

# Test case for decent work

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Clothing manufacturers and unions are getting cold feet over a planned crackdown on clothing factories that don't pay the minimum wage. It's squaring up to become a test case for labour's commitment to the goal of decent work.

There are 387 manufacturers that have refused, despite an exhaustive legal process by the clothing industry national bargaining council, to honour minimum wages and conditions of employment.

## Possible job losses

The council has been sitting for more than a week on writs of execution against the first 70 firms, which could result in about 4000 workers in nonmetropolitan areas losing their jobs.

Almost half the clothing industry (43%) is noncompliant. Of these firms, around 80% pay below the minimum wage. Some pay as little as R80 a week for a qualified machinist when the law prescribes R449.

Over the past three years there has been a mushrooming of noncompliant factories outside metropolitan areas, in places like northern KwaZulu Natal, Botshabelo and QwaQwa. Compliant firms claim they are losing big orders to these firms, which enjoy a considerable cost advantage.

In February, the council issued compliance orders to almost 400 employers. Those that defied the orders were taken to arbitration and then to the labour court, where the council obtained judgment and writs that it intended executing from June.

But last week, the SA Clothing & Textile Workers' Union (Sactwu) called for a pause. "You can't say we've got cold feet," says Sactwu deputy general secretary Wayne van der Rheede. "We're clearly concerned about compliance. What we're asking is whether we've explored all the avenues."

## Other alternatives

Alternatives were to be discussed at a council meeting this week. Apparel Manufacturers of SA (Amsa) executive director Johann Baard, who represents employers in the council, says they don't want to shut companies down either but neither can the status quo be allowed to continue, simply to save jobs.

"We sit in Business Unity SA and Nedlac structures with the union, engaged with government in seeking to re industrialise, but when we walk out into the labour environment we introduce measures to do the opposite," says Baard. "That

contradiction has now been brought into sharp focus."

At stake is the notion of "decent work" - a goal the ruling party has placed at the centre of its economic policies. The standoff in the clothing industry forces a choice to be made between upholding decent working standards and making thousands of people redundant in the middle of winter. It seems neither labour nor business has the appetite to finish what they have set in motion.

The market is telling the council it has outpriced labour in nonmetro areas. Amsa's suggested solution is to introduce a multitiered wage model.

Nonmetro wages are already set 20% lower than in metro areas but Baard says the differential should be much larger, say 30% 40%, and should be achieved by lowering the minimum wage in nonmetro areas for new hires. That would bring many employers into the compliance net. The entry-level wage for new hires would have to be lowered in metro areas too to avoid migrating employment from Salt River and Mitchells Plain to the countryside, he adds.

Labour is likely to balk at this proposal but clearly the industry needs a Plan B. The compliance drive is proving just the catalyst.

*Source: Financial Mail*

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