

Workers struggle against retrenchments

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"Negotiating retrenchment packages is the Union's biggest activity at the moment," said a NUM official recently. And mineworkers are not the only ones facing the devastating consequences, as the South African economy sheds hundreds of jobs each day. Workers around the country, in almost every sector of the economy, are fighting for their lives as retrenchments take their toll.

In 1990, approximately 70 000 jobs were lost through retrenchments. This means that almost 200 workers were retrenched each day. The trend has continued and intensified in 1991. It is unclear exactly how many jobs are being lost, but some estimates have put the figure at over 1 000 per day. SACTWU's John Copelyn argued recently that 1 300 jobs are being shed in the formal sector on a daily basis, and if this trend continues, almost 500 000

jobs will be lost this year. Whether the figure is accurate or not, it is clear that retrenchment is one of the most serious threats facing the working class in South Africa today.

It is for this reason that COSATU has made its anti-retrenchment campaign the major component of its Living Wage Campaign for 1991.

Over the last ten years, trade unions have made important gains in curbing management's power to

retrench at will. The Last-In-First-Out (LIFO) principle has been an important guide to union struggles. But many unions have gone beyond this, winning struggles and court rulings which have given retrenched workers access to severance pay, retraining, retrenchment funds and a promise of re-employment if the company re-hires.

In the mid-1980s, unions won important rights in the Industrial Court which compelled management to consult with unions before retrenching, and prevented the victimisation of union members through retrenchment. These gains were reversed by the 1988 amendments to the LRA, but reinstated this year following the COSATU-SACCOLA-NACTU negotiations.

Some unions, such as NUM have argued that in

certain instances, retrenchments can be avoided by changes such as a shorter working year. In late 1990, NUM succeeded in reducing retrenchments at Freegold South Mine from 8 000 to 1 800 by proposing that workers take three weeks additional unpaid leave.

But while unions have managed to limit the lay-offs, or to negotiate the form that they will take, they have been unable to prevent retrenchments altogether. In the current situation, where hundreds of thousands of jobs are being permanently lost in an economy battered by crisis, the defensive measures adopted by the unions in the past are clearly inadequate.

Cosatu launches campaign against retrenchment

COSATU believes it is impossible to fight the current retrenchment crisis effectively if the battle takes place at plant level only. The labour movement must develop ways of contesting retrenchments at an industry-wide and economy-wide level.

Retrenchments should be an issue for national negotiation between labour, employers and the state. Moreover, COSATU believes that economic, political, and industrial restructuring is necessary to fight retrenchment effectively.

It is in this framework that COSATU is developing its



Retrenchments - adding to the ranks of the unemployed

Photo: Abdul Shariff/Afrapix

programme of action. The federation's Campaigns Conference in March proposed that a campaign against retrenchments be launched as an integral part of the Living Wage Campaign. The Campaign would be called 'No retrenchment, jobs for all', and would centre on the demand for an end to retrenchments in all sectors.

The intention is to negotiate these demands with SACCOLA and the state. COSATU believes the fight against job loss must be guided by the aim of having a direct say in how the economy is managed and over economic restructuring. The campaign should be linked with demands for redistribution of wealth, state

intervention and a constituent assembly and interim government.

Delegates at COSATU's recent economic policy conference agreed on a list of demands to be taken forward to negotiations with employers and the state (see box on p 40). A key demand is for a moratorium on all retrenchments, and for SACCOLA and the state to enter negotiations on a programme to create jobs.

Job creation programmes should be used to meet the needs of the people, by building housing, schools and hospitals, and by providing running water, sewerage, and electricity for all. These schemes should be funded by the state and business. Companies should

be required to pay a levy towards job creation.

The demands for job creation and an end to retrenchment are accompanied by a range of other demands that, in COSATU's view, will begin the long process of orientating the economy to meet the needs of the people.

Can these demands be won?

COSATU is moving onto an entirely new terrain of negotiation. The ground has been prepared by national struggle and negotiation over the LRA. When the Laboria Minute was signed in October last year, SACCOLA and the Dept of Manpower agreed to negotiate economic issues with the labour movement in future. COSATU is now taking the first steps in this direction.

The risks are high. In his closing remarks to the economic policy conference, general secretary Jay Naidoo criticised COSATU and the whole democratic movement for its inability to mobilise their members and supporters at recent marches and May Day rallies (see p 8).

"The employers and the state will not simply agree to our demands without a struggle," he said. "If we cannot mobilise in our millions, we will not win our demands, and this could lead to great disillusionment and demobilisation. These negotiations *have* to succeed. We have an enormous responsibility - we are

COSATU demands for the first round of economic negotiations with SACCOLA and the state

- a moratorium on all retrenchments and for SACCOLA and the state to enter into negotiations on a programme to create jobs
- an end to privatisation, commercialisation, rationalisation and the sale of strategic stockpiles
- the government must avoid policies which lead to massive job losses such as the lifting of tariff barriers
- SACCOLA must support the demands of the people for:
 - an interim government
 - a constituent assembly
 - an end to the violence
- SACCOLA and the state must agree to a nationally integrated system for basic adult education and training
- the reduction of wage gaps
- old age pension changes including an immediate end to racial discrimination in pension pay outs, the reduction of the retirement age to 55 years for men and women and pensions for all those entitled to receive them.
- one provident fund per industry to facilitate the use of provident money for development
- COSATU should negotiate financial assistance from SACCOLA for a feasibility study on the conversion of hostels to single and family accommodation. SACCOLA must give time off for consultation with hostel dwellers.

COSATU will approach the National Council of Trade Unions (NACTU) and other unaffiliated unions to be part of a union front in negotiations. The conference suggested that apart from SACCOLA, other key players on the employer front should include the Commission for Administration (the public service employer body), the Post Office and NAFSOC and FABCOS. The state should be represented by the Department of Economic Affairs, the National Manpower Commission, the state auditors, the Department of Manpower and the Reserve Bank. ♦

opening the way to further negotiations on economic restructuring and the struggle for socialism. If we fail now the consequences will be disastrous."

The conference decided on a series of mass actions to begin educating and mobilising members. Mass

marches on 15 June - originally planned by COSATU's campaigns conference, and also included in the ANC's programme of action when it suspended negotiations in May - were seen as crucial. The conference proposed the slogan 'Peace, Freedom,

Jobs!' to capture the key issues of the day.

This campaign can be seen as a campaign to shape both the present and the future in the transition period. Workers are saying that they cannot wait for a new government before they begin to demand the restructuring of the economy.

If COSATU's demands for job creation are met, it will be a significant victory for the working class. But the campaign against retrenchment and unemployment cannot stop there. The economic forces of crisis and stagnation are deeply rooted. According to Bankorp's chief economist, Nick Barnardt, unless the next "economic upswing" lasts longer than any other in the last twenty years, then "unmanageable unemployment" will occur in 1994/5 (see Andrew Levy & Assoc).

Only profound economic restructuring and the forging of new strategies for growth and development will solve these problems. COSATU sees the current negotiations as the beginning of this process. This is why the development of COSATU's longterm programme for economic restructuring is so important. In this context, a union programme to change the structure of the economy as a whole is crucial to workers survival. ☆

Reference:

Andrew Levy & Associates,
Retrenchment Report: 1989/90

economic focus

COSATU

Economic Policy

Conference

COSATU's first economic policy conference was held in May. Three hundred delegates discussed the crisis in their industries, debated long-term proposals for restructuring the economy, and formulated immediate demands to be negotiated with employers and the state. AVRIL JOFFE* assesses its significance.

"Twelve years ago we were fighting for recognition. Now we are preparing economic policy that will shape the future of our country. COSATU is playing a central role in shaping the economy, and in shaping the policy of the ANC. This is a major step forward for the working class. It is also a major responsibility."

Jay Naidoo, COSATU General-Secretary

COSATU's three day conference on economic policy had two broad aims:

- to prepare an economic policy for COSATU to adopt at its annual congress in July;
- and to finalise certain demands, including job creation and ending retrenchments, for negotiations with SACCOLA and the state.

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