

NEWSFLASH

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WORKERS ARE DEEP IN ENDLESS DEBTS FROM LOANS ORGANISED BY THEIR TRADE UNIONS

With the exploitation coming with slavery salaries below price increase (inflation), workers face double impact as they are forced to depend on loans whose repayment interest is unknown, in order to meet the cost of living. While it is difficult nowadays for most workers to survive without loans due to slavery salary and bad faith negotiations by trade unions, both the employer and trade unions are to blame for innocent workers taking home zero salary at the end of the month because the trade union has authorised the employer to deduct all the worker's salary to pay towards the debt from loans. What makes matters worse is that the interest rate of these loans is unknown to the workers (credit receivers). Research has shown that most workers take home at least less than R200 a month after deductions of loan repayment where a worker has to pay at least 4 different loan instalments per month causing such worker to depend on loans for the rest of his/ her working life thus remain trapped in poverty. It cannot be correct that trade unions will put the interests of financial service providers over those of workers, and that the employer will allow such trade unions to allow loan deductions of all the workers salary at the of the month. Such practice pushes workers to live below affordable means.

Granted, workers cannot do without borrowing, however, it is incumbent upon the employers to ensure that trade unions who surrender their members to loan services do not allow repayment deductions to effect without regard of law regulating repayments of debts. No law requires a debtor to be left with nothing after paying towards such debt (loan) at the end of the month.

Trade unions have a duty to also protect financial interests of their members. If trade unions encourage workers to depend on loans, workers must know that such unions are not having their best interests at heart. While we explore means to educate workers to live within their affordable means and reduce dependence on loans, we will be writing to the National Credit Regulator and the Reserve Bank for assistance to workers to ensure that reckless lending and unfair deduction of workers' salaries come to an end. We cannot afford to have workers taking home zero salary at the end of the month because of trade unions failure to protect workers financial interests.

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