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Subject: COSATU-Employment Equity Bill
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STATEMENT ON EMPLOYMENT EQUITY BILL AND THE APARTHEID WAGE GAP

The Portfolio Committee on Labour considered amendments to the Employment Equity Bill which were tabled in parliament by the Department of Labour today.

Amongst these were amendments in response to COSATU's proposals for closing the apartheid wage gap. COSATU has serious reservations, however, about the tabled amendments on this issue, and believes that the amendments proposed today by the ANC should be supported as they address these defects. Finalisation of the clauses relating to the wage gap has been postponed to next week, when the Bill will be voted on by the Committee.

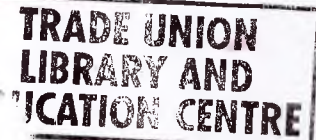
COSATU has consistently maintained the view, both in our submissions to the committee last month, and at NEDLAC, that the Employment Equity Bill must address the issue of the apartheid wage gap, if it is to have meaning for the millions of ordinary workers, who are the worst victims of apartheid discrimination, and who will not be able to reach the upper echelons of the workforce, despite the affirmative action provisions of the legislation.

We have supported the philosophy of the legislation that employment equity must benefit everybody, and not just an elite few. We have taken the view that the legislation must address the critical legacy of massive income inequalities, which was a deliberate policy under apartheid, in order to make this philosophical approach a reality, and that in this respect the Draft Bill was seriously defective. We proposed a series of concrete amendments to remedy this defect, within the broad philosophical approach and architecture of the Bill. We also proposed an integrated strategy to address these differentials, which combines measures in the Employment Equity legislation with other legislation and processes. A number of organisations have supported us in this view. Further a concept document tabled by the Department of Labour in the parliamentary committee broadly endorsed this approach.

Proposed amendments by the Department of Labour to Section 19 requiring designated employers to report on income differentials, are an important advance even though they don't require employers to address income differentials in their equity plan, as we had originally proposed. Further, the Department has proposed a new section 27 which lists measures which employers may take to reduce disproportionate differentials, including training measures, compliance with determinations and collective bargaining. It also empowers the Employment Conditions Commission to research benchmarks for proportionate income differentials.

The proposed Section 19 and 27 recognise that the closing of these differentials is one of the key legacies of apartheid discrimination which have to be addressed in the Employment Equity Bill. The serious flaw of the proposed Section 27 however, is the failure to propose wording which obliges employers to do anything to address these differentials. If this flaw is not addressed, the existing Section 19 and 27 will be rendered ineffective.

The proposed amendment tabled by the ANC today attempts to remedy this defect, by requiring employers to "take measures" to reduce disproportionate differentials, without prescribing the exact method that must be used to do this. If the ANC's proposal, together with Section 19, is adopted when the Committee meets next week, it would send out a clear signal of the government's seriousness to concretely



address the issue of apartheid income disparities, throughout the economy.

We therefore call on Minister of Labour and the Department to support this amendment, as it is in line with their stated objectives to the Committee that " A Bill that attempts to bring about true equity has to address the issue (of apartheid wage gap) and address it seriously".

If approval is given to these amendments, COSATU will be able to wholeheartedly endorse the Employment Equity Bill, including the compromises, which have been made by all sides, as major step forward in addressing the legacy of apartheid inequality in the workplace. However, we want to warn that if the Bill goes through without these changes, it will not achieve its objective of bringing about employment equity.

Issued by
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