

# Informal sector union faces crunch time

Unions face rising pressure to shift focus and organise in the informal economy. The argument is that unions will not survive and grow if they only rely on a formal sector base. The Self-Employed Women's Union (SEWU) formed in July 1994 in KwaZulu-Natal to organise women working in the informal economy nationally, is facing sustainability problems and is being forced to shutdown. **SEWU** explains why.

**O**n the eve of SEWU's 10th anniversary it was forced to shut down following financial difficulties. The difficulties arose out of a Labour Court decision which ordered the union to grant backpay to employees who were dismissed.

General secretary Khoboso Nthunya explained that the dissolution of SEWU arose from a claim by two staff members, Busi Xaba-Shezi and Nomanono Mahlaba, who were dismissed in September 1999 on a number of disciplinary allegations. These related to a deteriorating situation over a prolonged period from 1997 to 1999, which was allegedly causing harm to SEWU and its attempts to build a worker-controlled democratic union of women in the informal economy.

SEWU fought a long court battle to defend its dismissal of the two employees. However, in June the Labour Court turned down an application by SEWU to set aside an order to reinstate the employees with effect from the date of dismissal.

SEWU, a union with approximately 3 000 members, traditionally organised women working in the informal economy. Since its formation the union has struggled to become financially self-sufficient. Nthunya says in recent months SEWU has had to retrench staff to reduce overheads. SEWU, in its current financial position, is unable to comply with the reinstatement award. The funds are not available for their salaries, nor to pay out the huge back-pay claim. It is now impossible for SEWU to raise any further funds from donors who know that any funds would have to be used to fund the claim. This would make it impossible for SEWU to comply with its obligations to spend the funds for the specific purposes agreed with the donors. SEWU therefore had no option but to make arrangements for its dissolution.

SEWU is disappointed in the apparent inability of the CCMA and the Labour Court to understand the way a democratic worker-controlled organisation operates, as opposed to a corporate organisation. The CCMA and the Labour Court have regarded the long period from 1997 to 1999, during which no disciplinary steps were taken by inexperienced and paralysed elected structures such as the RECs (Regional Executive Committees), as an indication that there was no problem – and were apparently unable to understand the crisis of governance which was presented to them in evidence, which necessitated the dismissal of staff members who did not hold themselves accountable to worker-controlled structures. Ironically, SEWU had done everything in its power to comply with the provisions of the LRA. Prior to undertaking the disciplinary action, SEWU commissioned an independent external evaluation to assist in identifying the causes of its governance and other problems. SEWU members are now, however, left with the impression that their rights to collectively employ and dismiss employees to give effect to the aims and objectives of SEWU as a non-profit organisation, have not been protected by the CCMA and the Labour Court.

Nthunya says: 'SEWU's main concern now is its members. SEWU has played an important part in organising street vendors and women homeworkers and other self-employed women who are among the most vulnerable to exploitation in the labour market and have no organisation to represent them.

SEWU leaders will be meeting to consider how best to work with unions and other similar organisations to start a new union, or to work with existing unions to continue the work started by SEWU. The job is to find a new organisational home for women working in the informal economy. **LB**