

MASSMART: WALMART INTO AFRICA

AFRICAN RETAIL UNIONS FORM AN ALLIANCE TO FIGHT FOR DECENT WORK AT MASSMART / WALMART

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With the support of UNI and FES

INTRODUCTION

Massmart now has 384 operational stores in 12 African countries. As a subsidiary of the retail giant Walmart it is part of a network of 10 524 operations around the world. The Massmart / Walmart head office is in Johannesburg and it is listed on the Johannesburg Securities Exchange (JSE), including the JSE SRI Index in South Africa. Although the bulk of its operations remain in South Africa it is growing fast in African countries, growth which is predicted to increase in speed with the financial and strategic backing of Walmart. Its annual turnover for the year to June 2012 was R61 billion, climbing from R53 billion in 2011; a similar rise in profit saw the company net R1.8 billion in PBT in 2012.

Massmart is Walmart’s foothold in Africa. It is the African continent, with its apparently growing consumer class, that is the prize. As was noted by an economist during the buy-out talks, “Wal-Mart only wants to use South Africa as a gateway to Africa and they can afford to comply with our strict labour laws because in other African countries the laws are much more relaxed.”¹ Apart from concerns over its supply chain strategies, which are beyond the scope of our work here, Walmart is notorious for its stance against organised labour and its union bashing tactics in the United States of America in particular. It is deeply concerning that such a company is seeking to grow its model on the African continent.

It is no surprise therefore that the unions in the retail sector are trying to find ways to work together on the continent and also more broadly with unions globally who are trying to organise in Walmart operations.

As Massmart/Walmart sets up to drive more deeply into Africa, it is essential that labour rights, good corporate governance and social responsibility move with it. Unions that have members working in Massmart/Walmart have joined together as affiliates of UNI Global Union to form an alliance to engage with the company towards this end. At the launch meeting of the UNI Africa Walmart Union Alliance in June 2012 unions organising in Massmart/Walmart operations across Africa set themselves the challenge of demanding that Massmart/Walmart sign a Global Framework Agreement with UNI Global Union which guarantees all Massmart/Walmart workers the right to organise for a better life (See Appendix 13). The process of a campaign for a Global Framework Agreement is key in signalling to Massmart/Walmart that they are no longer going to simply be able to bypass South African labour laws but that all workers in Africa are working towards the goal of decent work.

The process is in the early stages and key to unions engaging with Massmart/Walmart is an understanding of the company, its management structure and style, financial performance and attitude to unions. It is also important to know about the unions organising within the company, their density, challenges and victories to successfully draw on these in the campaign for a Global Agreement. The research described here begins the process of exploring both the company and the unions organising therein.

This report outlines the results of the research and identifies the key issues that emerged during the research process. It also makes recommendations for building solidarity between unions on the continent organising in Massmart/Walmart. While the research and the report do deal with the issues raised by the Walmart takeover, it is not the focus of the work which remains that of supporting workers organising in multinational companies in Africa.

¹ Dr Azar Jammine , January 2011



METHODOLOGY

It was decided by UNI Africa and affiliates that an alliance of Massmart/Walmart shop stewards should engage with Massmart/Walmart around working conditions and labour rights. Strategic information on the company and on working conditions within the company were collected, collated and analysed in support of this engagement.

Company information was drawn from company documents and press reports in order to assess the company structure, performance and outlook for the coming period.

A questionnaire (Appendix 1) dealing with worker issues was drawn up by the Labour Research Service (LRS) and distributed to participating unions. The questionnaire was administered by FES offices located in the various African countries together with the union organising at Massmart/Walmart. Where no FES office was present, UNI Africa corresponded with union affiliates to enable them to complete and submit the questionnaire. The information from this questionnaire was collated by the LRS. A summary of the report was presented at the launch of the African Massmart/Walmart Shop Steward's Alliance hosted by UNI Africa and UNI Global in June 2012 which allowed for clarification and correction of the information obtained from the questionnaires.

TABLE 1: AFRICAN UNIONS THAT PARTICIPATED IN THE SURVEY RESEARCH AND JUNE 2012 SHOP STEWARD MEETING

Country	Organisation		Questionnaire completed
Botswana	Botswana Wholesale Retail, Distributive Workers' Union	BWFRWU	Yes
Ghana	Union of Industry, Commerce and Finance Workers	UNICOFW	No
Lesotho	National Union of Commerce Catering and Allied Workers	NUCCAW	Yes
Malawi	Commercial, Industrial and Allied Workers Union	CIAWU	Yes
Mauritius	Clerical, Administrative, Financial and Technical Employees' Union	CAFTEU	Yes
Mozambique	Sindicato Nacional dos Empregados de Comercio, Seguros e Servicos	SINECOSSE	Yes
Namibia	Namibian Food and Allied Workers Union	NAFAU	Yes
Nigeria	National Union of Shop and Distributive Employees	NUSDE	Yes
South Africa	South African Commercial Catering and Allied Workers Union	SACCAWU	Yes - Masswarehouse
Swaziland	Swaziland Commercial And Allied Workers Union	SCAWU	No
Tanzania	Tanzania Union of Industrial and Commercial Workers	TUICO	Yes
Uganda	Uganda Hotels, Food, Tourism & Allied Workers' Union	UHFTAWU	Yes
Zambia	National Union for Commercial and Industrial Workers	NUCIW	Yes

The questionnaire was quantitative so that comparative empirical information could be obtained about the unions and union members as well as their perceptions of wages and working conditions and of the Massmart/Walmart management. This will be useful for the shop steward alliance to develop a plan of action.

Written responses were received from ten of the twelve countries where Massmart/Walmart has operations - Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia. However, it was noted that the single Game store in Mauritius closed in January 2012. Workers have been promised that it will reopen and they will have their jobs back. Despite these assurances, the Annual Report of June 2012 does not indicate that this unprofitable Quatre Bornes Game Store will open again. Further, as Massmart operates in silos when it comes to collective bargaining it was decided that separate questionnaires should be submitted for each of Massmart/Walmart' four divisions in South Africa in order to better understand the differences between workers' wages, conditions and experiences in these operations. However only the Makro – Masswarehouse questionnaire has been submitted and the results speak only to this division. At the time of this report, no response has been received from the union in Swaziland. There is political upheaval in the country which could be impacting on the union's capacity to participate in the process. No information has been received from Ghana.

There is a need to improve the understanding among affiliates of the importance of union information with regards to organising nationally and strategic alliance building between affiliates.

SURVEY RESULTS

As stated above, the questionnaire was completed and submitted by ten trade unions from ten countries. The Results of the Questionnaires are discussed in categories below.

TRADE UNION RIGHTS AND COLLECTIVE BARGAINING

The questions posed in the questionnaire:

- Do unions face resistance from the company when they try to unionise?
- Are unions allowed to distribute information to workers?
- Are unions allowed to meet with workers on the company premises?
- Do workers experience any intimidation or discrimination from the company when they join the union?

TABLE 2: AFRICAN UNIONS AND MASSMART / WALMART - RECOGNITION AND BARGAINING

Country	Union	Recognition Agreement	Bargains with Company	Company Resists Unionisation	Company Allows Distribution of Information	Allows Union To Meet Workers On Premises	Discrimination Against or Intimidation of Union Members
BOTSWANA	BWFRWU	Yes	Yes	No	Yes	Yes	No
LESOTHO	NUCCAW	Yes	Yes	No	Yes	Yes	No
MALAWI	CIAWU	Yes	Yes	No	Yes	Yes	No
MAURITIUS	CAFTEU	No	No	No	Yes	Yes	No
MOZAMBIQUE	SINECOSSE	No	No	No	Yes	Yes	No
NAMIBIA	NAFAU	Yes	Yes	No	No	Yes	No
NIGERIA	NUSDE	Yes	Yes	No	Yes	Yes	No
SOUTH AFRICA - Makro	SACCAWU	Yes	Yes	Yes	Yes	Yes	No / Some
TANZANIA	TUICO	Yes	Yes	No	Yes	Yes	No
UGANDA	UHFTAWU	Yes	Yes	Yes	No	No	Yes
ZAMBIA	NUCIW	Yes	Yes	No	Yes	Yes	No

Despite the lack of bargaining and recognition agreements the Mauritians felt their relationship with management was good up until the closure of the store. Uganda alone notes that there is some weak cooperation with the non-affiliated union UBTAWU (Uganda Beverage , Tobacco & Allied Workers' Union) on matters of National Campaigns against employee exploitation law reforms and policy matters.

To increase worker power, there should be only one union in each company operation. Can these unions be encouraged not only to work together but to join together?

With regards to organising, both South Africa and Uganda record resistance from the company. In South Africa the issue of who and who may not join a union is a hot topic across sectors from mining to hospitality. This issue is repeated in Makro South Africa where management looks to dictate which of the workers may join a union. Their aim is to exclude as many workers from the union as possible. However, union organisers are becoming more aware that all workers can legitimately join union, even labour brokers, who are often treated with contempt by management. However, further action in this regard is required. It is reported when the union does organize labour brokers management seeks to terminate their employment by subjecting them to polygraph tests and getting rid of them should they fail. These tests are not shown to be in relation to any suspicions and are apparently entirely without reason.

UHFTAWU in Uganda reports that managers engage with employees and warn them not to waste time doing useless things like discussing union issues. While often the threats are not direct, they are known to actively advise members to withdraw from the union. UHFTAWU notes that management uses both the carrot and the stick approach against the union reporting that when managers and supervisors meet employees in the absence of union leaders, they intimidate them and promise total discrimination if they do not withdraw from the union or if they accept to join the union. Management sometimes promotes some of those who are elected into union leadership ranks or intimidates those who may be due for promotion that they can never be promoted if they continue in membership of the union; in the worst cases UHFTAWU reports that workers are threatened with sacking if they do not leave the union. Despite these issues, it seems the company does still allow the distribution of union material in operations and allow meetings to be held in most freely accessible areas.

WORKERS' DEMANDS

(See Appendix 4 for union prioritisation of workers' demands)

For workers, the chief demands remain those of basic conditions and centre on wages, contracts and working conditions including health and safety. However, the issues of management attitude and style are noted in a few responses. Unions continue to engage management on these issues in formal negotiations and through grievance handling mechanisms

Casual and outsourced workers understandably have the problems of other workers but their priority issue is the level of insecurity under which they work, not knowing when and if they will have enough shifts to earn a living and if they do, having to work long unsociable hours to earn that money. They do all the same work as permanent workers without some or any of the benefits and protections and while earning less than permanent workers. Across operations the outsourced workers do a variety of jobs with a focus on cleaning and security in most operations, but these workers also do merchandising and shelf-packing and in some cases are said to do the same jobs as permanent workers simply with lower pay and fewer benefits.

Education and campaign materials on the workers' issues identified need to be collated and made accessible to all the unions so that commonalities can be recognised and solidarity action planned.

WAGES AT MASSMART/ WALMART OPERATIONS

TABLE 3: MINIMUM WAGES IN ZAR / USD AND WORKING HOURS

Country	Union	Local Currency	Minimum wages				Average hours of work	
			Full-Time USD (month)	Full-time ZAR (month)	Casual USD (hour)	Casual ZAR (hour)	Full-Time	Casual
Botswana	BWFRWU	BWP	192	1341			47.5	47.5
Lesotho	NUCCAW	Loti	226	1581			45	NA
Malawi	CIAWU	MKW	143	998.8			a - 48 / b - 32	a - 48 / b - 32
Mauritius	CAFTEU	MAU Rupee	227	1590			45 - 50	50 - 54
Mozambique	SINECOSSE	MZM	180	1256.4	0.75	5.235	48	Depends
Namibia	NAFAU	NAD	0	1600	1.03	7.2	45	
Nigeria	NUSDE	NGN	152	1062.	1.04	7.232	40	8 hr./day 4 x week

South Africa - Makro	SACCAWU	ZAR	570	4000	1.57	11	45	37
South Africa - Massbuild	SACCAWU	ZAR	541.5	3800				
Tanzania	TUICO	TSH	203	1334	0.70	4.6	48	24
Uganda	UHFTAWU	UGX	120	900	0.40	3.4	60	60
Zambia	NUCIW	ZMK	260	1820	0.90	6.3	57	24
Ave Minimum Wage 2012*		ZAR	369	2589				

*As noted in the Massmart/Walmart 2012 Annual Report as 'Average minimum wage sourced from Sectoral Determination for Wholesale and Retail Sectors'.

Figures converted from the local currency using the average annual exchange rate for the company financial year.

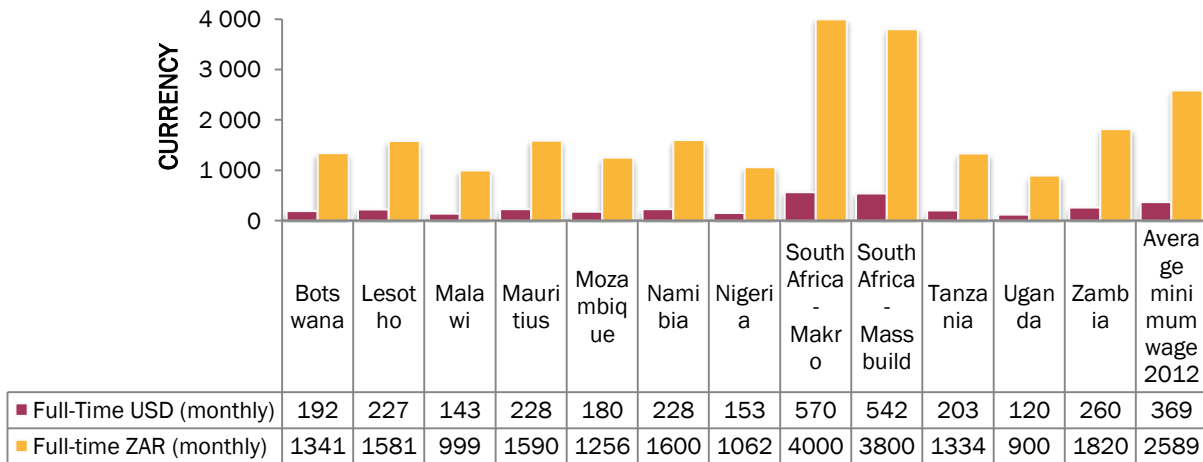
(See Appendix 5 for union comparisons of wages and working conditions to other retail stores in their countries.)

Work is needed on collecting and analysing the content of recognition agreements and possibilities of standardising them to improve bargaining arrangements for unions in all countries.

The charts below compare the minimum monthly wages converted to USD but also in ZAR as most countries in the sample are comfortable with this conversion. The figures do not indicate purchasing power – a higher wage in one country does not necessarily mean that the worker can afford a better standard of living given the cost of living fluctuations – however, it does give an indication of the variance across operations.

There was wide variation on responses to the question as to whether these wages are the same, better, or worse than other retailers in the country. Further, in some countries the wages and hours of work for Massmart/Walmart workers are not even perceived to be as good as the legal requirements of the land. What is clear is that there seems to be no set hours at Massmart/Walmart with even full-time workers contracted to work anything between 40 and 60 hours per week.

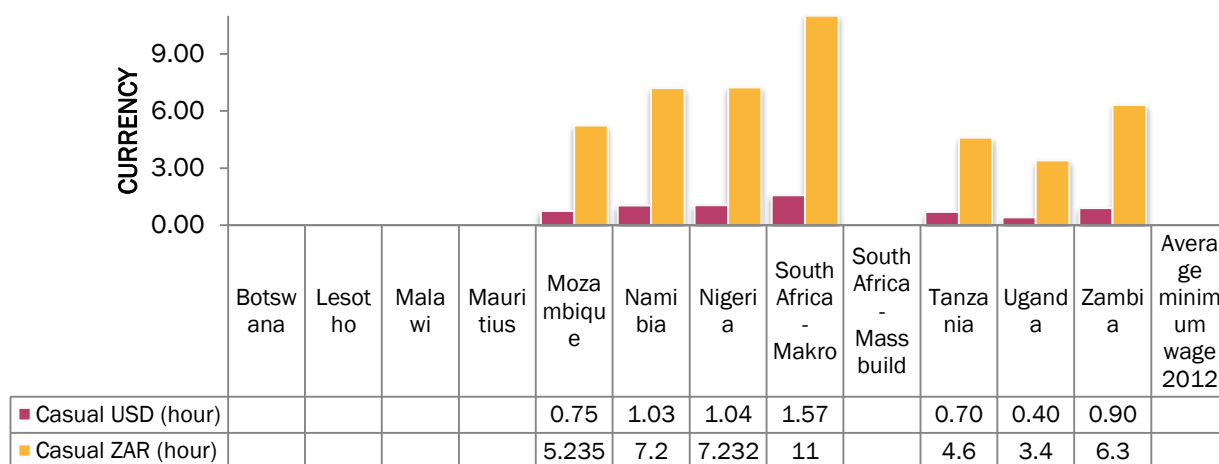
FIGURE 1: FULL TIME MONTHLY MINIMUM WAGE AT MASSMART/WALMART OPERATIONS (USD AND ZAR)



*As noted in the Massmart/Walmart 2012 Annual Report as Average minimum wage sourced from Sectoral Determination for Wholesale and Retail Sectors.

It is noted that all of the minimum wages reported outside of South Africa lie below the minimum sectoral wage determined by the minister of Labour in South Africa for the wholesale and retail sector with wages in Malawi amounting to less than R1,000 a month.

FIGURE 2: CASUAL HOURLY WAGE (USD AND ZAR)



Note: Exchange rates used were as per the year-end of the company at 30 June 2011

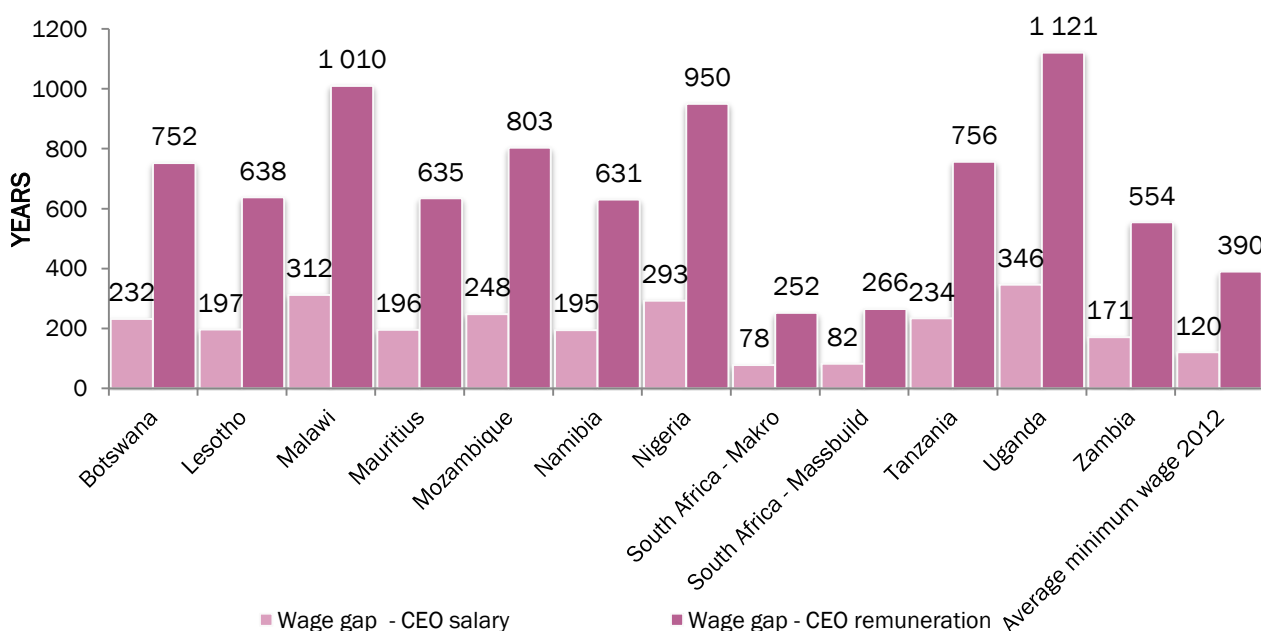
Source: LRS

Clearly there is a large disparity between what casual workers are paid from a low of R3.40 per hour in Namibia to a high of R11 per hour in South Africa. Further information on casual wages and conditions will have to be analysed to get a greater understanding of the conditions of casual and contracted workers so that their concerns and demands can be properly voiced.

The Annual Report for 2012 notes that "For the forthcoming financial year, the Group's salary increases are between 5.0% and 7.0% and wage increases, which have all been finalised, are in a range of 7.0% and 8.2%". This statement clearly divides workers' wages from that of management in an attempt also to highlight that workers are getting a higher percentage increase than management. This ignores the fact that an 8.2 per cent increase on a Makro worker's wage will take it to R5, 864 per month or R70, 373 per annum, while even a 5 per cent increase in the CEO's salary (see report on Directors' Fees below) will take it to R4, 093,950 per annum. Percentages should never be assessed on their own. It should always be asked "percentage of WHAT". It is not clear if this statement concerning increases applies to the whole group or to South Africa only but it should be noted.

When it comes to wages, South African workers seem to come off the best, earning well more than double what workers in the other countries are earning. However, this amount still means that a worker would need to work for nearly more than 250 years to earn the CEOs annual fees - including salary, bonus and benefits for 2011; and this excludes the value of the shares he sold in the year. In Malawi and Uganda it would be more than one thousand years.

FIGURE 3: THE WAGE GAP AT MASSMART / WALMART 2011 - HOW MANY YEARS FOR A WORKER TO EARN THE CEO'S SALARY AND ANNUAL REMUNERATION?



INDUSTRIAL ACTION

There were questions posed to the unions around strikes and other forms of protest embarked on by members of the union employed at Massmart/Walmart. The unions were also asked to comment on the reaction of Massmart/Walmart management and by their governments to the industrial action. In **Botswana** there was a protest in 2010 to escalate demands for a salary increase; this was resolved through an arbitration process in which the government was involved, a situation seen as negative by the union. In **Malawi** in 2009 there was a strike and stay-away also to push for greater salary increases and while a compromise was ultimately achieved, striking workers had their wages for the days of the strike deducted.

Beyond this only SACCAWU in **South Africa** reported on strikes and protest action in the last three years: SACCAWU noted two major actions since 2009 excluding the actions of SACCAWU broadly in relation to the take-over by Walmart.

In July 2009 there was a strike with regard to a unilateral implementation of a disputed wage. The action included 6 000 and then 3 000 workers.

The company reacted to the strikes unevenly by giving some workers the right to strike while others were threatened with jobs losses and told that the strikes were unprotected. Workers were reportedly intimidated by the threat that joining the strike would result in them losing their jobs.

In 2010 there was a further strike over wages involving 3 000 workers. In both cases some issues were resolved, but not all. One of these strikes included the issue of retrenchments – an issue which resurfaced in the Competition hearing of the Massmart/Walmart transaction. In June 2010 it was reported that

“Retail group Massmart is to lay off 261 workers in its Massdiscounters division, which includes Game and Dion Wired. In a statement released on Tuesday afternoon, Massmart said because of the group’s investment in regional distribution centres, new technology and the consolidation of workflows, a number of positions have been made redundant. Letters of retrenchment have been issued to affected employees in Gauteng.

Massmart corporate affairs executive Brian Leroni said the move was the culmination of a process which began on January 7 this year, when management started talks on these initiatives with employees and labour union the South African Commercial Catering and Allied Workers Union (SACCAWU).

He said the number of affected employees then was 1 500, but the actual number of workers faced with job cuts was around half that number...

Lucas Ramatlhodi, coordinator secretarial office of SACCAWU He said the union "strongly believes" that the retrenchments are linked to the possible takeover or buy-in of Massmart by the US-based retail giant Wal-Mart. Wal-Mart has shown interest in investing in Africa. Ramatlhodi said Wal-Mart has specific labour policies that display "anti-union sentiment".

"Massmart wants to prove that it is capable of implementing such policies," he said."

Disputes with Massmart (SACCAWU Press release, JUNE 2010)

- Retrenchment of 1500 workers, 700 permanent and 800 flexi-time employees
- The imposition of ultra-flexi time contracts
- 40 hour rolling week with Sundays as normal time
- Compressed working week without overtime
- Sunday and Public holidays compulsory work
- All those not faced with retrenchment to reapply for their positions under new terms of employment
- All re-applications to be considered after interviews to include psychometric testing, failing workers will be demoted
- All those that will remain in employment will be given new job titles, job descriptions and for many new salary rates
- The introduction of new Green Light technology that requires tertiary vocational training and the refusal by the company to offer any training to staff except for management.

On 9 March 2012 the Competition Appeals Court approved the merger between Walmart and Massmart subject to conditions. One of these relates to the 2009/2010 retrenchments. Under the conditions Massmart must **rehire** 503 distribution workers that the company let go in the run-up to the merger. When the ruling was made it was understood that the workers would get their jobs or similar jobs back in the same or nearby operations of Massmart and that in addition to getting their jobs back, the employees are entitled to back-pay covering the time between their reinstatements and their layoffs, which occurred in 2009 and 2010. Massmart CEO Grant Pattison had claimed that the company’s decision to lay off

workers had long preceded the merger talks with Walmart. In its ruling, the court said Pattison had "considerable difficulty justifying this claim."

By the time of the publications of the 2012 Annual Report the company noted that "222 of the 503 previously retrenched Masdiscounters' employees have been **re-employed** across the Group", further in the report it claims that the workers "have been contacted and **offered alternative employment** within the Massmart Group. A total of 222 retrenched employees have **accepted new positions** in Masdiscounters and across the Group." Still later the AGM statement notes "A total of 237 employees were **re-instated** in compliance with the Competition Tribunal's order and most of these employees have been in the Group's employ since May 2012."

While this is a victory of sorts, the conditions of the re-instatement of the employees, the extent of their back pay and the claim they have on remaining in the operations in which they previously worked rather than been offered re-employment elsewhere in the operations, sometimes far away from their homes and original workplaces, is currently a site of dispute.

Contrary to what was written at the time of the ruling, reports now claim that the ruling states that Massmart must backdate payments to employees retrenched in 2009 and 2010 to the date of the judgment. SACCAWU wants back-pay to be backdated to the date of retrenchment and its members to be reinstated within a reasonable distance of their homes. Management states that previous positions no longer exist but that workers will be reinstated on the same terms and conditions as before retrenchment, based on salaries paid at that date and adjusted for intervening increases. The dispute continues (November 2012).

CURRENT STRATEGIES TO ORGANISE

The questions posed to unions about their current strategies with regard to Massmart/Walmart were:

- List the most important challenges that the union has identified at Massmart / Walmart.
- Briefly state what the union is doing presently to meet these key challenges.
- Do you have any recommendations for organising workers in Massmart / Walmart?

The wide variety of concerns highlighted as priority challenges for unions confirms the very different contexts - both locational and historical, in which unions are organising. However, across the board unions thought the biggest challenge was to capacitate shop stewards for recruiting, organising and bargaining and also training and educating workers on their rights. A further challenge highlighted was the need to find ways and strategies for organising **informalised workers** including casual workers, flexi-timers and out-sourced workers. A challenge that flows from these needs is the need to address these requirements with limited human and financial resources. However, several unions are trying to meet the challenges through training seminars and the like. Further, the union continues to engage with management on the issues. In Malawi the 2011 agreement notes that 35 casuals were converted to permanent as per union request. However, where the challenge is seen as within management attitude itself a key strategy has to be to meet with and sensitize workers to their rights, to management strategies and now on Walmart issues specifically.

What has been identified across the board is that there is a need for information sharing, and training for organising, collective bargaining and solidarity actions. (See Appendix 8 for the specific challenges of each country and what the union is doing to meet these challenges).

There is a need for the alliance to address shop steward training and skills sharing

FACING THE WALMART CHALLENGE

Following the proposed take-over of Massmart by Walmart, The Labour Research Service, held a workshop with South African Massmart workers who are also union shop stewards in February 2011. The discussions showed the impact of Walmart negotiations on working conditions, an issue picked up in the Alliance survey.

Focus group shop stewards noted in particular that in their work environment:

1. Instructions are given for workers to work in departments that they do not work in and when this is pointed out to the manager then they are put before a disciplinary hearing for not carrying out instructions.
2. Disciplinary hearings don't follow procedures and dismissals or final warnings are dished out at the hearing.
3. Workers have also been given warnings and dismissed for not packing goods in the manner that it was set out for this, even though goods have never been packed in the set out manner before.

4. Workers have been dismissed for making simple errors when workers were not even given a warning before for the same kinds of mistakes.
5. At Makro it has been customary for workers who work two Saturdays a month to get a “day-off”. However, management has introduced a rule that if a worker takes leave in that month then the worker loses the day off. This is clearly an attempt to get rid of the “benefit” which has not been negotiated but was customary in the company for many years.
6. Jobs that become vacant either through resignation or dismissal are not filled again and duties are allocated to existing workers
7. Conditions of employment are settled with employees individually and are often worse than what has existed before – especially making working time on a Sunday, that was considered as over time, normalise time.
8. There has been an introduction of performance management where all employees are continuously assessed according to performances standards that were not agreed and often arbitrary.

The general sentiment of the participants was that due to the possible (now completed) take-over by Walmart, workers, including the shop stewards, feel intimidated in the workplace by the fact that they can lose their job and livelihood in an instant.

A letter was sent out to all Massmart workers at the same time as the focus group of February 2011 (see Appendix 12) concerning the take-over assuring workers that there should be no reason to be concerned. Most survey respondents in June 2011 still seemed to have very little information and no real felt perception of the change. This issue should be revisited annually particularly since the company has agreed to honour only current union agreements.

TABLE 4: PERCEPTIONS ABOUT THE IMPACT OF WALMART

Country	Union	Any changes in management attitude since Walmart purchase	What have workers done to protect themselves	What has the union done
Botswana	BWFRWU	No	Ensured that there is continuity in the RA	We had numerous meetings regarding the transition and what would happen thereafter.
Lesotho	NUCCA	Not yet	NA	NA
Malawi	CIAWU	No information yet except for one letter as provided by management	Do not know what Walmart is bringing so it is difficult to do anything	Not discussed as do not know what Walmart is bringing - only a leaflet from management with too little information*
Mauritius	CAFTEU	No	Nil	Nil
Mozambique	SINECOSSE	Some workers were appointed to go to training courses in the USA	To protect themselves they observe the Statutes and Mozambican Labour law, against Walmart Policies	Negotiating with management all important trade issues linked with union rights
Namibia	NAFAU	Not yet	NA	NA
Nigeria	NUSDE	No necessarily	Be more involved in union	Nil
South Africa - Makro	SACCAWU	Not at the moment	Remained union members and collectively talked about the issues at staff meetings	Tried to engage management
South Africa - Massbuild	TUICO	No	NA	
Tanzania	UHFTAWU	Yes	Try to be very committed to their work. Try to adjust to the changes	To continuously engage with the seemingly adamant managers on all issues as they arise. To inform workers of management processes. To Urge more staff to join the union.

Uganda	NUCIW	Yes, the HR manager is more on management side than being a bridge for workers	Report all problems to NUCIW	Notify the mother body of NUCIW
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*See Appendix 12

WORKERS AT THE ALLIANCE MEETING DISCUSS ORGANISING STRATEGIES



MEMBERSHIP AND UNION DENSITY

In considering union density when we ask about full-time workers and casual / outsourced and part-time workers two very different pictures emerge. Union membership appears to be high among full time workers with almost all unions reporting close to or well above 50 per cent membership with four unions reporting 100 per cent membership. However, apart from Mozambique, these numbers change dramatically when unions consider casual, outsourced and part time workers. From the survey it appears that in many cases these workers are not organised at all and where they are much lower numbers are organised, highlighting the challenges that this level of informalisation poses to shop stewards and organisers in the workplace. All reports indicate that this group of workers will become an increasing large proportion of the workforce compared to a depleting core of full-time permanent workers and they must therefore be organized and represented if the union and workers are going to continue to have a voice.

Strategies and practical tools for organising informalised workers should be a priority for union organisers and ideas and experiences in this regard should be shared among the alliance.

It is also noteworthy that increasingly a breakdown of women and men as workers and as members has been disclosed.

TABLE 5: LEVELS OF ORGANISATION AT MASSMART / WALMART IN AFRICA – FULL-TIME WORKERS (FTES*)

Country	Number of Workers at MWMart			Number of MWMart workers belonging the union			% of MWMart workers belonging to union		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Botswana	44	56	100	27	38	65	61	68	65
Lesotho	36	16	52	34	16	50	94	100	96
Malawi	65	52	117	65	52	117	100	100	100
Mauritius	22	39	61	14	15	29	64	38	48
Mozambique	10	28	38	10	28	38	100	100	100
Namibia	33	40	73	22	25	47	67	63	64
Nigeria	35	15	50	35	15	50	100	100	100
South Africa - Makro			2567			1623			63
South Africa -			8000			4900			61

Massdiscounters									
South Africa - Masscash			1359			1013			75
South Africa - Massbuild			7000			4000			57
Tanzania			49			29			59
Uganda	37	28	65	23	15	38	62.2	53.6	58.5
Zambia	51	29	80	51	29	80	100	100	100

TABLE 6: LEVELS OF ORGANISATION AT MASSMART/WALMART IN AFRICA - CASUAL / PART-TIME WORKERS

Country	Number of Workers at MWMart			Number of union members			% of Union members			Outsourced Casual / Outsourced work at MWMart
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Botswana	11	18	29	0	0	0	0	0	0	Temporary workers perform specific work
Lesotho										No casual and temp employees
Malawi										
Mauritius	12	11	23	5	6	11	42	55	48	No information
Mozambique	80	30	110	80	30	110	100	100	100	Selling products
Namibia*	10	15	25	10	9	19	100	60	76	
Nigeria	42	28	70	0	0	0	0	0	0	Cleaning, Security, Carrying goods in the store
South Africa - Makro only **			2548 + 447							Same as permanent, but less benefits
Tanzania	11	15	26			0			0	
Uganda	27	18	45	10	9	19	37.0	50.0	42.2	Cleaning, Security, Merchandising
Zambia			59			0			0	Merchandising

*Part-time workers

** 447 Part-time / Flexi workers

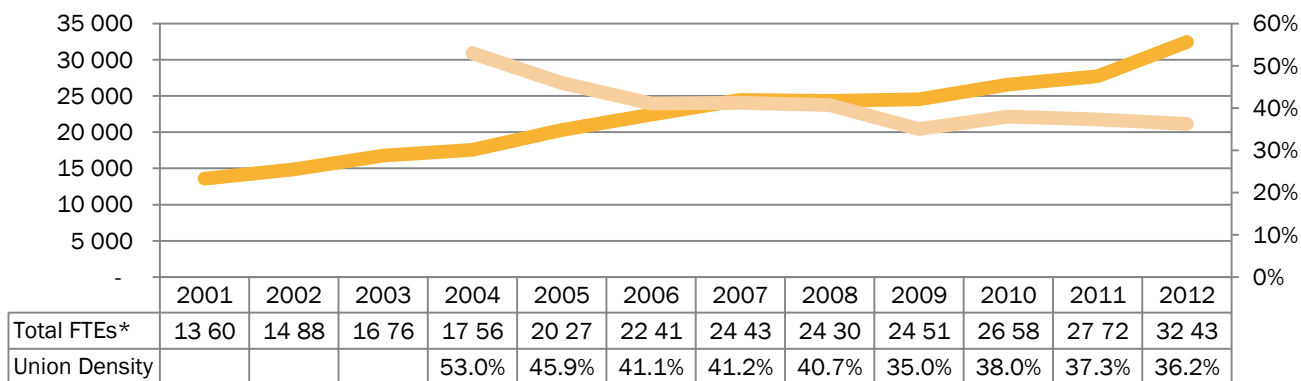
TABLE 7: LEVELS OF ORGANISATION AT MASSMART/WALMART IN TOTAL WORKERS

Country	Union	Number of Workers at MWMart			Number of union members			% of Union members		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Botswana	BWFRWU	55	74	129	27	38	65	49.1	51.4	50.4
Lesotho	NUCCAW	36	16	52	34	16	50	94.4	100.0	96.2
Malawi	CIAWU	65	52	117	65	52	117	100.0	100.0	100.0
Mauritius	CAFTEU	34	50	84	19	21	40	55.9	42.0	47.6
Mozambique	SINECOSSE	90	58	148	90	58	148	100.0	100.0	100.0
Namibia	NAFAU	43	55	98	32	34	66	74.4	61.8	67.3
Nigeria	NUSDE	77	43	120	35	15	50	45.5	34.9	41.7
South Africa	SACCAWU			21921						52.6
Tanzania	TUICO			75			29			39.0
Uganda	UHFTAWU	64	46	110	33	24	57	51.6	52.2	51.8
Zambia	NUCIW	51	29	139	51	29	80	100.0	100.0	57.6

As in previous years, the Massmart / Walmart Annual Report 2012 claims that Massmart views the percentage of unionised staff as an indicator of commitment to freedom of association. Given that, despite a small increase in 2010, the percentage has been dropping steadily since 2004 which seems to indicate a drop in such a stated commitment. The chart below

shows that the gap between the number of employees and the percentage unionized is falling. However, according to national statistics, Massmart / Walmart is still above the average for the sector. Massmart has not disclosed union density on a divisional basis since 2001 when it was noted that SACCAWU had 30 per cent membership at Massdiscounters and 61 per cent membership at Masswarehouse.

FIGURE 4: UNION DENSITY AND EMPLOYEE NUMBERS AT MASSMART GROUP

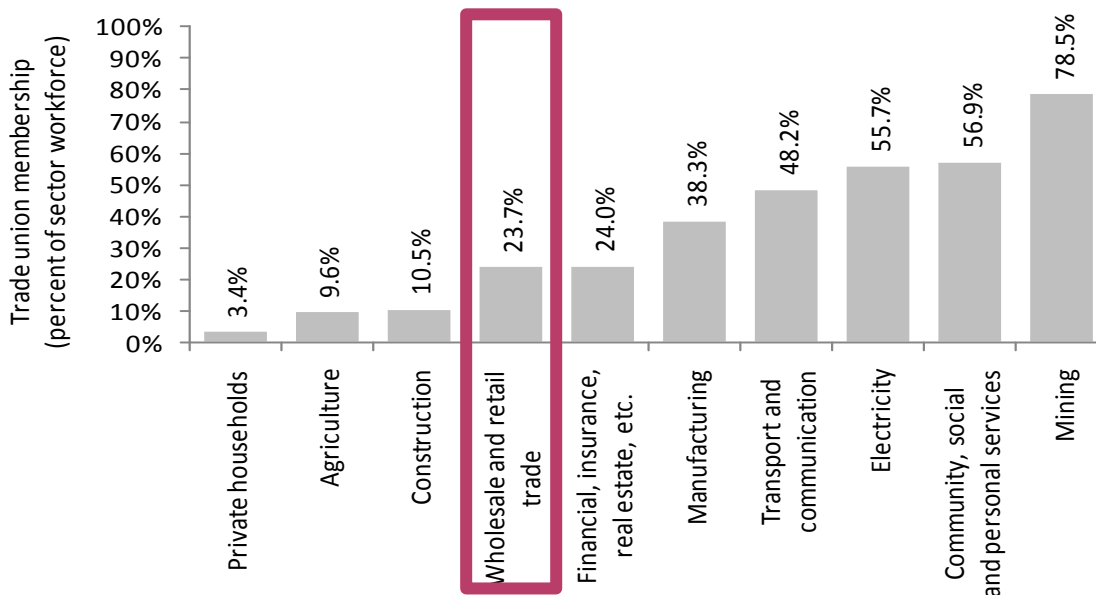


Source: 2004: RA 2004 - 40; 2005: RA2005: 50; 2006 - 2007: RA2007, 80; 2008-2010: RA2010, 107

No figures available for group union density prior to 2004

*FTE: Includes all permanent employees and the permanent equivalent of temporary employees and contracted workers (Massmart Annual report 2010)

FIGURE 5: UNION MEMBERSHIP IN SOUTH AFRICA 2010 BY SECTOR



Source: Adcorp presentation: cgca_conference_-_labour_broking_10.2010.pptx from website:

http://www.cgcsa.co.za/index.php?option=com_downloads&Itemid=88&view=summary

MANAGEMENT RELATIONSHIP WITH WORKERS

In February 2011 the CEO of Massmart gave a presentation where he gave the public face of relationship between workers and management. There he made several unsubstantiated statements concerning workers at Massmart, their feelings concerning the deal with Walmart and their relationship to the union to which 38 per cent of them², according to Massmart’s own figures, belonged. In the presentation he states that “It really is an exciting time for employees. And just so you are absolutely clear, our employees aren’t driving any protest: you’ll see there has been no strikes, no protests; in fact I would suggest that they have gone as far as to tell the union not to get in the way. All good for our employees”³. To make an uncorroborated comment concerning the relationship, not just between management and the workers but between unions and their own members, should be challenged and the commitment (though not condition) that Massmart/Walmart have made to maintain existing relationships with organised labour might therefore be seen to have a negative outcome for workers as the relationship as it currently stands is antagonistic.

Pattison’s statement is seen in the context of deteriorating relationship between Massmart and the unions, in particular since 2008.

² Massmart Annual Report 2010 – again, this figure is different from the Commission’s report which “the majority of Massmart’s employees are unionized” - 38% is not a majority and it would be important to know where the Commission got its figures.

³ GIBS presentation, BusinessLIVE, ibid.

Looking at the annual reports over the past decade, there is very little mention of the relationship between Massmart and the trade unions. However, over the past three years, there has been discussion of it and it has not been positive.

2009 Annual Report "... increased the stridency of populist rhetoric and the vigor of socio-economic demands, both indicative of a more open democracy. Service delivery rioters, striking workers, obstructive taxi owners, and officious youth leaders all contributed to an environment conducive to the first ever protracted dispute between certain Massmart divisions and organised labour"⁴.

2010 Annual Report "Labour relations were unfortunately strained in Massdiscounters as management sought more labour flexibility from the labour union, SACCAWU, in order to extract productivity improvements from our three-year investment in the supply chain. Unfortunately, we were unable to reach resolution and had to resort to retrenchment, which was devastating for those employees. ..."⁵

MANAGEMENT STYLE

The following table was provided in the questionnaire to assess the unions' perception of management; the numbers next to the responses indicate how many of the surveys ticked these boxes:

TABLE 8: QUESTIONS WHICH EXPLORE MASSMART/WALMART MANAGEMENT STYLE

	Responses by unions
Management involves shop stewards in decision making	Yes (3) No (7)
Workers are consulted about operational changes by management	Yes (1) No (8)
Supervision is constructive	Yes (7) No (3)
Workers are appreciated as contributors to Massmart / Walmart	Yes (3) No (5)
Workers are treated with respect	Yes (5) No (3)
Management is not racist	Yes (7) No (2)
Management is not sexist	Yes (7) No (1)

Although there is some variation, responses indicate a perception of management that views labour as a cost to the business and therefore not be consulted or involved in decision-making though it is not perceived by all as disrespectful or oppressive in nature.

Outside of South Africa management is seen as less racist and sexist than within the country but this may be based on the make-up of local management. It seems also that SACCAWU is addressing the issues of group management style when it views it as both racist and sexist that other operations may not be addressing.

What can unions and workers do to impact on the management culture at Massmart / Walmart? Are there international experiences to learn from that UNI can assist with?

SOLIDARITY

The questions posed to unions regarding continental solidarity were:

- Are you prepared to work with unions organising in Massmart/Walmart in other countries?
- What should the focus of this work be?
- How will this benefit your union?
- What recommendations do they have for building solidarity between workers in Massmart / Walmart on the continent?

All the unions involved in the questionnaire process and the further representatives at the alliance meeting strongly support the need for a regional network of unions organising in Massmart / Walmart.

On the key theme of solidarity with other unions engaging with the company and in the sector, the need to **share information** on collective bargaining, the content of agreements to encourage a standardisation of conditions was highlighted. Sharing on the **skills** of recruitment and organising as well as negotiation was further highlighted as vital in the move towards a **harmonisation of conditions of service**. Further it was highlighted that workers need to be brought closer to their own union structures through training and education on their rights, benefits and the role and aims of the union. Further, sharing on

⁴ Massmart Annual Report 2009, p. 25

⁵ Massmart Annual Report 2010, p. 27

what workers are experiencing in operations and how they are facing these challenges was seen as key to broadening efforts to improve conditions and defend workers' rights.

The benefits of this sharing for the national union would be felt in increased membership and visibility of the unions and a minimising of exploitation by the company. Further this increased knowledge of other unions and their challenges would assist workers in feeling how important it is to be part of the union movement.

GLOBAL ALLIANCE

In October 2012 representatives of the UNI Massmart / Walmart Africa Alliance attended the launch of the UNI Walmart Global Alliance in Los Angeles. This coincided with a strike by Walmart workers in LA for the first time in the history in the company. Walmart workers from countries as far afield as India, Latin America and South Africa gave their support to the striking workers. As part of the global alliance of Walmart workers, a committee of the Africa Alliance joined Walmart workers from around in front of Los Angeles City Hall, demanding better working conditions and the right to unionize the world's biggest retail store chain.

REPRESENTATIVES OF THE UNI AFRICA MASSMART/WALMART UNION ALLIANCE PARTICIPATE IN THE LAUNCH OF THE GLOBAL WALMART ALLIANCE, 2012



Bones Skulu, the General Secretary of SACCAWU said, “We pay tribute to the US Walmart workers, our comrades, who have found the strength to stand up for their rights against the greed of the Walmart management. What we are seeing in the US is further vindication, if any were needed, that we were right to use the full force of the law here in South Africa to fight back against the Walmartization of our economy. The terrible conditions the US Walmart employees are working under is proof that only legal and regulatory requirements coupled with organised union strength can prevent Walmart from running roughshod over both workers and the local economy. Here in South Africa we are challenging Walmart to abide by the Appeal Court ...”

The message from the Alliance meeting is that Walmart, a global company, must now face up to the reality that they “now face a global alliance of that is prepared to take a stand for decent work and for the rights of Walmart staff worldwide.” Philip Jennings, UNI Global Union President.

COMPANY INFORMATION

The participation of the workers was analysed in conjunction with company information from company documents and media reports in order to identify key issues and recommendations for the alliance. A report from company documentation follows.

The South African food market is worth R281 billion with the retail sector contributing 14 per cent to the GDP. The big players in 2010 / 2011 were the Shoprite Checkers, Pick n Pay, Massmart, Spar group and Woolworths.

TABLE 9: SOUTH AFRICAN RETAIL MNC COMPETITORS – COMPARING REVENUE AND PROFIT

		2009	2010	2011	2012
Shoprite	Revenue	59 318 600 000	67 402 440 000	72 297 777 000	82 730 587 000
MASSMART	REVENUE	43 128 700 000	47 451 000 000	53 089 500 000	61 209 100 000
Pick n Pay	Revenue	50 135 800 000	49 323 800 000	52 216 700 000	55 634 400 000
MASSMART	CHANGES IN REVENUE		10%	12%	15%
Shoprite	Changes in Revenue		14%	7%	14%
Pick n Pay	Changes in Revenue		-2%	6%	7%
Shoprite	Profit	3 018 100 000	3 399 088 000	3 876 368 000	4 817 070 000
MASSMART	PROFIT	1 902 000 000	1 820 000 000	1 504 000 000	1 834 100 000
Pick n Pay	Profit	1 734 480 000	1 812 000 000	1 356 100 000	1 170 000 000
Shoprite	Changes in Profit		13%	14%	24%
MASSMART	CHANGES IN PROFIT		-4%	-17%	22%
Pick n Pay	Changes in Profit		4%	-25%	-14%

Shoprite Checkers is the biggest of the group in terms of both market capitalisation, turnover and geographic spread trading in Angola, Botswana, Ghana, Lesotho, Madagascar, Nigeria, Zambia, Namibia, Zimbabwe, Uganda, Tanzania, Swaziland, Mozambique, Mauritius and Malawi. This dominance though is set to be challenged with the arrival Walmart in Africa. Massmart/Walmart, though currently showing smaller revenue and profit is making the biggest gains percentage-wise.

According to the company report for the year ended June 2012, Massmart/Walmart is a group of four divisions – Massdiscounters, Masswarehouse, Masscash and Massbuild. Each is focused on high-volume, low margin, low cost distribution of mainly branded consumer goods for cash through 348 stores in 12 countries in sub-Saharan Africa, 321 of these in South Africa. By the end of October 2012, after incorporating Kangela stores in Mozambique, the reported number of stores is 372, 329 in South Africa, 12 in Botswana, 17 in Mozambique, 3 in Namibia, two in Lesotho, Malawi and Nigeria and one each in Ghana, Swaziland, Tanzania, Uganda and Zambia.

The company describes itself as the second largest distributor of consumer goods in Africa, and the leading retailer of general merchandise, liquor, home improvement and building supplies and is the leading food wholesaler. The four divisions cover nine brands - Game, DionWired, Makro, Builders Warehouse, Builders Trade Depot, Builders Express, CBW and Jumbo.

Founded in 1990 and listed on the JSE in July 2000 at R12.50, the Group is currently a top 40 listed company (by turnover) and is a participant in the JSE Limited's Socially Responsible Investment Index and claims it is compliant with the King III Report. Massmart employs over 32 000 permanent and flexi-time staff, and achieved annual sales of R61.2 billion for the year ending June 2012.

As of June 2011, Massmart is 51 per cent owned by Walmart USA. Walmart operates more than 10,000 retail units under 69 banners in 27 countries and employs 2.2 million employees, known as associates, around the world – 1.4 million in the U.S. alone.

Highlights from each of the four Massmart divisions are described on the company website and summarized below.

STORE FORMATS AND LOCATIONS

TABLE 10: MASSMART STORE NUMBERS AS PER 2012 ANNUAL REPORT

	Game	Dionwired	Makro	Builders Warehouse	Builders Trade Depot	Builders Express	CBW	Cambridge	Jumbo
South Africa	94 (87)	18 (15)	16 (14)	27 (27)	29 (30)	27 (24)	61 (59)	43 (27)	6 (6)
Botswana	2 (2)	0	0	1 (0)	0	0	9 (9)	0	0
Ghana	1 (1)	0	0	0	0	0	0	0	0
Lesotho	0	0	0	0	0	0	2 (2)	0	0
Malawi	2 (2)	0	0	0	0	0	0	0	0
Mozambique	1 (1)	0	0	0	0	0	0	0	0
Namibia	2 (2)	0	0	0	0	0	1 (1)	0	0
Nigeria	2 (2)	0	0	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0	1 (1)	0	0
Tanzania	1 (1)	0	0	0	0	0	0	0	0
Uganda	1 (1)	0	0	0	0	0	0	0	0
Zambia	1 (1)	0	0	0	0	0	0	0	0
Total	107	18	16	28	29	27	70	43	6

MASSDISCOUNTERS⁶

- Merchandise: general merchandise, electrical appliances and non-perishable groceries
- Brands: Game and DionWired
- Number of stores: DionWired increased to 16 stores, Game has 106 stores
- Four Game stores now also provide a food offering under the Foodco sub-brand and this will be rolled out at the rate of about 15 stores annually.
- Game geographic presence: South Africa, Botswana, Ghana, Malawi, Mozambique, Namibia, Nigeria, Tanzania, Uganda and Zambia
- DionWired geographic presence: South Africa
- 70 000m2 Gauteng Regional Distribution Centre operational
- Number of employees: 8 445



⁶ <http://www.massmart.co.za/operational/massdiscounters.asp>

MASSWAREHOUSE⁷

- Merchandise: food, liquor and general merchandise including appliances, sports, outdoor, DIY, and home entertainment.
- Brand: Makro
- Number of stores: 14 stores
- Geographic presence: South Africa
- Number of employees: 2 877



MASSBUILD⁸

- Merchandise: home improvement and gardening supplies, tools and building materials
- Brands: Builders Warehouse, Builders Express and Builders Trade Depot
- Number of stores: 28 Builders Warehouse stores, 26 Builders Express stores and 30 Builders Trade Depot stores
- Geographic presence: South Africa, Botswana, (Mozambique)
- Number of employees: 6 834



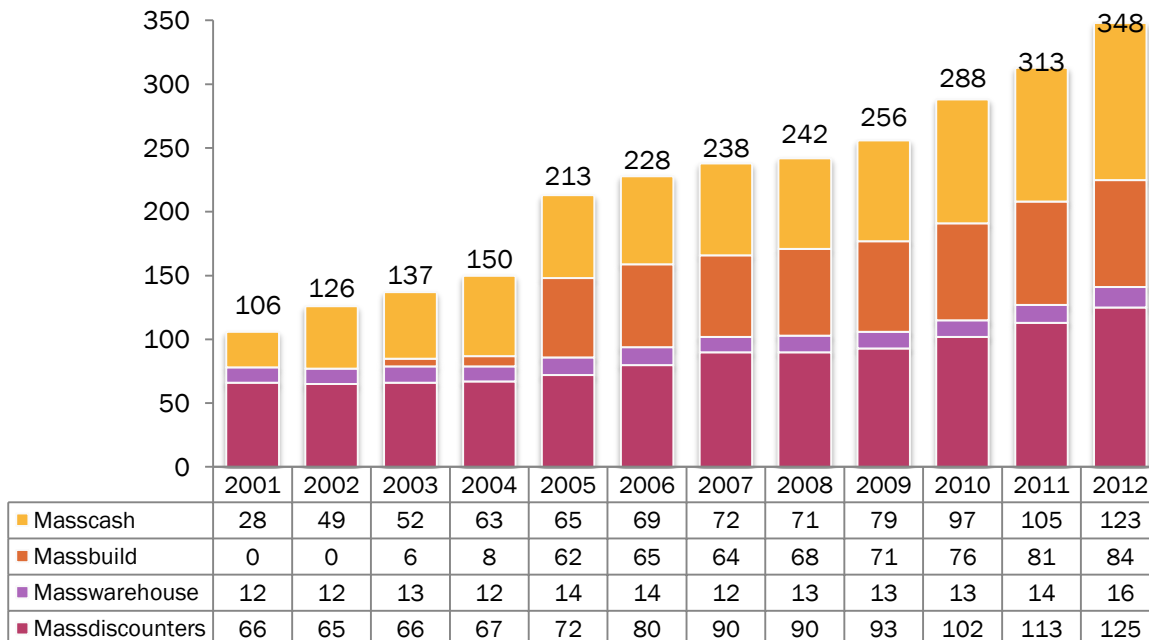
⁷ <http://www.massmart.co.za/operational/masswarehouse.asp>

⁸ Massbuild Fast Facts <http://www.massmart.co.za/operational/massbuild.asp>

- Merchandise: food, ethnic cosmetics, liquor and groceries
- Brands: Jumbo and Shield, CBW and Cambridge Food
- Number of stores: 75 CBW stores, 27 Cambridge Food stores and 6 Jumbo stores. Shield has 633 members and 686 outlets
- CBW geographic presence: South Africa, Botswana, Lesotho, Mozambique, Namibia and Swaziland
- Jumbo geographic presence: South Africa
- Shield geographic presence: South Africa, Botswana, Lesotho, Namibia, Swaziland
- Number of employees: 9 276



FIGURE 6: STORE GROWTH AT MASSMART / WALMART OPERATIONS 2002 - 2012



The strongest growth in the group has been in the Masscash division, mainly due to the acquisition of fifteen Rhino Food Stores and the express opening of five Cambridge Food Stores. The bulk of the growth for 2012 remains in South Africa with a single new Game store opening in Nigeria while one closed in Mauritius and the first Builders Warehouse outside of South Africa opening in Botswana. All other store openings have been in South Africa; seven Game stores and five DionWired

⁹ <http://www.massmart.co.za/operational/masscash.asp>

stores. In addition, 20 Foodco stores are now operational. This was the highest number of stores opened in one year by Massdiscounters.

ACQUISITIONS AND DISPOSALS IN 2012

As noted above, in the year to June 2012 the Group acquired two businesses, Fruitspot and the Rhino Cash and Carry Group. Both of these emphasize the Massmart/Walmart strategy to take on competitors Shoprite and Pick n Pay in food retail. Makro acquired Fruitspot with effect from 2 January 2012 and Cambridge acquired the Rhino Cash and Carry Group with effect from 1 March 2012. Masscash purchased the remaining minority shareholding of Rahme, a Johannesburg-based fruit and vegetable distribution business and took control of all operational aspects. Rahme now forms a part of the Group's produce initiative being run as Massfresh.

Since the year end the Group has opened a further six stores, two Makro, three Game and one Rhino. Four Game stores have also been converted into Foodco stores, bringing the total to 24.

STRATEGY FOR EXPANSION – LOOKING INTO AFRICA

As was widely discussed at the time of the Walmart purchase, the reason that Walmart chose to buy in to Massmart was not so much for the South African market, which is considered a very competitive market with strong players dominating it, but to extend their reach into the apparently untapped African market. According to recent reports, the continent's economy is now the second fastest growing in the world with more than one billion people and a collective GDP of nearly USD2 trillion. While in the last year expansion has been slow as integration between the two companies and dealing with the Competition Commission has taken precedence, we can expect the push into Africa to begin to gain momentum now. The Annual Report notes the following plans.

MASDISCOUNTERS: The aim is to double the African store footprint by 2016. The uptake of the Foodco offering in African cities has been positive. 2013 plans include 17 Game stores to open in South Africa, two in Africa and four new DionWired stores.

MASWAREHOUSE: South Africa only. The plan is to open two Makro stores per year until 2015, to 23 stores in South Africa.

MASBUILD: In Mozambique, the company is planning new Kangela stores in Tete and Maputo as well as plans to open a store each in Zambia and Mozambique in 2013.

MASSCASH: Expect to open four new Rhino stores in the next 18 months. For several years Masscash has traded in Namibia and Botswana and the Group plans to expand their presence in Mozambique through a store in Xai Xai and use this as a base to develop a wholesale and retail footprint in the rest of the country. Masscash intends to expand into the rest of Africa once they have bedded down existing operations. The strategy is to open 10 more stores through the Rhino acquisition each year as they seek to grow their footprint nationally.

FOCUS POINT NIGERIA: In February 2012 the company made clear its intention by announcing that it sees scope for up to 20 stores in Nigeria thus setting up a head to head battle with Shoprite Checkers for dominance in this market. With a population of over 160 million people Nigeria, despite growing poverty, is seen as a key growth point for multinationals although infrastructure concerns and political instability have up until now made them more cautious.

REGIONAL DISTRIBUTION CENTRES (RDC): A Strategic Supply Chain Integration department has been established to further enable the RDC implementation. Suppliers are being integrated into the RDC network, "and many are starting to understand the benefits of using our network".

The Cape RDC services 24 stores in the Cape region, including Foodco stores. The Gauteng RDC now services 74 stores. Racking in the facility has been extended to accommodate larger volumes of stock. In July 2012 the KwaZulu-Natal RDC relocated to Riverhorse Valley from Pinetown. This still represents a small number of total Massmart / Walmart stores serviced by the RDCs.

Ownership and Control



TO SHAREHOLDERS

The company states in its 2012 Annual Report “Massmart has 6,356 shareholders in South Africa and a broad ranging from major institutions to individuals”. The truth is that real power is held by only one shareholder, Walmart, with the majority holding. Further, as the Walton family alone owns over 50 per cent of Walmart itself, the majority shareholder in Massmart /Walmart is a single family. So despite being a public company trading on stock exchanges control of the company rests with a very small group of people who have very clear interests to serve, their own.

TABLE 11: TOP FIVE SHAREHOLDERS IN MASSMART / WALMART SINCE 2004

	Walmart subsidiary: Main Street 830 (Pty) Ltd	Public Investment Corporation (GEPP)	Aberdeen Asset Management	JP Morgan Asset Management	Lazard Asset Management	Ballie Gifford & Co. Ltd.
2004		5.4%				
2005		7.4%				
2006		5.1%				
2007			7.5%	6.2%		
2008		7.1%	12.2%	5.8%	9.7%	
2009		9.4%	12.4%	6.5%	6.5%	
2010 (year end June)		13.8%	16.6%	7.5%	6.9%	5.4%
2010 (October)		14.0%	25.2%	8.2%	6.7%	5.5%
2011	53.2%	6.6%	13.4%	4.3%	3.1%	3.5%
2012	52.7%	5.7%	11.5%	4.6%		3.5%

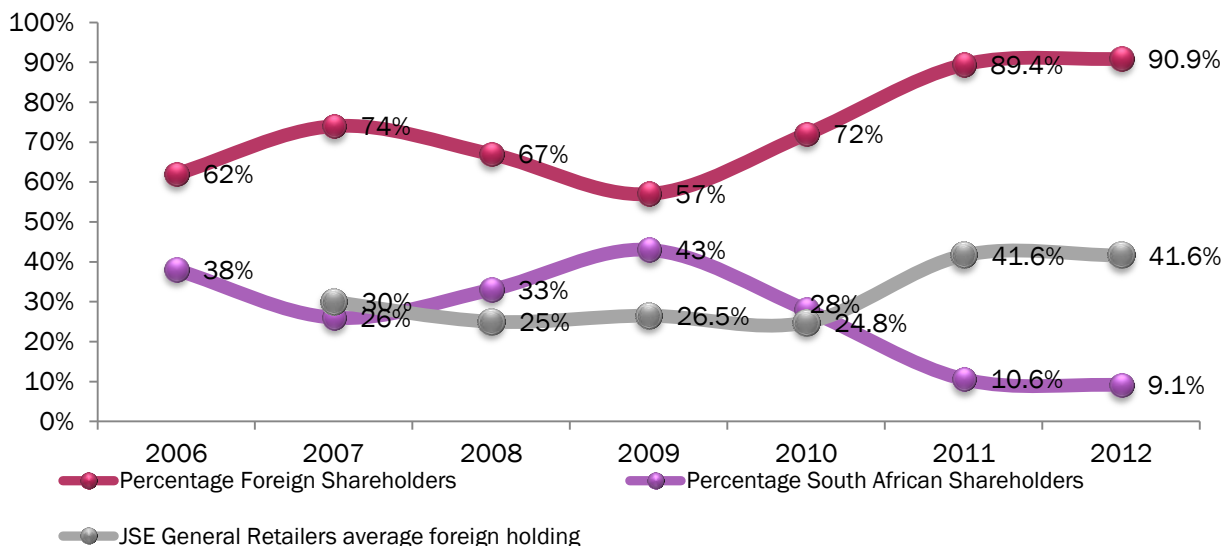
What is also clear in the above table is that most of the main shareholders including the Public Investment Corporation, increased their investments in Massmart in the lead-up to the transaction thus benefiting further from the buy-out and retaining larger percentages thereafter when their stocks were halved. Union funds are invested in Massmart through the Government Employee Pension Fund for which the PIC is the service provider. The unions included in this fund are: NEHAWU, POPCRU, PSA, SADTU and NAPTOA. The Government Employee Pension Fund, which includes South African union members on the board of trustees, is the second largest shareholder in Massmart/Walmart Stores. Can these trustees be engaged in any way to assist in challenging the current corporate governance, union attitudes of the company? Should unions be invested in this company?

Other pension funds have taken action against Walmart.

In 2006, the \$230 billion Government Pension Fund of Norway dumped more than \$400 million worth of Walmart shares, also citing labour standards and union obstruction. But researchers at the UFCW could not name any major U.S. pension funds that had divested. Norway’s finance minister said the decision was made due to the world's largest retailer's repeated violations of human and labour rights. The move follows the decision in 2005 by Danish pension funds to disinvest from Walmart.

In January 2012 the biggest pension fund in the Netherlands and one of the largest in the world, Algemeen Burgerlijk Pensioenfond (ABP), with more than \$300 billion in assets, announced that it was blacklisting the largest retailer in the world for noncompliance with the United Nations' Global Compact principles. Despite repeatedly engaging with the company on labour relations since 2007, by January 2012, ABP decided that the company's time was up noting that: “There has been a change, but in the end we had to conclude that it was not enough...We felt that if the workers are not happy, then what does it mean for the company?”

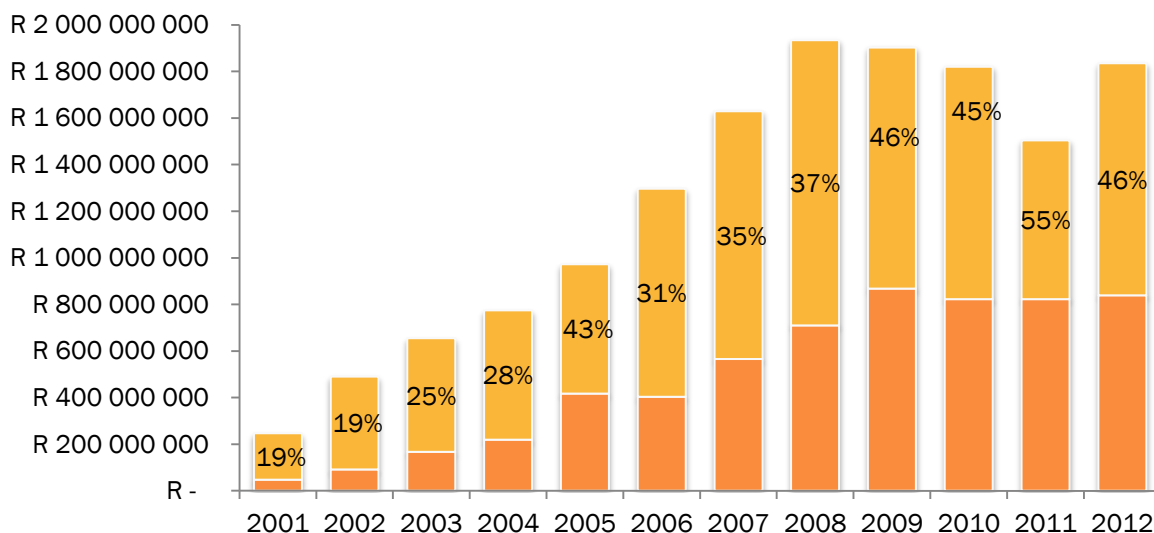
FIGURE 7: LOCATION OF SHAREHOLDERS IN MASSMART / WALMART



While it is noted that Massmart is now, when one combines the shareholdings of Walmart with other foreign investment vehicles, over 90 per cent foreign owned, Massmart has been majority foreign owned since at least 2006. As Walmart is the majority owner of Massmart which means that most of the profits are now foreign directed, foreign ownership means that most of the dividend payments – more than 90 per cent of them, leave South Africa.

Over the years Massmart/ Walmart has paid a higher and higher percentage of profits to shareholders as dividends while workers are at pains to improve their pay and working conditions. It is noteworthy too is that in the year that Massmart workers went on strike for a R460 increase in wages, Massmart paid a record R867 million in dividends to its shareholders. The chart below shows how much of the profits of the company are dispersed to shareholders as dividends rather than distributed or re-invested in any other way. This figure has climbed rapidly since 2001 and is consistently up to nearly 50 per cent.

FIGURE 8: TOTAL DIVIDEND PAYOUTS AS A PERCENTAGE OF PROFITS SINCE 2001



	TOTAL DIVIDENDS PAID (ZAR)	PROFIT BEFORE TAX (ZAR)
2001	48 000 000	246 700 000
2002	90 700 000	490 200 000
2003	166 600 000	654 500 000
2004	218 700 000	774 000 000
2005	416 400 000	972 100 000
2006	402 800 000	1 295 900 000

2007	565 100 000	1 628 900 000
2008	709 900 000	1 933 400 000
2009	867 400 000	1 902 000 000
2010	822 400 000	1 820 000 000
2011	822 500 000	1 504 000 000
2012	838 800 000	1 834 100 000

COMPANY PERFORMANCE 2011 / 2012

It is noted that in order to align the Group better with Walmart Stores, Inc. (Massmart's holding company), Massmart's year end has changed from the end of June to the end of December. The change in year-end means that Massmart will report audited results for the six months to December 2012 in February 2013, and audited results for the 12 months to December 2013 in February 2014.

REVENUE, PROFIT AND ANNUAL GROWTH

TABLE 12: REVENUE AND PROFIT 2001 - 2012

	Revenue (Sales) (Rm)	Profit Before Tax (Rm)	Annual growth in sales (%)	Annual growth in PBT (%)
2001	11 568.4	246.7	12%	83%
2002	16 709.2	490.2	44%	99%
2003	20 369.5	654.5	22%	34%
2004	23 787.7	774	17%	18%
2005	25 381.5	972.1	7%	26%
2006	29 963.6	1 295.9	18%	33%
2007	34 807.6	1 628.9	16%	26%
2008	38 958.3	1 933.4	12%	19%
2009	43 128.7	1 902	11%	-2%
2010	47 451.0	1 820	10%	-4%
2011	52 950.1	1 504	12%	-17%
2012	61 209.1	1 834.1	16%	22%

While profits at the Group took a dip in 2009 and 2010, 2012 shows Massmart/Walmart profits back to double digit increases and up to R1.8 billion. Sales at the Group have consistently risen by over ten per cent and are now at over R60 billion.

Management views the current period as transitional with the Walmart transaction settling and new strategies being devised, new stores being bedded down, they therefore describe the performance for 2012 as mixed with the core business performing well, while the investments in supply chain and Food Retail dragged on the financial performance, with further investments in skills and slowing profit growth. Despite this profit shows as double-digit increase and revenue continues its upward climb.

During the 2012 year, the Walmart transaction, integration and related costs amounted to R185.4 million. It has, and will continue to be an expensive operation which will have to be paid for. The costs have included the costs of the **Walmart expatriates operating in the Group**, the **cost of integrating and aligning systems** and the **cost of sending 368 staff members**, at all levels of the Group, to the Walmart Annual Shareholders' Conference in Bentonville. In the 2011 financial year, the total transaction cost amounted to R408.8 million, which included advisor's fees and expenses of R238.7 million, the establishment of the R100.0 million Supplier Development Fund (required by the Competition Tribunal, a figure that has now been doubled) and R70.1 million in accelerated IFRS 2 Share-based Payment charges. Going forward, this cost should normalise at around R50.0 million a year from the end of 2013. These costs are seen as a necessary investment for a transaction which management believes will bring unquantifiable financial benefits as well as strategic benefits. Workers though should watch that these costs are not used as a reason to depress pay and conditions.

FIGURE 9: MASSMART / WALMART REVENUE 2001 - 2012

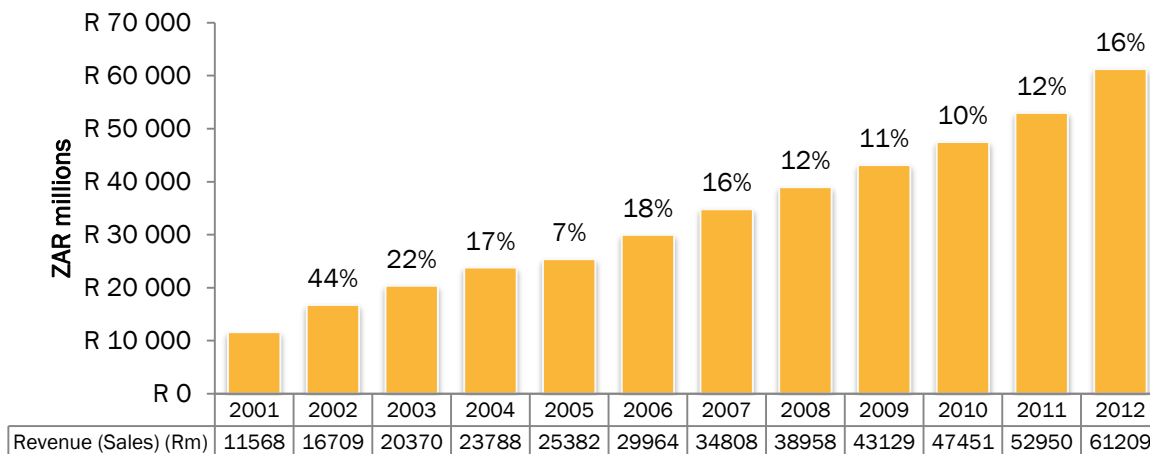
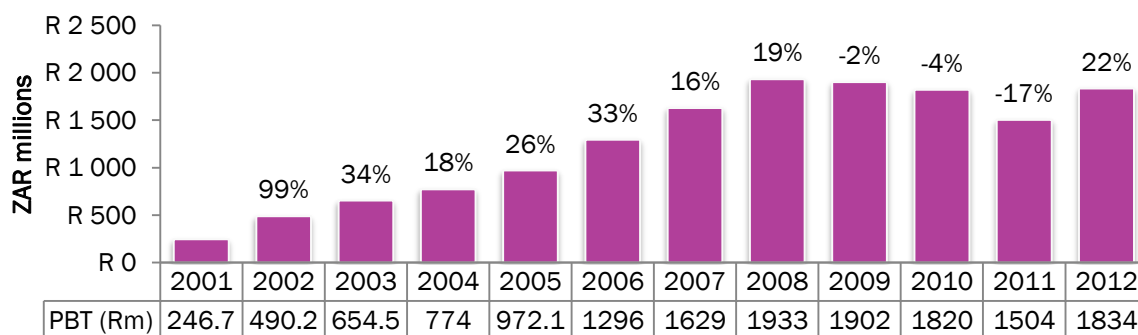


FIGURE 10: MASSMART / WALMART PROFIT BEFORE TAX 2011 - 2012



DIRECTORS

EXECUTIVE DIRECTORS

- Chief executive officer: **Grant Pattison** (41) – Appointed 2004
- Chief Operating Officer (Ex - Chief Financial Officer): **Guy Hayward** - Appointed 2001, (Appointed COO, May 2012)
- New Chief Financial Officer: **Ilan Zwarenstein** (37) – Appointed May 2012, previously Company Secretary. (As he was appointed so late in the financial year, remuneration figures for Zwarenstein are not included)

NON-EXECUTIVE CHAIRMAN AND DIRECTORS

Chairman of the board: Mark Lamberti (62) – Appointed 1988; CEO 2003 – 2007 (Considered independent by the company); Chairman since 2007

- Chris Seabrooke - Deputy Chairman of the Board and Lead Independent Director - Appointed 1 February 2000.
- Dr. Nolulamo (Lulu) Gwagwa - Appointed 1 November 2006.
- Phumzile Langeni - Appointed 25 August 2004.

Walmart appointees: Following the acquisition of Massmart by Walmart, three Non-Executives on the board are now Walmart appointees.

- John Suarez - Senior Vice President of International Business Development for **Walmart** International - Appointed 20 June 2011.
- Jeffery Davis - **Walmart** Inc.'s Senior Vice-President Finance & Treasurer. - Appointed 20 June 2011.
- Dave Cheesewright - President and Chief Executive Officer - **Walmart** EMEA (alternate director to Doug McMillon, JP Suarez and Jeff Davies) - Appointed 23 November 2011

DIRECTORS' FEES

No reason is given for the fact that neither the CEO nor the Finance Director collected bonuses for the 2012 financial year. This is the cause of their overall remuneration shrinking over the last year. However, the CEO salary for the year rose to nearly R4 million in 2012, and the average for the executives was 6 per cent up to nearly R3.5 million. Added to this, both

executives cashed in share options in the year taking the CEO's pay up to R26.7 million for the year and an average for the executives of nearly R10 million.

TABLE 13: CHIEF EXECUTIVE OFFICER FEES

Year	Salary (ZAR)	Bonus (ZAR)	Benefits (ZAR)	Annual remuneration (ZAR)	LTI payment (ZAR)	Total (ZAR)	Salary change	Annual Rem Change
2008	2 550 000	3 880 000	5 770 000	12 200 000	-	12 200 000		
2009	2 875 000	1 356 000	6 970 000	11 201 000	2 951 000	14 152 000	13%	-8%
2010	3 019 000	976 000	5 177 000	9 172 000	2 951 000	12 123 000	5%	-18%
2011	3 738 000	3 678 000	4 693 000	12 109 000	77 947 000	90 056 000	24%	32%
2012	3 899 000	-	2 891 000	6 790 000	19 891 000	26 681 000	4%	-44%

TABLE 14: AVERAGE EXECUTIVE DIRECTOR FEES

Year	Salary (ZAR)	Cash bonus (ZAR)	Benefits (ZAR)	Annual remuneration (ZAR)	LTI payment	Total	Salary change	Annual Rem Change
2008	2 293 000	3 338 000	4 153 000	9 784 000	2 742 000	12 526 000		
2009	2 557 500	1 238 000	5 563 500	9 359 000	1 475 500	10 834 500	12%	-4%
2010	2 719 000	891 000	4 731 000	8 341 000	1 475 500	9 816 500	6%	-11%
2011	3 244 500	2 871 000	4 222 000	10 337 500	95 137 500	105 475 000	19%	24%
2012	3 447 000	-	2 543 000	5 990 000	12 467 000	18 457 000	6%	-17%

TABLE 15: AVERAGE NON-EXECUTIVE DIRECTOR FEES

Year	No. of NEDs	Total Fees	Average Fees
2008	6	R 2,530,000	R 421,667
2009	5	R 1,520,000	R 304,000
2010	6	R 2,383,000	R 397,167
2011	8	R 3,070,800	R 383,850

FIGURE 11: MASSMART/WALMART CEO TOTAL PAY

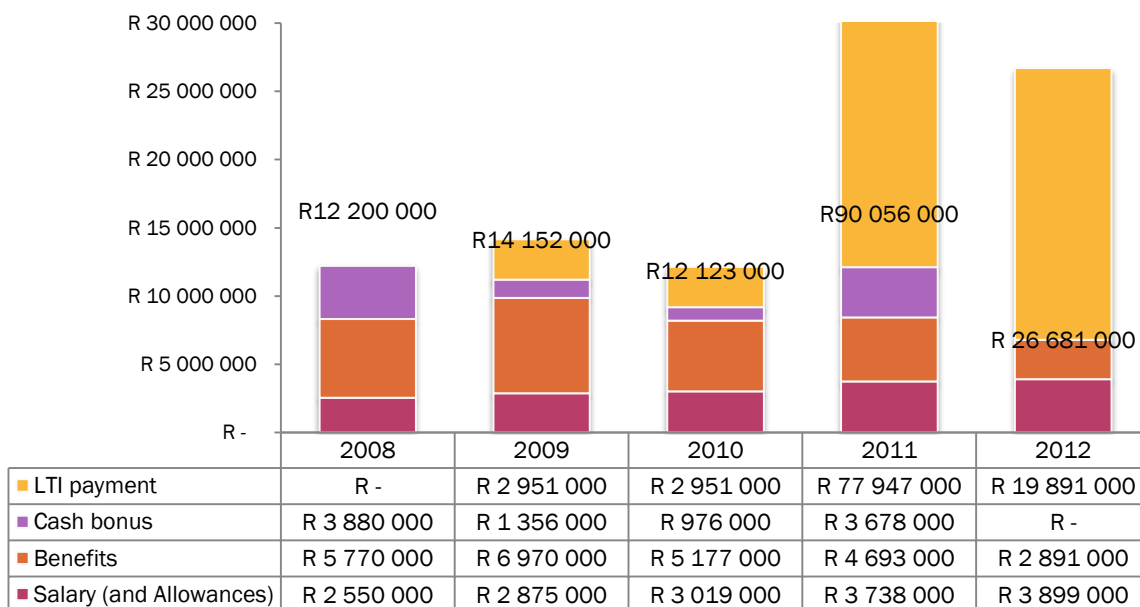
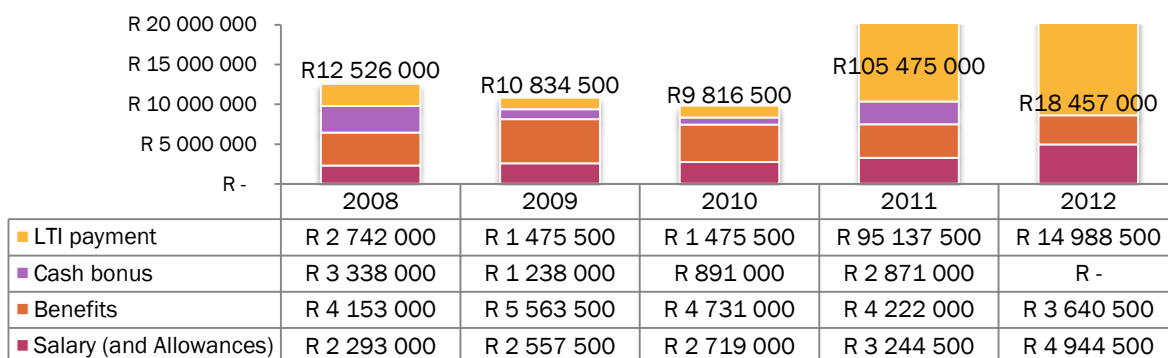


FIGURE 12: MASSMART / WALMART AVERAGE EXECUTIVE DIRECTOR TOTAL PAY



The high pay for 2011 also followed from the fact that Grant Pattison secured a pretax profit of around R103m on his shares and options on the successful Walmart bid for the Massmart. Guy Hayward, then the group's CFO, made a pre-tax profit of just over R50m on the transaction.

DIRECTOR SHAREHOLDINGS

Through a Share Scheme, Grant, the CEO, holds 733,021 Massmart shares and options of which 42,202 shares and 158,603 options are held in the Pattison Family Trust, where Grant is a beneficiary. The average length of time that he has held these is 4.8 years and the average strike price is R77.99 per share which makes his current option holding at the yearend worth around: **R66 235 778**. The Pattison Family Trust also directly owns 218,055 Massmart shares which, at the year closing share price of R168.35 was worth **R36 709 559**.

Through the Share Scheme, the CFO holds 628,406 Massmart shares and options of which 19,912 shares are held in the Bluett-Hayward Trust, of which Hayward is a beneficiary. The average length of time that he has held these is 3.1 years and the average strike price is R103.51 per share his current option holding at the year- end worth around: **R40 745 845**. He also owns 36,517 Massmart shares directly shares which, at the year closing share price of R168.35 was worth **R6 147 637**.

This shareholding and the value of the shares is a considerable addition to the income of management.

CORPORATE GOVERNANCE

Although the company claims to be compliant with King III, there are several areas where it is not as noted in the 2012 Annual Corporate Governance Report. Amongst these are included the fact that

1. The Board does not ask the shareholders for non-binding approval for the Group's remuneration policies, a practice that is globally accepted as good governance and one on which shareholders are particularly interested in voting as the pay of the management is intended to be tied to that of the company. To pass over this right and ask "shareholders with concerns at this policy should contact the Chairmen of either the Board or the Nomination and Remuneration Committee" seems insufficient.
2. The Board does not have a formal dispute resolution process as it believes that the existing processes within the Group operate satisfactorily and do not require a more formal and separate mechanism.
3. King III recommends that the Company's sustainability report be audited by an independent external professional. Massmart's sustainability report has not been audited: "verification of the key sustainability metrics ... have been obtained through agreed upon procedures performed by Massmart Internal Audit Services. A copy of the agreed upon procedures report is available at the registered office of the Company". Again, without external analysis of the policies, practices and strategies of the company, how is their usefulness to anyone but the board to be verified?

Despite this, recent news reports note that Massmart/Walmart has once again been recognised as one of the top performers in JSE's 2012 Socially Responsible Investment (SRI) Index. It apparently met all 39 core indicators and 42 out of 49 desirable indicators in social performance. For **governance and related sustainability concerns, 32 out of 32 for core indicators and 32 out of 33 for desirable indicators were met**. All environmental performance indicators were met. This serves to question the basis of this

LABOUR RELATIONS

Quotes from the Massmart Annual Reports on labour relations:

2005... 'We continue to maintain a healthy relationship with the representative bodies of organised labour in all of our Chains. These bodies collectively represent 45, 9% of our workforce'.

2009 ... increased the stridency of populist rhetoric and the vigour of socio-economic demands, both indicative of a more open democracy. Service delivery rioters, striking workers, obstructive taxi owners, and officious youth leaders all contributed to an environment conducive to the first ever protracted dispute between certain Massmart divisions and organised labour.

2010 - Labour relations were unfortunately strained in Massdiscounters as management sought more labour flexibility from the labour union, SACCAWU, in order to extract productivity improvements from our three-year investment in the supply chain. Unfortunately, we were unable to reach resolution and had to resort to retrenchment, which was devastating for those employees. We have provided, and continue to provide, those retrenched employees with as much support as possible. As a result of these labour disputes, there were some isolated labour-related disruptions to trading. More significantly however, the Game Lakeside Mall store in Benoni was deliberately destroyed by fire. We continue to co-operate with the police as they progress their investigations and the store will re-open in November 2010.

In 2011, the company report the following concerning labour costs, "We anticipate that real labour costs will continue to rise and we will need to manage our labour costs carefully. The issue of using temporary workers was separated out of the 2011 union wage negotiations and will be addressed in the next financial year."

No direct reference is made to this issue in the 2012 report, although the following is noted with regard to wages:

"Wage settlements remain above inflation, requiring management to seek productivity gains. This puts downward pressure on employment figures in the comparable business whilst total employment will increase from organic store growth. The proposed amendments to the South African labour regulations will require us to manage flexi-time workers differently, although the regulations will not affect the balance between full-time and flexi-time employment. They will however, increase the costs of managing the flexi-time employees, which will again require management to look for productivity gains. Massmart's labour relations remain sound and our wage agreements have, almost without exception, been concluded earlier than we experienced a year ago and, in some instances, with two-year agreements."

Commenting on the Walmart transaction in 2011, the CEO of Massmart stated:

"It really is an exciting time for employees. And just so you are absolutely clear, our employees aren't driving any protest: you'll see there has been no strikes, no protests; in fact I would suggest that they have gone as far as to tell the union not to get in the way. All good for our employees"

Opening statement of: "Wal-Mart: A Manager's Toolbox to Remaining Union Free"

As a member of Wal-Mart's management team, you are our first line of defense against unionization. It is important to be 1) constantly alert for efforts by a union to organise your associates and 2) constantly alert to any signs your associates are interested in a union."

As of the annual report 2012, employees are now addressed more and more as associates, the Walmart term. Further, in the vision of Massmart there is no mention of employees. It is suspected that they are what the company means when it addresses "career retailers"

FIGURE 13: THE MASSMART VISION - MASSMART / WALMART ANNUAL REPORT 2012, PAGE 4 - WHERE ARE THE EMPLOYEES?

THE MASSMART VISION

OUR SUPPLIERS

Will regard Massmart as a valued partner in accessing and understanding their end-consumers.

OUR INVESTORS

Will regard Massmart as a portfolio rendering superior returns relative to the JSE 'Retail' sector.

OUR CUSTOMERS

Will regard Massmart's wholesale and retail formats as their first choice when buying those categories of merchandise offered by the formats.

OUR COMMUNITY

Including Government, will regard Massmart as a socially accountable corporation.

CAREER RETAILERS

Will regard Massmart as the preferred employer in the distribution industry.

EMPLOYMENT - PERMANENT/CASUAL/CONTRACT, PART-TIME/FULL-TIME / FLEXI-TIME WORKERS

Bridget Kenny¹⁰ points out in her long range study of unionisation in the retail sector that the restructuring in the South African food retailing labour market has significantly contributed to the decline of union strength in the sector over the past fifteen years. It is worthwhile to quote at length from her study:

“The South African labour market of corporate retailers transformed during the 1990s. Shifting from a workforce predominantly characterized as permanent and full-time in the mid-1980s with a minor use of part-time and casual employment (Kenny, 2005b), food retailing has become marked by significant segmentation between permanent, casual and contract labour. In restructuring from the late 1980s, South African retailers took advantage of the prior existence of casual labour as an employment form (Kenny, 2005b). “Casual” labour, or hourly paid “extra” staff, worked a maximum of 24 hours per week with no benefits and little job security. Retailers increased the use of this form of employment when they began extending store trading hours in the 1980s as part of their drive for greater profits with new formats. But, from the late 1980s, they began to use casual labour regularly throughout departments and shifts. One former retail manager explained, “Casual labour increased in the late 1980s to total flexible hours. Seven days a week. There was a move to staff scheduling... Retailers introduced a system of staffing valleys with permanent staff. Casuals were used in the peaks” (Interview, former corporate retail manager, 6 July 2000, Cape Town). Indeed, the history of trade union bargaining in the sector secured a standard shift for permanent workers, which in effect, led to greater use of casual labour in flexible shifts”.

The total number of employees at Massmart has not been reported on since 2010, only FTEs which are defined as “Full-time equivalents: includes all permanent employees and the permanent equivalent of temporary employees and contracted workers”. How this figure is determined is not disclosed. It is therefore not possible to determine exactly how many workers are either employed by or work at Massmart/Walmart and in what contracts, how many are directly employed by Massmart / Walmart and how many that are under contract are employed under outsourcing agreements. Nor is there a clear breakdown of the location of workers to determine where the workers are.

TABLE 16: EMPLOYEES AT MASSMART/WALMART

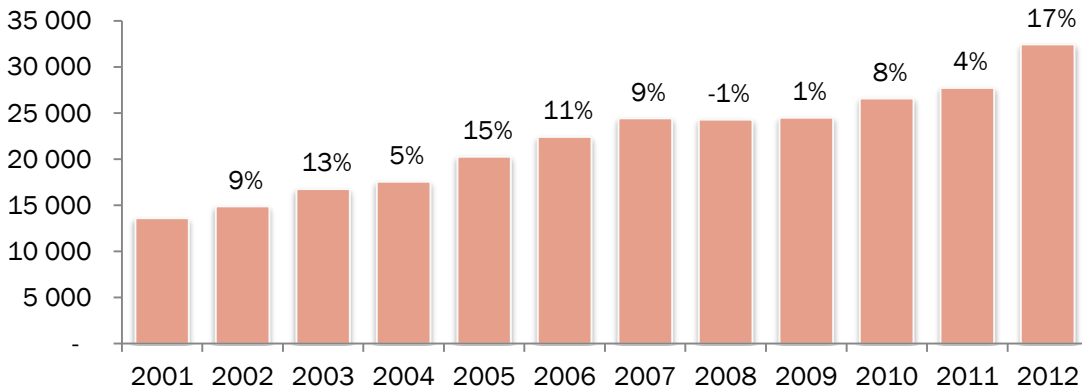
	Total FTEs*	Total Employees	Permanent Employees	%permanent employees	% flexi-time / non-permanent employees	Change in FTEs
2001	13 600	13 600	ND	ND	ND	-
2002	14 882	14 882	ND	ND	ND	9%
2003	16 763	16 763	ND	ND	ND	13%
2004	17 565	17 565	11 997	68%	ND	5%
2005	20 277	ND	15 297	70%	30%	15%

¹⁰ Kenny, B. in TRAVAIL, capital et société 38:1&2 (2005) Militant Divisions, Collective Possibilities: Lessons for labour mobilization from South African retail sector workers.

2006	22 412	24 754	ND	64%	36%	11%
2007	24 436	26 744	ND	61%	39%	9%
2008	24 308	27 521	ND	64%	36%	-1%
2009	24 518	28 162	18 302	65%	33%	1%
2010	26 585	ND	ND	ND	33%	8%
2011	27 729	ND	ND	68%	32%	4%
2012	32 439	ND	ND	ND	33.9%	17%

*Full-time equivalents: includes all permanent employees and the permanent equivalent of temporary employees and contracted workers
Source: Annual Report 2010, 54 – 55; Annual Report 2007, 80; It is unclear from the reports whether all employees were FTEs in 2001 – 2005, this seems unlikely. However no distinction is made in the reports and so the numbers are reported here as being the same.

FIGURE 14: CHANGES IN THE NUMBER OF FTES AT MASSMART / WALMART



What is clear is that the number of FTE's has grown substantially in the last year, possible following the acquisition of Rhino. It is very important that the company clarify how this number is made up.

Labour Brokers

The 2004 Annual Report makes the following statement concerning labour brokers:

'In recent years our Group has made more extensive use of external contractors and flexi-timers, employed via labour brokers, to staff certain sections of our stores, e.g. the front-end cashiers. While it is preferable to engage our own permanent employees, external contractors give us greater flexibility in terms of staff scheduling for seasonality and the long, irregular trading hours of retail. By carefully framing and managing the contract with our external labour brokers, our experience has been that many workers engaged through them are as committed to doing good work and providing service as that of our own permanent staff. (Annual report 2004, 39)

From the Media 2009: Retail BizCommunity.com, **29 December 2009**

...According to the Consumer Goods Council of SA, the retail and manufacturing sectors carry the biggest portion of employment in SA, with a total of 5-million people, or 33, 7% of the total labour force. It is not known how many of these 5-million people were hired through labour brokers.

...

Massmart sources staff via labour brokers in different proportions across its operations.

In Masscash, which includes Jumbo Cash & Carry and Shield, the figure is 10%. In Massdiscounters, Game and Dion Wired, it is estimated at 2.79%; in Masswarehouse (Makro) 30%; and at Builders Warehouse 20%...¹¹

There is no reference to labour brokers in the 2009, 2010 or 2011 Annual Reports. In 2011 the company states the following:

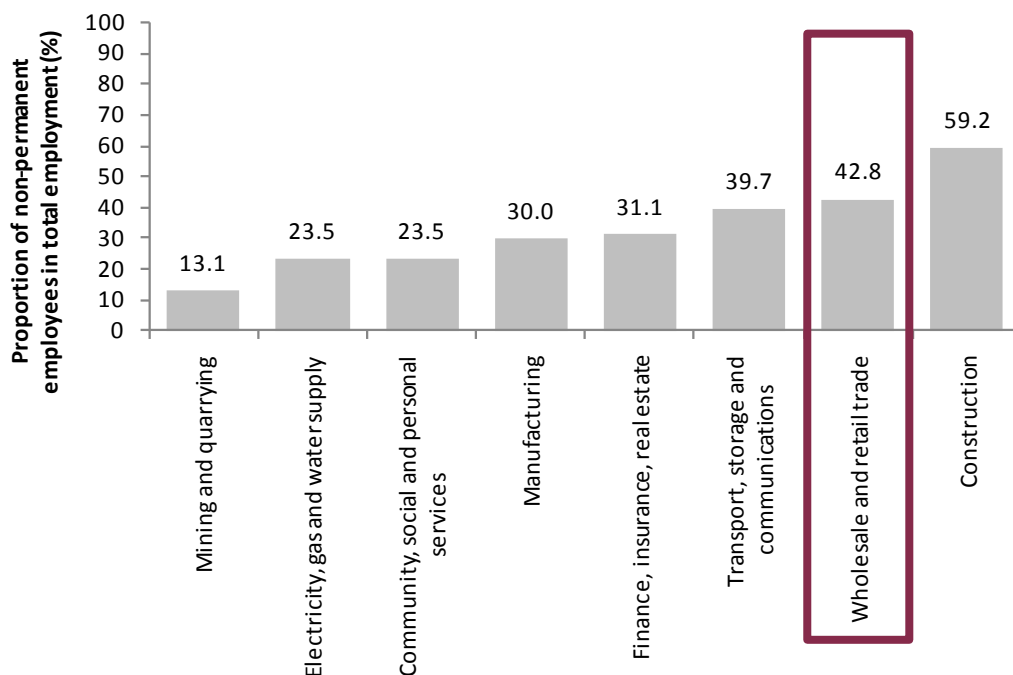
The Group employed 4.3% more employees (on a full-time equivalent basis or FTE) compared to 2010, increasing as we opened new stores and from acquisitions. The inflexibility of South African organised labour requires that new stores should be opened with fewer employees as improved business practices and processes are implemented".

In 2012 there is only one short reference: ..."To minimise risk, Massdiscounters does not use labour brokers in our stores". It would be useful to establish if this is a policy across the Group and if not, where the labour brokers are being used. However, reports from shop stewards at the Alliance meeting noted that the current trend at Massdiscounters is an increase in labour broker workers so that close to 60 per cent of workers there are described as labour brokers. How are these to

¹¹ <http://retail.bizcommunity.com/Article/196/182/43377.html>. It is not clear where they have sourced their figures.

statements reconciled? Further, shop stewards describe Cambridge Foods, the fastest growing division of Massmart / Walmart as 90 per cent staffed by labour brokers.

FIGURE 15: CONTRACT EMPLOYMENT IN SOUTH AFRICA BY SECTOR

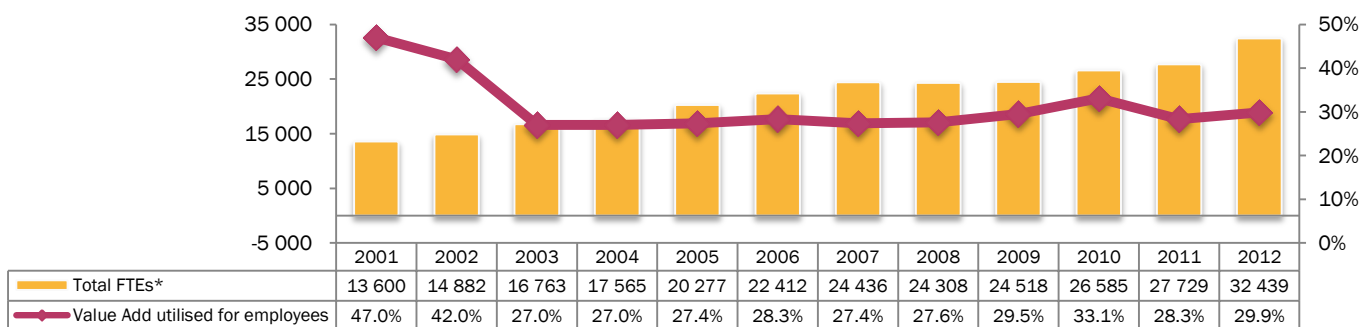


Source: Adcorp presentation: cgca_conference_-_labour_broking_10.2010.pptx from website: http://www.cgcsa.co.za/index.php?option=com_jdownloads&Itemid=88&view=summary

ADDING VALUE, NOT REAPING REWARDS

The Value Added statement of a company shows the total wealth created, how it was distributed to meet certain obligations and reward those responsible for its creation, and the portion retained for the continued operation and expansion of the company. The proportion of the wealth created at Massmart/Walmart that is applied to employee wages and salaries dropped dramatically in 2003 and have not recovered. When compared to its competitors, Massmart distributes far less of its wealth to employees. In the same year Shoprite distributed 58% and Pick 'n Pay 65% of wealth to employees as salaries, wages and other benefits.

FIGURE 16: EMPLOYMENT FIGURES AND VALUE ADDED EMPLOYED COMPARED AT MASSMART / WALMART



*Full-time equivalents: includes all permanent employees and the permanent equivalent of temporary employees and contracted workers (Company definition)

Management should be challenged to follow up on how it is addressing the issue of temporary workers and how this term is defined as well as what they mean by the statement concerning productivity gains.

KEY ISSUES AND RECOMMENDATIONS

Developing responses to the conditions of the merger

1. In approving the transaction, the ruling of the South African Competition Appeal Court in March 2012, states that one of the conditions of the merger between Massmart and Walmart is that :

'The merged entity must honour existing labour agreements and must continue to honour the current practice of the Massmart Group not to challenge SACCAWU's current position, as the largest representative union within the merged entity, to represent the bargaining units, for at least three (3) years from the effective date of the transaction'¹².

Unions and the Alliance need to be prepared for the time when these current labour agreements expire as it seems that everything thereafter is up for grabs and unions will have to be ready for hard negotiation and campaigning to maintain and improve workers' rights and conditions. Unions need to defend and improve working conditions in any new agreement but also the processes of reaching those agreements. In the absence of external monitoring of this commitment it is up to the Alliance and national unions to monitor the company. Questions need to be put to management now concerning whom and by what processes decisions will be made when new agreements have to be negotiated. Will this be done in the same way as before though South African human resource channels or will the system have changed. Unions organising in Massmart/Walmart will need to establish what the processes are so that they are not caught unprepared for the new dispensation.

Massmart/Walmart is also expanding and will rapidly open operations in countries and locations where there are no current stores and so no current unions or agreements. These expansions and acquisitions will not be covered by the conditions of the merger. The Alliance needs to have a strategy for following the company's growth plans so that workers in the new territories are prepared for the arrival of the company and are supported in their efforts to organise.

In all respects it is essential (1) that there is a monitoring system in place (2) the rights exercised by workers under South African law, are extended throughout Massmart/Walmart operations and that the company is held to these standards wherever it operates.

2. A further condition of the merger was:

The merged entity must ensure that there are no retrenchments based on the merged entity's operational requirements, in South Africa, resulting from the merger, for a period of two (2) years from the effective date of the transaction. For the sake of clarity, retrenchments do not include voluntary separation agreements or voluntary early retirement packages, and reasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act, 1995, as amended¹³.

Once again there is a time limit on what is required of the company and the South African union must prepare for the date when this protection expires. Further, the protection is only extended to South African workers rather than all entities and so unions in other countries will have to be on their guard for retrenchments required for operational reasons.

Organising - everywhere and everyone

The best protection against management strategies to undermine working conditions is for all workers to be organised into strong independent and democratic unions. In workshop and in questionnaire responses it is clear that in order to face these challenges it is necessary to build the capacity of shop stewards in Massmart/Walmart to organise and represent workers, particularly informalised workers. Unions, SACCAWU in particular, and shop steward groups within the union have developed a number of organizational innovations which has enabled them to organise informalised workers including casuals workers, immigrants and labour brokers with some levels of success. What was also clear was that many of these strategies have not been communicated widely. This is essential to extend the policy and practice. There is a strong need for awareness-raising among shop stewards and members that ALL workers are the same and need to be recruited to the union. Until workers realise this management will deepen the divisions and continue to exploit perceived differences between workers to make them increasingly vulnerable and open to abuse.

A meeting with the National Shop Stewards Committee of Sun International, another SA MNC operating in Southern Africa, revealed how gains can be made with regard to organising informalised workers. With regard to informalised workers, the Committee has achieved more than simply organising and representing them, they have managed to negotiate core contracts for scheduled workers and are in the process of negotiating the full employment of labour brokers. Shop stewards throughout the union and the Alliance should have the information on how this was achieved available so that their strategies can be based on the successes and experiences of the SISA Committee. However, it was made clear that, as always, these gains were hard won by the union and required militancy on the part of workers. Likewise, despite these gains

¹² REPUBLIC OF SOUTH AFRICA IN THE COMPETITION APPEAL COURT OF SOUTH AFRICA HELD IN CAPE TOWN Reportable CASE NO: 110/CAC/Jul11

¹³ Ibid.

shop stewards highlight the continuing need to be vigilant and the goal of management to control labour costs has not changed despite the victories won by the union.

Unions across the operations and in new operations need to be supported in organising workers and brought into the Alliance as they organise within the company. This also includes encouraging unions to affiliate to UNI as this will help to build links between unions within the same country and across borders and so build solidarity. The planned expansion of the company across Africa must be monitored and discussed with the company. The network needs to keep up to date on where the company is going and making sure that unions in those countries are ready and free to organise workers.

Unions will recruit workers in all forms of employment and across grades and job functions to combat the divide and rule tactics of Massmart/Walmart. While the increased use of casual and contracted labour should be resisted, the fact that these workers are increasingly being used in operations cannot be ignored. Information from participants seems to suggest that these workers are not well organised. Strategies to organise these workers need to be devised and shared.

Information and communication – learning from and supporting each other

The need for information and communication are tied together, information that is not communicated cannot be used and communication without useful information is a waste of resources

Communication

One of the greatest weapons of the unions has is communication between members of the Alliance who work in the operations of the company and know what is happening there. Following the meeting in June 2012, a network of people with contact details now exists. However, forms of communication and regularity of communication must be set up – text messages to mobile phones, email accounts set up and used and union resources to assist with coordination functions of the committee and alliance should be made available. Such communication will facilitate sharing of ideas on organising and recruitment, and collective agreements so that other unions organising in the company can see where gains can be made. These can be shared and analysed so as to develop common conditions and standards of employment. Unions within the network can share what substantive demands they are putting forward in negotiations and compare outcomes and working conditions. Communication also assists in building solidarity on issues arising at various operations and reporting back on campaigns and strategies. The Alliance needs to dedicate time and capacity to this issue.

Given that many of the unions engaging with Massmart/Walmart are the same unions as are involved in the Shoprite Shop Steward Alliance and the Pick n Pay Shop Stewards Alliance the opportunity to learn from and share with these campaigns and networks building should be planned and used.

Information

There needs to be a commitment to collect information on workers in all Massmart/Walmart operations – both unorganised and within the union –by the national unions. This will assist the unions in gauging improvements in organisation as well as highlighting which workers are still unorganised and coming up with strategies for organising them. It is part of building the union organisation as well as gaining better information of who works at Massmart/Walmart.

This information can be stored together with collective agreements and updated company information as a resource base for the Alliance. Currently the Labour Research Service Multinational Database can be used as a resource for Company and union information should the Alliance set up processes to collect information. <http://www.lrs.org.za/mnc>

Capacity building for shop stewards and negotiators (See Appendix 8)

Without the capacity to use information it remains simply words and numbers on a page. Whether big or small with a long or short history of organising, every union surveyed raised shop steward training as essential. This is going to be particularly relevant when current agreements expire. Educational material needs to be sourced or developed and a forum for sharing skills, or work-shopping with more experienced shop stewards to be developed by the Alliance. A possible tool for training is being developed by the International Federation of Worker Education Associations (IFWEA) in the form of an Online Learning Academy which utilises the internet to provide online educational opportunities for labour activists. Such courses can assist workers identify different kinds of information contained in collective bargaining agreements; identify other information (economic, political, social and organisational) required to develop collective bargaining strategies; structure information for presentation; communicate information to members and officials in the union involved in the collective bargaining process; critically examine a collective bargaining agreement; critically evaluate a trade union information and communication system; evaluate their own role in collective bargaining. More information is available here: <http://www.ifweaonline.org/>

Global Framework Agreement

Following from a suggestion made at the launch, that actions of the Alliance must have a direct objective, a first step has been taken in placing the demand for a Global Framework Agreement before management. What the next steps will be and how the campaign will develop needs to be agreed with activities, milestones set out.

Suggestions have included placing the demand for the Global Agreement on the Collective Bargaining table. Further it could be suggested that Massmart/Walmart makes a statement concerning its commitment, if not to a Global Agreement then to the four core conventions of the ILO including the prohibition of child labour (ILO 138 and 192), the prohibition of forced labour (ILO 29 and 105), non-discrimination (ILO 100 and 111) and freedom of association and the right to collective bargaining (ILO 87, 98 and 135) in all operations.

The Massmart/ Walmart annual report notes that “Massmart views percentage of unionised staff as an indicator of commitment to freedom of association”. A commitment to the four core conventions of the ILO would underline this and also begin to pave the way for the Global Agreement, the heart of which is these conventions.

CONCLUSION

The general consensus is that Walmart bought into Massmart in order to get a foothold in Africa and that it is prepared to put up with the conditions of the South African Competition Court and the labour laws of South Africa as it eyes the freedom it expects in Africa. What this Alliance will do, as noted by SACCAWU General Secretary and UNI Africa President Bones Skulu, is give Walmart the sense that they are not just dealing with South Africa and a single South African union any more but with organized labour across its African operations. This sentiment was echoed by the General Secretary of UNI Global Union who stated at the launch of the Global Alliance in the USA in November 2012: “Walmart should accept the new reality. They now face a global alliance that is prepared to take a stand for decent work and for the rights of Walmart staff worldwide.”

In order for this to be an effective Alliance however unions involved need to effectively communicate and support each other.

This report was written to provide the Massmart/Walmart Alliance with information on the unions in Africa organising at Massmart/Walmart and some insight into the operations and strategies of the company. It is a first step and its purpose has been accomplished in so far as it provides a general overview of the unions concerned, their preparedness to work together, the main demands of workers, their perceptions about the company and their expectations of the establishment of an alliance between the unions.

Having established a committee of the shop steward alliance at the workshop, the next step is to develop a plan of action based on the key issues that emerged and that are also highlighted in this report.

APPENDICES

- APPENDIX 1: Questionnaire for Unions Organising at Massmart/Walmart
- APPENDIX 2: Participants list at Massmart / Walmart Shop Steward Alliance Meeting June 2012
- APPENDIX 3: Trade Union Rights and Collective Bargaining
- APPENDIX 4: Union Prioritisation of Workers Demands
- APPENDIX 5: Trade Union Comparison of Massmart/Walmart Wages, Working Hours, Training and Working Conditions
- APPENDIX 6: Industrial Action and Company Responses
- APPENDIX 7: Trade Union Perceptions of Management
- APPENDIX 8: Trade Union Identified Training Needs for Shop Stewards
- APPENDIX 9: Trade Identified Challenges at Massmart/Walmart
- APPENDIX 10: Regional Solidarity Focus for the Alliance
- APPENDIX 11: South African Retail Sector 2010 – comparison of key figures
- APPENDIX 12: Letter from head office to Massmart/Walmart operations regarding the transaction (February 2011)
- APPENDIX 13: Letter from UNI Africa Massmart/Walmart Union Alliance to Massmart /Walmart management calling for a GFA.

Massmart/Walmart Trade Union Questionnaire

Massmart is the third largest retailer in South Africa. Its model is one of low-margin, low-cost distribution of mainly branded consumer goods for cash. Its sales comprise 53% food and liquor, 42% general merchandise and 13% home improvement. It operates under four divisions and nine brands - Massdiscounters (Game and DionWired), Masswarehouse (Makro), Massbuild (Builders Warehouse, Builders Express and Builders Trade Depot), Masscash (CBW, Jumbo and Shield).

Massdiscounters:

Game: 106 stores (94 South Africa, 2 Namibia, 2 Botswana, 1 Ghana, 1 Malawi, 1 Mauritius, 1 Mozambique, 1 Nigeria, 1 Tanzania, 1 Uganda)
Dionwired: 16 stores (South Africa only)

Masswarehouse:

Makro: 16 stores (South Africa only)

Massbuild:

Builders Warehouse: 28 stores (South Africa only)

Builders Express: 26 store (South Africa only)

Builders Trade Depot: 30 stores (South Africa only)

Masscash:

CBW: 75 stores (62 South Africa, 8 Botswana, 2 Lesotho, 1 Namibia, 1 Mozambique, 1 Swaziland)

Cambridge Food Stores: 27 Stores (South Africa only)

Jumbo Stores: 6 stores (South Africa only)

Shield: 633 members and 686 outlets

In 2011/12 Wal-Mart, the world's largest retailer, made a successful bid for 51% of Massmart shares and is now the controlling owner of the company. Wal-Mart is well-known to be anti-organised labour and unions in particular and this must be taken into account as it funds the growth of Massmart across the continent, which is its stated goal in acquiring Massmart. In the lead-up to the take-over, Massmart has faced increasing protest from workers in its operations concerning the downgrading of conditions of employment, retrenchments, the imposition of ultra-flexi time contracts, psychometric testing, and the introduction of new Green Light technology that requires tertiary vocational training and the refusal by the company to offer any training to staff except for management. The proposal for a network of shop stewards to campaign for a global framework agreement therefore comes at both an important and a difficult time for workers.

In order to increase union organisation in all the company locations, grow union solidarity across the company's operations, to engage with the company on workers' rights, conditions and wages, information current wages and conditions, on the unions operating in Massmart and the challenges their members face in engaging with the company should be gathered and analysed in order to help to develop coherent strategies to organise, bargain and build cross border solidarity.

Below is the research process that was agreed to and the questionnaire itself.

PROCESS

This Questionnaire was drafted by the LRS, however, it will be administered and completed by FES offices and the UNI affiliate organising at Walmart/Massmart in various African countries.

Gerd Botterweck will distribute the questionnaire to various FES offices in Africa together with an overview of the project.

The FES will appoint a staff member in each country to work on this questionnaire with the UNI affiliate.

The FES staff member will contact the General Secretary of the UNI affiliate in the country to clarify purpose of the project and to ask for a trade union official/member with whom to liaise and who would facilitate the completion of the questionnaire with a Shop Steward at Walmart/Massmart.

The FES representative and the union appointed person will first go through the questionnaire to clarify the questions and the data required.

The trade union appointee will complete questionnaire and gather the required information with a Walmart/Massmart shop steward and submit it to FES office in the country.

FES staff will check and then clarify responses, data and attached documentation with the appointed union person if necessary.

FES staff will then send the completed questionnaire and accompanying documentation to Gerd Botterweck (Resident Director, Friedrich-Ebert-Stiftung, Zambia Office)

Michelle Taal (LRS) will analyse the questionnaires, collate the information and provide a synthesis report to FES and UNI for comments.

Suggested Countries that this project will cover:

The report should be ready by the **20 June** to inform the Walmart/Massmart Alliance meeting in that month.

South Africa (It is suggested that in South Africa the questionnaire is sent to one shop steward in each division), Botswana, Ghana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda.

Contact Details:

Gerd Botterweck, Friedrich Ebert Stiftung,
34, Bompas Road, Dunkeld West

Johannesburg

Tel: +27-11 341 0270

Fax: +27-11 341 0271

Email: Gerd.Botterweck@fes-southafrica.org

Michelle Taal

Labour Research Service

PO Box 376, Woodstock, 7915, South Africa

Tel: +27214471677

Fax: +27214479244

Email: michelle@lrs.org.za

QUESTIONNAIRE FOR UNIONS ORGANISING AT MASSMART / WALMART in AFRICA

COUNTRY:

Name of FES Staff Member working on this project:

Address:

Telephone:

Work:

Mobile:

Email:

Name of Trade Union Official working on this project:

Name of Trade Union

Address:

Telephone:

Work:

Mobile:
Email:

Name of Shop Steward (Optional)

Division and Name of WALMART/MASSMART operation where Shop Steward works:

Location of WALMART/MASSMART operation where Shop Steward works:

Number of years as a shop steward:

Job function at WALMART/MASSMART:

Number of years at WALMART/MASSMART:

Address:
Email: (preferably not work email)

Telephone:
Work:
Mobile:

QUESTIONNAIRE

1. UNIONS AT COMPANY OPERATIONS:

1.1 Which Unions organise in MASSMART/WALMART in your country?

Name of Union/s involved in bargaining	UNI Member (Y/N)	Contact Details
		General Secretary: Address: Telephone:
		General Secretary: Address: Telephone:

1.2 If there is more than one union organising in MASSMART/WALMART, are all recognised by the management?

➔ (please provide copies of recognition agreements if available)

Unions with a recognition agreement	Unions with no recognition

1.3 If there is more than one union, which ones participate in collective bargaining?

Unions That Take Part In Collective Bargaining	Unions That Do Not Take Part In Collective Bargaining

➔(please provide latest collective bargaining agreements)

1.4 If there is more than one union organising in MASSMART/WALMART do the unions cooperate?

YES	NO
-----	----

1.5 If yes, how do you describe the level of cooperation?

No Cooperation	Weak	Effective
----------------	------	-----------

1.6 If yes, which unions cooperate with each other during collective bargaining with WALMART/MASSMART?

1.7 On what other issues do unions cooperate? (provide examples)

1.8 Please provide the number of (1) all employees WALMART/MASSMART, (2) members of Union. (If gender breakdown is not available just fill in the totals)

	Number of Workers at WALMART/MASSMART OPERATION			Number of workers belonging to Union		
	Men	Women	Total	Men	Women	Total
Full-Time Permanent						
Part / Flexi time Permanent						
Casual / Temporary / outsourced						
Total						

Number of Shop Stewards in the operation	Men	Women

If there is another union organising at WALMART/MASSMART, please provide information in the table on the right.

Name of Union:

	Number of WALMART/MASSMART workers belonging to other Union		
	Men	Women	Total
Full-Time			
Casual / Temporary / outsourced			
Total			

2. KEY ISSUES FOR WORKERS:

2.1 What are the **main grievances of workers** at WALMART/MASSMART that are brought to shop stewards? (Wages, Working Hours, Fear of Retrenchment, Short Term Employment contracts, Casualisation, Organisational Rights, Health and Safety Issues, Management Style, etc.)

Please give a maximum of three in order of most the important to workers.

1.

- 2.
- 3.

2.1.1 How are these issues currently being taken up by the union?

- 1.
- 2.
- 3.

2.2 What work do outsourced workers do at this operation?

2.2.1 Do casual and temporary workers have different grievances from full-time workers? (Give examples of specific grievance of casual and temporary / outsourced workers)

- 1.
- 2.
- 3.

2.3 Have workers experienced any changes in management attitude since the purchase of Massmart by Walmart and of what nature?

2.3.1 What have workers done to protect themselves?

2.3.2 What has the union done to address these particular issues?

3. UNION CHALLENGES:

3.1 List the most important challenges that **the union has identified** at WALMART/MASSMART? (e.g. Increase the number of members; Gaining recognition agreement from the company; Improve collective bargaining with the company, training shop stewards, etc.)

- 1.
- 2.

3.

3.2 Briefly state what the union is doing presently to meet these key challenges

4. UNION RELATIONSHIP WITH MANAGEMENT:

4.1 Do unions face any resistance from the company when they try to organise workers? (If yes, give examples of what the company does to prevent the union from organising workers)

4.2 Does the company allow the union/s to distribute information to workers at the workplace? (Give examples if unions were prevented from distributing information)

4.3 Does the company allow union representatives to meet with workers and shop stewards on the company premises? (If no, give examples where union representatives were refused the opportunity to meet)

4.4 Does the company restrict entry to certain sections of the business premises to union representatives? (If yes give examples where union representatives are denied entry)

4.5 Do workers experience any discrimination or intimidation from WALMART/MASSMART when joining the trade union? (If yes, give examples)

4.6 Are workers aware of the right to organise?

YES	NO
-----	----

4.7 Are workers in the company generally aware of the union?

YES	NO
-----	----

4.8 Are workers interested in joining the union?

YES	NO
-----	----

5. WAGES AND CONDITIONS:

5.1 What is the minimum wage for a permanent full-time worker at WALMART/MASSMART? (please state if this is weekly or monthly)

Job description	Wage	Weekly / Monthly

5.1.1 How does this compare with other retail companies?

Worse	Same	Better	Much Better
-------	------	--------	-------------

5.2 What is the minimum wage for a permanent part or flexitime worker at WALMART/MASSMART? (please state if this is weekly or monthly)

Job description	Wage	Weekly / Monthly

5.2.1 How does this compare with other retail companies?

Worse	Same	Better	Much Better
-------	------	--------	-------------

5.3 What is the minimum hourly wage rate of a casual worker at WALMART/MASSMART?

Job description	Wage

5.3.1 How does this compare with other retail companies?

Worse	Same	Better	Much Better
-------	------	--------	-------------

5.4 On average, how many hours a week do full time workers work?

5.5 On average, how many hours a week do part time workers work?

5.6 On average, how many hours a week do casual workers work?

5.7 How do you compare these working hours with other retail companies?

Fewer hours	Same	More hours	Much more hours
-------------	------	------------	-----------------

5.8 How do you compare the working conditions in at the company with what is stipulated by law?

Worse	Same	Better	Much Better
-------	------	--------	-------------

6. RELATIONSHIP WITH MANAGEMENT:

6.1 What is your opinion of the management style at WALMART/MASSMART? (tick the box in either the right or left column - if not sure than don't tick)

	STATEMENT	TICK	STATEMENT	TICK
1	Involves Shop Stewards in decision making		Decisions are made unilaterally by management	
2	Workers are consulted about operational changes by management		Workers are only instructed to carry out changes by management	
3	Supervision is constructive		Supervision is oppressive	
4	Workers are appreciated as contributors to WALMART/MASSMART		Workers are seen as a cost to WALMART/MASSMART	

5	Workers are treated with respect		Workers are treated in a disrespectful manner	
6	Management is not racist		Management is racist	
7	Management is not sexist		Management is sexist	

6.2 Have there been strikes by workers at Massmart in the past 3 years? (If yes, provide the dates and duration)

Date and Duration Strike	What Was The Major Issue/s	Number of workers involved	How was it resolved? (e.g. did workers succeed, fail, or did they reach a compromise?)

6.3 Were there any other forms of activities, protests or industrial actions by workers at Massmart (e.g., pickets, go-slows, stayaways, media highlighting workers' issues, etc.)? Provide details of this and state what the issue that sparked it was and also how successful it was)

6.4 What was the reaction of Massmart management to the strike or other forms of actions? (e.g. did they threaten workers with dismissal; did they respect the right of workers to strike; did they victimise strikers; did they try to divide the workers – please give examples)

6.5 Did government ever intervene in a dispute between unions/workers and Massmart?

6.6 Was government's intervention positive or negative for the union/workers? (explain what the issue was and how government intervened)

7. SHOP STEWARD TRAINING / SUPPORT:

PLEASE SAY HOW MUCH NEED THERE IS IN YOUR OPINION FOR EACH OF THESE SUPPORT AREAS...

Assistance managing information (gathering & keeping original collective agreements, analysis of the contents of collective agreements...)				
Not needed	Not very needed	Needed	Quite needed	Critical need

Information for bargaining (inflation, minimums, conditions of employment, other sectors, other companies...)

Not needed	Not very needed	Needed	Quite needed	Critical need
------------	-----------------	--------	--------------	---------------

Active support during bargaining				
Not needed	Not very needed	Needed	Quite needed	Critical need

Developing skills for bargaining processes (inflation, strategy, basic calculations, motivating & formulating demands, mandating...)				
Not needed	Not very needed	Needed	Quite needed	Critical need

Other training needs – please suggest other training that would be useful for Shop stewards in your company:

8. SOLIDARITY / NETWORKING

8.1 Has your union heard of the UNI Africa Massmart/Walmart Alliance?

8.2 Would your union be prepared to work with unions in other African countries that organise at Massmart/Walmart?

YES	NO
-----	----

8.3 If yes, what do you think the main focus issues should be?

- 1.
- 2.
- 3.

8.4 What do you think will be the benefits for your union?

8.5 Do you have any recommendation for organising workers in Massmart/Walmart?

8.6 Do you have any recommendations about how to build solidarity between workers in Massmart/Walmart in different African countries?

If the union would like to participate in the UNI Africa Massmart/Walmart Alliance, provide details of the person in the union that would be the contact person:

Name:

Position in Union		
Position in Massmart/Walmart		
Telephone contact numbers: (+ country code, area code, number)		
Work:	Home:	Mobile:
Email:		

9. COMPANY DOCUMENTATION:

Include the following in your submission:

1. Company policy documents concerning workers / relating to unions / health and safety / working hours etc.
2. Any union / company agreements that have been signed by both parties – Recognition Agreements, Collective Bargaining agreements
3. Any individual agreements workers have signed with company concerning working conditions

Please list below any documentation you have included here:

- 1.
- 2.
3. If you are unable to include documentation, please could you tell us why this has not been possible.

PLEASE DO INCLUDE ANY ADDITIONAL COMMENTS OR DOCUMENTS YOU THINK WILL BE USEFUL IN THE WORK GOING FORWARD.

Thank you.

Contact LRS with any questions / problems concerned with this questionnaire

Michelle Taal

LABOUR RESEARCH SERVICE: tel: +27 (0)21 447 1677 | fax: +27 (0)21 447 9244 | email: michelle@lrs.org.za | www.lrs.org.za | postal: PO Box 376, Woodstock, 7915, South Africa | physical: 7 Community House, 41 Salt River Road, Salt River, South Africa

Name	Festus Fikameni	Fernando	Baptista	Greetanand	Tinkhani Elina	Mary Mlambiwa	Tankiso Patrick	Queen	Boikanyo	Geoffrey
Surname	Indongo	Manjait	Tsinine	Beelato	Nzumwa	Dzinyemba	Thakali	Komane	Gaonakala	Sebabole
Country	Namibia	Mozambique	Mozambique	Mauritius	Malawi	Malawi	Lesotho	Lesotho	Botswana	Botswana
Union	NAFAU	SINECOSS E	SINECOSS E	CAFTEU	CIAWU	CIAWU	NUCCAW	NUCCAW	BWFRWU	BWFRWU
Union Position	Shop Steward and Chairperson	Secretary	Labour & Social Department	General Secretary	Shop Steward	General Secretary	Shop Steward	National Organiser	Shop Steward	Shop Steward & Executive Add Member
Massmart Operation	Game Oshakati	Game	NA	NA	Game	NA	Browns	NA	Game	Game
Position in Massmart	Service Centre Supervisor	Service Centre Assistant	NA	NA	Stock Controller Jewellery	NA	Sales Person	NA	Stock Controller / Cashier	Stock Controller
Gender	M	M	M	M	F	F	M	F	F	M
Cell number	+264 (0)81249 3187	+258 (0)84406 0760	+258 (0)82850 8400	+230 (0)756 76301	+265 (0)999 867 438	+265 (0)999559 170	+266 (0)63183 882	+266 (0)58710 052	+267 (0)71445198 / (0)773335198	+267 (0)73 605925 / (0)71605925
Work phone	+264 (0)65222 777	+258 (0)21453 00	+258 (0)82065 1647	+230 (0)2109299 / (0)2087628	+265 (0)11 870 182	+265 (0)1 614 028	+266 2231320 9	+266 (0)22 323559	+267 (0)365 9800	+267 (0)3659800
Fax	+264 (0)65222 799	+258 (0)21453 064	NA	+230 (0)2109299 / (0)2087628	NA	+265 (0) 831 912 / (0) 830 830	+266 (0)22321 401	+266 (0)22 323559	+267 (0)391 0701	+267 (0)3910701
email	festus.indongo@gmail.com	nandosy m@gmail.com	mbangana - 1950@live.com	gbeelato@yahoo.com	ciawu@gmail.com / mareydzinyembe@yahoo.com	ciawu@gmail.com / mareydzinyembe@yahoo.com	tankisothakali@gmail.com	nuccaw@yahoo.com	boineog@gmail.com	gsebabole2@gmail.com

Name	Chilombo Deka	Mable	Moses	Lisungu Magnus	Jackson Mawazo	Darlington Zanoxolo	Mzwabantu /Stanley	Neilswa Promise	Nonzuzo Florence	Austine Ntubulisi	Yunusa	Wilma Hnongamba
Surname	Kakoma	Kaloto	Maliku	Mapunda	Andrew	Ndlovu	Skhosana	Mbili	Madubela	Uwakolam	Isah	Angula
Country	Zambia	Zambia	Uganda	Tanzania	Tanzania	South Africa	South Africa	South Africa	South Africa	Nigeria	Nigeria	Namibia
Union	NUCIW	NUCIW	UHFTAWU	TUICO	TUICO	SACCAWU	SACCAWU	SACCAWU	SACCAWU	NUSDE	NUSDE	NAFAU
Union Position	Treasurer	Director Organisation	Director, Planning, Research &	Assistant Secretary	Shop Steward	Shop Steward	National Chair Massdiscournters / Shon	Local Secretary	Secretary of National Negotiating Team	Snr. Assistant General Secretary	Unit Chairman Game	Organiser
Massmart Operation	Game Lusaka	NA	NA	NA	Game	Makro SA	Game - Western Cape	Rhino C&C	Jumbo C&C	NA	Game	NA
Position in Massmart	Supervisor	NA	NA	NA	Receiving Clerk	Sales Person	Stock Controller	National Secretary (Company Council)	Receptionist	NA	Driver	NA
Gender	F	F	M	M	M	M	M	F	F	M	M	F
Cell number	+260 (0)977871499	+260 (0)955 850 878	+256 (0)77246 3424	+255 (0)719459 839	+255 (0)71904 6243	+27 (0)83642 9833	+27 (0)7922923 94	+27 (0)71287 2945 / (0)73278 6517	+27 (0)829779 752	+234 (0)80233 0964	+234 (0)80232 94840	+264 (0)8128635 04
Work phone	+260 (0)255450	+260 (0)955 850 878	+256 (0)414 272 903	+255 (0)22 2866910 /60	+255 (0)22 23113	+27 (0)11 2089148	+27 (0)121 850 6120	+27 (0)39 682 5823	+27 (0)21 704 0371 / 54	+234 (0)80364 40952	+234 (0)28060 00	+264 (0)61 218213
Fax	NA		+256 (0)414 272 903	+255 (0)22 2866911	NA	+27 (0)11 208 9098	+27 (0)21 8523571	+27 (0)39 682 5631 / +27 (0)39 682 7043	+27 (0)21 703 9188	NA		+264 (0)61 263714
email	chilombod aka@gmail.com	mablekalo to@yahoo.com	mukmos@yahoo.com / uhftawu@yahoo.com	lisumapun da@hotmail.com	jackzebe@live.com	za.da.ndlovu@gmail.com	stanley.skho sana@gmail.com	promise.m bilif@gmail.com	florencecm 97@gmail.com	nusde200@yahoo.co.uk	yunusa.wasija@yahoo.com	adminnafau@iway.na / nafau@iway.na

APPENDIX 3: TRADE UNION RIGHTS AND COLLECTIVE BARGAINING

Country	Union	Recognition Agreement	Bargains with Company	Company Resists Unionisation	Company Allows Distribution of Information	Allows Union To Meet Workers On Premises	Discrimination Against or Intimidation of Union Members	Workers aware of right to join union	Workers aware of the union	Workers interested in joining the union
Botswana	BWFRWU	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes
Lesotho	NUCCAW	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes
Malawi	CIAWU	Yes	Yes	No	Yes	Yes	No	Some	Yes	Yes,
Mauritius	CAFTEU	No	No	No	Yes	Yes	No	Yes	Yes	Yes
Mozambique	SINECOSSE	No	No	No	Yes	Yes	No	Yes	Yes	Yes
Namibia	NAFAU	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes
Nigeria	NUSDE	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes
South Africa - Makro	SACCAWU	Yes	Yes	Yes	Yes	Yes	No / Some	Yes	Yes	Yes
Tanzania	TUICO	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes
Uganda	UHFTAWU	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Zambia	NUCIW	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes

APPENDIX 4: TRADE UNION PRIORITISATION OF WORKER DEMANDS

(a) Full-time workers

Country	Union	First Priority	Second Priority	Third Priority
Botswana	BWFRWU	Low Wages	Short Term Employment	Casual Employees
Lesotho	NUCCAW	Wages	Organisational Rights	Health and Safety Issues
Malawi*	CIAWU	We have one union	We have one union	We have one union
Mauritius	CAFTEU	Closure of Game	Severance Allowance	Reemployment
Mozambique	SINECOSSE	Wages	Short Term Employment	Casualisations
Namibia	NAFAU	Organising rights	Management Styles	Contracts
Nigeria	NUSDE	Gratuity	Management Styles	Indiscriminate Sacking of Staff
South Africa - Makro	SACCAWU	Wages	Working conditions	
Tanzania	TUICO	Short term employment contracts	Wages	Casualisation
Uganda	UHFTAWU	Working hours	Casualisation	Wages
Zambia	NUCIW	Working Hours	Casualisation	Wages

(b) Casual Workers

Country	Union	First Priority	Second Priority	Third Priority
Botswana	BWFRWU	Not answered		
Lesotho	NUCCAW	Not answered		
Malawi*	CIAWU	Not answered		
Mauritius	CAFTEU	Conditions of work	Salary different despite doing the same work	
Mozambique	SINECOSSE	The desire to be in fulltime work		
Namibia	NAFAU	No outsourced workers		
Nigeria	NUSDE	No annual leave	No medical care	No job security
South Africa - Makro	SACCAWU	Having to work during strike on the job	No bonuses	Inequality in the job
Tanzania	TUICO	Wages	Hours of work	
Uganda	UHFTAWU	Prolonged period as casual employee	Being subjected to broken shifts - sometimes very long working hours, sometimes very few shifts	Do not get a disciplinary hearing in the case of offenses.
Zambia	NUCIW	Not enough / anti-social hours of work	No incentives	No leave days

*2011 agreement notes that 35 casuals converted to permanent as per Union request

(c) Trade Union Challenges

Country	Union	First Priority	Second Priority	Third Priority
Botswana	BWFRWU	ND	ND	ND
Lesotho	NUCCAW	Improve Collective Bargaining with the company	Training of Shop Stewards	Improving Wage levels
Malawi*	CIAWU	Collective bargaining	Training shop stewards	No company loans
Mauritius	CAFTEU	Gaining recognition	Training	Time off
Mozambique	SINECOSSE	All staff have been recruited to join the union	Negotiating better conditions with management, annually	Shop steward training from SINECOSSE
Namibia	NAFAU	Training the workers to understand their rights	Training the shop stewards on collective bargaining	NA
Nigeria	NUSDE	Training	Regularise employment of casuals	Hours of work
South Africa - Makro	SACCAWU	Casual labour replacing permanents	Outsourcing of departments	Lacking capacity of shop stewards and interference on recruitment
Tanzania	TUICO	Organising new members- flexi-timers in particular	Trade union education of new members	Education on new labour laws to membership
Uganda	UHFTAWU	Delay to reviewing CBA negotiations	Making unilateral disciplinary decisions against employees some times without the involvement of the union	Discouraging employees from joining and/or continuing membership of the union
Zambia	NUCIW	Increasing membership	The need to reduce working hours	Need for specialisation of work

APPENDIX 5: TRADE UNION COMPARISON OF MASSMART/WALMART WAGES, WORKING HOURS, TRAINING AND WORKING CONDITIONS

Country	Union	Compare Wages with Other Retail Operations (FT)	Compare Wages with Other Retail Operations (Casual)	Compare Working Hours with Other Retail Operations	Compare Working Conditions with Labour Law
Botswana	BWFRWU	Better	Better	Same	Better
Lesotho	NUCCAW	Worse	NA	NA	Better
Malawi	CIAWU	Worse	NA	Same	Some worse, some better
Mauritius	CAFTEU	Same	Same	Same	Same
Mozambique	SINECOSSE	Better	Better	Same	Better
Namibia	NAFAU	Same / Worse for flexitimers	NA	Same	Same
Nigeria	NUSDE	Better	Worse	Fewer	Better
South Africa - Makro	SACCAWU	Better	Better	Better	
Tanzania	TUICO	Better	Same	Same	Same
Uganda	UHFTAWU	Better	Same	Same	Worse
Zambia	NUCIW	Better	Worse	Fewer Hours	Worse

APPENDIX 6: INDUSTRIAL ACTION AND COMPANY RESPONSES AT MASSMART/WALMART

Country	Union	Duration of Strike	Major Issue	Number of Workers	Resolution
Botswana	BWFRWU	No - protest	Salary Increase - 2010		
Lesotho	NUCCAW	None in 3 years			
Malawi	CIAWU	2009	Salary Increase	80	Compromise reached but there was deduction
Mauritius	CAFTEU	No	No	No	No
Mozambique	SINECOSSE	No	No	No	No
Namibia	NAFAU	No	No	No	No
Nigeria	NUSDE	No - last strike in 2008	No - last strike in 2008	No - last strike in 2008	No - last strike in 2008
South Africa - Makro	SACCAWU	25 July 2009 / 8 August 2009	Wage dispute / unilateral implementation	6000 / 3000	Won some and didn't win others
Tanzania	TUICO	No	No	No	No
Uganda	UHFTAWU	No	No	No	No
Zambia	NUCIW	Not Answered	Not Answered	Not Answered	Not Answered

Country	Union	Company Responses to Strikes	Government Responses to Strikes	Other forms of protest	Management Responses to Other forms of Protest	Government Responses to Other forms of Protest
Botswana	BWFRWU	Not a strike, protest	Not a strike	2010 - Protested against the salary increase in 2010 and arbitrator was engaged	Calm	Involved through the arbitration process / intervention seen as negative
Lesotho	NUCCAW	NA	NA	NA	NA	NA
Malawi	CIAWU	Salaries deducted for the hours of stay-away	No	Stay-aways and media highlighting		
Mauritius	CAFTEU	NA	NA	NA	NA	NA
Mozambique	SINECOSSE	NA	NA	NA	NA	NA
Namibia	NAFAU	NA	NA	NA	NA	NA
Nigeria	NUSDE	NA	NA	NA	NA	NA
South Africa - Makro	SACCAWU	See notes	No			
Tanzania	TUICO	NA	NA	NA	NA	NA
Uganda	UHFTAWU	NA	NA	NA	NA	NA
Zambia	NUCIW	Not answered	Not answered	Not answered	Not answered	Not answered

APPENDIX 7: TRADE UNION PERCEPTIONS OF MASSMART/WALMART MANAGEMENT

Country	Union	Shopstewards Involved in Operational Decisions	Workers Consulted about Operational Changes	Supervision (Constructive or Oppressive)	Management's View of Workers (Contributors or Cost)	Management's Treatment of Workers (Respect or Disrespect)	Racism	Sexism
BOTSWANA	BWFRWU	Yes	Yes	Constructive	Contributors	Respect	No	No
GHANA	O							
LESOTHO	NUCCAW	No	No	Constructive	Cost	Respect	No	No
MALAWI	CIAWU	No	No	Constructive	Cost	Disrespect	No	No
MAURITIUS	CAFTEU	No	No	Constructive	Contributors	Respect	No	No
MOZAMBIQUE	SINECOSSE	No	No	Constructive	Contributors	Respect	No	No
NAMIBIA	NAFAU	No	No	Constructive	Cost	Disrespect	No	No
NIGERIA	NUSDE	Yes	No	Oppressive	ND	ND	Yes	ND
SOUTH AFRICA - Makro	SACCAWU	No	No	NA	Cost	Disrespect	Yes	Yes
SWAZILAND	O							
TANZANIA	TUICO	Yes	NA	Constructive	Contributors	Respect	NA	NA
UGANDA	UHFTAWU	No	No	Oppressive	Cost	Respect	No	No
ZAMBIA	NUCIW	No	No	Oppressive	Cost	Not answered	No	No

APPENDIX 8: TRADE UNION IDENTIFIED TRAINING NEEDS FOR SHOP STEWARDS

Country	Union	Assistance managing information*	Information for bargaining**	Active support during bargaining	Developing skills for bargaining processes***	Other training needs
BOTSWANA	BWFRWU	Not needed	Needed	Not needed	Not needed	Leadership training
LESOTHO	NUCCAW	Critical need	Critical need	Quite needed	Critical need	Sexual harassment, HIV/AIDS, Knowledge about other departments
MALAWI	CIAWU	Needed	Needed	Needed	Needed	NA
MAURITIUS	CAFTEU	Needed	Needed	Needed	Needed	
MOZAMBIQUE	SINECOSSE	Quite needed	Quite needed	Quite needed	Quite needed	Customer services Union skills, Labour Law and other union training courses, collective bargaining, occupational health and safety.
NAMIBIA	NAFAU	Quite needed	Critical need	Critical need	Critical need	Labour law, Collective approach on other issues, communications skills, representation at disciplinary hearings.
NIGERIA	NUSDE	Needed	Needed	Needed	Needed	Training on conflict resolution mechanism
SOUTH AFRICA - Makro	SACCAWU	Critical need	Critical need	Critical need	Critical need	LRA, Skills development act, Case handling at CCMA level
TANZANIA	TUICO	Needed	Needed	Needed	Needed	Negotiation skills, new organising skills, trade union education to members OHS
UGANDA	UHFTAWU	Quite needed	Needed	Quite needed	Critical need	Leadership Skills, Occupational Health and Safety, Grievance handling, Organising and Recruitment
ZAMBIA	NUCIW	Critical need	Critical need	Needed	Quite needed	Not answered

*(gathering & keeping original collective agreements, analysis of the contents of collective agreements...)

** (inflation, minimums, conditions of employment, other sectors, other companies...)

*** (inflation, strategy, basic calculations, motivating & formulating demands, mandating...)

APPENDIX 9: TRADE UNION IDENTIFIED CHALLENGES AT MASSMART/WALMART

Country	Union	Any changes in management attitude since Walmart purchase	What have workers done to protect themselves	What has the union done
Botswana	BWFRWU	No	Ensured that there is continuity in the RA	We had numerous meetings regarding the transition and what would happen thereafter.
Lesotho	NUCCAW	ND	ND	ND
Malawi	CIAWU	Not yet	NA	NA
Mauritius	CAFTEU	No information yet except for one letter as provided by management	Do not know what Walmart is bringing so it is difficult to do anything	Not discussed as do not know what Walmart is bringing - only a leaflet from management with too little information (provided - concerns jobs and union)
Mozambique	SINECOSSE	No	Nil	Nil
Namibia	NAFAU	Some workers were appointed to go to training courses in the USA	To protect themselves they observe Mozambican Labour law, against Walmart Policies	Negotiating with management all important trade issues linked with union rights
Nigeria	NUSDE	Not yet	NA	NA
South Africa - Makro	SACCAWU	No necessarily	Be more involved in union	Nil
Tanzania	TUICO	Not at the moment	Remained union members and collectively talked about the issues at staff meetings	Tried to engage management
Uganda	UHFTAWU	Yes	Try to be very committed to their work. Try to adjust to the changes	To continuously engage with the seemingly adamant managers on all issues as they arise. To inform workers of management processes. To Urge more staff to join the union.

Zambia	NUCIW	No	NA	
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APPENDIX 10: REGIONAL SOLIDARITY FOCUS FOR THE ALLIANCE

Country	Union	What should be the focus	How will it benefit your Union	Recommendation for organising workers	Recommendations to build solidarity between workers
Botswana	BWFRWU	Standardisation of conditions of service	1 - Growth / 2 - Enjoy benefits enjoyed by other countries	No	Networking
Lesotho	NUCCAW	Wages, Working Conditions, Capacity Building for Shop Stewards	Information Sharing (Job based information / Advice / Network assisting sharing tactics and problem solving	No	Key factor is effective communication and information sharing
Malawi	CIAWU	More about Walmart, Welfare at the workplace	More knowledge at workplace	Workers should have more information on the union particularly the positive side of the union	We should be meeting with each other to share information on the union and Walmart
Mauritius	CAFTEU	ND	ND	Same as Shoprite	Same as Shoprite
Mozambique	SINECOSSE	1- Getting experience from those other unions from African countries, globalising ideas, 2- communication among them, 3 - Experience exchange	It will be useful and we will get more experience	Yes, we must be united as workers, maybe occasionally hold meetings together.	Communicating ourselves, exchanging information among us.
Namibia	NAFAU	ND	ND	ND	ND
Nigeria	NUSDE	1 - Collective bargaining 2- Conflict resolution 3 - Political economy	More opportunity and opening doors for business more, better welfare or members	Rights of senior staff to organise should be respected	Provide a platform for interaction and exchange of ideas
South Africa - Makro	SACCAWU	Recruitment of young workers / Political education / Training of SS	Workers will have a better understanding of the union and the need to be a part of and this will add muscles to the union	More and more recruitment	Must have meetings to discuss unique challenges

Tanzania	TUICO	Harmonising working conditions and wages and strengthening international solidarity	Stronger union in terms of membership and finance, strong international solidarity and more unity	Flexitimers should be organised	Form a strong alliance
Uganda	UHFTAWU	Sharing Collective Agreements; Rights campaigns; Exchange visits	Information Knowledge and sharing; Copying good practices from other countries	Continued awareness rising of workers and providing information about Walmart management practices and changes in their business plans	Organise international conferences to share information; also consider regional conferences and alliances for easy reach
Zambia	NUCIW	Salaries, Medical, Pension	At least we will be able to have conditions of service which are almost similar to the region.	No	No

APPENDIX 11: SOUTH AFRICAN RETAIL SECTOR 2010 – COMPARISON OF KEY FIGURES

	MASSMART	SHOPRITE	PICK 'N PAY	WOOLWORTHS
Revenue (R)	47,45,000,000	67,402,440,000	55,314,300,000	23,663,000,000
PBT (R)	1,820,000,000	3,399,088,000	1,827,700,000	1,759,000,000
Employees	26,585	86,318	49,000	23,656
Union density (SA)	38.0%	37.9%	ND	ND
Value Added utilised on employees	33.1%	58.9%	65.0%	55.0%
BBBEEE certificate Level	4	6	8	5
Trading area m2	1,179,466	ND	1,212,000	566,621
Number of outlets	288	Corporate - 1162, Franchise - 276	Corporate - 466, Franchise - 327	Corporate - 337, Franchise - 242
Stores in South Africa	263	Corporate - 552, Franchise - 216	ND	ND
Locations outside SA:	Botswana (11), Ghana, Lesotho (2), Malawi, Mauritius, Mozambique, Namibia (2), Nigeria, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe (2) (selling)	Angola (9), Botswana (25), Ghana (3), Lesotho (14), Madagascar (7), Malawi (5), Mauritius (1), Mozambique (7), Namibia (93), Nigeria (2), Swaziland (12), Tanzania (3), Uganda (2), Zambia (27), Zimbabwe (1)	Namibia, Botswana and Swaziland and a 25% stake in TM Supermarkets in Zimbabwe....have signed up franchise partners in Mozambique; and have identified sites for expansion into Mauritius. Also in Australia (Franklins - selling)	43 - Woolworths franchise only: Botswana (13), Kenya (5), Lesotho (2), Mauritius (1), Mozambique (1), Namibia (4), Nigeria (1), Swaziland (2), Tanzania (1), Uganda (2), Zambia (1), Zimbabwe (2), Middle East (8); Country Road - Australia, New Zealand

Source: Company Annual Reports

**APPENDIX 12: LETTER FROM HEAD OFFICE TO MASSMART/WALMART OPERATIONS
REGARDING THE TRANSACTION (FEBRUARY 2011)**

APPENDIX 13: LETTER FROM UNI AFRICA MASSMART/WALMART UNION ALLIANCE TO MASSMART /WALMART MANAGEMENT CALLING FOR A GFA.



LABOUR

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