

UNEMPL OYMENT

This article is the first in a series of three in which we will attempt to explain (1) The causes of unemployment (2) Its unique features in South Africa and (3) The response of the Black working class and unionists to this problem.

FAMILIES STARVE

In South Africa and the rest of the world millions of workers are unemployed. The results of unemployment are well known. Families starve, they lose their homes, babies die at a young age and people are forced into crime. What has caused this large scale unemployment?

Each day we experience or read about retrenchments, strikes, short time being introduced. Each time the words "recession", "the downturn in the economy", "high inflation rates" are being offered by the bosses as the reasons for unemployment. But are these the real reasons?

CAPITALISM

Under capitalism workers do not produce things to satisfy their own needs. They produce things for the capitalists to sell to others. The things they produce or make are called commodities. These commodities (clothing, sugar, radios, cars etc.) are sold on the market, that is in shops, supermarkets and firms. The capitalist system is concerned with the production and exchange of these commodities on the market.



The bosses own the means of production that is, they own the labour power of the workers, the land, factories and machines, etc. The bosses buy the labour power of the workers like any other commodity.

The workers earn their living in one way only - by hiring their labour power out to the bosses for wages. Wages are a cost to the bosses just as electricity and buying of raw materials are. It is in the interest of the bosses to keep wages low - in order to keep profits high!

PROFIT

For the bosses the highest motive is the profit motive. To keep their profits as high as possible they have to do a number of things. One of these things is mechanisation - or the replacement of workers by machines. In this way ever new and improved machinery enables the capitalist to produce more goods more cheaply. In this way he reduces his costs. One of these costs is wages.

The capitalist therefore accumulates more capital, buys more machines, retrenches more workers and lowers wages even further. It is a never ending cycle.

RESERVE ARMY OF LABOUR

This cycle of accumulation and mechanisation and the resultant unemployment allows the bosses to have even greater control over the workers. Machines don't complain or join unions. The bosses in this way also increase their profits.

When the bosses retrench workers they increase the "reserve army of labour". This is the large number of unemployed workers already created by capitalism. The bosses use this "reserve labour army" to threaten those workers who do have jobs, that is, they force workers to accept bad working conditions and low wages by telling them that there are thousands of people who can replace them. The workers are at the mercy of the bosses. The bosses' control of the workers is increased because of the ever existing threat of unemployment hanging over the workers heads. In this way the bosses also weaken trade unions.

We have seen how capitalism deliberately creates unemployment to:
* keep wages low
* increase profit
* control the working class
* create the NEED for new and better machinery (which leads to further unemployment).

RECESSION

In order to make as much profit as possible, the bosses pay the workers low wages BUT in order for the capitalist to sell their products on the market the population (of which the working class is the majority) must have money to buy these products. Because of low wages and unemployment, the workers are unable to buy these products. There is an over-abundance of goods but only the rich can afford many of these goods. There is hunger in the midst of plenty! These factors lead to a recession.

TO OBTAIN PROFITS, THE CAPITALIST MUST PAY AS LITTLE AS POSSIBLE TO HIS WORKERS BUT TO SELL HIS PRODUCTS THE CAPITALIST MUST PAY AS MUCH AS POSSIBLE TO HIS WORKERS.

He can't do both! This contradiction can't be solved by capitalism.

MONOPOLY CAPITALISM

This contradiction has two effects: (1) The individual capitalist goes out of business and (2)

A few giant companies dominate one sector of the economy. These giants - monopoly capitalists - backed by finance capitalists (banks etc) corner one particular market and force out capitalists who want to compete with them. This shows that there is no such thing as "free enterprise". This competition between capitalists causes more workers to lose their jobs.

At a certain stage in its development monopoly capitalism has to find new markets. This leads to the export of capital (money) and the creation of a world market. This world market is dominated by big companies (from the U.S.A. and the so-called "Free World") who FIX PRICES amongst THEMSELVES. In this way they can control the economies of many countries. When these capitalists invest in another country they take out millions of rands from these countries in the

form of super - profits by exploiting workers in these countries. Monopoly capitalism has brought misery and pov-

erty to millions of workers and peasants throughout the world. Monopoly capitalists always want a bigger slice of the cake. They even fight each other for greater control of the world market.

We have shown how capitalism deliberately creates unemployment (to keep wages low and control the working class), how monopoly capitalism causes concentration of economic power in a few hands and how their mechanisation causes widespread unemployment. We have also seen how the export of capitalism and the creation of the world market in turn leads to imperialism.

It is in the interest of the working class and all other people who believe in a just society and a rational economy to replace capitalism and once and for all eradicate the evil of unemployment.

In our next issue we will specifically deal with unemployment in South Africa and the problems it has caused.

