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COSATU PRESS STATEMENT ON THE CEC DECISIONS 07/05/98

The COSATU Central Executive Committee met in its first session of the year over two days (5-6 May 1998). The CEC received reports on a variety of issues and took a number of policy decisions and approaches by on these matters. The CEC was characterised by anger and frustration on the scale of job losses in many industries and the failure of the current macro economic strategies to turn this tide around. Below are some of the issues discussed:

A. SOCIO-ECONOMIC

(1) Job Summit

The CEC endorsed the proposals submitted by Labour in NEDLAC on job creation in preparation for the Presidential Job Summit. The proposals will be further discussed in the coming Central Committee of COSATU scheduled for the 23-35 June 1998. COSATU shall use the Central Committee to further expand on the broad framework submitted in NEDLAC and get more proposals in line with how labour has categorised issues for the agenda of the Job Summit, i.e. (i) Measures to create jobs (ii) Measures to stop current job losses (iii) Measures to support the unemployed. (iv) Measures to assist the informal sector to be formal (v) Identification of long term issues to be negotiated beyond the Job Summit.

COSATU is extremely concerned by the failure of both government and business to submit their proposals at NEDLAC. It is worth to note that various deadlines for them to submit proposals have passed. A million-dollar question is : Why does the government and business seem reluctant to submit their proposals? Clearly both government and business have abundance of capacity to deal with the proposals in a relatively short space of time. This is a major concern for COSATU. Whilst the delays continue, job losses are continuing unabated and the time bomb continue to click.

The CEC calls on government and business to without any further delays submit proposals so that negotiations can commence at NEDLAC. We further call for the summit to be held as soon as possible once proposals have been received from all stake holders.

2. Skills Bill

Negotiation on the Skills Bill officially came to an end on the 06 May 1998. Certain key issues have however not been resolved at the negotiations.

The CEC identified the following main issues and decided that they should be taken up politically within the Alliance, parliament and any further negotiations.

(i) Top Scale

COSATU reluctantly accepted that the 1% levy on the wage bill of employers should be split to 80% -20% with the 20% going to the National Fund to train the targeted groups such as the unemployed, retrenched workers, women and youth.

We reject strongly the government's refusal to split its contribution (80% -20%). The government is now clearly practicing double standards and extreme hypocrisy. Through out the negotiations the government has insisted on the 80%-20% split, but flatly refuses that its own 1% levy contribution should be split.

As if this is not enough, the government is refusing to give a clear undertaking that it shall provide adequate resources from the fiscus to the National Fund. Government has rejected also the business request to match the 20% levy rand for rand. It is now clear to COSATU that the government wants to subject the contribution from the fiscus to its other macro economic policies. This will lead to the important matter of human resource development being factored into the self-defeating approach on budget deficit chase. The government's reluctance to give unequivocal undertaking flies in the face of its own macro economic framework (GEAR) that calls for the special attention to be given for worker training.

(ii) Exclusions

Government and business insist on the exclusion of allowances or benefits in calculation of the 1% levy on the salary bill.

This is completely unacceptable for COSATU. It is an open invitation to companies to restructure their wage bills in a way that will provide more benefits and allowance to senior management which will result in the fact that the 1% levy has a very small base.

COSATU seeks to maximise the benefits of the 1% levy whilst clearly the government and business are eager to minimise the effectiveness of it to address this lack of prioritisation of training.

The business community in South Africa is the first to shout on roof tops about lack of worker productivity and competitiveness of companies, yet when bold measures are taken to amongst others address this matter they adopt a self defeating approach.

COSATU re-iterates its position for the need to ensure that this important bill is passed into law in the 1998 parliamentary session. In this regard the Alliance in particular the ANC, will be approached to ensure that our concerns are addressed. We shall also make a submission to the portfolio committee on serious problems with live our objections to the clauses that we have not agreed to.

3. Competition Policy

COSATU is perturbed that no adequate time was given to negotiate this extremely technical legal matter.

Major issues have not been resolve in this brief period of negotiations. There is now a huge rush by the Trade and Industry Minister to present a bill to the 1998 parliamentary session. This amounts to treating the tripartite institution with contempt. The main areas of concern are listed below:

- Objectives of the competition law
- Protection from job losses during mergers and acquisitions
- Structure and behavior
- Exemptions
- Broader re-regulation of the environment and workplace democracy

4. Employment Equity Bill

The CEC received a report on the negotiations on the Employment Equity Bill. We commend the progress that has been made on the bill. We however believe that the bill still fails to take on board our proposal on the closing of the wage gap and on the need to ensure that those who are not designated employers still have an obligation to ensure equity.

The following Labour Position should be taken on board :

Designated Employer

The bill defines designated employers as those who employ 50 and more and therefore exempt those below 50 from compulsory drafting of Employment Equity plans. Both business and labour have objected to this definition but for different reasons.

Labour believes that the threshold should be reduced below 50 and

thereby broadening coverage of the employers required to submit equity plans. Business on the other hand argues that small businesses do not have the administrative infrastructure necessary to deal with this responsibility. In this regard they have argued for a higher threshold. There is a new proposal by the government in an attempt to resolve this issue.

Wage Equity/Gap

Labour tabled the issue of the wage gap as a serious contributory factor to inequity at the workplace and that it is necessary if we are to effectively do away with inequity to address the question of the wage gap. We also noted that government in the Employment Equity bill acknowledges that income differentials play an important factor to inequity at the workplace.

Government agrees that its vision/ mission statement does make this concession and nothing in the actual bill seeks to redress this. It therefore accepts that it must be addressed in the course of negotiations.

Business agrees that wage inequity needs to be addressed but argues that legislation is not the correct way to handle the matter. Both community and Black Management Forum constituencies agree with labour on the need to reduce the Wage Gap. Government made a further proposal of establishing an Incomes Productivity Accord, which will have the following elements: ? Productivity returns be distributed in favour of the lowest level of the workforce;

- ? Training and skills development of workers;
- ? Enhancing productivity without reducing labour/ number of workers.

B. This is the wording as proposed by labour

Section 1 (c)

Reducing wage disparities induced by the legacy of apartheid.

New section 6

Reduction of wage gap

All employers must take steps to promote a more level national income distribution particularly in the workplace, and to this end, reduce the wage gap between levels of income earners in any employment policy or practice.

New section 12 (2) (f)

measures to reduce the wage gap between employees from designated groups and all levels of management in the workplace.

Section 16 (c)

An analysis conducted in terms of subsection (1) must include a profile, as prescribed, of the designated employer's workforce and all levels of management in order to determine the wage gap differentials in the workplace.

C. POLITICAL

1. Alliance Summit

The CEC endorsed the document prepared by the Alliance National Office Bearers on issues where there are agreements in the Alliance and where further discussions should take place to resolve matters outstanding from the previous summit. These are on the: (i) Strategies to deal with unemployment (ii) Labour Market (iii) Social Wage (iv) Monetary and fiscal policy

COSATU sees the Alliance Summit scheduled for the 23-24 May as one of

the most crucial Alliance Summit in the recent history. The CEC called for the speeding of the work that will take place in various task teams that have been established by the Alliance National Office Bearers to prepare for the above matters listed above including the industrial policy.

The CEC also expressed its strong reservation at the fact that whilst there is an Alliance process to debate the major disagreements brought above by the adoption of Gear, this strategy is being implemented in all fronts. COSATU re-iterates its unambiguous rejection of GEAR as an inappropriate macro- economic strategy that will not address socio economic ills of the country as inherited from the apartheid misrule. In this regard, the CEC decided that the 6th National Congress Resolution on Gear should be forthwith implemented. This means that COSATU will mobilise its members to resist job losses in both private and public sector including mobilisation of other communities to resist expenditure cuts.

2. GENERAL ELECTION (1999)

The CEC reaffirmed COSATU's commitment to work for the decisive victory of the ANC in the 1999 elections. The 2nd Vice President of COSATU comrade Peter Malepe was nominated to sit in the ANC elections committee preparing for the elections.

COSATU calls on its member and communities to apply for the new South African identity documents and ensure that they are registered as voters.

The Central Committee will further discuss our approach on the elections when it meets in June 1998.

3. RUGBY

The CEC unanimously decided to give its full backing to the demands of the National Sports Council with regard to the transformation of rugby. We call for :

- (i) The resumption of the Commission of inquiry into the affairs of rugby.
- (ii) The resignation of the current leadership of SARFU that has plunged rugby into the current crisis.
- (iii) The establishment of an interim committee to take rugby out of the current crisis which should ensure that the undertaking made to NSC by rugby are carried forward.
- (iv) The stadiums and other sport centres not to be owned by individuals. The public should assume full ownership of the.
- (v) The resignation of judge De Villiers who continue to hold the country into ransom, by refusing to disclose reasons that led him to rule in favor of SARFU's application to have the - Commission stopped.

COSATU agreed to throw its full weight into transformation of sport in South Africa including rugby in line with the COSATU 6th National Congress Resolution.

If the NSC calls for complete isolation of rugby on account of SARFU refusing to heed its call, COSATU shall participate in all campaigns meant to enforce the isolation. Our calls will include picketing and demonstrations in all international rugby matches.

Our concern however is not limited at the lack of transformation of rugby but at all sporting codes. We are in particular concerned that after so many years after the re-entry of South African Sports in the international arena, so few black players represent their country in sports such as cricket for example.

There is also a worrying trend that the few blacks who find their way into the national sides are in the majority of cases those who are studying in private schools. Very few if any came from the townships and rural areas and who are products of serious development programmes.

Whilst COSATU does not support a quota system, we are calling on

concrete measures to be taken to ensure that all sporting codes reflect broadly the South African population as a whole.

D. ORGANISATIONAL

1. COSATU Recruitment Drive

The CEC received a detailed report on the COSATU Recruitment Campaign called the Autumn Offensive.

The campaign that was launched on the 23rd March at Alrode near Johannesburg was the first of its nature in the history of COSATU's campaigns. It had both positive strengths and patches of weakness.

Resources

COSATU sends its message of gratitude to all the following people who saw it necessary to participate in this historic campaign and help workers to have a strong voice and fight for their rights. COSATU NOB's, affiliates and regional leaders, shop stewards, Organisers and educators, all staff members of the federation including affiliates, the ANC and SACP leadership and individual members of the community who saw it necessary to help COSATU.

We also extend our deepest gratitude to those companies in particular in the Eastern cape, that released resources both human and material in order to help their own employees to recruit for COSATU.

The campaign had its own weakness. There were delays in finalising regional programmes and in some areas the campaign started a week later.

COSATU has recruited 30 000 workers across racial barriers, gender and sectors. Outside this figure recruited by COSATU Regions, Affiliates embarked on their own focussed recruitment campaigns. The Transport and General workers union recruited more than 10 000 workers and SADTU about 11 500 teachers. However reports are still coming in from COSATU regions and affiliates and in some areas the recruitment is being extended.

The campaign was a milestone in advancing a constitutional right of all workers to belong to trade unions without fear of being intimidated by bosses. However, it was noted during the campaign that there are still investors in particular from the East Asian Countries who are operating according to laws of their countries rather than the South African laws.

The CEC decided that affiliates should continue with the campaign for the next 6 months.

2. Preparation for the Central Committee (CC)

The COSATU's 1st Central Committee Meeting is scheduled to take place on the 23-25 June 1998 at Randburg Towers in Johannesburg. The Central Committee is a new constitutional structure that was adopted at the last COSATU Congress held in September 1997 at the World Trade Centre.

The CC will focus on the socio-economic issues that were referred to it by the last congress and preparations for the 1999 general elections. The theme of meeting is "defend, consolidate and advance social transformation , with a sub theme that says, "SAVE JOBS, CREATE MORE JOBS".

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