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Trade union investment companies: promoting worker control and a solidarity economy in South Africa?

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“Trade Union Investment Companies: Promoting Worker Control and a Solidarity Economy in South Africa?”

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A dissertation submitted in *partial fulfillment* of the requirements for the award of the degree of Masters in Labour Policy and Globalization.

Global Labour University

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Plagiarism Declaration

I Kudakwashe Andrew Manjonjo (Student number: 2289190) am a student registered for Labour Policy and Globalization in the year 2020. I hereby declare the following:

- I am aware that plagiarism (the use of someone else's work without their permission and/or without acknowledging the original source) is wrong.
- I confirm that ALL the work submitted for assessment for this Masters' Research Report is my own unaided work except where I have explicitly indicated otherwise.
- I have followed the required conventions in referencing the thoughts and ideas of others.
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Abstract

This research looks into the extent of which the concepts and practises worker control and the solidarity economy are present in two South African Trade Union Investment Companies, namely Hosken Consolidated Investments (owned by the South Africa Clothing and Textiles Workers Union) as well as the Mining Investment Company (owned by National Union of Mineworkers). Theoretically, the research looks at how the theories of Labour Process Theory, hegemony and counter hegemony can aid understand the role TUICs can play for trade unions. This is accompanied by perusing through literature relating to financialization, trade unionism as well as the solidarity economy. The research used qualitative research to investigate and analyse the two studies anchored on interviews and secondary documentary research. The research results are that there is little worker control or dedication to the solidarity economy within the case studies. Regarding worker control, the arm's length governance systems, weak union-investment company mechanisms, labour aristocracy, secondary emphasis on cooperatives, managerial employee share ownership schemes and the principle of "invest where you do not organize" have negatively impacted on worker control over the investment companies. Regarding the solidarity economy, the emphasis on corporate social responsibility, casino capitalism, high debt structures, the Black Economic Empowerment Programme as well as a continued commitment to fossil fuel investments have limited the solidarity economy. However, there is room and practise in place that provide opportunity for the investment companies to increase worker control and improve on the solidarity economy practises.

Dedication

"From each according to their abilities, to each according to their needs"

Karl Marx

This dissertation is dedicated to workers of the world who have increasingly been disenfranchised by the world economy. It is also dedicated to those workers who believe in imagining new ways of workers regaining control of their means of production with the intersectional aim of producing economic equality, a strong environmental consciousness to alleviate the climate crisis and the dream that everyone deserves a fair chance at life.

Acknowledgements

When I started my MA studies, my mission was simple. I wanted to seek a deeper understanding of economic and political systems that provide socio-economic equality and equity alongside economic growth within the environmental boundaries we have. And it is not good enough to have theories about it. I want to provide living, functioning examples to show that this works. This I believe is what was and is required in Africa. With a focus on workers' experiences and livelihoods, I began to learn.

On this learning journey, I have been fortunate to have met and guided by brilliant minds. There is a Shona proverb which says, "kusatenda huroyi" which basically means, not being thankful is evil and I would like to not be counted among the evil ones.

Firstly, I would like to thank the Emancipatory Future Studies (EFS) program for funding my studies. Being part of EFS opened up my mind to thinking and experiences that re-awakened my belief that equality is something not only to desire but is also achievable. I would also like to thank the Global Labour University (GLU) programme for housing me and introducing me to incredible labour activists, minds, and trade union leaders who I hope I can have life-long relationships with.

I would specifically like to thank Professor Michelle Williams for being an inspiration for two years. It was her passing comment on the Swedish Meidner Plan that triggered this research into South Africa's trade union investment companies. Moreso, she introduced me to academics such as E.O Wright whose work I believe will forever influence my thinking.

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Acronyms

AMWU-African Mine Workers Union.

ANC- African National Congress

BEE- Black Economic Empowerment

COSATU- Confederation of South African Trade Unions

ESOP- Employee Share Ownership Programme

FOSATU- Federation of South African Trade Unions

GEAR- Growth, Employment and Redistribution

HCI- Hosken Consolidated Investments

MIC- Mining Investment Company

NEDLAC- National Economic Development and Labour Council

NEHAWU-National Education, Health and Allied Workers Union (NEHAWU)

NUM- National Union of Mineworkers

RDP- Reconstruction and Development Programme.

SACP-South Africa Communist Party (SACP)

SACTWU- South Africa Clothing and Textiles Workers Union

TUICs-Trade Union Investment Companies-TUICS

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Chapter 1- Introduction, Relevance and Scope of Study

1.1 Introduction

When society in general imagine who the owners of the means of production in South Africa are, there is a general consensus that most businesses and capital are owned by the white minority. There is also a general consensus that the advent of democracy in 1994 and the years after allowed more black people to own significant wealth, wealth that a black person could only have dreamt of owning during the Apartheid era.

Wealth usually has markers to symbolize its power and prestige. The Roman Empire built large coliseums that could seat thousands. The British Empire boasted that the sun never set on the British empire. That is how vast their empire at one time was. In South Africa, signifiers of such wealth are elaborate, beautifully designed spaces that only the few rich and upper middle class can comfortably spend their leisure time there. An example of such a space is Montecasino which embodies the aesthetics of an Italian village. It may come as a shock to many (as it was to me) that Montecasino is not owned by any of the aforementioned rich white or black populace that occupy the zenith of the South African economic pyramid. Rather, it is owned by the 100 000 thousand textile workers who for most of their lives have earned enough of a small income to buy the necessities of life.

These 100 000 textile workers through their trade union, the South Africa Clothing and Textiles Union (SACTWU) had created an investment arm which at the time of the writing of this research, owned significant holdings. SACTWU was not the only union involved in this. Nearly fifteen other trade unions had formed some form of trade union investment companies, with the National Union of Mineworkers (NUM) owning a successful investment arm called the Mineworkers Investment Company (MIC).

What became important for this research after realizing the significant wealth that workers through their unions directly owned was to what extent did workers control this wealth? A simple way of looking at it is how many of those 100 000 workers at SACTWU know that they own this real estate? Did their voice matter regarding how those companies were managed?

Moreover, fundamental questions needed to be asked along the lines of how these investment companies were organising these companies. Workers especially those of the black majority, and marginalized groups such as women have been historically and systematically oppressed in the state sponsored capitalist system that encompassed South Africa. Were these companies providing alternatives that would transform economic relations?

A notable alternative for the left is the solidarity economy which has continued to gain prominence as a working substitute and advance from the failed state socialist praxis that occurred in the 20th century. Did the solidarity economy thinking, or practise play any role in how the companies operated? Were the companies that the union workers owned supporting the workers with their basic needs such as education, housing, decent income and living in a more environmentally friendly society? This brief introduction provides a picture of what triggered and informed this research, questions that the rest of this dissertation answers.

1.2 Relevance of study

This research explores the relationship between trade unions and their investment companies. Trade unions have historically been known for their militant action to protect jobs, improve wages and working conditions, and strengthen democracy within their respective nations and indeed, across the world. The advent of neo-liberalism and financialization brought with it new challenges that changed the workings of trade unions as well as their role in the national political economy.

Trade Union Investment Companies (TUICs) are often seen as an opportunity that can provide decent retirement packages, medical aid and other social services for workers. TUICs such as Hosken Consolidated Investments, the Mining Investment Company, South Africa Municipal Workers Union, National Provident Fund, Kopano keMatla Fawu Investment Company and others have become central to the workings of modern-day trade unions. This research explores what role TUICs play in promoting workers' control of the means of production (a key demand at the end of apartheid) as well as the role they can play in building a solidarity economy rooted in environmental and socio-economic justice.

1.3 Research Objectives

The key research objectives of this research are:

1. The history of Trade Union Investment Companies.
2. To understand the extent of worker control from union workers over Trade Union Investment Companies.
3. To evaluate the level to which the solidarity economy is evident in Trade Union Investment Companies.
4. To understand how investment decisions are reached.

1.4 Research question

How can Trade Union Investment Companies (TUICs) promote worker control of the means of production and contribute to building a solidarity economy in South Africa?

Drawing on the cases of Hosken Consolidated Investments and Mining Investment Company it explores:

1. What social forces drove the creation of the trade union investment company?
2. What is the trade union investment company portfolio?
3. How are investment decisions made?
4. Does worker control feature in how investment decisions are made?
5. How would investment decisions differ if workers had greater control?
6. What have been the consequences of TUIC investment decisions on the labour market and trade union solidarity?
7. Can TUICs contribute to advancing worker's control in South Africa?
8. How can decision making processes ensure that trade union investments contribute to building a solidarity economy in South Africa?

1.5 Scope of Study

This dissertation has four key limitations. Firstly, the research is focusing on two TUICs, namely Hosken Consolidated Investments (HCI) and Mineworkers Investment Company (MIC). These two have been selected premised on them being the two most successful TUICs in South Africa. Moreover, HCI is publicly listed on the JSE and MIC is privately owned.

Secondly, this research is limited to the investment companies of SACTWU and NUM and does not include the pension funds that the unions run for their workers.

Thirdly, this research focuses on worker control over the TUIC and not necessarily worker control over the unions they belong to. The research has made a concerted effort to focus on the TUIC arguing that the research covering worker control over the union is quite extensive. Fourthly, this research focuses on certain aspects of the solidarity economy. The solidarity economy is a concept that brings together quite a number of aspects. This research focuses on economic democracy, climate crisis, and the type of financing mechanisms in place

1.6 Organization of Chapters

This research is divided into eight chapters. The first chapter introduces the reader on the subject, outlining the relevance of the study, the research objective and questions, and the scope of the study. The second chapter outlines the theoretical framework that informs this research. Broadly speaking, this includes the labour process theory, hegemony and counter hegemony theories based on Gramsci's writings as well as a detailed analysis of the concept of worker control. The third chapter takes a dive into the literature review of the research. The research that is covered is financialization and the solidarity economy. The chapter also looks at the various forms of trade unionism that have informed South Africa trade unionism, namely, corporatist, business and transformative unionism as well as a review of work done on trade union investment companies.

Chapter four takes a look at the methodology that was incorporated in this research. The research relied on case study qualitative research. Chapter five, six and seven encompass the data collection chapters of the research. Chapter five provides an overview of the unions and their respective TUICs. Chapter six analyses the role of worker control in the TUICs bringing to fore the governance systems, accountability mechanisms, the principle of "invest where you do not organize" as well as the co-operative and ESOPs. This is followed by chapter 7 that analyses the TUICs in relation to the solidarity economy. The companies' relation to climate, the state, methods of financing as well as their social responsibility are brought to light. Lastly, chapter eight concludes this research providing the key findings of the research, the recommendations, and possible further areas of study on the topic.

Chapter 2- Theoretical framework

In this chapter, I discuss the theoretical foundation of this research. Focusing on the theory of worker control, the chapter discusses the nature of the labour process theory inspired by the works of Karl Marx and Braverman (1974). This is then linked with how the labour process theory substantiates how hegemony and consent from managers over workers limits the possibility of worker control. To remedy that, the chapter looks at Gramsci's work of the counter-hegemony and how it relates to worker control. It notes counter-hegemonic efforts that have been practised within anarchism, socialism, and democracy practices. Lastly, the chapter analyses worker control through its specific history in South Africa.

2.1 Worker control and the Labour process

The ideal of worker control is that workers should have control over the means of production. This notion is intrinsically linked to the Labour Process Theory (LPT) which was coined by Karl Marx and more contemporary theorists such as Braverman (1974). First and foremost, what is the labour process? Smith (2012) details the labour process as the "perspective on the ordering of work suggests that managerial action is chiefly motivated by capital-labour relations, by strategies of employers and their agents to try and control and stabilise the 'unruly' element/factor of production, namely living labour". Essentially, the LPT denotes the methods and manners in which workers due to the advent and perpetuation of capitalism have been alienated from the means of production.

It is important to note that LPT has an underlying assumption which is that work was not always structured as depicted in the LPT. Crummey and Stewart (1981) show that there were various modes of production which included communal, lineage, tributary, slave, feudal, petty commodity, and pre-capitalist systems. Whereas feudalism has a sturdy history in Europe, the wide-ranging theme of tributary mode of production had a more universal application across the world before the dawn of capitalism, (Amin, 1974, 1991). Each of these systems had different mechanisms upon which labour resources were allocated. Some were based on power and force such as slavery and feudalism, while others such as communal and lineages were based on ethnic and or familial relations. The latter producing systems that were less domineering and a stronger sense of equality existed.

The advent of capitalism created distinct classes based on ownership and control of money capital. The goal of separating those who produced the work from those who owned the necessities for the production had the aim of selling the produce on the market (Wood 2002). The LPT theory was important as Marx was able to succinctly explain how through the use of capital, workers were proletarianized, de-skilled and made expendable and reliant on the capitalists. This theory has found empirical standing in different contexts and times but the core themes remained the same of the control of capital being important in how LPT was ultimately constructed depending on different local, national and world contexts, (Arrighi et al 2010; Wallerstein 2004).

Expectedly, Marx's LPT has received critique from a broad range of thinkers. An intriguing critique has come from Elbaum et al (1979) who argue that Marx's LPT is incomplete because it limits LPT to the relations between capital and labour but should include the relationships among capitalists, and among group of workers. This critique is useful to the point in which it shows that although Marx assumed a homogenization of workers, this has not necessarily occurred. There has been constant "hierarchical division of labour" (ibid:3). Those divisions within the labour are important to then understanding the difficulties that come with work solidarity.

Marx's contributions were further developed by Braverman (1974) who further explained that the systems upon which the surplus value in firms and more generally capitalist production relied on minimising the skills, subordinating labour to management, skills bifurcation between workers and management, and reducing the control workers had in the production process (Spencer, 2000a; Thompson et al., 2017). This in effect also placed workers in competition and eventually subservient to technological advancements. Braverman's work has been important in showing the process of de-skilling that workers go through in the accumulation process and the detailed division of labour especially in Fordist systems of accumulation.

This move towards weakening worker control was influenced by the scientific management schools of thought that were potent in the 20th century. Thinkers such as Mayo (2004) and Taylor (2004) positioned organizational procedures in a manner that increased the influence of management while simultaneously reducing the sources of bargaining power that workers had against management and capitalists. Braverman's contributions are important because they brought back a Marxist understanding of the base structure about how firms worked at a time where the dominant logic placed capitalist production as the only form of production and it

allowed for a more nuanced, contemporary understanding of the mechanics of the production which could be generalized across industries and societies.

Like Marx, Braverman's work received intense criticism. One common argument has been that Braverman's work does not stand well in comparative studies. Smith (2012) notes that in Britain and USA, Braverman's work was well received but in polities such as Germany and Japan where the worker skills were higher levels, his work did not hold up as well although issues around skills bifurcation and work rationalization efforts from managers were evidenced.

A more important critique came from the Foucauldian school of thinking. Led by Knights and Willmott (1989), this school argues that based on the premise that power relations and subjectivity are mutually re-enforcing, therefore, the source of power in the LPT is not necessarily the 'objectivist' analysis but primarily the subjects, be it managers and/or workers. Additionally, as noted by Spencer (2000), Foucauldian studies critique Marx as creating a false dichotomy between the 'creative subject and constraining object' which is to say, abstract theories can never fully explain the varied, complex relationships that occur at a micro level. Knights and Willmott (1989:543) argue that the sense of self is instrumental to the nature of capitalism and how workers interact with their workspaces which comes from the "fetishism of identity." The fetishism of identity leads to the labouring subjects having a sustained self-interest in the production process, making the system self-disciplinary upon the individual.

This logic is like Burawoy (2001), but they take it a step further by zeroing in on amplifying the subjective experiences that include the anxieties and insecurities that occur for individual workers in the workplace.

There is substance to the Foucauldian arguments because as noted already, Marx and later on Braverman do take on a more objective, systematic focus. As Knights and Willmott (1989:544) add on, there is not enough understanding from Marx in the LPT on what happens in the "production of subjects" for the reproduction of the capital-labour relations. However, the Foucauldian thinkers lack comprehension of the political dynamics of these relations. This is highlighted in Spencer (2000) who notes that there is political vagueness with the Foucauldian writers premised by the danger that their logic has the peril of focusing on the effects of capitalism, rather than capitalism itself where they do not explain the valorization and exploitation that is a result of the capitalist process.

Marx and Braverman are aware of the subjective elements that come with the workplace, but the subjective desires of workers are denied and/or limited by the capitalist system in place. Although Knights and Willmott (1989) argue that the power of capital over workers does not deny freedom, it "simply re-directs it along certain channels," they ignore that the very channels are warped to favour the controlling capitalists. It is why there is constant fighting between capital and labour, as noted in the history of materialism evidenced in capitalist societies.

Adopting Marx's and Braverman's logic in work relations is vital to understand and argue for the processes and methods that can discontinue the prevailing capitalist systems of operation. Their work expounds ways in which workers are subjugated by a bourgeoise class and by understanding the process; methods and ideas that claim to emancipate workers (in other words, worker control) can be judged based on their ability to reverse, challenge, and alter the LPT. This research does acknowledge that the picture that was painted by Marx and Braverman was limited to the structural aspects of the labour process. The conditioning and experiences that workers go through are important. To that end, to gain a fuller, broader picture of the conditions that limit worker control, Gramsci's notion of the hegemony and Burawoy's arguments on consent are important.

2.2 Worker control, Hegemony and Consent

To fill the hole that is not adequately covered by Marx and Braverman regarding the subjective elements of worker control, Antonio Gramsci and Michael Burawoy have done informative work on the issue. Gramsci's theory of hegemony holds an important role in understanding how worker control is muzzled in capitalism. Robson (2000:19) states that Gramsci's definition of hegemony as "the acceptance by the subordinate classes of the culture of the ruling class, without either rulers or ruled necessarily being aware of the political consequences or functions of this acceptance". This subordination expresses itself in institutions such as but are not limited to churches, schools, media and trade unions. They are encompassed in what Gramsci terms the civil society.

The relationship between the state (the hegemony) and civil society is a vital nexus in Gramsci's work. Following on from Hegel and Marx's conceptions of the state, Gramsci grapples with how the aforementioned civil society relate to the state. Vitally, Gramsci's opinions are influenced by a different set of conditions to the ones that were present in Hegel

and Marx's times. Gramsci's opinions are influenced by the experience of influential trade unions involvement in the polity, the rise and success of social democratic parties and state intervention in economic life. Gramsci concludes that the hegemony of the state is so pervasive in society that civil society is sucked into the dictates of the hegemony to form the integral state (Gramsci, 2011; Humphrys, 2018). This is why Bosteels (2014:90) argues that for Gramsci, "civil society is not an uncompromised "pre-political" realm that lies beyond, or comes before, the state. Rather, it is an ensemble of practices and relations dialectically interpellated by and integrated within the state."

The integral state is vital to managing society with less force and more consent. As noted by Adamson (1983), the goal with hegemony is to have "consent as opposed to force, hegemony as opposed to domination." Once the hegemonic ideal is understood, the relationship between trade unions and the state and/or capitalist structures can be adequately adjudicated.

The control that is desired by hegemonic elite can only be accomplished once their ways of thinking are part of what Gramsci (2011) defines as the 'common sense.' Common sense is expressed through symbolic systems of meaning, identity, and desire (Beck & Purcell, 2013). This common sense are the subjective controls that are not dealt with in Marx and Braverman's work. Contrary to Knights and Willmott (1989), Gramsci manages to emphasize that the subjective power doesn't come from the workers but from the capitalists and states. The workers' desires, ambitions and lives are designed with the specific intention of creating surplus value. The workers are puppets with invisible strings controlling them as they give into an illusion that they are the ones in control. Likewise, in a capitalist society where the status quo is one of private accumulation and control, the imagination and logic is captured to believe that workers do not have rights or control over what they produce. This common sense is then expressed in the culture and laws of the society.

The hegemony using common sense as a tool therefore explains the paradoxical, ambivalent relationship trade unionism has with worker control. The common sense of accumulation via capitalist structures has repeatedly placed them in situations were "trade unions historically were never interested in promoting worker's autonomous struggles since the mere existence of those struggles called into question the traditional union structures and roles." (Ness & Azzellini, 2011). These 'traditional union structures' are the ones that are designed to work with capital, rather than against them. In its historical role, trade unions as part of the aforementioned civil society that has been a trade-off idea and institution that could only exist

and survive where the hierarchies between owner and worker were and acknowledged by both classes. This trade-off is not from two equal opposing forces as it is asymmetric in favour of the hegemonic capitalist class.

This contentious relationship between trade unions and worker control is further explained by Gramsci alongside Burawoy's writing on consent. Burawoy (2001) develops Gramsci's hegemony writings to explain the subjective elements that have led to capitalist control over workers. Burawoy argues that worker consent to capitalism is premised on the interdependence between managers and workers which is organized through internal labour markets and the internal state (the firm). The constant interactions between the managers and workers which Burawoy likens to playing a game between the two classes creates consent. Elbaum et al (1979:229) do make mention of this 'interdependence' noted by Burawoy which they term the "terrain of compromise." They argue that the objectivist logic of Marx and Braverman hides from analysis this terrain in which capitalists and workers "can find room to co-operate in the development of the productive forces and the distribution of the social product."

This game and terrain of compromise is nevertheless not duly constituted because like the puppet, workers are playing a game in which the rules are fashioned by the hegemony. Gramsci (2011) takes note of this terrain when he comments on the Fordist mode of production. In it (ibid:599) he states that;

> "industrialists are concerned to maintain the continuity of the physical and muscular-nervous efficiency of the worker. It is in their interests to have a stable, skilled labour force, a permanently well-adjusted complex, because the human complex (the collective worker) of an enterprise is also a machine which cannot, without considerable loss, be taken to pieces too often and renewed with single new parts."

In the same breath that the worker's importance is acknowledged, the industrialist remains steadfast that the worker must be 'well-adjusted' to suit the needs of capital, and not vice versa.

The Marxist-Braverman materialist structural analysis and Gramsci-Burawoy consent analysis rather than being opposing forces are mutually re-enforcing approaches that explain the different routes and systems which subdue and mollify worker control in firms as well as in the broader social strata. The Marxist-Gramscian paradigm provides a comprehensive theoretical understanding how capitalism limits worker control. Braverman's mechanical, objective dissection of the labour process and its influence on worker control is ably supported by Burawoy's work. The labour process and hegemony lay the ground that explains the challenges

against worker control. Conversely, Gramsci's notion of counter-hegemony then provides a framework from which worker control sources its theoretical impetus.

2.3 Counter hegemony and Worker Control

Counter-hegemony is an alternative force that pits itself against the dominant hegemony of its time, in this case, capital control of the means of production. A counter-hegemony would call for a different set of belief systems to permeate through different networks and society. As noted by Robson (2000:24) counter-hegemony is theorised as the war of position by Gramsci and would call for the "creation of a new, distinct and separate historic bloc. In these circumstances, the mass of ordinary people would assume an entirely different role as they move from a passive position to a new, more active, one." It would be the coming together of class-based political movements and civil society-based democratic and cultural movements, (Beck & Purcell, 2013).

The counter-hegemonic movement is led in principle by a change in attitude and beliefs, which Gramsci (2011) defines, contrary to the aforementioned 'common sense' as the "good sense." Coben (1998:206) highlights that for Gramsci, 'good sense' is exemplified and analogous to philosophy which is inherently coherent and critical. This is in stark contrast to common sense which is diffuse, uncoordinated, ambiguous, neophobe and conservative (Gramsci 2011). Notwithstanding this, common sense has within it some truths which is what the hegemony mixes in to ensure their common sense holds some water. The good sense becomes critical in managing to separate the wheat from the chaff to form the basis of the counter hegemony.

An important question then becomes, what are the processes that lead to this counter hegemony particularly in the context of this study of Trade Union Investment Companies? As already noted, trade unions hold a paradoxical relationship in the fight against capitalism. However, their potential as a player in counter-hegemony has been recognised since Marx and Engels. Engels (1993:218) argues that "the active resistance of the English working men has its effect in holding the money greed of the bourgeoisie within certain limits and keeping alive the opposition of the workers to the social and political omnipotence of the bourgeoisie, while it compels the admission that something more is needed than Trades Unions". This realization by Engels is accommodative of the power trade unions have but they cannot function in their status quo as they will then become part of the civil society controlled by common sense. Eidlin (2020) also notices that although Gramsci critiqued trade unions, he also acknowledged their potential to advance worker sovereignty when they are fused with factory councils, lessons he garnered from the Turin general strike of 1920.

As trade unions are draped in the complexities of where they are between the hegemony and counter hegemony, their transformation to counter hegemony can be found in their ability to have what Gramsci labelled, organic intellectuals. Continuing with his dualistic thinking, Gramsci noted that there are two types of intellectuals, namely, traditional and organic intellectuals. Kannan (1990:2) states that "traditional intellectuals originate and exist outside the common people, but the latter emanate and evolve out of the growth of people's movements in the rural context." An important attribute of the organic intellectual is that anyone of any cast or creed can become an organic intellectual because their understanding and experiences are validated. Based on their lived experiences, they create organic ways of re-establishing their ways in the polity which becomes the good sense. The good sense that Gramsci admired and advocated for could come out of the organic intellectuals that are within unions. They could form the backbone of counter-hegemonic actions against the hegemony.

Consequently, counter-hegemonic thoughts, expressions and actions that form different types of 'good sense' have sprung into reality at different episodes in world history. Azzellini (2015:1) states that "over the past 150 years, in all kinds of historical situations and during various political and economic crises and in different political systems, workers have taken control of their workplaces." Worker control as a concept has found different homes and different disciples in the counter hegemonic thinking of anarchism, socialism, democracy, and anti-colonialism.

One such expression has found itself within anarchist thinking. Worker control is congruent with the anarchist ideals of a non-authoritarian, stateless society (Clark, 1978)**.** The Spanish revolution especially in the Catalonian region is seen as an example of where worker control combined decentralized systems came to reality (Dolgoff, 1974). Van der Walt (2014) contends that the General Confederation of Labour (CGT) based in Spain is the result of this period. Representing two million people in the Catalonia area, there have managed a land reform based on militant action, self-management and equality. Gramsci did not agree with the anarchists, arguing that it was fertile ground for chaos and violence. The more concrete reason is that under the hegemonic school of thought, the state is not an institution for the elite only, but a space of contestation which can be used for emancipatory, progressive action. This is based on Gramsci's conceptions of the modern prince which according to him is a "dynamic collective process, which aims at nothing less than a totalizing expansion across the entire social formation, as a new organization of social and political relations" (Satgar, 1998, p. 45).

Another strand of worker control has developed through socialist causes. On one hand, worker control under socialism rarely supported the notion of workers' control and often fought against its manifestation (Ness and Azzellini 2011). The most interesting early work on socialism with worker control comes from Eudard Bernstein and his theory of 'evolutionary socialism'. As noted by Eidlin (2020) Bernstein's vision was that unions combined with parliamentary parties and cooperative associations would gradually expand democratic control over the economy, displacing capitalists. This gradual, evolutionary process influenced by his experiences in England had a lasting effect on continental Europe where 'social democracy' took hold in the twentieth century. However, that gradual attack on the system had an opposite effect. The character and substance of social democracy in the early twentieth century and what it became post the world wars and into the 1970s and 80s became a continuous deprivation of what it was meant to be (Beilharz, 2009). In Yugoslavia, there were some examples of greater worker control (Estrin 1991), but ultimately, socialism and its manifestation was very state centric, and workers were servants of the state as seen in the Pink Tide and Bolivarian revolutions in Latin America as well as in Russia.

Worker control has also been synonymous with uprisings and democracy. Wallis in (Ness and Azzellini 2011) highlights how in Italy (1920s), Spain (1930s) and Chile (1970s) there were powerful moves towards greater worker control. This has also been true in anti-colonial struggles in Latin America, Africa, and Asia (ibid). Worker control democratizes the economic structures of a society but it also challenges the status quo and other counter-revolutionaries. The demise of the Italian, Spanish and Chilean efforts were the result of violent repression of fascism and dictatorships which quelled worker control efforts (Azzellini 2015).

Worker control's relation with political parties is also very important especially in the context of South Africa. As noted earlier, the coming together of trade unions and political parties was important for the creation of social democracy and as a result the welfare state in the West. In China, they helped create the 'Iron rice bowl' and in the global south, revolutionary nationalism that swept through the South from the 50s to 70s often had significant support from oppressed workers. This can be linked to Gramsci's notion of the modern prince which he developed from Machiavelli's writings. The modern prince according to Gramsci (2011:323) is

> "an organism, a complex element of society in which a collective will, which has already been recognised and has to some extent asserted itself in action, begins to take concrete form. Gramsci. History has already provided this organism, and it is the political party—the first cell in which there come together germs of a collective will tending to become universal and total."

The political party therefore, is a space that is not static but is influenced by the burgeoning of will from below, or the subaltern in Gramscian terms. This in turn meant that the 'integral state' could be changed from a 'collective will' or mass movements engaged in counter-hegemony struggle on the terrain of civil society. In South Africa, from the trade union point of view, this is the role they played in bringing an end to the apartheid regime alongside ANC and the SACP. However, from the ANC and SACP, a vanguardist role over the movement took place and this would have important effects on the relationship between party and trade unions. In Gramscian terms, the political identity turned from one of a modern prince to the entrenchment of a passive revolution. A passive revolution according to Callinicos (2010:498) is when elements of a socially transformative project become domesticated, which may involve "socio-political processes in which revolution-inducing strains are at once displaced and at least partially fulfilled." The shelving of the Re-construction and Development Programme being an example of that. As noted by Pillay (2008:6), "The ANC is controlled by bourgeois-nationalist class interests who are adept at using the working class to consolidate their power."

These differing understandings of trade union experiences based on different theoretical eyes of anarchism, socialism and democracy raise fundamental issues regarding the creation of counter-hegemonic societies. A key question revolves what the role of the state is. Anarchists, rightfully so, have shown that the state has had a propensity to usurp trade union power and control. However, the importance and omnipotence of the state in today's society cannot be ignored. Moreover, being anti-statist as argued for by anarchists creates the problem of the state becoming an enemy rather than an ally. Alliance with the state must not as has been the case in history where the state takes the leading role, but the autonomous activities of the union influence the state based on the 'good sense' that advances workers' rights and livelihoods. One avenue in which this can be done is if trade unions have control over the means of production as they do with the establishment of the Trade Union Investment Companies. The substance and ethos of these firms becomes fundamental.

Another significant question that arises is what is the role of labour militancy in counter-hegemonic actions and society? Militancy has formed the backbone of alternative voices against dominant regimes. More so for trade unions, the right to strike is an indelible action that is called upon regularly against hegemonies. However, assuming counter hegemonic thought and society prevails, the structure and ethos that informs trade unions will have to change. No longer will they be protecting jobs *against* a capitalist system/society, but rather they will be an important agent in ensuring the development of a just and equal society. In other

words, trade unions will have to become worker centres or form alliances with other forms of work organization such as NGOs, co-operatives etc (J. R. Fine et al., 2018a). Such alliances could aid in breaking the contradictory role that trade unions find themselves enmeshed in the labour process.

2.4 Worker control in South Africa

So far, we have looked at worker control in a broad framework, yet the notion of worker control also has a particular history within South Africa which can be branched into two divergent forms. These branches related to worker control in terms of control over the means of production and worker control over the trade union, (Eddie Webster, 1985).

2.4.1 Worker Control over the means of production in South Africa

Regarding control over the means of production, ideas around co-determination, self-management and a soviet style socialism have been the most prominent. Co-determination is when "system managers of large firms face capital and labour markets that are highly organised, enabling both capital and labour to participate directly in the everyday operation of the firm and requiring decisions to be continuously negotiated"(Webster and Macun, 1998:64). Adopted from Germany, co-determination allowed workers to have seats at the strategic and operational level of the firms they worked for. This concept flowed well with COSATU's call in the 1980s for workers to be more involved in the decision making process (Buhlungu 1999). As noted by Satgar, (1998:45), "co-determination fundamentally breaks with unilateralism and hierarchical decision-making in the work-place in that it allows workers to prevent management from deciding on a particular issue unless the consent of the work-place forum has been obtained." Co-determination in South Africa was evidenced through NEDLAC which was instrumental in labour having a seat at the table on important labour issues.

Broadly speaking, co-determination had disappointing results in South Africa because the workers lacked financial, administrative, strategic and organizational capacity to take full advantage of the policy (Buhlungu, 1999). On a conceptual level, co-determination "does not confront the rationality of hierarchy in transformative terms and hence does not allow for an expansion of the frontiers of worker control (Satgar, 1998:55). This is to say co-determination does not challenge the capitalist ethos of production, rather it aims on pulling back on its worst aspects.

South African trade union experiences with co-determination inform the argument that there are certain pre-requisites that trade unions need to have in place. Trade unions in themselves require a self-identity that is politically independent from the state or to be more precise, the government of the time. This independence in South Africa was diminished by the tripartite alliance as noted by McKinley (2001). Moreover, co-determination is not the ideal structure for worker control. Granted, the co-determination model can include advantages such as board level representation and key voting rights on key organizational issues such as keeping a plant open (FitzRoy and Kraft 2005). However, the model is essentially a trade-off between capital and labour. Co-determination is an improvement on neo-classical business practise of shareholder-maximization, but it keeps the worker-owner asymmetric structure in place. Co-determination consequently falls into the 'terrain of compromise.'

Related but distinct from co-determination were the self-management tools embodied in the workplace forums legislated in the Labour Relations Act. Inspired by the German and Swedish structures, workplace forums were "an industrial relations institution, intended to promote worker participation in work-place decision-making," (Satgar 1998:44). Even though it was controversial at the time, it was an important inclusion in workers participating in managerial decision making in their firms, (Botha and Mischke, 1997). Benjamin (1997:29) points out that the workplace forums were forms of worker democracy with the aim being to "promote problem solving and conflict resolution over issues of productivity." The Presidential Commission to Investigate Labour Market Policy (1996:85) states that the establishment of the Forums reflected a desire to obtain greater flexibility, and, hence competitiveness, whilst protecting workers' rights and job security.

Although the forums were viewed as a panacea to manage business-labour disputes, there have been very few examples of workplace forums in South Africa. Unions (and non-union workers) worried about the efficacy of the forums especially in relation to other union tools in place such as collective bargaining and undermining shop floor militancy. Rohr (2017) argues that the 100-employee benchmark, and the blurry lines between collective bargaining and workplace forums lines are some of the reasons forums did not become commonplace. Theoretically, workplace forums like the co-determination model do not challenge the hierarchical management-labour structure informed by the labour process theory. It is a form of "neo-pluralism" that in effect aims to keep workers in check rather than transform workplaces, (Satgar, 1998:55).

The imprint of socialist ideals on South African society at large cannot go unnoticed. The Freedom Charter formed the backbone of the socialist calls which called for among other things, land re-distribution, social housing and a distinct commitment to nationalization and democratization of the economy. Although the Charter does not expressly call for the means of production to be controlled by workers, its adoption by the ANC and South Africa Communist Party (SACP) lends to acknowledge the potential transformative potential of the charter as a blueprint leading to worker control (Hudson 1986).

Although Ulrich (2007) argues that the SACP had resonances of a soviet style socialism, Williams (2005) provides a more detailed, convincing argument. She states that understanding the changes in the international context of socialism post-1990, and the desire to build more democratic systems, the SACP desired a deepened and extended notion of democracy, were working towards a strong developmental state, acknowledged the coexistence of capitalism and socialism for an indeterminate period of time, understood the importance of markets based on the principle of social needs, and had no blueprint defining the nature and content of socialism. Additionally, the worker centred, controlled movement ideal was encapsulated in Joe Foster's 1982 FOSATU speech. Most of these socialist leaning ideas never led to concrete policy action primarily due to the ANC becoming more neo-liberal in the first decades post the end of Apartheid. This does not downplay the experiments and attempts that were made by the unions to build co-operatives which this research looks at more deeply in the case studies.

2.4.2 Worker Control over the Trade Union

The other branch of worker control, that is worker control over the trade union has been more pronounced in South Africa. Trade union activities as they grew in South Africa moved from more direct forms of democracy to become based on a representative democracy model, (Buhlungu and Tshoaedi 2013; Ginsburg 1995). Ulrich (2007) notes that prior to the formation of FOSATU, workers used to demand that management negotiate with them directly and not en masse which served a double purpose of showing their collective strength and promoting what in effect can be seen as direct democracy at a firm level.

The centrality of worker control extended from FOSATU into the formation of COSATU. It was so pivotal; worker control is repeatedly expressed in the COSATU constitution preamble which states that the need and centrality of democratic organization of workers and leadership. Buhlungu (2009:94) argues that the rationale behind the emphasis on worker control was to

"build a culture of democratic participation of the rank and file and to discourage any tendencies toward the bureaucratization of the movement." Baskin (1991) and Adler (1996) note that 90% of COSATU's day to day work was based on substantive efforts that promoted worker control such as factory level negotiations, training and education programmes for shop stewards, sustaining media links with labour friendly media, constant feedback to membership and structures and other programmes. At the core is the argument that workers must at any chance given vote on union resolutions, meet their elected representatives regularly and receive report backs from their elected officials.

The principle of worker control was not always without its problems in the 1980s and early 1990s. Baskin (1991:4) notes that "the COSATU philosophy entailed combining the need for solid and intensive workplace organisation (in the tradition of one COSATU precursor, the Federation of South African Trade Unions, FOSATU), with embracing the need for the union movement to be part of the broader, largely Congress oriented, anti-apartheid movement, whilst being socialist in aspiration." This combination created a strong underlying fissure between and amongst unionists which was premised on what was more important, worker rights or aligning with the goal of ending apartheid (Baskin, 1991; Pillay, 2008). Pillay (2008) adequately explains that it was not a simple black and white crevice because a lot of nuances were there. Our two cases studies as will be later explained found themselves on differing sides of the workerist/populist argument. That said, these arguments had crucial influences of COSATU's outlook on its relations with the ANC government which inadvertently affected what worker control was in post-apartheid South Africa.

There is a general consensus in literature that worker control in South Africa has dwindled since the advent of democracy in South Africa (Baskin, 1991; Buhlungu, 2009, 2001b; Hirschsohn, 2011). The first reason for this is that counter-intuitively, trade unions are a victim of their own success in bringing down Apartheid. Buhlungu (2001:70) notes that "while they (trade unions) are often central players in bringing about democratic change, they almost always find themselves shunted off the centre stage as soon as the transition occurs." This is caused by the reality that the organizing tools that were effective before 1994 were not as potent anymore. Such tools included state repression and the fact that South Africa opened up its economy after 1994, businesses could now threaten to leave, an option that was not on the table pre-1994.

The increased bureaucratization of the union had significant effects that are evidenced in the growing strength of the Secretary General position. Baskin (1991:17) surmises that "the power of the General Secretary and the full-time union officials was always, in practice, far greater than the worker control binary theorised." This power grew with the increasing importance of the collective bargaining, (which drew away efforts from factory bargaining), industry bargaining councils and NEDLAC which centralized power (Buhlungu, 2001b). As a result, Hirschsohn (2011:26) notes that "many members have become occasional participants in organised labour's body politic rather than the pistons and cogs in the engine-room of the union machinery".

The veracity of worker control in the unions also subsided due to a process of 'brain drain' from the trade unions. Brain drain was where the best minds and leaders of the unions post-1994 left union work into other industries that had higher potential for material and career advancement. Buhlungu (2001) notes that former unionists moved into politics, local government, civil service, union investment companies and civil society. Academia was also another area ex-unionists moved too. The high-profile cases of union leaders becoming part of the ANC grabbed the most headlines however, the movement of regional and local unionists to become councillors, mayors, and be part of provincial legislatures also harmed worker control. This was part of ANC's passive revolution as they managed to co-opt labour by ensuring ANC controlled rather than COSATU controlling how ANC governed. On one hand, the movement of unionists to other branches of society can be seen as a good thing. One could imagine that the unions essentially played a breeding ground to spread a culture and politics that leaned in favour of worker's rights. The fact that the socialist philosophies present in unions did not translate itself into other organs of society could mean that the brain drain was not the strongest contributing factor to the reduction of worker control. If anything, it was a result of the larger external effects occurring at the time such as growing global neo-liberalism that changed the ANC as well as the global political landscape.

Even though worker control of trade unions is more pronounced in South Africa, it does not lend itself to leading to workers controlling their firms, industries of the economy. If anything, the desire and focus on controlling the trade union has led to the culture of labour aristocracy due to increased bureaucratization. Questioning of the labour process structure became questioned less, developing into a 'common sense.'

This varied history and complexities of workers control globally and in South Africa is both informative and challenging for union approaches to dealing with the current political economic discourse, especially the Trade Union Investment Companies (TUICs). Primarily, worker control highlights the place of contradiction that trade unions hold. In the general trade union work, trade unions can be hegemonic (supporting state-capital alliances) or counter-hegemonic. Moreover, in the South African context, a lack of clear articulations of what worker control is complicates matters. These contradictions and complexities are exacerbated with TUICs where workers of the TUIC on one hand campaign against low pay but at the same time receive profits due to class structures they benefit from through the company (Faulkner (1999).

The worker is both the oppressed and the oppressor and this tension can result in a lack of direction within the union. This tension can only be resolved/limited by either the union returning to its core activities of militancy, or rather finding ways, ideas, and structures that empower the TUIC to be an avenue of increasing worker control and promoting democracy. It is the argument of this paper that trade unions ultimate, existential purpose and goal should be transformative worker control which is the process of workers trying to re-gain the control over that which they produce (Ness and Azzellini, 2011). As more aptly defined by Satgar (1998:56) "worker control is a policy means, from below, to dislodge and supplant managerial prerogative in such a way that workers are collectively responsible for running and managing their work-places."

Ultimately, worker control is strongly situated in Gramsci's war of position. The very existence of workers who aim to imagine, build and defend production in which they have control of the means of production, are not alienated from the production process and one that is run democratically is counter intuitive to the dominant hierarchical, capitalist system. TUICs hold a unique opportunity to do this but have they been designed with this philosophy in mind?

2.5 Conclusion

The purpose of this chapter has been to provide the theoretical basis that informs this research. The theories of the labour process, hegemony, and counter hegemony as well as worker control have been discussed. The chapter has shown that the theory of labour process and hegemony are theories that explain two dominant traditions in which workers are controlled and/or exploited in the capitalist system of production. The chapter then went on to show that counter hegemonic thought proffered by Antonio Gramsci as well as ideas around worker control have been used as alternatives to these hegemonic systems that are a staple of capitalism. Moreover,

discussions around worker control have developed around two distinct branches which are namely, worker control over the means of production and worker control over the trade union itself. The latter has been more prominent in South Africa although the former is deemed to be the one which is a genuine avenue for economic equality for workers. It is that branch of worker control that has also been evidenced throughout history as worker control has been part and parcel of other movements such as anarchism, socialism, democracy, and anti-colonialism.

Chapter 3- Literature Review

3.1 Introduction

This chapter takes a look at the various literature that informs the topic at hand. First of all, I analyse the concept of financialization arguing that TUICs are a form of shareholder maximization, which is one of three branches of financialization. The chapter then takes a purview at different branches of trade unionism, namely, corporatist, business, and transformative unionism. Although TUICs are primarily located in business unionism, corporatism informs some of their key relations such as those with government and transformative unionism is an ideal that has been practised before in the South African context, a history which can inform TUICs. The last part of this chapter then details the solidarity economy, its history and defining principles. There is an analysis of the need of a transformative just transition that TUICs may apply to move from business unionism. This is contrasted with the 'responsible investing' dogma coming from neo-liberalism which has been criticized as ultimately being a form of green capitalism which is only ameliorative in nature.

3.2 Financialization

As a concept, financialization has grown in eminence as a key body of work in explaining how capitalism has functioned post-1970s and through the cyclical financial zeniths and crises documented in the Latin America crisis of the 1980s, the 1997 Asian crisis, the internet bubble of the 2000s, the 2008 financial crisis and most recently the debt problems facing developing nations due to the Covid-19 crisis.

Van der Zwan (2014) paints a broad framework of financialization in which she states that most literature on the concept can be bundled up into three sections, namely, financialization as the emergence of a new regime of accumulation, financialization of the ascendency of the shareholder value orientation and the financialization of everyday life. Krippner (2005:174) defines it as "a pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production." This definition is a fundamental understanding of what financialization is pointing out that financialization is how economies are increasingly making income from the financial sector at the expense of the

industrial/productive sectors which in the history of capitalism have been viewed as the engine of capitalism.

A broader definition provided by Epstein (2005:1) is "the increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operation of the economy and its governing institutions, both at the national and international levels." Epstein's definition provides a more sociological appreciation of financialization with a more holistic, network analysis framework. Not only is financialization becoming more important than the traditional sectors of manufacturing and commodities, but finance is a new site of accumulation within economies. Both Krippner and Epstein's work generally fall in the accumula1ation-rentier forms of financialization that have been outlined by Krippner. For the purposes of this research, the section that houses the TUICs is more related to the financialization branch of shareholder maximization.

Van der Zwan (2014:100) argues that "shareholder value refers to the idea that the primary purpose of the corporation is to make profit for its shareholders." This is supported by Aglietta (2000:148) who states that, "shareholder value helps to legitimize the predominance of shareholders over other stakeholders, and the predominance of a capital market view of the capital market view over an industrial one." The shareholder value concept among other things shows that finance is not an apolitical act, it is a control mechanism, and it creates a hierarchy in which employees usually receive the short end, (van der Zwan, 2014)

The process of financialization with the aim of increasing shareholder value disconnects the financial markets from society and the real economy. This is contrary to the role markets have historically played. Polanyi argues that when markets were established, they were designed and maintained for society. The markers were embedded in society (Polanyi & MacIver, 1944). Polanyi's idea of the market provides crucial insights that markets are in themselves a result of social relations and not exogenous creations. This is against the neo-liberal conception of markets. Neo-liberalism assumes that self-regulation of the market is possible where production, distribution, demand, supply can all be effectively managed by the prevailing market prices, this is commonly referenced as the market being disembedded from society (Ibid: 1944).

The manner in which Trade Union Investment Companies (TUICs) understand the markets has a significant impact on how they can and should relate to markets. Walby (2013) argues that there are essentially four broad manners in which finance can be understood, namely, the

orthodox neo-liberalism, Marxist, Keynesian and Polanyian. A Polanyian perspective would argue that TUIC's actions should be to ensure that market activities are responsive to the social needs since the markets in themselves are expressions of society. This is complimentary to Gramsci's counter-hegemony argument as noted by Burawoy (2003). If a more neo-liberal approach is taken, the exogenous, mythical understanding of the market can be taken which results in adverse effects on society where TUICs focus on profit maximization and other neo-liberal capitalism conjectures of success.

Since the implementation of the GEAR policy in the 1990s, neo-liberalism has grown in South Africa. The financialization process in South Africa through the expansion of foreign banks, microfinance, increase in assets held by foreign investors, household debt and the increase in the use of financial tools such as short term equity and the derivatives markets, land speculation, currency swaps amplified the strength of neo-liberalism (Bonizzi, 2013; B. Fine, 2013; Goldman, 2015; Isaacs & Kaltenbrunner, 2018). Financialization became a tool limiting the bargaining power of trade unions in the workplace and this occurred in two ways. Firstly, since capital is dis-embedded from the societies in which it operates, it became easier for capital to leave a community or nation and seek higher profits or areas where trade union or worker power was minimal (Silver 2003).

This in turn meant that trade unions became hesitant to be militant. Secondly, because job creation relies on capital, less capital investing in the productive sectors of the economy and preferring to make profits through financialization (investing in stock markers and financial assets) means that trade unions have seen job growth remain stagnant. The results of this have been the financial industry employing 3.5% of the working population capturing 25% of corporate profit in 2017 (Karwowski et al., 2018). Financialization directly or indirectly resulted in delayering, downsizing of firms and reduction in firm level bargaining power (Thompson, 2013)**.** There was an increase in flexible work systems which increased precarious work as well as labour reforms on a national scale influenced by an increasingly neo-liberal international labour supply chains (Silver, 2003b; Standing, 2012).

The multiple effects on financialization provide interesting stimuli for research on TUICs. By analysing TUICs within a financialization lens, it allows for the research to point out how TUICs have been dis-embedded from society and primarily their main constituent, workers. Additionally, acknowledging how TUICs are part of financialization and the capital accumulation logic that comes with it, this research can explore the possible manners in which

TUICs can re-embed themselves into society in act of double movement (Polanyi and MacIver 1944) and also be established as counter hegemonies influenced by ideals of worker control and the solidarity economy.

3.3 Trade unionism

3.3.1 Corporatist unionism

Trade unionism in South Africa has taken up many different, evolving forms in recent history influenced by the changing socio-economic and political landscape. One historical feature of trade unionism was the corporatist edifice. Corporatism at a national level entails the existence of a strong, guiding, directing hand from the state while some are more structured with controlled interest groups (Wiarda 1996). Corporatism is usually the agreed framework when there is a general feeling of there being a "public interest" that needs to be aimed for and also its ability to control the amount of groups with access to the state. (Wachter 2006). Corporatist trade unionism was prevalent during the Apartheid era for the white working class, racially excluding the black masses (Kim and van der Westhuizen 2015). This was important as a way of satisfying the ruling Afrikaner and general white population as it satisfied their material and ideological demands.

The end of apartheid and the ushering in of democracy did not spell the end corporatist trade unionism but it's re-structuring. The late 1980s in South Africa saw a high wave of black trade union militancy personified by the NUM strike in 1987. This struggle resulted in the re-structuring of the National Manpower Commission and the establishment of the National Economic Forum (Gostner & Joffe, 1998). These two institutions birthed the National Economic Development and Labour Council (NEDLAC).

This came out of concerted efforts from trade unions to shape policy and decision making in a new democratic South Africa (Buhlungu, 2001a). This episode was seen as a class compromise between white capital and the black majority which held the cautious hope of achieving fundamental changes to the economic structure of the nation (Webster and Adler 1999). This hope did not come to fruition primarily because of the asymmetrical power relations within NEDLAC and the Tripartite Alliance, the technical shortcomings of labour when it came to policy, an ideological shift within the ANC as well as labour failing to represent its broader constituency effectively (Kim & van der Westhuizen, 2015). This episode showed trade unions in South Africa the pitfalls of corporatism which Harris (1993:95) surmises as, "one problem

is determining the agenda the popular forces are to follow, while another is whether tri- partite arrangements enable them to pursue it instead of being co-opted." Not only did trade unions lose the agenda with the introduction of the GEAR policy, but they were also co-opted into a neo-liberal state structure, which brought business unionism to forefront.

3.3.2 Business unionism

Rather than just being an outlier in South African labour politics, business unionism has had a global history. Business unionism in US and to a lesser extent in the UK, developed based on the assumptions of workers dis-interest in traditional unionism, political engagement with government was no longer an option, workers preferred negotiations that did not threaten their jobs, and unions had to provide services to attract and retain workers (Faulkner 1999). It flourished in South Africa for two primary reasons which were the rise of neo-liberalism and the co-optation of labour leaders into state structures through the ANC. Important features of business unionism are their hierarchical structure and oligarchic form of representative democracy (Bezuidenhout, 2000). This means that union elections legitimized union leaders but in practise, the unions acted with significant autonomy from rank-and-file workers (ibid). This regressive form of unionism has considerable effects of the unions because as Faulkner (1999:21) argues, business unionism demobilizes and depoliticizes workers "precisely at the same time when only their mobilization can protect working class living standards."

The structures that emerged to bring business unionism into practise was the Black Economic Empowerment (BEE) policy as well as the formation of the Trade Union Investment Companies. A combination of BEE, secrecy of deals, unions buying into industries outside their sector, unions competing against each other, TUICs businesses taking advantage of sub-contracting and privatization deals and effectively led to union values of solidarity, equality and the advancement of worker's rights being squeezed out of the union and national discourse (Correspondent, 1996).

3.3.3 Transformative unionism

With business unionism growing from strength to strength, alternatives within labour have emerged which collectively they can be called transformative unionism. The earliest form of transformative unionism in South Africa was in the 1920s which was coupled with the rise of

the national liberation struggle which included the growth of the African National Congress (ANC) in that period, (Satgar 1998)[1]. It was an explicit democratic socialist alternative to social democratic (neo) corporatist unionism. This was vital because corporatist unionism at the time was heavily stratified along racial lines.

Through the decades of the apartheid regime, workers (specifically black workers) played an integral role as a bulwark against the oppressive regime. This culminated in the rise of social movement unionism. Social movement unionism is embedded in a network of community and political alliances and demonstrates a commitment to both internal and democratic practices as well as to the broader democratic and socialist transformation of authoritarian societies (Von Holdt 2002: 285). Social movement unionism was important in the rise of COSATU and its affiliates as they found ways to not only forward worker issues, but they linked them with community and social issues (Barchiesi, 2007; Seidman, 1990). Moreover, there were concerted efforts by unions such as the National Union of Mineworkers through its subsidiary the Mine Workers Development Agency to establish worker co-operatives. (Satgar & Williams, 2011).

Satgar (1998) notes that "transformative unionism places the working class at the forefront of a socialist transition in South Africa, with its main goal being the democratisation of South Africa such that power is shifted on to the side of the working class and the poor." Its key features include participatory planning from below, autonomous worker self-management, worker and community ownership, and critically internationalism which seeks unity of workers across borders. A number of these aspects are related to the solidarity economy that is discussed later on.

The anti-apartheid social movement unionism was replaced by corporatist and business unionism that came after the end of apartheid and the rise of black unions and ANC into the levers of state power. However, there has been a resurgence of transformative unionism in the last decade. Its re-emergence has come with the push for a deep just transition. Rising unemployment, an existential climate crisis and growing femicide and gender inequality issues have brought progressive forces together. This has occurred by finding the intersecting relations that exist between labour, environment and gender (Cock, 2018; Räthzel et al., 2018; Satgar, 2015). By analysing the failures of corporatist and business unionism as well as

[1] https://www.cpa.org.au/amr/40/amr40-04-trade-unions-and-day-to-day-struggles.html

imagining a just transition, TUICs become a potential powerful force for advancement of worker rights and control.

3.3.4 Trade Union Investment Companies

The corporatist, business unionism and to a lesser extent transformative unionism have all had considerable influence over the South Africa TUICs. A combination of the TUICs using their preferential access to the state through the corporatist structure as well as using their positions to benefit from the neo-liberal state has been apparent. As briefly noted earlier, South African trade unions were not the first ones to establish TUICs. Faulkner (1999) highlights how TUICs in USA and to a lesser extent, the United Kingdom developed in the 1970s and 80s based on the assumptions of workers dis-interest in traditional unionism, political engagement with government no longer being an option, workers preferring negotiations that did not threaten their jobs, and the assumption that unions had to provide services to attract and retain workers. Two broad sides emerged when the debate came to South Africa. On one side of the ring, proponents deemed TUICs to being an avenue that betrayed the class consciousness and the co-option of workers by capital, disparagingly terming TUICs business unionism. (Faulkner, 1999; Iheduru, 2001; D. McKinley, 1999). On the other side, there were unionists who defended the idea of establishing TUICs (Copelyn, 1997; Dexter, 1997; Naidoo, 1997).

Those against the formation and current administration of TUICs have solid grounds to defend their logic. First of all, TUICs currently follow a similar logic of capitalism. Tangri and Southall (2008) highlight that TUICs in the late 90s and early 2000s became not to dissimilar with corporate capital and made TUICs leaders very wealthy. Naidoo (1997) notes that TUICs are focused on profit maximization instead of economic transformation. A stronger critique comes from Correspondent (1996) who argues that TUICs have had complications because of the BEE, secrecy of deals, unions buying into industries outside their sector, unions competing against each other, TUICs businesses taking advantage of sub-contracting and privatization deals and that effectively, “the involvement in investment companies inserts commercial values which tend to squeeze out union values. The most potent critique comes from Faulkner (1999:21) who is of the view that, business unionism demobilizes and depoliticizes workers “precisely at the same time when only their mobilization can protect working class living standard.” In essence, business unionism has the opportunity of rotting the union movement from the inside out, debilitating it from what they consider the core work of trade unions which is protecting jobs.

On the other hand, there is a spectrum of different defences for TUICs. Naidoo (1997) is of the view that TUICs can be a space where trade unions can take proactive steps rather than the 'negative' sanctions such as strikes that they are commonly known for. Dexter (1997) has a situational analysis arguing that because South Africa is a capitalist country, in order to build a socialist future, it means working in the system as well as trying to break it down, and TUICs are the means to do that. This is an approach that Iheduru (2001) calls the concertation regime in which labour has some leeway and role in an increasingly neo-liberal economy, an idea that was critical for SACTWU whose members were heavily affected by neo-liberalism because of the globalization of textile and clothing work which went to China and South East Asia, (Nattrass & Seekings, 2016a). Golding (1997) and Copelyn (1997) support TUICs immensely. Their arguments revolve around the notion that TUICs are a new frontier of the Left's struggle. They draw a comparison of the formation of TUICS with previous actions that were unpopular at their commencement such as the promotion of trade unions, registration of trade unions, use of stop order facilities, establishing co-operatives within the union and a union college. Both NUM through the Mineworkers Development Agency and SACTWU when it established the Zenzelini co-operative where breaking the parameters of trade union work, (Adato 1996; Philip 2018).

Both sides of the argument show the deep concerns and interests that have shaped trade unionism is South Africa for the last twenty-five years. The business unionism critiques raise important aspects of TUICs but they are confined to the notion that workers cannot control the means of production, which is a paradox in the ideals of most Left thinking. This is not to say the arguments of Copelyn (1997) and Golding (1997) are taken as they are. The afore-mentioned individuals where at the forefront of benefitting through self-enrichment from the rise of TUICs. This lays the basis for the need of the proposed research. Rather than simply trying to balance out the contending views, this research aims to take the work of TUICs which is admittedly currently caught up in the shackles of capitalist modes of operations and provide ideas and techniques in which TUICs can be avenues for worker control and a solidarity economy. These variables this research believes takes the goal of trade unions further than simply fighting capital but to broaden their mandate and re-imagine how workers can organize in a world were neo-liberal tactics to undermine workers have also changed (Fine et al 2018). They contemplate with what needs and can be done to re-embed TUICs in society in the face of financialization and a potent force in a global counter hegemonic effort. For this to happen, TUICs will have to find their role within the solidarity economy movement.

3.4 Solidarity economy

3.4.1 History of the Solidarity Economy

Over the last two centuries, a myriad of counter hegemonies have been proffered in response to capitalism and its various faces depending on different contexts, historical specificities and political dimensions playing out at different times. Some of these responses have included socialism in Russia and Eastern Europe, social democracy which has seen its best outcomes in the Scandinavian nations and anti-colonial nationalist socialism in Latin America and Africa. In all of these responses, there have been pockets of the solidarity economy that have transpired.

Modern solidarity emerged in the early nineteenth century and proliferated with the rise of the industrial revolution (Utting 2015). With the globalization of capitalism, economies of solidarity manifested in different ways based on different contexts. The ideas of social enterprise grew in North America, the social economy was prevalent in Europe and the solidarity economy grew and has its strongest presence in Latin America and more recently Southern Europe (North and Cato 2017). The solidarity economy has fundamentals differences to the social economy (Williams 2014), the most important being its aim to transform rather than ameliorate the economic conditions and structures that are prevalent.

It would also be erroneous to term the solidarity economy as a bridge between capitalism and socialism because it has differences with social democracy or the Third Way idolized during the Clinton-Blair era, in that, it challenges the capitalist basis of production and re-production. The solidarity economy is more aware of the global crisis and the effects of neo-liberalism (Satgar 2014). Most solidarity economy systems are aware of the importance of markets, but the concept of markets isn't one of 'free markets' but of embedded markets that is demonstrated in Polanyi's writings.

The solidarity economy broke away from the binary of left and right dogma and focuses on learning the progressive aspects of ideology and practise. For example, the solidarity economy as we will see has a concerted aim of socializing wealth. This idea is also historically rooted in socialism. but its practitioners were aware of the authoritarian nature that state centric systems of socialism created and decided to practise an alternative form of governance.

3.4.2 What Is Defined as the Solidarity Economy?

How then can the solidarity economy be defined? The solidarity economy has its ideological and practical underpinnings from different contexts and experiences. As stated by Kawano et al (2009:28):

> **"**The core idea is simple: alternatives are everywhere and our task is to identify them and connect them in ways that build a coherent and powerful social movement for another economy. In this way, solidarity economy is not so much a model of economic organization as it is a process of economic organizing; it is not a vision, but an active process of collective visioning."

In a similar vein, Satgar (2014:22) argues that the solidarity economy "is not a prescriptive model or socialist blueprint from the 20th century. It does not seek to impose a new dogma, but rather aims to find shape, form and content through anti-capitalist emancipatory practice at the grassroots." Consequently, the solidarity economy brings to the fore a different set of economic values that influence it such as reciprocity, inter-subjectivity, complementarity, co-operation, economic equality, eco-centrism, popular ownership, radical inclusion, decentralization, capital serving people, democracy and vitally willing to challenge and transform state structures. (Coraggio, 2017; Gilbert, 2019a; Ould Ahmed, 2015; M. Williams, 2014a).

Solidarity economies are usually evidenced in structures that aim for socialized forms of ownership such as pubic banking systems such as credit unions, land banks which promote social ownership of housing, decentralized community owned renewable energy, food sovereignty that localizes food production and consumption, alternative energy systems to deal with the climate crisis and the increasing establishment of worker co-operatives that promote worker control from Latin America all the way to South Africa. (Coraggio, 2017; Gilbert, 2019a; Satgar, 2014b; Utting, 2015; M. Williams, 2014a).

The solidarity economy has been practised differently across the world, finding its character and physical expression in a myriad of actions through different institutions, movements, and activists. On a global scale, the World Social Forum which began in 2001 has been the coming together of the global left, sharing ideas and networks to strengthen the solidarity economy, (Santos 2013).

The solidarity economy has found traction within historically disadvantaged communities such as blacks in USA (Akuno et al., 2017). Located in Jackson, Mississippi, this program is in a city which has a majority of 70% black. 'Jackson Rising' programme is involved setting up consumer and producer cooperatives, mutual aid societies, tool lending and resource libraries,

building eco-villages powered by a zero emissions policy. In Brazil, there are a string of community banks and alternative currencies, most famously the Banco Palmas community bank which also managed a local currency used in a community of more than 32 000 people.

The socialized forms of governance, control and consumption is central because it has been born out of the realization highlighted by Gilbert (2019:107) that, "in a democratic political economy, the ends cannot justify the means, as the means inherently shape the outcomes that they might produce. Institutions that seek to create a democratic and egalitarian society must be democratic and egalitarian themselves."

In addition, the solidarity economy is important because it recognises the intersectionality of subjects, especially those historically disenfranchised from the neo-liberal system such as women and people of colour. History has shown that without creating economic models that aim to deal with societal problems in a multifaceted way usually leads to new forms of oppression. This is to say, the solidarity economy shows that dealing with class struggles is more effective when gender, race and the environment are also put into the forefront simultaneously.

This is important especially for workers who historically have limited themselves to labour struggles. Workers are not only workers but part of a community, nation, and environment. As Ness and Azzellini (2011:125) aptly puts it, "although workers represented a fundamental unit of democratic control, do they have a greater right to decide on the production process than the consumers of other members of the community?" The concept of the solidarity economy brings the Polanyi's abstract notion of embeddedness to reality while simultaneously being a guiding concept to challenge neo-liberalism and the crises of financialization.

The broad, multi-faceted nature of the solidarity economy instead of being a hindrance is actually an important part of its strength as it understands that any counter-hegemony towards neo-liberal capitalism must come from different viewpoints and sources. Neo-liberalism in itself is also multi-faceted and affects different subjects in varied manners.

This is the potential space TUICs can find themselves in. Since the solidarity economy at its core has the spirit of learning, unlearning, and re-learning, the solidarity focused economy will allow TUICs to have a broader appreciation of what they can do to change the means of production. This will speak directly to the ideas of the market economy and how they can relate to other democratic forms economic management (Wright, 2013). Noting from the literature at hand that TUICs find themselves in the realm of business unionism, a bridge from business

unionism to one of transformative unionism is required. This is where the notion of the transformative just transition comes into play and requires some investigation.

3.4.3 Transformative Just Transition

There is a common adage which states that the more things change, the more they remain the same. This axiom reveals certain truths. One of those is that the world and its constituent parts is always seeking progress, and change. Another truth is that change can be of form and not of substance. Therefore, benchmarks need to be created to point out if fundamental change has actually occurred. This is true for this research too. Financialization has shown how capitalism has evolved but fundamentally remained the same.

Neo-liberalism in its recognition of the change that is required has its own version of what change can look like for firms involved in the world of investment and finance. This world is captured in the movement of responsible investing, captured in the Environmental-Social-Governance (ESG) framework and also what Williams (2014) terms the social economy. The solidarity economy that we explored is a counter benchmark to neo-liberalism. The solidarity economy positions itself as a systemic alternative to a neo-liberal economy which is based on finance, marketisation, competition, and possessive individualism. As noted by COPAC (2015), the solidarity economy is based on grassroots activism and work which is empowered by using four means of power, namely, structural, movement, direct and symbolic power. The solidarity economy provides a platform and employs methods of action that bring the just transition to life. The following sections will look at the neo-liberal notion of responsible investing and lay it up against transformative just transition (Cock, 2011; Räthzel et al., 2018)

3.4.3.1 Responsible Investing (ESGs)

TUICs by their very nature and means of creation as companies, are organizationally based in the world of private corporate finance. Over the last twenty years, there has been a substantial growth in pressure for corporates to change what, how they invest their substantial capital and this has been exemplified in the divestment movement (Alexander et al., 2014; Bergman, 2018). This movement became codified in South Africa in 2010 where publicly listed firms were mandated to produce integrated reports that alongside financial reports included Environmental, Social, Governance (ESG) factors that had the aim of promoting responsible investment, TUICs such as Hosken Consolidated Investments (HCI) included, (Viviers et al.,

2009). Responsible investing had a slow progression from these issues being peripheral but gradually entering into mainstream understanding within the general financial industry.

Van Beurden and Gössling (2008) note that the entry point of responsible investing started from a point of businesses needing to having corporate social responsibility (CSR) in how they functioned. (ibid:407) states "CSR was an answer to the societal uncertainties that business corporations have to cope within the present dynamic, global, and technological social contexts. There was however a clear demarcation between financial analysis and CSR. The key to the responsible investing movement has been creating bridges between those two historically divergent beliefs on how businesses are run.

This led to a spurt in literature that aimed to show as argued by Clark et al (2015:23) that "sustainability topics can have a material effect on a company's risk profile, performance potential and reputation and hence have a financial impact on a firm's performance. This was to basically argue that a company could do good and still make a profit. Van der Ahee and Schulschenk (2013) point out too that an increasing number of institutional investor clients such as pension funds are seeking stronger financial commitments to the guidelines of responsible investment, which has resulted in about 46% of fund managers stating that investment decisions are regularly influenced by ESG factors. This number has most likely increased in the last decade due to growing pressures surrounding decent work and the climate crisis.

It can be argued that responsible investment and the ESG factors that they advocate for mirror the work done by the Left as to how to create a just transition framework. There is growing understanding of the climate crisis in the corporate world and more work is being done by different activists and communities to reign in the effects of corporates on communities, labour, and the environment. However, the responsible investment movement has come under heavy criticism which is generally captured in the captured in the green capitalism/greenwashing discourse.

3.4.3.2 Critique of Responsible Investing

Green capitalism is a critique of the manner and methods which have been taken by corporates and the capitalism more generally to deal with the socio-economic and particularly the environmental crisis. Cock (2011) fervently argues that the sustainability discourse is the commodification of nature because green capitalism involves appealing to nature as a

marketing tool, the introduction of carbon trading, the focus on creating new markets of solar, nuclear and wind, faith in technology to producing carbon capturing technologies and clean coal through geoengineering, and 'individualizing' the response to the climate crisis. In support of Cock's assertions, Rogers (2007:232) notes that:

> "Just because a business professes its devotion to the health of natural systems, or makes an environmentally friendly product, doesn't mean it has transformed its relation to nature. The 'greening' of business without concomitant changes in the economic structure, and in the role of the state – including planning, a more democratic use of natural resources, and giving priority to human and environmental health over profits – permits the continuation of practices destructive to the earth's ecosystems."

This is the crux of the issue. Although responsible investment acknowledges and has made movements with the intention of addressing the socio economic and environmental issues, it is found wanting because the process of making a profit inherently requires subjugation and as we have grown to be more aware of the, the environment with severe consequences as noted in Moore's (2017) work on the Capitalocene. This ameliorative nature of responsible investment is captured succinctly in Williams (2014) who notes that programmes such as corporate social responsibility and by extension responsible investment, separate politics from market centred economics which subsequently ignores the power relations that prop up capitalism, leading to greenwashing that is expressed in corporate sustainability reporting, (Cock, 2011).

Williams, (2014) highlights that because corporate structures by design have different organizational practises, vision, social relations and retain certain inter-connections with other organizations of similar functioning, keeps them out of the solidarity economy movement. To introduce themselves into the solidarity economy, a transformative just transition is required.

3.4.3.3 Transformative just transition.

In her denigration of how the discourse of sustainability has been captured by capitalist interests, Cock (2011:48) moots that although "the argument that the discourse of sustainability is the ideological anchor of green capitalism does not mean we should throw the baby out with the bathwater. This requires regaining sustainability from the clutches and pens of capitalism and expressing it in a manner that is aware of the causes holistically as the culmination of a number of oppressive systems, beliefs, and histories. This therefore requires a transformative just transition. The just transition as noted by McCauley and Heffron (2018:3) "was originally proposed by global trade unions in the 1980s. It became a mobilising term for promoting green jobs as a necessary component of the transition away from fossil fuels." The just transition

encompasses as stated by Cock (2018:225) “a democratic eco-socialism implies that the socialist emphasis on collective ownership and democratic control of productive resources must be connected to several other imperatives, especially gender justice, participatory democracy and a new narrative of the relation between nature and society.”

The intersectionality that is imagined by Cock dovetails with the work being done under solidarity economies. As noted under solidarity economy, intersectionality in just transition is key to transformation. Cock highlights that focusing on one specific problem, for example, environmental issues while ignoring class and gender could lead to privatized renewable energy systems that displace low-income communities with women working in the least paying jobs or unemployed. Cock (2018) also profoundly argues that a transformative just transition requires ‘reclaiming’ feminism and socialism. This requires capturing the positive, key components from the feminist and socialist schools of thought that be harnessed and developed. This is done by analysing what the strengths and weaknesses of these concepts theoretically and in practise have been.

Transformative just transition work has been evidenced with the instigation of red-green alliances, which are alliances between labour and environmental groups as both historically separate progressive forces have seen the vitality and mutual benefit of alliance (Cock, 2018). A potent example of such a just transition is the National Union of Metalworkers of South Africa’s (NUMSA) initiative for climate justice and socially owned renewable energy (Satgar, 2015). Trade unions in South Africa have also been supportive of the South Africa Food Sovereignty Campaign (Satgar, 2020). Their involvement is critical because the concept on intersectionality recognises that a worker simultaneously holds other identities (race, gender, environment) and their livelihoods if the transition that is occurring is not just will be adversely affected. That is why the Climate Justice Charter includes a call for participatory planning so that workers in fossil fuel industries can be re-trained, supported through a basic income grant while the transition is occurring. Beyond the borders of South Africa, there are various transformative campaigns being led by trade unions around the world which are creating a new narrative of how societies can be designed, (Williams, 2015).

3.5 Conclusion

This chapter has detailed an outline of the main literature that informs the history, functioning and critiques of TUICs. A thread of concepts has been explained which show how transformative unionism, the solidarity economy and a just transition share conceptual and

organizational boundaries. These have been countered by the effect of corporatist and business unionism, responsible investing as well as financialization in influencing how TUICs were set up and have been judged to be operating.

Chapter 4: Methodology

This research was based on two case studies, namely, Hosken Consolidated Investments (HCI) which is majority owned by the South Africa Clothing Textiles Workers Union (SACTWU) and the Mining Investment Company (MIC) which was created to benefit the National Union of Mineworkers (NUM). The foundation of the research used an explanatory case study tool. Explanatory case studies aim to answer 'how' or 'why' questions." (Burns and Grove 2003:195). These case studies were selected because firstly, they are the longest established TUICs in South Africa. Another compelling reason to justify these case studies is that HCI is a publicly traded company whereas MIC is still privately controlled. This led to interesting contrasts and/or similarities for the research.

In terms of data collection, initially the research aimed to conduct semi-structured interviews and surveys of the two case studies. The target populations were trade union workers, investment company managers, academics, and civil society. Unfortunately, due to the Covid-19 pandemic, the research could not conduct surveys of the workers. The researcher also reached out to the unions and their respective investment company management but was unfortunately unable to receive any interviews from those target populations. One can only assume that the pressing crisis of the pandemic made them unavailable. In due course, the research was able to conduct semi-structured interviews with academics, civil society, and former union leaders.

Semi structured interviews are verbal interchanges between the interviewer and another person. The interviewer prepares a list of pre-determined questions but the interview occurs in a conversational manner "offering participants a chance to explore issues they feel important" (Longhurst 2003:143). This is supported by Mason (2002:62) who notes semi-structured interviews as being interactional, relatively informal, fluid, flexible and contextual. The interviews that were conducted were with:

- Christine Bishoff- Researcher at the University of Witwatersrand.
- Suraya Jawoodeen- National Education Health and Allied Workers' Union member who held various positions in the union in a career spanning more than twenty years.
- Shane Choshane- Project Manager at Friedrich Ebert Stiftung and former Spokesperson of National Union of Mineworkers.

- Bethuel Maserumule Project Officer at Friedrich Ebert Stiftung and former member of National Union of Mineworkers.
- Frank Nxumalo- Media Research Officer of Federation of Unions South Africa.
- Naledi Palane- This is a pseudonym for a trade union leader in respect of their request for anonymity due to the sensitivity of the information. They have over 20 years' experience in the union movement, with 5 years in the national leadership.

All the interviews were conducted online via Zoom and Microsoft Teams. This allowed for the interviews to be effortlessly recorded. Due to the pandemic resulting in an increased wave of online interaction, the interviewees all seemed comfortable with the technology and in its use which was important to receive quality responses. However, due to a technical glitch of one of the applications, one of the interviews stopped recording after 20 minutes. Valuable data was lost in the 30 minutes that were not recorded. Fortunately, I was taking key notes during all the interviews. Another interview was done during bad connectivity which led to some responses not being too clear. This goes to show that technology and its use in research is not full-proof. The high calibre of interviewees allowed for the semi-structured interview to work effectively. Beyond providing questions that required theoretical and experiential understanding of the topic at hand, the interviewees were also able to add their own voice, understanding, opinions and provide additions on the issues which resulted in rich data.

Secondary data was also collected for this research in the form of primary documents and records from the TUICs. HCI's publicly available annual integrated financial reports were used (2010-2020). Publicly available business reports from MIC's subsidiaries and/or companies they have shares in were also examined. Moreover, a tranche of newspaper articles spanning twenty-five years that reported on the TUICs were used. Website information was also scrutinized which included details of the corporate social responsibility that the firms were involved in as well as details of the companies that they manage or are involved in. Industry reports were also used most notably the BEE reports that are produced by Empowerdex were analyzed.

An extensive analysis of secondary literature was done. This already grounds the literature review. The most useful sources from this area were the autobiographies of Johnny Copelyn (CEO of HCI) and Kate Philip (former head of the Mining Development Agency which works

under NUM). these autobiographies were essential to counter the lack of interviews from people currently based at the union/TUIC. Copelyn's account although it only covers the early parts of the formation of HCI provides rich details of the inner working and opinions that were formed at the time and continue to influence HCI. This, coupled with the yearly CEO notes found in the HCI Reports, the research was able to capture the opinions of a key actor.

The research also used a deliberate plan regarding data analysis. In general, data analysis involves working with data, organising it, breaking it down, synthesising it, searching for patterns, discovering what is to be learnt and deciding what the researcher tells others (Bogden & Biklen, 1982). Among the various choices available, this research used thematic analysis for data analysis. According to Guest et al (2012) thematic analysis is one of the most common forms of analysis in qualitative research. It emphasizes pinpointing, examining, and recording patterns (or "themes") within data. Themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific research question. The themes become the categories for analysis.

The use of semi-structured interviews coupled with thematic analysis was advantageous. It allowed for easier coding of the data as well as finding links between the concepts of worker control and solidarity economy, although this research in terms of presentation of the data seems to treat worker control as separate from solidarity economy, there are semblances and shared commonalities between the two.

Chapter 5- Profile of Trade Unions and TUICS

5.1 Introduction

This chapter outlines in brief details, the history of the two trade unions that this research is based on, namely NUM and SACTWU. It then goes on to historicize the formation of trade union investment companies (TUICs), detailing the reasons that led to their creation. The chapter also outlines the basic history of MIC and HCI, listing the companies that both TUICs are involved in as well as the industries they belong to providing a platform for comparison of the two TUICs.

5.2 History of the National Union of Mineworkers (NUM) and the South African Clothing and Textile Workers Union (SACTWU).

5.2.1 NUM

Both NUM and SACTWU have storied histories which deserve to be looked at, albeit this will be done succinctly in this research. Rubushe (2009) notes that the foundations for the creation of NUM started in the 1930s when a union of black mineworkers formed African Mine Workers Union (AMWU). Due to the strong discriminatory laws and oppression that AMWU suffered under the Apartheid regime, by the early 1950s, AMWU was no longer existent. AMWU which had been led by the communist stalwart, JB Marks, was key in creating the ideology and vision that would inform the formation of NUM in 1982 which had Cyril Ramaphosa as its first Secretary-General.

Besides being the first union to successfully organize workers in the mining sector on a national scale, an important feature of NUM was that it was inclusive to the non-South Africans in its structures who were a key demography in South African labour due to the history of labour migration (Philip 2016). NUM had members from Lesotho, Swaziland, Mozambique, and Zimbabwe which proved pivotal in it being portrayed as a mass movement that was inclusive to all mine workers. Moreover, NUM was the first union to adopt the Freedom Charter. This was important because as a union, NUM was aligning itself with the larger national democratic

movement to end Apartheid. As noted by Bezuidenhout and Buhlungu (2007:249), "through these gestures, it cemented the relations between worker aspirations and the national liberation project. It defined its struggle at the shop floor with the broader aspirations of progressive freedom-loving South Africans.

The 1987 strikes led by Cyril Ramaphosa were important because it marked the coming of age of NUM as a trade union as it took on the South African mining establishment by leading a strike that lasted for three weeks which at its height had more than 340 000 miners involved. The material results of the strike were not many since workers did not receive wage increases and in actuality, thousands lost their jobs (Philip 2016) but the 1987 was an important zenith for the union. This is marked in contrast to the 2012 Marikana Massacre in which NUM lost credibility as the union that represented worker's interests and consequently led to the rise of a rival union (Munshi 2017). From its highest point of 1987 into the 21st century NUM has steadily lost membership with estimates of its current members being around 300 000.

Like most South African labour unions, the constitution of the union lays out the ethos of worker control. Structures of the unions start with branch and shop steward structures. The voting systems allow for vote by secret ballot too. Interestingly, section 1.7.2 of the NUM constitution outlines that a key objective is "to improve the wages, salaries and terms and conditions of employment of members through collective bargaining and other lawful means." The specific mention of collective bargaining which as noted earlier is usually related the co-determination school of thought has greatly informed the manner in which NUM operates. It could explain why historically speaking NUM has been seen as a populist rather than a workerist party, the former being related to unions that strive to wider anti-apartheid, national political economy framework (Baskin, 1991).

5.2.2 SACTWU

Whereas NUM was formed from its inception as a unitary structure, SACTWU's formation in 1989 was the result of six racially restricted unions merging over a period of thirty years. The last merger that established SACTWU as it is known today was between The Amalgamated Clothing and Textile Workers' Union (ACTWUSA) and the Garment and Allied Workers' Union (GAWU). Webster (2016:5) notes that one feature that made SACTWU stand out from other unions in SACTWU was that it had successfully organized in "more conservative constituencies of the labour movement" which included Indians in Kwazulu-Natal and

Coloureds in the Western Cape. SACTWU also had a high membership of women in its ranks. Similar to NUM, SACTWU had performed the action of bringing previously marginalized, minority groups recognition and also creating collective power that their constituents did not previously have.

Webster (2016) also notes that SACTWU had successfully organized in an industry severely impacted by international competition and the union had a unique internal democracy system of the confidential strike ballot. The former has been incredibly pertinent in influencing the success of the union because the membership of SACTWU took a severe blow with the opening up of the South African economy, especially the clothing sector which was at the behest of Trevor Manuel as Finance Minister in the 1990s.

Captivatingly, unlike NUM, SACTWU held a precarious position within the COSATU movement during the Apartheid era. Copelyn (2016) argues that unions such as NUM were blatantly pro-ANC and were also consequentially driving COSATU towards that line. Copelyn who in his personal capacity was not a COSATU member does allude to the fact that the wave of national liberation was sweeping within his union. He argues that there were reservations from some groups of workers regarding COSATU joining an alliance with ANC (which allegedly occurred without consultation with affiliates) as well as reservations regarding adoption of the Freedom charter which Copelyn points out did not deal with workers issues such as the right to strike, the right to negotiate closed shop agreements, majoritarianism for union recognition and other worker requirements.

This chasm created an ideological rift between those like Copelyn who deemed "workerists" and those like NUM leaders who were actively creating a national liberational movement that united ANC with workers. Copelyn (2016) argues that "certainly we were not trying to save apartheid! The key was to avoid being trampled to death in the rush to get rid of it!". This episode that explains the ideological terrain of the time that NUM and SACTWU were formed under are important as it provides an appreciation of the complexities that unions face within the political and socio-economic landscape of South Africa. Their positionality far from being a simple one, is informative and provides deeper historical understanding that explains how trade unions have become what they are, most especially, their investment companies.

5.3 Formation of Trade Union Investment Companies

The creation of TUICs in the early 1990s with the dawn of democratic elections in South Africa marked a time of upheaval in which there were changes in those who controlled state power. This meant that under a new regime, the manner in which the economy would be governed would at the very least be questioned, challenged and if successful, changed. The black trade unions under COSATU which was in a Tripartite Alliance alongside the ANC and SACP, had leverage. From the interviews conducted, it is fair to argue that the creation of TUICs was informed by the factors of the abandonment of the RDP for GEAR by ANC, the need for extra income for trade unions and the possible benefits that would be derived for workers.

The RDP programme had substantial support of trade unions (Copelyn, 2016). The move to GEAR beyond the policy being elitist, also marked a deep ideological shift in terms of how the ANC wanted to direct the economy. This is the environment in which trade unions now had to find their place. Jawoodeen (2020) argues that, "they (trade unions) were responding to policy imperatives of the ruling party which was coming to govern on issues restructuring the economy. It was supposed to impact on restricting and also how to take up spaces brought up by BEE." This is validated by Copelyn (2016:320) who says that,

> "I started a conversation in SACTWU around the thought that the mere fact that workers had no opportunity to transform South Africa into a socialist society did not mean they had to sit back with folded arms and watch a tiny black middle class grab every opportunity to gain control of such businesses. Unions were capable of playing a leading role in such transformation. We were as influential as any other group at the time. We had as much access to capital as other black individuals or organizations, as much influence on the state and far more substantial relationships with major stakeholders in the private sector."

The move to form TUICs also seemed more critical for SACTWU compared to NUM. Copelyn (2016) argues that Trevor Manuel had unilaterally stripped the clothing industry of its tariff protections, more than required by the World Trade Organization, which caused tens of thousands of retrenchments. Nxumalo (2020) supports this stating that "an important trigger of TUICs in SA were globalization. The loss of jobs due to globalization meant that union subscriptions declined dramatically so unions had to find a way to raise income." There is a sense that the trade unions were playing catch up to the changing dynamics in the corridors of power. Instead of leading or influencing the conversation, the labour union had relegated itself to being stakeholders directed by the neo-liberal agenda coming from the Ministry of Finance that was under the tutelage of Trevor Manuel.

Furthermore, there were bread and butter issues that seem to have influenced the formation of TUICs. Jawoodeen (2020) argues that, "the unions were debating how they could create more income besides subscriptions." Maserumule (2020) notes that the trade unions, besides subscriptions were also heavily dependent upon donor funding for their activities. This meant that their programmes were directed not necessarily by what the union wanted to do but by the motivations of the donors since the donations were programme based. TUICs therefore provided an opportunity to "cut the umbilical cord" of reliance on donors.

The last key motivation for the formation of TUICs in the 1990s seems to be a genuine belief in TUICs as a means for workers to benefit from the economy that was opening up to the previously excluded people of colour majority. Bishoff (2020) notes that the notion of "democratizing the economy and workers having a stake directly in the economy through this mechanism of TUICs" was very key. This is also supported by Palane (2020) who states that there was hope that TUICs could aid in maximizing benefits accrued to workers who were suffering from the simplest circumstances such as burying loved ones and taking their children to school. Maserumule (2020) adds that there was the anticipation that proceeds from the TUICs would support in the critical expenditure of worker education which was a "never ending investment." These factors played a role in the gradual acceptance of the critical role TUICs played in their respective unions.

5.4 Mineworkers Investment Company

Established in 1995, the Mineworkers Investment Company (MIC) is the investment company of NUM. MIC reportedly has a net asset value of over R4.8 billion although there are reports to show that they broke the R5 billion mark in 2015[2]. This asset base grew from the R3 million that was invested by NUM. MIC have reportedly disbursed over R420 million to the Mining Investment Trust (MIT) over the last twenty-six years of its operation. MIT is the social development arm of MIC. MIT is in charge of distributing these funds to the different programmes that NUM fund. (see more in Chapter 7).

MIC has shares in companies across the spectrum mainly the industrial, technology, leisure, financial and media sectors. Quantitatively speaking, R2.3-billion in the media and technology

[2] Article describing MIC's investments available at https://www.iol.co.za/business-report/companies/nums-investment-arm-going-strong-1889292
Accessed 25/10/2020

industry alone, financial services is R1.6-billion, R1.5-billion stake in the industrial sector, R88.2-million in the gaming and leisure industry and R234-million worth of shares in the health care sector.[3] Below (Fig 1) is a list of the companies owned/partially owned by MIC, most notably Peermont and FirstRand.

Industrials	**Technology**	**Leisure**	**Financial**	**Media**
Metrofile	Tracker	Peermont	FirstRand	PriMedia
Multiknit	DNI			
Puregas				
Optron				
Universal Industries				
Amsol				

Fig 1: List of companies owned by MIC. (Source: MIC website)

5.5 Hosken Consolidated Investments (HCI)

Like MIC, Hosken Consolidated Investments (HCI) was established in the mid-1990s. Copelyn (2016) makes the argument that one of the reasons more specific to SACTWU for the creation of their investment company was the opening up of the clothing sector to international competition which resulted in a new "harsh reality." With the use of R2 million union savings and a R13.6 million loan from the Industrial Development Corp, SACWTU investment company was able to quickly establish itself. By 1998, the company through its shareholding of Real Africa Investments Limited (RAIL) became owners of the second listed black controlled company on the Johannesburg Stock Exchange.

As it stands, HCI is a conglomerate that is involved in numerous industries namely, Energy, Leisure, media, technology, finance, real estate and transport. They own some of the most well-known brands and real estate such as ETV, Gold Reef City, Montecasino, Golden Arrow bus services and others. According to Copelyn (2016), HCI employs over 22 000 workers. While MIC is 100% owned by NUM, this is not the case for HCI. SACTWU workers own 28.5% of HCI which fell from 32.3% in 2019. This is a marked drop from 2009 when the workers owned

[3] Article describing the challenges brought by business unionism available at https://mg.co.za/article/2015-07-09-business-unionism-the-cause-of-cosatus-factional-battles/
Accessed 25/10/2020

39.5% of the company. This difference is explained by the fact that HCI is a publicly listed company while MIC is privately owned. Though SACTWU's shareholding is below 50%, at 28,5%, they still stand as the largest shareholders of the company. Below is in Fig 2 is a table showing the companies owned/partially owned by HCI.

Energy	Leisure	Media	Technology	FIRE*	Transport
Impact Oil and Gas	Tsogo Sun	E Media	Business Systems Group	Deneb	Golden Arrow
Karoshoek solar	Vukani Gaming		Alphawave	HCI Properties	
Montauk					
HCI coal					

Fig 2: List of companies owned by HCI. (Source: HCI Reports)

*FIRE is an acronym referring to the finance, insurance, and real estate industries.

5.6 MIC and HCI Companies

Below is a table (Fig 3) that provides a comparative breakdown of the (selected) companies that MIC and HCI are involved in. The table is based on breaking down the companies based on the industry they belong to. This table helps show the industries that both firms are involved in and provides a comparison detailing how similar/dissimilar their investments have been.

Type of Business	MIC	HCI
Coal	-	HCI Coal
Oil and Gas	Puregas	Impact Oil and Gas
Leisure and Gambling	Peermont	Tsogo Sun
		Vukani Gambling
Media	Primedia	EMedia Holdings
Technology	Tracker	Business Systems Group
	DNI	
Finance and Investment	FirstRand	Deneb Investments

Transport		Golden Arrow Bus Services
Renewable Energy		Montauk Energy
		Karoshoek Solar One

Fig 3: Companies that MIC and HCI are involved in (Source: Author)

5.7 Conclusion

This chapter revealed the dissertation's findings on the profile of the trade unions and TUICs that are the case studies of this research. The research's study of the trade unions shows that although they belong to the same federation, their histories to become what they are today are different. While NUM was formed in a more singular form, SACTWU is the culmination of amalgamations. The research also shows that both unions have been the home and given voices to marginalized groups such as immigrants and minority races. The research also delved into the reasons why TUICs were formed providing the particularities that led to their establishment. The reasons included a change in government ideology, a means to increase union income, and a genuine belief that TUICs could be conduits for workers to gain from the transition to a democratic South Africa.

The chapter also delved into the shareholding of both MIC and HCI. A key difference between the two is that MIC is privately held while HCI is publicly listed which may explain why SACTWU holds just above a quarter of the firm. The chapter also detailed the holdings of both companies and it noted that MIC and HCI rather than being companies in the economic peripheries, actually hold some of the most well-known, iconic brands in South Africa especially in the leisure industry.

Chapter 6- Worker control at HCI and MIC

6.1 Introduction

This chapter represents the dissertation's findings regarding worker control at HCI and MIC. By analysing the governance systems and accountability structures this chapter argues that there is generally loose worker control of HCI and MIC by their respective unions. The chapter looks at the emergence of a labour aristocracy which is a result of aspirations to increase worker control. Lastly, the chapter also explores concept that says TUICs show the contradiction of workers being capitalists. In pursuance of this, the chapter will look at the "invest where you do not organise principle, the co-operative model as well as the Employee Share Ownership Programme (ESOP).

6.2 Worker disengagement from the TUIC

6.2.1 Arm's length governance system.

Legally and in terms of governance, there are clear demarcations between the union and the TUIC, what a number of commentators describe as an arm's length approach. Hassen (2020) argues that, "the selection of an investment holding company as the preferred vehicle of choice is premised on a separation between ownership and control. The trade union investment companies are primarily involved as owners, or more precisely as part - owners of the business. The day - to - day running of the business is undertaken by an executive team in each business. Choshane (2020) supports this structure saying that the running of the TUIC is shielded from the ever shifting electoral and power politics in the union, which advertently dissuades or limits corrupt activities as has occurred in other TUICs that have failed. Copelyn (2016) and Jawoodeen (2020) provide another reason of limiting liability stating that by separating the company and union, if ever the union fell into debt or led an unlawful stoppage of work, the TUICs' assets would not be targeted by debtors or aggrieved parties. Another reason that is provided is that if TUICs begin to finance the union more than union membership dues, workers sense of controlling the union would weaken (Copelyn, 2016).

This clear demarcation between the union and TUIC is certainly based on the experiences of unions. The fear of corruption, bribery and meddling won over the arguments that TUICs could function as organs controlled within the union, rather than separate as they are. This arms-length approach seems to have come with the cost of the TUICs being understood by workers as entities that do not necessarily belong to them. On the other hand, the TUICs (HCI and MIC) have functioned with such a high level of independence from the rest of the union, they operate primarily based on the capitalist accumulation logic. However, the distance of the arm's length approach should be questioned. It is telling that in the NUM 10-year plan (2010-2020), there is no mention of MIC or strategic plan outlined regarding their investment

6.2.2 TUIC accountability and venal dealings

To hold the arm's length governance system in check, the accountability of the TUICs needs to be analysed. At NUM, historically, Choshane (2020) notes that the feedback loop was easier from leadership to workers because workers lived in hostels in one place together. However, due to the significant bureaucratization of the union, that is no longer the case so unions rely on congresses to provide updates on TUIC work. Maserumule (2020) states that workers at NUM rely on reports coming from the National Executive Committee meetings for briefs on the activities of the MIC. Rubushe (2009) who interviewed NUM leadership and workers on this issue notes that there is sparse evidence that shows communication between workers and what is decided in boardrooms. Ibid (136) goes on to say that, "even when reports about MIC matters are given; workers show signs of looking forward to discussing the next item rather than engaging with the report, even though the union itself encourages a bottom-up approach."

A similar situation occurs at SACTWU too. HCI report back to the union at congresses (Bishoff 2020). Beyond that, HCI and MIC have a fundamental difference that makes reporting more accessible at the former. HCI is a publicly listed firm whereas MIC is run as a private company which resultantly is not mandated to release their results. In terms of access and accountability, the route that HCI has taken is more progressive as it provides any stakeholder, especially workers to have a look at the finances of the firm. The private nature of MIC (regardless of audits) leaves a greater opportunity of some form corruption to occur. MIC has taken the issue of running their firms in a private company structure so seriously, they de-listed Primedia and Peermont Hotels from the stock exchange once they took over those companies.

The counter argument to this is that since TUICs function as companies, they have corporate governance structures in place that have transparency and accountability systems in place. This is true, however, especially in the case of MIC which is not publicly listed, the information on how MIC and its subsidiaries runs is privileged information, to the disadvantage of the general worker. Palane (2020) criticising MIC's structure highlights that, "at the board meetings, how can one honestly expect a trade union leader with average education to stand against people with master's in accounting and MBAs? It becomes a one-sided conversation and the leaders become co-opted." This is linked to Jawoodeen (2020) who states that if workers are lucky enough to receive reports, they do not have the capacity to understand the financial reports and governance of large businesses. Jawoodeen (2020) states that "it is the wild, wild west" because TUICs do not report to the department of labour. Unions send audited reports to the department. The only reflection of TUICs in those reports is when TUICs fund union activity.

Palane (2020) is of the view that unions with TUICs must adopt the model of an auditor-general for TUICs. Notwithstanding the internal auditors, a public audit that is accessible they argue would help open up the accounts of TUICs. With the support of educated stakeholders such as civil society and academia, these accounts can be broken down and explained in language that can be translated to the general worker. Hassen (2020) notes a different approach that was taken by the National Education, Health and Allied Workers Union (NEHAWU) which MIC and HCI could adopt. NEHAWU gradually increased the accountability of their TUIC. Over a period of three congresses, NEHAWU made their investment company more accountable to the union by supporting cooperatives. Nxumalo (2020) also makes a good point that in the situations that workers do not understand the policies or report, workers can work with academics and/or experts aligned with them.

Most TUICs in South Africa have suffered serious corruption issues. With that history, there are plausible reasons to argue for the need for increased oversight of TUICs from the workers and the general public. Notwithstanding the corporate governance that has occurred at MIC and HCI, both entities have had a fair share of shady dealings and corruption scandals. Copelyn (2016) highlights that during Cyril Ramaphosa's time as General Secretary of NUM, R5 million was invested with Albert Vermaas. That deal turned sour and the union received nothing. This deal coincided with Mr Vermaas being involved in other venal deals that resulted in his conviction for amongst other things, corruption and bribery (Ellis 1998). The most high-profile case that occurred at HCI was the public fallout between Copelyn and Marcel Golding. The latter was accused of buying shares in a company that supplies HCI's subsidiary, eNCA

(shares valued at R24 million); without seeking board approval.[4] As a result, HCI decided to suspend him. Golding took the case to the labour court where he lost his appeal, and he eventually resigned from this position at HCI. In the CR17 papers which detailed donations that Cyril Ramaphosa had received for his Presidential campaign, Johnny Copelyn's donation of R2 million was amongst the contributions.

A key positive for MIC and HCI is that comparatively speaking, these TUICs have managed to steer away from corrupt dealings that have brought the TUICs crashing down. However, Palane (2020) argues that behind that cloak of uprightness there is a lot of "you scratch my back, I scratch yours." This is to say that MIC and HCI have benefitted significantly from their political networks as noted in their reliance on BEE deals (dealt with in Chapter 6). Palane (2020) goes on to argue that although their activities may not be viewed as illegal, the trade union leaders have used their positions to amass vast fortunes. In some cases, "union leaders work with investment company bosses to finance their campaigns and promise to shield the work of the company from any criticism." These high-level networks ensure a vicious cycle of profits and power are circulated between the high echelons in the union and TUIC leadership, respectively.

6.3 The Labour aristocracy

A complex situation that is at the heart of worker control is the role of labour leadership concerning TUICs. The trusteeship positions that unions have rights to over TUICs are usually given to National Office Bearers, specifically secretary generals and presidents. As elected officials sitting on the board of TUICs, the assumption is that they will represent the interests of workers. According to Rubushe (2009), three NUM leaders sit on the board of MIC. These three leaders come from different levels of leadership in the union. The presence of the leaders on the boards is to serve as bridge from the TUIC to the trade union. Copelyn (2016) raises the concern that there has been an issue of labour leaders wearing multiple hats since during the anti-apartheid struggle. His concerns are specifically informed by what has occurred at NUM since the advent of democracy. Most Secretary Generals have gone on to hold significant post in corporate and government, namely, Cyril Ramaphosa, Gwede Mantashe, and Kgalema

[4] Link to article available at https://www.iol.co.za/business-report/economy/ellies-ready-to-restore-confidence-after-two-directors-commit-funds-1773187 Accessed 12/11/20

Motlanthe. Essentially, because of leaders wearing multiple hats, holding office in unions became a stepping-stone rather than an end in itself.

On the other hand, SACTWU union leaders do not sit on boards. Copelyn (2016) argues that SACTWU in line with its principle of union leaders not wearing two hats refused for union leaders to sit on boards, rather, reports would be made directly to union structures. Although Copelyn argues that at no point did SACTWU leaders wear two hats at the same time, he underestimates the importance of influence and network that was there in the ANC-COSATU alliance. Copelyn at one time served as an MP under ANC, so did Marcel Golding. Their relations with the compatriots were key to not only the establishment of the HCI, but its flourishing. An elitist, labour aristocracy[5] was formed and it thrived. SACTWU leadership may not have benefitted with government appointments as NUM leaders did, but former SACTWU leadership has garnered significant wealth. For example, Copelyn (2016) confesses to being "embarrassed" with the riches he was earning once he was not at the TUIC.

There has also been a marked call for there to be labour directors on the boards of TUICs and the on the boards of the companies that they own. Influenced by the co-determination policy prevalent in Germany as well as legal instruments afforded to labour in the Labour Relations Act, there have been conversations about labour taking a more active role in companies. Bishoff (2020) notes the opportunity of having labour directors stating that workers are truly beginning to seek for a way to get more involved through workplace forums by setting up labour directors. From the view of TUICs, labour directors could come from unions whose TUIC owns the company, and not necessarily labour in the firm.

At the 2018 Mining Charter III negotiations, trade unions campaigned for a clause that would provide provision for employee representation on company boards. The clause was eventually removed but it set up the idea of unions re-evaluating their role in companies. Although co-determination specifically related to employee-employer relations and not owner-owner relations as it would for TUICs, it informs the need for workers or institutions linked to labour to take a step onto boards. Gideon du Plessis form solidarity argues that "after the appointment of National Union of Mineworkers (NUM) founder, James Motlatsi, to the AngloGold

[5] A labour aristocracy refers to "an upper and favoured stratum of the manual working class," (Moorhouse 1978)

Ashanti's board, there was a significant decline in mining mortalities. Motlatsi convinced board members that the interests of employees should take precedence over profit."[6]

The rise and success of labour aristocracy puts into question the credibility of the labour director option. Without a doubt, the presence of labour leaders in boards makes an important difference regarding access to information, representation, and the advocacy of bringing labour issue to the fore of company activity. The labour director structure would also be more useful for workers who work within the company rather than being a useful tool for workers coming in as an investment company. However, the option of labour directors' pales in significance to other forms of democratization. Nxumalo (2020) believes that "investment decision should be taken with the shop steward council which is like the worker's parliament." Shop steward councils having a say in the running of the operations could pave a way in increasing the role of workers in management.

[6] Article arguing for increased worker representation available at https://www.miningmx.com/opinion/metal-heads/39533-getting-unions-on-mining-company-boards-is-the-best-way-of-reviving-sa-economy/#:~:text=AT%20last%20year's%20Mining%20Charter,included%20in%20the%20draft%20charter. Accessed 27/10/2020

6.4 Contradictions of workers being capitalists

6.4.1 Invest where you do not organize

The subject of TUICs creating a contradiction of workers being owners has been one of the most controversial and debated. The solution that was agreed on in the 1990s was that TUICs would not invest where the parent trade union organized in as noted by Hassen (2020), "trade unions have traditionally stated that they will not invest in the sector that they organise in, as this would heighten the contradiction between representing workers and running a company." Choshane (2020) explains that this was a guiding principle in the investments that we made by NUM's MIC which steered away from the mining sector and was got involved in technology and media companies.

However, the case is not the same regarding HCI. HCI holds investments in the clothing industry. They have invested in Zenzelini and later on Seardel. Copelyn (2016) argues that when they started Zenzelini they immediately saw the complication of unions being owners and managers because as management they had to make this tough decision of firing workers to save the company and keep productivity levels sufficient. Regarding Seardel, Nattrass and Seekings (2016) note that under significant pressure to save the company, HCI was strongarmed by the union to buy a stake in Seardel. This had the effect of saving jobs in a deteriorating industry. Maserumule (2020) argues that such actions, "create dilemmas when the union operates with a split personality. Instead of saving jobs, the unions are buying the company."

A further complication that is not taken into heed is that even though some TUICs are not organising in their sectors, they are still organising in sectors that belong to other trade unions which lead to another dilemma of union workers indirectly subjugating other union workers. This is highlighted in HCI's ownership of Golden Arrow Bus services. As one of its flagship companies, HCI has received substantial returns of investment and cashflow from their ownership of Golden Arrow. They managed to turn around a battling company and brought it into profitability. However, that growth has coincided with strikes from the workers in 2009, 2018 and 2020, led by the National Union of Metalworkers (NUMSA) and the Transport and Omnibus Workers Union. The 2018 strike which was long and protracted received the support

of COSATU[7]. Copelyn in the 2018 HCI report (2018:6) argued that the workers had "unrealistic wage expectations" that threatened to disrupt the service. The irony of this is a former union leader arguing that the wage demands of workers belonging to a profitable firm were unrealistic. Moreover, Maserumule (2020) brings an interesting point regarding TUICs dealing with unions that organize in the firms to control by contending that, "are we saying that sister unions are not as important as our workers? It is very selfish."

These contradictions also lead to confusing governance structures. A case in point is Deneb. Deneb Investments is one of HCI's subsidiaries.[8] As part of its commitment to savings jobs, SACTWU as a union was a guarantor of a sale on Winelands Textiles Subsidiary. Deneb is pursuing legal action against SACTWU on this issue. What makes this confusing is that SACTWU is the majority shareholder in Deneb's parent company, HCI. This case depicts how confusing the shareholder structures of HCI and its subsidiaries have become.

These contradictions that have been witnessed at HCI seem to justify the decision of MIC not to invest in the sectors they own. However, the logic of the contradiction of workers being owners is premised on an idea that workers cannot be owners. The contradictions that have been highlighted can be minimized if the organizational structure of the firms remains one based on splitting management from the general worker. Jawoodeen (2020) affirms this stating there is need for "change in how the company is run, run more democratically, workers having more say on the shop floor, because the shop floor is very alienating for workers."

Copelyn (2016) argues that the realization of democracy in 1994 did not mean South Africa was experiencing a revolution where capitalism would end. South African workers according to Copelyn, "whatever grievances and hopes they had it was not that they had in mind to take physical control of their places of work to produce and trade on a revolutionary basis." Empirical evidence may support his claim. There was no widespread worker led factory revolutions in South Africa as occurred in South America or Russia. However, that does not mean if the opportunity allowed for it, it would not happen. Copelyn ignores the context of South Africa and incorrectly imports an ideal of worker control to South Africa downplaying what was actually happening and was thwarted. The Reconstruction and Development

[7] Article describing COSATU's position regarding the Golden Arrow strike available at https://mg.co.za/article/2018-04-18-cosatu-slams-golden-arrow-for-letting-down-working-class-commuters/ Accessed 27/10/2020

[8] Article explaining how SACTWU ended up facing legal action available at https://www.businesslive.co.za/fm/fm-fox/2020-06-11-sactwu-faces-legal-action-as-guarantor-of-a-r65m-deal/ Accessed 27/10/2020

Programme (RDP) was a key progressive instrument which trade unions advocated for before the neo-liberal Growth, Employment and Redistribution (GEAR) became the policy of the land.

For this to happen, unions may need to change their organizational model from one primarily based on collective bargaining to one in which unions are work centres which accommodate various forms of work organization and advocacy (J. R. Fine, 2006; J. R. Fine et al., 2018a). The creation of TUICs in itself was a realization that unions needed to expand, however, the manner of their expansion needs to include more democratic systems that allow for increased worker control. Two plausible approaches in which this could happen is through co-operatives and/or employee share ownership programmes (ESOPs).

6.4.2 Co-operative model attempts

A feature that our case studies both had was that they supported directly or indirectly models of economic organizations that had workers more central to the running of the firms. At MIC, through the Mining Development Agency (MDA), there were co-operatives put in place. At HCI, there was the Zenzelini clothing enterprise. The latter however, as we will discover was not a co-operative even though the worker's welfare was central to their creation.

What motivated the creation of the NUM co-operatives? According to Kate Philip (2018:18), who was the head of the MDA agency,

> NUM's development programme grappled with how to empower people in poor communities to create employment for themselves through enterprise development activities, in a context in which entry points into formal employment in the core economy were largely closed to them. This was then – and is still today – an unusual role for a trade union to play; yet NUM invested heavily in this development agenda and in the rural labour-sending areas from where the mining industry drew its labour. NUM's vision was broad, providing support not only to its former members, but to their wider communities also, as a contribution to local economic development and employment creation.

These lofty and inspirational goals also came with on the back of a crisis, which was the dismissal of thousands of workers from mines as a result of 1987 strike. Philip (2018:24) notes that it became a "struggle to create alternative forms of livelihood through self-employment and enterprise development." In 1988-89, a similar incident occurred at SACTWU too. At that time, one of the largest factories that SACTWU organized in, Frame Textile Group was restructuring which inevitably included job losses. SACTWU managed to organize an agreement in which Frame Textile provided funds and working space to establish Zenzelini.

This wave of co-operatives formation in the late 80s was not by chance. Rogerson (1990:288) argues that "the initiation of co-operatives as a defensive strategy assisting those workers expelled from formal employment a means to build links between the employed and unemployed workers and a means of survival to help defend the working class against the worst ravages of capitalism".

Although Rogerson (1990) notes Zenzelini as a co-operative model, the running and functioning of it was not the case. Essentially, Zenzelini was a business with the management comprised of union leaders. The workers did not decide of what to produce, there were no voting mechanisms or control for the workers. The Zenzelini workers at one stage even held a protest against management. Maybe it is why Copelyn (2016:280) as the head of the Zenzelini project stated with despondencethat, "workers didn't care about any manager's intentions. They did not even value his collegial outlook or his strong human resource skills. Nor did it make any difference ultimately who owned the factory. They had one simple standard by which they were judging us all. 'Have you got work for us?' This criticism is harsh and unfair principally because, no concerted efforts were made at Zenzelini to run the organization as a genuine co-operative. It continued to function like a traditional business with union officials at the head.

On the other hand, NUM's cooperatives had the full intention of functioning as a co-operative and for the most part they did. Philip (2018) details their experiences of setting up co-operatives based on masonry work and the substantial obstacles that they faced. The largest obstacle was the low levels of productivity. She argues that "cardinal error that too many co-ops set up to create employment in South Africa have repeated since: taking on more people than the co-op can support, because the need for jobs is so dire. The dramatic oversupply of labour in these co-ops compounded many other problems that later arose" (ibid:46). This is a problem that Copelyn also identified at Zenzelini when they fired 100 workers to boost their productivity levels.

Philip (2018) to her credit acknowledges that the centrality of markets is pivotal to the success of co-operatives. However, she does not understand markets in the usual free market dogma but in a Polanyian manner. She argues that those kind of markets are distorted by the structure of the South African economy which is incentivized to support large conglomerates. I am more persuaded to take Philip's argument for the problems of co-operatives compared to Copelyn's argument that workers only cared about having work because Philip takes into consideration

the exogenous pressures on co-operatives. Jawoodeen (2020) analysing Zenzelini argues along Philip's line too stating that, "I do not think where for example SACTWU has moved money into a certain factory, I do not think those factories have been financially viable…I think there is a complex network of things at play." These factors include the changing dynamics in clothing industry itself and deregulation and liberalization triggered by the GEAR policy. It does not mean workers cannot run firms, rather, it highlights the importance of supporting infrastructure for their success.

Both enterprises are part of the periphery in the union movement in comparison to the TUICs that we are studying. However, they provide a strong comparative that needs careful investigation. First of all, why did the TUIC structure as we know it today become more prominent than what was already happening in unions through the cooperative movement since as we noted co-operatives were already in the unions in the 80s? One reason is that ANC's move from the RDP to the more neo-liberal GEAR programme was consequential in that it defined the parameters of economic production that would influence stakeholders such as the trade unions. Secondly, there simply was not enough institutional experience and knowledge within the unions and COSATU as a whole regarding the operations of cooperatives. An example is in Brazil where Central Única dos Trabalhadores researched the Italian co-operative model and built worker co-operative structures alongside the federation to support worker take overs (Singer, 2006). Rogerson (1990) notes that prominent co-operatives (notwithstanding their racial discrimination) where white run. NUM and SACTWU because of their makeup had few relations with those constituencies. As a result, the structure that took hold was the individualized SME, entrepreneur style of organization which had lasting effects for MDA (Philip 2018.)

Moreover, the co-operative structure is one structure that can be used within TUICs. A co-operative structure dismantles that hierarchical system that capitalist enterprises run under. Workers become owners of the factories, mines workplaces that they work in. However, such a policy would require TUICs investing where they organize rather than not doing so. It will be a process of workers taking control of their workplaces. That would mean SACTWU investing in the clothing and textile industry and MIC investing in places NUM workers reside. This would break with the history of NUM co-operatives which have been formed outside their sectors. Co-operatives designed based on the work experience of workers may have a greater chance of growth and success as occurred in Mondragon, (Johnson and Whyte 1977).

6.4.3 Employee Share Ownership Programmes

The co-operative structure may not be plausible for some TUICs since technically speaking, a co-operative structure would require non-worker shareholders to sell their shares to workers. In that context, the Employee Share Ownership Programme (ESOP) may be another plausible option. Employee Share Ownership Programmes (ESOPS) are programmes where employees earn shares in the company as they work. The key features of these plans are that all employees are included and their shares are placed in a trust separate from the company.[9] Hassen (2020) notes that studies have shown improved financial performance when workers are part of an ESOP. Kumba Iron Ore and Clicks run successful ESOPs in their companies.

What makes ESOPs a plausible alternative is that HCI's public documents show that the company have an Employee Share ownership Scheme of their own. However, as pointed out by Ellerman and Galloway, "An employee stock ownership plan should not be confused with the more common Employee Share Purchase Plans, where employees use a portion of their salaries to purchase shares at a discounted price. Such plans rarely amount to a significant percentage of corporate ownership."[10] The latter system is the one that currently exists at HCI. Commencing in 2001, this share option system has been only open to the CEO, financial director, and the rest of management. When share schemes are designed like this, their intention is not to democratize ownership but rather to act as an incentive for senior management to prioritize shareholder maximization. Over the last 10 years, these shares have been purchased at a rate between 10-20% discount.

The employee share scheme can be opened up at the subsidiaries that HCI and MIC manage. The scheme can lead to a gradual increase in workers having shares in the companies that they work in. This will lead to a situation where besides NUM and SACTWU being the only shareholders, other union through the share scheme will have a voice and rights in how the company must be run. Funded from a worker owner socialization fund, an ESOP will provide

[9] Article explaining how ESOPs can be transformed available at https://www.dailymaverick.co.za/article/2019-03-22-employee-stock-ownership-plans-a-viable-option-forsouthafrica/#:~:text=The%20main%20feature%20of%20(genuine,employees%20as%20beneficiaries%20or%20owners. Accessed 29/10/2020

[10] Article explaining how ESOPs can be transformed available at https://www.dailymaverick.co.za/article/2019-03-22-employee-stock-ownership-plans-a-viable-option-for-southafrica/#:~:text=The%20main%20feature%20of%20(genuine,employees%20as%20beneficiaries%20or%20owners. Accessed 29/10/2020

options for workers to enhance their voice in the organization. ESOPs alone will not bring substantive control for workers. ESOPs must be coupled with strong agreements on co-determination and self-management. They could elect labour representatives to the board, vote for increased pay with the threat of strike still a tool they can use while they are in minority. It could also lead to more collaboration between the unions and the TUICs they run which currently seems to be very little of.

6.5 Conclusion

The purpose of this chapter was to identity the manners and methods in which worker control is exhibited at MIC and HCI. The chapter concluded that in the general, there is an arm's length governance system in place between the union and the respective TUIC. This leads to a form of detachment of the workers from the investment company. The chapter also showed that consequent to HCI being a public entity and MIC being a private company, HCI is more transparent which makes it easier to track for union workers in comparison to MIC.

The chapter also noted that at MIC, union officials sit on the board of the investment company which that is not the case at HCI. Regardless, there has been a birth of a labour aristocracy in both NUM and SACTWU linked directly and indirectly to the TUIC which has led to increase in wealth and power for those who hold high positions in the union. The chapter also analysed the contradiction of workers being capitalists by looking at the principle of "investing where you do not organize." Whereas NUM has strictly followed the policy, SACTWU has not, with HCI being involved in the clothing industry. The chapter also looked at the co-operative and employee share ownership programme programmes arguing that those structures may be a means to lessen the contradiction of workers being capitalists.

Chapter 7-Solidarity economy at HCI and MIC

7.1 Introduction

The purpose of this chapter is to present the dissertation's findings on analysing to what extent the concept of solidarity economy is operational within the confines of the two cases studies of HCI and MIC. As already argued in the literature review, the solidarity economy provides a wide scope of activities and organizational structures that considered to be part and parcel of the solidarity economy. In this chapter, the focus will be on analysing what type of investments are made, the social responsibility of the firms, the relationship of the firms to the climate crisis and lastly the relationship of the firms to the state and the BEE programme.

7.2 TUICs Running as capitalist firms

7.2.1 Casino Capitalism-Media, Real Estate and Finance.

A thought-provoking feature of both TUICs is how they invested in similar industries that Nattrass and Seekings (2016) figuratively defined as "casino capitalism" this term came out as a result of their significant investments in casinos and hotels but also their heavy attention on stock market interests. This branding of the investments made was accurate. Bishoff (2020) notes that the TUICs that have done well such as HCI and MIC have invested in the "entertainment industry, casino, hotels, media…those are the main sectors…where there is a big return on profit." Other relatively successful TUICs such as NUMSA's investment arm have invested in medical aid schemes, funeral parlours, and an insurance business.

In support of Nattrass and Seeking, a common thread in these investments is their proclivity to the financial industry, which in a number of ways is a direct result of financialization of the South African economy. Larger returns post-apartheid were to be garnered in the service industry linked to finance rather than the manufacturing industry where the TUIC's membership (workers) were based. Nattrass and Seekings (2016) also highlight that HCI and MMIC held about 90% of union company investment interests.

Essentially, the finance industry was becoming a larger part of the economic pie and the TUICs were key proponents of that occurring. It is interesting to note that Copelyn (2016:290) stated

that, “I was absolutely contemptuous of this flirtation with finance capital. I tried to point out that while the skyline of medieval cities was dominated by churches that exploited the fears of the poor, modern cities were dominated by insurance companies that demystified what religion was peddling but preyed on exactly the same fear.” Although HCI does not currently hold any insurance interests, they have more than flirted with finance capital and sanctified their union with it with their high levels of dependence on debt.

7.2.2 High debt structure

A vital issue around TUICs that has not been properly understood is the manner of financing that has propelled HCI and MIC to their high levels of ownership and returns. There is an assumption that the majority of financing of the TUICs has come from equity financing from the unions, however on the contrary, most has come from debt financing which has important ramifications on the ethos that the TUICs are managed.

At the commencement of the TUICs, trade unions through their savings did fund the TUICs. Copelyn (2016:326) notes that in SACTWU, they “limited (themselves) to a tiny pool of savings accumulated from union membership dues that were surplus to our operational needs.” NUM under the leadership of Cyril Ramaphosa invested the majority of their savings amounting to R5 million in a venture led by Albert Vermaas. However, there was a constant need for the TUICs to seek financing so that they would raise enough funds to participate in empowerment deals. This led to the point where in HCI’s case at one stage in the late 90s, HCI’s capital base went from R1.4 million to around R28 million, funded 95% by debt.

On acquiring financing for the MTN telecommunications licence. SACTWU alongside NUM managed to garner a share of 5%, costing about $12.5 million. Copelyn (2016) mentions how this was the third deal SACTWU was getting involved in. They now had experience of how the world of financing worked. When NUM under the leadership of Motlanthe got cold feet about buying shares in MTN, they offered their share to SACTWU. Even though SACTWU did not have the money to buy this share, Copelyn comments that, “we were getting to understand that this was not necessarily fatal.” Copelyn was now beginning to appreciate that it was not difficult to receive debt financing for the TUICs who had the political backing of government. As noted by Bishoff (2020), there was a substantial “availability of easy finance” for the TUICs.

As the TUICs grew in stature and experience, their reliance on debt finance grew simultaneously. In 2007, MIC bought Primedia, the media conglomerate through a 'leveraged buyout,' (LBO). Although LBOs were not novel in South Africa, this specific buyout had an added feature of 'payment-in-kind notes'. The payment-in-kind notes, or PIK are high risk loans that allow issuers to delay interest and capital repayments.[11] This PIK was the first ever of its kind in the South African financial sector. Beyond TUICs simply benefitting from easy finance, they were playing a fundamental role in aggravating the financialization process by introducing new forms of financial structures.

The use of debt financing is a normal activity in capitalist modes of production. However, the system regularly crashes whenever there is a financial crisis. Financial crises rather than being a black swan events, have become more regular. A case in point is the Covid-19 crisis. The specific nature of the Covid-19 crisis had significant impacts on both MIC and HCI. Both have large holdings in the leisure sector which came to a halt due to lockdowns, border closings and halting of flights that occurred.

The crisis brought the existence of HCI in its current state into question. HCI's phenomenal growth has been backed by debt financing that allowed it to own a diversified stake across a number of industries. Debt is however provided based on expected growth. The crisis not only halted growth, but also shrank industries. Fig. 2 shows how HCI's share price crash by a massive 84.8 percent from a one-year high of R113.99 to about R17.[12] Pre-Covid-19, the Tsogo Sun operations accounted for nearly 60% of HCI's cash flow which was key to paying off the interest on the debt which amounted to R250 million per year. HCI's market capitalization (which is the total value of the company's shares) dropped to R1.4 billion, while its consolidated debt is about R24 billion. HCI has so far not had to sell any assets to cover for its debt. However, the crisis did show how its reliance on debt capital has left it vulnerable to shocks that can see the company being stripped of its assets, or folding, which would be to the detriment of the workers who receive some benefits from it. Copelyn in the HCI Report (2020) confesses that much stating that, "apart from the virus teaching the humble and the arrogant alike a lesson in humility, it has compelled us, no matter how belatedly, to reassess the

[11] Article explaining the Purchase In Kind agreement available at https://www.ft.com/content/be6681a0-edde-11db-8584-000b5df10621 Accessed 20/01/2020

[12] Article explaining HCI's struggle due to Covid-19 available at https://www.iol.co.za/business-report/economy/could-hci-go-into-business-rescue-as-covid-19-infects-hotel-sector-48476091 Accessed 29/12/2020

durability of what we have built over the last two decades. To start with, the key weakness. HCI currently has too much debt for its own long term good."

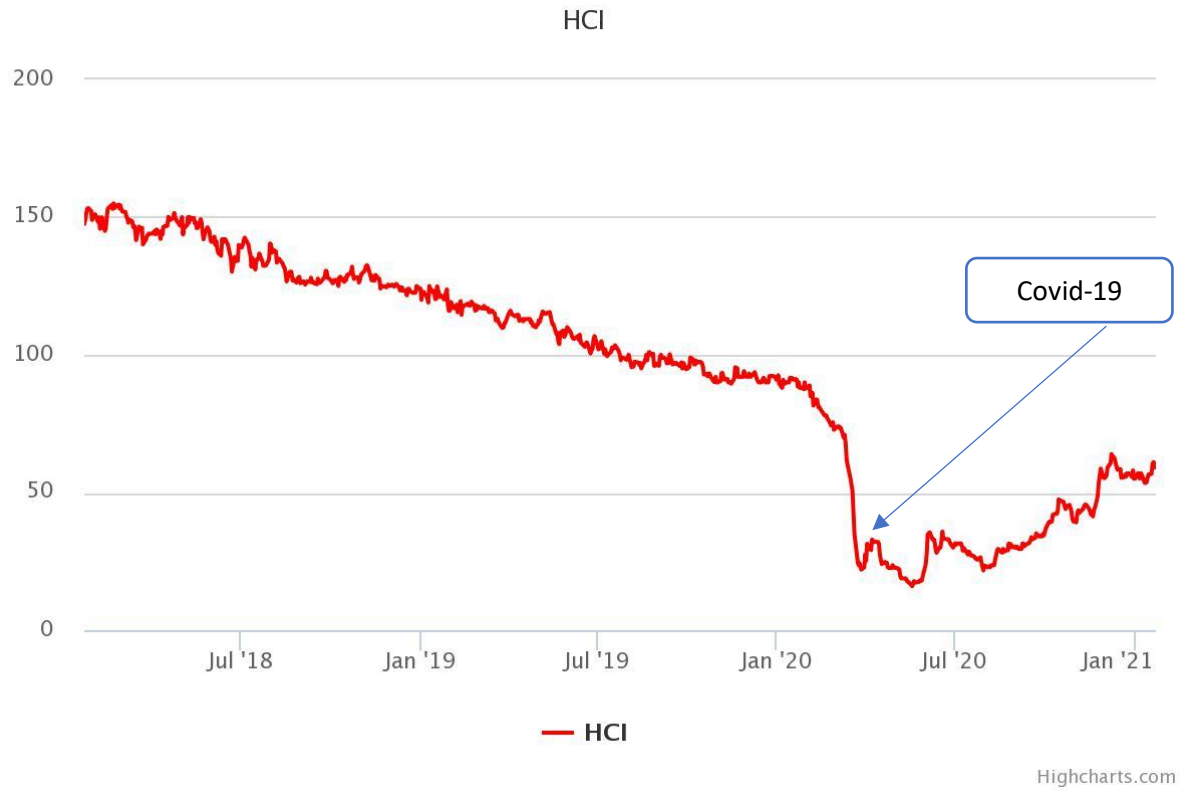


Fig 4: Share price list for HCI (July 2017-January 2021) SOURCE: moneyweb.co.za. Accessed 20/01/2021

The assumption and perception that has been created by the TUICs is that the majority of financing has come from workers. However, the facts are workers seed investment was a minority in comparison to the debt financing that the TUICs received. This is important because it has defined the landscape and power relations within the TUICs. The TUICs did not continually return to workers seeking funding for new projects but rather went to the banks and received substantial loans to finance their growth. This de-linkage of financial control of the TUICs from the trade union workers made the trade unions essentially beneficiary-owners rather than owners in the strongest sense of the word. TUICs were more concerned with paying the interest to banks rather than getting the approval of workers around how the TUIC was functioning. The crisis that HCI went through during Covid-19 crisis is a testament to the high indentured nature of TUICs to financial capital.

It is important to understand the relationship of the solidarity economy regarding financing mechanisms. Debt finance in itself is not a bad thing. Debt allows for a business to grow

without having to save substantial amounts. This is why co-operative banks are features of solidarity economies. For example, the promulgation of the Cooperative Back Act in 2007 was a compelling opportunity for TUICs to take to re-structure their financing regime. The National Education, Health Allied Workers Union (NEHAWU) currently run a Savings and Credit Cooperative Society (SACCO) which is one of the largest credit unions in South Africa (Henama, 2012) . The assets under the control of TUICs if they were structured into a coo-operative bank under the COSATU flag could create a behemoth in the alternative financing landscape of South Africa.

In their current operations, the critique of TUIC debt financing is two-fold. Firstly, it is the risky nature of the debt regime. Relying on debt to finance growth, using mechanisms such as leveraged buyout and PIKs which are risky leaves the company at the stake of creditors who are usually banks or private equity firms that want their money re-paid. Secondly, the seeking of debt from banks has changed the power relations from one where workers are the main sponsors of the TUICs growth to banks. This is exacerbated by the reality of workers having little say in what kind of investments are made. The opportunity of equity financing from workers rather than debt financing from banks should be considered. It is a fair argument that workers may also not have enough funds for the large projects the TUICs are involved. However, a balance can be reached. Workers for example can be asked to raise 5% of equity from their union and also vote for a certain type of investment, the rest being funded by responsible debt which is no less risky in nature.

7.3 The Climate Crisis as a growing distraction.

Hitherto, environmental concerns were negligible issues to most businesses, whichever form they were in. The environment made up of the earth, water, air, and the rest of the climate were taken to be never ending resources that firms could endlessly use. The climate crisis that has been growing since the industrial revolution (Moore 2017), has led to the globe currently reaching dangerous levels of CO^2 emissions in which humanity and its way of life are threatened. For our case studies, there have been three outcomes of the climate crisis, that is, an effect on business operations, the emergence of green businesses and an existential crisis of some of the investments that have been made by the TUICs. The chapter also shows that TUICs need to seriously consider systemic alternatives such as socially owned renewable energy and divesting from the oil industry to achieve climate justice which ultimately serves the workers they claim to serve the most.

7.3.1 Effect on Business operations

There has been significant pressure on firms to make their products and operations more environmentally friendly. This has been most evident for HCI. Compelled by a change of rules at the Johannesburg Stock Exchange (JSE), HCI from was mandated to provide annual reports that would detail their environmental impact. As noted in the HCI Report (2010:27);

> This is HCI's first year extending the annual report to deal with environmental issues. In truth HCI and its subsidiaries have not spent much time reflecting on the groups' contribution to global warming or other environmental issues in the past and being obliged to do so going forward has been a stimulus to starting some focused effort at correcting this.

HCI's confession that they had never contemplated how their businesses affect the environment is telling regarding the forbearance, or rather lack thereof they had when it came to the environment. The compulsion for HCI to commence reporting on environmental impact came from rule changes speaks volumes to the role that law creating institutions hold regarding playing a role in the climate crisis

Nevertheless, there was a notable change in the HCI reporting post-2010. The reports highlight some actions that HCI through its different subsidiaries have taken which include, fuel efficient cars, recycling textile fibre, light saving bulbs, water conservation at mines, hotels and estates, recycling of paper, plastics, metals, wet waste and used oil.

The biggest effect of business operations due to the climate crisis came with the Cape Town water crisis. Both HCI and MIC operate substantial hotel investments. HCI own Tsogo Sun, while MIC hold a controlling stake in Peermont Hotels. Cape Town as an international travel destination is home to some of their most treasured leisure assets. The Cape Town water crisis resulted in both Tsogo Sun and Peermont having to ration water in their hotels, buy water, or drill boreholes as a means to get 'off-grid' until the water "city crisis resolves itself" (HCI Report 2018).

Interestingly, Copelyn via the HCI Report (2018:4) argues that:

> It remains the case that no significant steps have yet been taken to desalinate water, despite the fact that the city's population continues to explode annually, without the creation or even dredging of a single dam, for the last two decades and more. It is unquestionably time to stop whinging about "the drought" and get on with building a major desalination plant.

A number of issues arise from this. Firstly, the commodification of water in responding to the water crisis from both Tsogo Sun and Peermont is evidence of the main problems that exacerbated the water crisis. The inequality of water use is the largest problem that resulted in the Cape Town water crisis. The leafy suburbs of Cape Town that are home to the hotels use a higher amount of water compared to the compatriots who live in the townships an hour away.[13] Secondly, Copelyn's argument for a desalination plant is usually used as part of the capitalist accumulation mindset as highlighted by Satgar (2014). Copelyn ignores the fact that de-salination plants come with other environmental problems such as producing brine and chemicals, noise and land pollution enormous energy consumption (Sadhwani et al., 2005). That said, Cape Town city does have plans to build a desalination plant worth R1.8 billion which will join three other plants that were commissioned as a response to the water crisis.[14]

The reality is that even with the adverse effects, legal changes and moral pressures that are a result of the water crisis, these companies are still focused on only implementing environmental initiatives that affect the profit line positively. As argued in the HCI Report (2011:17), "companies such as Tsogo Sun and Gallagher Estates are pursuing energy efficiency programmes, not necessarily as a result of climate change regulations but rather cost reduction exercises, all of which should help maintain their competitiveness." Puregas which is owned by MIC have an environmental policy which outlines the systems and policies that they have put in place to limit the environmental impact of their products which derived from the distillation of crude oil.

7.3.2 Green businesses

Beyond the climate crisis affecting existing business operations, HCI have grown their business portfolios to include businesses that help reduce climate change. MIC seems not have any company that can be considered a 'green business,' the firms under their control limiting themselves to having environmental policies that seek to limit effects on the environment even though they still cause substantial climate harm.

Nonetheless, HCI, has invested in the Karoshoek solar project which has the potential to produce 100MW. This is part of the South African government's renewable energy

[13] Article explaining Cape Town's water crisis available at https://www.voanews.com/africa/cape-town-water-crisis-highlights-deep-running-inequality Accessed 25/01/21

[14] Article on planned desalination plants available at https://www.iol.co.za/capeargus/news/city-of-cape-town-planning-to-build-r18bn-desalination-plant-94faeba8-5df9-4865-b84b-77d21488debf Accessed 25/01/21

Independent Power Producer Programme. The Karoshoek programme can store energy in molten salt to give it the ability to supply the national grid at night.[15] Another interesting renewable energy business that HCI has is called Montauk energy. A subsidiary running out of USA, Montauk's business is based on converting biogas from waste sources into renewable energy which provides natural gas and electricity.

These type of companies have been advocated for by climate activists as tangible alternatives to the fossil fuel-based entities. Do they then present a just transition that thought leaders like Jacklyn Cock speak for? On some important aspects they do. Developing renewable energy sources is vital for the survival of an environment that is liveable for the human species. However, the transition is lacking a 'deep justice' mainly because the structure of the transformation is still elitist and based on capital accumulation and never-ending growth. Smith (2016:1) supports this assertion stating that, "while we're all better off with organic groceries, energy-efficient light bulbs and so on, such developments do not fundamentally reverse the eco-suicidal tendencies of capitalist development, because in any capitalist economy the environment has to be subordinated to maximizing growth and sales, or companies can't survive in the marketplace. Yet infinite growth, even green growth, is impossible on a finite planet." Therefore, even interesting technology such as renewable energy, biogas converters need to be cautioned if their basis is still premised on perpetual growth.

The elitist nature of this renewable system must be re-iterated because it is a stumbling block keeping such technologies being truly transformative. As noted in the Climate Justice Charter (2020), a key feature of a deep transition is that the renewable energy mut be socially owned. In both cases of Montauk and Karoshoek that is not the case. NUMSA came out publicly speaking against the development of a renewable energy system based on private sector financing, preferring socially owned renewable energy.[16]

7.3.3 Existential crisis of coal, oil and gas industries Post-Covid.

On the other side of the spectrum from renewable energy is the non-renewable energy sector which both firms have interests in. As previously noted, MIC owns Puregas which makes a

[15] Article on the Karoshoek solar power plant available at https://www.polity.org.za/article/nc-new-solar-plant-opens-in-upington-2018-11-30 Accessed 15/06/20

[16] NUMSA's stance on socially owned renewable energy available at https://www.numsa.org.za/article/motivations-for-a-socially-owned-renewable-energy-sector-2012-10-15/ Accessed 18/03/2021

number of products from crude oil. These products include but are not limited to ammonia, Liquid-Petroleum-Gas (LPG), and hydro-carbon aerosol propellants. Africa Marine solutions is a specialist solutions provider helping firms work in marine areas. Some of their main clients are Sapref, PetroSA, Shell, BP, Chevron, and Sasol. HCI on the other hand has investments in oil and coal. Impact Oil is involved in offshore oil drilling and has rights to explore right across with South African shores and in West Africa. HCI Coal, as the name suggests is involved in mining.

What all these companies have in common is that they are involved in the oil and gas industries which are under severe pressure to be closed down since they are one of the main industries that have intense effects on climate. Coal, oil and gas have also been targeted in divestment campaigns across the world firstly from civil society but now universities and some financial institutions have joined the campaign. As noted by Hunt et al., (2017) South Africa as a nation has a history with divestment campaigns, which played an important role to end Apartheid. A similar campaign over the next few years could dry up finance to the oil and gas industry. Ironically, FirstRand, which is the second largest bank in South African by assets,[17] and also partially owned by MIC, has a divestment plan from the coal industry albeit a long term based one.

The divestment campaign is an important reality that both firms seem to have ignored. HCI has over the last few years increased its investment in HCI Coal and Impact Oil. Africa Marine Solutions have been a key player in the Operation Phakisa blue economy initiative. Both firms have confidence to move in this direction primarily because the ANC government have continued to provide political and state support for these sectors which are in crisis. The government recently disseminated the Upstream Petroleum Resources Development Bill[18] which provides a clause of 10% black ownership in offshore oil and gas projects. As evidenced in the history of TUICs and BEE (next section), HCI and MIC are setting themselves up to take up the 10% stakes that will come as they did with the telecommunications industry at the end of Apartheid.

[17] Article listing the largest banks in South Africa available at https://businesstech.co.za/news/banking/412353/the-biggest-banks-in-south-africa-in-2020/ Accessed 25/01/21

[18] Article on petroleum bill available at https://www.dailymaverick.co.za/article/2020-01-06-petroleum-draft-bill-lays-uncertain-foundation-for-sa-oil-and-gas-production/ Accessed 10/10/20

However, the post-oil and gas world that the globe is slowly but surely entering will leave these TUICs exposed. The Covid-19 crisis sent oil prices crashing to unprecedented levels. With substitutes such as wind and solar becoming more mainstream, there are educated guesses to believe that oil will never return to historic highs. This risk the companies have taken have tangible effects on the workers who indirectly rely on benefits that the TUICs provide. More importantly, the dark future that is set for oil and gas is another reason why they should shift their focus to other progressive businesses that are more environmentally friendly.

7.4 The state, BEE and TUICs

One of the major conduits for the TUIC's success in debt financed asset acquisition are their strong links with the ruling government, the ANC, which in effect ensured they were some of the stakeholders at the front of the line in the Black Economic Empowerment (BEE) programme which later on morphed into the Broad-based Black Economic Empowerment programme. The BEE programmes are a mechanism that was introduced in the late 1990s by the South African government as a means to re-distribute wealth from the minority whites to the majority blacks.

Bishoff (2020) observes that, "the success of TUICs would not have been as easy without BEE." Hassen (2020) argues that TUICS, "are the vehicles for worker ownership and are regarded as central to Black Economic Empowerment (BEE) in South Africa." This does not mean the financial growth and success that HCI and MIC obtained was from BEE. A large tranche of the other TUICs such as CEPPAWU and POPCRU have not been successful even though they had access to BEE. MIC and HCI took the opportunities that came with BEE and were able to harness them effectively. As a result, Nattrass and Seekings (2016) note that, "by the mid-2000s, SACTWU and NUM accounted for more than 90% of union company investment interests, an outcome COSATU attributed to a rising stock market, BEE deals and being able to 'take advantage of opportunities in regulated telecommunications and casino industries on extremely favourable terms".

Both MIC and HCI have commented on their reliance on BEE programmes. In 2008 when MIC became the largest shareholder of Primedia, Paul Nkuna, the CEO at the time stated that, "This deal takes BEE to the next stage as a black-owned company takes ownership and operational control of one of the best media companies in South Africa, and shows us to be strong business players with skills honed over the almost 12 years we have been invested in the company, rather than just a necessary empowerment partner."[19] MIC was Primedia's BEE partner when the policy came into effect. MIC gradually increased their shareholding. At HCI, Copelyn notes that, "many businesses in HCI have substantial political risk in that they are both heavily regulated and are protected by licences or contracts with the state," (HCI Report 2018). This is

[19] Article explaining the MIC's support of the BEE programme available at https://www.bizcommunity.com/Article/196/15/30325.html Accessed 25/01/21

a cryptic acknowledgment of their reliance on government support and intervention for the businesses they are involved in. It becomes more especially true for businesses in questionable industries such as mining and offshore gas and oil.

It is noteworthy to understand why TUICs are highly sought after and well-regarded BEE partners. Since TUICs are legally constituted as being owned by trade unions, the high levels of black constituents that make up trade unions ensures that any historically white owned firm that partners up with a TUIC, will have a high BEE rating. If one looks at the 'Most Empowered Businesses' Index which trails the companies with the highest BEE compliance, four of the Top 30 are partially owned/owned by either MIC or HCI, (Empowerment Report 2019). FirstRand which MIC is a minority shareholder comes in at a high of 4th place. Over the last five years, Tsogo Sun, Hosken Consolidated Investments, Deneb Investments (which are owned by HCI) have all featured at one stage or another in the top 10 of this ranking.

It is of no doubt that MIC and HCI since their creation have given black people access legal ownership that they would not have imagined having prior. However, the success of this BEE programme should be questioned against the solidarity economy principles. Gilbert (2019:118) argues that an important principle of the solidarity economy should be reparations, reparations being, "the injustices created within the old liberal capitalist system must be made right as a key element of a transition toward an egalitarian democratic political economy." The principle of reparations at the very least would validate the BEE programme as being one acting on being a remedy to the Apartheid regime. However, they must be located within a larger framework of systemic democratic systems for reparation imperative to work. As noted by Bezuidenhout and Buhlungu (2007:253) workers at some companies that had BEE partners on board believed that their working conditions improved once BEE partners were part of the fore.

Yet, the BEE programme within TUICs can be found to be an inadequate measure for a number of reasons. Firstly, as noted by Hassen (2020:178) "Trade unions overwhelmingly chose – and continue to choose – the model of buying into existing companies through BEE deals over creating alternatives…such as establishing a cooperative bank and creating working class accommodation close to the city." This point highlights that TUICs through the BEE mechanism hopped onto the train of capital accumulation without actually substantively creating a system that would steer away from capitalism to one that resembles the solidarity economy.

Secondly, the issue of ownership and what it means rears its head again when one looks at the BEE programme. The recently established BEE commission has targeted this issue seriously. As noted in the Empowerdex Report (2019:7), "B-BBEE ownership entails three elements (which are that) it must be in the hands of black people: exercisable voting rights based on the percentage of shares held; the rights associated with the class of those shares; and economic interest (the rights of the shareholder to receive dividends)." TUICs have set up a system where their shareholder's economic interest of dividends is a benefit their respective trade union workers are receiving as well as the company being in the hands of black people. However, of the three stated principles, the one of exercising voting rights is lacking. There is very little evidence to show that workers (individually/ collectively/representatively through seats on the TUIC board) have a substantial vote in how their investments are managed.

The consequences of this system limited beneficiary-ownership model are far reaching. TUIC executives in cohort with public companies are managing a paternalistic capitalist system where controllers of the levers of capital accumulation in South Africa manage what workers own in terms of the TUICs on their behalf. Unsurprisingly, the commission's stance has received significant criticism from established capital as they argue that the commission has a "narrow" understanding of what ownership is. (Empowerdex Index 2019). On the contrary, the current mode of operation that TUICs and other BEE companies run under are what create a disjuncture between how the company functions regarding voting and managerial practise and who owns it, which is the true source of the contradiction of workers being owners.

7.5 TUICs' Social Economy

A recurring feature and response during the interviews were the accrued benefits that the workers received from their respective TUICs. Copelyn (2016:326) points out that, "the objectives of the trust were to be limited to providing social benefits for members and the communities from which they were drawn rather than being available to meet the operational expenses of the union itself." MIC (2020) state that, "we focus on education and financial inclusion because these are key to catalysing growth and effecting real, sustainable change in crucial areas of our economy." Their proceeds towards corporate social investment were quite substantial. Nattrass and Seekings (2016) noted that HCI provided dividends that were equal in amount to the subscriptions of SACTWU workers. As of 2019, HCI has disbursed R$286 million to the foundation (HCI Report 2019). MIC has disbursed over R420 million since its inception to MIC.

Hassen (2020) mentions that the main areas that were funded are related to five essential social development areas: training of members; job - saving initiatives; education finance; post-employment support; and lowering living costs through discounts. Fig.2 is a more detailed break-down of what each TUIC through their respective CSR arms has supported.

Type of social benefit.

	NUM (MIT)	SACTWU (HCI)
Education	JB Marks Trust and Elijah Barayi Training Centre	Bursary and Scholarship programme
Research	Sam Tambani Research Institute	
Food Security	Mineworkers development Agency	Food Forward SA
Environment		Waterberg Biosphere African Conservation Trust
Cocid-19 response	Solidarity Fund	LunchBox Fund
Legal		ProBono.org

Fig 5: Corporate Social Responsibility programmes sponsored by MIC and HCI (Source: Author)

Going through the details of what work the foundations have embarked on is enlightening and highlights very important work that they do. SACTWU from the 1990s has been involved in a progressive programme dealing with HIV and AIDS. It involves education on the virus, testing, a supply of ARVs at no cost and a partnership with government programmes. They also have an environmental education project which focuses on learners, educators, and community groups, with the aim of encouraging positive environmental attitudes and conservation initiatives. HCI also support the SCAT Food Security Gardens (HCI 2016).

During the Covid-19 crisis, both foundations have been involved in programmes aimed at alleviating the severe effects of the pandemic. MIC alongside Ubank contributed R2m towards Covid-19 relief efforts. R1 million went to the national Covid-19 response through the Solidarity Fund and the other R1 million was set aside to support current and former mineworkers negatively affected by the crisis.[20] HCI foundation established a fund that would work with the Lunchbox Fund which provides daily meals to orphans and vulnerable children in rural areas and townships.[21]

Both entities have also provided significant investment in the education sector. MIT through the JB Marks Bursary Trust and Elijah Barayi Training Centre has provided bursaries and training support from the high school level all the way to university as well as technical programmes.

Copelyn (2016) notes that at HCI;

> We offer bursaries to several young people across the country who have managed, despite it all, to get to the gates of tertiary education institutions. For the last few years, we have offered about a thousand of these a year, including 50 that are reserved for refugees. We encourage managers in our businesses to mentor students and currently have over 70 of them doing so on a voluntary basis. The programme produces close to 200 graduates a year.

Commenting on the educational programme run by NUM, Choshane (2020) comments that;

> Just imagine if you are a child of a former mine worker, I mean, if you can go there, you'll hear the heart-warming stories of people who are kids of former mine workers, and they are lawyers. And definitely It was not going to be possible for them without (the Trust) And you'll hear very good stories, new stories in progress… you'll find stories that one I can tell you, it is not a PR exercise.

[20] MIC's response to the Covid 19 crisis available at https://www.iol.co.za/business-report/companies/ubank-and-mineworkers-investment-company-contributes-r2m-to-covid-19-relief-efforts-46770958 Accessed 26/01/21

[21] HCI's response to the Covid-19 crisis available at https://www.enca.com/press-release/emedia-investments-and-hci-foundation-launch-covid-19-relief-fund Accessed 26/01/21

An important feature of both TUICs is that they were not directly funding the trade union per se but rather, different entities that were mandated to deal with social responsibility issues, were created. NUM's MIC funds the Mineworkers Investment Trust (MIT), while HCI funds the HCI foundation which supports SACTWU members. This is a continuation of the policy of creating different entities to deal with different objective for the sake of accountability and transparency. Both unions have generally invested in the same social sectors. This lends credence to the fact that there is a general agreement as to where there is a vital need of investment in the South African society.

The programmes that both MIC and HCI are involved in supporting are vital. The AIDS pandemic, education and responding to the Covid-19 crisis are all issues that any large entity worth its salt must be involved in in one way or another. How do these activities stack up against the benchmark of the solidarity economy? As highlighted earlier (Literature Review), Williams (2014) demarcates the substantial difference between activities that may be considered to be part of the solidarity economy but are actually in the social economy. Social economy activities essentially ameliorate the capitalist system, dealing with the effects rather than the causes of most of the challenges that the unions social programmes are dealing with.

The solidarity economy calls for more radical action than what the union's social programmes are currently involved in. For example, HCI Foundation's food security programme which is adequate in the social economy would need to transform itself into a 'food sovereignty' programme (Edelman et al., 2014) where the communities who are affected by hunger do not receive food parcels but rather become involved in projects that offer them the chance to own their food supply chain. As noted by the South Africa Communist Party[22], "In principle, if subjected to democratic worker control and guided by clear strategic objectives, these investment arms have the potential to be a critical pillar of a solidarity economy – investing, for instance, in desperately needed social wage assets like affordable public transport or public housing." Providing such the social wage of housing was a recurring theme. Palane (2020) argues that, "SACTWU owns hotels, but how many workers are sleeping in those hotels?" Rubushe (2009), Nxumalo (2020) and Maserumule (2020) all mention how both TUICs could develop sustainable economic models that would provide much needed housing. Maserumule

[22] Meeting the Challenges Facing the Trade Union Movement, the SACP

(2020) provides an example of how the German trade unions in the 1980s re-organized communities by providing low-cost housing for their workers.

7.6 Conclusion

This chapter has detailed aspects of how HCI and MIC function in relation to the solidarity economy. The chapter focused on analysing the method of finance, the types of investments made, the company's relation to the climate as well as how the companies have tried to empower historically marginalized groups in South Africa. The chapter shows that contrary to popular belief, the TUICs have financed their growth based on debt financing from banks rather than equity financing from workers which has had effects on worker control over the company. The TUICs also relied on investing in firms in the media, real estate and finance markets which were acquired by buying firms on the stock exchange. On the climate front, although HCI has some green businesses, both HCI and MIC have stakes in the coal, oil and gas industries which are facing an existential crisis in the post-Covid-19 world. Lastly, the TUICs have used BEE has a jumping board to acquire large assets although there is little evidence to show the average worker's voice and control in those investments besides simply being beneficiaries.

Chapter 8- Conclusion

8.1 Introduction

The purpose of this dissertation was to analyse the level at which worker control and principles of the solidarity economy are within TUICs in South Africa, with the case studies of HCI and MIC being the focus. The concluding chapter states the dissertation's main findings, recommendations and identified areas for further study.

8.2 Main findings

A key finding from the research is that worker control as a basis pf critique is crucial and informative to explain and understand what the goals of trade unions should be in a increasingly neo-liberal world which takes away power from workers in manners envisioned by Karl Marx, Antonio Gramsci and Braverman and Burawoy.

The research also found out that workers being in control over the means of production is only contradictory is worker control embodied in self-management is not a core goal of trade unions. Self-management can include adopting more broadly cooperatives. Moreover, the solidarity economy alternative is a realistic, subaltern alternative that provides answers for trade unions to some of their and the world's most pressing issues such as the climate crisis and economic inequality.

The dissertation also found out that TUICs as firms in their outlook, structure and operation take little influence from the concepts of worker control and the solidarity economy. They have established a commitment to capitalist accumulation where the principal aim is to gain a return on investments made from where their social good, they are involved in are then practised.

Regarding worker control, the research established that there is an arm's length approach between the trade union and the TUIC. This relationship leaves the executive of the TUIC managing the day-to-day operations of the investment company with little interference from the trade union. This was done on the premise of limiting political interference that could lead to negative outcomes such as corruption and bribery. NUM have union leaders on the board of MIC while SACTWU report back to the union. The effect has been that rank-and-file workers seem to know little and/or do not pay much attention to the functions of the TUICs.

The dissertation also found out that the TUICs created and exacerbated the problem of labour aristocracy. Some union leaders have used the TUICs as stepping-stones towards power in the ANC governments. Other union leaders have gained significant wealth from their activities with the TUICs.

The research also demonstrated that the principle of "do not invest where you organize" has been largely held by both TUICs. NUM has no direct investments in the mining sector, while HCI does have some stake in the clothing but that was at the behest and pressure from the trade union. Regardless, its stake in the clothing sector is a marginal in the whole company. It was also observed that the principle of "do not invest where you do not organize" is primarily based on the assumption that trade unions should keep their traditional role of representing workers. If the TUICs invested where they organized, it could lead to workplaces being run as co-operatives where workers take over where they work. The research also highlighted that the principle is contradictory from a union federation solidarity point of view because although the TUICs are not investing where they organize, they are investing where other unions (in some cases union belonging to COSATU) organize.

The dissertation also established that the idea of the co-operative model holds a periphery influence on the TUICs. NUM has some co-operatives but those run as poverty alleviation programmes. In the whole, they run their companies similar to traditional capitalist firms that want to gain as much as possible from the sweat of labour. HCI has an Employee Share Ownership Programme (ESOP) in place which could lead to employees garnering shares and eventually control of the company. However, HCI's ESOP programme is designed in a manner in which only managerial level employees can buy the aforementioned shares. The research determined that the ESOP structure holds the possibility of increasing worker control for workers working *for* the companies run by TUICs.

In relation to the solidarity economy, the dissertation results show that the TUICs have relied heavily on debt financing for their growth and acquisitions. The high levels of debt have also led to HCI's very existence coming under threat due to the Covid-19 scandal. The reliance on debt has also meant that the TUICs have side-lined the union workers who initially financed their creation. This had had the effect of lessening worker control over the TUICs.

The research also found out that the influence of the state is instrumental on the workings of the TUICs. Due to COSATU's alliance with the ANC government, the TUICs have leveraged their direct access to the corridors of power by gaining favourable business deals and early

access. This has been evident in the use of the BEE policy. The TUICs have ranked highly in BEE deals. However, the structure in which BEE has been designed has led to workers having direct ownership but indirect control over the economy which limits the success of the BEE policy in relation to TUICs.~~????~~

The research also concluded that contrary to the goals of the solidarity economy, TUICs are heavily involved in the dirty energy complex. They are directly or indirectly involved in coal, oil, gas, and marine businesses that have adverse effects on the climate, exacerbating the climate crisis. These businesses are also facing an existential crisis due to a growing divestment campaign against fossil fuel-based companies that is growing momentum which had parallels to the divestment campaign that occurred against the apartheid government in the 1970s and 80s.

8.3 Considerations for TUICs to move to increased Worker control and a Solidarity Economy

In light of the main findings that this dissertation has unearthed, it is recommended that HCI and MIC, and TUICs in general pursue the following:

- For TUICs that are unlisted liked MIC, there should enact a policy of establishing public audits. This is due to the fact that the key stakeholders who are thousands of workers deserve to know the details of the companies. Opening up their accounts will also allow civil society and academia to input more into improving how the firms operate.
- Unions should present plans and clear mandates and policies that form the bounds and expectations that they have for the TUICs they own. These plans must be informed by the interests and interests of workers such as providing better housing finance policies, a policy that both MIC and HCI through their holdings can bring to fruition.
- There is a need to re-structure TUICs so that they work in a more democratic manner. This includes restructuring some businesses into genuine co-operatives, establishing ESOPs that are open to all workers within that company as well as having worker representation on boards, supported with a socialization fund that workers could tap into the eventually result in 51% ownership for workers.
- There is a desperate immediate need for the companies to divest from dirty energy and work on renewable energy. This is not only a requirement due to the worsening climate

crisis but also because workers are some of the most affected by the climate crisis already. This renewable energy must be socially owned to ensure that there is bias to creating energy systems based on needs rather than profiteering.

8.4 Areas of further study

This dissertation has focused on a particular sub-set of study that can be built on in a number of ways so as to make better informed policies. Firstly, ethnographic based studies into the experiences (or lack thereof) of workers in relation to TUICs will provide better understanding of the views of workers. There is also a need to research more on progressive ESOPs and how those can be implemented by TUICs.

Important research that can be done is regarding how trade unions can re-invent, re-think how they understand themselves. This is instrumental in dealing with the apparent contradiction of workers being owners of capital. This research can look into how a trade union can broaden itself to be a ‘work centre’ where the traditional union co-exists institutionally with managing co-operatives, embracing informal workers, and actively promoting taking control of companies through TUICs with the intention of re-claiming the economy and creating democratic means of production.

About 30 100 words.

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Constitutions and Charters

COSATU Constitution

National Union of Mineworkers Constitution

Climate Justice Charter