



ECONOMIC & SOCIAL JUSTICE TRUST

Justice for the Shoprite Workers!

Press Statement, 17 May 2017

For almost two years, over 100 workers at Shoprite in Windhoek have been facing disciplinary charges for taking part in a strike in 2015. Shoprite has already dismissed 176 workers in Rundu and Gobabis and the company's continued violations of workers' rights must be brought to an immediate end. It is important to point out the strikes in 2014 and 2015 were the direct result of Shoprite's unfair and discriminatory labour practices. The workers who are now facing disciplinary action deserve our full support in their fight to keep their jobs.

For the past four years, there were 3 different trade unions (NAFAU, NWRWU and NACCAFWU) operating at Shoprite, none of whom represented an outright majority. Shoprite seized the opportunity provided by a divided labour movement to sideline the unions altogether. The company also ignored wage proposals submitted by workers and their unions and instead decided to decide on wages and benefits on its own. Shoprite ignored the workers' demands for transport and housing allowances, medical aid and long service awards. In 2014, Shoprite went as far as granting increases only to those workers who were not members of a particular trade union. Workers were told to resign from the union in exchange for an increase. This grossly unfair labour practice only ended when workers launched a case with the Office of the Labour Commissioner.

In June 2015, workers submitted their wage proposal to the Shoprite management but were once again ignored. In light of Shoprite's refusal to bargain at all (let alone in good faith) and angered by the company's decision to unilaterally impose increases, workers decided to go on strike on 28 and 29 July 2015. The strike ended upon the advice of the Deputy Minister of Labour and the Employment Equity Commissioner and their assurances that they would look into the problems at Shoprite.

Shoprite then decided to lodge disciplinary proceedings against those workers who participated in the strike but the company acted without consistency as several of the workers in Windhoek had the disciplinary charges against them withdrawn at the commencement of the hearings. Others in Rundu and Gobabis were simply dismissed. Only the workers in Windhoek were permitted to

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obtain legal representation and Shoprite provided no explanation or justification for the disparate treatment.

Violations of applicable labour laws and good practices:

There are a number of workers' rights violations that are entrenched in the way Shoprite operates in Namibia. Below are some of those that became apparent in the course of the disciplinary proceedings.

1. Shoprite employs what they call Permanent Part-Timers or PPTs. These are workers who are permanently on part time. Their contracts provide for maximum of 45 working hours per week, which is equivalent to the standard working hours for permanent employees.

2. The employment of PPTs was the subject of an investigation by the Ministry of Labour, which in its report dated 13 August 2015 made a number of findings and recommendations. The investigation found that a practice of "segregated employment" exists at Shoprite/Checkers retailers and that workers on part-time contracts receive far lower pay than permanent workers in the same job category. The contracts of these 2 groups of workers are not comparable and the Ministry recommended that the employment contracts be reviewed to remove any provision, definition, references or qualifying criterion that renders the employment conditions of one employment category less favourable than the other. The Ministry stated that the employment contracts of the two employment categories should be harmonised and be brought squarely into the ambit of the Labour Act. Furthermore, Shoprite was told that it needs to provide sound justifications for employing workers on fixed-term contracts, otherwise they need to be permanently employed as stipulated in the Labour Amendment Act of 2012. It is not clear whether Shoprite has accepted and acted on any of those recommendations.

3. Shoprite does not have a formal internal grievance procedure or disciplinary code. This has allowed Shoprite to essentially do what it wants to when it comes to discipline matters. The preferred tactic seems to be handing out written and final written warnings for any and all offences, without any kind of hearing being provided. The chaotic and arbitrary nature of Shoprite's disciplining methods reached the stage where one of the branch managers felt compelled to send out an email to branch managers, reminding them that "short-timing" (deducting the time an employee was late from his pay), cannot be done without disciplinary action.

4. Shoprite workers earn very low wages and the increases given locked them into being part of the "working poor". Workers in the salary ranges of N\$1530 to N\$1710 received an increase of N\$ 190 – 206. Thus the average salary increase was just around N\$ 200 per month. The PPTs received even less. They are paid on a weekly basis and were received N\$ 345 – 462 per week. Their increases translated in an additional N\$ 27 – 37. Thus many Shoprite workers continue to receive wages of less than N\$ 2000 per month.

5. Decisions concerning the workers' wages and employment conditions are taken in South Africa. Shoprite Namibia does not comply with the requirements of the Namibian Labour Act, in particular not when it comes to the obligation of collective bargaining and the duty to bargain in good faith.

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6. Workers experience many incidents of improper treatment by management. These range from insulting employees in front of customers, being given the worst shifts, not being promoted (either from part-time to permanent or upward) to being subjected to tribalism. With no grievance procedure in place, the employees have no way to address these grievances.

Victimisation continues

After the dismissal of 176 workers in Rundu and Gobabis, more than 100 workers in Windhoek are now facing disciplinary proceedings for participating in an unlawful strike. Shoprite has continuously violated workers' rights and used the rivalry between various trade unions to its own advantage. The average worker at Shoprite still earns about N\$ 2,500 per month or less. As they receive no transport allowance, the workers spend between N\$ 480 and N\$ 960 per month on transport, depending on where they live. They also have to pay rent, on average N\$ 1,000, even for a shack in a backyard. This is before they can even think of food, water and gas for cooking (most of them do not have electricity) and other basic necessities.

Shoprite on the other hand, boasted that it made a turnover of just over N\$ 130 billion in 2016. Last year Whitey Basson, then Shoprite's CEO, got a bonus of N\$ 50 million and his basic salary per year was N\$ 49.7 million. This translates into a basic salary of over N\$ 4 million a month. Shoprite workers create this wealth but they are denied the opportunity to share in it. It would take a worker at Shoprite about 133 years to make what Whitey Basson makes in a month!

Instead of engaging the workers on their demands for better wages, transport allowance and medical aid, Shoprite chose to take disciplinary action. Instead of acceding to the workers' modest demands for better working conditions, the company spends large amounts on the disciplinary hearing. Shoprite spends N\$ 65 000 per day for the wages and transport for the workers to and from the venue where the disciplinary hearings are held. After about 51 days of disciplinary hearings, Shoprite has spent more than N\$ 3.3 million. This figure does not include the cost for renting the venue and the legal fees Shoprite pays to their lawyer and the chairperson of the disciplinary hearing.

The Economic and Social Justice Trust demands that Shoprite drops all disciplinary charges against its workers and that the company starts negotiating with its workers in good faith. Workers rights and fairness must be safeguarded as we cannot allow the mistreatment of workers to continue. The 'workers at Shorite deserve our unconditional support in their fight for justice, respect and dignity.

Unless Shoprite drops the disciplinary charges and changes its behavior towards its workers, we must ask why consumers should continue buying from a company that tramples on workers' rights and continues to exploit them.

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