

Jobs Summit fails to deliver

Since the 1994 elections South Africa has lost a phenomenal 500 000 jobs. Yet the GEAR target was to create 409 000 by the year 2000.

This led COSATU to reject GEAR and develop a militant programme of mass mobilisation in June 1998, which proposed an alternative socio-economic policy and anti-privatisation, anti-demutualisation and jobs at a living wage campaign.

In response to the R1-billion job creation proposal by business in the initial Nedlac processes, Zwelinzima Vavi, COSATU assistant General Secretary, was quoted as saying, 'R1-billion is like tinkering on the outskirts of a problem'.

By the time of the Jobs Summit lots of what labour put forward at the beginning had either been completely ditched or sidelined. Labour's demands were

- government to be the engine of job creation,
- housing parastatal,
- expansion of the public sector,
- no to privatisation,
- wealth tax, job levy, 10% of prescribed assets, 10% of pre-tax profits, progressive income tax, solidarity tax and one day's work contributions;
- R50-billion for job creation,
- no to demutualisation;
- moratorium on retrenchments;
- amending the LRA to make retrenchments negotiable;

Edward Cottle looks at what COSATU lost at the Jobs Summit.

- living wage;
 - no to a youth wage;
 - 40-hour week,
 - social wage - UIF to be extended to the unemployed, especially women
- Agreements that came out of the summit were.
- job creation is the responsibility of all social partners;
 - 50 000 to 150 000 houses will be built;
 - one day's work and business contributions;
 - demutualisation;
 - R2-billion to R3-billion for job creation;
 - 6 000 learnerships (training);
 - sector summits to look at job creation and saving jobs;
 - a youth allowance;
 - Youth Brigade campaigns;
 - special employment programmes for women, the unemployed and the disabled,
 - investigation into prescribed assets and a social wage.

Did labour get anything out of the Jobs Summit?

Following the Jobs Summit, the COSATU parliamentary office commented, 'The Jobs Summit has had the positive effect of

bringing the social partners closer on a range of policy questions'. Exactly which policy issues are being referred to?

In the declaration, COSATU's socio-economic vision is totally absent. Instead, there is an explicit acceptance of GEAR. It says that there is an agreement that 'GEAR projections on growth, interest rates and employment will not be met in the time frames that were set out. Adjustments to address this are necessary...whilst retaining the coherence and strength of our policy'. Furthermore, job creation is now the responsibility of all social partners and not particularly that of the state.

The financial measures to generate funds for job creation have been reduced to the voluntary contribution of one day's work by the nation, an acceptance of the demutualisation levy and contributions by business to generate between R2-billion and R3-billion. Prescribed assets have been deferred to an investigation. There is consensus to 'tinker' with the system and hence let the ruling class off the hook financially.

Of particular importance to labour was the creation of 'hundreds and thousands of jobs' through 'a housing parastatal to provide affordable rental housing for working people'. This parastatal is completely ignored. The housing project, also termed the Presidential Lead Project, is to build between 50 000 and 150 000 houses (75% rental stock). The target set in the RDP was 300 000 houses per year.

The demand for a moratorium on retrenchments is out and sector summits are to be convened to look at how jobs can be 'created or saved'. Already, while NUMSA's call for its sector summit to deal with the current retrenchments has been agreed to by the bosses, they are very dismissive about whether it will help the situation at all.

The demand for a 40-hour week as a measure to create more jobs, did not feature in the declaration.

The living wage is not mentioned at all in the summit declaration. The living wage was seen by COSATU as central to creating domestic demand for goods and services, which in turn would create the stimulus for more jobs to be created.

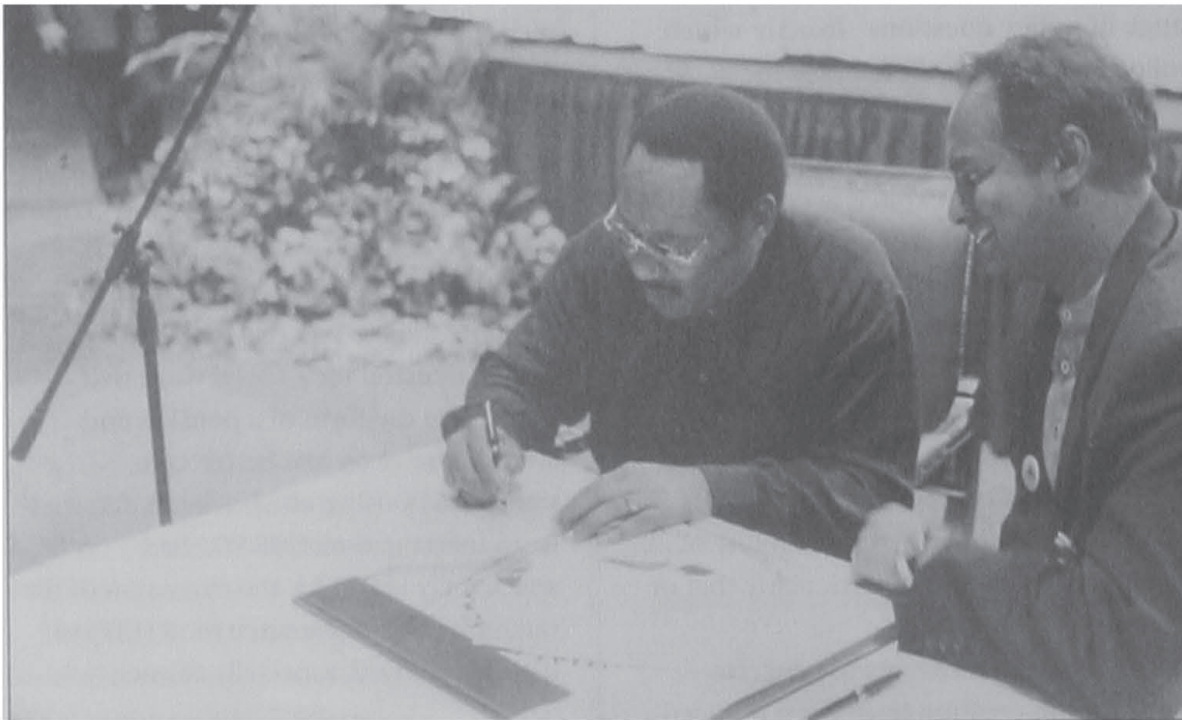
The demand for a social wage that could take the form of a pension and subsidies such as free health care, transport, housing, etc, has been deferred to an investigation. COSATU had specifically called for the extension of the unemployment insurance fund (UIF) to the unemployed, especially women.

There is consensus to 'tinker' with the system and hence let the ruling class off the hook financially.

It is particularly alarming that COSATU has accepted an allowance (a nice term for pocket money) for youth, instead of a wage. In other words, COSATU has accepted a two-tier labour market system.

A startling aspect of the declaration is its silence on targets. 'Except to say that the targets set in GEAR for job creation cannot be met, no new targets are being proposed. With all the programmes agreed at the Jobs Summit, no clear targets are set', says Dinga Sikwebu (NUMSA national educator).

The job creation programmes include the 6 000 learnerships, youth brigade campaigns on Working with Water, Clean the Cities, and Community based Public Works and special employment programmes for women, the unemployed and the disabled. However, all the jobs will be of a temporary nature.



COSATU's president John Gomomo signs the declaration.

Overall the programmes developed were already those of government. There is therefore no shift on the part of government or business in terms of their GEAR policy. Further evidence of this is that by 3 November 1998, Trevor Manuel's Adjustment Appropriation Bill had been passed. Major features of the Bill are that in the next two years the education budget is to be cut by R300-million, the health budget by between R100-million and R700 million and welfare by R100-million to R200 million. These cuts will obviously result in major job losses.

COSATU however, in its paper 'A labour perspective on job creation,' noting the Adjustment Appropriation Bill, concludes by saying, 'we have taken another step in the long journey towards accelerated job creation'.

GEAR rules okay!

The declaration is undoubtedly a major political victory for the ruling class in South Africa. Labour has made no gains for the working class through this process.

The ruling class has not moved an inch from its GEAR policy, but rather it has been able to convince the COSATU leadership that its own path is not viable.

While the COSATU Central Committee set out a militant programme of struggle, the leadership chose to ignore its mandate. Not a single campaign, including the anti-privatisation, anti-demutualisation and jobs at a living wage ever got off the ground.

By committing the labour movement to merely 'tinkering' with the system, the ruling class has politically reduced labour to dealing with collective bargaining issues. This movement away from dealing with the broader socio-economic challenges, such as explicitly fighting GEAR, is in line with the ruling class strategy to make the labour movement toothless. ★

This is an edited version of a discussion paper on the Presidential Jobs Summit presented to SACC&WUWITS Regional Discussion Forum on 26 November 1998 by Edward Colffe (Education & Research)