

Shoprite's Attack on Workers' Rights and Livelihoods

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For several years, Shoprite Namibia which forms part of one of Africa's largest and most profitable retail chain, has ignored workers' pleas for better wages and benefits. Given the company's profit margins and the multimillion dollar bonuses which it pays its top managers, Shoprite could easily have accommodated the workers' demands but chose to continue with its highly exploitative and union-bashing practices. In 2014, for example, 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 that union in exchange for an increase.

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 in July 2015. The strike ended upon the advice of the Ministry of Labour but Shoprite continued to violate the Namibian Labour Act and workers' rights. Decisions concerning the workers' wages and employment conditions were taken in South Africa and Shoprite Namibia did not meet its obligation regarding collective bargaining and the duty to bargain in good faith.

In 2020, Shoprite workers - through their trade union, the Namibia Food and Allied Workers Union (NAFAU) which represented the majority of works in the bargaining unit - demanded an entry level salary of at least R 2500 per month, a general salary increase of R 600 per month plus the introduction of a transport and housing allowance. They also asked that after 12 months of employment, employees should be treated as permanent workers. These reasonable and in fact modest demands could easily have been met by Shoprite. Instead, the company offered a mere 5% increase which in practical terms means an increase of R 100 per month for a worker with a monthly income of R 2000.

After years of unfair treatment, Shoprite workers rejected this offer and went on strike on 23 December 2020. As Shoprite and its subsidiary companies such as Checkers and USave make their money from the purchases by the Namibian public, the Economic and Social Justice Trust (ESJT) called for a consumer boycott in support of the striking workers. The aim was to pressurize the company to negotiate in good faith and to accept the justified demands from its workers. The Trust also called on the Ministry of Labour to ensure that Shoprite adheres to its legal obligations. For example, the Namibian Labour Act states very clearly that during a protected ("legal") strike, the employer cannot ask any other employee to do the work of a striking worker. It is also illegal to employ new workers to do the work of striking ones. Such "scab labour" is outlawed in Namibia.

However, Shoprite and its subsidiary companies disregarded the law and provided an example of the rule of corporate power. The Shoprite Holding Company made an operating profit of R 7.15 billion in 2020 alone but remained determined to retain its highly exploitative labour practices. The company declared a war on workers and showed complete disregard for the notion of tripartism and negotiations in good faith. Instead, Shoprite employed lawyers to find ways of circumventing the Labour Act. It

went as far as illegally using scab labour during the strike which was confirmed by the High Court judgement of 8 January 2021. Still, this had no visible consequences for the company while the striking workers had to go for weeks without being paid. Shoprite's illegal action meant that the effectiveness of the strike was severely compromised, that the striking workers were facing starvation while the company was not even fined for its violations! Furthermore, the police were quick to act against protestors at Shoprite premises who demonstrated in support of the striking workers and in some instances tried to block the entrance. On the other hand, the police did not step in to prevent the illegal use of strike breakers by Shoprite.

These events demonstrated how the balance of power is tilted in favour of corporations. Shoprite has stated that they will appeal the High Court judgement and the company did not abide by the High Court ruling which is why NAFAU successfully filed for contempt of court. Meanwhile, Shoprite is prepared to spend large amounts of money on a Supreme Court case in the hope of finding a legal technicality and a sympathetic judge to vindicate its violations of the right to strike. The company also realised that the Ministry of Labour was unable to set the tone and enforce negotiations in good faith. Likewise, the Namibian government as a whole failed to pronounce itself clearly and to take action against Shoprite for its illegal conduct and for treating its workers with disdain.

In a context of high levels of unemployment, Shoprite regards most of its staff as easily replaceable and knows about their vulnerability. It uses the unemployed "reserve army of labour" to its full advantage and its strategy was to starve the striking workers into submission. The strike eventually ended in its fifth week as workers were unable to sustain it any longer. The agreement signed provided for very low increases of R 250 per month for full-time staff and an additional R 1.28 per hour for part-time staff. The minimum wage for part-time staff was increased to R 12.82 but the company refused to introduce a transport or housing allowance.

The stage is set for further conflicts in the years to come. Allowing companies like Shoprite to continue their war on workers will not only affect those employed at Shoprite but also Namibia's and Southern Africa's working class as a whole. Shoprite was allowed to set a terrible precedent that other companies are likely to follow. However, the Shoprite strike also had some positive aspects as workers were not left all on their own. It was encouraging that communities and several political organisations joined the call to boycott Shoprite and decided to demonstrate in front of its outlets. Such acts of solidarity with the striking workers were critical and can play a crucial role in the struggles to come.

Likewise, international solidarity, particular with other workers employed by the same company in the Southern African region, can play a central role in making future strikes a success. Regrettably, NAFAU did not use this strategy effectively to pressurise Shoprite across the region through the international union networks. Even the support of national sister unions was rather muted which weakened the strike further. Going forward, this has to be one of the key lessons learned. When tackling transnational corporations like Shoprite, workers and their unions must utilise national and international solidarity action to enforce their demands. After all, trade unions have stated for decades that "united we stand, divided we fall".