

Assessment of the Jobs and Poverty Campaign

March 2007

Introduction and Background

The federation launched its jobs and poverty campaign in 1999. Since then it has taken countless actions in the forms of marches, demonstrations, petitions, five national strikes. The focus of the Jobs and Poverty campaign has primarily been on the ongoing loss of jobs, high levels of poverty and growing inequality.

The more recent programme on Jobs and Poverty arose from the May 2006 CEC, which culminated in the following actions:

- Sectoral lunch hour demonstration on jobs, poverty and highlighting issues on the ongoing WTO negotiations
- A general strike on the 18 May, with marches to employers, government departments, and the embassies of the U.S. and E.U. countries.
- Demonstrations by COSATU locals, highlighting the abuse of companies against workers

What were the key Demands

On Jobs;

1. The creation of decent, well-paid and secure jobs. The government must do more to drive a development strategy that creates decent work on a mass scale.
2. The immediate end to casualisation and outsourcing of jobs in their endless effort to cut pay and conditions.
3. Retailers must develop local production rather than looking to imports, particularly from China
4. Government must act urgently against the speculative capital inflows that are driving up the rand and devastating our export industries, at the cost of tens of thousands of jobs. The state must introduce measures to address this, and must act to ensure the Reserve Bank follows a developmental mandate.
5. We strongly oppose any rise in interest rates, which will have a negative impact on job creation and retention.
6. The government must fulfil its promises to provide public works on a massive scale, so that unemployed people have a chance to contribute to their communities and earn a living.

On Education and Services;

1. There should equal access to education and skills. Even now, 12 years after we won democracy, Africans make up only about half of university students. Too many of our children must try to learn without textbooks or decent buildings.
2. Moreover, every community, not just the leafy suburbs, must get decent government services like education, health and policing. These services must be provided affordably, without cut offs or evictions for those who cannot pay.

On WTO;

1. We must mobilise to stop the E.U. and the U.S. from pushing through tariff reductions and privatisation of services through negotiations at the WTO.

On the workplace;

1. Employers must end racist and gender abuse in the workplace, as well as discrimination against people infected and affected by HIV. In the recent COSATU survey, one in seven black workers said they experienced racial abuse on the job.
2. Public servants suffer poor working conditions, often with very heavy workloads and responsibilities. In the parastatals, privatisation of 'non-core' businesses continues to eat away at service delivery, employment conditions and public assets.

On economic growth;

1. Economic growth in recent years has benefited mostly the rich, leaving workers to face high unemployment and low pay. In the past four years, the economy has generated only just over half the number of decent jobs needed to reach the ASGI-SA goal of halving unemployment by 2014. Each year, 350 000 jobs earning over R1000 a month were created. But 600 000 jobs a year were needed to reach government's target.

The Jobs and Poverty Campaign also developed support for other related actions of affiliates such as REDS, farm workers and others.

Assessing the Campaign

The success of our campaign should be measured against the changes of government and employer policy and practice to our overall demands. Although some elements may have been partially achieved,

on the aggregate we have not been able to shift significantly, the policy discourse in our favour:

On jobs:

- Although jobs have been created, these jobs have primarily been in sectors that employ casual or atypical forms of workers. These sectors include, retail, construction and farming.
- The focus on the 2010 world cup provides a crucial opportunity leading up to the event to launch a massive campaign on decent work, low wages and casualisation.
- Retrenchments continue but not on the same scale. Our campaign has not focused sufficiently on improving the law to protect jobs
- Thus the growing number of jobs is not in line with the demand to create permanent, stable and decent employment. There is growing casualisation, outsourcing and the use of labour brokers. In addition, the EPWP should be critically assessed in this context.
- EPWP continues to create short –term employment and not permanent jobs.
- There has been a growing trend to blame the labour laws on why jobs have not been created. Although we effectively respond to this, the ideological offence continues.
- Our current account continues to show a trade deficit, with the level of imports exceeding our exports. On the other hand speculative capital inflows continue to enter our economy. This has and continues to place huge pressure on manufacturing. This could be due to many factors, but largely because of the over valuation of the Rand and relatively high real interest rates. Government and the Reserve Bank have not considered a developmental monetary policy.
- Although there has been much commitment by SOE's to investment and growth, we should continue to monitor the progress of jobs lost and jobs created at parastatals.
- The success of introducing the China quota in clothing and Textile, has limited the damage of cheap Chinese imports into SA. However, this can be short lived, if imports are being sourced elsewhere and not produced locally. Many retailers continue to show disloyalty to protecting local jobs. Secondly, the quota has a "limited life span" and thus it would be important to look at a campaign that drives restructuring of the industry beyond the quota to save jobs and create decent employment.

In the workplace:

- Racism and other forms of discrimination continue unabated. Affirmation action is moving at a snail's pace, with black women and people living with disability remaining the most discriminated and marginalised.

- Participation and progress in implementing Employment Equity and Skills Development programmes are fragmented, with very little coherence and enforcement.
- This is particularly rife in farming communities and rural centres, with many employers having complete disregard for the law.
- Government refuses to replace workers who leave the public service, creating a huge burden on the remaining public service workers. Although there has been commitment by government in the recent Budget Speech to improve salary scales and increase the number of health workers and teachers, this should be looked at in the context of overall service delivery

World Trade Organisation Negotiations:

- Although we have made progress in ensuring negotiations at the WTO do not comprise SA and other developing countries, concerns remain on the demands of the EU and the US in relation to industrial tariff reductions. There is major pressure on developing countries, including SA to compromise, which would ultimately undermine any possibility of industrialisation in countries like South Africa, and would limit the ability of the state to grow key economic sectors and ensure universal access to basic services.
- This pressure should be stepped up to ensure no compromise is reached under the slogan “No agreement is better than a bad agreement”

Service Delivery:

- Access to basic services remains a problem for many households, in light of the recent demonstrations. There is relatively slow progress in dealing with this at a municipal level.
- Many households (20 –30%) do not enjoy the free water and electricity because of poor administration, questionable policies and general lack of consideration for the poor.
- More than 70% of households continue to earn under R1000 per month in light of the increasing cost of services
- For the indigent and poor the cut-off of water and electricity continues unabated in some municipalities and metro’s
- We have been inconsistent and slow in responding to the privatisation of water and electricity, particularly the formation of RED’s
- Access to tertiary education remains elusive with approximately only 22.1% of African participating in higher education in contrast to 36% of whites.
- More than 80% of unemployed are between the ages 16 and 35 years old and do not have access to education or skills improvement to access the labour market
- Our education focus has failed to concentrate on universal access to free education. More than 40% of students who drop out of school indicate that school fees is the main reason

- We have failed to focus on other services such as public transport and health for example. In order to build a broad front we should be more specific about our concerns on service delivery, since workers are citizens too.

Growth and the Economy

- Congress and the CEC have correctly stated that the current economic growth has not benefited the poor. The level of inequality has increased in the last 12 years.
- There has been no significant shift in the share of people below the poverty line between 2002 – 2005, with 50% of those employed earn less than \$2 or R1500 per month in real terms. LFS data in 2005 shows that the poorest 50% employed get around 12% of income IN CONTRAST the richest 5% enjoyed 42% of income.
- Inequality is exacerbated at alarming rate as shown by the outrageous salaries earned by CEO and senior management in both business and the public sector, including local government.
- The slow progress in the developing industrial sector strategies has not been highlighted sufficiently

Other factors:

The demonstrations on the Jobs and Poverty Campaign was continuously undermined through the denial of permissions for demonstrations, excessive police brutality through the use of rubber bullets, arrest of leaders and continued clashes with police at certain events. This has undermined our right to demonstrate and should receive greater focus.

Secondly, we have not been able to develop a broad enough front amongst federations, civil society and other organisations behind our demands. While the campaign is about highlighting unemployment, we have not been successful in mobilising unemployed youth and retrenched workers.

Moving forward

- The move to build a united front of organisations against unemployment, poverty and inequality should be a welcomed initiative through a bottom-up strategy with trade unions, churches, NGO's, political and youth organisations as well as other civil society organisations is imperative.
- This would culminate in an historic **Jobs and Poverty Conference** set for the 21 –22 May 2007.
- A **Decent Work** campaign should be launched leading up to the 2010 event, with continued demands against increasing casualisation, outsourcing and Labour Brokers.
- The Jobs and Poverty Conference should develop more **focussed demands** that raise the level of our campaign. Education and Skills; Basic

Service Delivery, Transport, Health care and Agrarian and Land reform (including the continued violations of rights of farm workers and dwellers at all levels) requires a greater degree of focus in reducing poverty and inequality. This has been lacking and should be a key area of focus too.

- There should be a greater focus locally, with demands for improved local delivery
- Greater emphasis should be placed in developing pressure of the NAMA 11 group of countries ***not to compromise any further on industrial tariff negotiations***. We should highlight the impact that tariff liberalisation would have on jobs and sector growth. ***No agreement is better than a bad agreement!***
- While the NAMA issues are critical we should on the other hand we should not lose sight of the continued ***demands placed on developing countries in relation to agriculture and services***.
- Our programme should include on going engagements at Nedlac, LMC and within the Alliance, while continuing with mass mobilisation and protest action