

# Legacy of labour broking left Post Office licking its wounds

The employment of 'permanent casuals' through labour brokers by the South African Post Office backfired when the workers became militant and started organising as Maberete and adopted new tactics writes **David Dickinson**.

It is fashionable to argue that the South African Post Office (Sapo) has lost its relevance with the development of information technology.

This overstates the case. Large sections of SA's population continue to rely on mail delivery and other Sapo services. Moreover, there is no purely technological reason why Sapo should not remain an important organisation in SA's economy and society, albeit with a shifting service profile.

There is, however, a socio-technical crisis in Sapo: a dysfunctional combination of the organisation's operations, its management and the workforce. A key component of this crisis is the legacy of labour broking that resulted in a catastrophic rupture of workplace order. Present industrial disputes are largely the end-game of a long and bitter struggle to remove labour brokers.

The post-apartheid government charged state-owned enterprises with a dual mandate: to roll out infrastructure that would support development without burdening state finances. Sapo's key role was the establishment of retail post office facilities and the provision and servicing of physical addresses. Superficially, Sapo appeared to be

achieving both these goals. There were huge increases in addresses, delivery and other services. In addition, Sapo was able to turn an annual loss of about R1-billion into operating surpluses from 2005 to 2012.

However, what remained hidden was the foundation of this financial turnaround. Much rested on the use of labour brokers. From 2000, the filling of permanent posts in Sapo was frozen. Instead, vacancies were filled with 'permanent casuals' - casual workers placed in Sapo on a permanent basis by labour brokers. These casuals did the same work as permanent employees, in some cases for more than 10 years, but were paid a quarter of the salary.

By 2011, 8,000 posts, out of a total Sapo workforce of about 23,000, were filled in this way. Even with the labour brokers' monthly placement fee, Sapo was saving, at its peak, about R380-million a year in salaries alone. Further savings were made as the casual workers were not entitled to pension, medical aid or other benefits. It was 'three (workers) for the price of one!'

This army of casual workers was all but invisible. They did not appear in Sapo's employment equity reports (as legally they

should) and were not part of its industrial relations system. The disciplinary procedures applied to them were, at best, rough and ready: supervisors could have casuals replaced at will by picking up the phone to call one of the almost dozen labour-broking companies providing labour to Sapo.

The dominant union in Sapo, the Congress of South African Trade Unions (Cosatu)-affiliated Communications Workers Union (CWU) failed to mount any effective opposition. This was ironic as CWU was prominent in Cosatu's campaign to ban labour broking. From 2005 casual workers in Gauteng, realising that the CWU was not going to help them, started to form independent worker committees. With limited resources they attempted to address their situation through the proper channels: Sapo management and the owners of the labour-broking companies, Cosatu, various unions, the Department of Labour, the Commission for Conciliation, Mediation and Arbitration and even the Labour Court. They were sent from pillar to post and rebuffed again and again. In the end, they concluded that they had to fight their own battles.



Post Office workers during march against labour brokers. Credit: Rob Rees.

Strikes by Sapo's casual workers began in earnest in 2010 and then accelerated. Denied the right to mount protected strikes by their effective exclusion from the industrial relations system, they gradually forged a range of techniques to prevent mail distribution. This was particularly effective in Gauteng, where the delivery of accounts and statements for companies and municipalities is big business. Sapo's Labour Court interdicts were initially successful in quashing these strikes, but as the casual workers responded with their own countermeasures, the interdicts became impotent. Through evolving strategies and tactics, casuals learnt how to protect what were legally unprotected strikes.

The key strike, led by the Mabarete grouping of casual workers between December 2011 and April 2012, brought about the end of labour broking in Sapo. Confronted with the impossibility of continuing to use labour brokers, Sapo reluctantly began unwinding what it had started almost a decade earlier by converting casual workers to permanent employees.

Why, then, does Sapo continue to be shaken by chaotic industrial

disputes? There are a number of reasons, key among which are: the poisonous legacy of unequal workforces working side by side; the still-incomplete process of conversion that leaves many of the original 8,000 casual workers paid less than their permanent colleagues; rivalry among worker organisations; and the 'technologies of struggle' developed by the Mabarete in the fight against labour brokers that have been appropriated by others.

The Labour Relations Act was amended last year to regulate labour brokers, among other things. The amendment introduces a number of significant reforms:

- Labour brokers and their clients are jointly and severally liable for contraventions of employment laws.
- Labour broker employees are treated as the employees of the client if they work for more than three months (with permitted exceptions). Termination of employment to avoid this is unfair dismissal.
- After three months' employment, there must be equal pay for equal-value work.

However, whether this legislation can and will be enforced is a good

question. Enforcement of any labour regulation depends primarily on three agencies: companies regulating their own activity, inspection by the Department of Labour and the watchdog function of trade unions.

The case of casual workers in Sapo makes for pessimism over the likely effect of these amendments. Sapo professes among its values that 'we treat each other with respect, dignity, honesty and integrity' and that 'we recognise and reward individual contributions'. Clearly, none of this meant anything when it came to employment practices. The Department of Labour failed Sapo's casual workers when approached, and it is common cause the department's inspectorate is inadequate and unable to enforce legislation. Finally, the CWU was, at best, slumbering while casual labour grew to monstrous proportions.

It is increasingly obvious how many state-owned enterprises have made short-term decisions that looked smart at the time but turned out to be disastrous. The use of labour broking and the creation of a two-tier labour force was Sapo's contribution to these sorry excuses for strategic thinking. What seemed like a good idea, when focusing on the balance sheet rather than human resources, turned into a nightmare.

Given that Sapo kept its army of casual workers all but invisible for a decade, it is worth asking what other industrial relations convulsions are still to emerge from the toxic outcomes of labour broking. <sup>LB</sup>

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