

Shoprite

takes a casual approach

*Shoprite appears to be riding out the Zimbabwe storms after setting up operations in 2000 in Bulawayo. Unsurprisingly there are no current plans to open new branches in the harsh and unstable socio-economic and political environment. **Tendai Makwavarara** outlines Shoprite's operation in Zimbabwe, which attempts to comply with core labour standards.*

The supermarket has a number of local competitors – mainly OK, Thomas Meikles and Spar – but has a significant market share; probably because it has been able to supply foodstuffs and detergents that have been in short supply in Zimbabwe.

Shoprite Zimbabwe employs between 60 and 70 employees with more than half being casuals. The supermarket has not increased the number of permanent employees significantly since it opened its doors in 2000. More than 90% of the total staff is unskilled labour (non-professionals). The supermarket 'employs' subcontracted labour for cleaning, repairs and maintenance of office equipment and shop machinery (ie computerised tills). Shoprite acknowledges that it is currently understaffed and intends to employ more but they will probably be casuals.

The supermarket imports more than 30% of its products from South Africa but still buys local products such as fruit, vegetables and other non-food household wares for sale.

Shoprite Zimbabwe has been highly publicised as managing to more than

break even in terms of profit turnovers. It is run by an operations manager who communicates directly with head office in SA and there is little trickle down of information to the staff.

Trade union activity

The most active trade union is the Commercial Workers Union of Zimbabwe, (CWUZ), an affiliate of the Zimbabwe Congress of Trade Unions (ZCTU).

Labour standards are determined by the Labour Act and the general employment conditions agreed upon at a national level in terms of sectoral collective bargaining agreements. Both management and the trade union (CWUZ) agree that relations between them are amicable. Few labour disputes have arisen and none has been resolved through industrial action or legal suits. However, this 'amicable relationship' should not be taken as the reason there has not been any industrial action or legal battles, as Shoprite has not been operating for long enough in Zimbabwe for the analysis to be conclusive.

The Labour Act specifies that if 50% or more of the employees belong to a

specified trade union, then a Workers' Committee must be formed. Hence the Shoprite Workers' Committee has been formed by workers who are CWUZ members. Workers are still in the process of formulating other workers committees, ie the Health and Safety Committee, according to the Labour Act.

While Zimbabwe has ratified numerous ILO conventions, the main challenge currently lies in the implementation process of the conventions. There is currently no legislation that enforces all the ratified ILO conventions. However, minimum labour standards are stipulated in the Labour Act of 2002, which formed part of the completion of the harmonisation of the Labour Relations Act in 2002.

Freedom to associate and bargain

Workers are allowed to join unions and have done so at Shoprite. Workers interviewed concluded that their rights were not being violated and time off was granted for union activities. Under the current political system, various repressive laws have been introduced, which could potentially violate the rights of trade unionists – for example

the Public Order and Security Act (POSA). This Act discourages trade union activities by requiring trade unionists to get permission from the authorities to address members, conduct trade union workshops and seminars. Shoprite has not been reported for violating the rights of trade unionists nor are workers discriminated against for being trade unionists.

Collective bargaining can take place at both shopfloor and national level. However, wages and employment conditions for Shoprite workers are determined at a central level through sectoral negotiations which lead to the publication of Collective Bargaining Agreements (CBAs) – although unions can attempt to negotiate for better terms or conditions. The Commercial sector CBAs, once registered with the Ministry of Labour become law and binding in the commercial sector. (These are similar to the sectoral determinations in SA)

Shoprite has adhered to all provisions registered under collective bargaining agreements. However, whether employees are always fully satisfied with the CBAs is a totally different issue. Again, the collective bargaining process is not always transparent with claims that management in the sector does not provide unions with relevant and adequate information.

The Labour Act does not provide trade unions the right to access classified information. However, a clause in the Labour Act on unfair practices by the employer specifies that employers should negotiate in good faith. This clause is not adequate enough to promote dissemination of strategic company information in relation to bargaining over wages. The situation is different in the event of restructuring and retrenchments.

Compliance with ILO convention

Shoprite Zimbabwe does not employ child labour. The youngest employees' age ranges between 16 to 18 years which is in line with legislation which stipulates an employment age of 15. However, the supermarket does not require that its local suppliers abolish child labour nor does it discriminate against suppliers who use child labour.

While Zimbabwe has ratified the ILO convention on the abolition of forced labour the convention requirements are not sufficiently incorporated in law. Nonetheless, there has been no report of forced labour, neither has Shoprite been accused of using forced labour.

Discrimination is very well covered in national legislation. The trade union has not complained about discrimination by Shoprite management. However, the problem of how to detect discrimination remains prevalent. Discrimination can be easily covered up and presents a great challenge that the trade union needs to overcome. For example, HIV/AIDS remains a very sensitive issue and is taken as a stigma amongst the local people, hence, it is rare for an HIV/AIDS infected employee to step up and fight against discrimination in the workplace.

Conditions of employment

All labour conditions are enshrined in the Labour Act and in sectoral collective bargaining agreements.

Wages

Wage negotiations are held three times a year for the commercial sector. Wages for Shoprite employees are therefore determined by the outcomes of these industrial negotiations. Rising inflation continuously erodes the wages earned by workers. The Poverty Datum Line, (PDL) in Zimbabwe stands at ZW\$104 000 for a family of five. The minimum wage for the commercial



sector was ZW\$47 696 as at June 2003. This means that workers were earning a wage that was only 46% of the PDL! Hence, more than 70% of Shoprite's employees are earning a wage below the PDL for much of the time. Wages are failing to improve the living standards of the employees. Another disparity in Shoprite is the widening income differentials between the higher and lower paid workers, while casuals remain the worst off.

Working hours

The collective bargaining agreement for the commercial sector specifies that the maximum hours of work is 45 hours per week. An analysis of 26 selected sectors (all represented by ZCTU affiliate unions), reveals that collective bargaining agreements in more than 43% of the sectors agreed to work more than 40 hours per week, 35% of the sectors have more than 50 hours per week as the maximum working hours.

Shoprite does sometimes require its employees to work overtime. However, overtime is not voluntary, and is management's decision – 68% of the employees opted not to have overtime

as it is not well paid. (The overtime rates paid are in line with SA legislation). Casual employees are often the workers who take on more overtime work, as a means to increase total earnings.

Health and safety

Under the new Labour Act, employees have the right to be part of the Health and Safety Committee at the shopfloor level. Shoprite Zimbabwe currently does not have a Health and Safety Committee. The trade union is still waiting for both Shoprite management and employees to nominate committee members. However, the trade union commented that there is a lot of ignorance in terms of health and safety requirements in supermarkets. Management and to some extent workers do not see the real need of a health and safety code in a supermarket.

Training

The national legislation is not clear in terms of providing training for employees. Shoprite does not advocate that workers undertake vocational and skill development training. Since the inception of the supermarket, the only training that has been undertaken by workers is training of new employees; and training of till operators to use computerised tills. However, workers wishing to undertake vocational or skills development training can seek a loan from the company.

Maternity leave

The commercial sector collective bargaining agreement specifies the conditions for maternity leave as stipulated in the national labour legislation (the Labour Act). Shoprite's permanent female employees qualify for three months' paid maternity leave (if having worked for a year). After the maternity leave is over, the female

employee is allowed an hour a day of the normal working hours per day for nursing. She may combine this nursing time with other breaks, (lunch and tea breaks) so as to constitute longer nursing periods. She is entitled to these provisions for the period required to nurse her child or for six months, whichever is lesser.

Casual female employees and permanent female employees who have served for less than a year will be granted, at their request, unpaid maternity leave.

Pension schemes

Shoprite does not offer its employees pension schemes outside the compulsory national social security pension scheme provided by the National Social Security Authority.

Environmental policy

National legislation on the environment has 33 Environmental Acts (as at 17 June 2003) that promote sustainable growth and development. The main objective of the environmental laws is to encourage environmentally responsible investment, growth and development. Unfortunately, the legislation of environmental policies does not mean they are being implemented. Environmental laws in Zimbabwe are specific only to the protection of natural resources, natural processes, the ecosystem and wildlife. Nevertheless, government has redefined 'environmental' to include biophysical, economic and socio-cultural aspects. Despite this broad definition that is all encompassing, environmental laws (contained in the Environmental Act of Zimbabwe) do not bind investors in the commercial sectors who have not invested directly in these sectors, ie sectors such as mining and manufacturing, hunting, forestry, fishing, medicine etc. Hence,

Shoprite does not have a direct obligation to preserve the local environment while it does not have an environmental policy. However, the supermarket does have internal company policies that could lean towards the environment.

Corporate social responsibility

Shoprite does contribute to some social activities in Bulawayo. The supermarket contributes funds to a local football club and a golf club. It also occasionally funds social football matches. The supermarket also donates foodstuffs, non-foodstuffs and household wares to local charities.

Conclusion

Since the deregulation of the labour market in the 1990s, labour market flexibility has intensified. Employers now prefer to employ casual, contract and seasonal workers. The Labour Act does not adequately cover casual workers and this lessens the employer's responsibility towards workers.

Shoprite Zimbabwe has managed to conform to most of the provisions in the Act and to those in the commercial sector's collective bargaining agreements. However, because the majority of its employees are casual workers and are not unionised, a lot of these workers' rights have been violated. In terms of training, provisions to improve the human capital base are almost non-existent in Shoprite.

Finally, because FDI is viewed as crucial to national economic growth and development, the country's strategies and policies on social and environmental protection are usually compromised so as to increase investment.

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