

# Collective bargaining

## *Will retrenchments trigger strike action?*

Recent figures released by NMG-Levy Consultants and Actuaries have revealed that strike action relating to calls for higher wages increased considerably during 2001. The increase in mandays lost due to strikes rose from 500 000 in 2000 to 1,25-m last year. (Table 1 provides a clear picture of mandays lost from 1979 to 2001 but these figures exclude the numerous stayaways that have occurred during this period) This increase has largely been attributed to many of the key sectors in the economy being embroiled in lengthy talks to renegotiate multi-year agreements.

Analysts believe this trend is unlikely to continue this year because the main sectors, which traditionally account for the majority of mandays lost, will already be tied into longer-term agreements. They have, however, warned instead that amendments to section 189 of the Labour Relations Act (LRA), which grants workers the right to strike over retrenchments, could be a trigger for strikes this year, especially in the public sector.

The main strikes embarked upon during 2001 were:

- A two-week strike by CWU members at SA Post Office over the issue of a reduction in overtime pay and certain benefits.
- A short strike by Satawu members at Metrorail over the outsourcing of access control services.

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*Reneé Grawitzky looks at the potential trends around strikes and bargaining in the year ahead.*

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- A short strike by NUM members at Placer Dome over the issue of the arrangement of working hours.
- A protracted strike by NUM members at Palabora Mining in Mphumalanga.
- A countrywide strike by Satawu at Spoornet over wages.
- A strike at the Engen Oil Refinery in Durban involving temporary workers.
- A three-day wage strike by members of Numsa, NUM and MWU-Solidarity at Eskom.
- Three-week wage strikes by Numsa members in the automobile and tyre sectors.
- A protracted wage strike by NUM members at Northern Platinum Mine.
- A wage strike by Sactwu members in the clothing industry in Gauteng.
- Strike by Numsa members at Samancor.
- A short strike by Numsa members at Toyota over retrenchments.
- A two-week strike by Numsa members at Midas.
- A solidarity strike by Numsa members at Billiton operations in support of Mozambiqan workers at Mozal.

□ A major wage strike by Satawu and a number of Fedusa-affiliated unions at the SA Port Operations (Durban port). Wages accounted for 75,2% of mandays lost and 55% of the number of strikes while the main sectors affected were automobile 41,7%, metal/manufacturing 12,2%, mining 16%, communication 11,8%, transport 3,8%, paper/printing 2,7%, chemical 2,3% and clothing 2,2%, and food 1,7%. The most active unions in terms of mandays lost were: Numsa 59,8%, NUM 16%, CWU 11,8%, Satawu 3,4%, Ceppwawu 2,7%, and Sactwu 2,2%.

**Wage settlements during 2001**

Preliminary data released by the Cape Town-based Labour Research Service (LRS) found that the medium settlement level for the lowest paid workers was 8% with an average of 8,2%.

LRS director Sahra Rykklief says that based on an annual inflation rate figure of 5,7% workers would have received a real increase of 2,3%. However, a better indicator of real increases for low-income earners would be to take CPIX as the measure. Workers would in effect have

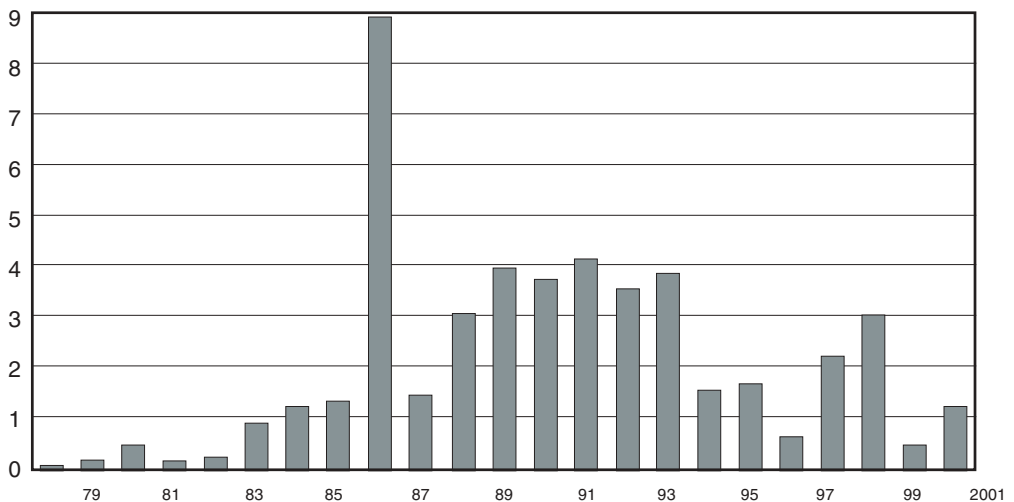
received a real increase of 1,1% based on a CPIX of 6,9%.

Data released by Stats South Africa found that between September 2000 and September 2001, the share of wages in the national income was the lowest level since the Second World War, except for 1980. This illustrates that the gap between the rich and poor is growing. The devaluation of the rand could exacerbate this trend.

**Possible trends**

It is highly questionable, at this stage, to state emphatically that the new retrenchment clause in the LRA will impact on strike trends. On the surface, it appears that undue hype has been attributed to this amendment, which is yet to come into effect. The amendments are only likely to be enacted towards the second half of the year. In any event, the right to strike is coupled with a highly proceduralised process that has to be followed before workers can strike over retrenchments. Claims that strikes will significantly increase in the public sector as a result of this clause need to be interrogated further. The public sector has

**Table 1: Man days lost through strikes: 1979 – 2001**



not shown historically that it is able to sustain a strike of more than two days as opposed to trends in the private sector.

Economists have warned instead that what is more likely to affect worker behaviour is the negative impact of the rand. The decline in the rand could sharpen worker struggles around wages in the year ahead.

Ryklief says predictions of a quieter year in relation to strike action cannot only be attributed to whether the key sectors have entered into multi-year agreements. There remained a number of key sectors which signed traditional one-year deals such as paper and package,

textile, leather and others. Industrial action, she says, is very much determined by the state of the economy and whether government will be able to continue keeping inflation low.

The state of the economy will determine whether parties will be negotiating in a hostile environment or not.

Ryklief believes 'we are entering into a period of industrial instability' as was the case last year. This, she says, has very little to do with the retrenchment clause. The rand crisis and the subsequent rise in interest rates will set the stage for bargaining in 2002.



*Workers strike over retrenchments.*