

# THE RHODESIAN JOURNAL OF ECONOMICS

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## SYMPOSIUM PROCEEDINGS CURRENT ECONOMIC PROBLEMS

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**LABOUR PROBLEMS IN  
RHODESIA**

**Trade Union Viewpoint**

*Contributors*

W. F. Duncan

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## LABOUR PROBLEMS IN RHODESIA: A TRADE UNION VIEWPOINT

W. F. DUNCAN

First of all, I would like to thank you most sincerely for having kindly invited me to read a paper giving a Trade Union point of view on the subject of Current Economic problems. It gives me great pleasure to do so and I hope that what I say will be of interest to you and if perchance it leads to some better understanding or gives some food for thought, however small the measure I will be most delighted.

Since the Trade Union members are also members of the Rhodesian society who depend upon a viable and stable economy for their very existence, the economy of the country is of great concern to the Trade Union and it is for this reason that the Union involves itself to the degree it does in its endeavour to ensure that certain balances and priorities are maintained in the interest of its members and consequently the general public.

Trade Unions in Rhodesia play a vital, if not spectacular, part in the regulation of Industry. One only hears of Trade Unions when there is some sort of unrest but never when they sit around tables for hours negotiating agreements with employers, or, in conjunction with employers, examine credentials of people seeking registration as journeymen or working out more effective ways of training apprentices, or running medical aid societies or the hundred and one other mundane but vital tasks that are carried out daily. The essential point here is that there is co-operation and co-determination between employee and employer without which there would be chaos as may be seen in other countries overseas.

Although Rhodesia is at the moment enjoying a sheltered economy because of the unique position we find ourselves in resulting from our Declaration of Independence, we are very conscious of the world-wide inflationary trends outside of our borders. Should a settlement be reached we would immediately be hit by spiralling costs which we could not absorb on present wage levels. This in turn would lead to skilled people looking for greener pastures where wages go some way towards meeting the high cost of living and this would mean the loss of skills to the country which we, in our state of development, can ill afford.

Already financial pressures are being brought to bear on the ordinary man in the street through ill-conceived, albeit well-meaning, government policy designed to attract the highly paid professional man to the country. I refer, of course, to the removal of Supertax in Rhodesia. This move has not met with the success the Government hoped for in attracting, for example, Doctors. What it has done in fact is to have encouraged spectacular increases in medical fund expenses. This trend will continue as long as it is not in the interest of these people to restrict their earnings to something which is generous without falling into this category of getting rich quickly at the expense of those who can least afford it. Despite the fantastic incomes the medical profession are presently enjoying the R.M.A. were scheduled to discuss new tariffs with the Rhodesian Association of Medical Aid Societies on the 25th October—only a few days ago—and even these tariffs are only guide lines which any individual doctor is not obliged to adhere to if he doesn't wish to. Of course, this ever spiralling cost trend in the Medical world is going to lead to increases in Medical Aid

contributions which affects both the employee and employer thus leaving less money to increase wages to cope with the rise in cost of living to which the Medical Profession contribute greatly with the aid of an ill-advised Government policy which favours the few at the expense of the many.

The need to pay careful attention to the availability or otherwise of labour is vital to the economy of the country. The A.E.U. has always made every endeavour to keep a careful watch on the situation and to do what is necessary in conjunction with the employers and Government to maintain the labour force at the required level. Only a short while ago a survey showed a shortage of labour in Rhodesia. As a result two successful agreements were negotiated in both the Engineering Industry and the Motor Industry which effectively lessened the demand on the time of the skilled artisan or Journeyman by allowing other less skilled people to perform certain aspects of the Artisan's trade. Apart from the fact that the labour shortage has been relieved to the degree that it is now non-existent to all intents and purposes the employer has also been able to save a considerable amount on his wage bill which we hope will have the effect of steadying the spiralling cost trend rather than to go towards the enhancement of profit margins.

It remains a source of continual astonishment that employers generally place a comparatively low financial value on a skilled artisan whilst openly admitting that without the highly trained man little or nothing can be achieved. In the Motor Industry, for example, many highly qualified motor mechanics turn to car salesmanship simply because the conditions of service are better, the work is a good deal less arduous, and the remuneration is way above what a motor mechanic can expect to earn. This, of course, is true in other industries as well. A large number of your salesmen in this country are ex-Artisans. Why is it that employers will insist on paying more to the man who sells the product than he does to the man who produces it thus creating the problem of depleting a skilled labour force which is vital to any industrial country.

Turning now to the unskilled person who is also vital to the economy of the country. Vital in several ways. Firstly he is very necessary as a labouring unit without which the country cannot function. Secondly he is an earning unit which is also a spending unit which creates a market for more consumer goods which gives impetus to more manufacturing and so on which all adds up to a viable economy to everyone's advantage. Of course, this is an accepted situation generally acknowledged by all yet we find a situation in Rhodesia which produces a set of circumstances totally in conflict with the achievement of the good that I have just outlined. We find unemployment in the Urban Areas and labour shortages in the Rural Areas. There must be a reason for this and in fact there is. We have in this country a set of laws termed the Industrial Conciliation Act. One of the most important functions of this Act is that it makes provision for the employer, or group of employers, and employee organisations to get together and to lay down rates of pay and conditions of service which are fair and reasonable and acceptable to all. Industry generally is controlled by the Industrial Conciliation Act, either through Industrial Councils or Industrial Boards. The Agricultural Industry, however, is specifically exempted by Government from the provision of these labour laws with the result that conditions of service and rates of pay are such that Agriculture is the least attractive of our Industries. In 1971 Government statistics show that Africans in Agricultural employment have an average earning of \$124 per annum; their urban counterparts employed in commerce and industry enjoy average earnings of \$550. The current drift of employable African males to

urban areas of the country gives vital emphasis to this point. The end result is the imbalance of labour supply and demand between industry and agriculture with agriculture creating a problem and then compounding it by creating a section of the population which is a drain on the economy instead of contributing by being a spending/earning unit.

Government recognise that there is a serious problem which resulted in the Legislative Assembly passing the Tribal Trust Lands Development Corporation Act in 1968. The intention behind this Act is good and to date a good measure of progress has been made in the Tribal Trust Lands. There are, however, grave dangers. The most important is that the Industrial Conciliation Act must apply in these areas or a repetition of the fiasco created by the agricultural industry will result with the same attendant drift from the Tribal Trust Lands into the towns and cities by Africans, not as productive units but as squatters. There is also the very real danger of the unscrupulous employer merely taking advantage of tax reductions and other incentives as happened only last year in South Africa when a car assembly plant situated in the Pretoria Border Industry Area (roughly the equivalent of our Tribal Trust Lands) found that due to certain economic measures implemented by the South African Government car sales fell off and therefore they required their staff to take 3 weeks leave. However, the staff refused to do this since 3 weeks leave was of little value to them. They were in fact all Zulus from Durban and not natives of the area which this Border industry allegedly catered for thus the period of leave which they were required to take was not sufficient to warrant the expense of the travel to their homes.

I have, of course, only touched on some of the problems which face us as a Trade Union in the country today. In a Symposium of this nature time is of the essences and speakers must necessarily be restricted but I feel that with the outline I have given discussion will probably bring to light some of the aspects I may have overlooked. However, and in conclusion, may I sound a note of warning to those people who view Trade Unions with suspicion and who are in fact hostile and are dedicated to being destructive towards them. Without Trade Unions you can have no agreements and you will not have spokesmen for labour to whom you can bring your problems and whom can bring to you the problems of your labour force. But without Trade Unions you can have chaos and disorder so think well and consider the responsible Unions in this country and solicit their help through free collective bargaining as encouraged by the Industrial Conciliation Act and be just as willing as you will find the A.E.U. is to find the necessary solution to problems which will arise from time to time as either a mutual problem or possibly one which is of great importance to one or the other of the parties at the bargaining table in the interest of Industry and the country.



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