v) Preparation of the Initial Draft of the PRSP

The initial draft of the PRSP was prepared by a team of experts from key Ministries, using the results of consultations with stakeholders and background papers such as *Tanzania Development Vision 2025* (1998); *Tanzania Assistance Strategy* (TAS), *National Poverty Eradication Strategy* (1997); *National External Debt Strategy* (1998); and *Public Expenditure Review* (PER). Specific studies on education, health agriculture, rural development, environment, employment, HIV/AIDS, land reform, institutional reform, and governance also provided useful background information.

(vi) Consultation with Donor Community

The Government convened a consultative meeting with the donor community on June 30, 2000, to seek comments on the PRSP process and the draft PRSP. A joint World Bank/IMF mission also attended the meeting.

(vii) Consultation with Members of Parliament

On July 1, 2000, parliamentarians were briefed on the concerns and priorities identified at the zonal workshops. This background information gave the parliamentarians an opportunity to indicate their own concerns and priorities regarding poverty reduction efforts.

(viii) National Workshop on the PRSP

A national workshop, with 25 participants, was held from August 3-4, 2000. Among the participants were Permanent Secretaries, Regional Commissioners, and representatives from the donor community, multilateral institutions, private sector organisations, Non-Governmental Organisations, the public media, and the informal sector. The major objective of this workshop was to seek further reaction to the targets, priorities, and actions outlined in the draft PRSP.

(ix) Retreat Workshop for Regional Administrative Secretaries (RAS)

The draft PRSP was also presented to RAS for further discussion during their retreat workshop, which was held at Lobo in Serengeti from August 3-4, 2000.

(x) Presentation of PRSP to the Cabinet

A revised draft PRSP was presented to the Cabinet for review and approval on August 31, 2000.

Commentary on Chapter 7

Trade Unions and Poverty Alleviation Initiatives in Tanzania

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Reasons to limited trade union participation

For development to succeed, man must be the focal point. Thus, for poverty alleviation strategies to bear fruit, workers should be involved at all levels: in formulation, implementation, monitoring, and evaluation.

The principle concern of workers in Tanzania is, as pointed out in the paper by Mlawa *et al.*, that whilst various stakeholders such as Government Ministries, Members of Parliament, NGOs, and CBOs representing the grassroots were involved in the PRSP process, trade unions were deliberately left out.

Regarding the composition of those who took part in the preparation and evaluation of the PRSP, those referred to as NGOs and CBOs are, in fact, more or less Non-Governmental Individuals (NGIs), as they represent individuals or minorities. Moreover, most NGOs or CBOs are established and managed by former Government or public employees. By virtue of having been in the Government system they know what type of institutions are in vogue. They have the ability to design programme proposals to suit the intended purpose and also access to knowing how the Government of Tanzania will utilise them.

As already stated, workers were not involved in preparation of either the strategy policy or the paper. This gives rise to some basic questions, namely: were trade unions invited? Did they ignore the invitation? The evaluation of PRSP was announced through the media. The trade unions sent in their application to participate, but did not receive a positive reply. It occurred to the unions that the invitation in the media was cosmetic and only window dressing, and that the key participants had already been identified and invited.

The trade unions lodged a complaint with ILO, sending a copy to the World Bank Resident Director in Tanzania. The ILO Office in Dar es Salaam brought the matter up with the World Bank, although there was some reluctance on the part of the Steering Committee. The ILO took the matter further by informing its Head Office, who contacted IMF and World Bank and decided to arrange an intervention for the social partners. This led to the trade unions' workshop that was held at the Beachcomber Hotel in Dar es Salaam on 23 and 24 October 2001. A similar workshop for employers was held on 25 and 26 October 2001 at the same venue.

In addition to the resource persons from ILO Geneva, the Deputy Permanent Secretary of Finance (the chairperson of the PRSP Steering committee) also attended at the workshop. The Government representative gave no substantial reason for having not invited trade unions to attend earlier preparatory stages of the PRSP process, but promised that trade unions and employers' associations would be involved in future. The Government representative further suggested that trade unions should consider gate-crashing future meetings to which they had not been invited.

It should be further noted that not even the Ministry responsible for labour matters features strongly in the PRSP Steering Committee. The members of the Steering Committee come from the Ministry of Finance, the Vice President's Office, and other so-called 'sensitive' Ministries. If the Minister of Labour, Youth Development, and Sports is marginalised, how can one expect the other social partners to be given any recognition?

Trade union strategies for poverty alleviation in Tanzania

Professor Mlawa is right in his observation that since independence the Government has not seen eye to eye with trade unions. Rather, the Government sees the trade unions as enemies, as the opposition. Whatever advice the trade unions give to the Government, the latter always find ways and means of belittling its validity.

Tanzanian unions feel that Government attempts relating to the PRSP are contradictory and unethical. They see it as inappropriate for the Government to act as judge and jury by having the Steering Committee formulate a policy that they themselves will implement, monitor and evaluate.

Some of the omissions in the Government's strategy include inadequate budgeting to meet agricultural inputs for peasant farmers. For example, in the PRSP document on the improvement of agriculture, there is nothing about employing additional Extensions Officers or improving their salaries to increase their motivation to modernise agriculture. Another area of omission is that of job creation for indigenous people, youth and women particularly. The PRSP should also identify ways of increasing economic growth from the current 4% to between 6 and 8% per year if the country is to achieve any form of meaningful development.

Unions in Tanzania have taken the following steps to alleviate poverty amongst the workers:

- (i) The protection of workers affected by the process of privatisation. Since 1998, with the assistance of the OATUU, some union activists have been trained in entrepreneurship and small business development skills, with the aim of imparting skills for small income-generating activities, and to start and improve business skills. The training was for retrenched members and workers.
- (ii) Operating savings and credit societies for trade union members. These credit societies have enabled members to build their own houses, send their children to school, to name but two areas of economic benefits. More efforts are to be geared to these activities to help improve the welfare and well-being of workers.
- (iii) Close work with the Ministry of Labour, Youth Development and Sports in the JFA Programme, with the aim of reducing unemployment.
- (iv) Close work with the ILO on the 'Decent Work' agenda, with particular emphasis on job creation, sustainability of employment, and mechanisms to enhance workers' saving for investment.

Chapter 8

Poverty Alleviation through Social Dialogue: The Role of Trade Unions in Zambia

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I Introduction

(a) Background to economic reforms in Zambia

Zambia is richly endowed with natural resources – rivers, lakes, minerals (copper, zinc, lead, emeralds, gold, and uranium) and tracts of forest. Zambia's dependence on copper has largely dictated the performance of the overall economy. For instance, during the "copper boom" of the 1960s the economy flourished and the government increased public spending and broadened subsidies.

Subsequent drastic falls in copper prices and increases in oil prices in 1975 led to a major macro-economic crisis. To sustain the previous levels of spending, the Government broadened the tax base, but this proved inadequate and led to chronic budget deficits. The Government of Zambia responded to this situation by increasing control measures on various economic instruments, mainly for political reasons.

As an effort to embark on economic reforms, the Government of Zambia signed two stand-by agreements with the IMF in 1976 and 1978. This was followed by 20 one-month stand-by agreements between 1982 and 1984, which led to a deepening of the economic crisis. At the same time, the government embarked on a shift from administrative controls to a stronger reliance on market forces, through, for example, a liberalisation of the interest rates, the depreciation of the national currency, and drastic reductions in maize subsidies. When the Movement for Multi-party Democracy (MMD) came to power and formed a Government in 1991, it embarked on more radical and accelerated economic reforms. Foreign exchange controls were eliminated and in their place other policy measures and legislation were introduced, such as the updated Investment Act of 1993.

As a result of the latter, significant improvements were made in stabilising the economy. For instance, monthly inflation rates dropped from 15.2% in June 1993 to 1.5% in December 1999. However, despite performance improvements, macro-economic stability remained fragile. Growth and macro-economic stability are still affected by poor agriculture performance, delays in privatising the largest state-owned enterprise, ZCCM, reduced revenues from copper due to 50% fall in copper prices, and withholding the balance of payments by donors.

(b) Impact of adjustment on employment, public services and safety nets

As a result of the processes of privatisation, employment levels in Zambia have declined. Formal employment shrank with retrenchments and layoffs, resulting in the emergence of the 'new poor' in Zambia. It declined from 27% in 1975 to 19.5% in 1986, to 19% in 1991, 16% in 1993, 12% in 1996, and a mere 10% in 2001. In the past, the Zambian formal sector was relatively well-paying, with decent conditions of service. There was a high degree of job protection,

probably fed by the fact that Zambia ratified relevant ILO Conventions. With privatisation, many jobs were lost, as were benefits and job security. Consultations with social partners over the privatisation have been rare, despite the understanding and appreciation by all parties that social dialogue both before and during privatisation is crucial to the latter's speed and success. However, in Zambia consultations took place late in the process, and in a speedy manner, and on an ad hoc basis. Moreover, the social partners lacked capacity and few general macro-economic issues were integrated in tripartite consultations. In this area, capacity-building programmes for the social partners on this topic are worth considering, as are genuine tripartite consultations.

Table 7: Redundancies and Retrenchments in Zambia, 1996-1999

| | 1996 | | 1997 | | 1998 | | 1999 | |
|-----------------|------------|-------------|------------|---------------|-----------|---------------|-----------|-------------|
| | Firms | Workers | Firms | Workers | Firms | Workers | Firms | Workers |
| Industry | 154 | 4146 | 167 | 44,974 | 29 | 13,577 | 64 | 2,448 |
| Agriculture | 11 | 242 | 25 | 421 | 5 | 945 | 3 | 147 |
| Mining | 20 | 1,667 | 6 | 1,257 | 3 | 1,311 | 6 | 174 |
| Manufacturing | 21 | 930 | 30 | 570 | 6 | 42 | 14 | 541 |
| Electricity | – | – | – | – | 2 | 170 | – | – |
| Construction | 20 | 389 | 23 | 231 | 3 | 589 | 5 | 543 |
| Trade | 29 | 267 | 25 | 314 | 1 | 300 | 6 | 32 |
| Transport | 7 | 60 | 14 | 633 | 4 | 223 | 2 | 71 |
| Finance | 31 | 487 | 23 | 549 | 2 | 77 | – | – |
| Services | 15 | 204 | 21 | 7999 | 3 | 9920 | 28 | 940 |
| Sector | 154 | 4146 | 167 | 44,974 | 29 | 13,577 | 64 | 2448 |
| Central Govt | 6 | 107 | 1 | 7500 | 1 | 7500 | – | – |
| Local Authority | 2 | 65 | 8 | 1593 | 2 | 2000 | – | – |
| Parastatals | 33 | 2283 | 27 | 1345 | 10 | 1717 | – | – |
| Private Sector | 113 | 1692 | 131 | 1536 | 15 | 2360 | – | – |

Source: Ministry of Labour and Social Security.

As a result of the decline of employment in the formal sector, most Zambians, especially women, have resorted to finding work in the informal sector. This is not a defined sector; it has, for example, no union representation. Due to the non-availability of reliable statistics, the contribution of the informal sector to economic development has been underestimated. Apart from the rapid increase in unemployment, another basic cause of descent into poverty has been the collapse of income. By 1992, average formal sector earnings in real terms had fallen to about one fifth of their 1975 level. In 1994, the typical monthly salary of a middle-ranking civil servant was between K30,000 and K50,000 (US\$45 to US\$70).

Due to increased pressure on Government to reduce public spending, the provision of social services has deteriorated substantially, as have health and education services, where the introduction of user fees have drastically reduced access to these facilities. While the average person appreciates the concept of

cost-sharing, declining incomes have made it impossible for people to afford these fees. Although health reforms have resulted in some 'infrastructural' improvements, shortages of drugs and hospital equipment have, however, led to health centres being unable to provide adequate and effective health care. The education sector is as severely hit, due to lack of donor funding. Shortages of staff and lack of teaching materials have paved the way for a rapid fall in standards. And, as with health, most families (especially in the rural and peri-urban areas) are unable to afford the fees imposed.

Zambia's social security system is too weak to meet the growing demand arising from the economic decline. Due to the limited capacity of the Government of Zambia to provide a decent system of social welfare and social security, a new concept has been introduced in Zambia. The National Social Safety Net has introduced programmes such as training in entrepreneurial skills and the search for job searches. 'Future Search' is another programme that is targeted at those who are about to be, or are already are, retrenched or retired. Its aim is to assist them with planning for their exit from formal wage employment. However, while such programmes should be given credit, the non-payment of retrenchment and retirement packages still leaves people destitute and without capital. Unless retrenched and retirees are given supplementary finance and other support, they will find it difficult to survive. In fact, there have been several cases of former employees dying from depression as a result of being unable to access their packages. Worse still, their dependents are in no better position to access these benefits. The National Pension Scheme Authority has been set up to provide a comprehensive social security system in all employment sectors. Benefits from the Authority include a retirement pension, a survivor's pension, and a provision for invalidity. It has become evident that trade unions need to fight for social protection, so that their members can access their benefits.

II Poverty in Zambia

(a) Causes of Poverty in Zambia

The Zambia Draft Poverty Reduction Strategy Paper identifies poverty as the negative analogue of human development.²⁰ It contends that if human development signifies the process of enlarging people's choices and opportunities that are most basic to human development, poverty then signifies their denial. Poverty therefore signifies deprivation of material, security, and human rights. Material deprivation relates to food and nutrition, health, education, literacy, clothing, shelter, water, and sanitation. Security refers to issues concerning vulnerability to external events, such as bad weather, natural disasters, economic shocks, and illnesses that also exacerbate material deprivation. The deprivation of human rights is manifested in disempowerment, discrimination, and exclusion that lead to loss of human dignity.

(i) Lack of growth

Over the last decade, several national surveys have been undertaken in Zambia showing the trends in the various dimensions of poverty.²¹ Table 8 illustrates the major indicators of poverty in Zambia. The country suffers from a lack of sustained positive growth, in spite of undergoing comprehensive macro-economic reforms. The lack of any significant growth in the economy is coupled

²⁰ This is contained in the First Draft of the Poverty Reduction Strategy Paper of September 2001.

²¹ These include the Social Dimensions of Adjustment Priority Surveys of 1991 and 1993, and the Living Conditions Monitoring Surveys of 1991 and 1992.

with minimal improvement in savings and tax revenues. Savings have declined from 17% of GDP in 1990 to 6% of GDP in 1999. Income inequalities are on the increase, while investments in economic and social infrastructure have not kept pace with the requirements of rapid population growth.

Table 8: Changes in selected poverty indicators/measures in Zambia, 1996-1998

| Poverty Indicators/Measures Income Poverty | 1996 | 1998 |
|--|------|------|
| Overall poverty (%) (National poverty line)69.2 | 72.9 | |
| Extreme poverty (%) (National poverty line) | 53.2 | 57.9 |
| Overall poverty (%) (< US\$1 a day) | 72.6 | N.A. |
| Health and Nutrition | | |
| Life expectancy at birth (years) | 45.5 | 40.5 |
| Infant mortality rate (per 1000 live births) | 112 | 112 |
| Under-5 mortality rate (per 1000 live births) | 202 | 202 |
| Maternal mortality rate (per 100,000 live births) | 649 | N.A. |
| Stunted children (%) | 46 | 53 |
| Knowledge | | |
| Population aged 5 years and over with no education (%) | 18 | 27 |
| Primary age (7-13 years) – net attendance rates (%) | 69 | 68 |
| Primary grades (1-7) – net attendance rates (%) | 69 | 66 |
| Security/Vulnerability | | |
| % households engaged in the following coping strategies: | | |
| Received relief food | 6 | 7 |
| Ate wild foods only | 10 | 18 |
| Substituted ordinary meals with less nutritious meals | 40 | 51 |
| Reduced food intake | 46 | 64 |
| Reduced other household items | 46 | 62 |
| Borrowed informally | 23 | 29 |
| Borrowed formally | 6 | 5 |
| Lived on church charity | 4 | 5 |
| Lived on NGO charity | 2 | – |
| Pulled children out of school | 4 | 9 |
| Sold assets | 11 | 15 |
| Begged from friends, neighbours and relatives | 29 | 58 |
| Begged from streets | 1 | 1 |
| Human Poverty index (HPI) (%) | 36.9 | 37.9 |

Source: Government of Zambia, PRSP – First Draft, 2001

(ii) *Debt burden*

Debt servicing accounts for 10% of Zambia's GDP, while the social sectors together account for 5%. In essence, debt servicing is given priority against social sector spending. Inadequate expenditure on economic and social services has resulted in the debilitation of the country's stock of human and economic capital, thus further constraining growth.

(iii) Misdirection of resources

Development priorities are often misplaced and there has been a general lack of transparency in the utility of resources. The Government has not met the benchmarks for allocation to areas of priority human concerns. The high levels of corruption and channelling of resources to areas or activities that have little bearing on poverty reduction have not helped matters.

(iv) Donor dependency

Zambia's huge debt burden has resulted in external funding being a major source of its income. In 2001, about 53% of the national budget was expected to come from external sources, which resulted in many contradictions. For example, international co-operating partners are only willing to release funds if the country is on track with debt servicing. Subsequently, a greater share of inflow of external assistance has tended to flow out again in the form of debt servicing.

(v) The HIV/AIDS pandemic

The HIV/AIDS pandemic has worsened the poverty situation in Zambia, with infection rates of over 30% among low-risk urban residents (World Bank, 1994). This disease is creating major difficulties for households' coping strategies due to the increasing number of dependants and orphans. Additionally, the loss of breadwinners in families is causing the surviving members of the household extra great difficulty, for example in obtaining food and other necessities of life.²²

(b) Identification of the poor in Zambia

The Zambia Poverty Assessment Report shows that rural poverty is more severe than urban poverty. Settlements beyond the country's main railway line suffer more than those along it. Poor people in urban areas live in deplorable conditions – mud huts or filthy structures in shanty compounds, with open sewers, poor drainage – and are exposed to all sorts of diseases. Nor do they have access to land that could be used for productive purposes. Their heavy reliance on cash incomes derived from casual wage labour or informal sector activities places the urban poor in a precarious position. Table 9 illustrates the levels of poverty in rural and urban areas.

Table 9: Overall and extreme poverty: rural and urban areas, 1998

| Location | Overall poverty (%) | Extreme poverty (%) |
|------------------------|---------------------|---------------------|
| Rural areas | 83.1 | 70.9 |
| Urban areas | 56.0 | 36.2 |
| Central Province | 77 | 63 |
| Copperbelt Province | 65 | 47 |
| Eastern Province | 80 | 66 |
| Luapula Province | 81 | 69 |
| Lusaka Province | 52 | 34 |
| Northern Province | 81 | 67 |
| North-Western Province | 76 | 63 |
| Southern Province | 76 | 60 |
| Western Province | 89 | 78 |

Source: Government of Zambia, PRSP – First Draft, 2001

²² Chigunta, et al. (1998).

Although no statistics are readily available with which to depict the different configurations of multiple deprivations, certain proportions of the Zambian population are visibly poorer when compared to others.

Prominent poor groups are:

- ❖ *Small-scale farming households* – the largest group in income poverty, with 84% of all small-scale farming households existing below the national poverty line and 72% below the extreme poverty line
- ❖ *Medium-scale farming households*– 72 % of the medium-scale farming households are poor and 56% are extremely poor
- ❖ *Households in low-cost areas*: 61% and 41% of the households in low-cost areas are poor and extremely poor respectively.
- ❖ *Large-scale households* – the incidence of poverty varies directly with the size of the household. According to the 1996 Living Conditions Monitoring Survey, the incidence of poverty in one-person households was 60%. This rose to 71% in 2-3 person households, 77% in 4-5 person households, 80% in 6-9 person households and 84% in households of 10 persons or more.
- ❖ *Female-headed households* – in principle, a household need not be poor simply because it is headed by a female. In practice, however, such households that have no source of financial support are more likely to be exposed to poverty. Statistics also show that female-headed households are generally poorer than male-headed households, with 60.4 % of female-headed households being extremely poor compared to 51.5% of male-headed households.
- ❖ *Women* – in general, women are more vulnerable to poverty than are men. Firstly, women generally have lower levels of education than men. In 1998, 29% of the female population had no education at all, compared with 24% of the male population. Similarly, while 16% of the male population had completed grade 10 or higher, the corresponding percentage for females was only 8.5%. Secondly, women have a very small share of formal employment. In 1996, only 12% of jobs in the formal sector accrued to females. Furthermore, 39% of all women – compared to 16% of all men – were employed as unpaid family workers in 1998. Thirdly, women have a much higher risk than men of contracting HIV/AIDS and other opportunistic infections. This is due to factors relating to gender differences with respect to biology, roles, resources, and cultural norms.
- ❖ *Children* – in Zambia child poverty is a conspicuous and growing phenomenon. There are a variety of forms: orphans, street children, working children, and children who head households. It is estimated that 16% of children in Zambia are orphans and that the number of orphans is higher in the rural areas, in small-scale-farming households and in low-cost areas where the incidence of poverty is the highest.

As an illustration of poverty experiences, Seshamani and Kaunga (1996) analysed, amongst others, issues of retrenchments and the liquidation of companies.²³ The findings show that between 1992 and 1994 wage employment declined by 47,000 jobs, while the number of registered redundancies was 18,712. In total, approximately 60,000 jobs were lost during this period. Politicians often portray the loss of jobs as insignificant, without realising that over and above these statistics families who depend entirely on these workers are also affected. Highly illustrative are the accounts of those individuals who narrated to the Oxfam

²³ See Seshamani and Kaunda (1996).

Basic Rights Tribunal how whole families were thrown into destitution following retrenchment from their liquidated organisations.

III Social dialogue and the role of trade unions in Zambia

(a) Understanding social dialogue

The importance of social dialogue in promoting sustainable development, harmony, industrial peace, and democracy has been widely acknowledged in Africa. According to a participant in a symposium on social dialogue held in Addis Ababa in October 1999, social dialogue is:

'... democracy in action with its goal being to protect the interests of the community. Bringing partners to a round table to engage in open discussions can act as a catalyst to finding solutions to Africa's social and economic problems. Social dialogue allows for participation of social partners in economic development of their countries and in baling with issues such as fair and equitable distribution of wealth.'

Before social dialogue can flourish, certain conditions must be met. These include:

- ❖ Adherence to the principle of freedom of association
- ❖ Existence of free and strong social partners
- ❖ Independence on the part of social partners in choosing issues to be discussed
- ❖ Respect for agreements reached
- ❖ Flexibility in discussions
- ❖ Willingness to share benefits and sacrifices equitably among parties involved²⁴

There are a series of assumptions that underlie contemporary systems of national level participation of representatives of workers and employers (institutions) in governmental policy-making. These assumptions or principles include:

Figure 8: Understanding social dialogue



²⁴ As presented in ILO (2000:1).

(i) *Societal pluralism*

Autonomous groups with divergent interests operate within a nation. All recognise each other's co-existence while promoting their own views. The state provides the legal framework within which groups conduct their relations. A special type of conducting social relations is tripartite consultations, which involves the reconciliation of interests. The government, employers, and workers find areas of common ground and identify advantages for themselves, and for society at large.

(ii) *Representative democracy*

In theory the needs of the workers should be taken into account at national level. However, although political parties promote the interests of workers, these are 'diluted' in national parliaments. In addition to the legislative bodies, there are other arrangements that deal with economic and social policy of direct concern to employers and workers. Leaders from within these groups collectively represent their interests, and are in turn presumed to be free to defend their members' interests, through exercising civil and political rights. The fact that the state recognises the legitimacy of such groups is an indication that the government is receptive to their contributory role in policy-making. Government recognises that these social partners have expertise in economic and social issues. At the same time, the government also recognises their political and economic power, to the extent that if workers and employers are not co-operating, the government may not be able to govern.

(iii) *Participation outcomes*

Tripartite consultations are based on each party's perception of the long-term advantages of the participative roles and outcomes of consultations. Most employers' and workers' organisations perceive tripartite arrangements as one way of influencing government policy. For the parties involved, tripartite consultations, or even co-operation, are preferable to direct state intervention.

(iv) *Recognition of the results of the process*

A further assumption of tripartite consultations is that the results of the process will be respected. Should this not prove to be the case, parties will neither find it worthwhile to continue the consultations nor will they be able to justify their own continued participation. In democratic systems, a close link between a political party and one or both of the social partners can allow for consensus. In dictatorships the domination of one or both of the social partners by the ruling party may lead to a tripartite accord, which does not reflect true social dialogue.

(b) *VII Trade union response to changing economic and policy environments*

In 1991, the trade union movement in Zambia endorsed the Structural Adjustment Programmes (SAPs), regarding them as a means to resuscitate the economy. However, the programmes have not been managed to the expectations of the labour movement. Trade unions have battled with widespread loss of jobs, inadequate safety nets, and non-payment of separation packages. The wholesale opening up of the Zambian market to the outside world was not well-perceived by the trade unions.

Furthermore, the Government's insistence on a wage freeze was met with resistance and ridicule from the labour movement. The unions argued that in a liberalised economy, market forces and interaction between social partners should determine wage structures. In advancing its argument against the format and structure of implementing SAPs, the trade union movement articulated the

offshoots of employment losses and poverty as including crime, street children, prostitution, and the effects of HIV/AIDS pandemic. The labour movement was convinced that the Government ought to be more cautious and exercise restraint in the pace of implementing structural adjustment measures.

The challenges that trade unions are facing today are both within and beyond the Zambia's borders. These include (a) threats associated with globalisation, (b) current hostile economic environment, (c) changing patterns of employment and union membership, and (d) changing labour management relations.

(i) *Threats from globalisation*

Current discourse on globalisation points more heavily to the fact that developing countries are victims of the processes involved. Due to increasing demands in quality, quantity, and tariff issues, competition with the developed world has left Third World countries on the periphery of global trade. Globalisation brings with it reduced demand for goods, services, and raw materials, which in turn entails loss of jobs due to restructuring and liquidation of commercial and industrial entities.

The liberalisation of international trade, when coupled with the globalisation of financial markets and the increasing prominence of multinational companies, is a threat to the national economies within which trade unions operate. Take the phenomenon of regional labour markets, for example. This entails major decisions being taken beyond the borders of the individual countries concerned. Notable amongst the regional markets are the Southern African Development Community (SADC), East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA).

Cross-national comparisons of labour costs affect national competitiveness and also shape corporate investment decisions. This in turn affects the conduct of national collective bargaining. Efforts to stabilise national currencies require governments to adopt deflationary policies that are often against the interests of labour.²⁵ It is argued that globalisation has undermined the effectiveness of trade unions. Others argue that, as a result of changes in labour relations and the structure of the global economy, trade unions now have less room for manoeuvre. The global restructuring of commercial and industrial entities affects the actual role and scope of national unions, which automatically narrows their focus. Although positions for collective bargaining are being weakened by these developments, they are not as yet extinct. To circumvent the challenges brought about by globalisation, trade unions must strengthen their own international organisations by exchanging information, co-ordinating policies, and undertaking common activities on an international level.

The main agents of globalisation are multinational corporations, who are in the process of redefining their relationship with trade unions throughout Africa. ICFTU-AFRO's *Trade Union Capacity-Building through Education*, a project established in 2000, identifies new problems that are afflicting trade unions and threatening their existence and efficient delivery of service. Through such initiatives, changes have occurred in:

- ❖ *Corporate strategy* – most multinational companies have made a deliberate decision to decentralise collective bargaining within corporations. The strategy requires that employers are no longer interested in multi-union

²⁵ See Mwamadzingo (2000).

industrial links to extra organisational agreements. There has been a shift from industry-wide agreements to agreements at enterprise level. In Zambia this has grossly and negatively impacted on the ability of trade unions to negotiate.

- ❖ *Legislative framework* – the legislative regime that favours negotiated relationships has been replaced by one that favours the interests of the employer. The statutory immunities of trade unions and collective bargaining have been reduced, while the legal rights of members against their unions have been increased. This is not necessarily positive flexibility, as the general legislative basis of trade union organisations and collective bargaining are under attack and statutory rights of individual employees are reduced. For example, in Zambia the statutory obligation for the employer to provide housing to its employees has been removed. Another ‘service removal’ is the early-retirement facility in the public sector

(ii) *Deregulation of labour laws*

A recent characteristic of labour law in Zambia is its increased deregulation. The rationale is that if investors are to be attracted, employment conditions should be within a market unhampered by stringent labour laws. Despite its efforts to make recommendations in the amendment of the Principal Labour Law, the Industrial and Labour Relations Act, and the Employment Act, the labour movement has had little success. Most amendments have favoured employers, with trade unions losing out. Some practices resemble the atmosphere of 19th century labour management relations; this is all the more shameful given that it is taking place in a democratic system governed by former top trade union leaders.

(iii) *The current hostile economic environment*

As already noted, the Zambian economy is currently characterised by low economic growth and high unemployment. This poses serious problems for trade unions countrywide. Due to the scarcity of jobs, many workers are reluctant to join unions or even remain members. One such case is that of the University of Zambia Lecturers’ and Researchers’ Union. Following a labour dispute, members resorted to strike action. In response, management isolated the striking members of staff and wrote letters of dismissal. Lecturers and researchers who did not subscribe to the union were spared management’s wrath. Hence the reluctance to join unions or remain a member for fear of losing one’s job. This could occur in any environment that is hostile to trade unionism and any form of resistance to experienced working conditions.

Today, through the loss of economic strength, trade union leaders’ ability to negotiate has been reduced. This has severely affected their political influence. The Government has justified its insistence on not always giving in to union demands, citing the trends of reducing public sector spending, monetary discipline, utilities, and deregulation of the labour market.

(iv) *Changing patterns of employment and union membership*

With the changing patterns in employment, trade unions in Zambia have lost many members. Traditionally, they drew most of their members from large commercial, industrial, and public sectors, such as the mining, plantations, and railways. The civil service was once one of Zambia’s major employers, but with the Public Sector Reform Programme a large number of employees have been laid off. Evidence shows that although the number of national unions has been increasing, the total number of trade union members has declined.

Some individual unions have, however, recorded growths in membership. Notable amongst these are the CSUZ, the NCWUZ, the NUBEHW, and the NUCW. A key explanation of this is the mounting of aggressive recruitment campaigns in the service and trading sectors, as well as the construction sub-sector (particularly roads), have also recently experienced a boom. As for the CSUZ, the ongoing reforms in the public service have helped bring to light areas of potential membership that were not previously unionised. Table 10 gives an overview of membership trends in some unions.

Table 10: Trade union membership by gender, November 1999

| Union | Year of registration | Male | Female | Potential | Total |
|----------|----------------------|--------|--------|-----------|--------|
| AAWUZA | 1968 | 156 | 619 | N.A. | 775 |
| CSUZ | 1975 | 26,309 | 12,958 | 55,000 | 39,267 |
| GUZ | 1972 | 6,310 | 410 | 10,000 | 6,720 |
| HCWUZ | 1966 | 6,000 | 2,000 | 17,000 | 8,000 |
| MUZ | 1967 | 20,938 | 10,313 | N.A. | 31,251 |
| NUBEGW | 1956 | 11,164 | 228 | N.A. | 11,392 |
| NUCIW | 1960 | 6,500 | 11,500 | 30,000 | 18,000 |
| NUTEL | 1996 | 536 | 254 | 2,000 | 800 |
| NUCW | 1966 | 3,178 | 1,203 | 6,000 | 4,381 |
| NUPAW | 1962 | 12,015 | 4,005 | 30,000 | 16,020 |
| NUPAW | 1960 | 10,720 | 5,280 | N.A. | 16,000 |
| NUPSW | 1967 | 984 | 115 | 9,000 | 1,099 |
| NUTAW | 1994 | 204 | 78 | N.A. | 282 |
| UNZALARU | 1997 | 2,260 | 123 | N.A. | 2,383 |
| WAUTAZ | 1964 | 800 | 100 | 3,000 | 900 |
| ZATAWU | 1992 | 250 | 50 | N.A. | 300 |
| ZNUT | 1953 | 25,627 | 12,622 | 48,000 | 38,249 |
| ZUJ | 1996 | 1,168 | 575 | 2,000 | 1,743 |
| ZRAWU | 1991 | 9,808 | 5,192 | N.A. | 15,000 |

N.A. = data not available

Source: ZCTU Research, 2001.

The impact of employment losses is not the only factor influencing the decline in membership of trade unions. The labour movement has also recorded many breakaways and formations of splinter unions. A clear example of this is the splitting of the Primary School Teachers Union and the Secondary School Teachers Union from the original Zambia National Union of Teachers on the pretext that their specific interests were not properly taken care of.²⁶ Today, despite the fact that the private sector employs a sizeable number of people, unions find it difficult to recruit and represent members. The level of tolerance for unionism is low; where unions exist, employees are rather reluctant to subscribe.

²⁶ Several reasons have been advanced for the increase in the number of break away unions: high levels of intolerance and the inability to reconcile and apply the tyrants of democracy in trade unionism, inadequate skills in conflict prevention management and resolution, inadequate lobbying skills and strategies by trade unions to counter government and other employers, inadequate servicing of members, and use of outdated organisational practices.

Another development is the proliferation of local and international NGOs. Although these organisations employ a sizeable number of the labour force, NGOs tend to favour the atypical worker. Mwamadzingo argues that 'many trade union movements have mainly represented full-time employees with relatively secure jobs and they have often seemed to assume that the 'typical' worker would be male. The labour force has become more evenly balanced between men and women, and part-time employment has become common. Temporary contracts are more popular than in the past.'²⁷ NGOs have created or increased opportunities for the employment of women in public organisations, although they are still outnumbered by males.

Furthermore, with the liberalisation and deregulation of labour markets, there has been an increase in migrant labour. Currently, there is a sizeable number of migrant workers active in Zambia's economy. Employees in NGOs and the private sector are, along with migrant workers, 'difficult to organise' because of limited numbers, and geographical and sectoral placement. Most work on contracts for which they negotiate their own conditions of service. They may consider themselves vulnerable to victimisation if they join a union. As a result, various groups of atypical workers do not consider trade unions as appropriate entities of representation. Instead, these workers seek alternatives in individual professional strengths, rather than using the conventional collective bargaining processes.

(v) *Changing labour-management relations*

Tripartite industrial relations in Zambia aim at inducing social economic development while helping to maintain political stability. However, the liberalisation of the labour market has altered industrial relations, with companies taking advantage of this situation to redefine industrial practices in their favour. This includes employing direct contract systems with employees declaring workers to be in management, categorising them as essential workers, or using individual pay agreements. Under such contracts workers' rights are eroded. In addition, some employers (including the Government) are reported to have violated trade union rights with impunity.

Changes in labour-management relations have also affected the capacity of the country's proper institutions to deal with malpractice. The Industrial Relations Court was established to maintain harmonious industrial relations by dispensing substantial social justice in the industrial relations arena. The Court has a backlog of unresolved cases, thereby denying workers timely justice. At the same time, trade unions do not have adequate capacity to represent their workers in court. Coupled with this is the inadequacy of judges and assessors of the court to deal with labour laws thoroughly. These court officers need to understand in more detail the role of the court as an agent of social change in industrial relations.

Historically, collective bargaining has been the greatest single tool used by workers through trade unions to participate in the affairs of the enterprise in which they work. Workers have also used this process to improve conditions of work, project employment, employment, and to contribute to the well-being of the enterprise. However, the net result of today's collective bargaining is failure to improve the lives of the Zambian workers. It is noted that in a liberalised economy collective bargaining is a very complex tool and process; it requires trained negotiators and researchers. Unfortunately, few trade unions

²⁷ Mwamadzingo (op. cit.) brings out this issue when discussing the challenging patterns of employment in his presentation on "Challenges to Trade Unions in the 21st Century".

have the capacity to address the new and emerging labour relations. For them, improving the facilitation skills and training of their negotiators and researchers is therefore a high priority.

IV The role of trade unions in eradicating poverty

(a) Participation in decision-making processes

It has been widely argued that free trade unions are essential for national development. In a conducive environment, trade unions are able to compliment the efforts of other development actors. Participation of trade unions in decision-making can be seen through strengthened union structures, capacity-building, education activities, and policy formulation. However, in Zambia, trade unions have been operating in a less than supportive environment. Nevertheless, efforts to involve the unions in the process of policy formulation and implementation are underway. Participation forms range from direct participation to lobbying and making submissions to policy-making bodies. For example, the trade unions have made submissions during budget preparations and given their reactions to post-budget speeches presented by the Minister of Finance, and on an annual basis. Trade unions have also long been pursuing the issue of the minimum wage, although they have yet to pressure the Government into making a final statement on this issue. Trade union leaders in Zambia have lamented the Government's lack of response, deeming it as 'a Government that does not listen' (Interview with Mr Fackson Shamenda, President of the ZCTU, and Mr Sylvester Tembo, Secretary General). Union leaders have also accused the leadership of the ZCTU of conniving with Government officials and being coerced into agreeing with government agendas. It is strongly felt that if ZCTU leaders were to apply sufficient pressure and made no compromises, they would achieve more in the decision-making structures.

b) Collective bargaining

(Trade unions have traditionally used collective bargaining as a means of determining wages and other forms of working conditions. This is based on the principle that workers are entitled to decent working and living conditions. Better housing, health and safety conditions, education for the children, income distribution, and so on have, over the years, been attributed to the collective efforts of unions.²⁸ Most rounds of collective bargaining take place on an annual basis. When it occurs, unions try to address the issues of poverty and welfare of their members. Wages are a key topic, but issues such as educational allowances, medical schemes, insurance, and other allowances and fringe benefits are also agreed upon. In Zambia the process of collective bargaining is a laborious one; it has in many cases resulted in a stalemate, with employer refuse to meet union demands. Furthermore, negotiation processes can be unnecessarily prolonged or can spill over into the following year. For instance the 2001 negotiations between the management of University of Zambia and the University of Zambia Lecturers' and Researchers' Union derived no fruit. It has been argued that if collective bargaining is a tool to be used in addressing poverty issues amongst workers, then trade unions have to capacity-build. Solid negotiation skills and techniques need to be introduced amongst trade union negotiators. It is only through the capacity-building of trade union negotiation structures that poverty issues can be addressed.

²⁸ See ICFTU-AFRO (2001).

(c) Mobilising society for national development

Unions have been known to be vibrant in the process of mobilising society in issues of national importance. Union structures and activities are such that they create linkages between grassroots, local, national, and international institutions. Each level of workers has democratically elected representatives who interact at both national and international level. This interaction has resulted in the concerns of various groups of society being taken into account. The role of women deserves special attention. Trade unions in Zambia recognise Article 11 of the ILO Convention on the Elimination of All Forms of Discrimination Against Women. Among other things, Article 11 states that women workers have the right to (i) equal pay for work of equal value; (ii) equal benefits, conditions of work, and access to promotion and training; (iii) protection from dismissal because of marriage or maternity; and (iv) maternity leave with pay and without loss of employment or seniority. Today, the status of female workers is enhanced, a fact to which the recognition of Article 11, in combination with union membership, has contributed. Women have been targeted by education programmes and activities that aim at enabling them to participate in national development. The increasing number of women in trade union structures has led to unions fighting for their rights. This too is a result of increases in women's paid employment and women becoming politically, socially, and economically empowered.

However, much remains to be done as concerns women's rights and issues being addressed by trade unions. In recognition of this, one of the major objectives of the ICFTU in the 21st century is to improve the representation of women in unions at all levels and focus strength on winning better employment opportunities and working conditions for women. As improvements for women in the workplace can be made through the collective bargaining process between the union and the employer, encouraging women to participate in trade unions may lead to improvements at work. Yet this can only be achieved if these issues are accepted as bargaining priorities. Unions need to persuade each other of the need to bargain with employers on these issues. For even though the number of women in paid employment has been on the rise, they continue to be underpaid and undervalued, and given few benefits and little security. On a different front, the degree to which the participation of women are currently participating in trade union leadership leaves much to be desired.

Trade unions have also been involved in the campaign against child labour. They have recognised that children are, under various circumstances, forced to participate in economic activities. Many children find themselves in a vicious cycle of poverty, participating in economic activities that perpetuate poverty by degrading the level of human capital needed for broader social and economic development. Unions are aware that child labour is exploitative, detrimental, and hazardous and abusive; it affects overall physical, mental, spiritual, moral, and social development of the children involved. Worker education and training have been identified as highly important tools for organising capacity-building activities, defending workers rights, providing a collective voice, maintaining democracy, and ultimately alleviating poverty amongst workers. The ZCTU has adopted the policy of promoting workers' education in all facets of its programmes. The training and education of workers cover all those fields that contribute towards their advancement, as well as that of society and those representing them. It equips them with the skills, knowledge, experience, attitudes, and values needed to change structures of society.²⁹

²⁹ This is the scope of workers' education as stipulated in the ICFTU-AFRO Project on Trade Union Capacity-Building.

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Commentary on Chapter 8

A Labour Perspective on Poverty Alleviation Through Social Dialogue in Zambia

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Introduction

As our economies are compelled to restructure, the challenges and change not only of increasing globalisation but also of increasing diversity in our societies have to be confronted. This diversity can either enrich or polarise us. It is therefore natural to ask how different societies will come to understand each other. The answer lies with enhancing commonalities and respecting differences in order to provide a framework for civilised discourse. It is said that 'comprehension precedes understanding' and it is through dialogue that we may first achieve the mutual comprehension that can precede a societal, national, regional or global ethos of understanding.

Dialogue is an effective tool that can build bridges of co-operation between representatives of different interests, cultures, and faiths. However, most valuable of all, dialogue encourages the holders of different opinions to recognise that neither side has the monopoly on the truth. Instead, dialogue shows that the truth is shared between them and their visions are incomplete without each other. In this respect, social dialogue in efforts to alleviate poverty is vital and deserves our utmost attention.

Situational analysis of Zambia

Although Zambia's return to political pluralism in 1991 brought with it over 30 registered political parties, many analysts still argue that the political stage is characterised by the dominance of one party, the Movement for Multi-Party Democracy (MMD). The weak and disjointed opposition in Parliament has allowed the MMD government to adopt and implement unpopular policies. Vice, such as corruption and the alleged drug trafficking in Zambia, has grossly undermined the principles of good governance, transparency, and accountability.

Another phenomenon that is still manifest is political patronage. It remains a deciding factor in being appointed important positions in Government and quasi-Government institutions. Professional qualifications and the ability to perform a job continue to be secondary. In the absence of strong opposition, trade unions – together with several organs – have continued their role as pressure group to prod Government and those in the corridors of power, to remind them of their responsibilities to the nation.

On the social and economic front, Zambia is experiencing massive unemployment, high poverty levels, and high mortality rates due to the HIV/AIDS pandemic. Contrary to expectations, the privatisation programme embarked upon by the Government has not created the much-needed jobs.

It is no wonder that the role and ultimate goal of the ZCTU has been to ensure that Government works closely with trade unions and employers in formulating policies designed to alleviate poverty as well as to transform economic growth into social justice. It is our conviction that economic and social policies are an indispensable tool for stability and progress, and we strongly believe that tripartism and social dialogue can help us to achieve this.

In order to reduce poverty, trade unions have long implored Government to find a lasting solution through effective trade union participation in the PRSP process; to channel resources freed by HIPIC and other debt reduction measures to the social sectors (education and health); to build the agricultural sector, which will absorb many unemployed Zambians; to organise the informal sector, making it into viable sector that can contribute positively to the needs of Zambians; to create small- and medium-scale enterprises; and to campaign for active labour market and employment policies.

The role of social dialogue in the poverty alleviation process in Zambia

Elemental to the operations of social dialogue in the industrial context in Zambia is the tripartite labour consultative council, which is provided for by the Industrial and Labour Relations Act. Through this mechanism, workers, employers, and Government contribute to the setting up of standards in the workplace and the protection of workers' rights. Those praising Zambia for its social dialogue and tripartism have pointed to the codification of labour in some statutory boards, such as Pension Authorities, National Economic Advisory Council, Small Enterprise Development Board. The existence of elaborate collective bargaining mechanisms active in both the public and the private sector, which allow for collectively determined terms and conditions of employment, has also been highlighted for commendation. Others have praised the recent phenomenon of the partnership among Government, civil society, and the private sector that has seen the construction of a Poverty Reduction Strategy Paper through a consultative process. Another strong plus is the industrial peace dividend, which is explained in terms of increased dialogue at workplaces.

If it is true that Zambia has achieved all this, then these are real and significant gains. Given the above picture, one could be forgiven for thinking that Zambia is poised to lead the way to social dialogue. Certainly, there is some basis for optimism, as there is for believing that breakthroughs in social dialogue are more possible in Zambia than elsewhere in the region. Those who share these sentiments point to the fact that as recently as 1991 Zambia was ruled by a one-party dictatorship. Now it is a democracy ... or is it? Deeper analysis is required for the true picture of the state of social dialogue to be assessed and its impact on the lives of citizens, particularly the working class, to be appreciated. A casual, 'beneath the surface' observation has revealed the following realities:

(i) *The Tripartite Labour Consultative Council hardly meets*

Ideally, the consultative council is supposed to meet regularly, at least four times each year, yet such meetings rarely occur. Government's explanation is that budgetary constraints have prevented the convening of the tripartite meetings, and it has further argued that it can only afford two meetings per annum. Thus, there seems to be considerable doubt as to whether Government has the political will to engage social partners in policy dialogue.

(ii) Decisions of the council are hardly respected

Even in situations where the council have met, there have been instances where that were decisions collectively agreed upon have been ignored by Government when passing laws. A case in point is the unilateral decision by Government to entrench a National Pension Scheme Authority despite both labour and the employers' organizations voting against the motion during the council meeting.

(iii) Social partners are only informed on major policy decisions and not consulted

In 1998, Government imposed a unilateral wage freeze outside the existing collective bargaining mechanism, even the when there was room for the matter to be determined collectively through dialogue. Retrenchments and terms of service in the public services have often been imposed without collective determination. For example, the de-linking of some public service staff in the health sector into management boards was effected without the involvement of workers' representatives on the modalities for such transfers.

(iv) The industrial peace dividend is a façade

While, on the surface of things, the industrial peace dividend may be attributed to dialogue and collectivity at the workplace, deep beneath the surface of things there lies disturbing evidence of non-payment of salaries – for as long as 18 months in the case of local authorities – and massive downsizing, which has instilled a sense of job insecurity and so workers fear any engagement in industrial action.

(v) Public service collective bargaining is inundated by IMF/World Bank structural conditionality on wage restraint

The spirit in which collective bargaining is conducted in the civil service leaves much to be desired as the IMF/World Bank often impose conditionality on wage development. In the public service, for instance, the benchmark is that annual wage increase ought not to exceed 5% of the GDP. The latitude for constructive dialogue is therefore so narrow as to render it insignificant.

(vi) The Poverty Reduction Strategy Paper, though heralding a novel feature in policy dialogue, is inundated by non-disclosure of vital information necessary to arrive at informed collective decisions

Moreover, the exclusion of non-state actors at the both the drafting and technical committee levels cast serious doubts on the authenticity of the posture of social dialogue assumed by the state.

Conclusions

The labour movement in Zambia contends that pervasive poverty is perpetrated by the absence the true spirit of dialogue in the country. In other words, a country without poverty will continue to remain an illusion while sincere interaction between key social and economic players is no more than a mirage. However, trade unions continue to uphold the conviction that through dialogue we can meet our present needs while leaving open as many options as possible to future generations. That we need to act on present possibilities to enhance social dialogue cannot be over-emphasized. Civil society organizations, including trade unions, have come together to form a network that has served to

enhance social and policy dialogue on the poverty reduction strategy process in Zambia. We are convinced that the success of any poverty alleviation strategy will depend on the true spirit of partnership among Government, civil society and the private sector.

Chapter 9

Trade Unions and Poverty Eradication in Uganda: Problems and Prospects

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I Introduction

Since the beginning of the 1990s, Uganda has been touted as an example of a leading economic reform. Under the tutelage and sponsorship of the World Bank and the International Monetary Fund (IMF), Uganda has implemented full-blown economic liberalisation policies. These have included the privatisation of public enterprises, investments, and social services, and the deregulation of the exchange rate and other money market aspects. The Government also adopted a more *laissez-faire* attitude towards economic and social rights, including workers' employment and living conditions, labour laws, trade union freedom, collective bargaining, and statutory minimum wage, for example.

However, an alternative picture of contemporary Uganda can be painted. In addition to the proletarianisation of direct producers, peasants, for example, there is impoverishment in both rural and urban areas. There is concern for people who have been pushed off their land, hitherto their main source of livelihood. Would-be wage earners are redundant and loiter in villages or urban areas, some as park touts, brokers, hawkers, cart-pushers, etc. This impoverishment of the labour force, should be a worry for all those individuals and institutions concerned with poverty alleviation, trade unions included.

Through organisations such as the National Organisation of Trade Unions (NOTU), Ugandan workers have been contributing, albeit at very low levels, to efforts to alleviate poverty. Moreover, trade unions have also started to tackle problems ranging from the welfare of their members and structural constraints to unionisation and collective bargaining.

II Trade unions in Uganda – a historical context

(a) *The early days*

Although they were first established during the colonial era, the development of trade unions in Uganda was influenced by a different 'set' of historical reasons. In the absence of alternative forums, trade unions gradually gave political expression to the voice of the colonised people. However, well-developed industrial relations did not take root, because of worker ignorance, and the fact the economy heavily relied on a migrant workforce.

Moreover, in the early period of trade union growth in Uganda, the majority of the workforce were rural-urban migrants who intended to resume their tenure of an area of 'tribal' land, after a short spell of waged employment. As their long-term interests were more or less unrelated to financial gains wage employment, trade unions were slow to develop. (Trade unions have yet to claim the wholehearted support of all workers). After Independence, political

organisations threatened the proper functioning of trade unions, as has been the case in many other parts of Africa.

In 1960, two years before Uganda gained independence, the number of recorded private and public sector employees was about 254,000. Of these, only 26,000 (about 10%) belonged to trade unions. Some scholars have explained these low figures by citing the underdevelopment of productive forces, the narrow industrial base, and a general low monetisation of the Ugandan economy at the time (Barya 1990). The low levels of unionisation were not surprising, given the fact that about 90% of Uganda's population were peasants. This situation hugely limited the workers' organisational potential., which was further reduced by the fact that a considerable proportion of these wage earners did eventually return to their lands.

(b) New challenges

In the struggle towards socio-economic transformation, the unions have found themselves encumbered by colonial and political legacies. They were subjected to the legal control of the Trade Unions Ordinance of 1952 and the Trade Disputes (Arbitration and Settlement) Ordinance of 1949. Between the 1960s and the late 1980s, Cold War-related politics, which characterised many other parts of the African continent, and the Government's selective application of the law added to this.

From 1986 through to the present day, the influence of the era of the National Resistance Movement (NRM) has had both positive and negative influences on the development of the labour movement. In legal terms, the trade unions' freedom of association was effectively restored after the NRM came to power and trade unions have since been allowed to operate freely within the existing laws. The legislative framework for social dialogue was reinforced, with the trade unions' electing workers' representatives as Members of Parliament (MP) to represent labour interests in the national legislature. In 1993, Uganda's interim parliament, the National Resistance Council, passed the Trade Union Laws Statute (Miscellaneous Amendments). This statute allowed several categories of workers (from both the private and public sectors) who were hitherto not unionised, to organise themselves in institutions. (Unionisation is currently limited to manual or unskilled workers, but also extends to civil servants, doctors, nurses, teachers, etc.) This same Statute also created room for representation of workers in the interim parliament. However, worker representation in Parliament only came about because of NRM policy to incorporate all significant (and organised) political forces and interest groups into its own power structures.

Did the above developments lead to an improvement in the representation of workers' interests? As a result of representation in Parliament, some pro-worker pieces of legislation have been passed. For instance, in the Uganda Communications Act (No. 8/1997) and the Electricity Act (1999), 'worker MPs' inserted clauses that protected employees' rights, levels of remuneration, terminal benefits, and pensions. For example, in the transfer of services from the Uganda Posts and Telecommunications Corporation to new companies pending privatisation, workers were to enjoy 'similar or better terms to those enjoyed by those employees before transfer' (Section 89, Act 8/1997). Retiring employees were also assured of retirement benefits and pensions. However, the MPs concerned face enormous tasks in lobbying for the appropriate legislative measures. The Workers' MPs are perhaps a little unprepared for this, given their limited organisational capacity. Workers' organisations further argue that the political-economic environment is generally unfavourable to them.

(c) Influence of economic liberalisation on trade unions

Economic liberalisation has, over the past decade, reshaped various segments of the labour market in Uganda. The impact on employment and poverty has been marked. Liberalisation has led to both skills formation and de-skilling at various levels of production. The development and management of trade unions and workers' organisational rights have also been affected. In 1997 the Secretary-General of the National Organisation of Trade Unions (NOTU) observed, at a workers' conference on labour conditions, that '... privatisation 'chased' NOTU away from the industries'. Listed were several examples of privatised industries and government enterprises that refused to recognise workers' rights to organise themselves into trade unions, violating the right to collective bargaining. Particularly within the climate of economic liberalisation and privatisation, some employers continued to use (or revived) the 'traditional approach' of fighting or discouraging trade unions from taking up workers' interests. In fact, some employers have even dismissed workers who have attempted to organise themselves.

Examples of hostile employers are well-documented in Uganda. This hostility to trade unionism brings with it potential negative impacts, such as damage to productivity and industrial peace or workplace harmony. This situation has been exacerbated by Government's indifference to workers' calls for protection against such employers. In some cases, workers have not been able to stomach this indifference, and have successfully waged boycott campaigns among prospective and sympathetic customers (e.g. civil society organisations) of the companies concerned. NOTU has called on Government and its duty to protect workers. At its 1997 conference, NOTU agreed that if trade unions wanted to be more effective in the struggle to improve workers' conditions, 'NOTU and its affiliate unions should consciously seek alliances with other civil society organisations (such as the Uganda Teachers' Association, Uganda Law Society, Academic Staff Association of tertiary institutions, and sympathetic Members of Parliament) so that struggle and interests get the broadest possible support' (Kintu and Senkumba 1998).

(d) Union structures and representation

Trade unions in Uganda are organised by industry rather than by trade. Experience has shown that this is more convenient for both workers and employers when it comes to negotiating terms of employment. The trade unions' core objective continues to be to secure the best possible terms of employment for all its members. Originally under state tutelage, all trade unions in Uganda are affiliates of the National Organisation of Trade Unions (NOTU). NOTU provides general guidance and assistance to all its members. As membership is restricted to trade unions only, NOTU serves as the main channel of discussion between workers and government. One of NOTU's concerns is staff representation by gender, which is unbalanced, especially at the level of union leadership (Table 11).

Table 11 : Union leadership by gender

| Leadership position | No. of Males | % of total | No. of Females | % of total |
|----------------------------|--------------|------------|----------------|------------|
| General Secretaries | 16 | 94.0 | 1 | 6.0 |
| Deputy General Secretaries | 16 | 94.0 | 1 | 6.0 |
| National Chairmen | 17 | 100 | 0 | 0 |
| Deputy Chairmen | 16 | 94.0 | 1 | 6.0 |
| National Treasurer | 16 | 94.0 | 1 | 6.0 |
| Assistant Treasurer | 15 | 88.0 | 2 | 12.0 |

Source: *Facts and figures of NOTU, 1999.*

III Meaning of social dialogue

(a) *Democracy and social dialogue*

At a symposium held in Arusha, Tanzania, in 1993, Hassan A. Sunmonu, the Secretary General of the Organisation of African Trade Union Unity, emphasised the role of trade unions in the democratisation process in Africa. He stated that 'multi-party democracy is the sine qua non to development in Africa. African democracy should be based on the African Charter for Popular Participation's five cardinal principles for democracy on the continent: (1) popular participation, (2) empowerment of the people, (3) accountability, (4) social and economic justice, and (5) respect for human and trade union rights' (ILO 1993:19).

Social dialogue is an immediate extension of these democratic rights. Dialogue between the Government, workers, and employers is necessary because each party has conflicting interests. Social dialogue entails the need to promote the interests of each party, without tilting the balance in favour of one party. Here, tripartism can play an active role. Tripartism is most significant when it promotes efficiency of industrial relations systems, the avoidance of conflicts, and the preservation of social peace. It is for this reason that the ILO helps workers and employers develop their capacities to bargain as equal participants. Ideally, true tripartism would mean that a normal equilibrium exists between governments, workers and employees. The reality, however, is that conflicts get in the way, both in developed and developing countries, which contributes in various ways to distort the existing balance or equilibrium.

(b) *Factors that shape social dialogue*

While the significance of democracy in the fight for workers' social and economic rights cannot be over-emphasised, the mere existence of multiparty democracy is no guarantee that these rights will be observed. Other factors, such as liberalisation of the labour market, privatisation, and globalisation, have posed formidable challenges to workers in their fight for organisational and other workplace-related rights. The experience of democratisation in Uganda has led some commentators to argue that the absence of multiparty pluralism has deprived the workers of their associational rights. However, whether Ugandan workers are worse off than their Kenyan or Tanzanian counterparts in East African, for instance, is debatable. As regards shaping labour relations in Uganda, one ought to take into account the colonial legacy that conditions the origin, structure, and functioning of both workers' and employers organisations, and the labour legislation that governs them.

Local conditions also have an impact on social dialogue. Strong centralised systems, presidencies, one-party rules, ethnicity, as well as the political and economic decay that has followed most African countries' independence all influence how dialogue is pursued. Pleadings to develop and maintain labour relations regimes based on Western models have been overwhelmed by the political pressure for national unity and labour peace, accompanied by limitations on the freedom of association, the right to bargain collectively, and the right to take industrial action, etc.

Moreover, most African economies are fundamentally rural, with over 50% (and sometimes up to 85%) of the labour force being engaged in agriculture. With the majority of any country's population occupied in subsistence farming, only a very small proportion of its labour force can derive a livelihood from waged employment that is covered by labour legislation or collective bargaining agreements. Additionally, as the majority of such populations are so dispersed, usually on smallholdings in rural areas, only a fraction of the urbanised workers tend to consider the immediate links of their rural comrades to labour relation issues. Furthermore, if poverty issues are neglected in social dialogue, the balance of social peace could well find itself threatened.

IV Trade unions and poverty alleviation initiatives

(a) The principle of more equitable distribution

In a contribution to the debate about social development, Chole (1991) argues that 'the uncritical chase after rapid growth rates that has preoccupied most underdeveloped countries has left in its wake a sorry record of widespread poverty, massive unemployment and glaring disparities in income and wealth. The result of this situation, aptly characterised as growth without development, has been a profound disillusionment with conventional development theories and strategies. 'Most disturbing of the products of the scramble after rapid growth is mass poverty, which has assumed staggering proportions.' (1991:4) In their struggle against poverty then, trade unions ought to focus on strategies for increasing employment, meeting basic needs, providing more equitable distribution in income and wealth, and, above all, raising the productivity of the poor.

The link between poverty reduction, income redistribution, and employment expansion is an intimate one. Chole concurs with those who argue that reducing unemployment is essential when addressing the causes of poverty and inequality. There is an economic rationale for reducing the levels of inequality too, for it affects the productivity of both manual and mental labour, and hinders economic growth. The 'trickle-down' theory, which has forcefully argued that growth itself will take care of distribution and that inequality is necessary to promote growth, has proven to contain major flaws.

(b) Statutory minimum wage and poverty

Trade unions in Uganda have taken up some of the challenges mentioned above. Leading the Ugandan workers' cause, NOTU has vehemently opposed the Government's and employers' refusal to adopt a statutory minimum wage policy that is payable to all workers, as was recommended by the Minimum Wage Board in 1996. In their refusal, the Government and employers have consistently argued that such a policy would contradict its liberalisation policies and would hurt the economy, the agriculture sector in particular.

In his address to employers' and workers' organisations, the President of Uganda, Yoweri Kaguta Museveni, emphasised the need for desisting from a significant wage increase across the board, favouring instead a gradualist approach with differential approaches to rural and urban wage demands. The President made it clear that any wage demands that could scare off investors in all sectors of the economy would not be encouraged. Moreover, the President could not hide his support for employers in the sector of plantation agriculture, which leads the country in paying a pittance for near-inhuman conditions of work.

Despite the law that sanctions it, the absence of an across-the-board statutory minimum wage remains a major concern for trade unions in Uganda. The last minimum wage agreement was made in 1984 under the government of Obote II. Emanuel Baingana, prominent trade unionist and former NOTU Secretary for Research, shares the view that the nature of the economy and labour itself militate against the declaration of a minimum wage. Baingana argues that the strong and well-organised manufacturing and agricultural interests of the Uganda Manufacturers' Association and the Uganda Tea Growers' Association have successfully prevailed upon Government to block the fixing of a statutory minimum wage. He also points out that the seemingly not-so organised informal sector has played a key-role in delaying a statutory minimum wage being put in place by the Government.

Employers in the informal sector insist that they cannot afford to pay a statutory minimum wage. Baingana is of the view that the existence of commercial and subsistence sectors in agriculture, as well as regional disparities in poverty levels, also militate against fixing an across-the-board minimum wage. In an interview, he said that 'When addressing the issue of minimum wage, one is also addressing questions of poverty. A declaration of minimum wage can cause poverty for some areas or sections of society, because it can push them out of employment.' Baingana is concerned that implementation of such policies would be an uphill task for the understaffed Labour Department.

(c) Poverty facts and Participatory Poverty Assessment

The 1998 Report on the Poverty Action Fund and Response to Donor Statement (Republic of Uganda 1998) discusses poverty trends between 1992 and 1996. The absolute poverty line was defined as 'the income needed to obtain 2,200 calories a day'. This was equivalent to US\$15 a month in 1993/94. The upper absolute poverty line, which includes allowances for other basic needs, was set at about US\$24 a month, reflecting the monetary costs of meeting basic requirements of life. In terms of the absolute line, poverty consistently declined between 1992 and 1996. In 1996, 46% of the population were unable to meet their basic requirements compared to 56% in 1992. The Government maintained that the 10% decline meant that approximately 2 million Ugandans were lifted out of poverty in this period. Similar trends were recorded for hard-core poverty. In 1996, 26% of the population were unable to meet their basic food requirements as compared to 35% in 1992. However, despite reductions in the number of the poor, the meeting acknowledged the deterioration in the living standards for those who remained poor.

The Uganda Participatory Poverty Assessment Project of the Ministry of Finance, as published in 1999, provided findings for much of rural and urban Uganda. While the research did not focus on trade unions, the results are of interest to the link between poverty alleviation and social dialogue. Of particular interest are the regional (rural versus urban), sectoral, and social group disparities in the incidence of poverty in Uganda. The research showed that the number of people living in absolute poverty in Uganda is highest in Northern Uganda,

followed by Eastern Uganda, Western, and Central Uganda respectively. The percentage of people living under absolute poverty in rural areas was almost three times that of the urban poor (1999:3).

This same report revealed that the proportion of the Ugandans living in absolute poverty (i.e. those unable to meet their basic needs) had declined substantially. However, the poorest 20% have become poorer in recent years, reversing the trend of 1997. Looking at gender status and the impact of poverty, it was noted that women suffer more than men. What should also catch the attention of the trade unions, are the specific differences in terms of gender and age between rural and urban poverty, in relation to status of unemployment. The numbers of women and young people living in absolute poverty, in both rural and urban areas, are very serious.

(d) The Poverty Eradication Action Plan

Despite its commendable recovery since the mid-1980s, Uganda remains among the world's 20 poorest countries. The Poverty Eradication Action Plan of 1997 showed that about 66% of Uganda's population was living in abject poverty, with roughly 82% living in relative poverty. The illiteracy rate of almost 40% attests to a very low level of social development. The heavy concentration on small producers (peasants) plays a part in the extent of this deprivation. The Poverty Eradication Action Plan is a multi-sectoral approach to poverty alleviation and promises to:

- ❖ increase incomes of the poor by supporting the modernisation of agriculture to improve food security and productivity
- ❖ improve land laws
- ❖ provide an adequate road network
- ❖ improve rural market infrastructure
- ❖ strengthen rural financial services
- ❖ enhance the productivity of the workforce
- ❖ promote micro- and small-scale enterprises
- ❖ improve telecommunications and rural electrification

The Plan also aims at improving access to health, education, and clean water, and providing effective management of natural resources, and 'disaster preparedness', in the bid to improve the quality of life of the poor.

(e) 'Jobs for Africa' Programme

Through the national umbrella organisation, NOTU, trade unions in Uganda have been able to participate in forums and networks serving the objective to contribute to poverty alleviation through social dialogue. One particular initiative is the ILO-sponsored 'Jobs For Africa' (JFA) Programme, which covers both rural and urban areas and includes an informal sector component. JFA is premised on social dialogue, with NOTU represented on the Uganda Network Advocacy Committee group of 26 members. NOTU is also represented in the JFA Steering Committee, in which also includes the Government and employers.

Within the JFA Programme, employers are represented by the Federation of Uganda Employers. The social partners brought together under JFA have been able to highlight employment issues in the national budget. A draft employment policy document has also been developed and sent to the Cabinet. Skills formation, increasing productivity of labour, and shifting the focus from capital-intensive to labour-intensive methods of production are important concerns for the JFA partnership. Some of the social partners are, however, sceptical about the lack of weight behind the trade unions' role, both in reaching decisions and in implementation.

(f) Reflections on employment and welfare development

The structure of Uganda's economy predisposes it to economic shocks and poverty. Over the years, there has been limited gain in the improvement of the welfare of the poor. One of the causes of this slow improvement has been domestic production, which has remained weak and segmented. Technology and managerial capacities in agriculture and industry have remained unenviable, even compared to developing countries' standards. Employees in the public sector remain poorly motivated, which has fanned corruption. The growth of the private sector has been slow and limited by a host of factors. Institutional development, especially at grassroots level, has been very sluggish, and infrastructure development, especially in rural areas, has remained scanty.

The agricultural export sector, which is the foundation of the economy, has until recently been narrowing dangerously. Whether the international political and market situations, in combination with the efforts in Structural Adjustment, have had a net positive effect on the reduction of poverty is also open to question. The joint hope of Government and donors for the national economy to function more efficiently, more flexibly, and utilise resources better looks bleak.

The NRM's Point Programme pledged to create a self-sustaining and integrated economy. In 1997, the NRM Government launched its Poverty Eradication Action Plan to ensure continuous economic growth, and a wider spread of its benefits among the poor. Indeed, there have been considerable economic gains at macro-level, but have been limited in terms of their direct benefit to the poor. The Ministry of Gender, Labour, and Social Development's draft Social Development Sector Plan of 2001 stated that there is still no concrete policy in place that addresses the unemployment situation in the short- and medium-term. According to this document, the creation of jobs (short-term) to counteract growing unemployment is not given sufficient consideration in policies aimed at eradicating poverty. The document refers to the National Employment Policy, which encompasses various sectors of the economy.

"We had negotiated a wage increase for the workers of Gold Trust Bank, Tropical Africa Bank, Barclays Bank, Standard Chartered Bank, Stanbic Bank and Baroda Bank in 1992. The banks however disagreed and we took the dispute to the Ministry of Labour. The Ministry failed to convince the banks and referred us to the Industrial court. That was 1993, but the hearing and the award were in 1994. The industrial court ruled in our favour, but the banks still refused to pay. Their appeal that the increase was exorbitant was dismissed by the high court in 1995. They still refused to pay. The workers went on strike and management called us. We agreed they pay for the years 1993, 1994, and 1995. Barclays, Stanbic, Tropical and Gold Trust Banks paid workers who were still in service at the end of 1995, but refused to pay those who left. We appealed to the industrial court in 1996 and they ruled in our favour." (M. Mukasa, Secretary General NOTU 1991-1996).

In various forums, trade unions have voiced their concerns to the Government about the absence of a comprehensive employment policy. Together with low wages, unemployment, job insecurity, underemployment, the 'casualisation' of labour, and lack of skills remain major issues of poverty-related. The leading socio-economic problem is perhaps unemployment, which has been on the rise nationwide since the early 1980s. The trade unions believe that the best approach to poverty eradication is a constant engagement in social dialogue. More specifically, the labour movement contents that solutions to poverty lie in reviving the productive sectors of the economy and in creating jobs.

Are the prospects of reducing the level of unemployment promising? A closer look at how employment in public enterprises has been developing reveals that restructuring has resulted in the loss of job security and the retrenchment of public sector employees. Related to this is the decline in the rate of self-employment in the rural areas, the rural-urban influx, and the increase in 'casualisation' of labour both in the rural and in the urban areas. Workplace managers have been reducing the number of regular permanent workers and replacing them with lower-waged non-regular (casual) workers. In addition, the inflationary trend that accompanied the deregulation and liberalization of the economy in the 1980s eroded employees' purchasing. Without overtime, it proved problematic for workers to meet the basic requirements of food, shelter, clothing, education, health, and the opportunity to pursue the right to developmental culture and entertainment (Baingana 1990:3).

In response to rampant unemployment, an income-generating project known as NOTU Economic Projects Ltd was set up in 1992. This did not negate the role of trade unions in collective bargaining. Rather, its strategy was to run a multipurpose economic programme. In one project, health and safety protective gadgets and clothing were manufactured locally. NOTU hoped to generate income from projects such as these and so reverse the trend of dependency on foreign donations. It was also intended to create job opportunities for those workers rendered redundant by retrenchment. Following NOTU's example, individual trade unions also identified and started economic projects. For instance, the Uganda Plantation Workers' Union started a project for female members and male members' wives. The clerical union set up a business school, which carries out training and serves as an income-generating enterprise.

(g) Legal actions

NOTU has continued to negotiate on behalf of workers with regard to conditions of employment and payment. In light of the debate on workers' rights and worsening conditions of the work, NOTU has pursued cases against six banks. The dialogue initiated by NOTU, which involved employers and the Government, resulted in an agreement. The Government signed a document that would later form the basis of collective bargaining and procedures for handling grievances and disputes in the public service. The passage below is a testimony to NOTU's pursuit of workers' struggle for better working conditions.

(h) The role of small-scale industries

Small-scale industries have also contributed to efforts to alleviate poverty in Uganda. Small-scale industries make up about 40% of Uganda's total industrial sector and represent about 10% of its GDP. Although the total average growth of the economy was about 5% between 1988 and 1989, growth in the small-scale manufacturing sector for the same period was 18%, i.e. almost three times the GDP growth. In terms of employment, the small-scale industrial sector accounts for about 14% of total employment, and small-scale manufacturing accounts for 80% of total industrial employment. Available information on small-scale industries in Uganda shows that, in Kampala, women account for only 7% of shareholding, 7% of management and 9% of the workforce. The participation of women in small-scale industries has been grossly impeded by lack of credit facilities; their 'uneconomic' industrial activities are frequently considered too small to generate profits.

Small-scale industries are known by a set of peculiar characteristics: innovation, high capacity for copying and perfecting technologies, lack of (start-up) capital, working in isolation with utmost secrecy, informal approaches, etc. In Uganda, due to their resilience and relative insensitivity to economic stress and changes

in the political weather, they have been able to survive more easily than large companies (Kyomugisha 1999). Small-scale industries deserve to be of immense interest to trade unions in terms of their active role in issues of poverty alleviation. Small-scale industries contribute to job creation, especially for the uneducated, young people, and women. Poverty studies have shown that, when it comes to access to resources, including paid employment and income outside wage labour, women are more disadvantaged than men. To an extent, the flexibility of small-scale industries has made it possible women to form large groups and access credit for starting income-generating activities. However, such arrangements are still within the realm of the informal sector.

Some commentators are critical of the role of small-scale enterprises in enhancing social dialogue and making a significant contribution to lifting people out of poverty. Criticisms arise during the current social dialogue (if any) between small-scale industrialists and the trade unions. According to the latter, some small industries are to be directly blamed for hostilities against worker unionisation. In turn, many small-scale enterprises are still in their infancy and see trade unions as a force that threatens their existence and/or survival. This notwithstanding, workers in these establishments have been subjected to poor and hazardous working conditions. Criticism is also directed at the way in which small-scale industries contribute to employment creation. Said a trade unionist (Anon.), 'It is employment for the uneducated. We cannot talk about poverty alleviation by way of employing the uneducated. How much money do these workers earn? What is their purchasing power? What type of quality labour do they supply to the labour market? If we are to talk about job creation by way of alleviating poverty we need to consider the issues of (i) quality and not quantity, (ii) observance of minimum labour standards at work places and (iii) promote social dialogue with the small-scale industrialists.'

U Concluding remarks

Uganda has ratified ILO Convention 144 on tripartism. However, social dialogue is not currently a process in which each social partner plays an equal role, or in which joint decisions are carried by equal weights. Trade unions have been involved in few of the Governments' national policies, particularly in regard to structural adjustment. In a few cases where trade unions have been invited to participate, the implementation of common reached agreements took rather different courses. The 'Jobs For Africa' Programme, under the auspices of ILO, is to a certain extent one such example.

Trade unions in Uganda have been involved directly in social dialogue to chart out strategies for the social and institutional changes required by the struggle against poverty. A flexible legal framework is an important factor for empowerment. Historically, the development of trade unions in Uganda has nonetheless shown that the creation of a legal framework for participation is not, in itself, enough. Other incentives are needed to achieve effective results.

Trade unions in Uganda must promote, among all social partners, the fact that respecting International Labour Standards is good for both employers and workers. Conformity with such standards does contribute to social efficiency in the work place. Where trade unions contribute to the struggle against poverty, their right to organise must be guaranteed. The Government should give unionisation in the private sector more legislative support than so far has been forthcoming. Trade unions should reform their internal structures so that the voice of the rank and file is supreme; in other words, the democratic

right to give a mandate to popular trade union leaders should be emphasised (Barya 1991).

At both generic and specific levels, trade unions in Uganda have joined the chorus of 'Voices of the poor' (Deepa Narayan, *et al.* 2000). Trade unions have addressed the many causes and faces of loss, grief, material ill-being, material lack and want, social exclusion, rejection, isolation, insecurity, and vulnerability.

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Commentary on Chapter 9

Poverty Alleviation and Trade Unions in Uganda

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Introduction

The paper by Rutabajuuka and Kyomugisha is generally well researched, capturing almost every aspect that should have been covered. It brings out the historical background of the development of trade unions in Uganda, and the political scenario from the time Uganda attained her independence in 1962. The authors also bring to light the major economic structural changes that the country has been implementing for the last one and half decades, and the adverse effects on the trade union movement in particular, and society as whole. The paper further notes that social dialogue is paramount in the promotion and sustenance of sound industrial relations in Uganda.

Some of the shortcomings trade unions are facing in their struggle to fight against poverty in Uganda are mentioned as:

- ❖ the lack of statutory minimum wage policy
- ❖ the lack of employment policy
- ❖ the existence of child labour
- ❖ the ongoing restructuring programmes
- ❖ The high level of unemployment.

The challenge of SMEs and informal economy on poverty alleviation

Nonetheless, there are some areas that require more emphasis than currently presented. The paper commends the work of small-scale industries in creating and increasing employment opportunities as being one of the main areas of intervention for alleviating poverty and urging the trade unions in Uganda to join hands. My view is that these small-scale industries are the worst enemies of trade unions and their activities. The authors mention that their major contribution has been employment creation, and employment for the *uneducated*. I contend that there is no way we can talk about poverty alleviation by way of employing the uneducated. Beyond the question of their poor and hazardous working conditions, their wages, and their purchasing power is the question of the quality such a labour force supplies. If we are to talk about job creation by way of alleviating poverty we need to (i) consider the question of quality and not quantity, (ii) observe the minimum labour standards at the workplace and (iii) promote social dialogue with these small-scale industrialists.

My second point of divergence relates to the submission that the trade unions in Uganda have been ... deeply involved in the social dialogue ... in the struggle to alleviate poverty. Although Uganda has ratified ILO Convention 144 on

tripartism, I wish to support the authors' observation that most of the major national policies undertaken by the government especially in regard to SAPs and others, the trade unions have not been involved. In the few cases when they have been invited, the implementation of the decisions reached has been different. Furthermore, even in their role in implementing Jobs For Africa, trade unions are no more closely involved. This is an area where the paper mentions that 'NOTU was not just co-opted into the project but was part of the social partnership together with government and employers'.

One of today's most critical is HIV/AIDS. The paper omits this important area entirely. Uganda has been quoted as a success story in combating HIV/AIDS but the disease still poses a serious threat to the lives of many Ugandans. Cases abound where workers have been dismissed because they are suspected to be HIV-positive. Others have died, leaving behind a number of orphans and widows constrained by meagre resources. In our bid to address poverty, HIV/AIDS must be addressed.

Trade unions in Uganda also need to consider forming coalitions and alliances with NGOs and other players who are already in the field fighting poverty. We need to borrow from them, where and when applicable, so that some of their approaches to fighting poverty can be applied.

Lastly, there is a strong need for trade unions in Uganda to combine forces with organisations (for example, the Uganda Debt Network and Jubilee 2000) that are campaigning for the cancellation of Uganda's external debt, which is an huge impediment to the struggle against poverty alleviation.

Chapter 10

Labour Markets, Poverty and the Role of Gender: The Case of Kenya

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I Introduction

At Independence, the Government of Kenya identified poverty, ignorance, and disease as the major constraints to the nation's socio-economic development. Although the commitment to growth and poverty reduction has remained unchanged, poverty in Kenya has worsened (Republic of Kenya, 1999). Recent estimates show that about 47% of Kenya's population are poverty-stricken, with rural absolute poverty estimated as being between 40% and 47%, and urban absolute poverty at about 29% in 1994. The rate of food poverty was shown to be between 38% and 47% in rural areas and between 25 and 29% in urban areas (Mwabu *et al.*, 1999). More than three-quarters of the Kenyan poor, of whom the large majority are women, live in rural areas.

Among other factors, patterns of labour force participation and gender inequality perpetuate poverty. For instance, labour force participation rates are directly related to positive income and hence household consumption. Labour force participation is therefore a key to more equitable intra-household distribution patterns. Labour force participation patterns also determine one's accumulation of experience; for example, the more women participate and build their skills and knowledge, so their wages will increase and the gender wage gap be reduced. However, gender differences in occupational allocation are also tied to gender wage differentials. Since women are concentrated in low-paid and often less formal occupations, their benefits tend to be lower than those of their male counterparts.³⁰ Furthermore, women's earnings are consistently lower than men's, even when adjustments are made for the type and status of their employment, and their hours of work (Republic of Kenya, 1988).

The link between labour market outcomes, gender, and poverty has been a major issue in the discussions of the role and effectiveness of policy intervention in developing countries. Although studies of this link have increased the focus on developing countries, the situation in Kenya remains poorly documented, with there being little information on gender differences in poverty and how changes to policies can effectively influence labour market outcomes for women in Kenya.

This paper examines the relationship between gender and poverty and also explores further whether the determinants of participation in the labour market differ by gender. If they do, then one solution to engendered poverty would be to address the bottlenecks hindering equitable participation along gender

³⁰ Available data indicates that women are concentrated in self-employment as opposed to public and private sector wage employment. See Kabubo-Mariara (2001).

lines.³¹ The results in this paper imply that women in Kenya are indeed poorer than men, and that labour market outcomes differ by gender, with a strong bias against women, particularly in terms of occupation and the employment sectors involved.

II Data and methods

For the descriptive analysis, this paper uses aggregated secondary data from the 1986 Urban Labour Force Survey (ULFS) and the 1988 Rural Labour Force Survey (RLFS). The ULFS was meant to provide information on the structure and composition of the urban labour force and on the magnitude of unemployment. Data was collected from a sample of 3,593 individuals from 1,644 households representing 95% of the Kenyan urban population at the time of the survey. This sample included a total of 1,249 women. The survey collected data on heads of household (by gender) and contains specific data on household composition, labour force participation, employment and unemployment, household status, age, education, and hours worked in paid and unpaid work, among other variables.

The RLFS was meant to provide information on labour activities in rural Kenya. The sample included about 8,000 households (more than 40,000 individuals) and interviewed more than 15,000 women over the age of eight. The survey provided data on time allocation, labour activities, patterns of employment and unemployment, and the nature and extent of non-farm activities.

The multivariate analysis is based upon data taken from the 1994 Welfare Monitoring Survey (WMSII), which was collected by the Central Bureau of Statistics and the Planning Unit of the Ministry of Planning and National Development. The survey was conducted using the National Sample and Evaluation Programme (NASSEP) frame, which is based on a two-stage stratified cluster design for the whole country. First of all, enumeration areas – using the national census records – were selected, with statistical probability proportional to the size of expected clusters in the enumeration area. The number of expected clusters was obtained by dividing each primary sampling unit into 100 households. Clusters were then randomly selected and all the households enumerated. From each cluster, ten (10) households were drawn at random, except for those in semi-arid districts. Data was collected from a sample of 59,183 individuals from 10,857 households.

In the main, descriptive analysis is used to describe labour market outcomes and differences along gender lines and to link gender and poverty. An analysis of poverty rates by gender and by characteristics of household heads further shed light on the gender dimensions of poverty.

III Poverty and gender

The results of the Welfare Monitoring Survey II (Republic of Kenya, 1996) indicate that although the incidence of poverty among women in Kenya is only slightly higher than that among men, the intensity of poverty is higher among women than among men. About a third of rural households are female-headed, two-thirds of which have no male support. At 44%, the incidence of

³¹ The paper draws heavily from previous work of the author (Kabubo-Mariara 2000, 2001) and others (Mwabu et al. 1999, 2000).

severe poverty is significantly higher among such households compared to the figure of 20% for male-headed households. Blackden and Bhanu (1999) show that female-headed households in Kenya are poorer than male-headed household, based on both expenditure per capita and adjusting for size elasticity to take account of the smaller size of female-headed households.

The high levels of poverty among women are associated with their lower levels of education, labour market differentials, lack of ownership and access to land (it is estimated that less than 5% of Kenyan women own land), limited access to credit and technology, and negative cultural practices and attitudes (UNDP and Republic of Kenya 1999).

In an analysis of the socio-economic dimensions of poverty in Kenya, Table 12 show that literate women are less poor than their male counterparts both in rural and urban areas. Nonetheless, for urban areas, illiterate women are poorer than illiterate men. In terms of absolute poverty, women are poorer than men in both rural and urban regions. Marital status also influences poverty. For instance, Mwabu *et al.* (1999) indicate that in 1994, the poverty rate in Kenya was highest among households headed by widows and by women from polygamous households.

Table 12: Household Poverty Rate by Literacy and Absolute Poverty by Gender (1994)

| Region | Literate (%) | | Illiterate (%) | | Absolute Poverty (%) | |
|----------|--------------|--------|----------------|--------|----------------------|--------|
| | Male | Female | Male | Female | Male | Female |
| Rural | 33.34 | 30.96 | 52.20 | 46.15 | 39.53 | 40.23 |
| Urban | 26.80 | 23.91 | 49.02 | 54.84 | 27.90 | 31.71 |
| National | 31.42 | 28.76 | 54.71 | 50.75 | 38.02 | 41.34 |

Source: Computed from Welfare Monitoring Survey data (1994). See Mwabu *et al.* (1999, 2000)

The results of the Welfare Monitoring Survey II further indicate that a) the poor have lower literacy rates than the non-poor, and b) that an illiterate woman is more likely than an illiterate man. For the rural non-poor, females have a literacy rate of 89.2% and males 97.7%, while at national level; females have a literacy rate of 73.1% and males 86.6%. Among the poor, the differential becomes even larger in both rural areas (56.3% and 75.6% for females and males respectively) and at national level (59.4% and 77.8% for females and males respectively). In other words, nationwide, women are less literate than their male counterparts, irrespective of whether they are poor or non-poor. While the non-poor are more literate than the poor, a poor urban woman is almost as literate as a non-poor rural man (see Table 13).

Table 13: Distribution of Literacy by Region, Sex and Poverty.

| Province | Non-Poor (%) | | Poor (%) | |
|---------------|--------------|-------|----------|-------|
| | Men | Women | Men | Women |
| Nairobi | 96.0 | 91.4 | 95.4 | 87.0 |
| Central | 95.3 | 90.0 | 93.1 | 83.2 |
| Coast | 84.6 | 61.9 | 74.0 | 40.1 |
| Eastern | 86.0 | 75.0 | 78.0 | 60.2 |
| North Eastern | 43.3 | 22.7 | 22.6 | 6.4 |
| Nyanza | 85.0 | 62.5 | 80.4 | 58.8 |
| Rift Valley | 81.4 | 68.5 | 70.5 | 54.1 |
| Western | 89.6 | 74.0 | 83.6 | 63.5 |
| Rural | 83.5 | 68.8 | 75.6 | 56.3 |
| Urban | 97.7 | 89.2 | 93.4 | 82.7 |
| National | 86.6 | 73.1 | 77.8 | 59.4 |

Source: Republic of Kenya (1998), *Poverty in Kenya: First Report*.

Poverty rates by gender of head of household are presented in Table 14. The table indicates that using the 'cost of basic needs' (CBN) approach, the poverty rate is higher in households headed by women (41%) than it is in male-headed households (38%); using the 'food energy intake' (FEI) method the rate for females is 34% compared to 32% for males. Poverty among female-headed household is particularly high in Eastern and North Eastern Provinces, but much lower in Central and Nyanza Provinces.

Table 14: Absolute Poverty by Gender of Head of Household

| Province | Males (%) | | Females (%) | |
|---------------|-----------|-------|-------------|-------|
| | CBN | FEI | CBN | FEI |
| Nairobi | 23.08 | 10.26 | 46.43 | 21.43 |
| Central | 31.82 | 27.03 | 31.68 | 27.72 |
| Coast | 41.25 | 33.75 | 41.71 | 35.83 |
| Eastern | 44.47 | 50.15 | 46.76 | 52.52 |
| North Eastern | 52.22 | 55.74 | 47.42 | 55.67 |
| Nyanza | 38.13 | 26.38 | 36.67 | 25.92 |
| Rift Valley | 37.37 | 34.66 | 41.91 | 39.02 |
| Western | 39.67 | 33.54 | 42.44 | 38.66 |
| Rural | 39.53 | 37.69 | 40.23 | 38.45 |
| Urban | 27.90 | 18.34 | 31.71 | 21.95 |
| National | 38.02 | 32.05 | 41.34 | 34.46 |

Source: Computed from Welfare Monitoring Survey data (1994). See Mwabu et al. (1999, 2000)

The results of the examination of gender-related poverty by marital status of female heads indicate that poverty is highest among households headed by widows (45%) and by women from polygamous households (51%). This implies that women from polygamous households are the poorest (See Table 15). The highest poverty rate for females in polygamous households is reported in North Eastern Province (100%), followed by Coast Province (88%). Again, the results indicate that female-headed households are poorest in North Eastern province, probably explaining the fact that pastoralism (the main economic activity in Kenya's arid and semi-arid provinces) is a male-dominated occupation. Moreover, pastoralists are reported to be among the poorest groups in Kenya.

Table 15: Household Poverty Rates by Marital Status of Female Head

| Province of Residence | Marital Status of Female Head | | | | |
|-----------------------|-------------------------------|------------------------|------------------------|------------------------|-------------|
| | Single (%) | Married-monogamous (%) | Married-polygamous (%) | Divorced/separated (%) | Widowed (%) |
| Nairobi | 50.00 | 40.00 | – | 0.00 | 80.00 |
| Central | 18.82 | 29.00 | 30.00 | 30.77 | 49.59 |
| Coast | 33.33 | 35.38 | 87.50 | 12.12 | 55.17 |
| Eastern | 14.29 | 41.41 | 50.00 | 50.00 | 55.93 |
| North Eastern | 100.00 | 46.43 | 100.00 | 38.71 | 52.78 |
| Nyanza | 9.09 | 35.33 | 33.33 | 22.22 | 40.72 |
| Rift Valley | 41.67 | 37.36 | 40.54 | 38.89 | 45.18 |
| Western | 12.50 | 34.46 | 54.05 | 33.33 | 47.73 |
| Rural | 30.87 | 36.54 | 49.66 | 34.29 | 44.23 |
| Urban | 23.08 | 31.67 | 54.55 | 24.00 | 48.94 |
| National | 25.55 | 38.80 | 51.26 | 31.58 | 45.34 |

Source: Computed from data from the Welfare Monitoring Survey II(1994). See Mwabu et al. (1999, 2000)

Other findings indicate that poverty rates among polygamous male-headed households are nearly as high as in polygamous households headed by women. Polygamous families are generally larger than other family structures, and since poverty rates are much higher among larger households, this may explain why poverty rate is exceptionally high among polygamous households. On the other hand, single female heads have larger households than their male counterparts. Households headed by divorced, separated, or widowed women are larger than households headed by men of identical status. The pattern of household sizes across categories of marital status suggests that women have greater household responsibilities than do men in families where marriage has been disrupted by death, divorce, or separation, and in families in that are formed outside marriage. Generally, all things being equal, such families are likely to be poor because of the strong positive association between poverty and household size.

Women are concentrated in sectors where the incidence of poverty is highest. Available evidence indicates that the bulk of women's work takes place in the home or in the informal sector, while men are more evenly distributed across the different sectors of employment. In waged employment, women tend to

be concentrated in the sectors of agriculture, forestry, and community, social, and personal services. Gender analysis shows that self-employed women are typically engaged in the petty trading and hawking of fruits, vegetables, and relatively cheap consumer durables such as cooking utensils. Self-employed men tend to be engaged in selling newspapers, wood-working, and running kiosks. Differentials among socio-economic groups also reveal that 69% of the active female population are working as subsistence farmers compared to 43% of the male population. This implies that unfriendly market structures concentrate women in lower-paying work and thus lower incomes. For instance, the majority of the poor in rural areas are either subsistence farmers or derive the bulk of their income from the informal economy, unlike the urban poor who are mainly in the informal economy.

This argument is supported by findings by Mwabu *et al.* (1999, 2000), where an analysis of poverty rates by sector of employment indicates that poverty is highest among subsistence farmers, pastoralists, unskilled workers, and people without well-defined occupations. Of these, only pastoralism is a male-dominated activity.

The UNDP (1999) also indicates that gender differentials in access to economic opportunities translate into the lower participation of women in economic activity and a higher level of poverty. For instance, in 1997, the female economic activity rate was estimated to be 46.8%, while for their male counterparts the activity rate was 54.5%. This lower economic activity rate translated into a lower GDP per capita, giving women a purchasing power of US\$ 1013, this being considerably less than that of US\$ 1366 for men and the national average of US\$ 1190. Blackden and Bhanu (1999) also indicate that, in 1994, women in Kenya earned only 42% of the total GDP.

IV Labour market and the role of gender

(a) Labour force participation

Labour in Kenya is asymmetrically divided, with women devoting more hours than men to domestic and unpaid work and having less access to paid employment (Republic of Kenya, 1992). However, the last three decades saw important changes in the role of women in all aspects of development. As the gap between the education of men and women declined, women gained increased access to employment opportunities. However, this progress did not evenly itself spread throughout Kenya and the impact on certain groups, for example women in rural areas, was less significant (Republic of Kenya, Economic Survey 1991).

According to the rural labour force survey of 1988/89, 91% of all women and 87% of all men were economically active in the rural areas, with there being little difference in participation rates by gender.³² However, labour force participation rates were low in urban Kenya, especially for women, who constituted only about one third (36%) of the urban labour force. For instance in 1986, participation rates for men exceeded, by a third, those for women in all age cohorts except for the 15-19 age group. On average, 82% of men in the 15-64 age bracket were part of the labour force, compared to 56% for women.

³² The 1988/89 Rural Labour Force Survey defined labour force participation as the proportion of persons in a given age group who either worked a minimum of one hour in the last week; or were the head of a farm or business in the last week. The 1986 Urban Labour Force Survey defined labour force participation as the total population aged 15 to 64 years that is usually at work, in wage employment or self-employment, or out of work, available for work and looking for work (i.e. unemployed).

In-terms of the unemployment rate,³³ more or less the same trend was observed, but with a higher rate for men aged 15-19.³⁴ For almost all other age groups, the unemployment rate was higher for women, thus indicating that women are more likely to be unemployed than men. On average, the unemployment rate for women was higher by 12.4%.

In terms of the labour force in urban areas, age, primarily, is a constraint to the participation of women of young age groups and not of child-bearing years. By comparison, age is less of a constraint in rural areas. However, in urban areas, age is an important factor in determining the hours women work and the mix of paid and unpaid activities. Marital status too has a stronger effect on urban rather than rural labour force participation rates. In rural areas, participation rates fall into a narrow range, from a low of 85% among the never married to a high of 97% for married women. In rural areas, participation rates for divorced and widowed women fall within average rates. The variation is much greater for women within the urban labour force, ranging from 16% among the never married to 77% among the divorced (Republic of Kenya, 1992).

One of the prime determinants of the woman's labour force activity is her level of education. In urban areas, highly-educated women are more likely to participate in the labour force and less likely to be unemployed, particularly if they have attended or are attending college or university (Economic Survey, 1991).

Analysis of the Rural Labour Force Survey indicates that most children who were attending school full-time also participated in the labour force. In 1988, the proportion of school-going females aged 8-24 participating in the rural labour force was 83.9%, while the proportion of males of the same age participating in the labour force was 76.0%. Participation rates are slightly higher for women with no education or with college or polytechnic training.

In 1988, the overall participation rates for urban areas ranged from 61% for those with no formal education to over 90% for those with university education. Male participation rates were very high for all levels of education. Rates for college- and university-trained women were, between 21% and 32% higher than the urban average for women (55.8%). For males, only the rate for those with university training seemed significantly higher. For women in urban areas, education, or the lack of it, seemed to be a more important determinant of their ability to become a member of the labour force. Overall urban participation rates tended to be greater the higher the level of education.

(b) Occupational distribution and hours worked

Available literature indicates that although gender wage gaps exist in many countries, most gender differences in labour markets manifest themselves in terms of the sector of employment, with women generally performing the less prestigious and lower-paying jobs. This same scenario is to be found in Kenya, where men are generally concentrated in manufacturing and women are concentrated in the sectors of agriculture, forestry, and community, social, and personal services.

³³ *RLFS defined unemployment as persons not employed in the last week but who looked for work in the last year. ULFS defined unemployment as all the working age people who were out of work, available for work, and looking for work during the past week.*

³⁴ *Though the unemployment rate for males in this age group is extremely high, fewer males in this age category participate in the labour force.*

Table 16 shows that women are underrepresented in wage employment in all the three major sectors of the economy. For instance, in 1984, women constituted only 16% of the total employees in agriculture and forestry, a dismal 10% in manufacturing, and 26% in community, social and personal services. 14 years later (1998), the situation had changed slightly, with the proportion in agriculture and forestry increasing to 20%, the proportion in manufacturing increasing to 17%, and the proportion in community, social and personal services increasing to 40%. Most of the women in the services category are primary and secondary school teachers.

Table 16: Wage Employment by Industry and Gender 1984-1998

| Year | Agriculture and Forestry (000s) | | Manufacturing (000s) | | Community, Social and Personal Services (000s) | |
|-------|---------------------------------|-------|----------------------|-------|--|-------|
| | Men | Women | Men | Women | Men | Women |
| Rural | 33.34 | 30.96 | 52.20 | 46.15 | 39.53 | 40.23 |
| 1984 | 196.9 | 38.7 | 138.1 | 15.0 | 348.5 | 122.6 |
| 1985 | 197.7 | 43.2 | 143.0 | 15.8 | 366.3 | 137.2 |
| 1986 | 199.6 | 48.8 | 147.9 | 16.9 | 375.7 | 144.2 |
| 1987 | 196.6 | 60.4 | 151.4 | 17.2 | 392.8 | 149.4 |
| 1988 | 208.9 | 62.4 | 152.4 | 17.9 | 406.2 | 155.4 |
| 1989 | 198.3 | 63.5 | 164.8 | 18.0 | 422.2 | 156.7 |
| 1990 | 205.3 | 64.4 | 166.5 | 21.2 | 428.6 | 171.9 |
| 1991 | 207.0 | 65.0 | 167.5 | 21.4 | 443.8 | 178.7 |
| 1992 | 209.5 | 64.4 | 168.4 | 17.2 | 438.0 | 193.9 |
| 1993 | 209.7 | 64.6 | 170.2 | 23.3 | 440.4 | 196.4 |
| 1994 | 215.4 | 65.3 | 173.5 | 24.1 | 447.3 | 199.4 |
| 1995 | 222.8 | 71.2 | 173.9 | 30.9 | 428.7 | 233.5 |
| 1996 | 226.4 | 76.6 | 176.7 | 33.8 | 423.5 | 264.5 |
| 1997 | 230.0 | 75.6 | 179.5 | 35.0 | 427.7 | 274.1 |
| 1998 | 232.3 | 76.5 | 180.9 | 36.0 | 428.2 | 283.9 |

Source: Republic of Kenya, Economic Survey (various issues).

The ULFS (1986) also indicated that three quarters of the employed urban labour force (15-64 years) were in paid employment, with the rest were self-employed (see Table 17). Women spent proportionately more time than men carrying out low status work. For instance, one third (34%) of women's total hours of work were allocated to household production compared to one sixth (15%) for men. Women also spent less than half (48%) of all hours worked in informal sector employment, whereas over two thirds (69%) of men's working hours are spent in the formal sector.

Table 17: Employed and Self-employed Urban Labour Force by Occupation, 1986 (%)

| Occupational Category | Paid Employed (%) | | Self-employed (%) | |
|---|-------------------|---------|-------------------|---------|
| | Males | Females | Males | Females |
| Professional, technical & related workers | 17.7 | 26.2 | 8.1 | 0.8 |
| Admin, managerial & clerical workers | 20.2 | 29.1 | 9.6 | 2.3 |
| Sales workers | 4.2 | 0.9 | 37.7 | 56.8 |
| Service workers | 20.8 | 33.7 | 5.8 | 7.0 |
| Agriculture, forestry & related workers | 2.4 | 5.9 | 13.0 | 24.1 |
| Production, manufacturing & maintenance | 6.2 | 2.4 | 9.2 | 9.0 |
| Smiths, welders and sheet & metal workers | 17.3 | 0.6 | 14.6 | 0.0 |
| Packaging, loading & transport workers | 11.3 | 1.2 | 2.1 | 0.0 |
| Total | 100 | 100 | 100 | 100 |

Source: Republic of Kenya (1988)

In rural areas, there was a clear difference in wage employment by gender; based on a week reference period it was found that men spent four times as many hours as women in wage employment. Men also dominated the hours allocated to non-farm business activities. In the case of non-agricultural activities, men were concentrated in construction, repairs, and resource extraction, while women dominate trade and service (See Table 18).

Similarly, more men than women worked in livestock-related activities, as employees, or on a non-farm business, and also spent more hours on these activities. The pattern was more striking for firewood-gathering and water-fetching activities. About 64% of women fetched water and 63% gathered firewood compared to 15% and 10% of men, respectively. Women spent almost twice as much time as men fetching water.

Irrespective of age, women worked longer hours than men. On average, women aged between 15 and 64 spent about two more hours per week on economic activities than men of the same age group. This was also true of domestic cores (food preparation and childcare). For instance the RLFS indicates that on average, women spent 14 hours per week in domestic cores while their male counterparts spent only 2 hours. The difference in number of hours worked was more pronounced in for the 20-64 age group, but the highest difference was for women aged 35-39, who worked 18.8 hours more than men. Combining domestic chores with economic activities, women of working age averaged 50.9 hours per week whereas men worked only 33.2 hours.

Table 18: Participation and Hours Worked by Economic Activity by Gender (Rural, 1988)

| Activity | Proportion Working (%) | | Hours Worked | |
|-------------------------|------------------------|-------|--------------|-------|
| | Men | Women | Men | Women |
| Crop-related activities | 51.2 | 61.0 | 7.7 | 9.8 |
| Livestock activities | 43.3 | 32.2 | 6.5 | 3.5 |
| Marketing | 15.1 | 30.5 | 0.9 | 1.9 |
| Firewood-gathering | 10.4 | 62.9 | 4.8 | 6.1 |
| Water-fetching | 14.8 | 63.6 | 4.9 | 7.4 |
| Labour on other farms | 4.0 | 4.4 | 9.3 | 8.2 |
| Work as an employee | 13.2 | 4.2 | 42.7 | 33.7 |
| Non-farm, own business | 7.5 | 5.0 | 31.1 | 21.6 |

Source: Rural Labour Force Survey, 1988.

U Determinants of participation in the labour market

This section examines the determinants of participation in the labour market along gender lines based on econometric analysis. The analysis was confined to salaried workers in the public and private sectors (formal) relative to self-employment. The investigation was further confined to individuals between the age of 18 and 64. The results of the econometric analysis are summarised in the following paragraphs.

- ❖ Being married increases the probability of working in either the public or private sector rather than being self-employed. As expected, the results also generally implied that married women are less likely to work than their unmarried and male counterparts.
- ❖ Participation rises with age, but at a decreasing rate. The presence of small children has a negative and significant impact for males, but is indeterminate and insignificant for females. Thus, the findings do not support the expectation that small children would discourage women from participating in the labour force.
- ❖ Household headship significantly increases the likelihood of labour market participation for both males and females. However, the size of the coefficients implies that headship may be a more important determinant for females than for their male counterparts.
- ❖ Any level of education increases the likelihood of either sex participating in the labour force. The results showed that, relative to self-employment, more education is a much more important determinant for the public than for the private sector.
- ❖ Asset ownership reduces the probability of participation in the public and private sectors compared to self-employment, both for men and for women. However, assets seem to be a more important determinant of participation for men than for their women counterparts.

VI Conclusions and policy recommendations

This paper highlights two main findings: i) women are likely to be poorer than men; and (ii) there is occupational and industrial segregation in the Kenyan labour market, with women being concentrated in less prestigious and lower-paid jobs (mostly in the services sector). Women have lower labour force participation rates, higher unemployment rates (especially in urban areas), spend less time in waged employment, and devote more time to household production than their male counterparts. They also work longer hours than men in terms of both domestic and non-domestic labour. These differentials in labour market outcomes lead to lower earnings for women.

As an issue of policy, the paper recommends the following:

- (a) Lack of education is a major determinant of poverty as it affects not only participation in the labour markets but also access to assets and services, and overall participation in economic activities. Therefore, the Government should invest in instruments to reduce gender inequalities in access to education. This can be done through budget initiatives that target girls' schools in terms of subsidised fees, and the provision of books, technology, and teachers to bring them up to par with boys' schools and so improve girls' performance.
- (b) Labour market differentials push women into poverty, as the sectors in which they are concentrated are also dominated by the poor. To solve this problem, the Government could implement ways of minimising occupational segregation along gender lines. However, other social and economic factors interact with gender differentials in education and labour markets to engender poverty. For instance, investment in village-level infrastructure such as a water supply, labour-saving technology, and domestic energy could all reduce the time burden of domestic work and the amount of work time that the female child has to perform at home. This, in turn, would increase her chances of going to school with her brothers.
- (c) The Government should implement special strategies to enhance women's access to assets such as land and credit services. Most women have limited access to (and no control over) land, which is an important form of security for many credit institutions. The Government could, for instance, initiate financial institutions specifically to cater for women, especially in rural areas and the urban informal sector.

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Chapter 11

Poverty Alleviation through Social Dialogue: The Role of Trade Unions in Zimbabwe

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I Background

The Courier of May-June 2001 argues that whilst globalisation and liberalization were expected to lead to economic growth for all, this has failed to materialize in developing countries. During the past decade there has been little improvement in real income, economic growth has been slow and unstable, and the main human development indicators remain unacceptably low.³⁵ Under these conditions, trade unions are faced with the necessity of adjusting to economic, technological, labour market, legislative, and attitudinal changes (Birchall 2001). Thus, it is not surprising that in the late 1990s trade unions have been active, not only in the arena of pursuing narrowly-defined interests, but have also engaged in broader questions of governance.

In the 'foreword' to their book *Trade Unions and Sustainable Democracy in Africa*, Gérard Kester and Ousmane Sidibé (1997) argue that the role that trade unions have played (and continue to play) in the process of democratisation means that civil society as a whole, and the trade union movement in particular, have acquired new responsibilities.³⁶ However, the panoply of changes influencing the role of trade unions is not limited to the above-mentioned issues. Trade unions' internal structures and strategies are equally important.

II Trade unions and economic reforms in Zimbabwe

(a) *The post-independence decade*

After a protracted war of liberation (Chimurenga), the post-colonial Government became natural allies with trade unions. This relationship was embedded in the pro-labour socialist ideology the Government adopted in 1980. The Government seemed knowledgeable of what labour wanted and was seen to be supporting the latter's agenda. The prevailing social, political, and economic circumstances, both nationally and in the Southern Africa region as a whole, provided little incentive for articulating preferences other than the norm.

³⁵ *Trade unions further argue that reducing restrictions on trade and investment has also caused economic instability. If wages are too high or governments introduce regulations such as a minimum wage, corporations can simply move elsewhere, leaving people with nothing. Increasingly, corporations are finding ways to improve their mobility. For example, many companies no longer buy factories; instead they sign short-term contracts with locally-based operators. This means working people are afraid of fighting for better conditions because corporations threaten to not renew their contracts if conditions are improved. Moreover, it means that the corporations can claim that responsibility for wages and conditions has nothing to do with them. See www.globalworkplace.org/?lid=8.*

³⁶ *Added emphasis. National political and economic configurations are important factors influencing the order in which unions take up issues. In Zimbabwe, for reasons already discussed, trade unions became vocal in post-independence national socio-economic and political dialogue in the late 1990s.*

In the 1980s, Zimbabwe was characterised by significant progress in human and infrastructure development. However, the performance of the economy was not balanced: the productive sectors did not experience as much growth as did the social sectors.³⁷ As a result, fissures began to emerge in the financial, monetary, capital, and labour markets. By 1990, the economy was threatened by deepening cycles of low investment, low growth, a growing budget deficit, rising unemployment, inflation, and general economic decline (Chimanikire 1998). These problems set the stage for the next stage of structural adjustment programmes (SAPs).

(b) The costs of economic reforms and the role of trade unions

Whilst imposition of SAPs was not unique to Zimbabwe, the caution with which the Government approached the exercise was crucial in shaping discourse on poverty, and the role of trade unions in this debate. Like most other African countries, the adoption of the Economic Structural Adjustment Programme (ESAP) by the Government of Zimbabwe in 1991 precipitated high human development costs (Tekere 2001; Makamure, Jowa and Muzuva 2001; Chiripanhura and Makwavarara, undated); and UNDP, Poverty Reduction Forum and IDS, 1999). To deal with some of the social costs of adjustment, the Government adopted the Social Dimensions of Adjustment (SDA) Programme. The aim of SDA was to protect and support vulnerable groups. The Social Development Fund (SDF) was established to coordinate the SDA programme (UNDP et al. 1999:8).

Trade unions in Zimbabwe, led by the Zimbabwe Congress of Trade Unions (ZCTU), have at various times been involved in measures to alleviate poverty.³⁸ The nature and scope of this involvement has been chequered: at times it has characterised by active engagement in policy dialogues and at times there has been apathy and withdrawal. From the perspective of social dialogue, it is important that trade unions continuously play a decisive role in formulating, implementing, monitoring, and evaluating social programmes, particularly those that affect their constituency, i.e. the workers.

Recent focus on poverty alleviation in Zimbabwe can be traced to the human development costs caused by structural adjustment initiatives (SAI) during the 1990s.³⁹ Not only have standards of living fallen across the board, the percentage of households classified as poor rose from 40.4% in 1991 to 63% in 1995/96. At the same time, extreme poverty increased from 16.7% to 35.7%. As a result, there are more people living in poverty in Zimbabwe today than there were 10 years ago when SAI were first introduced. Zimbabwe's *Human Development Report 1999* shows that macro-economic reforms neither translated into higher economic growth nor improved human development conditions (McCandless 2000).

³⁷ For example, while primary school enrolment rose by 83%, child immunisation expanded by 61%, infant mortality declined by 29%, and life expectancy increased from 55 to 59 years, private sector investment fell at a share of GDP from 12% in 1985 to 8% in 1987. Foreign investments dried up while declining primary commodity prices exacerbated a foreign exchange shortage.

³⁸ Labour relations in Zimbabwe fall into two broad categories: i) the Public Service Act (No 21 Of 1995) to cater for Public Service (i.e. service of the State but does not include the prison service, police force, or defence forces; service as a judge; and service as a member of a commission or any body corporate established by or under an Act of Parliament), and ii) the Labour Relations Act (1985), which caters for the private sector and the public sector (other than the public service). Thus, to a large extent, the same labour laws govern employees in local government and state corporations as the private sector (Madhuku and Sibanda 1997:263).

³⁹ UNDP Poverty Report 2000.

Bearing in mind that trade unions' agenda are crafted to focus on the needs of their membership and the prevailing micro and macro-economic conditions, it is then apparent why ZCTU engaged in the discourse on poverty alleviation during this phase of Zimbabwe's development. However, this has not always been the case. An alternative view suggests that soon after Independence, the locus of decision-making in the majority of African countries shifted to the arena of closed circuits, State commissions, Cabinet Secretaries, and Presidential advisory bodies (Mihyo and Schiphorst 1995). There is a sense in which trade unions in Zimbabwe were, until late 1990s, a captured entity.

Strictly, SDA was a programme for social protection rather than poverty alleviation. Due, perhaps, to the limitations of the safety net in addressing deeper structural issues, in 1994 the Government adopted the Poverty Alleviation Action Programme (PAAP) 'to broaden the scope of SDA so as to address wider issues of poverty' (*ibid.*). The overall objective of PAAP was the 'reduction of poverty and unemployment through the implementation of programmes targeted at the poor and vulnerable segments of the population, and those adversely affected by the structural changes occurring in the economy' (*op.cit.*).

During this formative stage of Zimbabwe's poverty alleviation strategy, the role of ZCTU was hardly noticeable. In Chimanikire's (1998) review of Zimbabwe's poverty alleviation strategies, the name 'ZCTU' does not appear even once, let alone the term 'trade union'. This is partially explained by the socialist policies pursued by the Government throughout the 1980s. Given the redistributive nature of the policy regime at the time, trade unions were essentially allies for the Government. The implication is that they had not developed a voice (or the capacity) to engage at first hand on matters of critical importance. For trade unions, it was convenient to leave the matter of social policy to the Government while dealing with the traditional forms of tripartite dealings. The national and regional political dispensation gave little legitimacy, if any, to issues outside the concerns of the frontline states.

(c) Poverty alleviation strategies and crises of ownership

Zimbabwe's National Strategy to Combat Poverty is outlined in the policy framework document for Poverty Alleviation Action Programme, which was drawn up by Government and was given the final seal of approval at the Consultative Group Meeting in Paris in December 1993. Unlike its predecessor, which did have some direct benefits to labour but did not have a clearly defined framework for the involvement of trade unions and other social partners, the PAAP strategies provide for amongst others:

- ❖ Engaging Non-Governmental Organisations (NGOs), the private sector, and a broad range of civil society in partnership in the various tasks of poverty alleviation
- ❖ Decentralising decision-making in such a manner that the poor will be able to participate effectively
- ❖ Mobilising popular support for the implementation of poverty substantive policies that lift the poor from welfare into income earning productivity
- ❖ Greater emphasis on social policy and monitoring of poverty alleviation programmes for sustainable human development
- ❖ Allocating resources to facilitate the consultative process amongst partners in order to bring about community involvement

In general, given the above framework and assuming that the benefits of co-operation are more than the costs, it is logical to expect effective social dialogue and co-operation. However, the reality of most externally-driven programmes is that they have a potentially disempowering effect on local actors. Under globalisation, for example, the growing influence of Trans-National Corporations (TNCs) is proportional to the loss of influence by governments and trade unions. Certainly, previous experiences obtained during the course of tripartite negotiations, established frameworks, and the nature of the relationships, mindsets, etc., are critical variables that influence how individuals, institutions, and even entire economies respond to external shocks (Trebilcock *et al.* 1994).

Below two cases are cited to elaborate the arguments made above. Case 1 is on the Structural Adjustment Participatory Review Initiative (SAPRI) while Case 2 concerns the National Economic Consultative Forum (NECF).

Case 1 – The Structural Adjustment Participatory Review Initiative⁴⁰

SAPRI programme was launched in 1997 as a tripartite dialogue project between civil society, governments and the World Bank. Seven countries, including Zimbabwe, were chosen to participate in the exercise. The others were Bangladesh, Ecuador, Ghana, Hungary, Mali, and Uganda. A National Steering Committee was constituted, which identified The Poverty Reduction Forum – a network of individuals and organisations working on poverty, which is based at the Institute of Development Studies, University of Zimbabwe – as the lead agency.

At a SAPRI Steering Committee meeting held in August 1997, it was agreed to embark on outreach programmes in the form of one-day workshops. This was considered necessary because civil society had neither been involved nor consulted since the establishment of ESAP. Such workshops would make the programme truly participatory. For this to succeed, it was necessary to set up structures throughout the country so as to reach and involve people at grassroots level, for they are the economy's most vulnerable group. Moreover, to prepare for these workshops, it was agreed that those organisations with regional structures would help to organize them. The ZCTU and the Zimbabwe Council of Churches (ZCC) were tasked to co-ordinate these programmes through their regional structures.

Based on the agreements of the Steering Committee, five regional workshops were held between November 15, 1997, and February 7, 1998, in the following provincial centres: Bulawayo, Gweru, Masvingo, Chinhoyi, and Mutare. In addition, 50 workshops were planned at district level and there was to be one (1) national workshop. The regional and district workshops were attended by, at most, 50 individuals who had been specially invited and were drawn from various clusters such as workers, housewives, the unemployed, informal sector workers, students, business persons, human rights activists, pastors, women's organisations representatives, members of resident's associations, bus operators, teachers, and nurses.

The SAPRI methodology framework (which had been adapted to local conditions) was used in preparing and facilitating the workshops.⁴¹ The issues covered included:

❖ Reviewing ESAP

⁴⁰ For a description of the project, see www.worldbank.org/research/sapri/sapridesc.htm.

⁴¹ The SAPRI Methodology Framework can be viewed at the World Bank website, SAPRI web page: www.worldbank.org/research/sapri/index.htm#method.

- ❖ The impact of ESAP on communities; reflection on the imposition of ESAP, governance problems, the cost of living, etc.
- ❖ The definition of SAPRI and the need to involve people/community in the process
- ❖ Gender implications of adjustment policies

After presentations, the participants broke up into five (5) groups. Each group was assigned a topic in question form to guide their discussion. The kinds of questions asked were as follows:

- ❖ What has been your community experience of ESAP?
- ❖ What strategies do you suggest for effective community ownership of the SAPRI exercise?
- ❖ What is the role of organisations and communities in SAPRI field research?
- ❖ What should be the role of the state in the development process?
- ❖ What is required to achieve the roles?
- ❖ What has been your experience of trade liberalisation and globalisation?
- ❖ What should be done to make it beneficial to Zimbabwe?
- ❖ What are the problems with the national budget?
- ❖ What should be done to resolve the budget deficit?

Responses and contributions by the participants were very informative. Despite the progress that was being made to get people involved in dialogue, in mid-1999 the Government decided to withdraw its participation from the programme after raising 'concerns'. Although this did not totally derail the programme, as is evident from its continued activities (e.g. National Forum held in September 1999; research conducted on impacts of liberalisation in financial, agricultural and labour markets), SAPRI was not the same without the participation of Government as one of the key social partners. SAPRI has now been concluded, but Zimbabwe was not represented at the Second SAPRI Global Forum held from 30-31 July 2001 in Washington D.C.

The dilemma created by the withdrawal of Government from SAPRI raises a number of questions.

First, what should be the response of local actors and donors when a social partner decides to vote with their feet? One of the lessons to emerge from the SAPRI process is that a significant shift has taken place in thinking on development, placing country ownership at the centre of development assistance. Achieving country ownership requires the involvement of all stakeholders in *social dialogue*. A number of countries have prepared or are in the process of preparing Poverty Reduction Strategy Papers (PRSPs). Zimbabwe is not one such country (see Case 2 for further discussion on this point). However, members of civil society decided to proceed with research and other activities and much information was generated in the process. As part of collective memory, such information could form a critical input in formulating policies and strategies that link up with the overall macroeconomic policy framework. This, however, requires the involvement of the Government in key negotiations. Bringing the Government back on board is, in our view, the most important challenge facing civil society, and bilateral and multilateral agencies.

Case 2 – The National Economic Consultative Forum

The National Economic Consultative Forum (NECF) is a multi-sectoral body that was formed by the Government in 1997 to search for solutions to Zimbabwe's economic problems. The private sector and labour are also part of the NECF. The first NECF meeting was held in Harare on 22 January 1998. President Robert Mugabe is the patron of NECF. The NECF provides a broad participatory consultative framework for an exchange of views on national economic and related issues. Some of the issues that have been discussed extensively include the question of land redistribution, which has engrossed the country's psyche ever since the end of 20th Century; the Zimbabwe Programme on Economic and Social Transformation (ZIMPREST); the indigenisation of the economy; small and medium enterprises (SMEs); the foreign currency shortage, and so on. Specific task groups have been formed to discuss each of these thematic areas in detail.

Since Zimbabwe does not have a Comprehensive Development Framework (CDF) or a Poverty Reduction Strategy Paper (PRSP), let alone an Interim-Poverty Reduction Strategy Paper (I-PRSP), to what extent can processes such as NECF be used to embed a poverty reduction strategy? Of course, developing a PRSP is not an end in itself. However, to paraphrase James D. Wolfensohn, it is the only way to achieve international development goals. Given the comprehensive coverage of the issue discussed by NECF, the establishment of such a forum is indeed a possible route, and a shorter one at that, that can serve the objective of mending relations between Zimbabwe and its multilateral and bilateral partners. What is not clear, however, is the role of the NECF. Is it a mechanism to capture development discourse in order to ensure that the relevant authorities conform to the official ruling party position?

The latter question is of dual significance, at the very least. Firstly, in a state with a track record of using patronage to consolidate political power and influence, such a proposal serves to characterise the dominant political culture. Understanding such variables is critical to the success of social dialogue because it flags reinforcing and limiting factors that participants to the dialogue have to address. Secondly, the issue of trust is not to be taken lightly, particularly since there is a precedence of walking out by parties involved in social dialogue. Trust between labour and government is crucial in social dialogue. Where there is little or no trust, transaction costs are likely to be high, as shown by the amount of time it has taken to hammer out a social contract in Zimbabwe, where accusations and counter-accusations about lack of good faith by one or the other party were all too common. The lack of a CDF in Zimbabwe today is partly related to the low trust account of the social partners. It is a prisoner's dilemma. Unfortunately, there is no easy road to building trust besides developing mutually acceptable procedures for addressing problems and religiously following through with the agreed procedures without exiting. This is what is needed to effect bona fide *social dialogue*.

III Conclusions

Given the nature and extent of poverty in Zimbabwe, trade unions have a major role to play in its alleviation. This role is best performed using the mechanism of social dialogue to articulate preferences that are broad-based and inclusive. The institutional environment in which social dialogue takes place is important in shaping the outcome of the process. Therefore, social partners, both local and external, have a role to play in creating an atmosphere

of trust that would ensure that transaction costs are minimised and progress is made in eradicating Zimbabwe's ever-increasing poverty.

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Commentary on Chapter 11

Trade Union Interventions on Poverty Alleviation in Zimbabwe

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I Introduction

The role of social dialogue in economic development has long been recognised. The ILO has already done an excellent job of promoting social dialogue through tripartism. Social dialogue ensures that all stakeholders participate in finding solutions to the challenges facing the country. In this regard, it enables government to harness the innovativeness of its people. More importantly, it ensures that differences are addressed through dialogue, which reduces tensions amongst stakeholders. In this regard, social dialogue facilitates the creation of conditions of peace and stability.

Social dialogue helps establish a culture of trust and good faith. It also and teamwork and helps develop a win-win approach to development. It also enables stakeholders to put national interests ahead of their sectarian interests, thus enabling them to always look at the bigger picture. It is increasingly accepted, even by organisations such as the World Bank and IMF, that social dialogue engenders national ownership of development programmes, thus enhancing the chances of success. Furthermore, social dialogue promotes democratic participation in all facets of development.

II Examples of Zimbabwe trade unions' interventions to alleviate poverty

(a) Development of people-oriented alternative development strategies

The incidence of poverty in Zimbabwe has grown over time. Just before the introduction of the Economic Structural Adjustment Programme (ESAP) in Zimbabwe, 40% of Zimbabweans were living below the poverty line. However, with the implementation of ESAP in 1991, poverty levels increased to 75% in 1995/6 and currently stand at 80%.

Realising that poverty alleviation is related to the type of development strategy adopted, the trade unions in Zimbabwe have, since early 1990s, sought to influence the choice of economic strategy. In this regard, the Zimbabwe Congress of Trade Unions (ZCTU) put together a team of experts on trade, labour markets, finance, industry, agriculture, development and gender to develop an alternative economic strategy.

In 1996, the ZCTU launched a publication entitled *Beyond ESAP: An Alternative Development Strategy for Zimbabwe*. This espoused a strategy that integrates the formal and informal sectors of the economy and began by focusing on people, in contrast to the growth-oriented policies of ESAP. It calls for empowerment of people through entitlement to assets. The publication also proposed the establishment of an institutional framework for dialogue by social partners similar to the National Employment Development and Labour

Council (NEDLAC) of South Africa. In fact, in October 1996, the ZCTU organised and co-ordinated a tripartite study-visit to South Africa to learn from NEDLAC's experiences. As a result, the tripartite partners agreed to establish a similar institution in Zimbabwe and so, based on the study visit, and other initiatives, the National Economic Consultative Forum (NECF) was launched in June 1977. The NECF was created as an institutional framework for dialogue and stakeholder participation in the formulation, implementation, and evaluation of economic policies in Zimbabwe.

However, the NECF deviated from the initial proposal in that its members were drawn on an individual basis and was quite without any institutional representation. This undermined any broad-based ownership of policies. As a result, the ZCTU found it difficult to participate in such a structure and withdrew from it in 1998.

(b) Negotiations for national minimum wages based on the Poverty Datum Line (PDL)

Following a 70% increase in the price of fuel, and given the high levels of poverty prevailing countrywide and, more particularly, the incidence of the working poor, the ZCTU mobilised workers on the issue of a living wage. As a result, Government and businesses agreed to negotiate an incomes policy to alleviate hardships. Negotiations subsequently started under the Tripartite Negotiating Forum (TNF).

The three parties agreed to implement minimum wages as follows:

- ❖ For Industry and Commerce, a minimum wage of Z\$8,925.96 based on the Urban Poverty Datum Line
- ❖ For Agriculture, a minimum wage of Z\$4,181.38 based on the Urban Food Poverty Datum Line
- ❖ For Agro-industry, a minimum wage of Z\$7,902.54 based on the Rural Poverty Datum Line

The National Employment Councils (NECs) applied for exemption, voicing some concerns with the new minimum and wages. The processing of exemptions is ongoing, although all stakeholders agreed on the underlying principles. This approach helped to link minimum wages to the PDL and to address the problem of the working poor. In addition, it was agreed that no one below the PDL should be taxed. (Previously, the tax threshold started at an income level of Z\$5,000 per month.)

(c) Participation in the Social Dimensions of Adjustment Programme and employment creation for retrenchment workers

In addition to its participation in the Board of the Social Dimensions of Adjustment Programme, the ZCTU has created its own projects. In conjunction with the ILO, the ZCTU provides training on how to start and run a business for retrenched workers. A few successful ventures have been started. However, due to limited resources and the current withdrawal of donors from Zimbabwe, the project is at a standstill.

Furthermore, the ZCTU has, through its Employment Creation Unit, helped workers acquire their enterprises. Furthermore, the ZCTU has helped train parastatal unions on how to use the Employee Share Ownership Plan (ESOP) to empower workers in privatising entities.

(d) The Zimbabwe decentralised co-operation project and the Cotonou (Partnership) Agreement

Under Lome IV, civil society groups were provided with an envelope with which to identify and fund projects aimed at alleviating poverty. The ZCTU is actively involved in this ongoing programme. So far, the pilot phase has resulted in the identification of six projects in the poorest districts of each province. The idea is to expand the project beyond the pilot phase, on the basis of lessons learned through experience. Zimbabwe is the first country to implement a decentralised project under the Lome Agreement.

The successor to the Lome Agreement, the Cotonou (Partnership) Agreement has elevated civil society to the same level as Government and the EU. This implies civil society is now a partner and is entitled to receive at least 15% of what Government receives from the European Development Fund (EDF).

The focus of the Cotonou (Partnership) Agreement is the reduction and eventual eradication of poverty. Thus, through this arrangement, non-state actors (the official name for civil society in the Agreement) can access resources for capacity-building and poverty alleviation.

(e) Expanding the range of negotiable issues

Trade unions in Zimbabwe have tended to focus solely on wages. However, in the context of rising inflation (97.3% as at October 2001), it is difficult to sustain livelihoods on wages alone. The ZCTU is actively seeking to diversify the range of issues for negotiations to include housing, transport, day-care centres for workers' children, education allowances, and restructuring.

(f) Organising the informal economy

The role of the informal economy has long gone unnoticed. However, with over 1.7 million Zimbabweans eking out a living from the informal economy, the ZCTU has initiated organising strategies to improve conditions of service for informal sector workers. The ZCTU's interventions are also directed at making the informal sector more visible to policy-makers.

(g) Participation in governance

(Realising that sustainable poverty reduction can only occur when workers are actively involved in national governance, the ZCTU has played an increasingly important role in fighting for democratic participation in all spheres of life: political, social and economic. This includes ensuring that policies are pro-poor and integrate gender considerations.

Chapter 12

Poverty Alleviation through Social Dialogue: The Role of Trade Unions in Ghana

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I Introduction

One of the basic social problems facing Ghana is the high incidence of poverty. The poor in Ghana are found mainly in the rural areas and are involved primarily in agricultural activities. Poor households tend to be larger in size than non-poor households: the average size of the poor household is 6.05 members compared with 3.95 for non-poor households. Significant differences exist between the poor and the non-poor in terms of educational attainment and occupational status. Those people with little or no education at all contribute more to poverty than do those with some level of education. The poor tend to have lower levels of numeracy and literacy. There are also significant gender differences in poverty. Compared to male-headed households, female-headed households are found to be poorer. This differential in poverty may be traced to discrimination against women in the labour market and in the ownership of property, especially land, in Ghana.

Although the economy recorded an average growth of 4.4% per annum over the 1990s, about 43% of the population lay below the upper poverty line of ₵900,000 (\$120) in 1998/99. Given the remarkable recovery of the Ghanaian economy, which had recorded positive growth of GDP since 1984, reductions in the levels of poverty were not unexpected. Overall poverty declined by 12.2% to 39.3% between 1991/92 and 1998/99 while extreme poverty declined from 36.5% to 26.8% over the same period. On average, poverty declined more significantly among paid workers, whereas it increased for non-farm, self-employed workers.

The incidence of poverty in Ghana differs significantly by type of employment. This means that access to particular types of employment, and hence the pattern of investment and job creation all exert a significant influence on the pattern of poverty. Therefore, for poverty reduction programmes to be effective, greater attention should be paid to the level of and access to earnings.

According to the Ghana Living Standard Survey (GLSS), poverty is mainly associated with rural employment, except in the case of export farmers. Food crop farmers account for at least 57% of Ghana's poor. Apparently, the food crop sector is the smallest beneficiary of public investments and subsidies. It can be claimed that welfare status of export farmers is due largely to governmental support, in terms of technical training and other export promotion packages (Boateng 2001b).

II A brief on the Ghana Trades Union Congress

The Ghana Trades Union Congress (TUC) was formed in 1945 when fourteen unions registered under the Trade Union Ordinance of 1941 came together under a central co-ordinating body. It was recognised under the Industrial Relations Act 1965 as the main umbrella organisation for labour union activities and is the official mouthpiece of unionised labour in its dealings with the Government and with the Ghana Employers' Association. The TUC is currently made up of seventeen national unions constituted along industrial lines.

The TUC was established to work towards the achievement of the following objectives:

- ❖ To unionise all workers in Ghana under a united trade union movement
- ❖ To secure social, political, and economic justice in Ghana and to ensure that workers benefit from these through collective action
- ❖ To support the effort of affiliated unions to improve wages, shorten hours of work, and create better conditions of service at workplaces
- ❖ To support the promotion of work efficiency and improve productivity at workplaces
- ❖ To ensure the ratification and application of ILO and other international Conventions with the view of harmonising world labour practices

The TUC has representation on several public boards and committees on behalf of Ghanaian workers. These include the Tripartite Committee on salaries and wages guidelines and the National Advisory Committee on Labour and Divestiture Implementation Committee, among others. Trade unions have been active in the formulation of national economic policy through their participation in national forums such as the National Economic Dialogue and its predecessor, the National Economic Forum. At these meetings, the TUC presents papers based on the consensual position of the 17 national unions as well as the Conventions and Resolutions of the ILO and other international (mainly UN) bodies.

Between 1987 and 1991, the membership of TUC declined by about 20% from 371,000 to 297,000. However, between 1991 and 1995, total membership increased by about 75% to 521,000. Various reasons account for the initial decline in the TUC membership. Firstly, the retrenchment in the public sector resulted in the loss of employment of about 150,000 workers between 1988 and 1992. Secondly, a change in the sectoral composition of employment caused a shift of jobs from formal to the informal sectors, where unions usually do not operate (Boateng 2000). Thirdly, the withdrawal of certain public service workers from their respective national unions also caused the TUC to lose members. For instance, Judicial Service staff pulled out of the Public Service Workers Unions (PSWU) to form an independent organization under the name 'Judicial Service Staff Association of Ghana' (JUSSAG). However, the increase in union membership between 1991 and 1995 may be attributed to the efforts of the TUC to widen the scope of its membership to include officer-level personnel.

III The role of trade unions in poverty alleviation in Ghana

(a) *Collective bargaining*

The TUC in Ghana uses collective bargaining as a tool in determining wages and other forms of working conditions for their members. This instrument has been effectively employed to help alleviate the income and poverty of members and non-members alike. According to the GLSS 1998/99, less than 10% of the poor are wage employees, of whom the majority are members of the TUC

One of the major reasons for this low figure is the public policy that has kept the minimum wage above the poverty threshold. Between 1991/92 and 1998/99, there was a significant decline in the incidence of poverty among paid workers in the public, private, and informal sectors, where wages are based on the minimum wage. One can attribute better health and safety conditions, better housing, and education for children among others in some establishments to the collective efforts of trade union.

Trade unions in Ghana also use the collective bargaining process to minimise income disparities, especially between management and junior workers. Through trade union bargaining, the ratio of the salary of the top worker in the public services to that of the lowest paid was reduced from over 30:1 in the early 1960s to 17:1 in the 1980s. However, under the Structural Adjustment Programme (SAP), this ratio has risen to 24:1.

Since 2001, the TUC has been making efforts to persuade the Government to restore the End of Service Benefit (ESB), which was abolished in the mid-1990s. The abolishing of the ESB contributed significantly to the worsening conditions of the retired workers, since their pensions are woefully inadequate.

(b) *Mobilising and campaigning for national development*

Since its inception, the TUC has mobilised the country for tasks of national importance. It has campaigned against policies that seem to have the potential of worsening the plight of the poor. Notable among these include (i) the introduction of the Value Added Tax (VAT) in 1995, (ii) the Government's decision to accessing the Highly Indebted Poor Country (HIPC) initiative in 2001, and (iii) the policy of Private-Public Partnership (PPP) in the urban water sector schedule. In 1995, the TUC was among the group of activists that demonstrated against the introduction of the VAT that led to its subsequent suspension.

Not in all cases could the actions of the TUC totally prevent the Government from implementing the policies. However, their concerns – and those of the poor – were taken into account before policies were implemented. For example, when the Government reintroduced VAT in December 1998, it started with a rate of 10% before raising it to 12.5% in 2000 as against the proposed 15% of 1995. Moreover, sufficient education went into its introduction and items like food and drugs, which have direct impact on the poor, were exempted. The action of the TUC has also compelled the Government to undertake extensive consultation regarding the private participation of urban water delivery.

The TUC's opposition to Ghana's inclusion among the Heavily Indebted Poor Countries (HIPC) initiative perhaps contributed to the very liberal consideration that the country received from donors thereafter. Ghana was able to reach decision point within one year, and appears to be receiving the largest foreign relief of \$273 million a year (Mozambique receives under \$100 million).

It can also be claimed that the role of trade unions is the main reason for the low level of discrimination against women in the formal labour market (Boateng 2001a). The TUC is also directly involved in economic activities for the benefit of its members and society at large. For example, it has established, as a strategic partner, the Labour Enterprise Trust (LET), from which have emerged Unique Insurance, a metered taxi service, a water tanker service, and a car park.

(c) Participation in the PRSP process

Under the HIPC initiative, the Government of Ghana is expected to formulate a PRSP with the participation of civil society, donors, and international organisations. The PRSP provides the framework for concessional assistance from the World Bank and the IMF and outlines the medium- to long-term anti-poverty strategies. The PRSP must identify the key obstacles to faster growth and poverty reduction, specify realistic poverty reduction goals, and set out macroeconomic, structural, and social policies for reaching those goals (IMF, 2001). Accordingly, after adopting the HIPC initiative in March 2001, the Government prepared and published the Ghana Poverty Reduction Strategy (GPRS) as a guide for the efficient implementation and utilisation of HIPC funds.

By involving all stakeholders, including the trade unions, in the preparatory stages, public policy plans have a greater chance of being successful and acceptable to all. However, there was a limited consultation in the preparation of the Ghana Interim Poverty Reduction Strategy Paper (PRSP) 2000-2002, which was prepared by the Ministry of Finance in June 2000. The TUC claimed that it was not at all involved in the preparation of the latter.

Following widespread criticism, the preparations of the Ghana Poverty Reduction Strategy (GPRS) for the year 2002-2004 did not overlook civil society and the TUC. In the process of participation, the TUC formally presented its memorandum on the GPRS. The trade unions emphasised labour standards, equity, tax policies, and new investment involving the poor, food crop growers, and women.

To ensure that decent work and fair remuneration prevail as prerequisites for the material well being of workers, the TUC insisted adherence to labour standards. Thus, at the core of poverty reduction and the promotion of social well-being is the adoption and application of labour standards. A guarantee of decent living for workers and their families demands, among other things, that due recognition is given to cost of living and inflation as well as productivity in the determination of salaries and wages. This is undoubtedly a sure way of ensuring equity in the system.

For tax policies to work in tandem with the objective of reducing poverty, their structure and the laws should be progressive. If income tax structure becomes more regressive it tends to favour the non-poor. It is evident that apart from the fact that poverty is a rural phenomenon, it is also observed that there is a heavy concentration of the poor in four regions, namely the three northern savannah and central regions. This is, in part, due to the unfair distribution of new investment. It is therefore imperative that poverty reduction programmes ensure the reversal of the concentration of investment in those few regions where poverty is relatively low.

Since Ghana's PRSP is primarily aimed at lifting the poor out of the vicious cycle of poverty, women, children, the aged, and the physically- and mentally-challenged persons who constitute the majority of the poor should be

adequately consulted, regardless of the financial costs and their social status. Above all, with poverty being highest among the food crop growers, a more focused and strategic role should be accorded to the sector. Furthermore, greater attention should be given to the structural bottlenecks of limited access to credit, and marketing and storage difficulties, all of which inhibit the release of the great potential of this productive sector of the economy. The planning of job creation and other measures of reducing poverty should target women, as a relatively high percentage of women in Ghana are poor.

The five main pillars of the GPRS, which is meant to support growth and poverty reduction over a three-year period of 2002–2004, include:

- ❖ Macroeconomic stability through prudent fiscal, monetary, and international trade policy measures
- ❖ Increasing production and gainful employment by creating an enabling environment for improved private sector-led agro-based industrial production propelled by the application of science and technology and the promotion of tourism
- ❖ Human development and provision of basic services for the poor, with particular reference to health, HIV/AIDS control, water and sanitation, education and training, and population management
- ❖ Establishment of special programmes for the vulnerable and excluded, and provision of resources to ameliorate conditions of extreme poverty and social deprivation
- ❖ Ensuring good governance by establishing and strengthening the leadership and overseeing the functions of the executive and legislature. This will help ensure effective implementation of the poverty reduction programme and project

It is worth noting that sufficient consultation on the part of the Government in the formulation and implementation of public policies is the surest way of getting the full support of the masses, since public policies are geared towards the well-being of the masses.

IV Conclusions

Any successful poverty reduction strategy should fully involve civil society, trade unions included. Trade unions do not only represent the interest of their members, but also speak for the entire nation, especially where government efforts are inadequate. With their membership covering working women and men, informal sector (though limited) and formal sector, the youth and the rural sector, any effort to fight for better condition of service could be translated into attacking poverty indirectly. In Ghana, each paid worker caters for at least eight dependants. In addition, the resources of paid workers support most informal sector activity. As part of its civil duty, the TUC empowers the working poor and involves them in poverty alleviation. In relation to this, the greatest challenge the TUC faces is that their operations hardly cover the majority of the poor, i.e. those in the informal sector, for only a minority of the poor are wage employees.

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Part Three : The Way Forward

Chapter 13

Technical Co-operation Programme on Promoting Trade Union Participation in the PRSP Process in Africa

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I Background and context

Partly in response to the critique of many of their structural adjustment programmes, the IMF and the World Bank adopted new frameworks for concessional lending to poor developing countries in September 1999. Henceforth country-owned (rather than IFI-driven) poverty reduction strategies were to provide the basis of all IFI concessional lending, and were to guide the use of resources freed by debt relief under the enhanced HIPC Initiative. This shift in overall policy goals implies, among other things, that IFI policies have to move away from focusing exclusively on economic growth per se, to deal with questions of distribution, and access to resources and services in order to raise the living standards of the poorest members of society.

The international trade union movement welcomed this new IFI strategy as a decisive step towards more realistic and socially responsible policies. It particularly welcomed the invitation made to trade unions and other civil society organizations to work with governments in the preparation, implementation and review of so-called *Poverty Reduction Strategy Papers* (PRSPs) that were to become the official policy documents with regard to economic and social policies in what in WB parlance would later be called 'PRSP countries'.

However, many of the first PRSPs have not lived up to the commitment that trade unions, as civil society organisations, be involved in PRSP formulation. There were instances in which civil society participation took place but where organized labour was not invited at all, while in many other consultation processes where trade unions were actually invited, this did not happen in a meaningful way. It is still not clear today, and also varies from country to country, what civil society participation actually means.

Nor can one overlook the fact that the responsibility for flawed or unsatisfactory participation processes does not lie exclusively with the IFIs or the national governments of 'PRSP countries'. Even in cases where civil society organisations (CSOs), to include trade unions, were given the space to express their views on government policies in the context of a PRSP, most of these opportunities were used ineffectively. More often than not, trade unions' lack the technical capacity to engage with their respective governments and to come up with credible alternatives to those government policies that, directly or indirectly, affect workers and their families.

These challenges inherent in the PRSP process have also been given due consideration by the ILO. While the ILO welcomed the new attention the IFIs were paying to poverty reduction, it soon became apparent that the ILO's Decent Work Agenda was largely absent from PRSPs. Furthermore, issues such

as how to promote decent jobs in order to reduce poverty and how to overcome the weak participation of ILO constituents in the PRSP process led the Organisation to launch a PRSP programme in 5 pilot countries (Cambodia, Honduras, Mali, Nepal, and Tanzania) in 2000. This was a means for the ILO to become directly involved in the PRSP process in order to demonstrate the positive contribution of its Decent Work Agenda to poverty reduction. The list of participatory countries has since increased, and another programme for constituents focusing on capacity-building for effective social dialogue in the PRSP process has been launched.

The ILO's efforts have been complemented by continual trade union engagement with the IFIs. In a high-level meeting in October 2000, 80 TU leaders from all over the world met with the leadership of the IMF and the World Bank. Among the issues raised were the shortcomings regarding labour's involvement in PRSPs and the sense that many of the participation processes were seriously flawed. Another issue of discussion was the attitude of IFIs towards the Core Labour Standards (CLS), as laid down in the *ILO Fundamental Declaration of Principles and Rights at Work* of 1998. Although it must be recognised that the World Bank and the IMF have stated their support for the respect of CLS, it has yet to be reflected in the IFIs country-level policy recommendations. In many respects, the latter continue to put forward *de facto* recommendations that deny the respect of CLS and, more generally, workers' rights. Both issues were taken up once more, but on a more technical level, in another meeting between ICFTU, TUAC, ITS and the IFIs in July 2001.

For a number of donor countries in the North, the respect of fundamental labour rights is being increasingly recognised as a vital element of any pro-poor development strategy. In Germany, for example, new policy guidelines as well as an implementation strategy for the promotion of core labour rights in German development aid have been adopted. Part of this policy is to promote CLS within multilateral aid from, for example, organisations such as the World Bank.

Given its role in promoting workers' rights within the context of German development aid, the Friedrich-Ebert-Stiftung (FES) was asked by the German Ministry for Economic Co-operation and Development (BMZ) to come up with concrete proposals on how to support the promotion of Core Labour Standards and workers' rights within the World Bank framework. The FES subsequently put together a team of experts from the international trade union movement, including a representative of the ILO Bureau for Workers' Activities (ILO/ACTRAV). At the end of July 2001, the team held discussions with senior officials of the Bank's Social Protection Unit in Washington on the possibility of joint activities on the ground in order to i) complement the dialogue between the union movement and the IFIs at leadership level, and ii) to act concretely on the promotion of CLS and workers' rights within the context of relevant World Bank policies.

Based on the discussions with the World Bank and the ILO, as well as a broad understanding among the team members, FES was tasked to propose a framework for a pilot project that would combine dialogue between the World Bank and unions from developing countries on policy issues affecting workers; capacity-building for trade union leaders from these countries; and ongoing support to unions by assisting them to participate meaningfully in World Bank-inspired national economic and social policies such as PRSPs. It was further agreed that, for practical and other reasons, activities should focus on PRSP countries in Anglophone Africa where the FES has a presence,

and where the unions are interested in participating. Furthermore, in the light of the ILO's ongoing work in Anglophone Africa, the project would provide an opportunity for fruitful linkages that would be beneficial to all parties. The first draft of this framework was subsequently presented and discussed in a regional workshop on 'Poverty Alleviation through Social Dialogue: The Role of Trade Unions in English-speaking African countries'. Organised by the ILO/ACTRAV in Nairobi in December 2001, the workshop saw the framework broadly accepted by the participants, among whom were trade union leaders from some of the countries to be involved.

The proposed pilot project consists of three elements, namely capacity-building with dialogue, assistance to participating trade unions on the ground, and the provision of a feedback mechanism for political lobbying. Only the first part relates to joint activities with the World Bank; the other two components will only involve the unions in English-speaking Africa, and their regional and international structures and support organisations, i.e. FES and ILO/ACTRAV.

II Institutional framework

'Promoting Trade Union Participation in the PRSP process' is a joint project organised by the ILO/ACTRAV and FES. A Steering Committee comprised of one representative of both ILO/ACTRAV headquarters and FES headquarters will oversee and co-ordinate the project and liaise with other stakeholders such as the World Bank.

Practical implementation of the project will rely mainly on FES Country Offices in consultation with ILO/ACTRAV Regional Officers. The project will employ a trade union consultant as chief technical advisor, for whom the main task will be to organise the orientation seminar and in assisting the setting up and the work of the African trade union support network.

The project will closely liaise with ICFTU (Washington Office and African Regional Organisation), the Global Union Federations (GUF), and other fraternal organisations such as ACILS that can provide intellectual and financial input.

III Target groups

The project is targeting trade unions in English-speaking African countries in which, firstly, PRSP processes are already underway or will be in the near future and where, secondly, FES local offices are present. This includes Ghana, Kenya, Uganda, Tanzania, and Zambia. Malawi is another PRSP-country where FES is actively involved through its Zimbabwe office. Participants from Mozambique and Angola (also PRSP-countries) will also be invited to regional capacity-building sessions if their command of English allows them to participate meaningfully in the seminars. This is not anticipated as being a major problem for Mozambique. However, in the case of Angola, problems are to be expected. Finally, for the training sessions, trade unionists from Zimbabwe – a potential PRSP country, once the political obstacles for renewed engagement of Bretton Wood institutions are removed – will be also invited to the capacity-building programme and could receive local assistance, once a PRSP-process is in place.

In the main, the programme is designed to benefit trade union centres. However, in most countries it will also be necessary to involve industrial unions, and public sector unions more particularly, when it comes to issues such as privatisation.

As far as participation in *regional training sessions* is concerned, each of the participating countries will be represented by a team of three to four trade unionists, preferably one national office bearer from the trade union centre, one chief economist or economic adviser/consultant to the national centre, one representative of an industrial union/public sector union, and, in some instances, one representative of a non-affiliated union such as a teachers union. At least one of the members of each team should be a woman. Participants in regional seminars must be properly mandated by their respective trade union movements. The mandate must include their participation in trade union teams assigned to participate in processes of consultation/negotiation with their national governments and local WB offices on matters pertaining to poverty reduction strategies and other macroeconomic and structural policies related to PRS. At least one member of each delegation must have some expert knowledge or training as an economist or a social scientist. Nominations to regional seminars must have the prior approval of FES local offices.

IV Objectives

(a) Development objective

The development objective is to contribute to the respect of trade union and workers' rights, as well as more labour-friendly and socially responsible policies through meaningful participation of trade unions in World-Bank-inspired national economic and social policy processes and WB Country Strategies.

(b) Immediate objectives

The immediate objectives of the project are:

- i. To enable trade unions to participate effectively and successfully in national economic and social policy processes and in ILO programmes such as Jobs for Africa.
- ii. To strengthen trade unions' competence in understanding and assessing important economic and social policies/policy alternatives as well as the trade-offs of different policy options.
- iii. To develop trade unions' understanding of WB policy processes, such as the Poverty Reduction Strategy Paper (PRSP) process, and mechanisms of how to participate in and influence these processes.
- iv. To enable trade unions to present viable policy alternatives to market fundamentalist approaches in PRSPs and related economic and social policy processes.
- v. To strengthen trade unions' capacity to influence the formulation of agreed between national governments and the WB and effectively lobby for policy alternatives, monitor their implementation and evaluate the results.

V Indicators of objective achievement

- i. Trade unions are routinely called to participate in social dialogue on PRSPs and related economic and social policies.
- ii. Trade unions present substantive policy proposals, both orally and in written form, in PRSP processes
- iii. Trade unions are consulted by Bank missions on WB country assistance strategies

- iv. PRSP documents include policy compromises that take on board trade union views on important policy issues
- v. Members of the World Bank Board of Directors are aware of trade union positions on PRSP and CAS of the countries involved

VI Outputs

The major outputs of the project are as follows:

- i. A core team of trade unionists in each of the participating countries is trained on PRSP processes and important substantive policy issues/policy alternatives such as macro-economic and trade policy, privatisation, labour market policy and social protection.
- ii. Dialogue between WB officials and trade unionists is organized and routine contacts are established
- iii. The establishment of national and international support networks for policy advice to trade unions in PRSP and related processes
- iv. The delivery of ad hoc policy advice to trade unions involved in PRSP consultations and related processes
- v. Trade union policy positions regarding PRSPs and related economic and social policies are discussed and agreed upon by relevant trade union structures
- vi. Policy positions regarding PRSPs and related economic and social policies are debated between trade unions and other civil society stakeholders, and common positions on certain issues are agreed upon.
- vii. The production of educational material, studies, etc. deemed necessary to train and inform trade unions as well as to prepare and back up trade union positions in PRSP and related consultations.
- viii. The establishment of a feedback mechanism to convey trade union views to the World Bank board and international lobbying organisations.
- ix. Greater trade union involvement in the ILO's Jobs for Africa Programme, as well as improved trade union input in national economic and social policies.

VII Activities

Considering that country-ownership is an important principle in the PRSP process, the project will place the emphasis on national activities. However, a series of capacity-building activities for national trade union centres will be held at regional level, and these will be complemented by international campaign and lobbying activities.

(a) National activities: Assistance to trade unions who want to engage government on PRSPs.

This component of the programme is premised on the assumption that training, especially one-off training, is not enough to make a difference in engaging governments and the IFIs. There is a need to flexibly respond to trade union needs for targeted technical assistance at national level to assist unions in actually participating in PRSP-related processes, whenever those needs arise. It is envisaged that in each of the participating countries, trade unions, with the support of the local FES offices and/or ILO/ACTRAV and possibly other fraternal organisations, will draw up a 'rolling work plan' of PRSP-related activities that can be adapted to changing circumstances (e.g. government-led policy processes) at any time. The implementation of concrete activities

can then be done on an ad hoc basis. This also means that a detailed plan of national activities for each of country cannot be provided at this stage due to the very nature of the type of assistance to be given.

To allow for maximum flexibility, a **small** fund to finance these activities will be created in each participating country. This fund will be administered by the local FES offices in consultation with the relevant ILO/ACTRAV structures on the ground. Financial resources available could be used to pay for union consultants, research, drafting of TU position papers, small policy or strategy workshops around PRSP-involvement in general (or about concrete issues that the unions want to deal with specifically, for example where governments want to introduce changes in labour legislation as part of PRSPs, or privatise certain public utilities, etc.), workshops in processes of forging alliances with other CSOs from the community or the religious sector around the PRSP, bringing on board the media, and so on. The project will contribute □5,000 to the national funds in each of the participating countries. (We estimate that on average 60% of the funds will be used as honoraria for trade union consultants, 40% for seminars, meetings etc.) Wherever necessary, FES will top up the project contribution from its own funds. This is also an area where other fraternal organisations such as the American Solidarity Center could play an important role and provide useful support to the trade unions. This should be done in a co-ordinated manner, and among all actors involved at national level. (In the long run, the funding of trade union participation in PRSPs through Government or the IFIs themselves must become an issue for debate.)

As most – or by then, practically all – of the countries targeted will already have gone through the three-year process of designing their first *full-PRSP* (based on their interim paper (I-PRSP), where civil society participation is not required), the focus of this assistance will be on monitoring and evaluating the implementation of PRSPs, for instance in connection with the mandatory *Annual Progress Reports*. In connection with this, annual review changes can be made to the PRSP. Trade unions can either attempt to intervene in some of the policies put in place or raise public awareness about any shortcomings, etc.

(b) Regional Activities:

(i) Capacity-building programme for trade union leaders

This programme component will be implemented jointly by ILO/ACTRAV, FES, and its trade union partners on one hand, and the World Bank on the other. The idea is to train senior trade unionists involved in social dialogue and PRSP processes on key policy issues in the form of dialogue at regional level. This dialogue would consist of presenting policies and experiences on each topic, both from the side of the WB and the labour movement. Furthermore, this training should inform unionists about the mechanisms and instruments available to participants. It will be partly based on good practises of some countries, and will also provide a space to reflect critically on the potential risks involved.

Capacity-building should mainly revolve around five topics, namely:

- ❖ Labour Market Issues
- ❖ Macro Economic Issues
- ❖ Privatisation/Public Sector Reform
- ❖ Social Protection

- ❖ Cross-cutting issues (including PRSP, procedural aspects of CS participation, including TU participation)

For each of these issues, presentations and discussions should assist trade unionists in their general understanding of IFI policy prescriptions, the underlying assumptions, how they work and their consequences (positive and negative) for other countries, as well as exposing them to alternative and more labour-friendly policies and experiences that have worked elsewhere in the world.

The programme would consist of two one-week training sessions for the same group of about 25 to 30 participants. The first regional workshop is intended to be held in the last quarter of 2002 (November) and the second one-week-session is to take place approximately six months later (May 2003). A draft curriculum for the first regional workshop still under discussion with the World Bank is attached in the annexe.

(ii) Regional orientation seminar for trade union leaders and trade union experts

Prior to the first regional workshop with the World Bank, an orientation seminar will be held in October 2002 for representatives of the trade unions to be involved in the capacity-building programme (one per country) and trade union experts, who will be asked to present TU policy positions on the topics mentioned and/or provide intellectual support to the unions. The objectives of this seminar include confidence building, with a view to establishing a sense of ownership of the programme among the beneficiaries and the formulation of terms of reference for the TU experts who will present TU positions in the regional workshops with the World Bank. The seminar should also discuss the merits and pitfalls of constructive engagement with IFIs and national governments, and present, to the fullest extent possible, concrete examples of best practice in successful social dialogue as seen from the trade unions' point of view.

(iii) Two regional meetings of trade union experts

In order to establish and consolidate an African support network of trade union experts with the necessary skills to support unions on highly complex technical (mostly macroeconomic) matters in PRSP and related processes of social dialogue, two meetings are envisaged in 2002. These meetings will serve as a platform to i) exchange experiences with trade union participation in national PRSP-processes with a view to build up a joint knowledge base, and ii) to prepare trade union input for the second session in the capacity-building programme (first meeting) or to prepare the regional evaluation workshop (second meeting). For both meetings, the trade union experts will prepare papers on important aspects of national PRSPs that are affecting workers.

(iv) Regional evaluation seminar

In the last quarter of 2003, participating trade union teams, TU experts from the international support network, and representatives of ILO/ACTRAV, FES and their international trade union partners will come together to critically assess the achievements of the projects, formulate lessons learned, and make recommendations for further trade union action with regard to PRSPs and related economic and social policies. It is envisaged that a major input to the evaluation seminar will come from an external evaluation to be commissioned in the third quarter of 2003.

(c) International activities: Political lobbying

While participating in the drafting of the PRSP is, in itself, already a political lobbying process (mainly with the respective government and/or the WB country office), the focus here is on international lobbying to raise international awareness on PRSP-related practises and problems that has the ultimate aim of influencing WB board decisions. (The World Bank Board has to approve PRSPs and Annual Progress Reports before any concessional lending decision can be made with regard to a particular country.)

There are several channels that can be used. One such channel is via the ICFTU structures, another one is through FES structures in order to inform, for instance, the German Government's representative on the Board. There are also some international labour-related information networks (such as the Global Policy Network) that could also be used to raise international awareness on what is happening on the ground. These feedback mechanisms will be easy to establish via e-mail, and at almost no cost. However it will require that unions *have or acquire the technical expertise to write short and concise reports* and the discipline so to do. Again, FES, or other partners who will become involved in this project, can assist with this.

VIII Important Assumptions

- i. Governments in participating countries will provide space for trade union participation in PRSP stakeholder consultations.
- ii. World Bank country staff will consult trade unions more regularly than before.
- iii. Trade unions in participating countries will opt for constructive engagement with their governments and the World Bank.

IX Evaluation

The project will be subject to standard ILO monitoring reviews and evaluation activities. The FES and the ILO will carry out activity reports on project delivery covering the calendar year. Reports are due in January 2003 and 2004. A final evaluation, which also includes the conclusion of the regional evaluation seminar towards the end of 2003, will be carried out towards the end of the project and be delivered together with the activity report for 2003. The final evaluation will involve representatives of ILO/ACTRAV, FES, DGB (Germany Parliament), and members of the African trade union support network.

Chapter 14

Conclusions and Recommendations from the Workshop

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I Objectives of the workshop

The aim of this workshop, which was fully sponsored by the ILO/ACTRAV, was to provide information on the operations and performance of trade unions as social dialogue institutions in the fight against poverty in Africa. The overall objective was to enable trade unions to better articulate an agenda for poverty alleviation in their respective countries and economic sectors. The workshop participants came up with a Programme of Action for enhancing the role of the trade union movement within the process of fruitful engagement in the poverty reduction strategic frameworks.

The workshop brought together 40 participants from Ghana, Kenya, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe. The participants were composed of trade union leaders, researchers, and experts from the seven countries. In addition, there were resource persons from the ILO and representatives from Friedrich-Ebert-Stiftung, Germany.

II Background to the workshop

Efforts towards alleviating poverty have been disappointingly slow in many developing countries and the relative gap between the richest and poorest countries has continued to widen. It is estimated that the level of real per capita income in Africa today is lower than it was thirty years ago. This represents both huge amounts of unnecessary human suffering and an enormous squandering of human potential.

Recognising these contradictions, the ILO's perspective on the social impact of salient developments in the global economy is that two inter-linked issues constitute the core of social disquiet in most countries: poverty and social exclusion. Thus, a major feature of the work of the ILO throughout much of its existence has been the close interdependency of economic and social policies.

The ILO's concern about issues of poverty dates back, at the very least, to 1944, when the Declaration of Philadelphia (which concerns the aims and purposes of the Organisation) stated that, 'Poverty anywhere constitutes a danger to prosperity everywhere.' This is what gave the ILO an explicit mandate to help fight poverty in the world, thus being one of the earlier UN agencies charged with the express authority to address this matter.

Through four country studies, the ILO's Bureau for Workers' Activities sought information on innovative and good practices adopted by workers' organisations at national, sectoral and enterprise level in South Africa, Tanzania,

Uganda, and Zambia. The studies highlighted the environment within which social dialogue takes place, the conditions influencing its effectiveness or otherwise, and the lessons that trade unions can learn from each other with respect to alleviating the poverty, amongst their membership in particular, and the community at large in general.

The main actors in these studies were the national trade union centres and selected industrial national unions. Attempts were also made to hold discussions with other individuals or agencies proposed by the trade unions, in order to have a full and complete understanding of the role of workers' organisations in the fight against poverty within the precincts of social dialogue.

III Activities of the workshop

(a) Opening Ceremony

The workshop provided a forum for the participants to exchange views on how trade unions need to plan and produce fundamental decisions and actions that will shape and guide their organisations towards enhanced participation in the process of eradicating poverty. The workshop specifically deliberated on what needed to be done, and why, when, and by whom, to ensure that trade unions and all their structures are ready to face the challenges of alleviating poverty among their members and the communities in which they live.

The opening ceremony of the seminar was graced by the Honourable Joseph Ngutu, Member of Parliament and Minister for Labour and Human Resources Development of the Republic of Kenya, and Ambassador Tarar, the Permanent Secretary of the same Ministry. The workshop was co-hosted by the Central Organisation of Trade Unions (Kenya), represented by Secretary General, Mr Francis Atwoli, and the International Labour Organization's Bureau for Workers' Activities, represented by Mr Michael Sebastian. Mr Sebastian, in his capacity as the Deputy Director of ILO/ACTRAV, performed the official closing session.

(b) Outcome of the Workshop

With regard to the process of poverty alleviation, the workshop adopted the following analysis on issues of concern to the trade union movement. (The participants also committed themselves to implementing the attached 'Trade Union Plan of Action for Poverty Alleviation in Africa,' see Appendix Two.)

(i) Core principles of the poverty eradication process:

The basic remedy for poverty is to accelerate the process of pro-poor growth and development. The initiatives have to be centred on more focused and effective policies if growth, human development, and poverty reduction are to be attained. These include:

- ❖ Country-driven policies and programmes involving broad-based participation by civil society and promote social dialogue in all operational steps
- ❖ Results that are oriented and focused on outcomes that would benefit the poor
- ❖ The comprehensive reorganisation of the multidimensional nature of poverty, and prioritised so that implementation is feasible in both fiscal and institutional terms
- ❖ Initiatives that are partnership-oriented and involve the co-ordinated participation of development partners (bilateral, multilateral, and non-governmental)

- ❖ Initiatives that have a long-term perspective for poverty reduction

(ii) *Poverty factors and challenges in Africa:*

On the positive side, the workshop noted that in many countries the democratisation process continues with ongoing revisions of constitutions and electoral laws. Now, the main challenge is to apply social dialogue to poverty alleviation within each country. Some of the obstacles to this were identified as follows:

- ❖ Economic under-performance/low economic growth
- ❖ Dependence on agriculture for primary export commodities and limited export diversification
- ❖ High levels of foreign debt
- ❖ Child labour
- ❖ Continued civil war and ethnic conflict
- ❖ SAPS (negative effects privatisation and liberalisation)
- ❖ The harmful effects of globalisation
- ❖ Declining FDI and official aid
- ❖ The impact of HIV/AIDS on the working population

(iii) *Trade union approaches to poverty alleviation:*

- ❖ Social dialogue

The fight against poverty can only be sustained and won if due consideration is given to the presence and strength of institutional arrangements for consultation and negotiation. Social dialogue is a tripartite process that gives a voice to employers and workers in the formulation of national and local policy on work-related and other social and economic issues.
- ❖ Revival of the productive sectors of the economy and creating jobs

The starting point is to come up with a framework for a *labour market policy* that will fit within the overall macro-economic policy framework.
- ❖ Collective bargaining

Collective bargaining for productivity-related wage increases is the most direct contribution made by trade unions to poverty reduction. Improvements to housing, health and safety conditions, education for the children, and income distribution – the very factors used in assessing the levels of poverty in a given population – have been attributed to the collective efforts of trade unions.
- ❖ Human development campaigns

This comprises raising awareness and monitoring child labour; promoting gender equity; providing education and training for members; improving national government accountability and fighting corruption; protesting arms proliferation and aiding conflict resolution; organising workers in the informal sector; and education members about HIV/AIDS.
- ❖ Giving a voice to the voiceless

Unions have been involved in uplifting the poverty situation in their respective communities through three catchwords – good governance, democracy, transparency.

(iv) *Examining the role of trade unions in identifying a comprehensive strategy on poverty alleviation*

Drawing on their experiences, and utilising the presentations made at the workshop, participants identified the strengths, weaknesses, and opportunities that unions could utilise in the process of tackling poverty situation in Africa (See Tables 19-21).

Table 19: Strong points that unions could build on in alleviating poverty

- ❖ Effective negotiations through collective bargaining to improve productivity, and better wages and welfare services, e.g. medical schemes, etc.
- ❖ Stronger leadership at the national centre that cannot be weakened by external forces
- ❖ The advantage of a single national centre for strong and effective representation of the workers
- ❖ Tripartism encourages social dialogue
- ❖ Alliance-building at national, regional, and international level with trade unions, NGOs, cooperatives and civil society. For example, being identified with ICFTU, OATUU, EATUC, SATUCC and the ILO
- ❖ Establishing a rapport with other agencies in the poverty alleviation field
- ❖ Government recognition of an existing trade union structure
- ❖ Government recognition of the role of trade unions
- ❖ Training and retraining
- ❖ Unity among trade unions
- ❖ Improved communication and utilization of information and communication technologies
- ❖ Strong membership base
- ❖ Mobilising funds to set up enterprises
- ❖ Strengthening human resources within trade unions
- ❖ At tripartite level, active consultation working towards the establishment of a consultative structure, e.g. national advisory committee on labour, socio-economic issues, etc.
- ❖ Formulation of alternative policies by unions (if unions oppose government policies)
- ❖ Bilateral consultations on specific issues with specific bodies, e.g. housing agencies, development banks, etc.
- ❖ Negotiation of welfare schemes for the vulnerable and for low income groups
- ❖ Monitoring government policies, with trade union representatives engaged at all levels, e.g. committees, boards, etc.
- ❖ ICFTU/AFRO to support the above activities and also run specific programmes on poverty alleviation, new approaches to economic and social policies, etc.
- ❖ ICFTU/AFRO to support debt cancellation

Table 20: Weaknesses of the trade union movement in Africa in identifying and pushing for comprehensive strategies in poverty eradication

- ❖ Uneven development history of trade union and emergence of splinter unions
- ❖ Inadequate networking
- ❖ No workers' voice in policy-making organs, such as in Parliament
- ❖ Declining membership due to SAPS
- ❖ Loss of income
- ❖ Negative government attitude towards trade union views
- ❖ Rampant unemployment, casual labour
- ❖ Hostile employers
- ❖ Internal squabbles
- ❖ Impact of HIV/AIDS
- ❖ Marginalisation of the Ministries of Labour
- ❖ Existence and expansion of the informal sector
- ❖ Absence of freedom of association
- ❖ Political interference
- ❖ Poor and weak leadership/ineffective leadership
- ❖ Use of trade unions as springboards for political office
- ❖ Failure to conceptualise the changing roles of trade unions
- ❖ Lack of social capital, e.g. existing mistrust
- ❖ Splinter unions – these weaken unity
- ❖ Financial and human resource constraints
- ❖ Corruption of some union leaders
- ❖ Inadequate training of members and leaders
- ❖ Lack of vision and strategy of trade union leaders
- ❖ Apathy of union members

Table 21: Opportunities that trade unions could take advantage of in the effort to eradicate poverty

- ❖ Using strike action to agitate for better terms and conditions of service for workers
- ❖ As a pressure group, a trade union should take advantage of pluralism and demand to be involved in national policy-making processes
- ❖ Through effective participation in the reforms processes such as the constitutional review, labour review etc., trade unions could contribute to and influence the final outcomes
- ❖ Taking advantage of existing trade union recognition by international agencies such as the ILO, AFRO, OATTUU, etc.
- ❖ Taking advantage of existing regional bodies such as the EATU Council
- ❖ Taking advantage of the existence of a national constitution, for example Articles 29 and 40 of the Ugandan Constitution
- ❖ Liaising with local and international organisations that support unions in poverty eradication
- ❖ Improving communication with other unionists and social partners in information exchange and networking
- ❖ The formulation of alternative policies on labour economic and social matters
- ❖ Taking advantage of existing tripartite and other structures
- ❖ Making an input into the government's annual budget
- ❖ The growing public awareness of social crises and emerging strategic alliances are opportunities for unions to mobilise poverty eradication strategies
- ❖ Ensuring that unions develop their organisational strength and technical capacity to engage in successful social dialogue that sustainably reduces poverty
- ❖ Restructuring state enterprises for optimal social efficiency
- ❖ The development of country-specific plans that address the needs and risks in their country for use as a basis for social dialogue engagement

IV Conclusions of the workshop and the way forward

The overall conclusion of the workshop was that social dialogue is a part of democracy and development and that poverty eradication is difficult and long-term process. It requires development institutions to deliver over a long time, build rational argument and lobby for a sustainable balance of social forces. The development of policies aimed at successful poverty alleviation through social dialogue requires a thorough understanding of the nature of linkages that exist between social dialogue institutions and trade unions in the countries concerned. This in turn calls for the identification of the incentives, rules, and actors shaping their creation, functioning, and dynamics. It also requires an assessment of the constraints undermining the strength of trade unions as efficient and responsive institutions. Ownership, training and research, capacity-building, and lobbying and networking are identified as the four most important issues of concern to the trade union movement in Africa in the poverty alleviation process.

As a way forward, the workshop mandated the ILO/ACTRAV (in collaboration with other partners, such as FES, Germany) to further the sentiments of the participants by designing technical co-operation projects and workers' education programmes that will enhance the capacities of trade unions in the process of alleviation poverty.

The workshop participants applauded the lead role played by the ILO/ACTRAV and requested enhanced momentum to be given to the initiatives proposed by ILO/ACTRAV and FES in the form of a project on 'Participation in PRSP Process Pilot Project in Africa.'

Appendix One

Speeches at the Opening Ceremony

Speech by the Honourable Joseph K. Ngutu, EGH, EBA, MP, Minister for Labour and Human Resources Development, Republic of Kenya

Mr Chairman,

The Secretary General, Central Organization of Trade Unions, Mr Francis Atwoli,

Distinguished Participants,

Ladies and Gentlemen,

It is indeed a pleasure for me to join you today as you begin your discussions on, how trade unions in Africa can alleviate poverty through the process of social dialogue.

But before I proceed with my address, let me take this opportunity to welcome you to Nairobi, all of you brothers and sisters from countries represented here today. On behalf of the Kenya Government, I wish to express our best regards to you for having honoured this invitation and also pay tribute to the International Labour Organization Bureau for Workers and the Central Organisation of Trade Union (Kenya) for choosing Nairobi to host this important event.

The topic under discussion in this forum; i.e. poverty alleviation, needs no introduction in Africa. There appears to exist a symbiotic link between the African continent and poverty that has defied international efforts to break free. At present, half of the more than 600 million people in Africa live on less than one dollar a day. On the economic stage, Africa's total Gross National Product is just about 1% of the World's Gross Domestic Product.

The conditions of the vast majority of the continent's workforce are characterised by declining living standards, rising unemployment and increasing poverty. Although the continent today has the fastest growing workforce in the world, with some 9 million job seekers entering the labour market annually, unemployment and underemployment are widespread. Only the informal sector shows signs of positive growth, accounting for at least 60% of the existing jobs and most of the new job opportunities, but again, many of those in this sector fall under the description of the 'working poor'.

The major challenge facing us is how to deal with factors that have placed our continent in dire poverty. These range from economic under-performance, high levels of foreign debts, child labour and the disastrous consequences of civil and ethnic conflicts, just to mention a few. We also have to bear in mind that poverty is not just a question of income but also of rights and capabilities such as employment protection and dialogue being part of one development package.

Ladies and gentlemen, what is social dialogue and what role can it play in our national development process to help reduce poverty? One fact that must be

recognised by all, is that social dialogue system is a central element of good governance and no country can claim to be fully democratic in its political system if social dialogue does to exist in its development plans.

Although social dialogue is democracy in action, the culture of dialogue is still missing from many countries in Africa and much effort is needed particularly to ensure that trade unions are brought on board to participate constructively in decision making on Social and economic policies. Too often, trade unions are not consulted, national labour legislation is in various cases obsolete and many social dialogue bodies in Africa are inactive or ineffective as a result of inadequate resources. On the other hand, Labour Ministries need improved human and financial resources so that labour issues could be placed at the centre of government concerns and policies.

One of the most significant phenomena that have had far reaching consequences on the economies of Africa in recent times is the onset of the globalisation process and liberalisation of trade. Although these developments were aimed at giving impetus to economic growth to countries that adopted them, this has not been the case in Africa. Indeed, implementing the conditions and brought about by globalisation and liberalisation, has contributed to the increase in poverty through closures of enterprises and attendant unemployment problem.

Many enterprises including the public service sectors were forced to scale down their levels of employment through retrenchments and redundancies. In practical terms, implementing these radical measures was and has continued to be the prerogative of the employers with little or no consultations with workers. In situations where social dialogue work, redundancy plans need to be drawn up by the Employer and subsequently examined jointly with the Trade Union Organisation and this process must lead to an according to protect employment by offering alternatives to dismissals. Social dialogue requires that all actors to monitor the implementation of planned measures thus providing assurances that the employer has complied with the commitments made.

Economic liberalisation intensified the need for social dialogue at all levels. Discussions and negotiations at the international level including with the Bretton Woods institutions cohering such issues as investments and the solutions of the debt problem, should have had the benefit of social dialogue with the social partners and other representative actors. The harsh lessons learnt from such omissions are that the debate on the implementation of structural adjustments should have comprised the social partners as this could have averted some of the current adverse consequences.

Social dialogue should provide for consultations both on the reasons for the redundancies and on such accompanying social measures as are envisaged. The involvement of workers representatives would play a decisive role not only in averting dismissals and limiting their numbers, but also in assisting in the redeployment of workers having lost their jobs. Since this was not considered when these measures were started, many of our retrenched workers have now been rendered destitute and thus raising further Africa's poverty statistics.

Ladies and gentlemen, there is a wide representation gap of social dialogue in the world of work resulting from the fact that workers and employers have frequently and for diverse reasons, not organised to make their voices heard. Workers, especially in the domestic service and in micro and small enterprises and even in the public sector, face specific problems and barriers. Additionally,

workers in the Export Processing Zones (EPZs), which account for some 27 million employees world-wide, face obstacles to presentation and social dialogue and their terms and conditions of work have often raised national and international concerns. This is because the ground rules that established these enterprises were focussed on reaching profit goals and forgot the human element in achieving this.

It is, however, gratifying to note that the International Labour Organization has recognised these flaws and has come up with new ground rules based on common values. It has been realised that mere preoccupation with creating wealth on its own, is not enough to guarantee human and social progress. The adoption of the Fundamental Principles and Rights at Work by ILO member-States, and these are: the freedom of association and collective bargaining, the prohibition of forced or compulsory labour, the effective elimination of child labour, and the non-discrimination and equality of treatment and remuneration for work of equal value are aimed at redressing these past mistakes, promote social dialogue and address poverty.

A prerequisite for successful social dialogue is a level playing field, with independent partners of comparable strength and capacity, taking part in the process. Similarly, it is important for the social partners to receive appropriate training and support in order to achieve a better understanding of their representative roles and to be able to assume their responsibilities fully. The ILO should provide appropriate training and support to order to strengthen Employers' and Workers' Organisations and the Ministries of Labour so as to have a decisive effect on the efficiency of social and economic development.

As workers' representatives, there is need for you to take stock of all the recent developments that have impacted negatively on Trade unions and the workforce in general, and design policies and programmes that can cushion them from some of the harmful effects of liberalisation and globalisation. Trade unions have lost membership through the effects of globalisation and their position to participate as equal partners in social dialogue is threatened.

Workers everywhere, especially in the informal sectors, are either excluded from or under-represented in tripartite dialogue. Even when they are organised, an absence of institutional arrangements may still impede dialogue. In more extreme cases, social dialogue is simply rejected as contrary to the interests of one or more of the parties concerned who think they have a better chance of achieving their goals by other means. The common trend has been that when times are good, organisation does not seem necessary. In bad times, it is dearly missed.

Tripartism and social dialogue, both values strongly supported by the ILO, constitute a chance for countries to build and at the same time consolidate social cohesion and peace and development through the participation of all actors with common goals. This partnership in the formulation and implementation of decisions enable a more equitable sharing of the fruits of labour.

By opening up deliberations to the social partners, social dialogue promotes transparency, accountability and a sense of ownership hence increasing national productivity. It allows social partners to participate more actively in the economic development of their country, including issues concerning the fair and equitable distribution of wealth. Employers and worker's organisations have a right to take part in this process, as they are direct stakeholders in the outcome. Indeed social dialogue is an essential component of democracy and economic and social development, which is a prerequisite for poverty alleviation.

Ladies and gentlemen, the poverty woes that presently afflict Africa have lately been aggravated by the decline in Foreign Direct Investments, where even our traditional investors have been deserting Africa. In addition, Africa's exports for long have been concentrated in agricultural products with an estimated 70% of the African workforce depending on agriculture often at a subsistence level.

Another major challenge facing Africa in the fight against poverty is the impact of HIV/AIDS on the working population. AIDS has gone beyond being a health problem and has become a developmental crisis as most infected persons are between the age of 20 and 49 and are in the prime of their working lives. This is the productive segment of the population and with the rapid destruction of this human resource by the AIDS, the efforts of this continent to free itself from poverty becomes greatly undermined.

On the more positive side, however, the democratisation process has continued in many countries with ongoing revisions of constitutions and electoral laws. There is an emergence of independent institutions, political parties and Trade unions in our countries. Here in Kenya, we are in the process of reviewing our constitution and also the labour laws. We expect these two exercises to be completed by the end of next year and this will enable us in the labour sector, to be able to effectively implement the International Labour Standards and the promotion of the ILO's Declaration on Fundamental Principles and Rights at Work.

In conclusion, ladies and gentlemen, the challenge ahead of us is how to apply social dialogue in poverty alleviation in our various countries. As I have said earlier, it is only through social dialogue that social partners can engage in open and frank discussions, which can help in finding solutions in labour relations as well as economic and social issues. This process cannot operate in a vacuum and requires existence of concrete economic, social and labour issues on the agenda. The strategies to tackle this challenge may even require regional and continental approaches. In my view, the critical step in this effort is the harmonisation of laws and policies and effective implementation of core International Labour Standards and the revival of our economies.

Trade unions might consider working out regional collective agreements for terms and conditions of their members so that when capital crosses national boundaries, the same is applicable wherever enterprises relocate to. Trade unions require merging and avoiding splinter unions, as this will weaken their positions as equal partners in the social dialogue. They also require adopting new production and information technologies that will benefit the workforce and assure them of job security.

I am confident that by the end of this workshop you will come up with practical recommendation that could mark the turning point in our collective efforts to add value to the lives of our people. The strategies you will draw out of this forum should form an important contribution in the task of poverty alleviation.

Lastly, ladies and gentlemen, I wish you an enjoyable stay in this city and best regards in your discussions.

With these remarks, it is now my pleasure to declare this workshop officially opened.

Thank you.

Speech by Mr Michael Sebastian, Deputy Director, Bureau for Workers Activities, International Labour Organization, Geneva

The Honourable Minister for Labour,

Ladies and Gentlemen,

It is my pleasure on behalf of the International Labour Office and, in particular, on behalf of its Workers' Activities Bureau to warmly welcome you to this event – the *Regional Workshop on Poverty Alleviation through Social Dialogue: The Role of Trade Unions in English-speaking African Countries*. Poverty alleviation continues to be an extremely prominent issue for workers and workers' organisations in most developing countries. I must add that it should continue to be a prominent issue for social partners and governments alike.

I am scheduled to make a technical intervention later on in the morning and will therefore keep my address now very brief.

Coming from a developing country myself, that is Malaysia, I share your concerns about the scourge of poverty and have, in my work at the ILO over the past 10 years, organised over the continuing plight of countries such as ours. We need to find solutions to get out of the shackles of the vicious cycle of poverty and indebtedness. Poverty is eating away at the very fabric of our society and laying waste the potentialities of human effort and aspirations. Poverty, as many of us know it, is mortgaging the future of our very young and the youth by denying them a proper diet of nutritional food, good education and prospects for a meaningful future.

As a young man, I recall reading a book written by a famous American, expounding a very true morality. He said that any society that ignores the needs of the very old, the very young and the un-informed is a society that has no moral imperatives enshrined in its values. Quite frankly these words of wisdom should definitely and most assuredly include a phrase identifying the needs and plight of the poor.

Any objective text on the subject of poverty will give convincing evidence on the growing inequality in the world. By way of some general information, we note:

In 1820, differences in capita income between countries were no more than about 3.1. In the post-World War II period, that is from 1960 onwards, the inequality soared from 30.1 in 1960, 60.1 in 1990 and 74.1 up to the present time. To provide a more specific reference – it seemed that the gap between the richest country (i.e. United Kingdom) and the poorest countries (India and China) in 1820 – was 3.1 in terms of constant price per capita income. This gap grew to 11.1 in 1913, 35.1 in 1950, 44.1 in 1973 and 72.1 in 1992.

To demonstrate the inequalities in the global distribution of wealth further (85% of the world's income is controlled by the wealthiest one-fifth whereas the poorest fifth has only 1.1%). I could go on and provide a list of statistics on the global gaps but suffice for now to acknowledge that these gaps have serious implications on the prevalence of poverty.

I am sure over the next couple of days given the large range of issues that will be debated; more information on the nature, scope, characteristics, causes and consequences of poverty and possible suggestions for reducing poverty

will be discussed by the expert speakers and the participants to this sub-regional workshop.

What should be done and what can be done? That is the pivotal question. The basic remedy for poverty is to accelerate the process of pro-poor growth and development. Initiatives have to be centred on more focused and effective policies to attain growth, human development and poverty reduction. Here it is needless to say that an effective initiative at national level is one of the most important prerequisites for any serious attempts to reduce poverty. I am sure we will discuss this in-depth.

From the ILO's perspective, I would like to state that most of what the ILO does has a direct or indirect bearing on the goal of poverty reduction. The ILO's mandate towards this purpose is well reflected in its four strategic objectives:

- ❖ To promote and realize standards and fundamental principles and rights at work
- ❖ To create greater opportunities for women and men to secure decent employment
- ❖ To enhance the coverage and effectiveness of social protection for all
- ❖ To strengthen tripartism and social dialogue

The four strategic objectives provide the policy framework within which the ILO's role towards decent work and poverty reduction is entrenched. It being a tripartite organisation, the ILO has the advantage of its institutional/constitutional framework to promote its work on poverty by involving employers, workers and governments. Its activities on poverty by reduction covering the four areas mentioned above i.e. rights at work, decent employment, social protection for all and strengthened social dialogue, can be identified in terms of research, analysis and advocacy, standard-setting and supervision and technical co-operation assistance (i.e. advisory and capacity-building services).

A range of activities covering the four strategic objectives is being undertaken by ILO staff in the various departments at Headquarters and by Regional Offices and Multidisciplinary Teams in different parts of the world. Workplan proposals for the next biennium (2002-2003) are being finalised at HQ and at field level. I will take up relevant issues concerning the 2002-2003 Workplan proposals focused on our work with workers' organisations later with my trade union colleagues participating in this workshop.

Finally, I wish to make a special appeal that the fight against poverty should be a fight based upon a commonality of interests among governments, employers and workers.

Thank you.

Speech by Mr Francis Atwoli, Secretary General, Central Organisation of Trade Unions, Nairobi

Minister for Labour and Human Resource Development, the Honourable Minister Joseph Ngutu,

Permanent Secretary, Ministry of Labour, Ambassador Terar, the Representative of Director General ILO and the Deputy Director of the ILO Bureau for Workers' Activities, Geneva, Dr Michael Sebastian,

The FES Representative from Zambia, Mr Michael Schultheiss,

Distinguished guests, Brothers and Sisters.

On behalf of the Executive Board Members of COTU (K), COTU (K) Officials and the Kenyan workers, I feel privileged and honoured to be able to welcome you all to this workshop. I feel honoured because of the dual role I have been asked to play, on the one hand in my capacity as the Secretary General of COTU (K) and the representative of the Principal Host of the seminar, namely the Bureau for Workers' Activities of the International Labour Organization (ILO/ACTRAV), on the other hand. Also, I take this opportunity to welcome you who are coming from outside Kenya to the City of Nairobi and our country Kenya at large. I am sure that to many of you, who are coming to Kenya for the first time, will find our City hospitable.

In reflecting on the theme of this workshop, 'Poverty Alleviation through Social Dialogue', I am fascinated by the challenges that we Trade Unionists, especially in the developing countries, face as we struggle to champion the rights of workers at their places of work. In the light of the globalisation trends, our struggle has not only become more acute, vicious, but also difficult to target since the emergence of new forms of work, Labour Force Composition, resulting, ostensibly, from the changes in economic practices as well as technology. It is in this context, that we have to understand the subtle manifestations of poverty in our respective environments. The institutional framework for fighting poverty, that Trade Unionists were used to fifty years ago, are no longer in place; we have not to find the and improvise new ways and means of ensuring that we can be able to cope with the changes that have been brought about. It is for these reasons, that I feel that the choice for the theme of this workshop is most relevant and timely.

The issue of social dialogue connotes existence of more than one party. Quite often, in the Labour Movement distinguish the social partners as Trade Unions, Employers and Governments. There is an emerging phenomenon in the industrial relations applications, which is worrying since it interferes with the established institutions such as the notorious NGOs and human rights activists who have glorified themselves as civil societies. Institutions such as the Bretton Woods Institutions (World Bank/IMF), whose activities directly and indirectly impinge on our very survival as trade unions. To relate meaningfully to all these entities, requires that we evolve new mechanisms for Social Dialogue that will, first and foremost, promote the workers' interests. This is necessary if we are to remain relevant in our profession as Trade unions.

It is therefore fitting for me to reiterate that all of us, as representatives of the ILO Member States, are under obligation to respect, promote and realise workers' fundamental rights. These Fundamental Rights, notwithstanding whether or not we have ratified the relevant Conventions, in my view, must

be the basis of our Social Dialogue. It is not realistic for one to talk about alleviation of Poverty, without addressing these workers' fundamental rights. To refresh our memories, the Rights I am talking about are:

- ❖ Freedom of association and effective recognition of the right to collective bargaining; effective recognition of trade unions by employers
- ❖ The elimination of all forms of forced and compulsory labour
- ❖ The effective abolition of child labour
- ❖ The elimination of discrimination in respect of employment and occupation particularly to those with HIV/AIDS

Trade Unions have the responsibility to understand that they cannot be able to dialogue with the people who set up their agenda and invite them to endorse. We are supposed to maintain our identity as a pressure group that is an alternative to the regimes that are in place. We must relentlessly fight for our own position that is in built in our history. People must come to the trade unions instead of trade unions going to people for dialogue, and we must be seen as an alternative to good governance and guidance.

African has a lot of resources. The problem we have is that we have many thieves in the name of Management who are continuously raping our countries. Corruption is a disease that we have to deal with without any excuse bearing in mind that corruption is a two way process and Unions must strive to promote it.

It is my hope that in the course of this workshop, we will share our various experiences on how we have been able to fight poverty in our respective countries, as Trade Unionists. I believe that under the guidance of the able Resource Persons, who have been carefully selected, the participants will be able to emerge with new skills in the area of social dialogue; and that they in turn, will be replicas of the new knowledge in this are f their respective countries when they go back. I want to emphasis this point because the solution to our poverty problems in Africa, will have to come from the African soil and not Washington, Paris, London or any foreign capital.

The dilemma we have in Africa today, is to try and look elsewhere for solutions to our own problems. A time has come, when we must have sharp and focused leaders with far-sighted vision, capable of designing, unique poverty eradication strategies that are rooted in the African soil. Personally, I take issue with the type of leaders e.g. Members of Parliament in Kenya, who become the protagonists, in the poverty struggle, when they themselves are in deep poverty from the face of our continent? I am sure this is the same story else where in the developing world.

Further, it is my view that if we are to achieve any social progress, sustainable development, social justice, political and social stability, we have no choice, but to pursue and achieve the full recognition and adoption of the fundamental principles and rights of workers, through rational, forceful and persistent social dialogue with all our social partners. This in my view, could be achieved through any of the following mechanisms as tools for advancing Social Dialogue: Debate, technical co-operation, discussion, lobbying, fighting forcefully, representation, promotion, campaigns, consultations, writing and above all involvement of the social partners if they are willing and positive. The issues for social dialogue, however are many; they range from non-ratification of the Conventions, discrimination in employment, dismissals, forced labour, privatisation and exploitation, to the Export Processing Zones

(EPZs), etc. These issues, in my view, require that social dialogue be undertaken at the National level, Regional level, and International level. We in the trade unions need to go beyond the shop floor level that has characterised the trade unions' social dialogue for many years. It is for this reason, that we applaud, encourage and whole heartedly support, the Workers' Education and Training activities such as this Workshop, that are organised by the International Labour Organization.

So, my Brothers and Sisters, I am confident that you find this Workshop fruitful, fulfilling, and indeed enriching.

God bless you all.

Appendix Two

Action Plan Towards Enhancing Trade Union Participation in the PSRP Process in Africa

This Action Plan was aimed at identifying fundamental decisions and actions that will shape and guide the trade union movement towards enhanced participation in the PRSP process and to set up goals, which the movement must strive to attain for greater effectiveness and image in the poverty alleviation process.

Participants identified the four most important issues of concern to the trade union movement in Africa in the poverty alleviation process:

- a) Ownership
- b) Training and research
- c) Capacity-building
- d) Lobbying and networking

(a) Ownership

| Steps to be undertaken | Who needs to undertake the steps | When beginning Dates | Anticipated difficulties |
|------------------------------------|--|--|--|
| Involvement and prioritisation | Tripartite & employer, NGOs and representatives stakeholders | Involvement and prioritisation – 6 months | Inability to reach consensus to priorities Lack of data Shallow analysis |
| Planning | Experts | Planning – 3 months | Lack of expertise |
| Implementation | Committees of the representatives of tripartite and employers, NGOs, & representative stakeholders | Implementation – 2 years | Resources: lack of finance and material Possibility of lack of buy-in External factors, e.g. drought |
| Report | Same group in implementations | Report – 3 months | Honest expertise |
| Monitoring evaluation and feedback | Same as above | Monitoring & feedback on ongoing basis | Honest expertise |

There was a discussion and debate on whether ownership was at union level or at tripartite level. It was felt that the following were possibilities:

- i. That the union would have an internal mechanism to ensure the smooth operation of internal dynamics at all levels, national, regional, and local.
- ii. The second possibility was if this were at the tripartite level it would then be different. For example, the processes as defined in the accompanying sheets would be followed. This would ensure that the three members of the tripartite were fully involved in the processes.

(b) Research and Training

| Steps to be undertaken | Who needs to undertake the steps | When beginning Dates | Anticipated difficulties |
|--|---|---|--|
| 1. Create a research and training department then employ full-time researchers, i.e. economists and trainers | Trade union leaders at the national level | Jan. 2002 to Dec. 2002 | Financial constraints Material resources, e.g. computers, fax machines etc |
| 2. Identify issues to be researched | Both researchers and trade union leaders should come together | Continuous process, i.e. the processing of PRSP that did not exist before | Lack of corporation and support from the leadership Lack of co-ordination: failure to agree on some of the issues |
| 3. Undertake research on the issues identified | Researchers | Depends on issues at hand | Access to relevant information from Ministries, Departments and Agencies Financial constraints |
| 4. Results dissemination | Researchers in collaboration with leaders | Continuous process | Might not be accepted and if accepted, might not be implemented |
| 5. Trade union leaders need training, e.g. information technology so as to catch up with modern world | ICFTU ILO etc. | Continuous process | |
| 6. Training needs on collective bargaining | | Continuous | |

(c) Capacity-Building

| Steps to be undertaken | Who needs to undertake the steps | When beginning Dates | Anticipated difficulties |
|---|--|----------------------------------|---|
| Needs assessments – national, regional and international bodies, e.g. ILO, ICFTU-AFRO experts | National centres and affiliates DITSELA, incorporate outside | Immediate: March 2002 | Resources Methodology Opposition Different opinion |
| Development active plan for capacity-building | National centres and affiliate university, ILO ICFTU-AFRO | March-April, 2002 | Resources Commitment Technical know-how |
| Programme implementation and mobilisation Recruitment and organising | National centres and affiliates | Last quarter 2002 and continuous | Resources Commitment High leadership turnover |
| Evaluation and monitoring | National centre and affiliates | Continuous | Recourses |

(d) Lobbying and networking

| Steps to be undertaken | Who needs to undertake the steps | When beginning Dates | Anticipated difficulties |
|------------------------|---|----------------------|--|
| National/Local | Government All relevant Ministries, e.g. Ministry of Labour Ministry of health Employers association NGOs relevant to poverty reduction Finance houses Welfare institutions, e.g. NSSF Students Parliamentarians Media | Immediate | Financial resources Equipment and facilities, e.g. computers, telephone, transport etc. Human resources Poor infrastructure, e.g. roads, communication, etc. Lack of recognition and negative attitude by the government Inadequate publicity, e.g. rural areas and some NGOs |
| Regional | OATUU ICFTU/AFRO SATUCC ERTU SADAC ECOWAS COMESA OAU etc. | Continuous | None |
| International | ILO ICFTU IMF WB FES UNDP EU etc. SOLIDARITY ITS TUWA | Continuous | None |

Appendix Three

Programme of the Workshop

*International Labour Organization
Bureau for Workers' Activities (ILO/ACTRAV)*

**Regional Workshop on
'Poverty Alleviation through Social Dialogue: The Role of Trade Unions in English-speaking African Countries'**

Holiday Inn, Nairobi, Kenya

3-5 December 2001

PROGRAMME

Sunday, 2 December 2001

Arrival and Registration

Day One: Monday, 3 December 2001

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|-------------|--|
| 08.30-09.00 | Registration |
| 09.00-09.30 | Arrival of invited guests and the media |
| 09.30-10.45 | Official Opening: <ul style="list-style-type: none">❖ Introductions❖ Welcoming Speech by Mr Francis Atwoli, Secretary General, Central Organisation of Trade Unions, Kenya❖ Introductory Speech by Dr Michael Sebastian, Deputy Director, ILO Bureau for Workers' Activities, Geneva❖ Official Opening Speech by Honourable Joseph Ngutu, MP, Minister for Labour and Human Resources Development, Kenya |
| 10.45-11.00 | TEA/COFFEE BREAK Group Photograph |
| 11.00-11.15 | Aims and expectations of the workshop <i>Co-ordinated by Dr Mohammed Mwamadzingo, ILO/Bureau for Workers' Activities, Harare</i> |
| 11.15-12.00 | Setting the Stage: Poverty Alleviation through Social Dialogue: The ILO Approach <ul style="list-style-type: none">❖ Keynote Address by <i>Dr Michael Sebastian</i>, Deputy Director, ILO/Bureau for Workers' Activities, Geneva |
| 12.00-12.30 | General Discussion on the Keynote Address |

- 14.00-14.45 **Background Paper One: A Glance at Trade Union Initiatives on Poverty Alleviation**
- Presentation by *Mr Austin Muneku*, Senior Economist, International Confederation of Free Trade Unions, African Regional Organisation, Nairobi.
- 14.45-15.30 **Country Presentation One: Trade Unions and Poverty Alleviation Initiatives in Tanzania**
- ❖ Country Presentation by *Professor Hasa M. Mlawu*, Director, Institute of Development Studies, University of Dar es Salaam.
 - ❖ Discussant: *Representatives* from Trade Union Congress of Tanzania
- 15.30-15.45 TEA/COFFEE BREAK
- 15.45-16.30 **Country Presentation Two: Trade Unions and Poverty Eradication in Uganda: Problems and Prospects**
- ❖ Country Presentation by *Dr Simon Rutabajuuka* and *Ms Charity Kyomugisha*, Centre for Basic Research, Kampala
 - ❖ Discussant: *Representatives* from National Organisation of Trade Unions, Uganda
- 16.30-17.30 General Discussions and Reflections on Day One
- 18.30 Welcoming Cocktail hosted by Central Organisation of Trade Unions (Kenya) at the Holiday Inn

Day Two: Tuesday, 04 December 2001

- 08.30-09.15 **Background Paper Two: Trade Unions and Poverty Alleviation in Africa: Challenges, Constraints and Prospects**
- ❖ Presentation by *Dr Mohammed Mwamadzingo*, Regional Specialist on Workers' Education, International Labour Organization, Harare and *Professor Njuguna S. Ndung'u*, Senior Programme Officer, International Development Research Centre, Nairobi
- 09.15-10.00 **Country Presentation Three: Poverty Alleviation through Social Dialogue: The Role of Trade Unions in South Africa**
- ❖ Presentation by *Mr Ravi Naidoo*, Director, National Labour and Economic Development Institute (NALEDI), Johannesburg
 - ❖ Discussant: *Representatives* from Federation of Unions of South Africa
- 10.00-10.30 TEA/COFFEE BREAK
- 10.30-11.15 **Country Presentation Four: Poverty Alleviation through Social Dialogue: The Role of Trade Unions in Zambia**
- ❖ Presentation by *Ms Charlotte M. Wonani*, Lecturer, Development Studies Department, University of Zambia, Lusaka
 - ❖ Discussant: *Representatives* from Zambia Congress of Trade Unions

- 11.15-12.00 **Background Paper Three: Workers' Issues and Strategies to Poverty Alleviation**
- ❖ Presentation by *Professor Frederick Otieno*, Executive Dean, Technicon Witwatersrand, Johannesburg
- 12.00-12.30 **County Presentations on Trade Unions and Poverty Alleviation in Africa I**
- ❖ Ghana
 - ❖ Kenya
- 12.30-14.00 LUNCH BREAK
- 14.00-14.30 **County Presentations on Trade Unions and Poverty Alleviation in Africa II**
- ❖ Nigeria
 - ❖ Zimbabwe
- 14.30-15.30 GROUP ACTIVITY ONE:
- Towards a Comprehensive Strategy on the Role of Trade Unions in Poverty Alleviation in Africa
- 15.30-15.45 TEA/COFFEE BREAK
- 15.45-16.30 REPORT ON GROUP ACTIVITY ONE
- General Discussions
- 16.30-17.15 **Background Paper Four: Labour Market Outcomes, Poverty and the Role of Gender in Africa: The Case of Kenya**
- Presentation by *Ms Jane Kabubo-Mariara*, Lecturer, Department of Economics, University of Nairobi
- 19.30 Reception hosted by the ILO (Carnivore Restaurant)
- Transport leaves Holiday Inn at 19.00 hours

Day Three: Wednesday, 05 December 2001

- 09.00-10.00 **Background Paper Five: Promoting Trade Union Participation in the PRSP Process: Outline of a Pilot Project in English-Speaking African Countries**
- ❖ Presentation by *Mr Hubert René Schillinger*, Trade Union Co-ordinator for Africa, Division for International Co-operation, FES, Bonn
- 10.00-11.00 ROUNDTABLE DISCUSSIONS:
- Capacity-Building and Training Needs for Participation of Trade Unions in the PRSP Process
- 11.00-11.30 TEA/COFFEE BREAK

| | |
|-------------|--|
| 11.30-12.30 | GROUP ACTIVITY TWO: Action Plan Toward Enhancing Trade Union Participation in the PRSP Process in Africa ❖ Future Activities ❖ Resources and Capacities |
| 12.30-14.00 | LUNCH BREAK |
| 14.00-15.00 | REPORT ON GROUP ACTIVITY TWO |
| 15.00-15.45 | Conclusions and Recommendations Closing Ceremony |
| 19.30 | Farewell Dinner hosted by Deputy Director of ILO/ACTRAV (Nairobi Safari Park Hotel) Transport leaves Holiday Inn at 19.00 hours |

Thursday, 06 December 2001

Departure

Appendix Four

List of Participants

*International Labour Organization
Bureau for Workers' Activities (ILO/ACTRAV)*

**Regional Workshop on
'Poverty Alleviation through Social Dialogue: The Role of Trade Unions in English-speaking African Countries'**

Holiday Inn, Nairobi, Kenya
3-5 December 2001

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