

Job losses

what can trade unions do?

Trade unions are generally aware of the potential and opportunities for job creation in their own sectors. These range from tourism, provision of basic services, crime prevention, to the building of social and economic infrastructure. One of their major concerns though is whether such prospects and opportunities for job creation exist in the context of the current macro-economic policies and economic globalisation. Both the Gear programme and economic globalisation in their current forms do not promote large-scale absorption of the labour force.

The public sector unions are mainly concerned about the privatisation and outsourcing programmes initiated by the government. The proposed privatisation of prisons and the restructuring of local government are cited as some of the examples that could lead to more job losses. In order to respond to the challenges of globalisation, private sector companies have tried to cut labour costs as a way of increasing their profit margins.

It is against this background that job losses constitute one of the primary concerns of the trade union movement and other important formations of civil society. Thousands of jobs have been lost especially in the mining, agriculture, and manufacturing sectors. COSATU's recent national congress identified job losses as one of the issues to be resolved if the

Tbobile Yanta outlines the broad challenges facing labour with regard to job losses.

country is to secure a stable future. What are the unions doing to stem the tide of job losses in the sectors where they are organised?

Reasons and results

Some of the factors behind the unemployment crisis have been identified as the following

- the massive decline in employment in mining and agriculture, due to fundamental shifts in those sectors,
- job losses in the public sector, in the name of modernisation,
- the loss of employment in manufacturing with the opening of the economy after 1994 combined with significant tariff reductions.

Job losses have resulted in more workers being driven into the informal sector in order to scrape a living. Though the informal sector is increasingly becoming the employer of 'last resort', the quality of jobs created is highly questionable. For instance, many clothing workers who used to earn R400 per week as full-time workers now only earn R125 per week as home workers.



Cosatu resolved to fight job losses

With the unemployment levels estimated around 37% of the total labour force trade unions have genuine reasons to be concerned. First, job losses add to the current levels of poverty and inequality in the country. For instance, the poorest 40% saw their incomes fall by 20%. This shows that the poorest of the poor are most affected by job losses and declining incomes. Second, job losses eat at the heart of trade unions' strength and survival in its membership. In 1989 manufacturing unions represented 55% of total COSATU membership; in 1999 it had fallen to about 28%.

Furthermore, the total membership of these unions was 530 625 in 1994, and has fallen to an estimated 481 258 in 1999. The

majority of trade unions within COSATU are taking measures to prevent job losses in sectors where they are organised. Through their forthcoming engagement in the Sectoral Jobs Summit processes many of these trade unions are hoping that a best solution can be found to the problem of job losses. These sector summits constitute a brainchild of the Presidential Jobs Summit held in 1998.

Proactive action

For unions, the aims and objectives of the sector summits are to:

- save jobs in the short term;
- create jobs in the short- and medium-term;
- improve the quality of employment;
- contribute to development of an industrial policy.

Through the sector summits many trade unions believe that prospects and opportunities for job creation and retention can be explored.

They also hold the view that the summits can further provide a platform to look into long-lasting and sustainable forms of employment creation. For instance, one of the key concerns among trade unions is that restructuring in the country has often been equated with retrenchments and downsizing of personnel. Through their involvement in the sector summits, trade unions can suggest alternatives to retrenchments and job losses. For instance, they can argue a case for better training of the workforce so as to increase their employment prospects in the job market. Trade unions have already put forward some suggestions in order to restructure the economy towards a job creation path. These proposals include increasing

industrial output to underpin a stronger demand for labour.

A couple of unions have already been part of sector summits. SACTWU and NUM submitted concrete proposals of how the industries could generate, rather than lose more jobs. The development of a Social Plan to assist workers and communities affected by job losses is one of the proposals presented by the unions during the sector summits. The establishment of the Mining Development Agency (MDA) by the NUM serves as a shining example of the participation of trade unions in job creation and poverty alleviation initiatives.

MDA's programmes have targeted rural communities, as well as the mining towns that are worst affected by job losses. Some of the training programmes that the MDA provides include electrical repairs, business training, business improvement, bakeries, printing, food processing, and manufacturing of various products. The Buy South Africa Campaign is yet another proposal among many that the unions have considered. The core objective of the Buy South Africa Campaign is to promote and stimulate demand for South African products and services that achieve standards of good and responsible manufacturing.

SACTWU has a range of proposals of how to restructure the clothing and textile industry for job creation and fair labour standards. These include the need for interventions in areas of training, tariffs, customs and excise, technical assistance, and labour legislation as ways of creating sustainable jobs.

On the area of training, the union proposes that a legislative effect be given to the Skills Education and Training Authority (SETA). This is to ensure that all concerned parties are held accountable for the implementation of skills development resolutions in the workplace. Differences of

opinion have emerged between unions and government on the issue of tariffs. The main problem is that every September tariffs drop further in the industry, even though they are already substantially below the level necessary in terms of the schedule of reductions, which South Africa concluded during the Uruguay Round of trade liberalisation. In order to prevent further losses of jobs in the industry, SACTWU proposes the freezing of tariff reductions on clothing and textiles for a five-year period. On the area of customs and excise, the union suggests that these be improved by, among other things, reducing levels of corruption, preventing the smuggling of illegal goods, and adding technical resources at ports of entry. With regard to changes in the labour laws, unions are demanding that the LRA be amended to make retrenchment a matter of negotiations with the unions.

Challenge

The participation of the trade union movement in the socio-economic restructuring is an important element in the successful transition to the democratic order. The challenge facing trade unions is to carry the social and economic aspirations of the poor and marginalised sections of society. This implies that unions have to define their interests much wider than only the workplaces. Many current proposals made by the South African trade unions in the areas of economic development and job creation are steps in the right direction. Such bold measures should be promoted and encouraged by all progressive minded individuals and institutions. The country has no option but to save current jobs, prevent further job losses, and create an industrial strategy designed to provide opportunities for the creation of more and better jobs. ★

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