

**22ND ANNUAL
LABOUR LAW
CONFERENCE
12 -14 August 2009**

**Shifting power in
uncertain times -
Strengthening the
position of trade unions**

Dale Forbes and Roger Ronnie

PRESENTATION

- International Political and Economic Context
- The South African Situation
- Impact in the workplace
- Trade unions and the law
- Strengthening the position of unions

INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT

- Rapid economic expansion post WW2
- Characterised by high levels of state intervention
- Growth in income levels, low unemployment
- State regulates excesses of capitalist system and contains workers militancy
- US political and economic hegemony
- Creation and facilitation of new markets for surpluses
- Post war boom started unravelling in 1970s
- Neo-liberalism attempts to address falling rates of profit

SOUTH AFRICAN SITUATION

- Apartheid protectionism
- Huge disparities in access to basic services
- Significant state provision of services to minority
- Deregulation of economy started in 1980s
- Growth of the progressive trade union movement – certain gains
- Post 1994 government continued trend of deregulation – added complication of Black Economic Empowerment
- Huge backlogs in basic infrastructure

CHANGES IN THE WORKPLACE

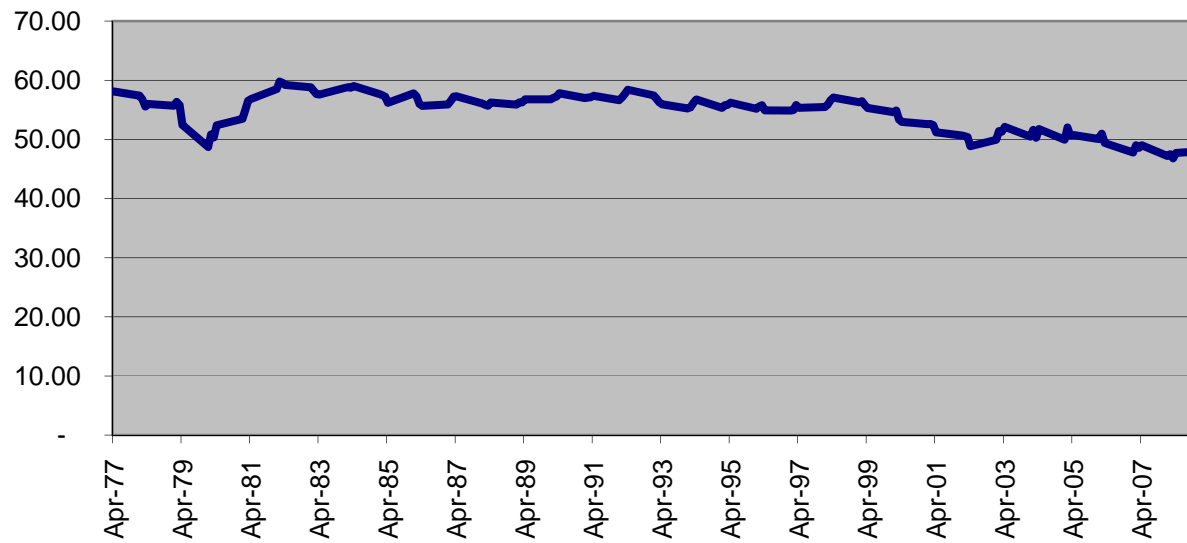
- Decline of large scale single factory production in favour of smaller and separate sites of production
- Growth of the service industry;
- Privatisation of public services;
- Dramatic growth in the number of part time, casual and short-term contract forms of employment. ;
- Corresponding decline in traditional forms of employment .

MINIMUM WAGES

- Between 1995 and 2006 Gini coefficient increased from 0.596 to 0.73 (0.8 without grants)
- Poverty Datum Line = R2317
- Farm and domestic workers = R1090
- Unskilled workers in the formal sector are being paid an average of R253 for a 47 hour week or R1012 for a 188 hour month (LRS)

WAGE DEVELOPMENT

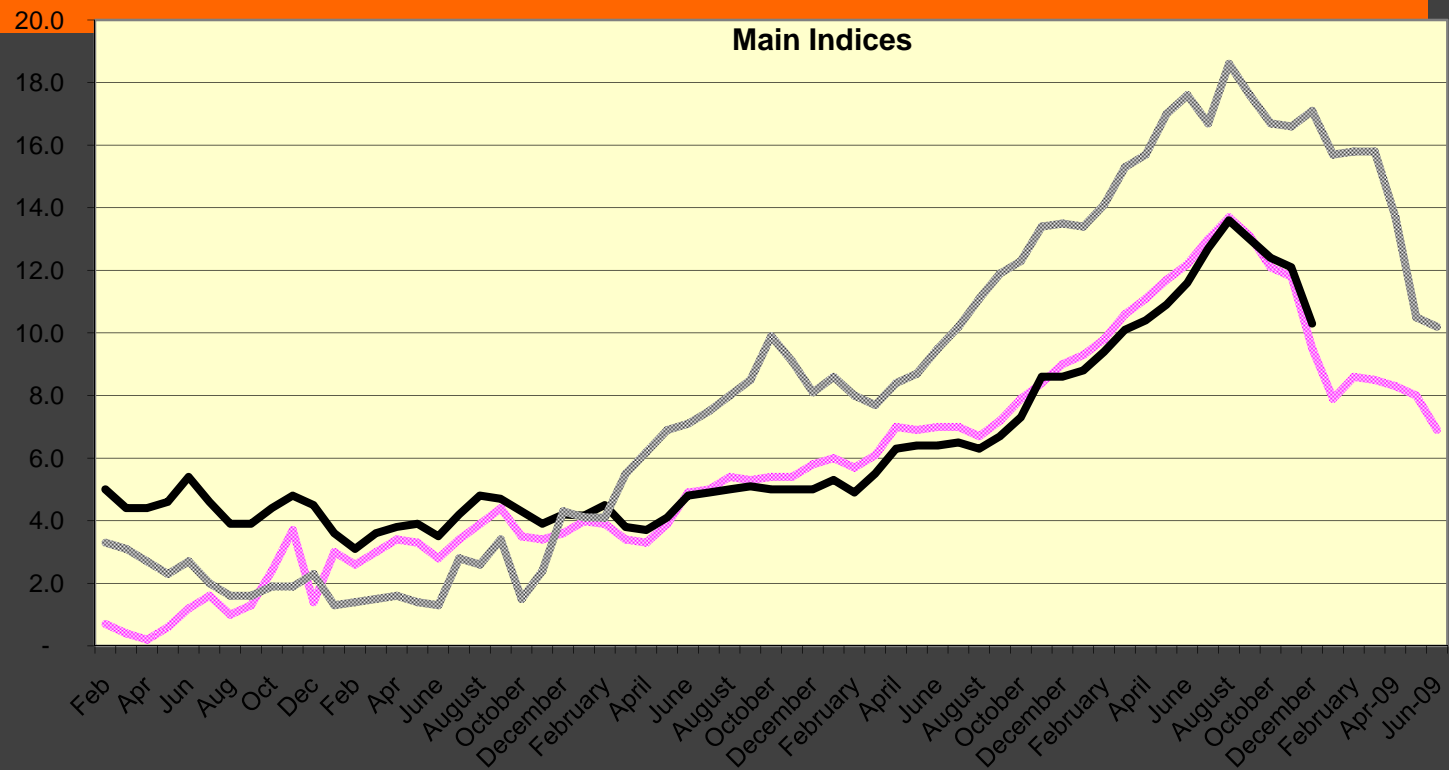
Compensation of Employees at Factor Cost



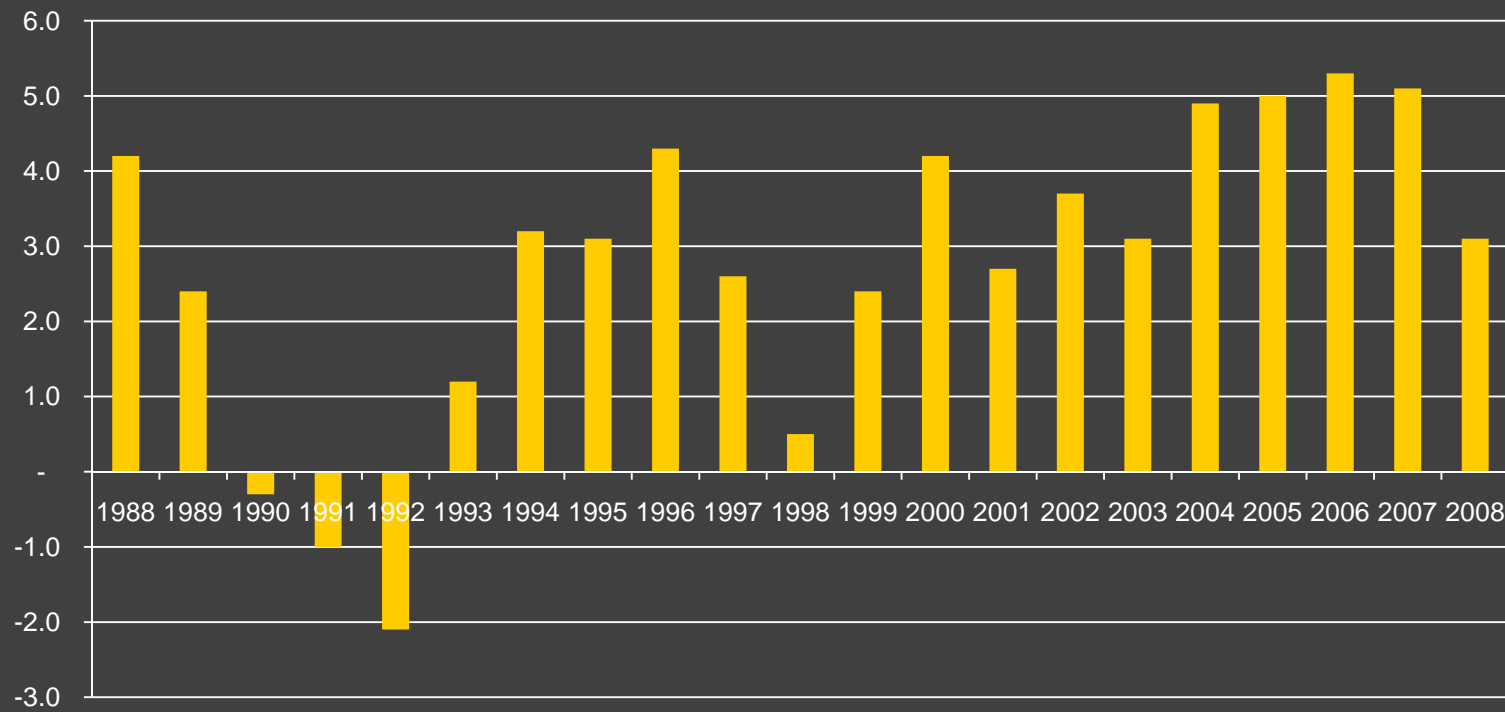
WAGE DEVELOPMENT

- Considerable advance since 1973 to 1990
- Slow down between 1990 and 2003
- Slight improvement between 2003 - 2008
- Expected decline since 2008

INFLATION

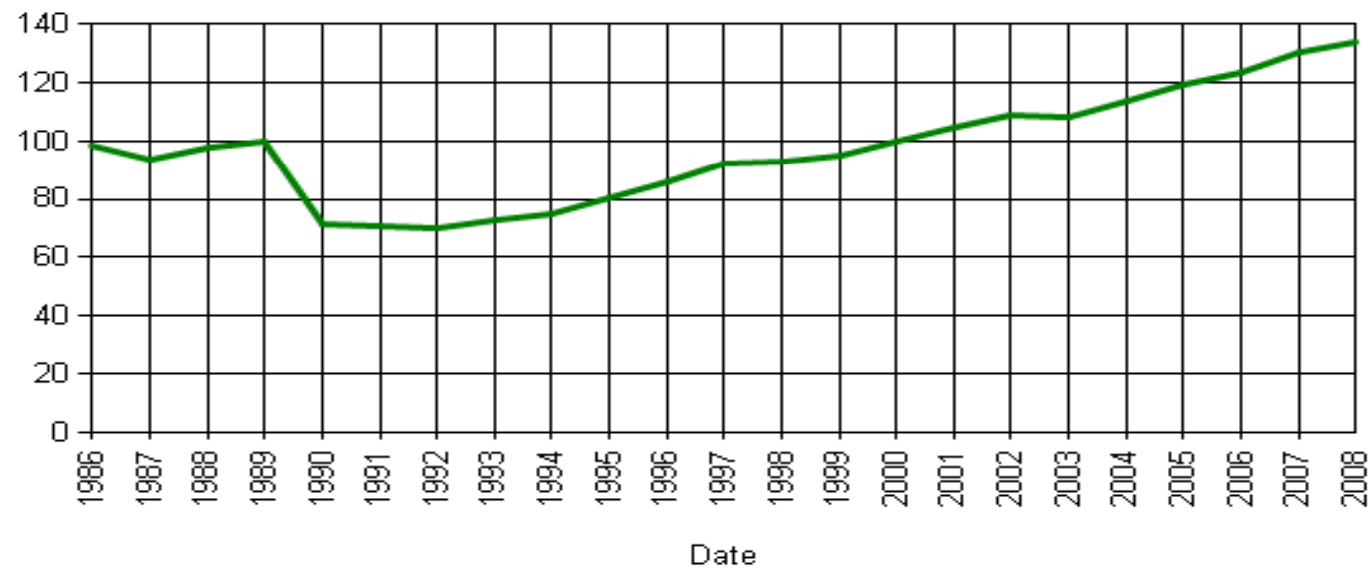


GDP GROWTH



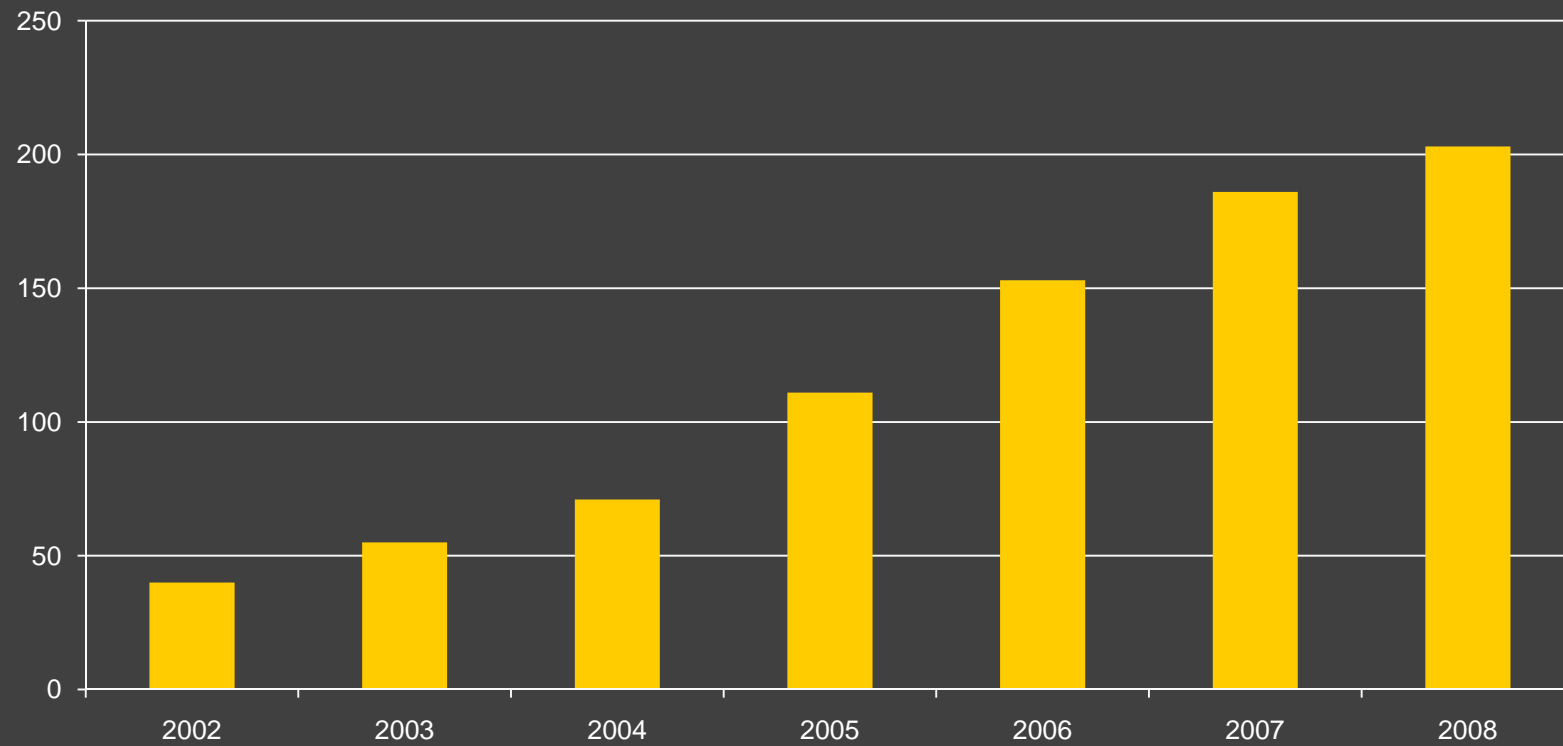
Source: SA Reserve Bank

PRODUCTIVITY GROWTH



Source: SA Reserve Bank

WAGE GAP



Source: LRS

TRADE UNIONS AND THE LAW (1)

- Current laws a reflection of class forces in our society
- The more progressive provisions in part codification of struggles waged on the streets – organisational rights, centralised bargaining, strike rights etc
- Proposed amendments continue this trend
- However still biased in favour of business – the restrictions on the right to strike; separation of interest and rights disputes; promotion of co-determination
- Essential Service provisions untenable with collective bargaining – mutual interest arbitrations in national sectors no solution

TRADE UNIONS AND THE LAW (2)

- Witnessed a turn towards legalism – real dangers
- Unions become tied up in red tape – growing union bureaucracies
- Dislocation between members and their organisation
- Ever growing reliance on internal and external legal professionals rather than the direct action of workers – what is known as the servicing model
- Strain on union resources – Our own legal costs = R10 million
- Decline in organising – especially atypical workers

TRADE UNIONS AND THE LAW (3)

- Labour Courts handing down more and more conservative judgements – impact directly on collective rights.
- Two examples in our sector :
 - City of Cape Town and SAMWU and Others (LAC CA1/2007)
 - SAMWU and Professor Rycroft and Others(LC D247/07)
- Trade unions need to disabuse themselves of idea that salvation lies in worker friendly interpretations of the law

TRADE UNIONS AND THE LAW (4)

- Have to continue representing workers within present framework – equip ourselves to do this but...
- Continue to fight for legislation which unambiguously guarantees terms and conditions won in struggle
- Attempt to steer clear of the kinds of rules and regulations which restrict and straight-jacket our struggles.
- Campaign for laws which guarantee our right to strike in a totally unrestricted way and diminishes or eradicates the role of the courts in settling differences between employers and employees.
- Unions, irrespective of affiliation, should pool resources, share experiences and where possible wage common battles.
- Clear set of demands and build a broad based campaign

STRENGTHENING THE POSITION OF UNIONS (1)

- Engagement with and use of the law only one component of union work
- Operate within a global world order
- Unions must start operating outside comfort zones – return to organising model
 - Organise outsourced workers, resist restructuring which fragments workplace, inter-union solidarity and joint campaigns
- Diminish reliance on the law and turn towards the strength of organised workers

STRENGTHENING THE POSITION OF UNIONS (2)

- Also not simply be pre-occupied with shop floor rights
- Build broad coalitions – nationally and internationally – unions, academics, activists, service organisations.
- Experiences of the North combined with campaigning approach of South a good platform for tackling international corporations and confronting ongoing attacks on the rights of workers and the broader working class.



THANK YOU