

## **MALAMULELA Social Movement for the Unemployed (MSMU)**

### **Extracts from FMF reports**

#### **1999**

An organisation of the unemployed is being assisted in another partnership project. This assistance is closely allied to the LASB initiative as all parties recognise that if regulations prevent or retard the development of small firms, there will be fewer employment opportunities. The Labour Focus Team has also identified that if the unemployed are granted the right to work under conditions acceptable to them, their best opportunities for employment lie with small firms. The complementary nature of the interests of the unemployed and small firms is to be brought to the attention of all affected parties, and especially government. Small firm organisations are also being assisted in making representations to government regarding matters affecting them.

#### **2000**

The FMF has joined forces with Malamulela in an attempt to find a solution to the unemployment problem in South Africa. Malamulela argues that its members should not be prevented by the law from entering into mutually acceptable contracts with employers. MSMU has asked the State President to intervene on its behalf to bring about a modest change to the labour laws. The organisation has prepared a very simple contract of employment, acceptable to its members, which it wishes to have legalised so that members can use it in contracting with employers.

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The FMF continues to assist Malamulela in partnership with the Friedrich Naumann Foundation and the organisation has made a great deal of progress in getting its very simple but powerful message across. Malamulela is asking the government to restore the right of the unemployed to contract on their own terms with employers. The Executive Committee of MSMU has had three meetings with the Department of Labour on unemployment and has also met with a range of other influential bodies. The organisation is of the view that it is now making real progress.

#### **2001**

Most of the discussion on the labour laws concentrates on the effect they have on businesses. Disputes also regularly occur between labour unions, business organisations and government over various aspects of the labour laws. Everyone, except the labour unions and some international labour organisations, agrees that South Africa's labour laws exacerbate unemployment.

What is missing from the discussion is the fact that the labour laws deprive both the employed and unemployed of their rights to make whatever contractual arrangement they wish with employers. A fiction is maintained that the employee is powerless in the face of the overwhelming power of the employer. However, employers and their employees are mutually dependent. Based on the notion of the powerless employee, the labour laws also deprive employers of the contractual rights they should enjoy under laws founded on just principles. Simultaneously, however, the laws prevent vulnerable unemployed people from getting jobs by prohibiting them from accepting nothing less than the minimum conditions set by the legislation.

The FMF has been supporting, with sponsorship from the Friedrich Naumann Foundation, the work of the Malamulela Social Movement for the Unemployed (MSMU). This organisation is lobbying government to allow the unemployed to contract freely with employers, and especially small employers. If MSMU is successful in its quest, unemployment could be substantially reduced and economic freedom advanced in South Africa.

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We work with the Malamulela Social Movement for the Unemployed to find effective ways to address the unemployment problem, and, not unexpectedly, we approach the matter from the perspective of the unemployed. Malamulela will submit proposals to government within the next two weeks, which they believe could alleviate the unemployment problem and prove acceptable to all parties.

## **2002**

With the support of the Friedrich Naumann Foundation we continue to assist the Malamulela Social Movement for the Unemployed in its efforts to persuade government to relax the labour laws. Malamulela adopted the idea of having a Customised Employment Contract as proposed in the Labour booklet in the Laws Affecting Small Business series prepared by the FMF and published by the Friedrich Naumann Foundation.

Malamulela is an unusual organisation in that it consists solely of disadvantaged and unemployed people but is not asking for handouts from government. It concentrates totally on trying to persuade the authorities to improve conditions for job creation, including the removal of legislative barriers to employment. The organisation has interacted with government departments at the highest levels in an effort to find solutions to the exceptionally high unemployment rate in South Africa.

Malamulela has suggested on numerous occasions that employers and employees should, under particular circumstances be allowed to contract with each other freely outside the provisions of the labour laws. They have suggested that such a dispensation should apply to small employers and workers that have been unemployed for six months or longer. In order to facilitate such agreements, Malamulela prepared a standardised contract for which they have sought government's approval.

On two occasions the organisation has petitioned the State President to change the labour environment and facilitate job creation by removing barriers to entry that prevent the unemployed from getting jobs. On the first occasion, members of the organisation walked more than 50 kilometres from Johannesburg to Pretoria to attract publicity and deliver the petition. On the second occasion they delivered the petition to a Director in the office of the President.

Malamulela, has consistently kept the plight of the unemployed before the government. The organisation has a formidable task in trying to persuade government to change conditions so that particularly the unskilled can get employment. Past proposals for labour reform have been opposed by the trade unions who are powerful, both because they threaten and execute strike action, and because they are partners in government with the ANC. The latest petition of Malamulela seeks to overcome all the objections of the trade unions and assist the government to find a peaceful resolution of the unemployment problem.

The unemployed and small businesses have much common ground in South Africa and, according to Malamulela, an improved dispensation for small business holds great promise for reducing unemployment. Malamulela has therefore established cordial working relations with major small business organisations in the country. In addition, Malamulela maintains good relations with a wide variety of governmental and non-governmental individuals and organisations in order to promote the cause of the unemployed.

The President of Malamulela, Mr Thabang Mokotong, and the General Secretary, Mr Stanley Mohapi, both serve on the Council of the Foundation.

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The FMF is of the view that the solution to the problem of unemployment requires a policy combination consisting of the following elements:

- Liberalising the labour laws to allow employees to contract with employers on any basis acceptable to them – including the right to trade higher wages for less job security and to gain entry to the job market by accepting lower than optimal wages and less than optimal working conditions.
- Adopting policies that will result in high economic growth and a rapid increase in the demand for labour.
- Recognising that small firms are the largest providers of first-time jobs to the young and unskilled, as well as to the otherwise unemployable, and that they and the unemployed should be exempted from some of the more onerous provisions of the labour laws.

### **Actions**

- Campaigned vigorously against the adoption of the current Labour Relations and Basic Conditions of Employment Acts, teaming up with small business organisations in the western Cape to lobby parliament.
- Produced numerous publications that described the detrimental effects of job security and unfair dismissal legislation on the unemployed, the very people it was supposed to protect.
- Provided long-term assistance to the Malamulela Social Movement for the Unemployed in lobbying government to liberalise the labour laws and in informing the media, business organisations, the unemployed, labour unions, NGOs, religious organisations, and the general public of the reasons for their stance on the labour laws.
- Continued to lobby for the retention of the sound elements of the GEAR policy, and adoption of other sound macro-economic policies that will provide high economic growth and an increase in the demand for labour in South Africa.

### **2003**

The FMF assists the Malamulela Social Movement for the Unemployed (MSMU) to represent the unemployed of South Africa in persuading government to adopt alternative policies and so reduce the existing high level of unemployment. Malamulela consists solely of disadvantaged and unemployed people but is not asking for handouts from government. It concentrates totally on trying to persuade the authorities to improve conditions for job creation, including the removal of legislative barriers to employment. Malamulela contends that the 7.87 million (40.9%) unemployed in South Africa results from the following causes:

- South Africa has a combination of high unemployment, high increases in real wages, low economic growth and a highly unionised labour force.
- These conditions are combined with the adoption of labour legislation that substantially increased job security through the introduction of onerous dismissal procedures, granted greater powers to the labour unions, and entrenched centralised collective bargaining.
- South Africa's job security laws are assiduously policed by the labour unions – contrary, for instance, to conditions in South Korea, which has onerous job security laws but very weak unions.
- This explosive mix of conditions condemns a large percentage of the population to perpetual unemployment if policies and laws are not changed.

The FMF, with the aid of sponsorship from the Friedrich Naumann Foundation and the First Rand Foundation, supplies support to MSMU to argue from as many platforms as possible for relaxation of the labour laws.

The Executive Committee members of Malamulela performed the following functions:

- Gathered signatures on a petition to the Minister of Labour requesting relaxation of the labour laws and handed the petition to senior officials of the Department of Labour at a ceremony in Pretoria that was attended by a large contingent of members of MSMU.
- Attended meetings, workshops and conferences, arranged by both the private and public sectors, on an ongoing basis to argue the cause of the unemployed.
- Participated in radio and TV shows and interviews, and interviews with newspaper reporters, on issues affecting the unemployed.
- Lobbied government whenever appropriate regarding the labour laws.
- Met with the Department of Labour on a regular basis to follow up on a Memorandum submitted to the State President, Thabo Mbeki, on 10 September 2001, proposing specific changes to the labour laws, which the President referred to the department for attention, and which the department has been researching with a view to possible implementation.
- Maintained constant contact with members and supporters of MSMU to inform them of progress and teach them about strategies they can employ to further the cause of the unemployed.
- Had regular meetings of the Executive to receive report-backs and to plan programme of work.
- Had regular planning and strategy meetings with the Free Market Foundation.