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Social Studies

***INDUSTRIAL RELATIONS IN UGANDA: PRESENT AND FUTURE  
PERSPECTIVES***

*A Research Paper presented by*

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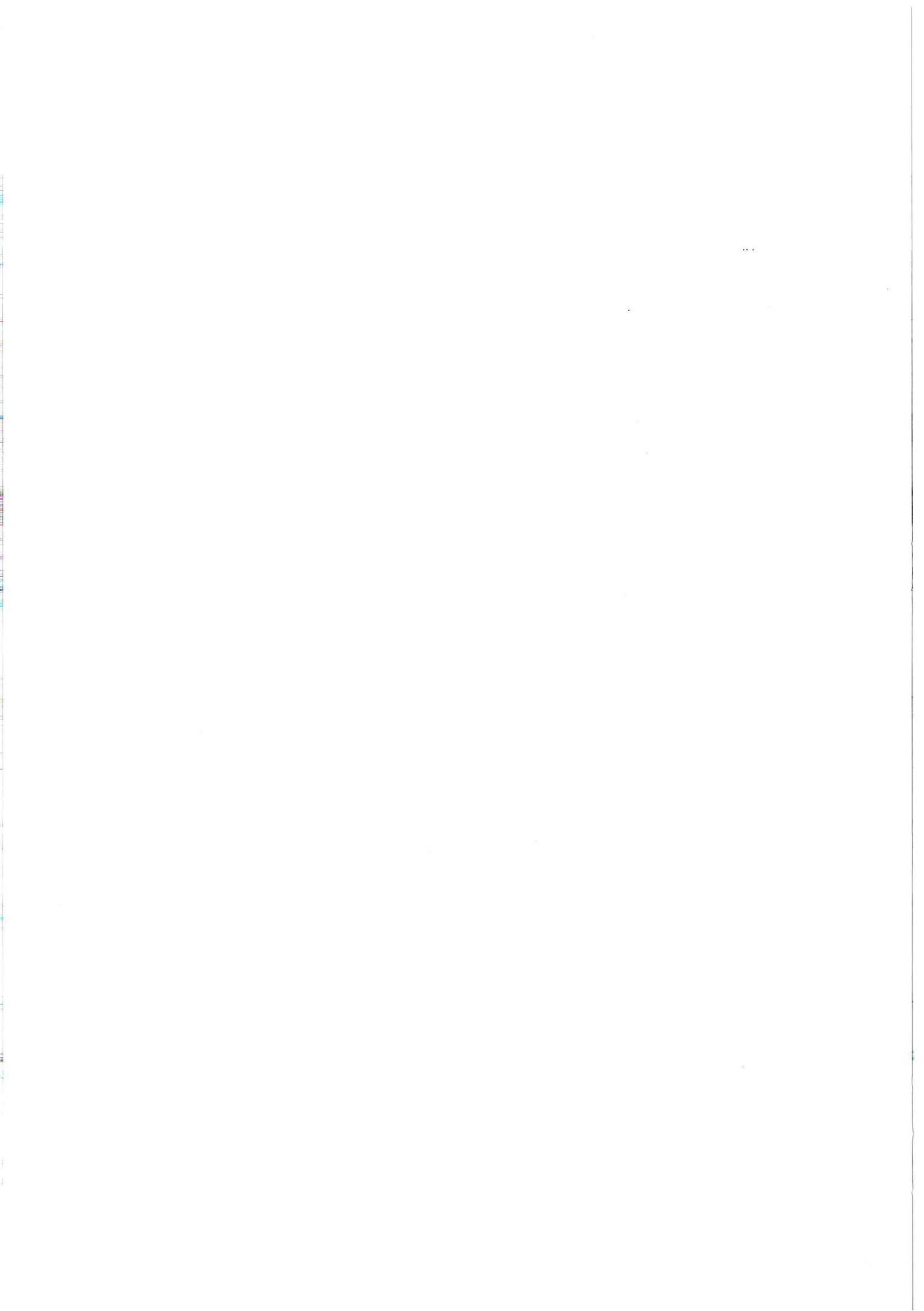
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**Dedicated to;**

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respectively, whose sagacious and strategic  
parenting will remain a glow of hope for future  
generations.**



## **ACRONYMS AND ABBREVIATIONS.**

<b>AATUF</b>	<i>All Africa Trade Union Federation</i>
<b>ANC</b>	<i>African National Congress</i>
<b>APPERD</b>	<i>Action Plan for Public Enterprise Reform and Divestiture</i>
<b>ARIL</b>	<i>Annual Report of the inspectorate of Labour</i>
<b>ARLD</b>	<i>Annual Report of the Labour Department</i>
<b>ARML</b>	<i>Annual Report of the Ministry of Labour</i>
<b>CB</b>	<i>Collective Bargaining</i>
<b>DAPCB</b>	<i>Departed Asian Property Custodian Board</i>
<b>EETPU</b>	<i>Electric Electrical Telecommunication and Plumbers Union</i>
<b>ESOP</b>	<i>Employee Share Ownership Scheme</i>
<b>FUTU</b>	<i>Federation of Uganda Trade Unions</i>
<b>HRM</b>	<i>Human Resource Management</i>
<b>ICFTU</b>	<i>International Confederation of Free Trade Unions</i>
<b>ILO</b>	<i>International Labour Organisation</i>
<b>IMF</b>	<i>International Monetary Fund</i>
<b>IR</b>	<i>Industrial Relations</i>
<b>IRS</b>	<i>Industrial Relations System</i>
<b>JMP</b>	<i>Japanese Management Practices</i>
<b>KSE</b>	<i>Kampala Stock Exchange</i>
<b>LCC</b>	<i>Labour Consultative Council</i>
<b>NMP</b>	<i>New Management Practices</i>
<b>NIR</b>	<i>New Industrial Relations</i>
<b>NRM</b>	<i>National Resistance Movement</i>
<b>NOTU</b>	<i>National Organisation of Trade Unions</i>
<b>OATUU</b>	<i>Organisation of African Trade Union Unity</i>
<b>PERD</b>	<i>Public Enterprise Reform and Divestiture</i>
<b>PSRRC</b>	<i>Public Service Review and Re-organisation Commission</i>
<b>ROM</b>	<i>Result Oriented Management</i>
<b>RU</b>	<i>Republic of Uganda</i>
<b>SAPS</b>	<i>Structural Adjustment Programmes</i>
<b>UGIL</b>	<i>Uganda Garment Industries Limited</i>
<b>UP</b>	<i>Uganda Protectorate</i>
<b>UPC</b>	<i>Uganda Peoples Congress</i>
<b>UIA</b>	<i>Uganda Investment Authority</i>

<b>UPEU</b>	<i>Uganda Public Employees Union</i>
<b>UTGWU</b>	<i>Uganda Textile and Garment Workers Union</i>
<b>UTUC</b>	<i>Uganda Trade Union Congress</i>
<b>WB</b>	<i>World Bank</i>
<b>WFTU</b>	<i>World Federation of Trade Unions</i>

## CHAPTER ONE.

### INTRODUCTION.

#### 1.1 STATEMENT OF THE RESEARCH PROBLEM.

Since the Mid- 1980's, the Ugandan economy has been undergoing structural transformation which has seen the opening up of its borders to international trade and renewed foreign investment. This followed the adoption of the International Monetary Fund and World Bank inspired economic policies which emphasise the state's minimal role in the economy in preference for the increased role of the private sector. These policies have resulted into widespread privatisation, major shifts in industry from bigger industrial conglomerates to smaller industrial concerns mainly in the hands of private individuals or multinational corporations.

These changes have put the state's role in industrial relations into abeyance given that perhaps because of its almost exclusive ownership of many of the public enterprises, the state dominated the industrial relations arena right from colonial times. These new developments bear heavily on industrial relations and as such require a closer scrutiny especially in as far as their adoption marks a fundamental departure from the traditional production processes and labour relations and workplace organisation that had hitherto existed.

The history of industrial relations in Uganda has traditionally been state dominated and the same state has been dictating the status of industrial relations to other parties through the main state weapon of regulation. As above mentioned, domination has been particularly possible given that until the advent of the new SAP economic policies it was the biggest single owner of the public enterprises. The few private employers who would otherwise have formed another power block on the industrial relations scene as often witnessed in the industrial relations practice in the developed countries of the West have had the tradition of merely being more concerned with trade and economic matters and no significant interest in industrial relations. Moreover the state has catered for their interest both as one of the employers and the biggest one at that and also as a way of encouraging more investments both foreign and local within the Ugandan economy.

In any case while motivated by reasons of attracting foreign investment the government especially after independence unleashed a regime of labour controls in the areas of organisation of trade unions, laws governing pay and pay conditions and restrictions on strike actions. These laws were in favour of employers at the expense of labour. It was therefore not necessary for the private employers to be highly involved in IR matters since their interests were largely catered for by the state itself.

There has been occasional interjections by the trade unions who right from the start were formed by the colonial state as a measure of forestalling the militancy and politically directed unionism which was the order of the day as had been witnessed in other colonies. Therefore as Gladstone (1980) points out, the development of trade unionism and indeed IR would be geared towards a

not too militant "economism" rather than political goals. The same legislation which legitimised trade unions also provided a measure of control and guided trade unions into "constitutional channels" ( Scott 1966 ).

Unlike in the colonial administration, state control through regulation of industrial relations after independence, was mainly aimed at emphasising tripartism, and supervision of trade unions mainly conceived within the framework of the ideology of development which now became the excuse for the restrictive industrial relations regime. The trade unions supposedly equal actors in IR were to be mindful of the developmental needs of the country and as one of the post colonial labour minister argued, " in interest of the Workers, the community, and the country as a whole, the government has an inescapable responsibility to ensure that the administration of these organisations whose activities determine the economic progress of this country is properly undertaken, especially by the people who have the interest of the nation at heart" ( Ug 1965: 1767). Therefore it was the duty of the state being the custodian of "good" to supervise all the interest groups in industrial relations for the good of the whole society. Any measure devised to control other parties especially the unions by the state had to be embraced and conceived within the spirit that it was good not only for the state which would otherwise be one of the actors on the industrial relations scene, but for the community as a whole.

The element of state control is witnessed in the various sources of law like constitutional provisions and trade union legislation, the collective agreements (mostly in Recognition and collective agreements), court decisions including those of the industrial court, trade union constitutions themselves and trade dispute legislation for both public and private sectors. It would appear that this regulated co-existence in industrial relations seems to have been accepted by the partners to Uganda's industrial relations system notably the unions as can be deduced from their schemes for workers education which emphasise that among others the role of trade union is to give workers knowledge and skills to discharge their duties efficiently and to know "their rights and obligations and their responsibilities towards their trade unions, enterprises and society. Trade union education should therefore give knowledge of: trade union law, how to keep records, conduct meetings, collect and control union funds, public speaking and organisation" (National Organisation of Trade union Education files). The topics taught like labour laws, the scope of collective agreements, the social security fund, international trade union organisations etc. have been treating the status quo as natural and the bottom line of trade unionism is seen simply as the acquisition of negotiation skills improving the working conditions of workers and above all to adhere to the governing regulations as stated in industrial relations charter and union constitutions. There is nothing in the scheme which questions the broad economic status quo. In other words good labour practices depended on how well each party observed the regulations.

Not only had the unions acquiesced, the other employers besides their pre-occupation with trade and economic matters had always looked at the state as an ally since as already mentioned, one of the reasons for the initiation of the restrictive IR regime was to attract investors who together with the state form the employers group. The most vulnerable group to these schemes remains the labour movement.

With the tradition of unions merely being representational of the interest of their members in "bread and butter" issues and this done within the framework of what is expected of them by the state as provided for in the various regulations governing their organisational rights, union approach in the fostering of their members interests has been defensive, adversarial and generally shallow. They have been pre-occupied with economic gains like wages and with no consideration for innovation or other upstream issues of productivity, power and control relations. The paper will deal with this position at length in the Chapter Three.

The problem then comes when the already accepted dominant position of the state and with it the reactive protest strategy of the unions have got to change. This change is inevitable given that the new economic policies emphasise a very minimal role of the state both in ownership of the enterprises and direction of the industrial relations arena. For the unions while already weakened organisationally and ideologically through the tradition of being regulated, and their own belief in economism or "bread and butter" issues, they have now to contend with the new challenges which result from this change. The main challenges being a result of rampant loss of jobs by their members due to the privatisation of the state enterprise and reduction of public service, that had hitherto guaranteed employment albeit under regulated terms. For those of their members who are still in the employment have got to be equipped with skills suited for the new work requirements and organisation. This is in addition to the union themselves having to redefine their general relationship with the employers in the framework of the new management strategies of the HRM orientation which seem to underestimate the importance of dealing with workers as a collectivity in preference to dealing with them as individuals.

In these circumstances, Uganda's traditional IR as developed since the colonial times is increasingly being rendered irrelevant. There is therefore an urgent need by all the parties to re-think their roles and adopt them to the new circumstances at hand. The fact remains that no amount of reform can dissipate the role of a reformed trade union in that the interests of labour remain fundamentally opposed to those of capital and as Baldamus (1961) observes conflict whether "latent or manifest" is a an inevitable feature of an industrial society because "the structural features of industrialism necessarily generate stratification which in turn creates tension among those stratified" (Baldamus;1961:87). Therefore the task lying ahead of industrial relations actors -the state, employers and unions is among others to seek ways in which conflict can always be handled taking into consideration that industrial society by its very nature is continuously changing and so should the strategies initiated to handle industrial conflict.

Under the SAPS, Uganda's economy is being internationalised /globalised and so is the state of IR. The privatisation drive in particular is allowing in a wave of multinational enterprises whose IR practice are eroding the significance of national boundaries. The state can therefore not continue to insulate itself from outside influences in the IR practice. Therefore the new industrial relations scene will be guided by global competition. Globalisation of the Ugandan economy, is slowly subjecting the Ugandan enterprises to international competition and there is an urgent desire to improve their productivity by way of rationalising their capital and better utilisation of all available resources especially the Human Resources. Both the in coming and old multinationals together with the few indigenous enterprises are accordingly under pressure to adopt the modern management

strategies and practices which are already a norm in the home environment of these multinationals.

These new management strategies have been described using various labels as Human Resource management, Strategic management, and Japanese Management practices which derive their prominence from what has been described as the "Japanese miracle" in which the Japanese economic success is attributed to its proper management of Human Resources. What all these new management practices share in common is their tendency to emphasise unitaristic/ individualistic ideals in which employees are expected to show commitment and allegiance to the enterprise and not to the unions. These practices contrast with the pluralistic and collective values on which unionism and traditional IR in general are based. In general the new management practices challenge the traditional industrial relations in the form that it exists, worse still the type that emphasises the status quo as naturally given as that of Uganda.

Besides the practice of HRM, and other new management practices, the hitherto regulated co-existence which defined each party's role is further rendered irrelevant because such a relationship would violate the basic premise of free market principles of "getting the prices right" under which the forces of supply and demand are supposed to guide the labour market. Hence de-regulated existence between employers and employees will be the practice.

On the ground while we witness a tendency towards a piecemeal de-regulated relationship between workers and employers on one hand we on the other witness some fundamental changes in the character of labour, and the state that had hitherto sustained the old order of IR. In this regard it has been witnessed that due to the major shifts in industrial production and also due to the dire need to compete as dictated by the globalised market situation, where quality of the products is much more emphasised than quantity, the traditional mass manufacturing concerns as had been introduced during the days of import substitution industrial production are giving way to small batch production concerns or what is often called "customised production". This trend in effect denotes a decline in employment. Besides this, the few employment opportunities that remain are increasingly associated with sectors such as medium and high technology businesses, service sectors like banking and consultancies which necessitate the engagement of a different calibre of workforce. Notably the calibre of workforce has changed from blue collar to white collar workers. Another characteristic of this changed environment is the shift towards differentiated working patterns of; part time, the use of temporary employment agencies and temporary engagements as and when necessary.

Due to these highly differentiating characteristics, workers cannot any more be addressed as a collectivity as has been the approach under traditional industrial relations. The new IR has to recognise differentiated individual interests of those who comprise the labour force. Traditional IR and collective bargaining as a forum of IR had always concentrated on the petty interests of the workers such as issues of pay and conditions of work, participation and to a limited extent on labour market issues otherwise collectively known as "bread and butter" issues. Though it is admitted that some of these demands are still relevant to the modern calibre of workforce, it is increasingly becoming clear that they are being overtaken by events. Industrial relations schemes that make a worker more central to the immediate concerns of industry need to be established.

This task concerns capital in as much as it concerns labour and should be the main determinant of the new industrial relations system. It may necessitate a radical transformation of the collective bargaining process or to extend it to such areas as training, careers and recruitment and investment issues.

Therefore while the paper notes that the industrial relations practice by other parties ought to have gone beyond mere compliance to the state domination, it is the contention of the paper that there is need to rethink industrial relations taking into considerations the changed economic setting. It is against this scenario that the paper will try to assess the new shape of industrial relations and the capacity of the actors to meet the challenges that the future has for them as well as giving proposals on what the roles of these actors ought to be.

## **1. 2 OBJECTIVES OF THE RESEARCH.**

Realising that there is a need for continuous innovative change in industrial relations, the research will examine Uganda's industrial relations in a historical perspective with a view to show how status quo oriented it has been. With the state having been contented with its dominant role in the previous industrial relations system and the unions having accepted or coerced to live in highly regulated industrial relations environment, there has been no practical readiness for the future changes by both parties. Now that the economic realities of structural adjustment policies are setting in, various questions need to be answered;

- 1) What then should be the role of the state in the changed industrial relations environment? Should it keep its hands off completely as the "market forces" demand or should it retain some reduced role if there is that alternative at all?
- 2) Will the trade union movement be able to weather this renewed hostile environment especially given that it is the least prepared to do so at the moment judging from its tradition of favouring the status quo? If it is to survive, in what form should it be and what should its agenda be putting into consideration the present Uganda's economic, and political realities.
- 3) What strategies should then be adopted that will ensure the much valued independence of the trade union movement and yet allow the formation of alliances with other interested groups which may necessarily include the state and other employers.

## **1.3 JUSTIFICATION.**

The intention of the author in undertaking this research is to take a critical view of industrial relations in Uganda and specifically to argue that it has to change. It has therefore been undertaken in order to contribute to the pool of ideas in the need to rethink industrial relations generally and in Uganda specifically. The need for a changed view of industrial relations is especially to be appreciated in light of the recent economic changes that do not favour the status quo position that has previously characterised Uganda's industrial relations regime.

As Uganda's economy increasingly becomes globalised due to the IMF and World Bank economic postulations, and as competition becomes the key survival strategy of the firms in the 1990's, the state dominated nature of industrial relations will have to change fundamentally. Also the often displayed reactive protest behaviour by the unions will become a practice of the past. The competition guided capital of the 1990's is very much aware that it cannot measure up to the challenges of a two front war- with its employees, and competitors. Therefore the need to look for a new equilibrium position. The new equilibrium does not lie in the capacity for each party to marginalise the other as some managements seem to contend when they try to squeeze the unions out of existence, but rather it lies in the cooperation between the parties. The reality is that no amount of economic change or management reform can perfectly dissipate the role of an innovative trade union. This is so owing to the fundamentally conflicting interests of capital and labour. There will always be new equilibrium positions reached in the relationships of parties to an industrial relation system. The ultimate task of the paper will be to chart out the aspects of this equilibrium in face of the new changes on the economic scene.

#### **1.4 METHODOLOGY AND SOURCES OF DATA.**

The present and future perspective of IR in Uganda will be examined against the background of the existing general theoretical orientations of IR as put forward by industrial relations scholars like Alan Flanders, Richard Hyman, Fox, Clegg and Dunlop. A particularly prominent usage will be of those views of the contemporary scholars like J. Harrod, E.A.Ramaswamy and Guest whose scholarly work in the Industrial relations discipline takes into consideration the need for a changed industrial relations outlook.

Having introduced the general theories of IR in chapter two, the same theories will be applied to Uganda's industrial Relations setting to assess their feasibility in their Ugandan environment.

Chapter three of the paper will look at the historical development of IR in Uganda highlighting the forces that have shaped its development both during the colonial and post colonial times. The paper will emphasise the dominant role played by the state at the expense of the other social partners ie. the employers and the workers unions both in the colonial and post colonial times.

The various strategies deployed by the state being the biggest employer and the main agent of development, to dominate the state of IR will be discussed and the consequent implications of this state of affairs to the growth of trade unionism and its ideology. A particular focus will be on how this position came to be accepted as the normal practice of IR and how all the social partners have over time accepted the status quo position, to the extent that this same element can be witnessed in the various contracts supposedly made on voluntary basis like Recognition, Procedural, and disciplinary code agreements which reinforce this domination against the workers. The role of international bodies like the ILO and ICFTU in maintaining the status quo through their educational programmes will be highlighted.

Chapter four examines the changing economic situation under the influence of the World Bank and the International Monetary Fund Structural Adjustment programmes. These economic programmes

emphasise liberalised markets including the labour market. Under the SAPS, the foundation under which the state of IR had previously based itself has been shaken. The SAPS themselves emphasise the minimum role of the state in all industrial matters including IR. Added to this the liberalised situation has globalised the Ugandan industry and with it the international competition has set in which has necessitated a rational utilisation of both capital and human resources. The new approaches to the management of human resources as necessitated by the competitive situation will be discussed. The chapter critically examines the nature of the new management strategies and their implications for traditional industrial relations and more so the Ugandan IR which had over the years been state dominated.

Having introduced the need for a departure from traditional orientation of IR as necessitated by the changed economic situation, the last and concluding chapter discusses the shape the future IR ought to take. The capacity of the trade union movement to cope with the new situation and yet remain as viable representatives of their members is analyzed. Alongside this analysis, the paper will suggest areas in which the labour market partners ie. the state, employers and labour need to devise new strategies in order for them to confront new industrial relations challenges.

The paper will rely heavily on secondary data as available from various government publications through the ministry of labour, government policy documents, industrial relations charters, parliamentary debate records, Union constitutions, collective agreements, acts of parliament and trade union education programmes, court decisions and trade dispute legislation. The paper will further make use of the knowledge gained from the labour programme in terms of course materials and the lecture discussions throughout the course. Having been unable to get all the required materials at the institute's library, the author hopes to constantly search for more sources from the Africa study centre Leiden, other libraries in the Netherlands and also from the United Kingdom where there is more information on Uganda.

Of immense contribution still is the knowledge gained while the author was working as a personnel officer in a government para-statal organisation in Uganda. The job requirements of this office put the author at an advantage especially in as far as the attitude accorded to unions by the management camp is concerned.

## **1.5 DEFINITION OF CONCEPTS.**

Throughout the paper several concepts will be used and their definitions will be adopted as below:

### **Bipartism.**

This refers to power relations between employers and employees organisations with little intervention of the state.

### **Corporatism.**

Collier defined corporatism as a pattern of relationships between the state and interest groups that involves such elements as the state structuring of representation that produces a system of

officially sanctioned, non-competitive interest associations, and direct state control over their leadership, demand making and internal governance (Collier, 1979:400). The state may simply licence such associations if they already exist or simply create them if they are not in existence.

#### **Conciliation.**

The concept is used to refer to a process of mediation by a third party in an otherwise voluntary settlement of disputes. Conciliation services are usually carried out by the state as a peace making exercise between employers and employees when they are locked in a dispute.

#### **Group Employees.**

The concept refers to those employees in the civil service who are not hired against established posts. They are supposed to be temporary daily-paid workers. They have numerically been significant in Uganda's civil service accounting for 43% of the civil service. Until April 1994, this is the only category of civil servants that were allowed to join the Public Employees Union.

#### **Pluralism.**

Schimmiter refers to pluralism as a system of interest representation in which the constituent units are organised into an unspecified number of multiple, voluntary, competitive, non hierarchically ordered and self- determined (as to type or scope of interest) categories which are not specially licensed, organised, subsidised, created or otherwise controlled in leadership selection or interest articulation by the state and which do not exercise a monopoly of representational activity within their respective categories (Schimmiter 1979:15).

#### **Trade Dispute.**

A trade Dispute arises when employers and employees or between employees themselves or employers and trade union fail to reach an agreement as to require Conciliation services usually from the state handled on its behalf by the ministry of labour. A trade dispute arises when the parties have failed to reach an agreement in connection with employment or non employment or with terms of employment or conditions of work .

#### **Tripartism.**

Harrod (1987) refers to tripartism as the intervention of the state within a bipartite power situation regardless of which side is assisted or controlled. This implies that three distinct power centres of; employers, workers and the state must be considered.

#### **Voluntarism.**

Voluntarism as applied in industrial relations refers to three basic features; to refer the general preference for collective bargaining, to the regulation of the state as a method of settling wages and other terms and conditions of employment. Voluntarism is also identified with the preference for complete autonomy by the bargaining parties in their relations.

#### **1.6 LIMITING FACTORS.**

The major limitation of the paper is that it has not been possible to get primary data. No interviews

have been conducted or use of participatory observation. As a result there has not been any examination of what the unions, employers or even government officials feel about the whole system of industrial relations in Uganda. This constraint is a result of time and resources. Since it was not possible to do field study, it was not possible to test the theories of industrial relations scholars or my own assumptions on the subject.

Admittedly another limitation is envisaged to be apparent due to the fact that not much work has been previously done on Uganda's industrial relations by other scholars. In a way therefore, this will be one of the pioneering works and is therefore expected to suffer from those limitations that are associated with biased reporting characteristic of institutional based reports, policy papers etc. It would have been no doubt preferable to have some prior readings on the work done by independents such as scholars in the field of industrial relations specifically done on Uganda.



## CHAPTER TWO.

### 2.0. THEORETICAL FRAMEWORK.

#### 2.1 CONCEPTION OF INDUSTRIAL RELATIONS THEORIES.

There are as many definitions of Industrial Relations as there are schools of thought on the subject. Pluralists like Alan Flanders maintain that industrial relations centres around rules and processes of rule making. He accordingly defined the subject of industrial relations as a study of the "institutions of job regulation". Godthorpe and Margerison have criticised Flanders approach which they say that it has a formalistic orientation to the extent that it concentrates on "institutions" and thereby neglecting informal processes which are equally important in industrial relations. On their part Bain (1983) and Clegg (1988) while emphasising the "making and administering of rules" aspect, broaden the definition of industrial relations to include "all aspects" of job regulation.

Richard Hyman of the Radical school while accepting the importance of rule-making in industrial relations argued that the definition was still inadequate. According to him "to define industrial relations in terms of rules is to emphasise the relatively defined, stable and regular aspects of employer, worker and management-union relationships: by the same token, it is to play down the significance of conflicts of control in the labour market and over the labour process as manifestations of a fundamental and continuous antagonism of interest" (Hyman, 1975:19). Hyman maintains that rule making is only a partial form and consequence of the struggle for control. As a matter of fact, at an institutional level there are a number of major sources of rule output: management, trade unions, the institutions of collective bargaining and the relevant agencies of government. The most obvious rule output of these institutions is in the form of written regulations and traditionally the aggregate of these written regulations has often, following Max Weber's study of bureaucracy, been considered to comprise the "formal" rules of an organisation. In the very beginning, there was some ambiguity in the usage of the term "formal rule" but was cleared by later writers like Roethlisberger and Dickson when they considered "formal" rules to include all rules of management origin, no matter whether written or not.

The dominant theoretical approach to rule making was for some years inspired by the work of Dunlop who regarded employment rules as an output of an industrial relations system. As regards the conflict theory of rule making in industrial relations, the rival parties use legitimising arguments both to mobilise their own resources and to undermine the unity and resolve of their opponents ( Armstrong, Goodman, and Hyman, 1981:39). These views of industrial relations will be clear after examining the various approaches to the subject.

#### 2.2 APPROACHES TO INDUSTRIAL RELATIONS SYSTEM.

##### 2.2.1 Dunlop's systems approach.

Dunlop's systems model of industrial relations was influenced by the works of sociologists Talcot Parsons and Neil Smelser (1956) both of them structural functionalists who had earlier on argued

that the social World should be regarded as a " total social system" which comprised of four functional sub- systems namely; economic, political, integrative, and pattern- maintenance subsystems.

His work in this area regarded as the first ever attempt to study IR in a theoretical and analytical approach, conceived the whole economy as representing a "special type" of social system. Therefore, "An industrial relations system is to be viewed as an analytical subsystem of an industrial society on the same logical plane as an economic system, regarded as another analytical sub-system. The Industrial relations is not conterminous with the economic system; in some respects the two overlap and in other respects both have different scopes" (Dunlop 1958:5)

Dunlop goes ahead to point out that an IR system varies in scope from enterprise to enterprise, sector to sector and from one economy to another. This variation notwithstanding, certain properties, structure, and response to certain specified influences remain common to all IR systems ie. It is composed of three groups of actors: a hierarchy of workers or their representatives-the trade union, a hierarchy of managers or their organisations eg. employers associations and specialised governmental agencies concerned with the work place and work community such as ministries of labour, industrial dispute settlement panels, wage boards etc. These three groups of actors are bound together within an ideology shared by all the actors for the purpose of answering the welfare needs of an entire community.

In an IR system, appropriate rules are made for governing the workplace and the work community so that conflict which is inherent in society is contained. These rules are made through consensus of the actors and the rules may take different forms depending on the system: agreements, statutes, decrees, regulations and conditions of service, practices or merely customs.

The actors relate to each other in an environmental context which is composed of three interrelated contexts of technology, the market or budgetary constraints and power relations and status of the actors within the society.

It is clear from Dunlop's systems analysis that an industrial relations system exists to establish rules for the smooth running of the work place and work community. In other words the central aim of an IR system is the creation of rules just as the function of the economic system is to create goods and services. He categorised these rules into substantive and procedural rules. The former category of rules are established to regulate issues of wages and salaries and the manner in which they should be paid; the method of work organisation and the associated sanctions arising out of failure to achieve set standards of job performance by an employee; the rights and duties of employees as are attached to their positions and status in the work place, and all the issues that are associated with the terms and conditions of employment of an employee. Another set of rules so established in this IR system are the procedural rules which regulate the procedural process in the event of the need to change, amend, or interpret the substantive rules as were determined by parties in the work community.

As already mentioned, Dunlop argued quite strongly and it is also the argument of this paper that

the actors in the system would be expected to constantly interact with certain contextual variables within the environment. These environmental variables are the level of technology where the system operates, the market or budgetary constraints and the locus and distribution of power or the power relations and the status of the actors within a given work place or work community. Environmental influences to an IR system include the prevailing economic setting in which the actors share power. It can therefore be arguably stated that these environmental factors influence not only the relationship and behaviour of the actors but also the types of rules that emerge from the system. In a dynamic society, as modern society is, the rules will frequently alter as a consequence of the changes in the context. Dunlop points out that the contexts are features of the environment of an industrial relations system, he admits that power being one of the contextual factors is located in the larger society and thereby implicitly locating it (power) outside an industrial relations system. Dunlop contends and this is also shared by Salekman (1956), that the locus and distribution of power in the larger society in which a particular IRS is located as subsystem tends to reflect the relative power of the actors in the IRS.

Another component of Dunlop's IRS which has been contested within the radical school is the existence of an ideology which is shared by all the actors and therefore binding the system together. The radicalists notably Wood et al and Hyman have argued that Dunlop has not only erred, but has also rendered his theory simplistic when he assumes that ideological harmony between actors is possible. They deny the existence of ideological harmony in the real world and in Hyman's words "if it is part of the definition of an industrial relations system that it contains built-in tendencies towards equilibrium, and radical conflict is excluded from the actors ideologies, then it cannot be assumed that industrial relations in the real world constitutes a system at all" (Hyman R, (1979).

The criticism of the radicalists notwithstanding, Dunlop's particular concern was the proper functioning of the system. His emphasis was the creation of a body of ideas that were commonly shared by all the actors. He did not mention that the system should have total compatibility as the radicalists seemed to have understood. He rather recognised the fact that each of the actors could have different ideologies, but for the sake of the proper functioning of the system, he advocated for the creation or establishment of an ideology of understanding shared commonly by the actors and sufficiently compatible as to bind the system together. Palmer while defending Dunlop against the radicalist criticism, observed that the compatibility of actor ideologies "permits a common set of ideas which would not only make the delineation of actors' roles possible but will also limit conflict of interest within a system" ( Palmer B. J) IJIR Vol. 27, no.3, January, 1992.). Such shared ideologies exist and are expressed as philosophies adopted in different IR systems as for instance the philosophy of "Voluntarism" in the British IRS which defines the ideas of the actors towards one another within the system.

The philosophy so adopted prescribes for the specialised government agencies and their role within the system. This explains why the roles of the actors in the system differs from country to country as this paper will show later in the case of the Uganda system where voluntarism as practised in the British IR system has limited application.

The IRS relates to the wider society in that the adaptive function of society specialised within the economy contributes wealth and income to the system while the adaptive function of the IRS contributes appropriate rules, which include wage rates and other terms of engagement.

## 2.2.2 The Pluralist approach.

This school otherwise known as the Oxford School has had a great deal of influence on the industrial relations tradition in the United Kingdom and is based on the philosophy of Voluntarism. Flanders (1965) has described IR as the study of the institutions of Job regulation. Flanders goes on to point out that the only aspect of business enterprise which concerns IR is employment, the relations that exists between the enterprise and its employees and the relationship between these employees themselves. In defence of this position he maintains; "One way of identifying these relationships is to place them in their legal setting. They are all either expressed in or arise out of controls of employment (or service) which represents in common speech -jobs. The study of IR may therefore be described as a study of the institutions of Job regulation". (Flanders 1965:10)

Like Dunlop's systems theory, the pluralist school provides that rules of any industrial relations system are either substantive or procedural and a distinction is made between internal and external job regulation, the essence of the difference being whether the rules can be changed autonomously by a bipartite body of a firm and its employees without the consent of the outside authorities. These rules are determined through the rule making process of Collective Bargaining which is regarded as a political institution involving a power relationship between employers and employees.

This approach acknowledges the existence of conflict between workers and employers and indeed between different groups in a wider society. Conflict is attributed to the fact that the interests of the workers those of the employers diverge. It is hence further acknowledged that although conflict in society is endemic, through appropriate institutions society or an enterprise is able to reach a compromise which facilitates collaboration to continue. Therefore the prevailing atmosphere at an enterprise becomes one of consensus and the enterprise itself a bastion of "a coalition of interests and as a miniature democratic state" (Fox, 1973:196). On his part Ross (1958) argued that an organisation should be viewed as a "plural society" containing many related but separate interests and objectives which must be maintained in equilibrium. The implication of this scenario for governments and managements of enterprises is not to attempt to "unify, integrate or liquidate sectional groups and their sectional interests in the name of some overriding corporate existence. But rather to control and balance the activities of constituent groups so as to provide for the maximum degree of freedom of association and action for sectional and group purposes. This should be consistent with the general interest of the society as conceived with the support of public opinion, by those responsible for government" (Ross (1958) quoted in M.Jackson; 1991:12).

Therefore conflict in organisations is not abnormal but to be expected and managements and governments should neither expect blind obedience nor attempt to suppress any ideas which are not in agreement with their own; but rather their focus should be directed at reconciling conflicting opinions and keep the conflict within accepted bounds so as for it not to be dysfunctional to the

ultimate aims of organisations.

The pluralist approach has however been consistently attacked by other schools of thought notably the radical school. It is maintained that while it recognises that conflict is inevitable, the pluralist school faults by implying that there is equality between conflicting parties. The proponents of the radical perspective notably Miliband dismisses this position as unattainable; "What is wrong with pluralist-democratic theory is not its insistence on the factor of competition but its claim (very often its implicit assumption) that the major organised 'interests' in these societies, and notably capital and labour, compete on more or less equal terms, and that none of them is therefore able to achieve a decisive and permanent advantage in the process of competition. This is where ideology enters and turns observation into myth" (Quoted in J.E.T Edridge; 1971:22). As shall be seen in the coming chapters of this paper Miliband's critic of the pluralist approach is valid for Uganda's industrial relations practice all through starting with the colonial times.

Yet the radicalists warn that the pluralistic assertion of industrial relations that there is some balance of power between the different parties in an organisation, combined with the insistence on the importance of compromise, creates a climate in which it will be suggested that each side in the conflict should be allowed to express and maintain 'its own point of view'. Such a climate is ideal for resisting fundamental change and therefore exists only to ensure the maintenance of the existing inequalities.

The pluralist conception of IR has been criticised as depicting a romantic industrial relations picture which is in most instances out of reality as the radical school whose views are discussed here below shows.

### **2.2.3 The Radical/Marxist Approach.**

This approach was advanced by the radical marxist school. It emphasises the central importance of the division of those who own the means of production and those who merely have their labour to sell. Schienstock has presented the marxist thesis in subtle terms; "Capitalists and wage-workers stand at each side of the labour market as buyers and sellers respectively of the commodity, present themselves on the labour market in order to sell their labour in exchange for the financial means to sustain their existence. This labour is completely valueless to them until it is combined with the means of production. However, since these are owned by the capitalists, wage workers can capitalise on their labour only by selling it. Capitalists for their part, present themselves on the labour market in order to purchase the labour required for the profitable deployment of their means of production" (A. Schienstock; 1981:180).

Schienstock's view was shared by Hyman who could not agree with the view of IR as had been described by Dunlop and Flanders. He accused them of giving the area of IR a restrictive scope when they defined the subject in terms of rules and regulations and as such concentrating it on the maintenance of stability and regularity in industry. He dismissed them as apologists of the existing order adding that their focus was on how conflict is contained and controlled rather than on the process through which disagreements and disputes are generated. Hyman and indeed the rest of

the marxists hold strongly that the most important determinant of IRS is rooted in society's existing structures of ownership and control in industry.

Notwithstanding Hyman's conceding that the place of work is a cosmos of various kinds of rules and as such institutions which are charged with the making, improvement and also implementing these rules are of central importance in IR, he nevertheless considered such an analysis inadequate. In his own words Hyman explains; "Relations in industry clearly include a vast variety of routine personal interrelationships: the conversation or horseplay that takes place between workers during tea-break, or allocation of a task by a supervisor to the members of his gang or team. But such an everyday interaction would be regarded as too trivial and insignificant to be treated as industrial relations. At the other extreme there is an area of social relations in industry which exerts a profound influence over all others: the decisions taken by employers or managers in opening or closing a work place, determining the type and level of production, introducing particular forms of technology and work organisation, allocating a specific distribution of profits. Such decision making processes are conventionally taken as given as lying outside the field of industrial relations, although they determine much of the character of the actions and relationships which are recognised as the subject's central focus" (Hyman 1975:9).

Radical Marxists like the pluralists acknowledge that conflict is an endemic characteristic of society, since they trace this conflict from the point of view of the divergent interests of capitalists and workers. It is contended in the marxist school, that the advance of one set of interests must be at the expense of the other. In the words of Hyman, "an unceasing power struggle is a central feature of industrial relations" (Hyman 1975:26).

It is however to be noted that unlike the pluralists, marxists do not assume equality of power between the different interests. They to the contrary, explicitly assume an imbalance of power, in which the owners of the means of production use their superior power to influence events. Despite the imbalance in power relations in favour of the capitalists/employers, workers can do a lot to combat the power of the capitalists. The marxists acknowledge that the development of trade unions check the power of capital because it would strengthen individual workers by reducing the competition between them. This protection of the workers by the trade union notwithstanding, the owners of the means of production remain the strongest side in IR; moreover, Marx believed that "Industrial development would increase the balance; mechanisation would create a growing pool of unemployment, undermining trade union strength" (Hyman 1975:28). This prediction by Marx has not entirely gone unfulfilled for we have seen the decline in trade unionism world over as a result of say technological advancement.

Radicalists go further to attribute trade union ineffectiveness to the loss of militancy which characterised trade unionism in its earlier stages of formation. This has allowed them to be incorporated into capitalist structures and no longer consider it their duty to "over throw capitalism or even question it. Now they defend the interests of the workers within the four walls erected by capitalism. Capitalism accepted unions on two basic conditions. One that unions should raise realistic demands which do not call capitalism into question. The second being that once an agreement has been reached through collective bargaining, the union has not only to stand by it

but also ensure that the workers do not violate it " Ramaswamy (1981:148-9). As mills observes they have been fully incorporated into the capitalistic system as managers of discontent. This thesis will become clearer in the proceeding chapters of this paper.

The superior power of capital over labour does not only affect the price to be paid for labour but also affects working arrangements and conditions of work. This is because as Walker observed; "capitalist enterprise is concerned only with the pursuit of profit and labour is bought and sold as a commodity, and treated impersonally as a factor of production, the economic and human interests of employees are sacrificed under the coercive power of the capitalist. It is this inherent exploitation that builds conflict into the social relations in production" (Walker; 1977:331).

The developments in the practice of industrial relations in the 1970's gave momentum to the radical thesis of industrial relations at the expense of the pluralist approach. The new challenge to managerial authority by the shop floor necessitated a new outlook on industrial relations. The increasing adoption of the inhuman scientific management method of work and use of new technology increasingly led to greater managerial control over the work process. Conflict in industrial relations became the focus, not just to its resolution but also to its causes. Accordingly the central argument in the marxist paradigm, the inevitability of conflict within a capitalistic society became a dominating theme.

Not only was there an increasing appreciation of the radical critique as a result of the increased managerial control as above mentioned, industrial relations attention was shifting from the focus on institutions of industrial relations to the sociology of work. In this connection, Braverman's deskilling thesis in which he relied on the marxist perspective was the most outstanding work.

All the above mentioned developments serve to emphasise the fact that Industrial relations theory and practice at a particular time in particular locale is a function of the prevailing economic realities hence reinforcing the argument of this paper that Uganda's industrial relations practice has got to change to adapt to the prevailing economic realities.

### **2.3 GENERAL EXAMINATION OF INDUSTRIAL RELATIONS APPROACHES.**

In as much as the theories ranging from Dunlop's Systems theory, the Pluralists theories to the Radical/ Marxist conception recognised the existence of conflict in industry, the management of this conflict has been the main challenge in industrial relations. The position taken in this paper is not to determine which theory provides solutions to the proper management of this conflict but to recognise the basic contributions of these theories to the practice of IR and to point out in which areas they have been inadequate in answering industrial relations matters in the Ugandan Context. Most important is to recognise that there is no single theory which would adequately explain the IR relations in Uganda. Since IR as Barbash (1960) contends must be "tailor- made in light of the country's economic situation, its development plan, its political institutions and other relevant factors" (quoted in Ross;1960:120), there cannot be one theory that can explain an IR system in a particular location at all times. This is because of the ever- intervening variables within the IR environment. The analysis part of this paper will therefore emphasise the need for industrial relations institutions to adjust to the prevailing changes in the wider environment in which an

Industrial relations system operates. For instance today's emphasis is placed on the centrality of the human factor in industrial relations as predominantly represented in HRM postulations and all energies have been focused on how to motivate human assets to enable them give their best to the jobs for increased production.

Traditional approaches to industrial relations such as those advanced by Dunlop (1958) and Flanders (1968), emphasised the notion that industrial relations as seen in broad terms is essentially a rule-making process. These rules define, govern and regulate the collective relationships between the parties in industry as well as speak to issues of pay and other conditions of employment that govern the wage work-relationship.

Whereas it is agreeable that such approaches have some appeal and validity, the overriding concern with rule application and other issues as advocated in the approaches place a high premium on the stability of the industrial relations climate and system without adequate consideration of the destabilising factors which are conducive to conflict. The approaches have not adequately addressed the fundamental questions regarding behaviour in industry, but rather express emphasise existing relations and how they can be stabilised within the existing social economic framework.

Differing schools of thought especially those in the Marxist orientation have however contended that industrial relations is more than just rule making, job regulation, plant relations and control of work and labour. In the first instance, job regulation and control of work presuppose work organisation in the traditional sense, that is management, capital and labour, but ignore other areas such as flexible management systems, subcontracting, the professional un supervised, the self-employed, self managed work or the technologically controlled work all which have been features of immense effect on today's industrial relations concerns.

Traditional approaches in actual fact regard control of work and labour as a right of management. But then control would actually appear to be a function of market factors. This for instance includes skill supply, money supply, and job supply. More importantly, technology controls labour especially as has happened in recent years with the rapid developments in technology. There is abundant evidence of this as manifested by the automation of industries in the developed economies of Western Europe, North America and South East Asia.

Both Dunlop (1958) and Flanders (1965) confine industrial relations to the plant level. The development and world wide thrust of multinational corporations, holding companies, national conglomerates, state interests at all levels as well as areas such as the contextual market and non market factors, like technology and corporate planning. This omission on the part of Dunlop and Flanders has been acknowledged by Purcell and Smith (1979) who demonstrate that there has been a shift away from private/ personal ownership and control at the enterprise level to corporate ownership and control, with this shift having a significant impact on industrial relations. They point out that traditional approaches to the study of industrial relations have ignored modern factors and strategies in management and their possible impact upon industrial relation which have raised the question of whether in the study of industrial relations, if there was not a need to study the role at a broader corporate rather than a plant level; therefore, the plant/ company as a unit of corporate

organisation, could no longer, and necessarily be the locus of industrial relations decisions. As shall be seen later in chapter four of this paper, this recognition forms the basis for the emergence of the HRM approach in which the management of the employees of an organisation has become a corporate responsibility.

The emphasis on rule making process obscures and also ignores certain fundamental aspects in Industrial Relations as pointed out by many scholars in the Marxist school. In this regard Somers (1969), like Hyman argued that Industrial relations is not exclusively about rules and that rules are products of other important processes in the industrial relations system and therefore these processes are more important than the rules they generate. They maintain that Industrial relations systems should be more about what generates conflict than what resolves conflict.

Pucell and Smith (1979), Hyman (1975) and Harrod (1987) have contended too, that Industrial Relations cannot be reduced only to processes of collective bargaining and mediation. They even point out that collective bargaining is less important than other forms of regulation. As in Somers thesis, they believe that existence of norms, culture, conventions and ideologies are important and that in systems where there is the existence of compulsory arbitration or a mix of both compulsory and voluntary arbitration as in the Ugandan situation, as opposed to free bargaining of the Dunlopian model, it must be acknowledged.

Conventional theory especially in the area of mediation views IR as dominated by bipartism, and a system of tripartism in case of the former failing. However as shall be seen in the case of Uganda, state involvement is no longer motivated by the need to arbitrate only in conflict situations. State involvement at a macro policy level has become a common feature.

#### **2.4 APPLICATION OF INDUSTRIAL RELATIONS THEORIES TO UGANDA'S INDUSTRIAL RELATIONS SYSTEM.**

It was Ross (1960) who remarked that "industrial relations system must be tailor-made in the light of the country's economic situation, its development plan, its political institutions and other relevant factors" (Ross;1960:120). While undertaking a comparative industrial relations study, Bean; (1989) echoed Ross's observation when his study proved that "every country displays special or particularistic industrial relations characteristics because of differences in environmental settings in which they operate" (Bean;1989:3). It is for instance to be acknowledged that the major force of economic development in Uganda and indeed in many less developed countries is the state. This helps to explain why it dominates the industrial relations scene by restricting the activities of trade unions through legislations and thereby subordinating the interests of the workers to the broader state interests. Because of this position of the state, the theories as put forward by industrial relations scholars as above mentioned, have got a limited appeal in industrial relations system in Uganda.

Moreover in addition to the excessive state interference, industrial relations like any other aspect of life suffers from the way in which social, economic and political cleavages in Ugandan society are replicated in industrial relations institutions. In this regard, Henley (1978) and also Copans

(1987) have questioned the existence of a stable social formation that can be meaningfully described as a work- centred class. They have pointed out that many workers in Africa generally have more than one source of family income and are subject to economic and social demands that extend well beyond the immediate family. After all most of the workers remain attached to their families and are only temporary migrants to cities (Henley, 1989).

From this perspective therefore, workers' culture cannot be thought of as predominantly as a product of work-place relationships as seems to be suggested in conventional Industrial Relations theorising ( see Burawoy 1979). Workers' culture in such circumstances is a result of their participation in such a wider social net work. Such conditions cannot permit the development of shared economic interests which are seen to be a basis for collective organisation and are permanently liable to manipulation both by the state and also other divisional tendencies based on individualised advantages such as the ethnicity appeal as is frequently occurring in Uganda's trade union organisations. This thesis will be discussed in chapter three.

Whereas it agreeable in Dunlop's thesis that an industrial relations system varies from sector to sector, from enterprise to enterprise and from economy to economy or any other differences in environmental settings, judging from Uganda's industrial relations setting, the three actors hardly possess equal strengths. The state in Uganda has always taken an upper hand in industrial relations scene to enforce its ideology. Once the ideology of the state say in relation to the developmental needs of the country, has been set, other actors are supposed to embrace it as it is assumed to be meant for the common good of society. As will be seen in the third chapter, the state uses the legislative and other measures to enforce it on other actors. This has rendered the process of collective bargaining less influential in deciding the terms and conditions of service of employees than would be expected in the developed countries where the state intervention is less prominent. In this regard therefore, the systems theory does not offer a conclusive explanation for the industrial relations in Uganda.

It would instead be justifiably argued that Radicalists postulations which emphasise the existence of an imbalance of power between the actors which to the radicals is the gist of industrial relations seems to have a more appeal than both the systems and pluralist theories which assume equality of strength of the actors within an industrial relations. As shall be seen in chapter three, in Uganda, the state which is at the same time the biggest employer has always sought to limit the powers of trade unions in organisation, and in articulating the demands of their members' and only gives the unions legitimacy when they do not challenge or try to turn the balance of power. Trade unions are in this way reduced to a reactive position in this situation. Hence industrial relations does not rely on the consensus of the equal actors, but on unequal actors where the stronger actor (the state) determines the pace and the direction of industrial relations for which the rest of the actors are supposed to follow.

In Uganda's industrial relations system, the state and other employers are always in alliance to limit the power of trade unions and even where the unions show some defiance, the state intervenes "brutally and decisively" and as Harvey observes; the state "provides machinery such as industrial court, the wages council and a host of specialised tribunals, for conciliation and arbitration in

industrial disputes, and lays down the conditions upon which such machinery must or may be used. It actively intervenes through the industrial court, conciliation services of the ministry of labour wherever at strike occurs or is threatening to occur and in the last resort to coerce and defeat strikers in essential services" (Quoted in Crisp:1984:91). All these are indeed measures well calculated to guarantee that the status quo persists and they are an important feature in the Uganda's industrial relations system as shall be seen in chapter three. Seen in this perspective, the radical/marxists thesis is applicable to Uganda's industrial relations situation.

The above mentioned scenario does not amount to the situation portrayed under the pluralist school in which industrial relations is relegated to "appropriate institutions" in society which are assumed to work together as to reach a compromise which in turn facilitates collaboration to continue as Fox (1973) believes. Whereas collaboration and cooperation are indeed ideal virtues in industrial relations in as far as they can guarantee the accommodation of all the competing interests between workers and employers which this paper contends would be the ultimate aim of a good industrial relations system, this is hardly the case in Uganda. What is witnessed is a system that is designed to ensure that state interests are pursued and collaboration can only be allowed to the extent that it facilitates the realisation of these interests. In other words labour is invited to collaborate in the state set agenda. This amounts to domination as opposed to cooperation and can therefore not render organisations in such an industrial relations system to qualify as havens of " a coalition of interests and ... miniature democratic states" as pluralists believe.

The theories of industrial relations save for banding the political factor as one of the environmental factors affecting an industrial relations, do not in a significant way provide a place for it in industrial relations system. In fact extreme industrial relations theorising as we see in the pluralist school assumes complete divorce of politics from industrial relations. Although trade unionism in Uganda was not a significant force in the achievement of political independence, a look at the historical development of trade unionism reveals a lot of political interference either for reasons of forestalling the potential political orientation of the unions as was the case during the colonial period, or trying to clean unions from being havens of opposition political groups as was the case in Uganda in the 80's as will be seen in chapter three. There is therefore a strong interaction between industrial relations and the political process and any theory of industrial relations ought to give it a prominent position.

Dunlop's contention that the environment within which an industrial relations system operates shapes the output of the system is valid for Uganda's industrial relations system. It has already been pointed out that in Uganda the state is the main economic development agent as contrasted with the Western economies where private initiatives form a significant power block in economic activities and therefore in their industrial relations systems. This explains its dominant position in industrial relations.

## **2.5 CONCLUDING OBSERVATIONS**

In this chapter various industrial relations approaches have been discussed. An overview of these approaches in general and their applicability to the Ugandan situation has been made. It has

basically been acknowledged that although they laid out a foundation for which an industrial relations system can be analyzed, they have not taken into account some fundamental aspects as have been expressed by modern theorists and as actually judged from their inadequacies when applied in different environmental settings. In effect it has been noted that;

- (i) Industrial relations cannot be viewed only in terms of rule making, and that therefore the focus must also be on methods and processes of control which have been proved to be important than the instruments of control.
- (ii) Industrial Relations is dynamic and not static and also has to manifest and cater for the needs of different and changing kinds of employment relationships and structures in its system in varying societies.

Experience gained from the analysis of Industrial Relations systems in different environmental settings show that the three main hierarchies of: Workers' organisations, Management and the State, and the impact of such, are not easy to generalise, since there are no fixed rules for predicting the predominance of any of the hierarchies. It is the contention of this paper that an industrial relations system must be capable and conducive to the maximisation of goals on all sides and the minimisation of conflict in the process. This contention is based on three assumptions:- that the greater the achievement of goals, the higher the effectiveness of an industrial relations system, the lower the level of conflict, the higher the level of effectiveness, and as a result of these two assumptions, the effectiveness of the industrial relations system has to be necessarily a function of the achievement of maximum goals of employees, employers, and the state thus maintaining a minimum level of conflict. The achievement of this minimum level of conflict is a task laying ahead of any Industrial Relations system.

In the next chapter industrial relations practice in Uganda will be assessed against the above mentioned assumptions and it will be established that industrial relations practice has been almost wholly attuned to the interest of the state. In chapter four the current changes in the Uganda's Economic environment as a result of the SAPs influence and their effect on Industrial Relations will be introduced. These changes in the economic environment are in addition to the general global changes in the type of technology as is necessitated by rapid advancement in technology and the associated changes in the composition of the workforce and its skill needs. There is a necessity for a fundamental transformation of the industrial relations system to reflect the changed economic situation, new employment relationships and the new dimensions of conflict. The aspects of this transformation will be discussed in Chapter five.

## CHAPTER THREE.

### **3.0 A HISTORICAL BACKGROUND OF UGANDA'S INDUSTRIAL RELATIONS SYSTEM.**

#### **3.1 THE DOMINANT ROLE OF THE STATE IN THE DEVELOPMENT OF INDUSTRIAL RELATIONS SYSTEM IN UGANDA.**

In Uganda like in most of the Third World countries, political objectives take precedent over any other subsidiary objectives in industrial relations. This very fact is linked to the omnipresent role of the state in almost all industrial relations matters as will be detailed in this chapter. Barbash (1984) has in this regard potently submitted that; "Industrial relations in the developing societies-functioning in the context of intense nationalist feeling, anti-colonialism, new nationhood, labour surpluses, rising expectations, illiteracy, polarised social structures, systematic planning, one-commodity economies, and one party states, and the absence of a mediating middle class-are necessarily producing industrial relations institutions that differ sharply from those of the West. In general instead of more or less autonomy, industrial relations in the developing society become highly dependent on and almost completely attuned to the state's purposes" (Barbash, 1984:120-1).

Barbash's detailed submission is valid in that it characterises the situation of industrial relations in Uganda. The theories of IR as discussed in the last chapter have limitations as already mentioned because stable industrial relations in a third world country like Uganda, is the basis for the country's economic stability, and prosperity. It is therefore, unlikely that the industrial relations actors especially labour is left to be independent as the theories which were developed basing on the Western economies seem to suggest.

In the absence of local capital to foster economic development, the state in most of Africa generally and Uganda in particular, became central to the development as well as a major driving force of economic development and a major industrialising agent. The major national objectives has been to accelerate economic development and organised labour was regarded as a sectional interest group whose interests had to be subordinated to the national interest as a whole.

Maintaining that industrial relations had a direct bearing on the development process since it could adversely affect productivity, if not properly handled, the various Ugandan Governments sought to control trade unions and accordingly played a much more interventionist role than was traditionally the case in the Western countries. Therefore, strikes were seen as a threat not only to the survival of the few local industries that existed but also a threat to maintaining a favourable climate conducive enough as to attract foreign capital investments especially in import substitution industries.

As already indicated in the first chapter state control of industrial relations was not limited to the post independence period but was also a feature of the colonial administration. The difference being that industrial relations control was at this time motivated by the need to avoid the militancy that was associated with the unions at the time as the historical account of Uganda's industrial relations

will show.

### **3.1.2 The Pre-independence Industrial Relations.**

Uganda like other former colonies had not evolved a meaningful industrial relations position until the advent of colonialism in the later years of the 19th century. Although pre-colonial Uganda had craft industries especially organised along family lines, the state of industrial relations in such industries was not so significant as to warrant an analysis since relations were based on mutual agreements between employers and employees who would in any case be having a stake through family and kinship ties.

Industrial relations in Uganda in general and trade unionism in particular is associated with the rise of wage employment which came with colonialism. In fact the history of industrial relations is associated with the history of trade unionism and the struggles between the workers union and the state in the continuous attempt of the later to control the former. As will be seen, in the whole history of industrial relations, there is hardly any significant role played by private employers which may be explained by the fact that the state had almost complete ownership of the enterprises. Besides this, and as already mentioned in chapter one, the state's active involvement in industrial relations although not exclusively, was to make sure that private investors ie. the would be private employers are not deterred by a violent and un-cooperative industrial relations regime. Hence the state has in effect largely catered for the interests of the private employers at least for much of the period before the current economic restructuring policies in which a different industrial relations regime is proposed as this paper will show in the coming chapters. Even though there were Employers Associations as for instance the Uganda Federation of Employers which was formed in 1958 and others in the Plantations, these associations were concerned mainly with economic and trade matters and not so much with industrial relations.

Unlike in the developed countries where industrialisation provided an impetus for early concerns about industrial relations matters mainly as a result of an expanding class of wage earners, in Uganda with very limited industrialisation, industrial relations is a more recent phenomenon which was necessitated by the starting of primary sector activities in plantations and mining that came with colonialism. But also apart from the primary activities which attracted a class of wage earners, there was a growth of service sectors for instance the transport sector through the railway and motor transport systems which were arranged on interregional basis from the East Coast through Kenya to Uganda. Because of the links which they had within themselves and also the wide experience and knowledge of what was going in other countries acquired while travelling long distances, it was possible for transport workers to develop a distinct class of their own with distinct common interests. As a matter of fact the first trade union ever to be formed in Uganda was the drivers association in the 1930's ( Scott, 1966).

Independent struggles by workers as above mentioned notwithstanding, a meaningful industrial relations system in Uganda started with the official sanctioning of trade union legislation by the colonial government and by so doing the granting to the workers the right to organise. This as will be seen later was one of the ways in which the colonial state expected to control industrial unrest

but most importantly to forestall trade union militancy that was at that time associated with trade unionism in other British colonies notably in the neighbouring Kenya and as had happened in other colonies of India and Gambia (Mamdan 1975).

a) Trade Union Ordinance No.18 / 1937.

Trade union legislation in Uganda began with trade Union ordinance no.18/1937 mainly as a result of colonial state initiative rather than significant workers demands as was the case in other colonies. In fact trade union legislation preceded union organisation unlike in neighbouring Kenya for instance. This impetus from the state had its origin from the colonial office in London through the famous dispatch of September 1930 by the then Secretary of State, Lord Passfield, to the Colonies. This was in response to labour uprisings and strikes as had actually taken place elsewhere in colonies like India and Gambia as above mentioned (M. Nicolson 1986). The main aim of the Secretary of State's despatch was to institute a machinery that was to forestall the development of a militant politically directed trade union organisation in the colonies or otherwise to check the spread of communist influence as had happened in India ( Roberts 1964:172-180). Therefore as observed by both Scott (1966) and Shivji (1986), trade union organisations right from the beginning had to be controlled and guided by the state supposedly one of the equal industrial relations partners into "constitutional channels".

Furthermore, although the above considerations were the main motivating force behind the state's active involvement in the formation of trade union and therefore a guided industrial relations regime, the immediate considerations for the enactment of the 1937 trade union ordinance was the need for conformity with similar enactments in the neighbouring Kenya and Tanganyika which had taken place mainly as for the case of Kenya due to the strike which had taken place earlier in 1937 ( M. Singh 1969:61-65). The Uganda enactment was as a result effected hardly a month after the Kenya one.

Therefore trade union organisation at least from the eyes of the colonial state was a mere formality. Indeed in 1939, while trying to amend the 1937 ordinance to include provisions for peaceful picketing and trade union immunity from tortious acts, the colonial state argued; "There is only one trade union in Uganda which was registered early in 1939, so that to begin with, this legislation is not likely to be of appreciable effect or value; and it is open to doubt whether the formation of other unions will be encouraged by providing these statutory rights. They have however been provided in Kenya and Tanganyika Territory, and in matters of this kind uniformity is regarded as expedient" (ARIL, 1939:2-3).

So with this shaky foundation, trade unions in Uganda have had the tradition of being controlled and directed as a weapon of the state to dominate and dictate the pace of industrial relations. This state directed industrial relations runs through during the breadth of Uganda's history and it has continued to change faces in the subsequent ordinances which were only enacted to forestall the new trade union challenges as the trade ordinance of 1952 here under provided.

b) The Trade Union Ordinance no. 10/1952.

The 1937 ordinance could not have the desired effect because the material conditions within the workers themselves were not conducive to the required level of organisation because of a multiplicity of factors especially the fact that the economy had no significant centrally organised economic activity. Much of the economic activity was in the scattered foreign owned economic activities like, cotton ginneries, big farms of landlords mainly from the central Buganda region. The organisation was therefore difficult because of the scattered nature of the workers. Worse still much of the labour of this period was dominated by foreigners especially from Rwanda and Burundi (Barya 1990). It was not until the introduction of import substitution industrialisation of the late 1950's and 1960's ie. a period after independence that labour organisation became possible. Even with the 1952 trade union ordinance, it was enacted as part of a comprehensive attempt by the British colonial government in East Africa to block the radical and left wing political unionism especially the type that was emerging in neighbouring Kenya and as had actually emerged in Asian colonies; at the same time it was meant to encourage the development of apolitical and economicistic trade unionism by vesting powers of control and supervisory powers in the registrar of trade unions. However unlike in 1937, workers struggle in Uganda and also in other East African colonies of Kenya and Tanganyika, acted as impetus to the enactment of this statute. The pressure of workers can be deduced from the opening address of labour commissioner while giving a background to the introduction of the 1952 bill in parliament when he explained the cause of the hitherto "little interest in genuine (ie economicistic) trade unions...experience in the neighbouring East African territories has clearly shown that the provisions of the existing ordinance fall short of what was intended when they were enacted."(Up:1952:45).

The ordinance contained provisions like the comprehensive guaranteed right to form unions which was in accordance with ILO convention, the rights to immunities and privileges of the registered trade unions were also laid down. There was also provisions which were meant to ensure state control and thereby forestall the development of a left- wing politicised movement. Other provisions were meant to encourage Union democracy and accountability. The importance of these provisions which were inherited in the subsequent acts and were seemingly in favour of a relaxed Industrial relations regime especially those provisions that ensured accountability and trade union democracy in ensuring deeper state control will become apparent in the subsequent discussion.

**3.1.3 The Post Independence Industrial Relations.**

After independence a new industrial relations framework was put in place. The frame work emphasised tripartism, reinforced the state control tradition of industrial relations and closer supervision of trade unions. A very important act of this new industrial relations frame work was the 1965 industrial relations act. This act was conceived in the wake of several strike actions after independence. But most importantly the act was conceived within the framework of the ideology of economic development which as earlier mentioned in chapter one, became the overriding justification for the restrictive industrial relations regime of this post colonial period.

Among other provisions, the new act provided for compulsory registration of all unions and union

branches. It gave the minister of labour powers to order any person or persons or organisations which have relations with a trade unions or labour relations to notify the registrar (section 11). This was in addition to the ministers residual powers to order inspections or investigations into any union with ultimate powers to order prosecution or de-registration of a union. Other provisions included the exclusion from positions of leadership any foreigners, non-citizens working in Uganda. This had the effect first of keeping out experienced union members especially those from Kenya who had been involved in earlier struggles and secondly to weaken the general trade union independent organisation given that a substantial part of the labour force was of alien origin from Rwanda and Burundi. Thirdly the act also strengthened the earlier provisions of 1952 ordinance which were meant to encourage democracy and accountability and brought in such provisions as those which ensured the keeping of the books of accounts, having them audited and open to inspection, by members and the making of annual returns. Section 20 of the act provided for every trade union to hold an annual general meeting failure to do which would lead to extortion of fines from union leaders.

The government through the minister of labour, justified these provisions on the grounds that government was the custodian of the common good hence the need to take responsibility for trade unions. He argued; "in the interest of the workers, the community and the country as a whole, the government has an inescapable responsibility to ensure that the administration of these organisations whose activities determine the economic progress of this country is properly undertaken, especially by the people who have the interest of the nation at heart".(UG 1965:1767). The 1965 Act despite its effect in streamlining the trade unions by encouraging amalgamation which saw a reduction from 40 small and ill organised to 26 after re-registration, the trade unions were generally strengthened only in a formal institutional sense. Trade union's capacity to mobilise workers, run their business democratically and relate to the wider society as a united force was minimal. As reported by Barya (1990) trade unions became divided and government encouraged this division. For instance the government sponsored Federation of Uganda Trade unions (FUTU) and the independent UTUC supported by ICFTU continued to divide workers allegedly on ideological lines. In 1966 FUTU merged with UTUC to form ULC (Uganda Labour Congress), the merger was short lived because in 1968 a faction in ULC staged a coup and overthrew the leadership.

The period between 1968-1971 during the Uganda Peoples's Congress 1 (UPC) regime advanced the move to the left policy and sought to create state capitalism under the rubric of socialism- which was the ideological catch word in Africa of the late 1960's and early 70's. The Industrial relations act (act40/1970) was put in place to pave the way for incorporating trade unions and in it the workers within the state capital institutions. Therefore while during the period between 1962-68 restrictive labour policies were justified by the requirements for economic development, the new policies were based on the need to instal socialism. At the centre of the new policy was the declared Common Man's charter or document 1 as it was called whose overriding objective was the achievement of socialism -an ideology that even surpassed that of development. This was to be achieved through the nationalisation of private enterprises. This indeed happened in 1970 through what came to be the Nakivubo pronouncements or Document no.4 when on May Day 1970 the President of Uganda announced that 60% out of 84 major industries most of which were

foreign owned were nationalised. Trade unions were supposed to acquire part of the 60% of the nationalised industries. Also in another document (no. 4) government declared its intentions to create one public service with a uniform salary structure for all government officers, teaching service, parastatal, and the UPC party itself and trade unions.

Decree after another were issued among which was the 1976 decree and which is still in operation. It contained a range of provisions whose concern was freedom of association, democracy, accountability, and state control and supervision of trade unions. The rest of the provisions were as they appeared in the earlier decrees. But fundamental changes were introduced like the requirement that no foreign aid be received by unions unless approved by the minister (s.43) and that the purposes on which union funds may be used were fixed by law (s.44). The decree also empowered the registrar to apply to the trade unions tribunal against union officers for fraudulent misuse of funds (S.52). It also specifically gave powers to the registrar to interdict or suspend any union officer if satisfied that he/she is guilty of misuse misappropriation or mismanagement of the funds or the union affairs by the union leaders.

Although those aspects of the labour law which favoured trade union accountability were rarely invoked, in the few cases that they were, they were used for opportunistic purposes by government to push its position to the unions. These were used to negate democracy for example as when during the Uganda People's Congress second leadership between 1980-1985, the regime deployed the law to frustrate the holding of the Annual Delegates Conference (ADC) and even elections for NOTU because the government was not sure whether the leadership that would emerge would be sympathetic to it. When in 1984 the unions finally confronted the minister of labour demanding to be allowed to hold ADCs and elections, the minister opportunistically deployed the law against them; apart from saying that NOTU must maintain " the understanding reached in the president's office" ( this was about ensuring UPC leadership of NOTU and the Unions (see Barya 1990:278-280), the Minister insisted that ADC's would not be held until all legal requirements were observed namely; sending annual returns to the registrar (s. 48 industrial relations decree) and that unions had to be up to date in their subscriptions to NOTU. He then directed the registrar " to make sure that all unions were up to date in their contributions to NOTU and that the trade union inspector of books must ensure that the law is followed before NOTU Delegates conference is held". He then concluded without much discussion that "he was not going to succumb to any pressure whether internal or external and that if unions fail to fulfil the conditions he set, he will dissolve the unions and appoint caretaker committees" ( NOTU 1984).

This belated concern by the labour ministry over the need for unions to adhere to constitutional provisions was opportunistic in that it was meant to ensure that failure to follow the law could be used by the ministry to impose its wishes on the union.

The state intervention in the industrial relations becomes even more pronounced and effective through the state instituted subsidiary legislations purportedly put in place to safeguard all the interested parties to the Industrial Relations system. A look at some of the legislations would suffice to bring the state's position home.

### **3.2 SUBSIDIARY LEGISLATIONS.**

#### **3.2.1 The Trade Disputes (Arbitration and Settlement) Act 1964.**

This act was enacted in the wake of industrial unrest which was characterised by strikes immediately after independence where Uganda Federation of Labour (UFL) and the ruling Uganda People's Congress party ( UPC) Youth Wing had made an alliance. The main reason for this enactment and indeed for the several state measures devised to have a dominating influence over the industrial relations was to curb industrial conflict especially the disruptive strikes and attract foreign investment. The minister of labour while justifying the enactment of the act in parliament revealed this objective when he observed; "Strikes and industrial unrest will earn a bad reputation for this country and... the consequences will be to deter investors from bringing industries here and will discourage these countries who might be willing to lend us money for development schemes from giving us assistance (UG 1964:2403).

The general provision of the act was for the settlement of trade disputes generally and the settlement of trade disputes in what was categorised as essential services, to provide for the establishment of arbitration tribunals, Boards of inquiries, and standing industrial court, to control and regulate strikes and lock-outs and for matters incidental thereto (Act 20/1964 or Cap 200 Laws of Uganda 1964, Long title).

The act was amended in 1974 to deal with methods of dispute settlement and the role of awards and regulation of the strikes. In the event of the dispute not resolved at the work place or where disagreement persists after the voluntary grievance machinery of the recognition and procedure agreement is exhausted either party to the dispute can report to the minister. The act gives the minister a considerable latitude to decide whether the matter is unsuitable to be dealt with under the act or refer back the matter to the parties for further negotiation for a settlement or appoint a conciliator for the dispute. If the conciliator fails to settle the dispute within 6 weeks the minister may refer the matter to an arbitration tribunal or the industrial court. Both the industrial court president and members of the arbitration tribunal are appointed by the minister.

Other than the above mentioned powers placed in the hands of the minister, the act makes it almost impossible for workers to strike. Section 15 of the act declares it as an offence for any person whether a trade union leader or not to "declare, instigate, counsel, procure or abet a lockout or strike" in connection with a trade dispute unless and until a voluntary dispute settlement machinery under the act as mentioned above relating to conciliation and arbitration have been adhered to and exhausted.

#### **3.2.2 The Negotiation Machinery/ Public Service Act 78/1963.**

During the period before independence, industrial relations in both the public and private sector were regulated under the terms of the 1952 ordinance. After independence however, the government sought to have control and this objective was indeed achieved with the help of the

public service (Negotiating machinery) act (no.78/1963). Although it was recently amended, this act fundamentally changed the character of industrial relations in the public service. For instance the Uganda Public Employees Union (UPEU) which represented Public Servants had its collective bargaining rights destroyed, under the act, the public service employees were subjected to a state directed dispute settlement process, also the right to join trade unions remained a privilege of only a few unestablished government employees in the 'group employees category' ( This provision has recently been amended allowing certain categories of civil servants to form or join trade unions). The last provision of the act removed the right to strike from employees who worked in services which were considered to be essential.

Several arguments were advanced by government to justify the new law; first there was a contention that the dispute settlement machinery, disciplinary action appointments and dismissals under the old trade disputes ordinance 1949 violated the constitution and therefore contravened the supremacy of parliament. Unlike private employers who could accept the decisions of an arbitrator, "government could not agree to any limitation of its sovereignty in this matter by allowing an arbitrator to commit public funds this honourable assembly could no more than rubber stamp after funds have been committed. The necessity to avoid limiting the sovereignty of parliament is a principle behind the whole of this legislation"(U 1963:706).

Secondly, there was a need for civil servants not to have divided loyalties between government and the union: "it is their duty to carry out without grumbling the policies of the government of the day any body who disagrees with that will be out..."(Ibid. 723). Thirdly the argument ran that the standards as set by ILO as regards freedom of association were not relevant for peripheral capitalistic economies like Uganda on account of the overriding objective of achieving rapid economic development. The ILO standards were feasible for the developed countries but not for the underdeveloped ones like Uganda.

Further more the public service (Negotiation machinery) Act 1963, established a Joint staff council (JSC) which is appointed by the minister from the nominees of the permanent secretary and those of the relevant trade unions. The functions of the JSC include; to negotiate terms and conditions of junior public officers and those below them, advise government on any matter and "generally to assist in furtherance of good relations between government and junior public officers"(s.5). Accordingly the minister was given powers to designate any trade union to be the relevant trade union for the purpose of the act. For avoidance of doubt senior public officers were prohibited from becoming members of "any trade union or any body or association affiliated to a trade union"s.25(1).

Perhaps the most restrictive of the provisions of this act is the prohibition of officers to strike "which causes or is likely or calculated to cause a cessation of work in any of the essential services" (s.18(1)). while this provision was to apply to "essential services", the authorities were given considerable liberty in deciding whether a work place would be considered as essential or not. Whereas the original list of essential services had been identified as water, electricity, health, sanitary and hospital services, in this act the services were expanded to include; fire, prisons, air traffic control, civil aviation telecommunications, meteorological, and transport services "necessary

to the operation of any of the services set out in this schedule" ( Mamdan 1987). Soon the constantly expanding list of "essential services" became the main weapon to forestall strikes or to subject industrial relations in such an essential service to compulsory arbitration.

### **3.2.3 Minimum Wage Fixation.**

There exists provision for minimum wage fixation since 1957, when an operational Minimum Wages Advisory Board and Wages Councils Ordinance was enacted. According to the act, the minimum wages advisory board is supposed to be appointed by the minister "at his discretion", from time to time, for a specified area, group or groups of employees "in any occupation which he considers that it may be desirable to fix a minimum wage and to determine other conditions of employment". If the minister approves his appointed Boards' recommendations, they are published for public comment and thereafter submitted to the President who may accept, vary or reject them. Once accepted or modified, they constitute a minimum wage.

The minister has an alternative of establishing a Wages Council, also at his discretion where he is of the opinion that no adequate machinery exists for the effective regulation of wages and conditions of employment of any employee in any trade, industry or occupation. The council makes proposals on remuneration and conditions of service for the specified employees. These are published for public comment after which with or without modification the minister publishes a statutory order regulating the relevant employees' wages and other terms.

It should be noted outright that there is overwhelming power in state hands. Despite the provisions for the right of the "public" to make proposals, to determine the minimum wages and other terms of employment, as the National Organisation of Trade Unions (NOTU) put it when it was recommending for the repeal of this legislation "...characteristic of colonial pieces of legislation the power to set Minimum Wage is concentrated in the hands of the state" (NOTU,1989:27). Secondly, the recommendations went on, in practice, the process of Boards and Councils calling evidence, deliberating on the matters, submitting proposals to the minister, etc. up to the final decision takes too long, may be "two or more years while employees continue working for the same wage under the same conditions which may have led to the appointment of the same board or council". Despite the fact that the boards and councils are advisory, no effective democratic forum for the employees to present their views is offered.

This paper has dwelled at length on the various ways in which the state dominates the industrial relations scene in Uganda mainly through legislation. It is to the implications of this domination on the trade union movement's agenda that the paper now turns to.

### **3.3 IMPLICATIONS OF STATE CONTROLLED INDUSTRIAL RELATIONS IN SHAPING THE AGENDA OF THE TRADE UNION MOVEMENT.**

After independence With Uganda's membership of the United Nations one of the later's organs the International labour Organisation (ILO) came to be quite influential in the developments in Uganda's industrial relations. With independence, the idea of bilateral agreements which was beginning to

catch on was gradually replaced with the tripartite conception of industrial relations. This was done with definite encouragement by the ILO, employers and the state. Trade Union leadership generally acquiesced in this arrangement.

Central to tripartism is the consensual view of industrial relations aimed at maintaining industrial harmony. Worthy of note in this arrangement was that tripartism was favoured not only in Uganda but also in other African post- colonial states because it was consistent with their general corporatist policies.

The main aim of corporatist organisation of society and of tripartism in industrial relations has been to deny class and other forms of social differentiation and an attempt to mystify the class character of state policy with institutional structures that conceal different class and social groups' interests. As indicated earlier in this chapter, state interest becomes an embodiment of all interests and to divert from this general interest is to be "anti- society" or, as is sometimes narrowed down, "anti- people" as is often heard from many Third World leaders while condemning striking workers.

It is contended that the concurrent and serial influence of ILO and Western trade unions especially (ICFTU) education apart from cementing the tripartite view of industrial relations, it systemised the economicistic and technocratic self conception of Unions which dominate trade union consciousness in today's Uganda and this has gone a long way in creating unions that regard the status quo, as natural. This self conception of Unions should be linked to the attitude of trade union movement especially their leaders to law generally and in case of industrial relations to the restrictive labour law in particular which is used to regulate their activities.

In terms of the legitimacy of this law, it is the underlying premise of the state and the employers that since the creation and application of law generally and labour law in particular is a pluralist venture and a tripartite one in case of labour laws, these laws represent social consensus. This conception disregards the power relational status the actors posses. Therefore once the idea of legality of law is invoked in industrial relations, all the social partners ie. the state, employer, and the workers through their trade unions are expected to support it.

Indeed adherence to the prescribed industrial relations procedure as dictated by the state regardless of its glaring cases of unfairness to labour is what constitutes legitimate industrial relations. Such a situation leaves no room at all for dissent since to digress from it would constitute unfair labour practices.

Also the nature of trade union education becomes important because the ideas which are embedded in that education pervade the trade union leadership from the national to the shop steward level. Although the rank and file attitude, behaviour and action may at times run counter to the trade union concept of labour laws given that for example despite the existing tight restrictions on strike actions the rank and file nevertheless still go on strike even in disregard of their leaders advice, those concepts generally govern the positions trade unions take, their internal organisation, relation with management, the state and their own membership. The below selected discussion will suffice to illustrate the extent to which trade unionism has been modeled to fit within state determined agenda.

### **3.3.1 The "Common Interest" Rhetoric.**

As for government, the ILO tripartite and economicistic view of trade unionism perfectly rhymes with its view that because of the overriding need for development there is no contradiction between labour and capital. For instance on May Day 1974 Idi Amin - the then president of Uganda lost no time in declaring that; "in Uganda of today everybody is a worker so long as he is engaged in some productive activity which contributes to national development. We do not believe in sharp and artificial divisions between the workers and the so called- employers as you find in imperialistic capitalist countries". On the contrary, he continued, " we are joined together by a common bond of brotherhood and have the common goal of achieving prosperity and well-being of all people. Both the workers and their managers must continue to regard each other as comrades- in- arms" (Voice of Uganda 1.5.1974).

What is even more revealing of the far reaching impact of this non conflictual, consensus view of industrial relations as jointly propagated by ILO and government is that soon even the trade union leaders took over in propagating it. For instance just a year later after Amin's declaration as above quoted, the Secretary General of NOTU perfectly echoed Idi Amin's words; "Both management and employers have a common goal and objective in that all aim at making the enterprise for which they work a success. The legend that there are two sides in industry the management on one hand and the workers on the other presupposes that the two sides have different goals and objectives and is therefore absolutely false and detrimental to economic development" (NOTU 1975:7)

### **3.3.2 The Economicistic View of Trade Unionism.**

The biggest influence on the ideological conception of trade union members as alluded at in the first chapter, has been through education both locally and abroad. Most of the educational seminars have focused on educating national and branch Union leaders and to a significant degree the rank and file especially through the study circle system. The conception of trade unionism taught in these courses buttress economism, negate politics and since the 1970s the ILO tripartite view of industrial relations has been religiously pursued. The secretary general of NOTU's (1986-1988) view of what he understood to be the role of education tells it all; "...the role of trade union education was to give workers knowledge and skills to discharge their duties efficiently and to know their rights and obligations and their responsibilities towards their trade unions, enterprises, and society". Of course these "rights and obligations" are as determined in the state dominated legislative machinery as has already been indicated. Trade union education should therefore give knowledge of: trade union law, how to keep records, conduct meetings, collect and control union funds and public speaking (see R. Kasozi).

A look at the constituents of this education confirms the General Secretary's view, the topics taught for instance labour laws, the scope of collective agreements and the Social Security Fund treat the status quo as natural and the bottom line of trade union is seen simply as the acquisition of negotiation skills, and improving the conditions of the workers. There is nothing to indicate that they will ever question the status quo and other upstream issues of demanding wider participatory rights. Of immediate concern, it is also mainly through this conservative trade union education that

unions have not seriously demanded a reform of the repressive labour laws.

### **3.3.3 The Provisions of the Recognition Agreements.**

The employer is only obliged to recognise a union if at least 51% of the unionisable employees are members (s.19(1)(e)) of the 1976 Trade Union Decree). Three elements comprise a typical recognition agreement; the recognition provisions, the grievance handling procedure, and disciplinary code. Much as recognition is important in itself, the grievance handling machinery and the disciplinary code are a clear reflection of the dominance of the employer in industrial relations and the definition of what constitutes legitimate industrial relations practice.

One such agreement exists between Uganda Textile and Garment Workers Union (UTGWU) and United Garment Limited (UGIL). The agreement states that UGIL recognises UTGWU as the only negotiating body on behalf of unionisable employees. The union and the employer agree not to interfere with each others functions while the employer promises to accord both time and facilities to officials to do their work. During strikes the union agrees that essential staff ie. those in security, sanitary, electrical and medical) sections do remain on duty doing routine work. The grievance handling procedure usually lays down steps through which complaints go; usually beginning with a report to the immediate supervisor, through senior managers to the chief executive. If the grievance is not solved then it goes to the joint management and union negotiation committee. If not solved at this stage it becomes a subject of conciliation and arbitration under the repressive trade disputes (Arbitration and Settlement) Act 1964. Lastly the Disciplinary code covers offenses and their penalties in the performance of work.

The point of note in these agreements is that they subject a worker to the domination of the employer on contractual- supposedly voluntary basis on one hand, and on the other this subordinate relationship is emphasised, and the subjection of the dispute to the repressive dispute settlement law of the state is acknowledged by these agreements. The unions have generally acquiesced to this arrangement and even ensure that workers do not violate such glaringly unfair agreements.

Some recognition agreements outrightly empower the employer to unilaterally decide to terminate the services of an employee at will. For instance the recognition agreement between government and Uganda Public Employees Union (UPEU) uncompromisingly states that; "the union is ...aware of the constitutional right of government through properly authorised persons to terminate the services of any government employee without giving any reasons" (Art.9). In the event of such a dismissal the concerned public service employee cannot even complain to the industrial court.

### **3.3.4 Divisions within the Trade Union Movement.**

In many respects, the post colonial state- dominated industrial relations was possible because the union themselves were divided. When the law regulating trade unions generally, trade unions in public service and trade disputes was enacted, between 1963-1965 there was protest from Uganda Trade Union Congress (UTUC) against all the restrictive aspects (Barya 1990). However

the pro-government FUTU Federation of Uganda Trade Union always religiously supported the enactment and government labour policy. While UTUC drew its support from ICFTU, and other Western Unions, FUTU was supported by All African Trade Union Federation (AATUF) and the Eastern WFTU. Despite its more restrictive nature, the legislation enacted between 1968-1970 was not opposed by Union leadership in the same way as the 1963-1965 legislation although the former in addition to its restrictive nature in fact removed trade union autonomy by creating the single Union (ULC). The main reason for this apparent indifference was because trade union leaders had at this time accepted to be incorporated in the new state institutions under the so called move to the Left strategy. In their own words, the union leaders had declared following the Nakivubo pronouncements to; "Wholeheartedly abide by the new political culture and economic reforms as outlined in the Common Man's Charter.... The new political culture will guide the labour movement" (Uganda Argus 5-5-1970). One amazing thing is that such declarations by union leaders were made without seeking their members' views which obviously ran contrary to such declarations. In other words they had ceased to be accountable to their members and were now part of the crusade that would sell government values to them instead of vice versa.

### **3.3. CONCLUDING REMARKS.**

In this chapter the paper has gone at length to trace both the historical development of industrial relations in Uganda and the reasons behind its control by the state at the various levels of its development since the colonial times. It has been seen that the reasons for control were varied ie. industrial relations situation had to be controlled during colonial times for reasons of avoiding the militancy that was associated with workers as had been experienced in other colonies. After independence, the post independence governments were pre-occupied with the need to consolidate the country's independence through rapid economic development and the control of industrial relations was one way to achieve that objective because it would be ensured that less and less industrial unrest would occur. There was also a conception prevalent in the post independence elites that labour force in the formal sector of the economy especially the unionised labour force was a privileged minority enjoying its position of economic advantage at the expense of the vast majority of the population in the rural areas and subsistence sectors and therefore could not be allowed free reign to pursue its sectoral objectives.

The main pre-occupation of the state and its various bodies has been to stop the occurrence of the strikes. Strikes generally and for whatever cause have been considered a luxury that under developed countries like Uganda could not afford. In this regard the state mainly through legislation has been out to see that a strikes free atmosphere is assured. As a consequence, the voluntary character on which plural industrial relations is based has been sidelined all through Uganda's industrial relations history. In actual fact, the thesis that equality of powers of the actors in industrial relations is more of a myth than a reality as raised in the radical school is valid for much of the Uganda's industrial relations history. Consequentially as predicated in the radical conception, the rationalisation of the status quo has been an often occurrence judging from the resultant ideology of the trade union movement also discussed in section 3.3 of this chapter.

In the chapter the role of international bodies namely ILO, and international workers organisations

like ICFTU in enforcing this control through their tripartite conception of industrial relations and their acclaimed economicistic view of industrial relations has been discussed. The chapter has accordingly discussed how the combined influence of state policies and trade union education as influenced by ILO and ICFTU has shaped the narrow agenda of trade unions by restricting them to the agenda of economism and not issues of job control and wider participation. And true to their character, "Seldom do unions fight for greater control by the worker over his work activities. They are lost in economism, the task of asking for more and more money. They are aggressive when it comes to asking for more money, but defensive when it comes to job control." (Ramaswamy 1981:42). In Uganda, the only point when the unions come close to articulating the interests of their members has been in defense of the economic gains and at no time have they pressed for issues of greater participation in the decision making machinery at the work place. In other words the trade union movement has assumed more of a reactive role than an innovative one. The future challenges will necessitate that the unions change this position if they are to achieve their cardinal objective of defending the fast changing interests of their members.

But even more precarious is the state and other employers' narrow conception that successful suppression of open strikes is all that good industrial relations entails; for as Clark Kerr (1964) aptly observed; "The manifestation of hostility is confined to no single outlet. Its means of expression are as unlimited as the ingenuity of man. The strike is the most common and most visible expression. But conflict with the employer may also take the form of a peaceful bargaining and grievance handling, of boycotts, of political action, of restriction of output, of sabotage, of absenteeism, of personnel turnover. Several of these forms such as sabotage, restriction of output, absenteeism and turnover, may take place on an individual as well as on organised basis and constitute alternatives to collective action. Even the strike itself is of many varieties. It may take the form of a refusal to work over time or to perform a certain process. It may even involve such rigid adherence to the rules that output is stifled." (Quoted in Poole 1986:125).

The absence of open dissent may not necessarily constitute a relaxed and productive industrial relations position. In any case even under this restrictive industrial relations regime, strikes nevertheless occur. Just to consider a period of only 5 years between 1988 and 1992 as shown in table 1 below, the number of strike actions which occurred and the consequent Man days lost is enough evidence to show that restrictive Industrial Relations is no panacea to industrial unrest

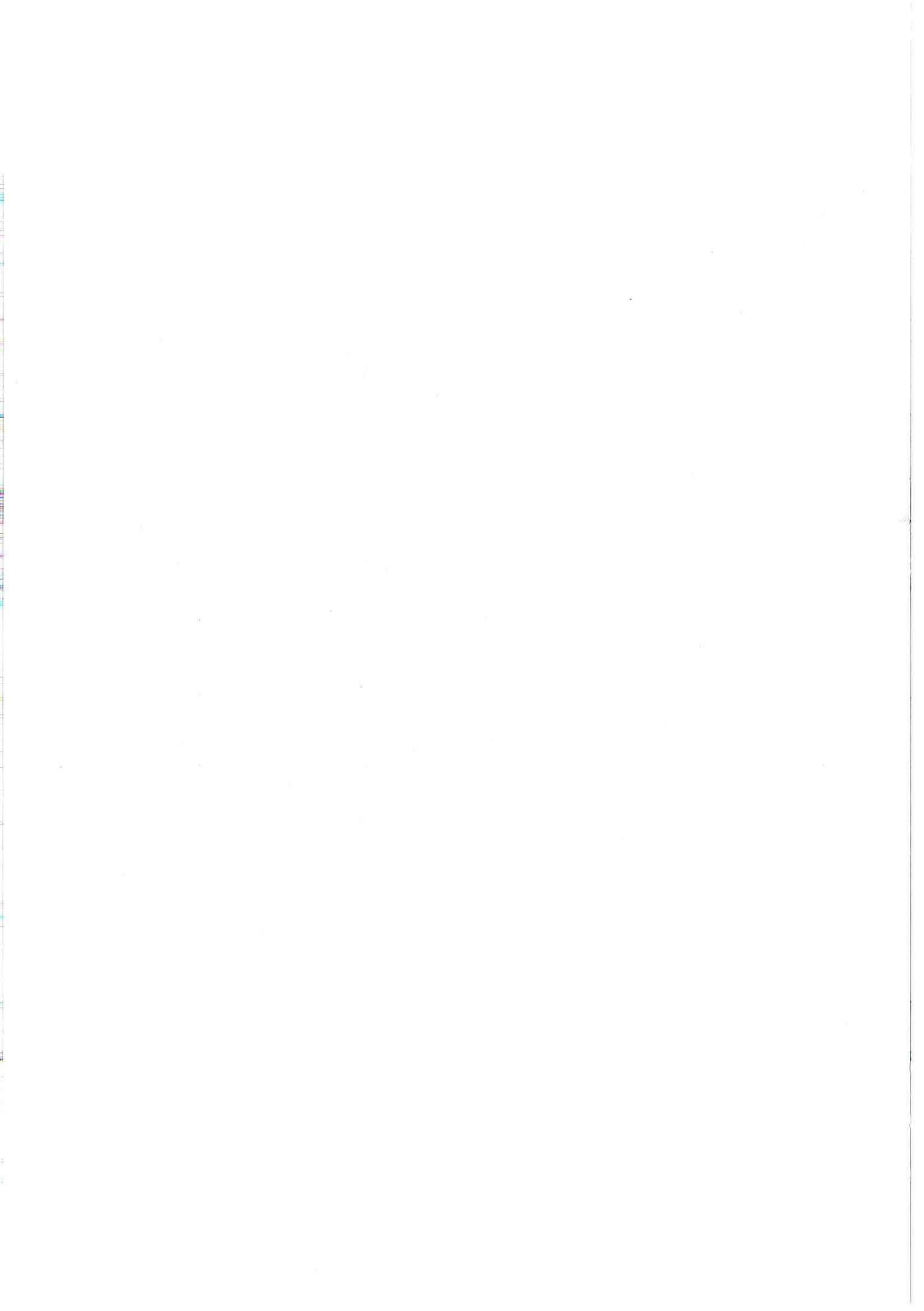
**Table 1. Strikes in Uganda from 1988-1992.**

YEAR	NO. OF STRIKES	NO. OF EMPLOYEES INVOLVED	NO. OF MAN DAYS LOST
1988	93	25,660	84,076.15
1989	79	16,121	59,421.71
1990	113	19,149	43,774.297
1991	81	7,213	23,699.7
1992	79	18,549	35,912.02

**Source:** Compiled from ministry of labour strike Records in Kampala.

This approach to industrial relations despite its obvious limitations even in the present economic setting is at its most trying time when subjected to the new competitively guided economic environment that is being adopted within the Ugandan economy at the advent of the IMF and WB structural adjustment policies and the associated economic globalisation that subjects the economy to the competitive international markets. This is more so given that the concern of industrial relations now is not how successful strike actions should be managed but how Industrial relations can be used as a strategic tool for the enhancement of production without compromising the quality of products so as to be able to compete favourably in the international markets. The direction and thrust of the new industrial relations outlook should emphasise productivity and recognise that the key to a better economic future lies in the workplace by making it a more productive environment. This would entail a new outlook to industrial relations that emphasise industrial harmony. The real challenge of the day lies in the capacity to develop a workplace that resolves tensions rather than suppressing them, that recognises the human factor as a central feature in the production process and therefore develop strategies that will ensure the right kind of human relationship that emphasise industrial harmony and collaboration between the parties for their mutual benefit and that of society.

In the next chapter, the paper will introduce the changing economic scenario in Uganda and its implications for industrial relations. Thereafter the paper will in chapter five discuss the new dimension industrial relations should assume as well as redefining the roles of industrial relations actors to enable them adjust to the new economic environment.



## CHAPTER FOUR.

### 4.0 THE CHANGING ECONOMIC ENVIRONMENT.

#### 4.1 Introduction.

Uganda's economy, like those of many less developed countries was affected by the recession of the past two decades characterised by unfavourable terms of trade, growing unemployment, high levels of inflation, and also reduced standard of living for the working poor. In an attempt to revive her otherwise ailing economy, the government has since 1982 had to administer the International Monetary Fund (IMF) and World Bank (WB) prescriptions in form of stabilisation and structural adjustment programmes, the emphases of which are on the efficient allocation of resources. As there is a close connection between politico-economic trends and industrial relations, the implementation of these austerity measures has shaken the traditional foundations and provoked a crisis in the country's industrial relations system.

Various indications characterise this crisis; the privatisation of the public enterprises which had hitherto provided employment albeit under regulated terms to a significant number of the workforce. The associated massive retrenchment without prior consultation with labour and the general relaxation in implementation of the few statutory provisions that favoured labour as a move to attract investors eg. the practice of ignoring the minimum wage provisions and curtailment of severance payments.

Much as the previously state dominated industrial relations system left a lot to be desired as described in chapter three, it is the argument of this paper that the so called efficient allocation of resources cannot offer a feasible option for a strategic management of industrial relations as to answer the demands of the competitive economic situation. There is a need for operational efficiency which will involve the maximisation of labour and capital through sound management practices which will involve the harmonisation of the interests of each constituent group namely, the employers, the state and labour. For this reason, the focus of the government and other labour market partners should be on how to make industrial relations responsive to the challenges of the new economic realities. Based on the assumption that development is a matter of negotiations between the organised groups (Schregle, 1982) and especially considering the government of Uganda's declared political goal of participatory democracy, there is high need than ever before to involve all the industrial relations actors in the decision making process. This process will involve several transformations within the labour market partners on their present roles in industrial relations as will be shown in chapter five.

This chapter first discusses the new changes on Uganda's economic scene as a result of the adoption of the structural adjustment programmes, the new management practices which are inevitable in the present liberalised Ugandan economy will be discussed and their implications to the present state of industrial relations to enable us make a case for a changed industrial relations outlook.

## **4.2 THE ERA OF STRUCTURAL ADJUSTMENT PROGRAMMES 1982 ONWARDS.**

Kiggundu (1989) broadly defines structural adjustment as a comprehensive restructuring, management, and coordination of a country's public, para-statal, and private sector organisations so as to make them individually, and collectively more productive and contribute more effectively, on a sustainable basis, to the country's development goals. Structural adjustment requires the active participation and support of local and international organisations and groups. It calls for a significantly different, subtle and complex role for the government and governmental agencies. It necessitates a breakdown of monopolistic powers and allows competitive market forces in the making of economic decisions and allocation of resources to organisations. Structural adjustment programmes demand more effective mobilisation, distribution and use of the country's scarce productive resources such as foreign exchange, investment capital, and technical and human skills. Finally it requires continuous systematic coordination among participating organisations.

Although strategies for structural adjustment programmes differ across counties, in Uganda, SAP strategies have included divesting or privatisation of the public sector organisations, establishing and facilitating a more active open participation of the Ugandan economy in international trade, introduction of public service reforms for improving national and sectorial economic management, liberalisation of the markets including the labour market and an attempt to improve human resource development and utilisation in both economic sectors.

In spite of the fact that economic reforms started in 1982, their effect on the economy became more pronounced in 1987 when the government of Uganda and the IMF and WB launched the wide ranging Structural Adjustment Programmes (SAPS). Several areas of the SAP's economic recovery programmes (ERP) introduced in early 1987 included economic stabilisation and structural reforms and have affected the labour market so drastically that they would need mention here. This is because their implementation necessitate that a change be made in the management of industrial relations. For purposes of easy elaboration, a discussion on major areas of reforms that have had a profound effect will suffice. In this regard areas of major restructuring as; the public service, the parastatal sector, the deliberate encouragement of the private sector through incentives to foreign and local investors, and the employed monetary and fiscal policies will be discussed.

### **4.2.1 Restructuring of the Public Service.**

A significant number of the country's Workforce before the effective launching of the SAPs in 1987, was employed in the civil service. According to the manpower survey report carried out in 1989, the population share by employment was as shown in table 2 below;

**Table 2: Population Share by Employment:**

Sector	Persons Employed
Government Sector	244,175
Non. govt. formal sector (parastatal, private & Co-ops)	134,032
Total	378,277

Source: National Manpower Survey Report October 1989.

The two decades previous to 1987 had seen a big growth in the numbers of employees in the civil service. The growth in the civil service workforce paralleled the continuous decline in public revenues, decline in GDP and general per capita incomes as a result of the unfavourable terms of trade as earlier mentioned. As a result the work force experienced a fall in real incomes. Available figures from ILO although not up to date, as indicated in table 3 below can show this trend better;

**Table 3: Minimum Wage in Nominal and Real Terms in Uganda 1957-1984 Selected Years.**

Year	Minimum Wage	Price Index (1972 = 100)	Real Wage Index 1972 = 100	% Minimum Wage needed to buy family food reqs.
1957	33	61.4	29	164
1967	150	75.2	108	49
1972	185	100	100	60
1984	6000	35000	9	450

Source: Vali Jamal and John Weeks, "The Vanishing Urban Rural Gap in sub-Saharan Africa" International Labour Review Vol. 127, 1988, no. 3, Pg. 288.

A worker who could with half (49% in 1967 and 60% in 1972) his/her minimum wage purchase the family's food requirements, by 1984 needed 450% the minimum wage to purchase simply the minimum food for the family. This is before any money has been spent for such items as housing, clothing, transport, medicine, and school fees.

Accordingly in 1989 on the advise and as one of the conditionalities of IMF, the government of Uganda constituted a Public Service Review and Reorganisation Commission (PSRRC) whose main objective was to study and make recommendations on how to reduce the civil service. Its terms of reference among others included the examination of the civil service structure, the levels of staffing, and the remuneration issues.

After a long period of study the PSRRC came up with recommendations mainly aimed at reducing the number of the workforce as a way of realising enough funds for the provision of a living wage to the remaining civil servants as a motivation to them to increase their productivity. Its recommendations which were in July 1991 adopted by government are to;

\* Rationalise the number of ministries by merging them. In this way, the number of ministries were reduced from 38 to 21 and with this reduction 34,000 out of the 320,000 strong total civil service employees from all grades but mainly from the "group employees" category were retrenched. This only marked the beginning of phase one of the continuous retrenchments. Other phases of reducing the civil service workforce have been embarked on and the exercise is still going on until the targeted staffing levels are reached. The actual and targeted staffing levels from 1990 to 1995 are as shown in the table 4 below;

**Table 4: Actual and Target Civil Service Staffing Levels 1990 to 1995.**

Service	Actual			Target		
	July 90	July 91	July 92	July 93	July 94	July 95
Education	120,000	120,000	120,000	118,000	90,000	90,000
Civil Service	70,000	40,000	36,000	32,943	30,000	30,000
Police & Prisons	20,000	23,000	23,000	21,000	25,000	25,000
Group	110,000	86,000	50,000	43,000	0	0
Total	320,000	269,000	229,000	214,943	145,000	145,000

Source: Civil Service Reform document Jan.1994 Pg.32.

In the civil service reform programme, it has been decided that both the police and the prisons force be increased while the "group employees" category be abolished and their work be contracted to non permanent employees. As indicated in chapter three, this is the category that was allowed to join the trade union in the whole of civil service before 1993 when this provision was expanded to include other few categories of employees like teachers, and Uganda medical workers.

\* The (PSRRC) also recommended a salary enhancement and rationalisation of allowances exercise. Based on IMF revenue projections, the minimum living wage of Uganda shillings 70,000 (\$70) for the lowest category of civil servants (Scale U7) should be attained by July 1996 ( see table

Table 5: Projected Minimum Living Wage in Uganda Shillings.

	April 1993	July 1993	July 1994	July 1995	July 1996
<b>Minimum Wage: (Scale U7) Monthly</b>	19,000	27,000	45,000	60,000	70,000
<b>Wage Bill (annual)</b>	65 BN	89BN	120BN	150BN	180BN
<b>Staff in Civil Service</b>	218,141	214,943	145,000	145,000	145,000

Source: Ministry of Public Service, Personnel Monitoring Unit.

From the table, it is clear that the implementation of the pay reform target is dependent on reducing the size of the civil service by 73,141 employees ie 34% of the total public service employees as at 1st April 1994. This is in addition to 101,859 employees ie 32% retrenched between July 1990 and April 1993.

#### 4.2.2 The Public Enterprises Sector

On the advise of the IMF and WB the government has embarked on the privatisation and commercialisation of the huge public enterprises sector which arose out of the policy decisions taken in 1970 by the UPC 1 regime to partially nationalise the commanding heights of modern industrial and financial sector of the Ugandan economy. This nationalisation and public ownership had been reinforced by the introduction of the import substitution industries which were aimed at developing an indigenous industrial base which would eventually lessen dependence on foreign manufactured goods and hence lead to importation of less of them as a way to avoid a balance of payment deficit.

In september 1993, the Public Enterprises Reform and Divestiture (PERD) statute 1993, was assented to by President Yoweri Museveni to legally effect the government policy enunciated in November 1991 as the Action Plan for Public Enterprise Reform and Divestiture (APPERD). Among other things (APPERD) provides for the establishment of a Divestiture and Reform Implementation Committee, which is charged in law with the implementation of the government's programme on privatisation and commercialisation.

The first schedule of this statute provides for the classification of the public enterprises in Uganda into five categories referred to as classes: the first class comprises of 10 public enterprises in which the state is required to retain 100% share holding, this category is comprised of major public utilities such as railway, electricity, infrastructural development and major export crops (Coffee and Tea); the second class has 17 public enterprises in which the state will retain majority share holding, which include financial institutions livestock development companies, printing and publishing, posts and telecommunications and several agricultural products marketing concerns; the third category is comprised of 20 public enterprises in which the state will retain minority share holding mainly relating to energy, light agro-industries, manufacturing and trading; the fourth class is the biggest with 43 public enterprises which the state will fully divest including milling companies, food and beverages; pharmaceutical, manufacturing, mining and insurance companies; and the fifth class with 17 public enterprises which the state will liquidate mainly in tourism and wildlife and water, fisheries sectors of the economy.

According to the Public Enterprises Reform and Divestiture Secretariat, the position in regard to the divestiture, privatisation, repossession, and liquidations of the public enterprises by August 1994 was as below indicated;

**(i) Privatised Public Enterprises**

- East African Distilleries
- Shell (U) Ltd
- Lake Victoria Bottling Company Ltd.
- Kakira Sugar Works
- Toro & Mityana Tea Company ( TAMTECO)
- Uganda American Insurance Company.

**(ii) Repossessed Public Enterprises**

- Fairway Hotel
- Uganda Fishnet Manufacturing
- Uganda Blanket Manufacturing
- Nile Breweries (U) Ltd.
- Uganda Garments (1973) Ltd.
- Jubilee Ice and Soda Works
- Edible Oil and Soap Works
- East African Aluminium Works

**(iii) Divested Public Enterprises.**

- Agricultural Enterprises Ltd.
- Steel Corporation of East Africa
- Uganda Tea Corporation

This is in addition to 10 other Public Enterprises whose work towards their divestiture is in advanced stages.

**(iv) Technically Liquidated Public Enterprises and accordingly struck off the list of Registrar of Companies**

- Lebel (E.A) Ltd.
- R.O Hamilton
- Domestic Appliances
- Itama Mines Ltd.
- Agro Chemicals Ltd.
- The Uganda Fish Marketing Corporation
- Sukulu Mines
- International Television Sales
- Tororo Industrial Chemicals & Fertilisers Ltd.

In its second schedule, the statute outlines the divestiture guidelines which enunciate government's policy on privatisation and commercialisation. In the schedule, it is stated that in

all divestiture plans due regard will be given to implementing the government policy of broadening the base of ownership among Ugandans. This position is at best a political ploy intended to contain the expected public resistance since in reality few Ugandans would be financially able to buy these enterprises. It is mainly the multi-national companies which have been acquiring these enterprises. The statute also states that investors or buyers of equity in the newly privatised companies shall take steps to improve operating efficiency and the physical plant and management of the companies. The schedule further indicates that in all divestiture plans the committee shall take into consideration the balance between economic considerations, social costs and "tangible benefits".

It should be noted at this point that so far while all these measures have been effected or are continuing to be effected, there is no practical effort made to consult trade union organisations and indeed the statute itself does not provide for this consultation. As such it has not been easy for the trade union movement to know what is going on in the privatisation and commercialisation process.

There are provisions which provide for employee participation in the ownership of the enterprises which are to be privatised. These provisions would have benefited them if they had been backed by schemes such as trust funds, which would enable workers to secure credits to buy shares. The statute does not provide sufficient safeguards for workers who have been affected by the massive redundancies engendered by the privatisation process. Since trade unions are not conceived to be an integral part of this process by the statute itself, one wonders how they are going to negotiate collective agreements with the employers and to get the buyers of parastatal companies to pay reasonable redundancy benefits to affected workers.

#### **4.2.3 New Investment Attraction.**

In a drive to boost investment both in the privatised public enterprises and in the new projects that the investors would find profitable to invest in, the government promulgated an investment code in 1991. The code aims at providing for a conducive environment and legal framework for local as well as foreign investors and to establish the Uganda Investment Authority (UIA) as a one-stop-centre for investors. To quicken the exercise of licensing new investors, their applications are processed in a matter of days as opposed to the earlier practice where applications used to be processed in a period of months and sometimes years. The investment code spells out clearly the tax exemptions and profit repatriation incentives to new investors. As a new piece of law, the Investment Code 1991 came to repeal, in particular the Foreign Investment Protection Act and Foreign Investment Decree of 1977. Unlike the old law, the new code has opened almost all the sectors in the economy to foreign investments except those of crop and animal production.

As part of the scheme to attract new investments, the government has put in place a programme to return the dispossessed property to former business people of Asian origin who had been expelled from Uganda by the Idi Amin regime in 1972. All former business property owners were asked to apply to the Departed Asian Custodian Board (DAPCB) to state their claim before 30th April 1994. So far a significant number of businessmen, and industrialists of Asian origin have returned and have repossessed their former properties and businesses.

#### **4.2.4 Liberalisation of Prices and Markets.**

In order to improve the general environment for investments in the Ugandan economy, the government has undertaken to liberalise the prices and markets. This has especially been done through the elimination of foreign exchange controls and dismantling of state-owned production and marketing public monopolies, and the deregulation of the labour market. According to government, by March 1994, in a space of two years and nine months since the Uganda Investment authority was set up in July 1991, a total of 835 projects worth about 1 billion US dollars had been licensed. These projects were mainly being undertaken by foreign investors who had been attracted to the country by the generous investment incentives. A Kampala Stock Exchange (KSE) has also been set up as announced in the 1994/95 National Budget. Some enterprises including two merchant banks have already expressed interest to be quoted on the stock market once it becomes fully operational.

Clearly, the period between the 1980s and the 1990s has been an era of considerable pressure on the part of the Ugandan economy from increasingly competitive markets arising from the opening up of the economy. The structural adjustment programmes have emphasised improvement in industrial productivity through rationalisation of capital and better utilisation of human resources. These pressures although not yet fully operational to the scale of the developed countries, they have nevertheless sent shock waves on labour relations in Uganda. Due to the current changes in the international and domestic economic environment coupled with the technological advancement all which have heightened the degree of competition, quite a number of multinational companies notably Shell Petroleum company Ltd., the British American Tobacco Company, the Government owned Uganda Revenue authority and the many service sector organisations such as banks have already oriented themselves in the direction of adopting new management strategies. Even the civil service which in spite of its massive retrenchments is still the biggest employer, has evoked new management notions as, Human resource management, 'result oriented management' (ROM) and is with the help of the IMF evolving a communication strategy to ensure that timely and relevant information to and from the employees is easily disseminated.

On the other hand, there has been a significant increase in unemployment and redundancies due to the reduction of the public sector as well as the employed complex capital intensive technologies. As a result of these changes, there has been considerable enervation of the already weakened trade union power leading to an even more inadequate and defensive reactions on its part. The long practised collective bargaining tradition has as a consequence been considerably weakened and would appear to be at crossroads.

Whereas it is not the intention of this paper to imply that industrial relations as existed in Uganda before the advent of the economic liberalisation policies was ideal, it is nevertheless contended that the industrial relations mismatch to the economic situation of the day has been worsened by the new economic environment that calls for proper management of industrial relations if the Ugandan firms are to compete in international markets. As a result some companies, especially the

multinational ones are already practising new management strategies and it is inevitable that with time they will be adopted by other firms in the country.

Judging from the experiences in the developed countries of the West, the new management strategies grouped under the Human Resource Movement paradigm do present a challenge to traditional industrial relations. As the Ugandan economy has opened up to the international competitive markets, it is inevitable that the various multinational companies and also the few local ones, adopt the new management practices. Indeed a number of them have already pioneered in this field as already indicated. For purposes of gauging the magnitude of their future impact to Uganda's industrial relations, it is imperative to explain the central features of HRM as distinct from those of traditional industrial relations as is already widely practised in the Developed Countries.

#### **4.3 THE HUMAN RESOURCE MOVEMENT AS CONTRASTED TO THE TRADITIONAL INDUSTRIAL RELATIONS.**

The Human Resource Management refers to a wide range of practices for employee recruitment and selection, socialisation, training and development, appraisal and organisation structure. These practices are designed to produce strategic integration, high commitment, high quality and flexibility among employees (Guest, 1990). Strategic integration refers to the capacity of an organisation to integrate HRM issues into its strategic plans, so as to ensure that various aspects of HRM cohere and for line managers to incorporate an HRM perspective into their decision making. High commitment concerns behavioral and attitudinal aspects. While strategic integration involves pursuing agreed goals, commitment is reflected in a strong identification with the enterprise. High quality refers to all aspects of management behaviour including management of employees and investment in high quality employees which will in turn bear directly upon the quality of products and services provided. Storey (1989) views flexibility principally as to contribute to an approach to create for instance more "fulfilling jobs through the acquisition of a broader range of competencies and responsibilities, or more convenient jobs through the development of more working time arrangements" (Storey 1989:117). Flexible work arrangements involve evolving an adaptable organisation structure with the capacity to manage innovations.

The underlying rationale for an HR guided management strategy is the realisation that the Human Resource has come to be recognised and utilised as the most variable of all organisational assets. Accordingly, the responsibility for managing human assets has become a corporate responsibility as against the traditional industrial relations practice where it was a preserve of the personnel department and trade unions. In the words of Beer et al (1984) HRM is "strategic, it involves all managerial personnel, it regards the people as the most important single asset of the organisation; and it seeks to enhance company performance, employee needs and societal well-being" (quoted in Poole, 1990:3).

The above analysis ultimately begs that HRM project worth its name ought to recognise that; HRM is proactive rather than reactive as is the case with traditional industrial relations and as a consequence is regarded as a tool of strategic importance to the organisation; that is to say that

it is "seen to have long term implications and to be integral to the core of the performance of business" and also that there are key levers which are used to activate the Human Resource Management approach " such as the "inflow into the organisation; the clear communication of objectives, the calculated deployment of human resources; its evaluation and its rewarding accordingly" (John Storey 1992).

The distinguishing features of an HRM project from the traditional industrial relations is that it is characterised by elements of management practices which are directed at improving the quality of work life which is calculated to lead to increase in worker productivity and also the level of commitment to the firm. In many ways, the HRM project can be regarded as a revised version of some of the aspects of the earlier theories of the human relations school of management such as job redesign, rotation, enrichment and enlargement type of activities. All these activities are undertaken to make work more meaningful and interesting to the highly regarded worker, not it is here argued, due to the benign paternalism of capitalism, but rather to increase worker productivity and thereby gaining a competitive edge in industry. And with improved quality of work life, a non-confrontational industrial relations regime is being constructed. This new outlook in labour relations departs from the traditional practice which was characterised by confrontational relationships between workers and employers.

Human Resource Management is a consequence of the concession bargaining which represents "...what is possibly the first attempts by management to give direction to industrial relations, and "...indicators of the declining fortunes of the trade union movement and changing equation between labour and management ..." (Ramaswamy: 1994, Forthcoming), this new approach to the management of human resources is a result of the changing nature of the productive process globally. Industrial production was forced to move away from the Fordistic and Tailoristic processes where economies of scale were emphasised due to the advantages that were associated with mass production, and lack of consideration for product variety. Also competitiveness was not the major driving force and so was quality. Moreover, the role of labour relative to that of capital was marginalised and the gains of labour largely achieved through the adversarial relationship against management. In other words the gains of labour were the losses of management.

Therefore, the increasing advocacy of the human resource management is due to the challenge to the Fordian and Tailoristic management system by the emergence of the new global economic system in which "technological change, measured for instance by capital intensity, has been speeding up; information technologies open up possibilities for reintegration of work and the 'instrumental' use of machinery; the average plant size has been declining ; more and more products are being custom made; and the new technologies give to new firms, where craft principles of production (Mindcraft) predominate".

These developments have serious implications for the overall industrial relations situation and require appropriate response from industrial relations partners. Uganda having opened up her economy to the competitive international markets, it cannot afford to insulate herself from new developments in the rest of the World in regard to management strategies, work organisation and

design. Any future industrial relations strategy for the country has got to take this fact into account. In any case as already mentioned, several companies have already taken steps in this direction. The next section is devoted to the discussion of the implications of these developments to the industrial relations situation both real and potential to be able to give suggestions for the future course of Uganda's industrial relations.

#### **4.4 Implications of the Changing Economic Environment and the Consequent Management Practices to Industrial Relations.**

##### **4.4.1 The Impacts of the SAPs on Industrial Relations.**

In chapter three it was explained that Uganda's industrial relations has been characterised by excessive restrictions of the actors especially the trade unions. The new changes in the economic set up where the state is no longer regarded as the main force of development have meant that its limited "protectionist" role to labour has been withdrawn. For instance, the enforcement of minimum wage provisions is no longer being emphasised while price controls mostly as used to be on foodstuffs, free health services, education and other social services have been removed. On the other hand the aspects of industrial relations that favoured employers like the restrictions on strike actions have been maintained and in some cases reinforced for purposes of attracting foreign investment. The 1990s have witnessed a fall in real wages in the majority of the sectors. Serious questions ought to be raised as regards how the terms and conditions of employment should be determined and what role should the state play in the process. The shape which the collective bargaining process should take in the new economic era and the role of the state in that bargaining process are the cardinal issues of considerable challenge to industrial relations in the years to come.

The SAPS have required that a substantial number of state corporations be privatised. This has led to massive retrenchments and the consequent unemployment through redundancies. The massive redundancies have worsened the already declining membership of trade unions as voices of the working people. What is witnessed is a move towards an employer dominated scene of industrial relations. This is especially so given that the majority of those retrenched are the lower, less trained cadres of employees who formerly dominated the union membership. A high calibre workforce is being preferred due to its flexible nature. These developments call for new strategies in industrial relations aimed at recognising the reality that the workforce calibre has substantially changed and so are its demands. This is a task of employers, the state and unions alike as will be shown in chapter five.

##### **4.4.2 The General Impact of the New Management Strategies on Trade Unions and Industrial Relations.**

It may be true that the HRM strategies are still mainly in the industrial Western countries and to a less significant scale to Third World countries like Uganda. Given the speed with which Third world economies as that of Uganda are opening up to the global economic system, and the ease with which foreign multinationals are securing investment deals with the Ugandan government, it is

inevitable that the current workplace organisation, production processes and labour relations based on flexibility, productivity, quality, and efficiency practised everywhere, that adoption of these modern management practices will gradually catch up everywhere in Uganda. As indicated earlier, a number of firms are already effectively practising the HRM strategies and this is expected to increase as new multinationals continue to flow in.

Admittedly, it is not possible to precisely isolate those aspects of industrial relations that have been affected as a result of the new management practices in form of the HRM, from those arising out of other influences say the changing global economic situation. The ineffectiveness of the industrial relations actors themselves in regard to being innovative and orienting their constituencies to the challenges of the times, is in itself a serious weakening factor. Nevertheless it is possible to determine the challenges given that the HRM comes on the scene as a reaction to the changing economic situation which is aimed at giving enterprises a competitive edge. Empirical evidence shows that the main motivation behind introduction of HRM has little to do with traditional Industrial Relations but rather it is the pursuit of competitive advantage in the market place through the provision of high quality goods and services through pricing linked to high productivity and through the capacity swiftly to innovate and manage change in response to the market place or breakthroughs in research and development (Storey, 1989). Although it is not intended as an instrument that will lead to the demise of traditional industrial relations arrangement, it nevertheless presents a different order of managing the human resource by shunning the collective basis on which traditional industrial relations is based.

In some instances the HRM practices have taken the position of recognising only one union or no union at all. A conscious effort is put on the creating an environment in which an employee is involved in decision making and the nurturing of a more flexible and swiftly adaptable workforce.

By enforcing the HRM line of management, managements are increasingly uneasy at dealing with unions in preference to dealing with employees as individuals. For a long time, collective bargaining has been the main method of managing relationship between labour and capital. Although in Third World countries like Uganda there are other ways of determining wages and conditions of service especially through a unilateral state decision, collective bargaining has been the main channel in which the trade union movement's limited demands of wages and benefits was made. Professor Ramaswamy has pointed out that new demands have been piling up over time for instance in areas of promotion, incentive schemes, workloads and manning levels. As a result managements too began to put demands on labour by explicitly demanding agreements on productivity, flexibility to shift employees from one job to another and many other demands. He nevertheless observes that these changes had no big effect to the unions since they remained the only channel through which management reached the employees adding that management had no interest in having a direct link with employees. It was regarded as impossible and dangerous to deal with the workers. This position on the part of managements has changed under HRM. The new strategy is to open a line of communication with the individual. It should however be noted that issues of wages and other trade union demands may still be settled collectively.

The two channels of communication as mentioned above breed a more central dilemma of the two paradigms of traditional industrial relations and HRM. This is because on one hand an employee is expected to be committed and consequently be individually identified with the goals and values of the organisation and on the other to be committed to his trade union. This dual allegiance is still undefined but as Angle and Perry (1986) maintain, that dual allegiance is possible where cooperative industrial relations climate exists. In a less cooperative industrial relations, workers may be forced to make a choice.

The fact however remains that HRM pledges to meet workers needs hitherto ignored by both unions and old style managements. It is a human nature that people always strive to be recognised as individuals of importance. Besides there has always been a desire in human beings to have power over their work life and some capacity to control its course. They need opportunities to become creative, grow and learn new skills and also grow to positions which carry responsibility.

A marxist analysis of capitalism maintains that there exists conflict and class struggle between capitalists who own the means of production and workers who are divorced from the means of production. As a consequence workers resort to selling their labour power. In this process the profit motive is of paramount importance and takes precedence over any other motive. Under HRM, therefore, the concessions made in an attempt to better the condition of the worker are still driven by the profit motive and not by the benign paternalism of capital. In its implementation, HRM does seem to recognise this fact when attempts are made to filter out high levels of distrust and the perception of different interests and priorities by way of careful recruitment and selection (Guest, 1987). This is in addition to a package of incentives prescribed under the HRM strategy and aimed at motivating the work for increased productivity.

As HRM seeks to create a positive working climate, it would be contradictory if it appeared overtly anti-union. But for its policies to reach the desired target ie. individual employees, HRM goals are likely to be pursued through policies that tend to bypass the union as for instance when management prefers its own communication channels to foster individualised forms of incentives and reward schemes and to socialise new recruits into the overall organisation culture. Be that as it may unions that are innovative may not necessarily worry about these HRM designs since their primary concern would ideally be the achievement of greater industrial democracy as a basis for a fair share in the products of their labour. This is what HRM pledges to fulfil.

Under HRM, managements are under pressure to practice high quality management which would seemingly reduce the need for a union as a protective device against arbitrary management behaviour. Annual wages may still be negotiated through the normal industrial relations arrangement. But for instance if a policy of paying above average wages is pursued, individualised incentive schemes are conducted, then it would reasonably be assumed that the central role of a trade union is reduced. This view is contested since in reality HRM can only stretch these incentives up to the point where profits can still be realised without jeopardising competitiveness of firms in the market. Therefore the only feasible impact would appear to be that of offering a challenge to traditional industrial relations generally and trade unions in particular to rise up to the

challenge to not only regain their constituency but also to devise ways under which industrial relations would be viewed on a consistent basis as a tool of strategic importance to the organisation. This can only be achieved if the actors shed off their conservative stance and become innovative not least the unions. The risk of not raising to this challenge is that the unions will wither and die.

Recent scholarship has concentrated its research on investigations as to whether trade union is compatible or incompatible with the HRM movement, but it would appear that HRM presents a challenge to all aspects of industrial relations that do not give industry a competitive edge in the market place. For instance under HRM management competence and ability are tested say in sustenance of quality performance necessary to prevent issues arising which provide fertile ground for union activity. This is more so in workplaces, where unions are well established and the relationships with managements is built on more traditional adversarial assumptions about management-employee relations. In such Workplaces it is likely to be more difficult for managements to raise to this challenge. Therefore HRM becomes a challenge to all aspects of industrial practice that do not give industry a competitive edge traditional industrial relations inclusive.

#### **4.5 CONCLUDING REMARKS.**

In this chapter, it has been seen that the Ugandan economy has been gradually opening up to the international markets in response to the conditionalities to it by the WB and IMF. It has also been seen that the long performed state's role as a development agent is being minimised in preference for the private sector initiatives. This is evidenced from its massive withdraw from ownership of the public enterprises sector through privatisations, divestitures, reposessions and outright liquidations of some of the former public enterprises. The size of the civil service too which had traditionally provided the biggest employment opportunities has been reduced.

At the same time the new developments on the globe which are characterised by excessive competition have necessitated that industrial relations be shaped in such a way that will give industry a competitive edge. The adoption of the management Strategies collectively referred to as HRM is in this regard are aimed at meeting these challenges. Although this has not been widely felt in Uganda, it will in the near future be inevitably adopted on a wider scale since Ugandan firms have to compete in the international market too as a result of the globalisation of her economy.

The challenge of Uganda's industrial relations actors therefore is to review the industrial relations practice to reflect the changed environment. In chapter five while the paper notes that the previous state dominated and status quo-oriented industrial relations practice left a lot to be desired, the future industrial relations practice will have to take into consideration the interests of all parties. The test of this IR's effectiveness will be on how far these interests can be accommodated so as for harmony to prevail. This task is admittedly an uphill one which will necessitate that each of the actors' roles be adapted to the new realities on the economic scene.

## CHAPTER FIVE.

### 5.0 THE FUTURE PERSPECTIVE OF INDUSTRIAL RELATIONS.

#### 5.1 INTRODUCTION.

There is abundant evidence that traditional industrial relations defining characteristics are undergoing transformation every where in the World. This has been prompted by the development of a highly competitive global economic environment. As for the Third world economies like Uganda, these changes cannot be avoided because the dynamics of these economies are determined mainly by decisions and events in the major capitalistic economies to which the economies are tied by technology, industrial inputs and markets. These ties have been reinforced by the adoption of economic liberalisation policies at the advise of IMF and World Bank. And since the emphasis is the achievement of higher economic growth, this will necessitate that a transformation of IR from the antagonistic type with complete dominance of the state to a more harmonious one in which the interests of all the parties are catered for. It is only in this way that IR will merge with the strategic concerns of firms to enable them achieve a competitive edge. The creation of this harmonious industrial relations climate requires efforts from all the three parties.

The government will have to determine to what extent it can limit the freedom of labour to ensure overall economic justice as well as providing an enabling environment in which all the necessary reformative strategies can be formulated and implemented. As for managements, it is necessary that they should show genuine willingness to share information by stepping up internal communications involving middle managements and ensuring that union office bearers and members understand the strategic plans and directions. Unions on the other hand should seek to come out of their entrenched positions and identify their stake with that of organisations. The task of this chapter is to make a case for a changed industrial relations outlook and to give suggestions as to what the future agenda of the parties to industrial relations should be.

#### 5.2 THE STATE

As already indicated, the state drawing its legitimacy from its role as the main agent of economic development, dominated the field of industrial relations throughout the Ugandan industrial relations history until the advent of the SAPs in the 1980's. Much as this role of the state is still witnessed in the new economic arrangement especially in putting up an environment which is conducive to foreign investment which involves the calming down of industrial unrest and other restrictions on strikes, it is clear that in many areas say of wage determination and setting minimum working conditions. the state's influence is more relaxed compared to the period previous to the advent of the SAPs.

The relaxation of the state in many of the industrial relations matters is in line with the SAPs belief in "freedom of the market" to determine the prices including the price for labour. This is made even

easier by the fact that the state no longer owns most of the public enterprises which have been divested to the private sector as shown in chapter four. Much as the previous state of industrial relations in which the state had a dominating influence was inadequate, it is contended that the present relaxation of the state in industrial relations matters is not the most appropriate either. In the proceeding discussion, it is suggested that the state has a crucial role to play in creating an enabling employee relations climate to meet the emerging challenges. The state should in this case encourage a harmonious relationship between employers and workers given that a stable industrial relations climate is a conducive factor for growth and development. The state's presence is also necessary to ensure that there is a fair trade off between economic and social objectives. Perhaps the necessity of the state's presence is best expressed by World Bank itself when it admits that " It is not a question of state or market; each has a large and irreplaceable role... if markets can work well, and are allowed to, there can be a substantial economic gain. If markets fail, and governments intervene cautiously and judiciously in response, there is a further gain. But if the two are brought together the evidence suggests that the whole is greater than the sum" (World Bank Development Report 1991).

#### **5.2.1 State's Role in ensuring Harmony in Industrial Relations.**

Despite the obsession of the present economic environment with the "free operation" of the market forces concept, it is an undisputed fact that the labour market left to these vicissitudes will result into unfairness to the workers. Presently, unemployment situation in Uganda is one of the worst in the world. According to the World Bank report on Uganda, the total unemployed were 44.8% out of whom 23.9% were male and 20.9% female in 1992 ( World Bank report on Uganda: Growing out of Poverty 1993). This has been worsened by the recent massive retrenchments and divestiture of state enterprises as shown in chapter four. For instance this would mean that the employers in the absence of a minimum wage legislation would have freedom to vary the wages and other conditions of service as they wish since many people would be competing for the few employment opportunities that are there. It is obvious that this does not augur well for the desired economic development in that the basis of increased productivity are seriously curtailed by general low morale which would be resulting from low payment and unfavourable working conditions. Besides such developments are at variance with the overall emerging consensus that people are the biggest assets of organisations and should therefore be well remunerated for the achievement of a higher productivity.

As has been argued else where in this paper, conflict in industry is inevitable even under the supposedly benevolent and conflict- free atmosphere as displayed in the HRM lead employee-management relations situation. This is because of the fundamental differences in interests of the social partners. The state retains the duty to ensure a speedy resolution of such conflict without sacrificing justice. It is for instance to be noted that the Trade Dispute Act 1964 referred to in chapter three (3.2.1) and its agonizing provisions in relation to dispute resolution are not aimed at ensuring justice to the workers but rather to ensure that no strikes take place. But as argued elsewhere in this paper, efforts to suppress specific manifestations of conflict like the suppressing

a strike action without removing the underlying causes of unrest merely divert disorder into different channels like absenteeism, accidents and high rates of employee turnovers such that as Dahrendorf (1968) concedes, instead of work dispute, there develops individual actions whose connection with social conflict is barely recognisable at first sight. The state and the employers in Uganda as elsewhere always attempt to control conflict at the level of symptoms rather than control the underlying causes of this conflict. This is a position which has to be dropped in the present economic circumstances. In the global economic situation of which the Ugandan economy has opened the state should not conspire in the suppression of conflict but should facilitate a conscious eradication of the causes of this conflict through industrial schemes that would increase worker participation and industrial democracy. If the experience in the developed World is anything to go by, it would appear that the emerging competitive industrial production is less willing to engage in conflict with the workers than it was a few decades ago given that a two-front war between employees and also between competitors is less desirable and workers everywhere are being mobilised to identify themselves with the firms for which they work, against other competing firms.

Although it has always been considered unhealthy for state involvement in industrial relations in preference for the governance of employee relations through mutual understanding and compromise between employees and employers, an alternative argument has been advanced dismissing such free and direct negotiations as the law of the jungle and intervention of a third party is considered necessary to ensure that energies and resources are not dissipated. This is more so in Uganda where workers and employers through their interactions must offer the country and the much needed potential for economic development (Vivekanandan 1992). It should be noted that Uganda being an undeveloped country, the objective of development has not been dropped. This does not mean however that this objective cannot be realised without the suppression of group interests as has been the belief. For even after decades of suppression, there seems to be no tangible results in terms of the realisation of the overall national development let alone success in complete eradication of this conflict judging from the record of strike actions shown in table 1 in chapter three. Rather there is evidence to show that harmonisation of interests of all groups pays more than suppression and this is what is being attempted in the HRM approach to labour relations. The state is in this regard duty bound to influence such a harmonious relationship if its developmental objective is to be achieved.

### **5.2.3 The need to relate Employee Relations to overall Economic Development.**

Critics of IR practice in the Developing World such as Barbash (1984) and Gladstone (1989) have attributed the unstable industrial relations to excessive state interference and have accordingly advocated for pluralistic IR. This position is also emphasised in the present economic setting, where "perfect competition" entails that bipartism be the main mode of negotiations. At times there is a major contradiction between the pursuit of bipartism as advocated in the "perfect competition" economic system and the demands of economic progress as is desperately pursued in the Ugandan economy. For instance in the context of the new economic challenges, industrial relations and

aspects of the freedom to strike should be looked at from their economic angle as much as insurance of labour justice. Restrictions of the rights of one party for example on workers strike actions is sought to be seen in conjunction with the protection of the rights and the economic justice of all segments. It should in this case be noted that in theory there has always been the right to strike in Uganda. But this right has always been subject to exhaustion of various procedures which if followed would make it impossible to strike as shown in chapter three. In addition to the laborious procedure involved, strikes were completely prohibited in certain workplace categorised as offering essential services. The problem however is that most of such restrictions were often not aimed at ensuring economic justice of any segment as such. This can be deduced from the opportunistic use of the "social services" categorisation to prohibit any strike action however justified it would be.

Professor Mamdan (1987) has in this regard summed up this situation aptly "It seems every time a major strike broke out, there was a threat of one, the government response was simply to declare a service 'essential' so as to subject industrial relations in it to compulsory arbitration" (Mamdan 1987:21). What is to be noted however is that such restrictions would be justifiable if they were not abused to serve opportunistic state interests and also used to exploit labour. For instance in times of economic difficulties such restrictions could be undertaken by a well meaning state to ensure harmony in society. For instance in recessionary conditions, inflation and unemployment, the state acting in good faith, should come in with restrictions on the parties to industrial relations. There are precedents on the globe. According to the ILO World Labour Report (1985), the oil crises of the seventies and the global recession during the eighties, induced countries namely; Belgium, Canada, Denmark, the Netherlands, Brazil, Singapore, Malaysia, Tanzania etc. to adopt restrictions. Argentina and Uruguay went as far as suspending collective bargaining altogether. Yet many of these countries especially the developed ones like Belgium and the Netherlands are regarded as models in as far as freedom of the labour market is concerned. It is therefore to be expected that continued economic crisis would bring about conditions for further restrictions in industrial relations as long as this is done in good faith.

The initiation of such policies however requires mass appeal. It would be necessary to obtain the inputs of Workers' Organisations, employers, and other concerned organisations and interest groups within the society so as to achieve consensus vis-a-vis the planned action. This consensus must be regarded as a crucial element since the various actors would have engaged in the initial formulation and design of the policy which they would want to pursue with the general health of the country at heart. In other words, it would provide the policy with the necessary legitimacy which would facilitate implementation.

#### **5.2.4 Trade off between Economic Objectives and Freedom.**

In industrial relations and indeed in all other aspects of life there exists a dilemma. This dilemma is expressed in the need for a trade off between economic objectives and complete freedom. In the same example of essential services and industries, un restricted cessation of work may cause irreparable harm to the community, economy which the new liberal policies are aimed at improving

or security of the nation itself. In such cases the state may justifiably come in to restrict the strike provided a specific procedure is laid down for remedies and redressal of grievances.

### 5.3 THE EMPLOYERS.

It has been noted elsewhere in this paper that until the advent of the SAPs in the 1980's private employers largely played a marginal role in Uganda's industrial relations as compared to the state and the unions. The economic compulsions of the day however demand that employers play a more crucial role. It may be true that due to the need to attract more foreign investors the state acting in favour of employers as compared to the workers. However, due to the general relaxation in many of the industrial relations matters by the state, the employers role in industrial relations matters becomes important.

Much as the state's commitment in creating a harmonious atmosphere in industrial relations is desirable for strategic results, due to the envisaged increased role of private employers in the economy, the onus of taking action that would reinforce good employee relations and assure productive performance primarily lies with the employing organisations. Employers must learn to accept the unions situations and strive to reach a consensus with them rather than exploiting the unfavourable situation that labour finds itself in. Historically employers in Uganda have had the tradition of complaining about inadequate legislation, ( even when it largely favours them), inadequate enforcement of penal provisions against labour, multiplicity of unions and influence of outside organisations like ICFTU and ILO as when the private employers together with the state influenced the inclusion of section 43 of the 1976 decree. This section prohibits Unions to receive outside funding unless approved by the minister and having approved receipt of these funds, the purpose for which the funds may be used are fixed by law in section 44 of the same decree. All these initiatives from the employers were intended to marginalise the union beyond a point where can have effective power to question the broad status quo.

The way forward for the new Industrial Relations has more to do with the creation of a harmonious situation rather than outright marginalisation as has been the case. The Uganda Federation of Employer's constitution for example states as one the Federations' objectives as to keep wages at a minimum level possible. In other words its appeal to the various managements is that they should strive to keep the wages as low as possible, just like the price of any other resource input. As a matter of fact, one of the biggest causes of industrial unrest has been low pay (see Barya 1989). By contrast the new practice in industrial relations in the Developed World and in some Less Developed countries perceive the role of labour in much more active and dynamic terms, as a resource of varying quality and effectiveness depending on how well it is developed and used. Employers in Uganda should of necessity change their perception towards labour just like their counterparts in the industrialised World.

Uganda employers should be particularly conscious of the fact that workers are human beings- they live, breathe and have aspirations of their own- rather than being regarded as machines to be discarded or left to the mercy of technological and economic vagaries. Moreover they should

remain conscious of the fact that workers form an important part of the entire societal fabric and, the engine for moving the economy as it were.

### **5.3.1 The Need to Contain Conflict.**

It is in this regard necessary that in the new times employers learn to perceive their decisions and actions as they appear from down below in the organisation than how they look to the top. It has already been observed that employers have always harboured a fallacious belief that absence of open strikes is all that good industrial relations entails and have always worked tirelessly to suppress strikes. But the emerging competitive environment may not allow time for unproductive conflicts. What is needed is a deliberate process to seal all potential spots for conflict rather than waiting to act when it has already surfaced. This is only possible when organisations adopt those policies that try to integrate the interests of the workers and of the employers in the major decisions that affect these organisations.

It would appear that unions have restrained organisations from unprofessional conduct and repressive conduct however limited this restraint may be, one trembles to imagine what would be the situation if such interest groups were absent. In daily practice employers have always chosen to be on the offensive as for instance when there is a protest, employers attention is often on the action itself than on what caused it and the merits of that cause. As a matter of fact such employers' actions have demonstrated to the trade unions that only threats, industrial actions, and militant behaviour would secure attention and ultimately lead to justice. In the context of induced concessions, the concept of justice undergoes change in that whatever has been extracted by way of a strike becomes justice. In such circumstance the psychologists' cannon belief that behaviour which is rewarded tends to be repeated may be meaningful. This approach has got to change because in the competitive environment employers cannot sustain a two-front conflicts from other organisations and then from their own employees.

### **5.3.2 Effective Communication of the Organisation Objectives.**

Many employers and their managers have always argued that labour has got to understand the organisations' effort once changes in technology, work processes, and job design that come with a competitive environment like that obtaining in Uganda in the new economic arrangement are adopted. But then if understanding the organisation is a responsibility of labour, communicating it effectively and convincingly is the responsibility of employers and their managers. In this task, organisations should utilise their middle level employees for information generation, communication, innovations and productivity. There is always a pile up of resources at the middle level which is always frozen and could be used for gaining of a better employee relations. In this context corporate planning needs to change from being an exclusive preserve of the corporate staff to direct and indirect communication sessions with trade unions as well. This can be done easily if the middle level cadre is itself incorporated. In the present competitive economic environment, unions must perceive company missions, direction, weaknesses and threats to be able to reduce dissension. This responsibility falls on employers and their managers and they should make a start

however inconvenient it may be to them.

In Uganda there are already good grounds for peoples participation in deciding their own affairs through the grass root Resistance Councils which are democratically elected bodies. These Councils are operating in villages and institutions like schools. Due to the resistance from the employers, the only place where these resistance councils are not operating is at the workplace. This attitude is evidence of the employer's unwillingness to share decision making powers with workers only preferring to operate through the weak union movement. This attitude is inconsistent with the emerging consensus that more and more worker involvement in deciding on the affairs of organisation is the way forward for these organisation. The much desired harmonisation of interests of workers and employers cannot take root unless there is a willingness on all parties to allow a shared participation.

Employers and managements can in addition to communication and launching institutionalised structures for participation, encourage other positive actions such as activating grievance redressal systems, continuous dialogue, community involvement programmes in areas where most of the employees reside and family involvement programmes. All these programmes would be initiated basing on the understanding that it is ultimately not one or two symbolic actions which would result into a positive climate for good industrial relations but a combination of actions, signals and values. It further to be bone in mind that in undertaking these varied programmes, it is important that employing organisation be perceived as ethical, socially responsible, and concerned about human development in a holistic manner.

#### **5.3.3 Contingency Measures.**

In practice it difficult to eliminate conflict in organisations in spite of the positive actions that could be taken. There will always be a stalemate in collective bargaining for example and such a stalemate can result into such direct actions as strikes and go-slows. It is therefore important that the risk of such an occurrence is analyzed and where it exists, contingency plans should be developed to meet the situation. It is important to concentrate on reducing the cost of such actions while ensuring a continuous effort to resolving the conflict itself. The overriding aim should in other words be cost reduction and social responsibility and not as a strike breaking strategy as has been the case in the previous industrial relations practice. This is not however to say that contingency plans have been totally absent in the previous industrial relations practice. In practice where they have existed, such plans have remained on paper and people who are charged with the responsibility of activating the plans are often inadequately informed. To ensure that the responses of the people are as per plan, appropriate action should be taken to involve middle managers as already recommended above.

#### **5.4 THE TRADE UNIONS.**

As industrial relations undergoes a state of transformation owing to the rapid changes in industrial society in regard to production processes, advancement in technology and the accompanying changes in management strategies, trade unions seem to have bear the brunt of all these changes and are on the decline every where and not just in the least developed economies. Trade union membership has consistently declined every where and in most countries even in Western Europe the average total membership is hardly 15% of the total labour force. For instance it has been reported that in spite of its long history of trade union organisation Britain's trade union membership is still below 20% of the workforce and a mere 10% in France (Marino, 1992). As for the case of Uganda, trade union membership is as shown in table 6 below;

**Table 6. Total Membership of Unions Affiliated to The National Organisation of Trade Unions (NOTU) as at May 1994.**

Union	Membership as at may 1994
Uganda Railway Worker's Union	2,500
Uganda Hotels, Food and Allied Workers	1,759
National Union of Plantation and Agric. Worker's Union	47,000
National Union of Education Institutions	2,500
Uganda Beverage, Tobacco and allied Workers	3,085
Uganda Electricity and Allied Workers Union	2,737
Amalgamated Transport and General Workers	1,101
Uganda Posts and Telecommunication Employees	3,000
Uganda Textile and Garment Workers	2,740
National Union of Clerical Commercial and Technical Employees	3,415
Uganda Mines, Metal and Allied Workers	1,759
Uganda Printers, Journalists, Paper and Allied Workers	1,217
Uganda Public Employees Union	3,535
National Union of Cooperative Movement Workers	3,520
Uganda Building, Construction, Civil engineering, Cement and Allied Workers	2,500
<b>Total</b>	<b>82,366</b>

**Source:** Compiled from NOTU Membership Files.

If the above total union membership of 82,366 is to be compared to the total number of the workforce of 378,277 in all sectors (see table 2) in chapter four, it is hardly 22% But even then this figure should be treated with caution for, the trade union leadership is found of inflating membership figures for purposes of justifying their various demands from government and also for winning assistance from international bodies. An alternative estimate from ILO put the total Union membership at 15% (ILO Report 1993).

Regardless of which position is right or not, the fact remains that the membership is low compared

to the total workforce and is declining day by day. A number of reasons have been advanced to account for this situation; On one hand it is argued that the unions themselves should be blamed because of their insensitivity to appeal to wider social and economic questions. This limitation has been particularly observed not only in Uganda but also in most of the least developed countries where the tradition of control has contributed to the parochialism of the unions in the sense that they have been politicised into believing in simple economism of wages and conditions of service which has always been their frame of reference when making their demands as was explained in the case of Uganda in chapter three. The result of this has been that the trade union movement has been the least prepared to respond to the dynamic demands of the recent changes in the Uganda's economic set up as fostered by the SAPs. As such the trade union movement in addition to having failed to attract a significant membership of the workforce, it has simply watched even the few of their members loose jobs under the SAPs.

On the other hand there has been a view developed by Third World politicians which has been the main explanation for the excessive control of trade unions in which it is maintained that orthodox trade union method as developed in Western Europe are not relevant in the Third World due to the varied economic, political, social and technological differences. As such, they have been very active in restricting Union activities in areas of organisation and voicing their demands arguing that national interests supersede sectional interests as those of Trade Unions.

While it is agreeable that the differences do exist, it is an undeniable fact that the interests of labour remain different from that of capital in whatever location and regardless of the differences in historical experiences. This is more so today given that there hardly exists differences any more between production processes and the technology employed between the Developed and the Least developed countries as a result of economic globalisation. For there to be fair play in worker employer relationship therefore, there should be provisions for checks and balances. Professor Ramaswamy has in this connection observed that managements and labour share many interests. He nevertheless agreed that they are also in conflict and advocates for permitting pressure group activities as a way of balancing these conflicting interests. Ramaswamy maintains that Conventional trade unionism has always flinched at the thought of cooperation while feeling at home with conflict. For the orthodoxy of the trade union movement, the employer is by nature malevolent and selfish and since management is seen to be up to no good, the unions views every act of management however supportive with suspicion.

This stand on the part of trade unions has rendered them ineffective in responding to the employer when he changes tact or alternatively when members interest go beyond mere wages as is being witnessed in today's scenario. This position is particularly prevalent with the Ugandan labour movement which has over the years been brought up to regard the status quo as natural. The way out seems to be through participation and they need not be timid to participate since it does not necessarily curtail their freedom to conflict once the need arises. If anything participation makes unions relevant, checks the desertion of members and gives the unions the much needed social purpose.

The experience gained from third world industrial relations after decades of restrictions of the right of trade unions, has proved that there is no linkage between development and denial of trade union rights because the performance of these economies has continued to lag behind. As a matter of fact pressure groups have been proved to protect sectional interests better than the state. For instance in workplace where workers are organised in Uganda, often their rights in these areas, embedded in collective agreements are even superior to those provided in the statutes. One example of this is the tendency to pay a wage much higher than the minimum wage. Despite the existence of conflict between labour and capital, the challenge in industrial relations is how to achieve a balance of interests and it does not lie in suppressing trade unions but allowing them to organise.

Despite the different persecutions unleashed on trade unions, one indisputable fact is that they nevertheless survive the onslaught and have at all times kept the candle burning in the tunnel in the sense that they have defended their members basic rights and, living standards even though they could have done more than that. The fact remains that they have made it impossible for managements to go it alone and are therefore vital if not for anything else their oppositional role which is justified by the fact that all power corrupts and both capital and state if unchecked by the unions are bound to exercise their power arbitrarily.

In the industrial relations theories ranging from Dunlop's systems approach, through the plural orientation up to the radical approach, we find a commitment to the inevitable position of trade unions in industrial relations and the work community. The issue therefore is not whether the unions are relevant or not but rather what should their future agenda be in the changed economic circumstances. The next section will be devoted on the aspects of the new agenda the trade union movement can adopt.

##### **5.5 THE SUGGESTED FUTURE AGENDA OF THE TRADE UNION MOVEMENT.**

Having appreciated the indispensability of trade union organisations in the work place owing to the conflicting interests of capital and labour, it becomes essential that industrial relations generally and trade unions in particular respond to the changing environment if they are to remain relevant. Marx himself had warned against the weakening effect of industrial advancement to trade union strength. What is required is a major transformation of the agenda of trade unions in response to workplace relations in light of economic compulsions and requirements of competitive advantage of firms as well as nations. Traditionally, Uganda's trade union actions and responses have been influenced by perceptions, attitudes, policies and practices adopted by the state and employers as shown in chapter three. In today's economic situation, there is a dire need than ever before for unions to adopt a transformational mode.

Any new agenda for the labour movement ought to take into consideration that the hard times it is facing partly result from the weakness originating within the labour movement itself in as far as it is unable to live innovatively preferring to take a status- quo stance. These hard times also spring from exogenous conditions as mentioned above which are beyond their control but of which they

should be in position to respond to in a meaningful way.

For instance capital has on its part instituted new management strategies to respond to the economic realities and it challenges the objectives of the trade union movement to the extent that the later fails to respond to them in a sufficient way. It is therefore suggested that the future agenda should aim at shedding off the barriers that have hitherto existed between management and the workers representatives and adopt a cooperative and non-confrontational stance. It should also adjust its agenda to go beyond strict collective bargaining to press for a greater sense of identification with the objectives of the enterprise. For purposes of creating positive strength, unions in Uganda should create concrete alliances with sympathetic social and political forces in society eg. Women movements, Human right groups etc. Further in roads should also be made in the areas of mobilisation of more members by initiating schemes that would make it possible to reach those areas of work where unions have neglected as the informal sector workers. Attempts should also be made in the areas of creating alliances with other groups in societies eg. women movements. Proposals to the new agenda here below discussed will concentrate on these areas.

#### **5.5.1 Adoption of a concessionary and conciliatory attitude.**

The dynamic situation in industry does not support the entrenched positions of the traditional industrial relations. Concessions have to be given where the situation demands. Such arrangements are not new to industry after all. Concessionary bargaining had been practised in the US in 1970 in times of recession for example as when a 2 year collective agreement for a wage freeze along with other concessions in the area of vocations was signed between Chrysler car company and the union.

Some unions in the 1990's have found this approach feasible and also beneficial. For example the "New Realism" movement in Britain represented a desire to move beyond traditional forms of union activity of conflict oriented nature to that of compromise and partnership with employers. In this connection Minguel Martinez and Weston (1992) report that the approach of the Electric Electrical Telecommunication and Plumbers union's (EETPU) in its effort to tie the union much closer to the strategic consideration of companies where it operates. In its strategy the approach of employers rather than employees was the most feasible in that it would enable it gain a presence within the work environment. The employers welcomed this strategy as it assisted them to foster their single union demands within a wide range of companies and which were given a specific condition that the union adopts a non-adversarial attitude towards the new HRM type management practices. In this framework, the role of conflict was to be superseded by a "no strike" agreement. Also sportive trade union attitude was developed towards new forms of worker involvement at company level such as team working, quality circles all which share representation of workers interest with the union.

All these concessions on the part of the union would be counteracted by concessions on the side of management on certain managerial functions. For instance the EETPU developed a range of educational training services for the purpose of retraining members as part of the requirement of

multi-skilling suited for the flexibility movement within the HRM inspired management practices. This was in addition to management's concession on demands from the union to have a say in areas of job evaluation and work study in return.

Uganda's labour unions can borrow a leaf from the move taken by EETPU in the face of the present drastic changes in the economic set up. As was the case with EETPU mentioned above, such an approach would require the unions to drop their outdated confrontational stance in return for the very much required participatory powers and with such powers they should be able to voice their interests. But most importantly such an approach makes the union more relevant to both the needs of the workers and industry as well and thereby making it more central to the concerns and immediate needs of industry.

#### **5.5.2 Information sharing.**

Likewise in an environment of swift changes and increasing threats to future prospects as is witnessed in Uganda where the expanding private sector as supported by the state in its desperate quest to attract more foreign investment, the union cannot any more rely on the state help however limited it has been. The unions must strive to gain sufficient visions of the enterprise missions, strategies and their implementation. Whereas it agreed that it is managements' ultimate prerogative to form strategies and understand the environmental changes, the union also has a complementally role to play in understanding the directions being sought by the management and translating it for developing its own demands and attitudes. In this regard, opinionisation becomes power that the union has which should be exercised diligently. It is in this context that unions must aspire for better information sharing with the managements and pressurise managers to be responsive to the communication requirements of the emerging environment. The traditional argument that such advise is tantamount to asking unions to assume managements job is no longer valid in a scenario of "disappearing divides, and unification of stakes" (Reddy, 1992), if not unification of immediate interests.

#### **5.5.3 Provision of diversified skills to members.**

As recent experience in industrial production has shown, firms of the 1980's and 1990's or even national economies can only survive if they are capable of offering more diversified and small-batch production or customised products. This reality has seen a consistent move from the traditional production modes of standardised mass production that had for long been a basis for the survival of firms. Production of diverse and changing range of products at high quality levels enough to meet the competition in the market requires not only a strong engineering capacity that allows a high rate of product innovation, it also allows a close interaction between the organisation and its customers as well as between different organisational functions such as marketing, and production. This interaction can only be possible, if employees in different departments and indeed parts of the organisation must be able to understand one another's job, and even substitute one another. This means that their qualifications should overlap. In some industries, employers have used the fact that many employees are incapable of being versatile enough as to answer industry's skill

requirements. Such employees have been exploited by employers who have always avoided the expenses on training their internal labour force by hiring new workers from the external labour market to satisfy their skill needs and change the skill composition of their workforce as and when the situation demands.

To address the problem of skill inadequacy in the face of an economic situation that demands high and regularly changing skills trade unions in the open labour market structure can assume the responsibility for the provision of skilled labour- a requirement in the competitive industrial production which managements will inevitably find difficult to keep pace with due to its regularity and even unpredictability. There are already tendencies in this direction in the German labour movement especially in the organisation of vocational training and the administration of labour market programmes. The present training assistance as undertaken by ILO and ICFTU in Uganda should take this orientation other than continuing to emphasise trivial matters and also to advise the unions to keep a distance from managerial matters which are no longer relevant. For companies, the price of the cooperation they need is a consistently renegotiable dependency on outsiders for things which they can no longer afford to do for themselves of which skill development is one. In any case trade unions have a historical precedent as during the early days of craft unions whereby the provision of skilled labour under regulated conditions to specialised sectors was a key source of labour's power in the labour market in general, and within firms in particular. Such union initiatives have been classified as market unionism which aims on providing a wide range of services to its members and thereby making it more relevant to their needs and also making the union more central to the concerns and needs of industry.

Alternatively, the current main instrument of participation in enterprise affairs through collective bargaining process which is essentially a pay bargaining should be widened. Pay should be just one among a highly differentiated employment package befitting Uganda's increasingly diversified workforce. The new agenda therefore should seek to extend collective bargaining to such areas as training, careers and recruitment issues. Specifically collective negotiations should include the training and retraining plans with employers, setting a mutually agreed human resource policy for enterprises or industries. Such agreements would have to create enforceable entitlements for workers to be trained and retrained at the work place on a current basis, not just in emergencies and under general as well as work-place unspecific curricula as is the case now. Given that firms cannot easily determine what kind of skills and how many they need due to the highly changing skill needs, diversity aimed at creating a versatile workforce in as far as skill acquisition is concerned should be the guiding policy so that employees can easily be switched from one job to another as the situation demands.

#### **5.5.4 Clientele attraction.**

Practical experience has shown that for all the demands the labour movement has to wrestle with managements especially now that the state intervenes only rarely depends on how the workers can be a threat in organisational terms. This means that for their demands to be listened to, the unions should be able to mobilise a substantial part of the workforce. The dilemma however is that

the present calibre of the work force is slowly transforming from blue to white collar workers who detest unionisation . This situation has been worsened by the growth of employment opportunities in new sectors such as the mushrooming service sectors where it has been difficult for unions to take root. Also firms especially subsidiaries of multinationals are displaying changed working patterns where more and more differentiated working patterns are of; Part time jobs, the use of temporary employment agencies and the use of temporary engagements as and when necessary. As shown in chapter four, even the civil service has resorted to the use of temporary employees for example those in the group employees' category. These practices taken collectively make work take a less central place in a worker's life so that the demand for unionisation becomes even less.

Because of the change in the composition of the workforce as mentioned above, the possible target group of trade unions has undergone considerable change. This therefore means that the union members cannot be addressed as a collectivity. Besides such a differentiated composition of workers because of their equally differentiated interests have a high likelihood of opting for a benefit package attuned to their personal needs and interests. Therefore what matters in such a setting is not so much of membership of a union as the price to be paid and services to be received. There is therefore a difference between membership and clientele of trade union and opportunities for expansion lie with the later. These changes entail that trade unions must change their structure and methods aimed at catering for the specific interests of their clients. Given that most trade unions currently have separate departments or policy groups which cater for the traditional interests of members as; pay and conditions of work, labour market problems, participation issues etc, this functional division of tasks is not relevant to the specific interests of any particular potential member target group in the new setting. It is necessary that an organisation structure which focuses on the customer in the sense that every target group of; part time workers, highly qualified ones etc. be put in place within the trade unions. The aim of this change would be to ensure that a project based structure is created in which every project team will aim at serving the interest of a specific target group and also developing a package of benefits specifically aimed at the needs of these groups. Project teams would also finance part of their own activities.

#### **5.5.5 Wide scale mobilisation.**

Another measure strengthen the trade union movement is to devise strategies which transcend the traditional recruiting grounds of unions in the formal economy. These strategies would for instance involve opening up towards workers in the informal sector and also the bulk of the workforce in the rural areas. This is especially very relevant in the Ugandan situation where the informal sector is increasingly becoming the abode of the majority of the work force as the SAPS policies continue to discourage the formal sector where trade unions traditionally concentrated their energies. In many of the third world countries trade union membership has reduced mainly because the formal sector has been declining at the expense of the informal sector. The most logical decision to take is to initiate programmes such as those related to workers education that will make inroads into the informal sector. This would entail adopting a well informed approach on the part of unions which takes into consideration that this area is not a homogenous one with clear boundaries.

Mobilisation would need an extensive cooperation with the local leaders, non-governmental organisations as well as other interested groups such as Human rights groups, Lawyers associations, and Women groups if this objective is to be achieved.

#### **5.5.6 Alliances with other groups.**

Trade unions in the third world situation like the Uganda one, ought to realise that salvation lies in the ability to reach out to those sectors outside the formal working class and develop a form of "social movement unionism". This would include church rank and file organisations, neighbourhood committees, women movements, and others traditionally seen as being outside the labour movement. The rationale for this alliance would be the realisation that these groups have converging interests and hence the need to create a wider front to tackle them by gradually overcoming the social and political barriers that previously existed between them. For instance under the rubric of social movement unionism, it is included those unions who turn to broad political answers for their members' problems. This may not take the form of subordination of the labour organisation to the larger national movement, but does involve the adoption of national level political responses. In South Africa for example labour had to forge an alliance with the African National Congress (ANC) on the basis of equality and commitment to defend worker's rights under a nationalist government which they have now achieved. It is interesting to note that despite the background of apartheid that obtained in South Africa until recently, there was a rise of non-racial trade unions which it should be admitted, contributed enormously in the dismantling of the apartheid regime.

Other alliances may be through engaging in programmes which link workers interests as producers and consumers as for instance in the demands for the improvement of public health care so as to enable the construction of new types of solidalistic alliances between the unions with the community.

#### **5.5.7 Relating the Rights of the Workers with both the character of the Economy and the State.**

It has become increasingly necessary that workers should be able to clearly relate their rights and the character of both the economy and the state. Uganda's economy is a peripheral dependant capitalistic economy whose dynamics are largely determined as of today, by decisions and events in the major capitalistic economies to which her industries and the economy are tied by technology, industrial inputs and markets. This is besides her overwhelming reliance on the so-called foreign aid. In this case the need for a long term struggle to create an independent and also regionally integrated economy must be emphasised; otherwise the chronic crises in the industries, with attendant IMF-World Bank conditionalities with their adverse effects on employment and workers conditions of work will continue. As far as the state is concerned, it is clear that the regulations are made and enforced by the same state. But this depends upon the interplay of the social forces and classes within and around the state. Historically workers in Uganda have been able to take advantage of weaknesses in the state to achieve some rights as happened at the beginning of Idi Amin's military regime between 1971-1974 or with the official and legal trade union's maintenance

of its autonomy instpote of serious attack by UPC Two regime. Despite this, the workers and the unions need to go beyond taking advantage of weaknesses in the state to creating positive strength by making concrete alliances with sympathetic social and political forces in the country. otherwise when their rights are seriously challenged they may not be able to defend them or when rights are demanded, as for instance in the current constitutional making process and general labour law review going on in the country, there may not be sufficient strong base to ensure they are legislated for.



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