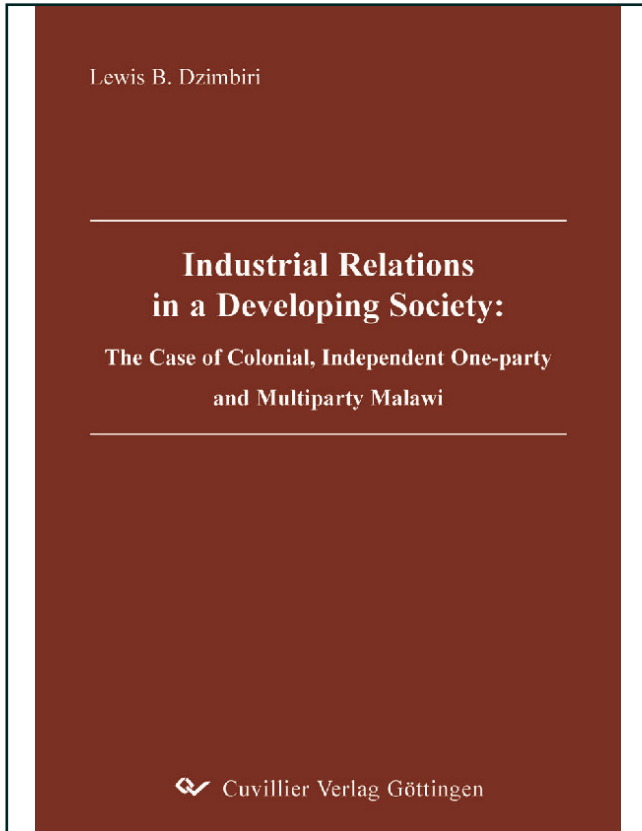




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**Industrial Relations in a Developing Society:**  
The Case of Colonial, Independent One-party and Multiparty  
Malawi



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## **Chapter One**

### **Introduction to the Book**

#### **Introduction**

This book is an attempt to obtain a broader understanding of industrial relations and to account for the role of the state in industrial relations using Malawi's experience in a period of seventy years. This period covers three types of political systems: - the Colonial Political System, Independence One-party System and the Multiparty Political System. This book is an expression of the desire to explain why there were more strikes in the 1990s in Malawi than at any other time before that. The central argument is that the authoritarianism that the one-party state adopted at Malawi's Independence in 1964 to achieve political and economic objectives created an industrial relations system that suppressed freedom of association, the right to strike, and produced a docile labour movement that avoided protracted strikes. The strike activity in the 1990s is explained in terms of the weakened 'grip' of state power on civil society dictated by internal and international demands for democratic reforms. Thus, the state is viewed as the major determinant in shaping the industrial relations over the years.

The intrinsic desire to write this book developed from my experience and curiosity with strikes as a citizen, public servant and researcher in Malawi. I worked in the civil service from 1977 to 1990. I never heard of strikes in Malawi from the time I joined the Civil Service in 1977 as a teacher and later a management trainer at the Staff Development Institute (SDI), Mpemba to the time I became a lecturer in the University of Malawi in 1990. When I read for a Masters degree in Human Resource Development at the University of Manchester in 1988, I did not take industrial relations because it was not part of the SDI training curriculum. Industrial Relations was not part of the University of Malawi curriculum where I read for a BA degree in Public Administration during the period 1980-84. In fact, no student ever mentioned having been involved in strikes or trade union activities during topics on trade unions within the human resource management course at SDI. I never read any commentary on strikes in any newspaper. The 1990s will go down in the history of Malawi as a decade of worker militancy when employees waged protracted strikes in both the public and private sector organisations. It was this militancy after three decades of 'industrial peace' that influenced my curiosity to understand industrial relations, so that I could explain 'what' was happening and 'why' it happened the way it did. It should be pointed from the outset that this book is a product of a three-year research and a modified version of my doctoral dissertation at Keele University, England. I am thankful to Professor John McCracken and Professor Roger Seifert who were my external and internal examiners respectively and my supervisor Dr David Lyddon for their stimulating comments and advice, which motivated me to write this book.

## **Understanding industrial relations**

Edwards (1995) says Industrial Relations ‘study the relationship between employer and employee in paid employment, the ways in which employees are rewarded, motivated, trained and disciplined, together with the influence on these processes of the major institutions involved namely, management, trade unions and the state’. Similar attempts to bring major institutions involved in industrial relations are also made by Kochan (1980) who defines industrial relations to include the study of ‘all aspects of people at work as individuals and groups, organised or unorganised, the behaviour of employer and union organisation together with public policy or legal framework governing employment conditions’.

Bain and Clegg (1974) point out that industrial relations study ‘various aspects of job regulation’ which focus on rule making in the employment relationship. However, such emphasis on formal institutional relationships, rules and procedures to the exclusion of the informal, more personal relationships of industrial behaviour, which is crucial for understanding industrial relations, has been criticised (Salamon, 1992:41). For Hyman (1975:12) ‘the process of control over work relations which include the less formal aspects of the employment relationships and the existence of conflict in industrial undertaking needs to be emphasised in definitions of industrial relations.

## **Perspectives in industrial relations**

It is important to distinguish three major perspectives, theories or views relating to the employment relationship/industrial relations. These are the unitary perspective, the pluralist perspective and the Marxist perspective. One should pay particular attention to how each perspective views the workplace in relation to conflict and harmony, employer prerogative and the role of trade unions.

### **The unitary perspective**

The unitary perspective of industrial relations views a work organization as characterised by an integrated and harmonious whole existing for common objectives, values, interests and a single centre of loyalty and authority (Burchill, 1997:7). Thus ‘industry is a harmony of co-operation which only fools or knaves choose to disrupt’ (Fox, 1966:5). Conflict is pathological and caused by ‘agitators and troublemakers, misunderstanding or personality clash’. Conflict is to be removed at all costs in the same way a dentist has to extract a decaying tooth before it affects the others. Managers, in this persuasion, would rely on power, dismissal, disciplinary procedures or transfer of troublemakers to other sections. Trade unions are either viewed as obstructive and unnecessary to the proper management of the enterprise, or as instruments of communication with workers for the achievement of unity and control.

In this context, authoritarian styles of management are viewed as appropriate and are therefore, tolerated. Workers rarely participate in decision making as this is

contrary to managerial prerogative. Managers are in control. They are not only perceived as those who received appropriate training and education but also those who value decisions in the interests of the company as well as attending to the needs of the workers. A sense of mutuality of interest-what is good for the employer is also good for the employee - is perceived to exist in work organizations. In other words, classical management school of thought finds support within the unitary perspective. Fredrick Taylors' Scientific Management Movement, Henri Fayol's Principles of Management School and Max Weber's Bureaucracy with their emphasis on structure, rationality, objectivity, and predictability to a larger extent, were framed within the unitary perspective.

### **The pluralist theory/perspective**

Pluralist theory is based on the notion that the work place is a microcosm of society replete with diversity in social groups, social interest, values, and beliefs that generate conflict. Proponents of this view acknowledge diversity and often-conflicting interests among people in society and workplace. For instance, workers' motives for higher wages, increased leisure, autonomy, work flexibility, differ markedly with the employers' desire to make profits through cost-cutting mechanisms such as low wages and minimal incentive packages. For Dubin (1954:37- 47), industrial conflict is inevitable in modern organizations. He however notes that this conflict can be disruptive if left uncontrolled. It is comforting to note that through collective bargaining, the worst aspects of conflict is resolved and at times used to the advantage of the organization. Thus, the pluralist view acknowledges the existence of conflict between employers and employees, which requires effective industrial relations strategies. Thus, one would view theories such as Mayo's human relations school, Maslow's hierarchy of human needs, Argyris Immature-mature theory, Douglas McGregor's theory X and Y whose overall theme is the need to tap the potential of the human energy, skill and ingenuity, as pluralist in perspective. A participative or consultative culture tends to permeate all levels of the organization. Managers in this frame of reference would use various mechanisms for involving workers in decision making on issues affecting their working lives or those aimed at improving the productivity of the organization. These would include such means as staff meetings, quality circles, joint consultative committees, works councils, and trade unions. These are seen as channels through which the conflicting interests of employees can be articulated to the employer.

### **The marxist theory/perspective**

The Marxist perspective views employer-employee relationships in the wider capitalist society which is believes to be exploitative. Industrial relations are analysed as a subsystem of a larger society that shapes conflicting relations between capital and labour. Society is divided into two main classes: one owns the means of production and the other does not. Those who own are concerned with maximizing their profits and regard labour power as a factor of production to be exploited like any

other factors. The Marxist general theory of society argues that class (group) conflict is the source of societal change without which society would stagnate. Class conflict arises primarily from the disparity in the distribution of economic power and access of the same within the society, and the principal disparity being between those who own capital and those who supply their labour. The nature of society's social and political institutions is derived from this economic disparity and reinforces the position of the dominant establishment group, for example, through differential access to education, the media, employment in government and other establishment bodies.

Social and political conflict in whatever form is merely an expression of the underlying economic conflict within the society. Industrial conflict is seen as a reflection of not just organizational demands and tensions but also the inherent nature of the capitalist economic and social system. All conflict is believed to stem principally from the division within society between those who own or manage the means of production and those who have only their labour to sell. This conflict is therefore continuous and unavoidable. In other words, industrial conflict is synonymous with political and social conflict. The growth of trade unions is therefore seen as an inevitable employee response to capitalism, the organization of employees into trade unions as a means to enhance their collective industrial power by reducing competition between individual employees. It is also seen as a way to provide a focus for the expression and protection of the interests of the working classes. In other words, the fraternalism developed within trade unions can then be converted into class-consciousness within the social and political systems.

For Hyman (1989: 92), the conflict between capitalist and labour arises because 'what is income to the employee is a cost to the employer, which the latter will naturally seek to minimise.' Trade unions therefore perform a protective function that involves insulating workers from uncertainty, the insecurity and differentials that are characteristic of capitalism. But, as Fox (1973: 193) argues trade unions are like a permanent opposition, which does not seek to be an alternative management. The role of the state in creating a legal framework and unions' engagement in collective bargaining are seen as mechanisms to perpetuate capitalist dominance and its legitimization. Marxist theory is pessimistic about the role of trade unions to represent employees as long as they cannot challenge capital. The creation of institutions of joint regulation such as a trade union is seen as an enhancement of managerial position vis-à-vis the workers, rather than its reduction. As Hyman (1989: 109) maintains, collective bargaining cannot remove causes of conflict 'unless the basic structure of industry and society is radically recast with workers controlling the process of production in the interest of human welfare rather than being controlled by it in the interests of profit'.

## **Actors in industrial relations**

There are three key actors in industrial relations: employees and their organizations (trade unions), employers and their organizations, and the state. But what are they and what do they do?

### **Trade unions**

Sydney and Beatrice Webbs (1902) defined a trade union as ‘a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives’. It is viewed as any organization whose membership consists of employees, who seek to organise and represent their interests both in the workplace and society, and in particular, seeks to regulate their employment relationship through the direct process of collective bargaining with management.

Edwards et al. (1986) distinguish three types of western-style unionism.

1. Unions which serve as constituent elements in systems of political unionism (as in France and Italy together with Spain where union organization is closely linked to political parties).
2. Unions, which act primarily as collective bargaining agents for particular groups of workers (such as in the United States and the United Kingdom).
3. Unions which operate as partners within social-democratic government arrangement (such as the case of Australia and for a long period, Sweden)

Thus, trade unions may seek to achieve their objectives not only by collective bargaining but also by lobbying the legislative or by a more fundamental form of political action aimed at transforming the employment relationship.

### **Trade union function**

Trade unions represent the interests of its members in terms of improving terms and conditions of employment. However, this function has five distinctive features: power, economic regulation, job regulation, social change and self-fulfilment.

#### *Power*

A trade union provides countervailing force to the employer and a pressure group within society. An individual worker is in a very weak position to make demands and force either the employer or the state to change a particular policy that impinges on him or her. There is a lot of strength in unity. For example, the industrial site of Blantyre and Lilongwe in Malawi was paralysed when workers staged numerous political and economist strikes during the transition to multiparty politics in Malawi. Workers defied Government threats of dismissal for taking part in illegal strikes.

#### *Economic regulation*

Trade unions maximise the wages and employment of their members within the framework of the wage/work contract of employment. Without unions, wages might still rise but not to the level they would reach under the influence of a strong union.

This is why employers are often not comfortable with unions which they associate with machinery for pushing wages high. Even a joint consultative committee, which in many organizations can only be consultative, does have significant influence. In 1995 when the author talked to the Executive Committee of the Malawi Civil Service Joint Consultative Committee on their achievement in the past one year of their formation, they reported improvements. They talked of the introduction of house allowance for all civil servants and maternity leave for female civil servants even for cleaners. Housing was classified as a privilege in the sense that civil servants not housed would pay housing rent from their salaries yet those housed by the employer paid 10% of their salaries subject to a small ceiling which was far lower than the economic rent paid by those not housed. Similarly, maternity leave was also provided to permanent and pensionable female civil servants only. However, pressure from the Civil Service Joint Consultative Committee led to a major shift in Government policy over the two issues.

### ***Job regulation***

Trade union-management relationship creates a joint rule making system to prevent arbitrary management actions. Without unions, it is inevitable that the employer will be at liberty to design rules, regulations and procedures to govern employment relations. Procedures for recruitment, selection, appointment, confirmation, training, development, salaries and wages, allowances, advances, housing and other benefits, disciplinary issues, grievance handling, work load and work design, among other things, are decided by the employer. If there is no union in the organization, the employer will continue to review and change or bring in new regulations or procedures without consulting employees. However, the frontier of control changes when a trade union is formed to represent workers in a particular company or industry. Employers will need the involvement of trade unions in decision-making processes on things that have impact on the worker. Hence, joint regulation of the employment relationship.

### ***Social change***

Trade unions do express the social cohesion and aspirations or political ideology of their membership and seek to develop a society, which reflects this view. As a pressure group with values, norms, practices and ideology, trade unions might wish to shape society in a different way. For example, apart from talking issues related to wages and conditions of employment, trade unions might wish to advocate for a total transformation of society in terms of demands for gender balance at work, security policies for the retired citizens, pensions and gratuity, help to the aged, the creation of nursing homes to care the elderly and helpless retired officers, etc. They can advocate for the fighting of corruption, good governance, accountability and transparency, globalization, trade issues, among others.

### ***Self-fulfillment***

Unionism provides a mechanism whereby individuals may develop outside the immediate confines of their jobs and participate in decision-making processes. Abraham Maslow talks of the hierarchy of human needs which are basic needs,

security needs, love/social needs, self-esteem and self-actualization or self-fulfillment needs. Self-fulfillment needs are hard to achieve especially for the lower ranks of the organizational hierarchy. However, it is possible to reach this highest level need through the trade union route. For example, a clerical officer who becomes president of a trade union in the civil service suddenly becomes very influential. Not only can he or she talk freely with a Principal Secretary in a Ministry or top officials representing the employer in equivalent situations in the private sector, but is also able to command the respect of thousands of civil servants scattered throughout the country. It creates a very powerful feeling of contentedness to realise that while employees cannot listen to their boss during a strike, his or her words gain a high degree of obedience from fellow employees. That is the context within which trade unions can act as avenues towards self-actualization. Put it differently, while a college professor might have difficulty to book an appointment to meet the State President, in Malawi, for example, the president of a trade union could be given immediate audience.

### **Trade union structure and growth**

Unions may organise according to *exclusive principles* dependent upon their market capacities and resultant ability to erect boundaries or they may recruit on *inclusive principles* basis. Craft unions in pure form are confined to apprentice–served, skilled workers intended to protect and promote a marketable skill. Sometimes occupational unions, which are not confined to apprentice–served workers, are seen as a form of craft union. An example might be a carpenters’ union, a bricklayers’ union, welders’ union, watch repairs’ or radio repairs’ union.

Industrial unions are completely inclusive in terms of their recruitment representing a large number of different industries and occupations. For example, a textile union might recruit any person be it a driver, metal worker, carpenter, bricklayer, clerical officer, accounts staff, secretary, computer assistant, sales personnel provided they are working within the same industry . Technology is a major explanation for the establishment of these various types of unions.

A lot of work on organising has been done by economists whose approach is based on the hypothesis that workers will join unions if the expected benefits and returns from the services which unions can provide exceed the expected costs. These services are in the form of relative wage gains, taking up grievances, access to specialised information and the like. These costs comprise not only membership dues but also time spent in attending meetings, submitting themselves to the directives of the union leaders in case of strikes, lost earnings in case of unsuccessful strikes which might lead to the deduction of employees’ wages for the days they were on strike. When the cost is perceived to be high, workers might be reluctant to join unions.

Variations in aggregate union membership are influenced by several variables like industrial sector changes, sex composition of the labour force and macroeconomic variables. There is a view that when there are increasing numbers of women joining the labour force, the number of union members will not increase compared to a situation where the same number were men. It is also true that when more part time



workers are employed, the number of union membership might not increase as well as it would if all of them were permanent ones.

Price (1991) has argued that over the long term, economic variables are likely to be much more influential in explaining membership changes in periods of relative stability or institutional consolidation, particularly in those countries where unions have an essentially economic character. That is, if there are significant degrees of unemployment, we should expect lower levels of union membership than we should if the opposite occurred. Again, when there is economic stagnation we would have lower membership because fewer employees, if any at all, are getting employed. A booming economy would be associated with an increase in union membership.

Political ideology helps to provide a unifying force for labour, instilling a sense of perspective and purpose beyond the mere rectification of current grievances. A study across eight industrialised countries since 1960 (Ng 1987, in Bean, 1994) has shown that the annual growth of aggregate trade union membership is enhanced when either (pro-labour) socialist or liberal parties are in government. This view links national politics and labour. One of the features of industrial relations as a subsystem of a wider political, social, cultural and economic subsystems is that any changes in one of them inevitably impacts on industrial relations variable in one way or another. If the political system acquires conservative values and emphasises the respect for elders or those in decision-making position, then participation may not be attractive, and therefore union membership might dwindle.

### **Management and employers' association**

The term management refers either to the process of planning, organizing, staffing, directing controlling, coordinating, reporting and budgeting (POSDCORB) or those men and women at the top who achieve results through the efforts of others. In the first part, we are looking at 'management' from a process point of view while in the second version we are looking at a group of people at a certain level of the organization hierarchy. Thus, 'management' are those roles where the holders have, and are, accepted by others in the organization to have a formal role and authority to make decisions which can be regarded as binding on the organization. No wonder people talk of top management, middle management, supervisory management, management meeting, etc.

It is important to distinguish 'management' from 'employer'. While one would think managers are employers, it is not always the case. The owner of a small grocery shop, who gets involved in the management of the shop with two or three shop assistants, is both an employer as well as a manager. But, managers working in McDonald shops, or Woolworth's or Game are not employers, as they do not own the organization. If anything, they are making decisions on behalf of the owners who might be shareholders or one or two rich people. The expansion of industrialization left to a shift from hand-made goods to those manufactured in large-scale organizations. This necessitated the need to employ professionals with training or experience in management functions.