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SACTWU Welcomes New Tool To Defeat Bogus Cooperatives and Worker Exploitation

The COSATU-affiliated Southern African Clothing & Textile Workers' Union (SACTWU) is delighted to finally welcome yesterday's long-awaited publication of the Regulations for the Cooperatives Amendment Act, 2013. This completes the legislative tasks required to give full effect to the amendments to the Act - that came into operation on 1 April 2019. Workers and their unions now have the tools to bring the full might of the law down on the wicked scourge of bogus cooperatives plaguing tens of thousands of workers across the country. In the clothing industry alone there are estimated to be around 15 000 workers abused by bogus cooperatives.

Bogus cooperatives are simply an excuse to profit off the back of exploited workers. They are established when factory owners threaten their regular employees with retrenchment unless the workers migrate into a so-called cooperative and become members of those cooperatives. The warped logic is that members of cooperatives are legally considered self-employed and up until

now have been exempted from minimum wages and labour standards. Nefarious employers have seen this as an opportunity to cut wages and so workers in bogus cooperatives lose money and benefits. But it gets worse: these cooperatives remains under the control of the original factory owner who also takes all decisions around the working hours and conditions of workers, the nature of their work, and if workers raise concerns about anything, they are simply disciplined and fired on the spot by the former factory owner, or by their proxies in the cooperative. Bogus cooperatives are a stinking cesspit of labour and human rights abuses, and we are even aware of bogus cooperatives in which human trafficking has been reported to occur.

Many workers under bogus co-operatives have lost their Provident fund-, minimum wage- and trade union benefits.

Some bogus co-operatives have promoted human trafficking in places nearby the borders of our country, such as in Newcastle and other places.

We call on the retail sector and design houses not to source their products from bogus co-operatives. Before they source their products from co-operatives, a full investigation must be conducted to determine its legitimacy and its labour law compliant status.

A number of labour consultants have made a comfortable living off pushing companies to convert to bogus cooperatives. Their parasitic practices have caused misery to workers. But

they have also wasted the money of companies which have paid for their advice and services. Instead of spending money to abuse workers, these companies could have spent this money on developing their infrastructure, business competence and products.

All of these jokers have now run out of time. The arc of justice has caught up with them because the newly in-effect Cooperatives Amendment Act requires cooperatives to comply with labour laws - unless they can demonstrate to be genuine cooperatives functioning on behalf of, and in the interests of, their members. Of course, bogus cooperatives cannot prove this and any of their sham attempts to do so fall flat upon close scrutiny.

SACTWU thanks COSATU, the ANC government, the Minister of Small Business Development, Lindiwe Zulu, as well as President Ramaphosa, for guiding this new legislation along its last stretch home.

Issued by

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SACTWU

GENERAL SECRETARY

If further comment is required, kindly contact Mr Chris Gina, SACTWU's Deputy General Secretary, on contact cell number 0829409456.