

Labour Relations and Unions

Overview

The number of mandays lost due to strikes has averaged 3.4 million for the nearly two decades since democracy. That is the average; the actual number fluctuated wildly from less than 1 million to over 12 million in some years.

In five of the 19 years less than 1 million mandays were lost, while in two of those years more than 12 million mandays were lost. The difference was the civil service – when a million or more workers go out on strike the numbers run up quickly.

Recent past

In 2011 the figure was 5.4 million mandays lost. This too was largely due to municipal workers who went out on strike. There were about 280 000 municipal workers in 2011, so the numbers clocked up quickly.

2012 presented us with a different pattern. A total of 4.5 million mandays were lost in strikes. The distinguishing factors are

- that most of these strikes occurred *AFTER* the normal wage bargaining season, largely stretching from June/July to end September. By August 2012 with most of the wage negotiations out of the way it looked as if 2012 could be one of those years where the total mandays lost could come in under 1 million. And then the mining and farm workers' strikes occurred and the numbers shot up for the year.
- that most of them were unprotected strikes, or strikes taking place outside the rules of collective bargaining. Readers will remember how chaotic and anarchic the strikes in the mining industry (e.g. platinum) and in the Boland agricultural sector were. They were responsible for most of the 2012 mandays lost.

The Treasury estimated in 2012 that the strikes in the mining industry cost the country about 0.5% in GDP growth. Thus growth for the year could have been 3% rather than the 2.5% that was actually achieved.

Where are we now?

In 2013 so far a total of 5.4 million mandays have been lost (as at the end of Sept 2013). Exactly the same as the number lost in 2011, but now most of the numbers lost have been in the private sector.

The impact on output would be bigger than the municipal workers' impact in 2011 when 5.4 million mandays were also lost. Expectations of growth for 2013 have been downgraded from 2.7% at the beginning of the year to 2.2% now.

At the time of writing the big strikes have been settled. Those were the ones in the Motor Retail Fuel Industry; the Automotive Industry; the construction industry; and of course the gold mines.

The uncertainty is what AMCU will do in the mines where it is representative, particularly platinum and coal. AMCU has a well-earned reputation for anarchy and flouting all the rules of collective

bargaining and industrial disputes. (AMCU was at some stage the darling of some members of the chattering classes, largely because it was anti-Cosatu, but that infatuation has by now probably fizzled out.) So expect some more mandays to be lost.

Is there a link?

It is noticeable that the number of mandays lost through strike action has increased considerably since 2005 – exactly the time that SA started achieving 5% p.a. growth. The 5% growth lasted for four years and then came crashing down with the Global Financial Crisis, but strike days have not decreased.

Is there a link between the considerable wealth created since the mid-2000s and the increase in strike activity? Could the much vaunted theory of relative deprivation play a role in this increase? Is there a link with the fact that SA has one of the highest Gini-coefficients in the world (a measure of inequality)?

Some commentators suggest exactly that. Prof Adam Habib, now vice-chancellor at Wits, for example, is firmly of the opinion that inequality drives a lot of the tension in SA.

Most people would agree that inequality is a serious issue in this country. If there is a link between that and economic unrest, one can expect severe tensions in our body politic in future years. That is not new, SA has always had to cope with a lot of tension in its political-economy. The question is whether those tensions can be managed with a reasonable degree of order and stability. Time will tell.

Upheaval in Cosatu

The current ructions in Cosatu may very well have a bearing on how these tensions play out.

There is clearly a serious fight going on between the supporters of Mr Zwelinzima Vavi and his opponents, the latter largely suspected of being pro-Zuma people trying to drive Mr Vavi out of Cosatu.

If Mr Vavi survives the attempts to purge him, Cosatu will be much weaker, a shadow of its former self. On the other hand if Mr Vavi does not survive, there is the possibility of splits in Cosatu; and of a split between some Cosatu unions and the ANC. Either way Cosatu would end up weaker. Who and what will fill that space?

It is unlikely that Mr Vavi will just ride off into the sunset. It is more likely that he will make a comeback, perhaps even in the form of a new political party.

NUMSA is Mr Vavi's biggest supporter and one of the strongest unions in Cosatu. If he goes, what would they do? As we discussed last month, NUMSA is also SA's most leftwing political organisation. Would it break away from Cosatu and start competing with Cosatu unions to recruit members?

That is where the tensions in the workplace and around inequality may boil over and affect politics. At this stage it is all speculation. We can only wait and see how things unfold.

(Is it just co-incidence that Pres Zuma has signed the e-toll legislation just as Mr Vavi seems to have been neutralised? Looking back over the strike data for the years, it is noticeable that in March 2012

200 000 mandays were lost in a Cosatu strike against e-tolling. It was one of the biggest strikes of 2012. Now 18 months later the President signs the bill. Mr Vavi's vociferous opposition to e-tolling is well known. Recently he has gone quiet as he fights for his political future. Not only conspiracy theorists will make a connection.)

So What?

- The wage negotiating season in SA is not over yet (platinum and coal still has to be concluded) and mandays lost are already way beyond 2012 as well as the average for the last two decade.
- First civil service workers and now private sector workers are demanding a bigger slice of the pie.
- Strike numbers started to rise beyond the two decades average just as the SA economy started to grow at 5% p.a.
- Some commentators link this trend in strike numbers to the high levels of inequality we have in SA.
- If true, then the underlying tensions will also play out in our body politic. In this regard the tensions in Cosatu may have an important bearing on future politics.