

## **Shoprite and its War on Workers**

*By Herbert Jauch, published in New Era, 19 January 2021 & The Namibian, 22 January 2021*

The ongoing strike at Shoprite and its subsidiary companies Checkers and U Save in Namibia has exposed the uncontrolled rule of corporate power. Workers face a “David vs Goliath” scenario when they demand just a little more in terms of wages and benefits to meet their most basic needs. This is not new because for several years, Shoprite has ignored workers’ pleas for better working conditions and instead continued with highly exploitative labour practices as well as union-bashing strategies. The company’s arrogance was demonstrated when it even ignored appeals by the Ministry of Labour in past years.

Shoprite Namibia is wholly owned by the Shoprite Holding Company which is Africa’s largest consumer goods retailer. It runs a multi-billion dollar operation and in 2020 alone made an operating profit of N\$ 7.15 billion. The net profit for that year stood at 3.4 billion and in addition the company earned interests of N\$ 498 million. Given those figures published in the company’s annual report, nobody can argue that this company cannot afford an increase of N\$ 600 for its workers and the introduction of a transport and housing allowance. Why then, does Shoprite refuse to make a reasonable offer and settle the matter instead of provoking a protracted strike?

The only logical answer is that Shoprite has declared a war on workers and wants to break them with the central aim to maintain its highly exploitative labour practices that have allowed the company to become one of the most profitable on the continent. Shoprite shows complete disregard for the notion of tripartism which at its core relies on business, labour and the state solving labour issues in the spirit of good faith negotiations. Shoprite as a classical apartheid-era company simply refuses to do so and believes that its huge profit margins are justifiable despite them being extracted at the expense of black and mostly female workers who are crudely exploited.

In its war on workers, Shoprite shows complete disregard for workers’ rights and employs lawyers to find ways of circumventing the Labour Act. A case in point is the use of scab labour during the current strike despite the clear provisions of the law which state that no employer may ask other persons to do the work of workers on a protected strike. This was confirmed by the High Court judgement of 8 January but had no visible consequences for the company. On the other hand, the striking workers are now entering their fourth week without being paid. Shoprite’s illegal action meant that the effectiveness of the strike was severely compromised, that striking workers are facing starvation while the company was not even fined for its violations! Furthermore, the police were quick to act against protestors at Shoprite premises but did not step in to prevent the use of strike breakers.

These events demonstrate how the balance of power is tilted in favour of corporations. Shoprite now feels emboldened and is appealing the High Court judgement. Indications are that Shoprite continues to use strike breakers and is not even abiding by the court ruling which is why workers and their union NAFAU have filed for contempt of court. The company 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 money spent on legal proceedings could have been used to meet the workers' demands but this is not an option for Shoprite in its war on workers. The company realised that the custodian of labour relations, the Ministry of Labour in general and the Office of the Labour Commissioner in particular, are unable to set the tone and enforce negotiations in good faith. Likewise, the Namibian government as a whole has failed to pronounce itself clearly and to take action against companies like Shoprite which treat their workers with disdain.

This is the scenario that Shoprite workers experience today. Given the high levels of unemployment, the company regards them as easily replaceable and knows about their vulnerability. It is intent on using the unemployed "reserve army of labour" to its full advantage and wants to starve the striking workers into submission. If Shoprite succeeds in this war on workers, the consequences will be dire - not only for those employed at Shoprite but for Namibia's working class as a whole. Shoprite will set a terrible precedent that other employers are likely to follow.

It is in this context that the Shoprite strike is truly of national importance. Shoprite's profits are based on Namibians buying at their stores and by continuing to do so we are enabling and supporting Shoprite's war on workers. It is telling that Shoprite is now offering special sales at knock-down prices in an attempt to undermine the consumer boycott. The old strategy of divide and rule is rearing its ugly head again as the company tries to play out consumers against their brothers and sisters on strike.

However, the Shoprite workers are not left all on their own. It is encouraging that communities and several political organisations have joined the call to boycott Shoprite and decided to demonstrate in front of its outlets. Such acts of solidarity with the striking workers are critical and must be intensified across the country in the coming days to send a clear message that Namibians are willing to fight back. We must not allow corporate greed to starve workers into submission. We must show that an injury to one is indeed an injury to all!

*Herbert Jauch is a labour researcher and the chairperson of the Economic and Social Justice Trust*