

Strikes and unrest – SA's winter of discontent

The combined effect of strikes and social unrest has attracted the attention of all, including the international news networks. Lets analyse them separately as they are driven by very different circumstances and causes.

Strikes

Traditionally the SA winter is the time when most wage negotiations are conducted and thus also when most strike action occur. The record strike years during the last 25 years were 1987 (Mr PW Botha was still in charge & Mr Mandela in jail) and 2007 (then Mr Mbeki was in charge and Mr Mandela in retirement).

In 1987 9 million man days was lost through strike action, and in 2007 12,9 million man days. (There were at least 5 million more people employed in 2007 than in 1987, but ignore that.) The 1987 numbers were influenced by the mineworkers' strike when Cyril Ramaphosa made his name, as well as by a big strike in the transport sector. In 2007 the entire SA public service (including white, Afrikaansspeaking teachers) went out on strike for the first time.

The average man days lost per annum for the 15 years of democracy comes to 2,5 million. If we ignore the highest- and the lowest-scoring years, we end up with an average of 1,8 million man days lost per annum for the remaining 13 years.

Till the end of June, 500 000 man days were lost due to strike action in 2009, according to the respected strike report from Andrew Levy and Associates. From our own preliminary research we expect a further 1,5 million man days in the second half of this year, giving us a forecast total of 2 million man days lost for 2009 – slightly higher than the 1,8 million but less than the 2,5 million. It thus looks like an average year.

Not that much more

In the last big strike year, 2007, average settlements were around 7%. Inflation then, like now, was running at just over 7%. For the lower income groups inflation is now running at 9% (food and transport are the sticky items that impact more on the lower incomes). Settlements of 10% are therefore not so outrageous.

There could also be something else at work. For 14 of the 16 years from 1992 to 2007, settlements were below the inflation rate. Hard to maintain your living standard, let alone improve it, if year after year you get less than inflation.

These numbers may also explain why household consumption as percentage of total GDP has slipped from 63% in 1997 to 61% in 2008. That is in spite of about 4 millions jobs being created in that period. One would have expected consumption to keep pace with growth in the economy, but it has not.

Social unrest

These are generally seen as protests against “poor service delivery” and thus as an indictment of government. No doubt this is the case in many instances. But I would suggest two other interpretations are also applicable.

Democracy more than delivery

The first is the Steven Friedman argument that unrest is also due to “too little democracy”. There are cases where residents protest because they do not like or want the services that are being delivered to them – e.g. re-locating them from a squatter camp to alternative accommodation so that the squatter camp can be upgraded. In both the Western Cape and Gauteng this has led to protests.

Clearly the issue is not service delivery, but engaging with people.

The same goes for protest actions in Mpumalanga where the premier of the province did not arrive for a meeting with residents after he had promised to do so. This is not about service delivery but about listening to people and engaging with them. In this respect Mr Zuma is setting a good example by making his unannounced visits to Balfour and Mr Sexwale by staying overnight in Diepsloot. Political leaders must be seen to feel the pain and joy of the ordinary people. Lula da Silva has put that to good use in Brazil, Bill Clinton in the US. Sometimes people want recognition more than delivery.

Lesson from China

In 1994 China experienced 10 000 incidents of public violence. In 2004 the country experienced 80 000 such incidents. Think of it, more than 1500 protests a week!!

Yet, in the ten years separating those two numbers China made enormous progress with growth and development: jobs created, poverty rolled back, infrastructure developed... However, that growth and development (or “service delivery” in SA parlance) did not stop the unrest. In fact, unrest in China got worse – from 10 000 to 80 000 incidents per annum.

It seems to me the lesson from China is that progress is no guarantee of an end to protest. Progress is uneven in societies going through profound transitions like China and SA. Not everybody is happy, resulting in social unrest.

SA’s own experience confirms this. Two years ago we had xenophobic violence, yet it was also year four of 5% p.a. growth. Growth is no protection against unrest.

Stability

There are no indications that the protest and strikes in SA undermine political stability. On the contrary, Mr Zuma and several ministers have come out quite strongly against violence and misbehaviour. They are quite careful to defend the right to strike and/or protest, but also condemn unacceptable behavior.

So What?

- This year's strikes are not outside the norm of the last 15 years, although TV images may suggest otherwise.
- Social unrest is a feature of a society in transition and more democracy, or connection with the voters, is needed in addition to efficient service delivery.
- Like China, SA is a society in transition. Social unrest will occur.