

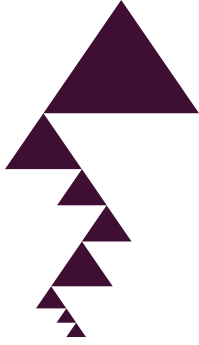


ANNUAL  
INDUSTRIAL  
ACTION  
REPORT  
2010



# labour

Department:  
Labour  
**REPUBLIC OF SOUTH AFRICA**



## ANNUAL INDUSTRIAL ACTION REPORT 2010

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### Editing, distribution, layout and design

Subdirectorates of Media Production, (Designer: Nontembiso Kgatle),  
Chief Directorate of Communication

### Printer

Government Printers

### Website

[www.labour.gov.za](http://www.labour.gov.za)



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# LIST OF ACRONYMS

AARTO	Administrative Adjudication of Road Traffic Offences
ABET	Adult Basic Education and Training
ACSA	Airports Company of South Africa
AMCU	Association of Mineworkers and Construction
AMEO	Automobile Manufacturers Employers' Organisation
ANC	African National Congress
BCAWU	Building, Construction and Allied Workers' Union
BEMAWU	Broadcasting, Electronic, Media and Allied Workers Union
BHP	Broken Hill Proprietary
BWAWUSA	Building, Wood and Allied Workers Union of South Africa
BTR	Bus Rapid Transport
CAA	Civil Aviation Authority
CBD	Central Business District
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CEPPWAWU	Chemical, Energy, Paper, Printing, Wood and Allied Workers Union
CFO	Chief Financial Officer
COSATU	Congress of South African Trade Unions
CPI	Consumer Price Index
CPIX	Consumer Price Index excluding mortgage interest cost for metropolitan and other urban areas
CWU	Communication Workers Union
DCS	Department of Correctional Services
DENOSA	Democratic Nursing Organisation of South Africa
DPP	Director of Public Prosecutions
DRD Gold	Durban Roodepoort Deep Gold
EHCWAWU	Education Health Church Welfare and Allied Worker's Union
EMS	Emergency Management Service
FAWU	Food and Allied Workers Union
FGWU	Food and General Workers Union
FIFA	Federation of International Football Association
GDP	Gross Domestic Product
GIWUSA	General Industries Workers Union of South Africa
GMSA	General Motors of South Africa
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HOSPERSA	Health and Other Service Personnel Trade Union of South Africa
ICHAWU	Independent Commercial, Hospitality and Allied Workers Union
ICLS	International Conference of Labour Statisticians
ILO	International Labour Organisation
IMATU	Independent Municipal and Allied Trade Union
IMPLATS	Impala Platinum
JAMAFO	Joint Affirmative Management Forum
LimDev	Limpopo Economic Development Enterprise
LMIS	Labour Market Information and Statistics
LOC	Local Organising Committee
KFC	Kentucky Fried Chicken
KZN	KwaZulu-Natal
MEC	Member of Executive Committee
MEWUSA	Metal and Electrical Workers' Union of South Africa
MINERSA	Minerales Productos Derivados SA's
MTC	Metro Trading Company
MTWU	Motor Transport Workers Union (South Africa)
MWASA	Media Workers Association of South Africa
NAPTOSA	National Professional Teachers Organisation of South Africa
NCBAWU	National Construction Building and Allied Workers Union

# LIST OF ACRONYMS

NEHAWU	National Education, Health and Allied Workers Union
NERSA	National Energy Regulator of South Africa
NECSA	South African Nuclear Energy Corporation
NTA	National Taxi Alliance
NTMEIA	New Tyre Manufacturing Employers' Industry Association
NTP	Nuclear Technology Products
NUFBWSAW	National Union of Food, Beverage, Wine, Spirit and Allied Workers
NULAW	National Union of Leather and Allied Workers
NUMSA	National Union of Metal Workers of South Africa
NUM	National Union of Mineworkers
NUPSAW	National Union of Public Service and Allied Workers
OSD	Occupation Specific Dispensation
PE.U	Professional Educators Union
POPCRU	Police and Prisons Civil Rights Union
PRASA	Passenger Rail Agency of South Africa
PSA	Public Servants Association
PTWU	Professional Transport Workers' Union
QES	Quarterly Employment Survey
RAF	Road Accident Fund
RBEU	Richards Bay Employees' Union
RBM	Richards Bay Minerals
RDP	Reconstruction and Development Programme
SABEA	South African Bus Employers Association
SABAWO	South African Building and Allied Workers Organisation
SACCAWU	South African Commercial, Catering and Allied Workers' Union
SACTWU	South African Clothing and Textile Workers Union
SACU	South African Communications Union
SACWU	South African Chemical Workers Union
SADTU	South African Democratic Teachers Union
SAFA	South African Football Association
SAFCEC	South African Federation of Civil Engineering Contractors
SALGA	South African Local Government Association
SAMA	South African Medical Association
SAMWU	South African Municipal Workers Union
SANDU	South African Democratic Nurses Union
SAOU	Suid Afrikaanse Onderwysers Unie
SAPS	South African Police Service
SAPU	South African Policing Union
SARHWU	South African Railways and Harbour Workers Union
SATAWU	South African Transport and Allied Workers Union
SEIFSA	Steel and Engineering Industry Federation of South Africa
SU	Solidarity Union
TAWUSA	Transport and Allied Workers Union of South Africa
TEBA	The Employment Bureau of Africa
TENUSA	Tertiary Education National Union of South Africa
TOWU	Transport and Omnibus Workers Union
TUT	Tshwane University of Technology
UASA	United Association of South Africa
UNISA	University of South Africa
UNIVEN	University of Venda
UTATU	United Transport and Allied Trade Union

# ACKNOWLEDGEMENT

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I would like to extend a special thanks to all employer associations (i.e. New Tyre Manufacturing Employers' Industry Association, Retail Motor Industry, Fuel Retailers' Industry, Automotive Manufacturers Employers Organisation) and bargaining councils for encouraging their members to complete Labour Relations Act 9.2 Forms and send them back to the Department of Labour. A major reason for the long-term success of this report has been the unconditional cooperation of employers. Further appreciations are extended to the Department of Public Service and Administration for collecting information on the public service strike and consolidating it for the Department of Labour. The Department received a comprehensive report on the public service strike of July and August 2010. Companies like Transnet, Prasa, Northam Platinum, Dischem and all other employers contributed in ensuring that the strikes data for 2010 was as comprehensive as possible.

Labour Market Policy (LMP) staff wields considerable influence in shaping this report. I will always value the sound judgment, outstanding vision and comments from the LMP-family. The successful completion of a report like this requires the contribution of many other people. Befitting its leadership role, the LMP-family has a strong team of support staff that makes life easier for an author. Finally many thanks to the data collector from Labour Market Information and Statistics who relentlessly made follow-ups with employers to ensure that they comply with the Labour Relations Act.



# EXECUTIVE SUMMARY

Strike activity measured in working days lost dramatically increased in 2010 compared to the four previous years. Data recorded by the Department of Labour shows that the number of working days lost to work stoppages in 2010 were the highest by historical standards with approximately 20 674 737 working days lost from about 74 work stoppages. This increase is attributed to the public service strike that started in July 2010 and ended in August 2010. Although, the number of work stoppages was higher than the two previous years (i.e. 57 in 2008 and 51 in 2009) at 74, they were lower than in 2006 and 2007 respectively.

## KEY FEATURES OF INDUSTRIAL ACTIONS IN 2010 INCLUDE THE FOLLOWING:

- The period June to September remains the strike prone period of the year as about 18 788 794 working days were lost during these four months in 2010. The amount of working days lost during the four months to the end of September 2010 represented about 90.8% of the total working days lost in 2010
- Approximately six work stoppages (i.e. Local Government, Transnet, Prasa, Dis-chem, Public Service and Northam Platinum) accounted for approximately 95.7% (19 791 189) of the total working days lost in 2010
- The work stoppage involving Dis-chem and SACCAWU was the longest in 2010 as it dragged on for about 75 working days. The work stoppage started on 27 May 2010 and ended on 25 August 2010 with about 1 680 workers participating in the work stoppage
- The median wage settlement level as reported by the Labour Research Service in 2010 was about 9.0%, this is above the level of inflation in South Africa
- About 1 593 working days were lost to work stoppages per 1 000 working South Africans in 2010 compared to 119 in 2009. This implies that for every 1 000 employees in South Africa in 2010, about 1 593 working days were lost due to work stoppages
- Although mining and quarrying have traditionally been plagued by high levels of strike activity measured in working days lost, in 2010, the community, social and personal services industry had the highest working days lost of 18 866 531, about 91.6% of the total working days lost in 2010
- In 2010, agriculture, electricity, gas and water supply and the construction industry experienced industrial peace, as they each recorded at most two work stoppages
- Most of the disputes from 2006 to 2010 were complying with the provisions of the Labour Relations Act, 1995. The annual breakdown of compliant industrial disputes was as follows: 60.1% in 2006, 70.6% in 2007, 63.9% in 2008, 89.2% in 2009 and 80.8% in 2010. The decrease in the number of work stoppages that are legal from 2009 to 2010 might be attributed to isolated work stoppages affecting small businesses. Most of the workers in small businesses are not unionized, hence they embark on work stoppages without giving any notice to employers
- The use of replacement labour has increased in 2010 as about 40.9% of employers reported to have used "scab" labour as opposed to 27.5% in 2009. The following are some of the companies that reported to have used replacement labour, i.e. Protea Hotel Landmark, Thabazimbi Municipality, Richards Bay Coal Terminal, Dis-chem Pharmacies, Azochem Laboratories and KFC Buffken (Pty) Ltd
- The number of employers that reported to have locked out strikers during work stoppages has decreased from 9 in 2009 to 3 in 2010. This development might be due to the fact that the level of intimidation on non-striking workers has gone down. The following employers locked-out its employees during strikes: Dev's Construction, Khoroni Hotel Casino Convention Resort and Pi Shurlock (Pty) Ltd
- There were few multi-union industrial disputes in 2010 like the municipal strike that was supported by SAMWU and IMATU, public service strike sanctioned by NEHAWU, PSA, DENOSA, NAPTOSA, HOSPERSA etc, the Telkom strike supported by CWU, SACU and the SOLIDARITY, the Netcare strike sanctioned by NEHAWU, DENOSA and SOLIDARITY
- In 2010, approximately R407 082 302 in wages was lost due to the participation of employees in work stoppages, compared to R235 458 414 in 2009.





1

CHAPTER  
ONE

# INTRODUCTION

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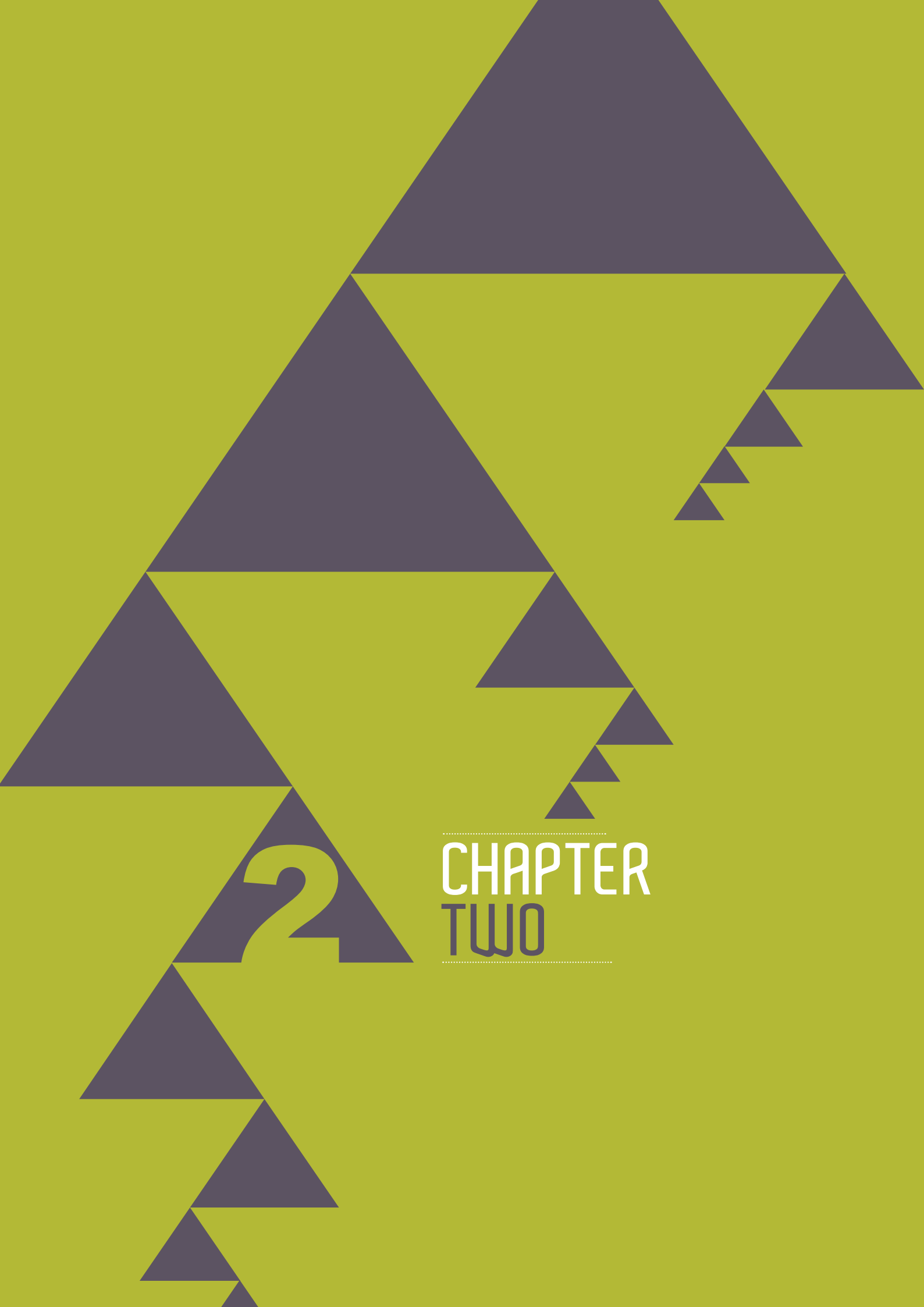
Strikes are unintended consequences of conflict between employers and workers. In statistical context, strikes are regarded as the outcome of a linear combination of independent variables, which are interpreted as the determinants of workers' decisions. The determinants of strikes operate instantaneously. Because conflict can be averted by the decision of either side (workers or employers), strikes are the proverbial tip of the iceberg. Submerged beneath the surface (not usually recorded by the Department of Labour) is the huge number of interactions including unfulfilled threats and preemptive concessions.

The end of the strike, moreover, does not necessarily terminate the struggle for better working conditions. There may be a series of sequences of interactions, involving the same workers and employer(s), before one side or the other finally accepts the outcome. In situations where employers did not accept collective bargaining, they often granted concessions only to revoke them some months later. Workers then faced a choice between defensive strike and outright surrender. Then, the relationship between labour and capital in the workplace is neglected.

Some of the explanations of strike occurrences would indicate that workers strike when unemployment is low or decreasing, when they have greater bargaining power. In other words, workers strike after they have become accustomed to rising wages, when wage increases diminish. In this regard, union leaders call strikes in order to deflate workers' unrealistic expectations. Unions hold that the basic function of the strike is as an equilibrating mechanism to square up the unions' membership's wage expectations with what the employer may be prepared to pay.

Another explanation is that workers strike when political opportunities arise from changes within the state. This suggests that strikes are inherently political; they are aimed at the state and not at employers. Nevertheless, whether an explanation refers to political opportunities or to bargaining power, it postulates the same underlying rationale, workers respond to opportunities, rather than being motivated by grievances.

Collective action, in the form of strikes, also leads to collective organisation. These explanations pertain to the actions of workers. Most obviously, workers have far less information than their employers about current and future profits. If workers' demands are exorbitant, then the employer can convince them of it only by withstanding a strike. The strike therefore serves to convey this private information. Therefore, some strikes must be explained by prior interactions, rather than by changing economic or political circumstances. Hence strikes must be analysed as an interaction between two sides, rather than a unilateral action by workers. Employers and employees have antagonistic interests. The interest of the employer is to get his labour at the cheapest rate possible, while the interest of the employee is to get the most money for his labour. More precisely, the employer needs only to pay workers a wage high enough to prevent them, as individuals, from leaving for another employer. It is in the workers' interest to raise their wage beyond this, but not to the point where it is not profitable to employ them.



2

CHAPTER  
TWO

# PROFILE OF WORK STOPPAGES, 2010<sup>1</sup>

This section profiles the labour disputes which is indicative of interaction between workers and employers in the workplace. The section analyses strikes as sequences of interaction in order to capture their essentially historical character by listing them chronologically. This is the summary of labour disputes that happened in 2010. The information has been gathered and consolidated from several media reports and internet.

## JANUARY 2010

- The wage strike that started on 27 November 2009 by members of the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU) at Azochem Laboratory in Roodepoort, Johannesburg rolled over into 2010. Workers' demands included an end to contract work, 13th cheque plus bonus to be paid also to those employed on contractual basis, contract workers to be paid per hour and a 10% wage increase across-the-board
- CEPPWAWU members at Winthrop also embarked on strike in the beginning of January 2010 over the company's continued refusal to reinstate dismissed workers following the July 2009 strike. The company dismissed 20 union members for their role in the legal strike of July 2009. Eight workers were reinstated, but 12 were still without jobs. CEPPWAWU was reported to be frustrated with the continued refusal by management to enter into discussions with the union over the issue
- Waste removal workers in Pretoria and surrounding areas also went on a strike in protest against the Tshwane Metro Council's apparent reluctance to do away with labour brokers. On 5 January 2010, workers staged a sit-in at the waste removal depot in Pretoria West after claiming that the municipality had betrayed them. The strike by the workers stems from assurances from the municipality that they would do away with labour brokers, but workers claimed that the contract of the labour broker Capacity had been extended. It was reported that workers belonging to the South African Municipal Workers Union (SAMWU) had repeatedly complained that they were exploited by labour brokers and wanted to be employed directly by the municipality. This followed a number of unprotected work stoppages by waste removal workers in Pretoria in 2010
- Workers at the Witbank plant of Coca Cola Shanduka started their full-blown strike over a wage dispute on 7 January 2010. Workers in Coca Cola Fortune and Coca Cola Canners continued with picketing and other demonstrations
- On 7 January 2010, mineworkers at Bokoni Platinum Mine in Burgersfort embarked on an underground sit-in. More than 100 workers staged a sit-in demanding payment of their 2009 end-of-year bonuses and the dismissal of a manager, who they accused of being racist
- On 10 January 2010, farm workers at the plantation farm of Rondebult, East Rand embarked on a strike. The protest activity followed after the farm owner denied labour inspectors access to conduct investigations on violation of laws, such as non-adherence to minimum wages as per Sectoral Determination, unhealthy and unsafe working environment without adequate protective clothing and non-existence of contract employment
- On 13 January 2010, at least 200 mineworkers at Harmony Gold's Kalgold Operations in North-West, outside Vryburg embarked on a strike. The workers were employed by Kals, a company contracted to Harmony Gold. The strike followed a disagreement over a wage implementation date as reported by National Union of Mineworkers (NUM). It was reported that there had been wage negotiations for over a year without any concrete agreement. NUM demanded a 15% wage increment, while the company offered 10% from December 2009. NUM said that the dispute was "not really about the figures", but rather about the implementation date. NUM wanted the company to backdate the wage increase from May 2009
- More than 1 000 workers at a company contracted by Eskom marched on 18 January 2010 to protest against job cuts. NUM reported that Optic 1, a company contracted by Eskom to install transmission lines, had fired more than 600 workers after they complained about accidents and the death of a contractor

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<sup>1</sup> It should be emphasised that the chronological list of incidents of labour disputes in Chapter 2 should not be confused with the quantitative data in Chapters 4 and 5. Chapter 2 covers all labour disputes, including those that are pre-arranged between management and employees like cases related to the mourning of the death of miners at the workplace. This chapter also includes protest actions and pickets during lunch-hours and after hours. It also includes protests by workers who were on leave. In all these cases, employers are not expected to submit completed LRA 9.2 Forms, since there can only be a recognised industrial action during office hours and by workers who are expected to be at work. Hence, these cases would not form part of Chapters 4 and 5. However, it is important to highlight them to capture a broader overview of labour disputes in the country irrespective of whether they are required to complete LRA 9.2 Form. The consent of employers on whether an incident is a strike or not is always important to consider before the Department of Labour can send a form to the employer affected to complete. Chapters 4 and 5 deal specifically with those incidents where forms were completed and sent to the Department for capturing. Some industrial actions do not come to the knowledge of the Department's officials, however, since employers are expected to complete the LRA 9.2 Form after experiencing a labour dispute, some employers do complete the LRA 9.2 Form and send it to the Department for capturing even without the knowledge of the officials. This implies that this kind of labour dispute will not be recorded in Chapter 2 since it was not identified by Departmental officials.

- On 18 January 2010, employees of the Commission for Conciliation Mediation and Arbitration (CCMA) started picketing. The lunch-time pickets began at the CCMA Johannesburg offices and later spread to regional offices. The employees picketed in solidarity with two suspended employees. The employees were suspended in September 2009 for blowing the whistle on financial irregularities within the Commission
- A team of 58 workers at the main shaft of the Two Rivers Mine, owned by African Rainbow Minerals and Impala Platinum, stopped work late on 19 January 2010 and remained underground, demanding back pay in a dispute that appeared to have caught both the workers' respective unions and management off-guard. Workers demanded to be paid overtime they had worked in 2009. Meanwhile, NUM reported that mineworkers were held hostage by fellow workers from the Association of Mineworkers and Construction Union (AMCU) at the Two Rivers Mine in Lydenburg, Mpumalanga
- On the night of 25 January 2010, Tshwane bus drivers embarked on an illegal strike over an issue stemming from the middle of 2009. The situation boiled over at Church Square when a group of women stormed the ticket office, sending ticket officers running in fear and then refused to get off a parked bus. According to SAMWU, the strike was the result of a failed promise by the Tshwane Metro Council to pay the drivers overtime due to them by 21 January 2010. It was reported that the drivers also downed tools in November 2009 for the same reason, but went back to work when council promised to pay the money
- On 25 January 2010, about 150 contract workers at National Print, in Westmead, Pinetown embarked on a strike. The contract workers had decided to go on strike in protest at the attempt by the Chief Executive Officer (CEO) to reduce their working hours and, therefore, their income
- On 25 January 2010, Metrorail train drivers in Gauteng embarked on an unplanned and unprotected strike. Metrorail reported that the strike was caused by interventions management had rolled out to improve the train services. Metrorail reported that they are heavy users of electricity and were going to redesign their train services, which would affect the working roster and affect workers' overtime. Another reason workers were on strike was the dismissal of eight train drivers
- On 26 January 2010, employees of the South African Pharmacy Council who belonged to the PSA (Public Servants Association) went on strike after the Council rejected members' wage demands. The Council tabled a final offer of a salary increase of between 8.1% and 10.1% depending on seniority, plus 1.9% towards the pension fund. Public Servants Association members demanded salary increases of between 10% and 12% and the same bonus offered to management
- On 27 January 2010, nursing students at the Western Cape College of Nursing embarked on a protest action. Nursing students complained that the hours they worked on in-service training needed to be revised. They felt they were "being used to fill vacancies without any further remuneration"
- On 27 January 2010, workers at the beer division of South African Breweries (SAB) joined striking Amalgamated Beverage Industries (ABI) Coke workers in a protest march. Food and Allied Workers Union (FAWU) said they were to hand a memorandum to the SAB Miller boss, calling on him to intervene. They indicated that if their demand for a pay increase was not met, the beer division would strike in support of ABI workers
- On 28 January 2010, workers at the Institute for the National Development of Learnership Employment Skill and Labour Assessment protested against a senior manager whom they alleged labeled blacks as baboons. According to the National Education, Health and Allied Workers Union (NEHAWU), a grievance had been lodged with management.

## FEBRUARY 2010

- On 2 February 2010, workers at Paramount Mill downed tools over unfair labour practices and a wage dispute. The 300 plus workers embarked on an illegal strike after failure by management and the union to resolve a number of issues. Workers described their working conditions as "inhumane", reporting that they were forced to work 12 hours, seven days a week. They further said there was no overtime or night-shift allowance, and some workers worked for a flat rate of R5.48 per hour every day. Workers reported that they were not allowed to go on leave. They further reported that the canteen area (where workers change, shower and eat) is in the same enclosure with the toilets, where windows are welded shut. They also claimed that they were forced to eat in the same space as people using the toilet
- On 5 February 2010, University of Venda (UNIVEN) workers embarked on a strike demanding that management reverse a decision to change their conditions of employment without consulting them. It was reported that the university had discontinued housing, car and other allowances without consulting NEHAWU. Finally, management and the union agreed to start negotiations around working conditions
- On 8 February 2010, police reservists from around the country gathered to hand a memorandum to the Gauteng Member of the Executive Committee (MEC) for Community Safety to air their grievances about working for years without pay only to be overlooked when permanent positions became available. Their protest was to be peaceful, but tempers flared and bricks were allegedly thrown at the police, who retaliated with rubber bullets

- On 8 February 2010, about 1 000 workers of Cadbury, a chocolate maker in Port Elizabeth, embarked on a strike. The workers demanded a 9.5% wage increment, an end to the use of labour brokers and a 40-hour working week without loss of pay
- On 11 February 2010, workers at the Pretoria Forensic Science Laboratory embarked on an illegal protest outside their division headquarters in Silverton, Pretoria. The forensic analysts protested against alleged inaction by the SAPS Criminal Record Centre management in bringing to book those responsible for stealing narcotics from the laboratories. A police spokesman said the analysts locked the laboratory in Silverton, which prevented investigating officers from booking in evidence before proceeding to the centre's headquarters in Arcadia
- On 14 February 2010, over 300 workers at Idwala Lime in Danielskuil in the Northern Cape embarked on a strike. The dispute centered on organisational rights as Idwala refused to recognize NUM, which represented over 60% of the work force. The strike action was over the non-recognition of the union in the bargaining unit, despite it representing more than 60% of the workforce.
- In the middle of February, NUMSA (National Union of Metal Workers of South Africa) members employed at ACTOM (formerly ALSTOM) Ekurhuleni, embarked on industrial action in demand of better conditions of employment and benefits. It was reported that the intransigent ACTOM management was applying the old apartheid conditions of employment and racialised benefits amongst its workforce. The workers demanded that ACTOM's skills, employment equity, housing, transport, HIV/AIDS, Funeral and Education policies and directives that were to be implemented and standardized throughout its group of companies, and be spread across the country
- It was reported that miners at Pamodzi Mine in Vaal Reefs were on strike in the middle of February 2010 over their outstanding wages
- On 15 February 2010, members of NUM downed tools in Johannesburg at mining services company TEBA (The Employment Bureau of Africa). It was reported that more than 300 workers marched to TEBA's offices to hand in a memorandum of demands, which included a wage hike of 12.5% and 3% service increment for each year of service completed plus a R5 500 once-off payment for workers with 10 years of service or more
- On 16 February 2010, members employed at Eskom marched to the electricity parastatal in Matlosana, North-West. The march was part of a build-up to national action. The workers marched over issues relating to housing allowances, the absorption of temporary workers and the impending tariff hikes proposed by Eskom
- On 17 February 2010, workers at Rustenburg Orion Hotel went on strike over a wage dispute. It was reported that the workers were promised 50% bonuses or 13th cheques in 2009, but nothing was given to them. It was further said the worst thing was that the employer deducted money from workers' salaries for equipment that workers were using to perform their duties. As a result, workers were paid from R1 500 to R2 000 per month due to the illegal deduction. Workers demanded an increase of 13% as per the agreement.
- A group of Adult Basic Education and Training (ABET) teachers marched to the Mpumalanga Education MEC's (Member of Executive Committee) offices on 22 February 2010 to complain over salary non-payment and poor working conditions
- On 22 February 2010, refuse removal workers, who were contracted to labour brokers Capacity Outsourcing in the Tshwane Metro Council, embarked on a strike. They accused the municipality of breaking a promise to offer them permanent posts. The council was reported to have informed workers that 210 drivers and 90 assistants would be offered jobs. But that did not happen and they were later informed that 16 of the drivers were cut-off
- On 23 February 2010, more than 2 000 mineworkers at Western Chrome Mine in Mooiooi, Rustenburg, handed a memorandum of demands to management over decent accommodation, asking the company to review its housing policy. They also demanded that miners and smelters negotiate around one table, that there be training and development, and an end to nepotism and discrimination
- On 24 February 2010, the Ekurhuleni Municipality received a memorandum from striking members of SAMWU. SAMWU believed that the Mayor had led the municipality poorly and, as a result, had to resign. The union was also unhappy that many municipal jobs were out-sourced, without consulting the union.
- On 24 February 2010, workers of the Msunduzi Municipality, which incorporates Pietermaritzburg, downed tools calling for the Mayor's head and the disbanding of the municipality's executive committee
- On 25 February 2010, taxi operators opposed to the expansion of the Bus Rapid Transport (BRT) embarked on a strike. The strike followed a meeting of taxi operators from Soweto Taxi Associations and the City of Johannesburg the previous day, to voice their frustration. Taxi operators claimed that BRT will badly affect their business and that they were not informed about the new buses
- On 25 February 2010, SAMWU members at Madibeng Local Municipality in the North-West province went on strike. The strike was for the immediate dismissal of the Acting Chief Financial Officer (CFO), who was appointed on a six-months contract that started in November 2009 and was to end on 30 April 2010. SAMWU wanted the Acting Chief Financial Officer (CFO) dismissed since it was

claimed that she was involved in irregularities.

## MARCH 2010

- On 1 March 2010, members of the National Executive of Public Sector Doctors, the South African Medical Association (SAMA)-aligned union, embarked on a go-slow. The bone of contention was the slow processing of Occupation Specific Dispensation (OSD) and confusion around it. The Department of Health confirmed that some doctors had not received their OSD because of delays due to insufficient or inaccurate information provided by them. Doctors around the country refused to work extra hours and during their lunch break. Doctors were angry about an OSD-related bungle which had seen their salaries docked instead of increased
- Platinum Australia reported that the majority of the employees of Redpath Mining Pty (Ltd) South Africa, the mining contractor at its Smokey Hills Platinum in South Africa, had engaged in unofficial industrial action and refused to go underground since the day-shift on 1 March. While the action did not involve any other workers on the mine, it was reported that the strike had resulted in the stoppage of almost all operations
- On 3 March 2010, traffic officers at the Nelson Mandela Bay embarked on an illegal strike. Traffic officers took to the streets and blocked the M4 freeway (Metro route) in the city
- On 4 March 2010, about 1 500 members of NUMSA at the Ford Motor Company embarked on strike. Workers had downed tools demanding payment from the Ford assembly plant in Samcor Park in Pretoria. NUMSA made an urgent demand to the Ford Motor Company to accept that the company was in a financial crisis and apply for government bail out funds with immediate effect. Workers said they had sat at home after management had told them to take a short break. The union said workers went on strike because their working hours had been reduced
- Roodepoort paramedics refused to service Durban Deep area in Johannesburg after two female paramedics were attacked at the weekend of 6 March 2010
- On 8 March 2010, Pikitup workers in Johannesburg embarked on an illegal strike that brought the Johannesburg CBD to a standstill. However, the strike only took place during the day and by the evening refuse collection had recommenced. Workers used Pikitup trucks to blockade roads from early in the morning, and created chaos for drivers during a standoff with their employer that took several hours to be resolved. A dispute over the employment of casual workers in the same month sparked the industrial action. Workers reported that they did not have medical aid, worked at night and risked their lives. They were not protected and did not have any benefits. At night, they claimed they get robbed. Workers demanded permanent employment and that their salaries be adjusted
- On 9 March 2010, Tshwane's municipal bus drivers downed tools illegally for the third time since November 2009, once again leaving the city's paying commuters in the lurch. It is understood that the drivers were unhappy with their Director, who was appointed in July 2009. It was said that the bus drivers cited bogus grievances against the Director because he had cracked down on errant drivers. It was reported that the bus service would implement a new ticketing system from April 2010, one of the Director's strategies to crack down on ticket fraud.
- On 12 March 2010, the minibus taxi industry (taxi owners) in Orange Farm, Freedom Park, Eldorado Park and certain parts of Soweto embarked on a stay-away in opposition to the introduction of feeder buses for the Bus Rapid Transit system. The stay-away was embarked on by the United Taxi Association Forum. The taxi industry claimed government did not properly consult with them prior to the implementation of the first phase in 2009 in Johannesburg
- On 16 March 2010, lecturers who were members of the South African Democratic Teachers Union (SADTU) at the Tshwane South College in Atteridgeville disrupted operations as they called for its senior management to step down. They also trashed the college's administration building. This followed allegations that the managers had used college funds for themselves
- On 17 March 2010, workers of Velmore Hotel in Tshwane staged a protest during lunchtime to hand over a memorandum, but they were locked out and prevented from returning to work. At the centre of the dispute was the Velmore Hotel's employment restructuring process, which it was claimed would result in the hotel outsourcing some of its staff requirements. However, workers aligned to the South African Gaming, Waitron and Admin Workers Trade Union had claimed that they stood to lose their jobs if their departments were outsourced. According to the workers, they had been told to sign contracts which stipulated that Velmore could not guarantee they would be employed by the new company
- More than 2 000 workers at an East Rand gold mine owned by Aurora Empowerment Systems downed tools on 19 March 2010 to protest against the non-payment of wages, as well as threats over their jobs. NUM reported Aurora had failed to pay the workers their wages since January 2010. It was reported that Aurora paid about R1 billion for three gold mines owned by Pamodzi Gold, which was liquidated in 2009
- On 16 March 2010, more than 200 mineworkers at Minerales Productos Derivados SA's (Minersa) Vergenoeg fluorspar mine in Limpopo embarked on strike. NUM said the workers demanded a living-out allowance, a transport allowance of R3 000 a month

(the company was at R1 100 by then), and medical aid cover. The mine is situated in Rust de Winter at the border of Limpopo and Gauteng.

- About 1 000 workers downed tools at Gold One Mine-Modder East Operations in Springs, protesting against a lack of a living-out allowance as reported by NUM. The strike was reported to have started late on 23 March 2010. These workers fell between the cracks as they did not qualify for Reconstruction and Development Programme houses, whilst at the same time they did not qualify for housing loans from the banks. As a result of Gold One's unwillingness to pay living-out allowances, shacks were mushrooming adjacent to the mine's premises. Gold One mine is owned by Gold One International Limited, an Australian multinational
- On the week of 22 March 2010, nurses at the Thabazimbi Hospital in Limpopo went on strike to demand the restructuring of their posts. The nurses reported that they were being overworked and underpaid because of the shortage of doctors. It was also reported that the doctors were also on strike. It was further reported that the doctors had repeatedly asked the Provincial Department of Health to implement the OSD's and formulate a new structure for the posts at the institution. It was alleged that all their pleas had not been attended to and that has resulted in the strike by doctors. Nurses further reported that the strike by doctors was the cause of many deaths at the hospital. Cleaners, administration clerks and drivers were also reported to be on a go-slow protesting against bad working conditions. It was reported that 38 patients had died because of a lack of care and a shortage of staff and doctors
- On 29 March 2010, members of the South African Transport and Allied Workers Union (SATAWU), who were workers of TransAfrica Concessions, which operates the N4 in Mpumalanga, went on strike for a 17% wage increase. It was reported that employers offered the workers 7%
- On 30 March 2010, bus commuters in Pretoria were left stranded when Putco buses failed to arrive because of a strike by bus drivers. That was despite most bus drivers making a deal with employers on 29 March 2010 to avert a national strike. The industrial action went on since communication about the deal that was struck, reached bus drivers late
- On 31 March 2010, about 3 000 South African Municipal Workers Union members marched to the Limpopo Premier's office in Polokwane to protest against the "disappointing" management of municipalities in the province. It was reported that when workers tried to report the practice of corruption, they were suspended
- At the end of March 2010, it was reported that metrorail workers in the Western Cape were on strike. It was further reported that the access controllers had downed tools, resulting in people travelling without tickets.

## APRIL 2010

- A strike that began on 10 December 2009 by about 113 farm workers at Plantation Farm in the vicinity of Rondebult near New Dawn Park in the East Rand in Gauteng, ended on 31 March 2010. However, management refused to allow the workers back and locked them out on 1 April 2010
- On 12 April 2010, members of SAMWU embarked on a nationwide strike. Thousands of SAMWU members took part in marches in a number of cities, including Johannesburg and Cape Town. SAMWU's demands included a 60th percentile, while South African Local Government Association (SALGA) offered a 50th percentile<sup>2</sup>. It was claimed that this would put municipal salaries on par with wages in other sectors of the economy. SAMWU wanted SALGA to use the most recent wage information when setting salaries, not outdated data from 2008 that was 20% less than current wages. SAMWU said the job evaluation and wage-curve agreement should have come into effect in 2004, and SAMWU wanted workers to get at least two years' back-pay. Other demands were that a job evaluation must grade all posts, including those of top management, disciplinary processes should be handled internally and not by expensive lawyers. Among other demands by workers was an end to the use of labour brokers by the municipality for some services, mainly waste management. SAMWU's key demands included the extension of the Job Evaluation Collective Agreement and a wage cap on the salaries of councilors, municipal managers and Section 57 employees (senior council officials)
- Aurora Empowerment Systems again had trouble on 13 April 2010, with mineworkers at its Orkney operations outside Klerksdorp also downing tools until their March-wages were paid. This was the second mine at which Aurora was facing difficulties after workers at the company's Grootvlei mine on the East Rand also vowed not to return to work until their outstanding pay was received. NUM reported that workers in Orkney also downed tools in protest for their wages. They reported that they had not been going to work for about two weeks

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<sup>2</sup>A percentile (or centile) is the value of a variable below which a certain percent of observations fall. So the 50<sup>th</sup> percentile is the value below which 50% of the observations may be found.



- On 19 April 2010, South African Transport and Allied Workers Union (SATAWU) took to the streets in Pretoria and marched to the Department of Transport to hand in a memorandum. Workers complained about the manner in which the Road Accident Fund (RAF) wanted to restructure and retrench 30% of the workforce. Workers argued that it would increase unemployment and would leave a lot of households without food. It was reported that in 2009 a presentation was made in which it was revealed that jobs would be lost and that that was unavoidable. During the same year, notices of retrenchments were withdrawn and it was agreed that they would come up with a collective agreement on how to drive the process. SATAWU, however, demanded that the National Department of Transport make a quick intervention by deploying a specialist at the Fund to assist the CEO, whom it accuses of undermining staff in dealing with transformation. It also demanded that the department instructed the CEO to withdraw adverts that were in line with the new model as there had been no proper consultation between the parties
- On 20 April 2010, delivery workers at Allied Publishing embarked on a strike that saw no papers being delivered. The dispute was reported to be over workers not getting paid for overtime work. Instead, the company proposed to give a worker a day off for overtime work. MWASA also reported that Allied Publishing was also looking at restructuring and franchising of depots in Pretoria. The workers demanded detailed information on the restructuring process as they feared that the decision may affect their job security
- On 21 April 2010, more than 1 000 members of the National Union of Mineworkers embarked on a strike against cement producer Lafarge over wages. NUM members had demanded that Lafarge increase their wages by 11% in both the aggregate business unit and cement business unit. NUM wanted a housing allowance of R1 500 in both units and a shift allowance of R800 in the cement unit, which offered R700
- On 21 April 2010, Hlanganani Protection Services security guards protested over unpaid accrued benefits in Langlaagte, Johannesburg. This happened after more than 200 security guards were retrenched by the company. The guards said the company refused to pay them bonuses, leave pay and service pay promised to them when they started working. They also complained about the conflicting letters given to them about the reasons for their retrenchment. The guards further wanted clarification on whether they had been fired, retrenched or whether their contracts had expired. The guards also complained that the first aid certificates for a course that they were compelled to do by the company were allegedly fake
- On 21 April 2010, taxi operators (drivers and owners) belonging to the National Taxi Alliance (NTA) embarked on a protest action against, amongst other things, the Bus Rapid Transport system. The NTA complained about its exclusion from taking part in the ferrying of soccer fans to stadiums during the world cup, impounding of taxis for permit related issues, the taxi recapitalisation programme and the lack of a state subsidy in the taxi industry. The organisation also accused the Transport Minister of supporting certain taxi and bus operators to deliberately exclude them from world cup business opportunities. NTA said they were also frustrated by inconsistencies in the operating licence applications. They said when they apply for operating licences they indicate that the application is for indefinite licences, but when the licences are issued they reflect that they are for a period of five years.

## MAY 2010

- On 7 May 2010, more than 2 000 miners from three Samancor Chrome operations on the Limpopo-Mpumalanga border downed tools to mourn the deaths of two miners in a rockfall at the Tweefontein Shaft of Eastern Chrome Mine in Mpumalanga. The operations involved were Lannex, Tweefontein and Doornbosch
- On 10 May 2010, Transnet workers represented by SATAWU went on strike after demanding an across-the-board wage rise of 15%, and rejected Transnet's 11% offer. The nationwide strike brought stoppages to all of Transnet's operations. At Umbilo in Durban, police fired rubber bullets when striking SATAWU members attacked subcontractors and stripped them naked on the first day of protest action at Transnet facilities. SATAWU rejected an 11% wage increase offered by Transnet, arguing that factors like medical aid, the fate of contract workers and retrenchment had not been adequately addressed. Later the United Transport and Allied Trade Union joined ranks with SATAWU to push for a 15% increment in wages and other benefits. SATAWU said the offer was rejected because the increase was to be applied only to the basic wage and not the other benefits, leaving workers worse-off. The offer which Transnet described as well above the rate of inflation included an 11% increase on all pensionable earnings for those in non-managerial positions. This was an increase on its original offer of an 8% across-the-board increase plus a guarantee of no retrenchments for at least 12 months
- On 10 May 2010, Rea Vaya (a company that was run by Clidet) bus drivers in Johannesburg embarked on a strike. This came after the union did not reach an agreement with their employer on organisational rights. Workers demanded that they be allowed to be part of SAMWU. Workers also wanted to fall under the local government sector. Rea Vaya forms part of the Government's Bus Rapid Transit system which aims to integrate public transport in cities. The roll-out in Johannesburg was met with resistance by the taxi industry which was worried about losing business on routes it believed it created over the decades. Drivers downed tools demanding clarity on the life insurance policy under which they were covered for injuries or death at work.
- On 14 May 2010, workers at the boys' school Michaelhouse embarked on a strike. They demanded a 13% wage hike for working harder during the World Cup as the Paraguayan soccer team was to train at the school in the KwaZulu-Natal Midlands. NEHAWU reported that 97 of its members at the school including cleaning, administration and maintenance staff, also wanted a 13% raise because the school was set to make money out of the Paraguayan team who would be training on fields the school spent R4 million

to upgrade. The school indicated that the union members which constituted 60% of its workforce rejected the school's 9% offer

- On 17 May 2010, clinic workers in the Buffalo City Municipality, embarked on a stay-away as part of their strike over a pay dispute. The clinics affected were Beacon Bay Clinic and Cambridge Clinic. It was reported that municipal nurses were not satisfied with their salaries. They were comparing them to that of the Department of Health nurses who were reported to be paid more
- On 17 May 2010, workers of the Passenger Rail Agency of SA (PRASA) embarked on a wage strike. PRASA had upped a 5% across the board offer to 8%, while the unions demanded a 16% increase. The strike by 12 000 workers severely disrupted Metrorail and Shosholoza Meyl operations
- On 17 May 2010, Tshwane Metro bus drivers embarked on a strike after demanding that the municipal bus service Executive Director be removed from his post. Bus drivers claimed that the Executive Director had failed to attend to disciplinary measures of some colleagues and the relations between black and white drivers. There was also the issue of tickets for scholars, which were still not available. The Executive Director was subsequently removed from his position after complaints from some of his colleagues
- On 17 May 2010, workers at Southern Cross in Bloemfontein embarked on a strike. They demanded production bonuses/incentives, medical aid benefit, health and safety and job grading and training. It was reported that white employees in the company continued to be paid more than their black colleagues even though they were doing the same work. Workers indicated that it was a clear discrimination applied by the company to black employees who had contributed so immensely to the company for all these years
- On 18 May 2010, Communication Workers Union (CWU) workers at Telkom embarked on a strike over wage discrepancies dating back several years. CWU members in the company's Data Advance Service (Das) embarked on a go-slow across Gauteng and Limpopo. Although the industrial action was not supported by all unions the dispute was widely recognised. Employees affiliated to the CWU, the South African Communication Union (SACU) and Solidarity was unhappy about salary discrepancies between them and employees of Telkom's Merlot project
- On 21 May 2010, a small group of maintenance employees of Impala Platinum in Rustenburg embarked on a strike over pay. The over 50 artisans at section TM (Tabular Mining) 3 at Impala no.12 Shaft embarked on a strike action over the pay discrepancy between black and white artisans. Artisans believed the manner in which other artisans were paid was based on race rather than experience as the company claimed
- Workers of the Magwa Tea Company in Lusikisiki in the Eastern Cape embarked on a protest action over a pay dispute. Police were reported to have arrested about 81 striking workers during a violent demonstration. It was reported that the tea plantation workers had stoned passing vehicles and set fire to a building belonging to the Magwa Tea Company
- On 23 May 2010, employees tasked with investigating incidents of fraud and corruption in prisons embarked on an unusual "strike" while on full pay. The investigators who work under the Inspectorate Directorate in the Department of Correctional Services, had vowed to continue dodging their work until the department promotes them and had their salaries increased to the level of their supervisors. The nine Assistant Directors declared a formal dispute with the Department and had written a seven page letter demanding that their positions be adjusted to the level of Deputy Directors and their salaries be adjusted accordingly because their job descriptions were the same as those of their superiors. They said they were not paid in terms of the Public Service Regulations, which require employees to be paid equally for work of equivalent value
- On 26 May 2010, Eskom workers embarked on a one day protest action. They demanded a R5 000 housing allowance, among other things. Workers also demanded that their shop stewards be given training and a chance to represent them at the CCMA. They also wanted Eskom to adhere to the safety and health management. The workers who were members of NUM gathered at the Eskom offices in Megawatt Park, Sunninghill for their protest
- On 27 May 2010, members of the South African Commercial, Catering and Allied Workers' Union (SACCAWU) at Dis-chem pharmacies embarked on a nation-wide strike. It was reported that the company refused to bargain with SACCAWU over wages and other issues of terms and conditions of employment. Dis-chem said the union did not have sufficient members to bargain. The strike arose as a result of Dis-chem's refusal to negotiate with the union. It was reported that SACCAWU demanded a R3 500 minimum wage for workers, a 15% annual increase across the board, the conversion of casual staff to permanent staff after three months, a guaranteed 13th cheque, medical aid, a housing subsidy, meaningful long service awards and other benefits. Dis-chem said SACCAWU's membership stood at 1 400 out of the company's 6 000 employees nationally but that the membership numbers had dwindled substantially in the past year. The union demanded meaningful engagement with the company
- On 28 May 2010, about 3 000 Eskom workers at Kusile power station, embarked on strike. The unions demanded a general wage increase of 18%, while Eskom had offered 5.5%. The unions had also demanded a housing allowance, which was reportedly on the negotiating table for more three years
- On 31 May 2010, thousands of commuters were left stranded, in Soweto and central Johannesburg when about 150 bus drivers of Rea Vaya embarked on an illegal strike demanding that they should be employed permanently as from 1 June 2010. The strike followed one about two weeks before. Drivers had downed tools demanding recognition and an explanation of the safety clause in their contracts. The strike was said to be illegal and not supported by SAMWU. The drivers wanted the company to recognise their

union and let the union negotiate in the municipal bargaining chamber, which the company had not agreed with.

## JUNE 2010

- On 2 June 2010, health workers from several Netcare hospitals in five provinces embarked on a full-blown strike after a wage dispute. Workers from two hospitals in KwaZulu-Natal protested outside their hospitals on 2 June 2010. Workers demanded a 12% salary increase while Netcare was prepared to give them 8.5%. Affected hospitals were N17 in Gauteng, St Augustine's, Parklands, Umhlanga and Alberlite in KwaZulu-Natal, Kyler and Greenacres in Eastern Cape, Ferncrest in North-West and Pelenomi, Universitas and Kroonstad in the Free State. NEHAWU, DENOSA and Solidarity, who together represented 56 business units nationally, had agreed to an 8.25% salary increase. Unions that had accepted the 8.25% wage offer by Netcare said it was a fair deal given current low inflation and sluggish economic conditions. However, other unions said that in the current year's negotiations, an inflation-linked increase had not been acceptable as Netcare had reported a big profit. NEHAWU indicated that the economic downturn did not affect profit and they said Netcare should look after the staff
- There was chaos at the Durban Equality Court on 3 June 2010 when members of SADTU refused to stop displaying posters in the court corridors. Union members had posters with messages of support for the union's provincial secretary who was facing hate speech charges
- On 7 June 2010, close to 100 of the remaining employees of Aurora's Grootvlei mine in Springs embarked on a full-scale strike, as reported by Solidarity. The workers were responsible for carrying out care and maintenance work at the mine. It was reported that employees were dissatisfied as they had not received their salaries since February 2010. It was further reported that employees continued to work under extremely dangerous circumstances
- On 9 June 2010, prison warders at the Kutama-Sinthumule Private Prison embarked on an illegal strike. The strikers, mainly members of the Police and Prisons Civil Rights Union (POPCRU) went on a strike after accusing management of delaying the implementation of OSD's. The union said it wanted management to implement a CCMA resolution, which dictated that workers be paid according to the OSD agreement. POPCRU claimed the union was never consulted before members received their salaries
- On 10 June 2010, workers from the Aurora-managed Grootvlei and Orkney mines embarked on a protest action. The miners gathered in Johannesburg to hand in a memorandum to the liquidator of Pamodzi Gold, the owner of the two mines, which were being managed by Aurora Empowerment Systems
- On 13 June 2010, match security staff at the Green Point Stadium in Cape Town went on strike because of a dispute over pay. The industrial dispute between stadium stewards and their employers began after a World Cup game in Durban and spread to games in Cape Town and Johannesburg. Security staff said they were only being paid about R200 for a 10-hour shift, a fraction of what their employers promised during dry runs for World Cup games. Stewards left their posts following a wage dispute with their employer, Stallion Security Consortium. The strike by private security workers spread to five of the ten stadiums staging the football World Cup. It was further reported that most of the security workers employed for World Cup related activities did not have written contracts, and that the sums were substantially lower than the amounts they were verbally promised. The stadiums affected were Moses Mabhida, Green Point, Coca-Cola Park and Nelson Mandela Bay. Workers indicated that they were unclear about how much they were being paid. They said they were told they would be given food and transport allowances, which materialised in some cases, but they were later told these were allowance salary payments. They had not been paid and did not know when this would happen
- On 14 June 2010, workers of a hospitality company, Instaff in Braamfontein protested against loosing their jobs. The company provides waitering and chef services at Johannesburg stadiums hosting World Cup matches. The company said poor ticket sales were to blame for employees loosing work at Soccer City
- Some of Rea Vaya bus drivers went on strike on 14 June 2010. It was reported that Rea Vaya bus drivers were not recognised as local government workers because a private company, Clidet, was contracted to run the service. Workers would like SAMWU to negotiate for Rea Vaya workers on other issues besides salary negotiations. It was reported that Clidet was refusing to allow their bus drivers to become members of the local government sector. Drivers protested because they believed that their shifts were changed without proper notice
- On 23 June 2010, the University of South Africa (UNISA) workers who were members of NEHAWU embarked on a protest action. It was reported that dozens of NEHAWU members picketed outside the university's premises in Pretoria but dispersed quickly. NEHAWU members demanded a 12% pay hike, while the university offered 8.5%. The protest involved academics and support staff. UNISA said bonuses and pay progressions were not ordinarily paid at tertiary institutions and should be seen as an additional benefit for UNISA employees. It was alleged the strike was illegal and unprotected as the permission was only for 23 June 2010. NEHAWU reported that staff on other campuses in Gauteng, KwaZulu-Natal and Limpopo had joined the strike. NEHAWU declared a dispute after UNISA refused its demand of a 12% across-the-board annual salary increase
- On 30 June 2010, members of a new union, the South African Aviation and Allied Workers Union tried to embark on a protest action outside OR Tambo International Airport, over pay. The union reported that they were told they could not protest at the

airport because it was a national key point. The union claimed that the Federation of International Football Association (FIFA) gave the Airports Company of South Africa (ACSA) and airport retailers money to pay workers a bonus for ensuring the smooth running of facilities during the World Cup. They further claimed that not all workers were being paid the bonus and they wanted to know the reason. However, this was denied by ACSA. Workers indicated that they were unhappy that some cleaners and general staff employed by retailers at the airport were paid R1 300, which the union did not consider a living wage. The union said they demanded R7 500 a month, claiming that was the amount labour brokers were paid to source staff who did the same job.

## JULY 2010

- On 5 July 2010, hundreds of mineworkers at four Shanduka coal operations went on strike over the issue of centralised bargaining. NUM reported that workers demanded that Shanduka centralise its bargaining so that conditions of service can be harmonised. The union said operations at Shanduka's Springlake, Leeufontein, Graspan Colliery and Townlands had been affected by the work stoppage. Springlake Operation is in KwaZulu-Natal, whereas the other three operations were in and around Emalahleni (Witbank)
- On 12 July 2010, workers at Eastern Cape Education Department at Zwelitsha, King William's Town embarked on strike. It was reported that the unions wanted contract staff to be permanently employed, and that the department's resettlement policy, which gave financial aid to relocated staff, should be available to all staff and not just to managers. Furthermore, the unions wanted the department to fulfill its promise to find the funds to pay increases to staff who had been promoted. The African National Congress (ANC) was forced to intervene and held meetings with about 200 administrative staff at the head office. The meetings resolved that head office staff would return to work immediately, that an interdict against the unions and provincial education department officials would look into why the dispute between the unions and the department had degenerated into a strike
- On 12 July 2010, workers of Richards Bay Coal Terminal embarked on a strike. Management reported that it was not clear what wage increase SATAWU demanded. However, management indicated that workers were offered 9.5%
- On 12 July 2010, support staff at the South African Civil Aviation Authority (CAA) embarked on a strike to press for better wages. The union demanded a 14% wage increase, while CAA had offered 9%, which it dropped back to its original 7% offer when SATAWU refused to accept. Management reported that less than 1 000 employees actively took part in the strike
- On 14 July 2010, workers affiliated to NEHAWU from five regions in Limpopo's Limpopo Economic Development Enterprise (LimDev) embarked on a strike demanding a salary increase. They wanted a 13% wage increase across the board and performance bonuses, while the employer was prepared to offer 10%. NEHAWU accused LimDev of failing to develop a performance management system policy that would guide the payment of bonuses to its employees. According to NEHAWU, LimDev was only offering performance bonuses to executive managers and workers in Risima, a division of LimDev. It was later discovered that the performance management system policy in place only covered workers who were contracted with LimDev and not full-time employees. NEHAWU later made a new demand of 12% plus performance bonuses, but management remained unmoved, which triggered a fully-fledged strike
- On 14 July 2010, workers at Murray and Roberts Cementation downed tools to observe a day of mourning for six mineworkers killed at Aquarius' Marikana Mine. About 11 000 workers from four Murray and Roberts Cementation operations in Marikana, Kroondal, Wonderkop and R5 Rustenburg downed tools and held a memorial service. This is in line with NUM's resolution to protest against mine deaths and to force the mining industry to work on improving health and safety instead of constant singular focus on production
- Wardens at the Mangaung Maximum Security prison in Bloemfontein embarked on an illegal industrial action on 15 July 2010. The wardens were complaining about delays in the implementation of an agreement reached in 2007 concerning job gradings.
- On 22 July 2010, more than 100 police officers at the Boksburg North police station embarked on a strike after accusing their head of racism, favouritism and victimisation. Most of the officers were affiliated to POPCRU. It was reported that about 12 suburbs around the police station were affected by the stay-away. POPCRU alleged that the station commissioner had victimised office personnel and implemented decisions unilaterally as an autocratic leader who grouped staff based on tribal background, has lost focus on fighting crime, instead, he was fighting with the employees. The union accused the station commissioner of depriving three pregnant officers of their dangerous-work allowance but giving it to a white counterpart. Other complaints related to the station commissioner allowing "whites only" to use new cars, the number of disciplinary hearings against black officers, notifying employees of a transfer by SMS message, and removing his black secretary and replacing her with a white one. Though the Provincial Commissioner had sent a response to POPCRU in which he deals with all its grievances, POPCRU members nevertheless decided to strike, because they were dissatisfied with his response
- On 29 July 2010, PSA, which represented 210 000 teachers, nurses and other state workers in SA, embarked on a strike aimed at pressurising the Government to improve on a pay-offer. Unions representing 1.3 million workers demanded a 8.6% pay increase and monthly housing allowances of R1 000 backdated to 1 April 2010. On 22 July, the Government made a final offer to raise wages by 6.5% and pay an R750 housing allowance. Other public sector unions also rejected the Government's offer and threatened to go on strike in August 2010 unless the Government met their pay-demands. South African laws prevent certain categories of workers who provide essential services, such as police officers, from striking. The PSA reported that about 3 000 members joined a march

in Johannesburg, while protests in the coastal cities of Cape Town and Durban each attracted about 2 000 people. Reports received from seven of the country's nine provinces indicated that schools were operating as normal. The State offered a 6.5% increase, a housing allowance of R620 a month and a medical allowance of R1 014. PSA demanded a salary increase of 8.6% across the board, a housing allowance of R1 000 a month and a medical allowance of R2 500 every month as well

- On 29 July 2010, over 5 000 mineworkers downed tools at Northam Platinum Mine in Rustenburg in order to mourn the deaths of the two mineworkers who lost their lives a week before. This is part of the NUM resolution to observe a day of mourning each time mineworkers lose their lives to put more pressure on companies to observe health and safety policies.

## AUGUST 2010

- On 2 August 2010, court personnel marched outside the Pretoria Magistrate's Court. Clerks, interpreters and security guards joined the public service strike, saying they could barely survive on what they were earning. The wheels of justice had been slowly grinding to a halt since the previous week. First, members of the Public Servants Association (PSA) embarked on a go-slow, with court personnel only doing postponements. On 3 August 2010, National Union of Public Service and Allied Workers (NUPSAW) joined the strike. Unions earlier demanded a general salary adjustment of 8.6% and a housing allowance of R1 000 a month, backdated to 1 April. However, talks deadlocked in June 2010 when the state offered a 6.5% increase and a housing subsidy of R620 a month, to be implemented from July 2010
- On 6 August 2010, Tshwane Municipal bus drivers belonging to SAMWU went on a strike leaving hundreds of city commuters, including school children, stranded. SAMWU said the bus drivers went on strike after the municipality failed to resolve a number of "old issues". According to SAMWU some of the issues involved the "removal" of the bus service's Executive Director and another issue involved the new ticketing system, introduced by the municipality on 1 July 2010
- On 10 August 2010, state employees staged a one-day strike. Marches were held in Cape Town and Pretoria, South Africa's administrative capital, as part of a "total shut-down of the public service". Everything from schools to public offices was affected, although essential services such as police and hospitals were running on reduced staffing. Unions wanted an 8.6% pay hike, twice the current rate of inflation (i.e. 3.5% in August 2010), and a R1 000 monthly housing allowance. The Government offered 7% and R630 a month for housing, although analysts believe it was likely to raise its offer rather than risk a walk-out that would damage the economy. But such a deal would make it hard to bring the deficit down from 6.7% of Gross Domestic Product (GDP) without spending cutbacks elsewhere. It was reported that machine operating clerks and interpreters from the Maintenance Courts took to the streets, and women and children who depend on these courts to survive, were affected. Chief Executive of the Suid-Afrikaanse Onderwysers Unie (SAOU) said that up to 30 000 public servants participated in the march in Pretoria. PSA reported that about 15 000 public servants participated in Pretoria and 10 000 in Cape Town. In Gauteng alone it was estimated that about 150 000 public servants did not turn up for work as part of the strike
- On 10 August 2010, workers at Tarlton Gardens, a farm outside Krugersdorp on the West Rand picketed outside the farm after 21 of their colleagues were allegedly suspended for demanding protective clothing and attending a national farmworkers' summit in Somerset West, Western Cape in July 2010. The Department of Agriculture, Forestry and Fisheries held a national farm workers' summit on July 30 and 31 to discuss the plight of vulnerable workers who continued to suffer abuses at the hands of their employers. Workers said the problem started in January 2010 when they tried to revive their union. Relations worsened when they demanded protective clothing that included overalls, safety boots, hand gloves and respirators
- On 11 August 2010, production at South Africa's seven vehicle manufacturing plants grounded to a halt as more than 31 000 hourly-paid workers went on strike over demands for better wages and working conditions. NUMSA's demands included an across-the-board wage increase of 15%, a one year deal and the scrapping of the "no further claims clause" from the automobile industry's national bargaining forum collective agreement. The Automobile Manufacturers Employers Organisation (AMEO) had tabled a 7% wage increase offer. Analysts indicated that actions like this affect the viability of the industry and send a negative message regarding labour cost and flexibility in South Africa, and so doing, the country risks becoming a less attractive destination for future investment. The union's demands included:
  - A 15% wage increase against the 7% hike proposed by the Automobile Manufacturers Employers' Organisation
  - Same benefits for short-term and constant contract workers with permanent employment after three months of work
  - Scrapping the use of labour brokers
  - Increase of up to 100.0% for lay-off payments
  - Reduced working hours down to eight hours a day from Monday to Friday
  - Six months paid maternity leave.
- Chaos broke out at several primary and secondary schools in the Vaal Triangle on 16 August 2010 when striking teachers gained illegal access to the schools and intimidated non-striking teachers and pupils
- On 18 August 2010, court staff joined the public service strike. Stenographers, clerks and interpreters protested in demand for

better wages outside the Johannesburg High Court. About 1.3 million nurses, teachers, police officers and other public servants from 18 public sector unions were on strike. The Minister of Public Service and Administration denied that rampant spending by Government had inspired workers to ask for a 8.6% wage hike. NEHAWU and South African Democratic Teachers Union (SADTU), representing about 500 000 public servants, embarked on an indefinite strike on 18 August 2010. Government had revised its offer of a 7% salary increase and R700 monthly housing allowance. Chairman of the Independent Labour Caucus said a unilateral implementation of the increase would not bode well for future negotiations and would destroy relations. The Government and unions had been holding wage negotiations since April 2010, but no agreement had been reached

- On 19 August 2010, about 986 KFC (Kentucky Fried Chicken) workers in the branches of Grahamstown, King William's Town, Queenstown, Uitenhage, Port Elizabeth and Jeffreys Bay embarked on a strike. FAWU said their initial demands included a 12% wage increase, as opposed to KFC's 8.5%, a 13th cheque and 40 hours of work a week
- On 23 August 2010, more than 600 workers at diversified miner Exxaro's mineral sands operations in KwaZulu-Natal downed tools over wages. NUM said workers demanded a 14% rise in wages, above the company's offer of an 8% increase. NUM said they further demanded that Exxaro phase out a certain grade in which workers' monthly net pay was R5 800 and place them in a grade of over R7 000. The union further demanded that the company ban the usage of labour brokers and offer a housing allowance of R2 000 a month.
- On 23 August 2010, workers at Chipkins in Polokwane, Limpopo embarked on a strike demanding an R350 across-the-board increase. They demanded bonuses equal to basic salaries. It was reported that workers earned about R1 600 a month and the company offered a 9% increase.
- On 27 August 2010, operations at Richards Bay Minerals (RBM), a joint venture between Rio Tinto and BHP Billiton, came to a standstill when NUMSA members embarked on a strike. RMB said it had signed a three-year wage agreement with Richards Bay Employees' Union (RBEU). The joint venture said the agreement entailed an across-the-board increase of 8% on basic wages for one year, and the consumer inflation rate plus 1.5%, or a guaranteed 6%, for years two and three. The housing allowance raise was inflation-linked for the three years and was to be implemented from 1 July 2010. NUM demanded an across-the-board increase of 10% on a one year deal. It also wanted the housing allowance to increase from R3 200 to R4 000 a month for grade 6 to grade 10 workers which constitute general workers and machine operators. NUM wanted the housing allowance for grade 11 to grade 13 workers, which constituted skilled workers and artisans, to be increased from R5 500 to R6 000 a month respectively
- On 31 August 2010, tyre and rubber workers downed tools and took to the streets, demanding among others, a salary increase, six months maternity leave and the abolishment of labour brokers. NUMSA said workers wanted a 15% wage increase. They further demanded that people be hired on a permanent basis. The strike brought activities at Dunlop, Bridgestone, Good Year and Continental factories in three provinces to a standstill. Workers demanded a minimum of R20 an hour in the motor sector and not less than double-digit wage increases in both the motor tyre sectors. The workers' demands included a 40-hour week without loss of pay and benefits, plus permanent positions for those hired on short-term contracts after three months of casual employment. NUMSA also called for skills training development programmes such as adult basic education training to be implemented within working hours.

## SEPTEMBER 2010

- On 1 September 2010, new vehicle production was disrupted at many plants as automotive component manufacturing and fuel station workers embarked on an indefinite strike for higher wages and better working conditions. Members of NUMSA working at petrol stations, motor workshops and motor dealerships also downed tools. NUMSA had 70 000 members in the sector across the country, most of them working as fuel attendants, or in workshops, dealerships and motor engineering businesses. NUMSA demanded a 20% wage increment across the board and a 40-hour working week. Most other vehicle plants were idle because of a shortage of components. NUMSA's demands were as follows:
  - 20% wage increase across the board
  - R20 per hour minimum for the lowest paid worker
  - Night shift allowance of 20%
  - Afternoon shift allowance of 15%
  - Reduction of working hours to 40 hours per week without loss of pay
  - Sunday-pay to be paid at double rate
  - Six weeks paid maternity leave
  - Prohibition and banning of labour brokers in the industry
  - Removal of wage differentials between regions
  - Four weeks severance pay with a ceiling during retrenchments.
- On the night of 5 September 2010, most employees at Northam Platinum's Zondereinde operations in Limpopo embarked on a strike. The industrial action started after workers rejected the company's increased wage offer of 8% and a similar increase in living-out allowance to R1 728 per month. NUM demanded a 15% wage increment on a one-year deal, as well as a living-out allowance of R3 500 per month. Northam offered 8% on a two-year deal

- Parliament's lowest paid workers downed tools on 6 September 2010 demanding a 10% salary increase. About 200 parliamentary staff members held a two-hour picket on 6 September 2010. NEHAWU reported that parliamentary staff (kitchen staff, drivers and cleaners, chefs, librarians, researchers, secretaries, chauffers) was miserable, victimised and regularly intimidated by parliament's managers. They said they had been demanding a 10% hike since March 2010, having dropped their initial demand from 12.5%. But Parliament only offered 7%. Parliamentary workers had been on a go-slow and staging pickets for a week since negotiations reached a deadlock on 11 August. It was reported that the President's chefs and cleaners also protested. The two-hour daily demonstrations inside the parliamentary precinct were the first in the history of parliament. The workers wanted a 10% wage rise, backdated to April 2010. Parliament said it had offered workers two options: either a 7% increase across the board or an 8.5% rise with conditions attached. The conditions were that if workers agreed to a three-year wage agreement, they would get 8.5% this year, and for the next two years, increases of 1% higher than the CPIX (Consumer Price Index excluding mortgage interest cost for metropolitan and other urban areas) inflation rate
- Disgruntled Gautrain train drivers and customer services personnel embarked on an illegal industrial action on 8 September 2010. On 9 September 2010, angry bus drivers joined an indefinite illegal strike. Workers were reported to be on strike over wages, benefits and working conditions. However, it was also reported that workers were unhappy about not receiving a promised bonus when they finished the Gautrain line between OR Tambo International Airport and Sandton. The workers were also reported to demand a salary review to match fast rail industries in other countries
- On 8 September 2010, workers at Durban's uShaka Marine World embarked on a protected strike. The union demanded a 15% wage increase, while the employer offered 7%
- On 8 September 2010, traffic officers in Gauteng embarked on an illegal go-slow. The go-slow also affected those who wanted to renew their drivers' licences, learners' applications and those who need service at centres managed by Gauteng Community Safety officials around the Province. Traffic officials and other officers, among them clerks and cashiers, participated in the go-slow. They demanded to be paid assessment and performance bonuses, as they said the department promised. Traffic officers claimed that assessment and performance bonuses were promised in 2003 and had not materialised. They claimed they were also promised that from 1 July 2009 their salaries would be upgraded, but that had not happened
- On 9 September 2010, more than 4 500 mineworkers downed tools at DRDGold's Blyvoor Mine outside Carletonville to mourn the death of a worker who died a week before. NUM adopted a resolution to observe a day of mourning each time a mineworker loses his life in the industry as a way of forcing the mining industry to prioritise safety
- On 13 September 2010, mine workers at Anglo-Platinum's Rustenburg operations stayed underground. The SANLabour Hire workers demanded permanent employment by Anglo-Platinum and they further demanded fringe benefits that permanently employed individuals enjoyed, including a housing allowance and medical aid
- On 14 September 2010, a group of about 60 workers, employed by Windmeul Eggs in Paarl, Cape Town embarked on a legal strike. Workers picketed in front of the premises. Management offered 8%, 9% and 12% for each category of workers respectively, but workers were adamant about a 12% wage increase for everyone
- Taxi drivers disgruntled about the Aarto (Administrative Adjudication of Road Traffic Offences) demerit system caused a transport nightmare in Pretoria for commuters on 15 September 2010 when they embarked on an illegal strike and march. Commuters were the hardest hit by the action and some were forcibly removed from the taxis driven by non-striking drivers. The illegal march organised by SATAWU and various taxi associations, also affected traffic around the Tshwane Metro as the drivers marched to the Departments of Transport and Justice. Tshwane Metro police said unions had not requested permission to take to the streets. SATAWU said the Aarto system should be scrapped as it threatened the livelihoods of taxi drivers. Under the Aarto demerit system, a driver who transgresses traffic laws will have points deducted and will lose his/her licence if all the points are deducted. Drivers alleged that this will lead to job losses. The union had demanded that Government permanently withdraw Aarto and abandon all pilot projects implemented at various municipalities within a month
- On 15 September 2010, taxi operators gathered in Dunkeld West, Johannesburg to protest against methods of the SA Taxi Finance Institution, which they accused of robbing them. National Taxi Alliance (NTA) said the institution randomly repossessed tens of thousands of taxis "after big deposits were paid to it". NTA accused the taxi institution of charging "exorbitant" interest rates of 30%
- On 20 September 2010, Rea Vaya bus workers embarked on an illegal strike. It was reported that staff demanded permanent employment after being on temporary contracts since the inception of the Rea Vaya Bus Rapid Transport (BRT) system more than a year ago. Management of the City of Johannesburg said drivers were not on strike, but buses could not operate in the absence of the station staff. The striking workers included cashiers, station marshalls and ambassadors employed by the Metro Trading Company (MTC), which is the City of Joburg-owned entity managing Rea Vaya stations, as well as security and cleaning staff employed by a sub-contractor. The transport official indicated that the agreement was that no employee was to be employed permanently until negotiations around Phase 1A had closed with the taxi industry. It was further indicated that that has been concluded, and there was an employment framework which talked about employees being drawn from the taxi industry. Workers also spoke out against labour broking

- On 20 September 2010, SADTU members in Gauteng joined a protest march that prevented students from finishing their preliminary examinations
- On 24 September 2010, Pick 'n Pay workers embarked on a four day nationwide strike over wages and other issues. SACCAWU reported that its members opted to stay at home instead of picketing in order to protect them from harassment by the police. SACCAWU demanded a monthly pay hike of R550 or 12% as well as a 10% staff discount on basic foods. In addition, the union wanted 120 guaranteed hours a month for variable time employees. SACCAWU also demanded the end of the use of labour brokers and the establishment of a centralised bargaining forum for the retail and wholesale sector
- On 27 September 2010, over 1 300 workers at Mototolo Platinum Mine in Mpumalanga, a joint venture between Anglo Platinum and Xstrata, embarked on a strike over wages wherein NUM demanded a wage increment of 14% for employees falling under the A3 category; 11% for the A4 category and 10% for categories B1 to B5. The strike was to be followed by secondary strikes at the Thornccliffe mine by 520 workers, at Lydenburg Works by 420 workers and Mototolo Concentrators by 180 workers on 26 October 2010
- On 28 September 2010, pupils were left to study on their own in Mamelodi as their teachers were allegedly prevented from participating in the study camps headed by the Gauteng Department of Education. Teachers affiliated to SADTU boycotted teaching during the school holidays. SADTU said it had stopped teachers affiliated to the union from teaching because all pupils were affected, not only matriculants. SADTU said teachers did not take part in the recovery plan because the Department of Basic Education had refused to pay them
- Workers building a hospital in Belfast embarked on strike action on 29 September 2010 after they were not paid for two months by the sub-contractor. It was reported that work on the hospital extension was sub-contracted at least four times. It was alleged one sub-contractor fled with R110 000 payments from the main contractor for completing the first phase of construction
- On 30 September 2010, unpaid miners protested at Aurora's Orkney operations. NUM said: "Workers staged a march earlier because they have not been paid since February 2010". NUM further said workers were surviving on food parcels from local businessmen.

## OCTOBER 2010

- On 4 October 2010, thousands of workers at Kumba (Sishen, Kolomela and Thabazimbi) Iron Ore Mine embarked on a strike for better wages after pay-talks collapsed. The union said that the main issue that drove them to strike was a retention bonus that was only favourable to whites, whilst Africans were not benefiting. Management said they had problems with a "blanket bonus for everybody" which the union demanded. They said the retention bonus was being paid for scarce skills as per the company policy. Workers demanded a wage increase of between 7.5% and 10% on a one-year deal. Kumba offered increases of 7% to 9.5% on a two-year deal
- On 5 October 2010, about 800 workers of the Intimate Apparel factory in Epping, Cape Town, mainly women who sew swimwear and other wears protested outside the factory, saying that factory bosses had decided it was cheaper to make the garments in factories in Lesotho and Mozambique
- On 8 October 2010, National Union of Mineworkers members at Aurora mine were reported to be still on strike, whilst, Solidarity members at Aurora who had been carrying out basic maintenance work at the mine, were contemplating strike action to join NUM.
- On 17 October 2010, workers at Two Rivers Platinum Mine in Mpumalanga embarked on a wage strike
- On 18 October 2010, disgruntled employees of Mine Line and TAP Engineering in Krugersdorp, West Rand occupied the premises of the company. The employees, who were members of the Metal and Electrical Workers Union of South Africa (MEWUSA), embarked on the occupation of the two companies, which were under one roof, following an application for the companies' voluntary liquidation. Workers said they had adopted their action to secure the assets of the companies and ultimately take over the two entities to protect their jobs, and recover unpaid wages and benefits
- Workers at the Tshwane University of Technology (TUT) marched to the institution's administrative offices on 25 October 2010 to demand an end to the use of labour brokers and the outsourcing of services. Members of NEHAWU handed over a memorandum which was accepted by the university's acting Vice-Chancellor. In their memorandum, the union raised a number of issues and demanded that TUT's representatives respond within seven days. NEHAWU's demands included the reinstatement of the staff loan system, the advertising and filling of vacant posts for cleaners and auxiliary workers, and an end to the use of labour brokers. NEHAWU raised concerns over the conditions of service for workers from outsourced companies and said the university needed to develop a clear policy and code of conduct for all outsourced services including minimum wages, which should be linked to tender pricing requirements
- Municipal workers at the cash-strapped Madibeng Local Municipality (Brits) downed tools on 25 October 2010 in protest against the non-payment of overtime. Traffic officers were nowhere to be seen on the roads in Brits and surrounding areas and the



municipality's licensing department was also closed. Council introduced a financial recovery plan to reduce its debt, but workers and unions were not happy with the situation. They claimed the municipality's recovery plan was introduced without all stakeholders being informed. The union added that workers did not get overtime pay during the previous months

- On 25 October 2010, workers at the JSE-Listed food service franchisor Famous Brands who were members of MEWUSA embarked on a strike. The main demands of the workers concerned the recognition of MEWUSA. At the core of Mewusa's rationale for industrial action was its opposition to the implementation of a six-day rolling-week shift, an operational requirement that the group was planning to introduce. Striking workers were reported to throw stones at delivery trucks and buses as they arrived to pick up staff. The union said the company which also supplied companies like Steers, Wimpy and Debonairs with sauces, pizza bases and other ingredients, had derecognised the union because it would not compromise on demands. These demands included an end to casualisation and the planned outsourcing of truck drivers, improved wages and a new grading system
- On 27 October 2010, over 27 000 Pick 'n Pay workers embarked on an indefinite strike to protest for better pay. The strike continued despite a court interdict granted to the retailer by the Labour Court to evict striking workers from its stores. Strikers brought traffic to a standstill in Durban and some parts of Johannesburg. The retailer claimed that several non-striking workers were assaulted by the strikers and it approached the court for an urgent interdict. Workers demanded an R550 across-the-board pay increase, a staff discount of 10%, a ban on labour brokers and a R300 difference in levels of employment.

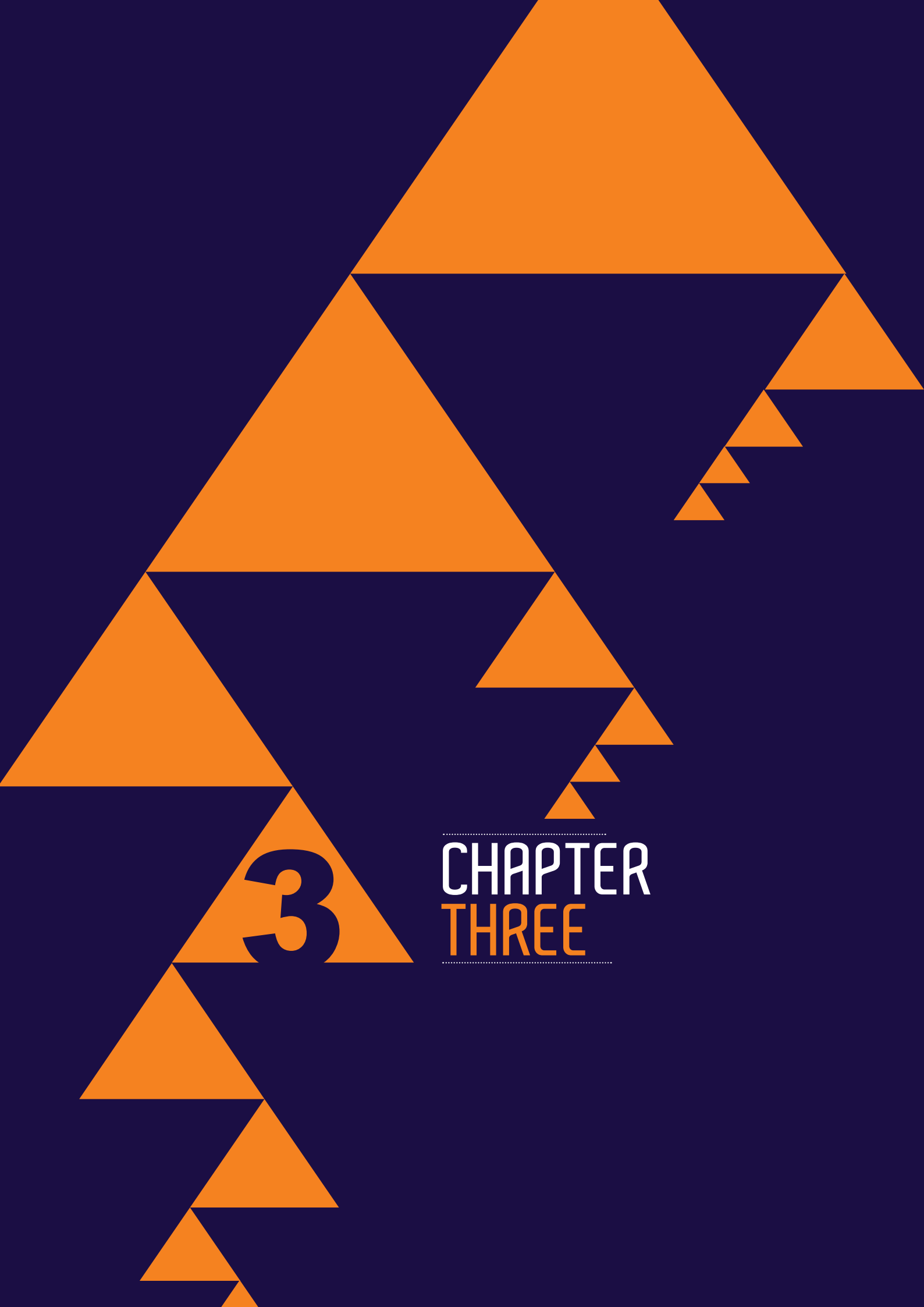
## NOVEMBER 2010

- On 1 November 2010, SAMWU members who were workers at Syntell, a company owned by SACTWU Investment Holdings embarked on a strike. According to SAMWU, Syntell refused to negotiate wages with SAMWU and it was alleged that they had imposed a 5% wage increase on workers. Syntell had contracts with many municipalities across the country to manage their traffic fines. In Cape Town, more than 90% of Syntell's workforce, who normally process fines worth millions were reported to be on strike
- On 2 November 2010, academic and administrative staff at the Walter Sisulu University in East London embarked on strike. Workers demanded 12% wage increase across-the-board, whilst management offered nothing
- On 8 November 2010, mine workers at Aurora staged a sit-in demanding that the Government act against Aurora for not paying them and for placing their lives at risk. Miners at the Grootvlei Mine in Springs on the East Rand, and the Orkney Mine in North-West, had not been paid since February and March 2010 respectively. Neither mine was operational. Workers at both mines complained that Aurora Empowerment Systems had broken promises it made when it took over in October 2009. On the same day, about 1 000 "fed up" miners from the Orkney Mine staged a sit-in at the offices of the Department of Mineral Resources in Klerksdorp, North-West. Their action followed the department's failure to respond to a memorandum submitted by the Congress of South African Trade Unions (COSATU) and NUM on 29 October demanding urgent intervention in the non-payment of miners for eight months
- On 12 November 2010, about 3 000 workers at South Deep Mine of Gold Fields embarked on a strike as the company withdrew an application to prevent the strike. Workers downed tools to demand transformation. Workers wanted the company to employ more black managers and buy more goods from black people, disenfranchised by apartheid. At the heart of the dispute was the National Union of Mineworkers' demand to be involved in the appointment of senior managers and in procurement and tender processes
- About 400 taxi drivers protested over the traffic demerit system and converged at the Union Buildings on 16 November 2010. The peaceful march through Pretoria's central business district briefly halted traffic. SATAWU demanded that the Government withdraw the new licensing system, saying it would cause their members hardship and job losses. SATAWU demanded that the Administrative Adjudication of Road Traffic Offences (Aarto) Act be repealed. The union also demanded that all penalties and fines issued under the system, currently operating on a trial basis, be reversed or cancelled. SATAWU further demanded the formulation of a new traffic bill, to be drawn up involving all stakeholders in the road transport industry. Lastly, they demanded that Transport Minister be reprimanded for forging ahead with Aarto
- On 22 November 2010, SAMWU reported that about 300 of its members at the Hibiscus Coast municipality, who were angry about the grading of some employees by the municipality, went on strike
- On 24 November 2010, about 2 000 members of FAWU at Early Bird Chickens in Olifantsfontein embarked on a strike. Workers were reported to demand an 8% wage increase, a medical subsidy and permanent employment for 1 170 casual workers who had apparently already been working on a permanent basis for several years
- On 26 November 2010, about 1 500 SACCAWU members took to the streets of Pretoria, to protest over labour brokers and demand centralised bargaining within the retail sector. It was reported that the current negotiating pattern meant that the union would emerge with unequal outcomes from company to company or group to group as a result of factors such as the effectiveness of the negotiating team, a properly guided mandating process and the capacity of members to take the companies head on. Centralised bargaining would mean members will be able to use their strength in numbers to bargain with employers and the union will be able to streamline negotiation process. SACCAWU's call for a bargaining forum was aimed at making it easier to negotiate wages and working conditions

- On 29 November 2010, Pretoria prosecutors picketed outside the Magistrate's Court demanding money owed to them by the National Prosecuting Authority. Prosecutors from the Magistrate's Court, High Court and Office of the Director of Public Prosecutions (DPP) handed over a memorandum the previous week addressed to the National Director of Public Prosecutions, the Director-General and Minister of Justice and Constitutional Development. In the memorandum, they said their employer agreed with labour unions in 2007 on the OSD's. This was a National Government initiative to give professionals, including nurses and prosecutors, special salary increases aimed at adjusting posts and levels to make them more market related. It should have come into effect in July 2007. However, prosecutors nationwide were still waiting for this, while the OSD had apparently already been applied on other professions.

## DECEMBER 2010

- On 1 December 2010, Metrorail workers embarked on a strike in Cape Town, causing a total shutdown of services. It was reported that workers protested against the introduction of changes to the shift roster. The new roster was to be introduced on 4 December. Management further reported that the new roster did not involve more hours, but only different hours
- On 6 December 2010, Metrobus drivers of the City of Joburg went on strike in protest against new routes and shift schedules. It was further alleged that the drivers were upset about the changes as it made it difficult for them to skim off fares from passengers on unfamiliar routes
- On 8 December 2010, about 600 members of NUMSA downed tools at BHP Billiton in Richards Bay, KwaZulu-Natal, demanding a wage increase and better working conditions. NUMSA demanded amongst others, a 12% salary hike, 50% employer contribution to the medical aid scheme, night shift allowance of 12%; study assistance of R50 000 in the event of retrenchments, banning of labour brokers, six months fully paid maternity leave, and full-time health and safety shop stewards. NUMSA members had rejected BHP Billiton's pay offer of 7.5%. Solidarity, the other active union at the Richards Bay smelters, accepted the company's 7.5% wage increase offer. The company was reported to have offered workers an 8.5% increase for the first year of a four-year term. The rest of the years would see an increase of the Consumer Price Index (CPI) plus 2.0%.
- On 12 December 2010, Metrorail workers in Gauteng embarked on an illegal strike. Train control operators embarked on an illegal strike cancelling trains in Johannesburg. Gauteng train control officers began striking over dissatisfaction about the new shifts on 10 December 2010.
- On 14 December 2010, Natal Portland Cement locked-out workers affiliated to NUM over a wage dispute. It was indicated that the implication was that the company would be obliged to still pay them after initiating a work stoppage. The union wanted a 10% wage increase across the board, amongst other demands. The company offered 4%.



**3**

CHAPTER  
THREE

## WAGE AGREEMENTS, 2010

In 2010, a number of wage agreements were concluded between several companies and trade unions. The strength of the agreements that have been signed lies in their duration. The agreements are revocable if the assumptions on which they are based do not hold good, for example, if significantly greater wage rises are negotiated in other agreements or if the assumed drop in inflation rate fails to materialize. The following were some of the agreements concluded with or without a strike in 2010:

- On 9 January 2010, ABI and FAWU reached a wage agreement ending a two-month long strike. ABI workers accepted the 8.3% wage hike, well above South Africa's inflation rate of 6.3% in January 2010. According to the agreement, wages and benefits would increase by 8.3%. The minimum wage would go up to R7 235 a month, an across-the-board increase of 7.8%. Management said the education grant would increase from R275 to R350 a month and the Christmas voucher would double to R400. Both parties agreed to discuss the use of labour brokers and owner-drivers before the end of March 2010. The company said there was an "acceptance of the principle" to work 45 hours in the week and work on weekends would be paid overtime
- On 17 January 2010, Sun International and SACCAWU signed a two-year wage agreement marking the end of a seven-week strike. The deal included a wage increase in year-one of 8.75% while in year-two, the wage increase would be the CPI as measured between 1 July 2009 and 30 April 2010 plus 1.75%, with a guaranteed minimum increase of 7.75%. Sun International said that other issues agreed included the scope of the bargaining unit, averaging of hours of work and an increase to the night shift allowance from R2.30 to R3.00 per hour. In addition, the agreement covered other improvements to employment conditions such as the home ownership scheme, educational assistance scheme and certain other allowances. The strike was marked by inflexibility by the company, violence on the picket-line from state police and private security, including racist and sexist insults, extreme provocations, assaults as well as arrests of some strikers and some union officials. The two-year duration of the agreement until 2011 would provide for a welcome period of stability without the pressure and potential conflict of annual wage negotiations, something which will further promote sound workplace relations
- On 7 February 2010, Palaborwa Mining agreed to a 9% pay rise for members of the Solidarity labour union
- On 15 March 2010, trade union Solidarity concluded a wage agreement with the South African Nuclear Energy Corporation (NECSA) subsidiary Nuclear Technology Products (NTP) for an increase of 7%. Wage negotiations with the company were finalised after only two rounds. According to Solidarity, the agreement only provided an adjustment to employees' salaries to keep up with inflation, but also provided a welcome salary improvement. However, the company wanted to see that certain employment benefits for employees were reduced. The company wanted to see that the number of days of vacation leave and sick leave that can be accrued was reduced. The wage increase was valid, for one year and would be implemented by 1 April 2010
- On 30 March 2010, South African Bus Employers' Association (SABEA) and SATAWU, Transport and Omnibus Workers Union (TOWU) and Transport and Allied Workers Union of South Africa (TAWUSA) signed a 10% wage agreement. Two of the three trade unions that had a dispute with the bus operators' association over wage increases signed an agreement that ended the deadlock. Other agreements included: increase in subsistence and travel allowance, night-shift allowance, night-out allowance, tool allowance, family leave and a cross-border allowance
- On 21 April 2010, the South African Municipal Workers' Union and IMATU and the South African Local Government Association (SALGA) signed an agreement. It was reported that the agreement included that all external legal representation in the form of contracted attorneys and advocates in disciplinary matters of municipal employees would end on 1 July. Furthermore, from 1 July 2010, new salary scales based on the different categories of municipalities would be implemented. SALGA said back payment of salaries based on nine months' payment would be due for payment, backdated from 1 October 2009. Municipal workers would be paid market-related salaries from 1 July, albeit on a slightly lower wage curve than was initially proposed to SALGA. SALGA said the agreement included a change to the disciplinary code that would not allow the use of private lawyers for internal disciplinary hearings. The agreement would stand until 30 June 2012
- On 21 April 2010, NUM and Gold One reached a wage agreement and settled for a R400 living-out allowance
- In May 2010, the most costly strike was a three-week rail and port walkout at the state logistics group Transnet that was reported to have cost the economy about R7 billion in lost production and sales. Unions said they won an 11% pay increase. SATAWU settled for an 11% increase in May, compared with South Africa's inflation rate of 4.6% in the same month. In May, Transnet agreed to an 11% across the board hike and an additional 1% for the lowest-paid workers after a strike at the transport and logistics parastatal. SATAWU's deal included a once-off payment to the value of 1% of annual salaries. All bargaining unit workers would get the payment, including workers affiliated to United Transport and Allied Trade Union (UTATU). For a worker earning R50 000 a year, this would translate into a payment of R500 in their June pay packet. The deal also included a medical aid subsidy for workers belonging to a non-Transmed medical scheme, medical allowances for workers not members of a scheme, permanent employment for 1 000 contract workers by October 2010, as well as an agreement for the placement of the remaining contract workers. The once-off payment effectively gave workers a 12% increase for 2010, but a lower base from which future increases would be calculated

- On 1 June 2010, SATAWU accepted a new wage offer from the Passenger Rail Agency of SA (PRASA). UTATU initially embarked on strike action alongside SATAWU. UTATU later accepted its 10% wage increase offer, which had been revised upwards from 5%. The new offer to SATAWU kept the 10% across the board increase for PRASA's 15 000-strong workforce. But Shosholoza Meyl workers earning less than R60 000 per year would get a 12.5% increase and Metrorail workers earning less than R70 000 per year would get a 12% salary hike. That would affect a total of 4 800 workers who were mainly coach cleaners. Additionally, all workers would receive a R1 000 once-off payment in June 2010. The new offer would be backdated to 1 April 2010. SATAWU accepted PRASA's offer of a 10% wage increase for the highest paid workers, 12% for medium-wage earners and 12.5% for the lowest paid. All workers would also be given R1 000. The 10% was agreed on with benefits such as:
  - A three-shift system starting from July
  - Condition services, standby allowances, track tool technical allowances, inconvenience allowances
  - Medical aid;
  - An ex-gratia payment of R1 000 would be made to all employees falling within the bargaining unit.
- On 4 July 2010, UNISA and NEHAWU reached a wage agreement. The average salary increase was 8.6%, with the highest increase being 9%. Staff on higher salary scales would be getting the larger increase, while those on lower scales would get a once-off payment to make up the difference between their increase and 9%. The agreement would be backdated to January 2010.
- On 14 July 2010, the bulk of the workforce represented by NUM, NUMSA and Solidarity at state power utility Eskom won a 9% wage increase and a R1 500 housing allowance after threatening a strike that could have cut electricity during the World Cup. This was a one year deal backdated to 1 July 2010. A major issue throughout bargaining was the housing allowance. In that, a compromise was reached in which workers would receive a R1 500 monthly allowance. The housing allowance issue was a carry over from 2009's bargaining, when Eskom promised to establish a commission by year's end to award a first-ever stipend for staff who work away from home. That never materialised
- The South African Federation of Civil Engineering Contractors (SAFCEC) said on 4 August 2010 that a substantive two-year wage agreement was reached with the National Union of Mineworkers and the Building, Construction and Allied Workers Union. A 9.5% increase was agreed for 2010, while in 2011 the increase would be either 8% or inflation plus 3%.
- On 20 August 2010, car makers (members of Automotive Manufacturers Employers' Organisation) agreed with NUMSA to pay a 10% wage increase to workers, bringing an end to an eight-day strike that brought the motor industry to a standstill. Wages would be increased by another 9% in 2011 and 2012. The car makers also agreed that as of 1 January 2010, they would stop using companies known as labour brokers that provide contract workers. The employers would extend medical, pension and other benefits to short-term employees. The three-year agreement provides for an across-the-board wage increase of 10% in 2010 and a 9% increase in both 2011 and 2012. Most of the provisions contained within the prior agreement signed in 2007 have been carried over. Two notable changes agreed to were:
  - The parties agreed that the use of labour brokers would be discontinued with effect from 1 January 2011 in respect of the bargaining unit, with the sole exception of pre-existing labour broker contracts which would be allowed to run their course
  - The parties commit to establishment of a Statutory Bargaining Council.
- On 21 August 2010, Impala Platinum (Implats) and NUM signed a new one-year wage deal to end weeks of wrangling that threatened a strike by more than 20 000 workers. The two parties signed a deal for an 8% pay rise for the lowest-paid workers and 7.5% for the grades above, a housing allowance of R900 and an agreement to take a dispute over contributions to the Miners' Provident Fund to arbitration
- On 9 September 2010, a wage agreement was reached between the Agricultural Research Council and NEHAWU on salary increases for 2010-11. The agreement would apply to all employees in terms of section 23 of the Labour Relations Act, although it had been signed by NEHAWU only. The council presented its final offer of an average salary rise of 7.6% and NEHAWU, the majority union, accepted the offer
- A wage deal was reached between Exxaro Resources' KwaZulu-Natal mineral sands operation and NUM on 13 September 2010. The company said the offer of an 8.5% across-the-board wage increase also included a one-time payment to employees, who were initially demanding a 14% pay rise
- On 17 September 2010, employers in the Retail Motor Industry and Fuel Retailers' Industry agreed to hike workers' salaries by between 9% and 10%. While the workers accepted the wage offer, some outstanding demands remained and would be negotiated with the Commission for Conciliation, Mediation and Arbitration. NUMSA said they had accepted a final settlement. In terms of the settlement, wage increases would be factored in according to different sub-sectors and would be payable from 1 September 2010. Garage workers would receive an increase of 10% in 2010, 9% in 2011 and 9% in 2012. Cashiers in garages would be upgraded from a R13.13 to R14.95 per hour wage. Component makers would receive increase of 10% in 2010, 8% in 2011 and 8% in 2012. The rest of the motor industry, including panel beaters, would get 9%, 8% and 7% pay hikes in the three years respectively.
- On 22 September 2010, NUM accepted an offer of 9% from Two Rivers Platinum Mine in Mpumalanga after a strike that also

involved the Association of Mineworkers and Construction Union (AMCU) which rejected the offer

- On 28 September 2010, Solidarity signed a wage deal to end its strike at Northam Platinum, whilst NUM was still continuing with the strike. Solidarity said in a statement it had agreed to an 8.5% rise in wages, more than double the inflation rate and an increase of R242 a month for housing. Solidarity said the agreement reached, was one of the best in the industry and would ensure that the company retained scarce skills. The union had also agreed to an increase in living-out allowance from R1 600 to R1 800, while workers in the company's hostels would for the first time receive an allowance of R600 per month
- On 29 September 2010, NUMSA accepted the three-year wage agreement and other terms put forward on behalf of three of four global rubber companies represented by the NTMEIA (New Tyre Manufacturing Employers' Industry Association). But NUMSA and the tyre manufacturers operating in South Africa, Bridgestone/Firestone remained at odds over the agreement. Bridgestone/Firestone, through NTMEIA, offered 2% less each year in wages than the other three companies, Continental, Good Year and Apollo-Dunlop. With those companies, NUMSA secured fair wage gains over the three years, as well as higher gains for workers who had been stuck in low-end pay grades of many job classifications. NUMSA also won important victory on the use of labour brokers. A first-year increase, backdated to 1 July, was set at 9%. The second and the third-year increases would each be 7.5% or South Africa's CPI in 2011 and 2012, whichever is higher. In comparison, Bridgestone had on the table increases of 7%, 5% and 5% for each year respectively. Commencing in July 2011, for those workers with three or more years of service, the difference between the minimum and maximum pay grades in several job categories, about 10%, would be bridged over a three-year time frame beginning 2010. Thus, roughly half of all rubber workers in South Africa's six factories will see well over the 7.5% increases both in 2011 and 2012. Regarding labour brokers, NUMSA and the NTMEIA agreed to continue a policy of non-usage of brokers and adopted a policy to begin phasing out of all labour brokers. Goodyear and Continental factories do not rely on labour brokers, but Firestone and Apollo-Dunlop plants do. Terms of the wage raise settlement included workers who were earning minimum wages for their pay grade to gradually be progressed to maximum rates of pay beginning 1 July 2011. This movement would be completed by 30 June 2014. Among other provisions, the agreement also called for the development of a skills-based model to provide for multi-skill training and assessment for workers employed after July 2008. Workers employed on short-term contracts would be entitled to medical and disability benefits, as well as severance pay
- On 5 October 2010, Kumba Iron Ore reported that parties had agreed to a salary increase of between 7.5% and 10%. The increases, agreed to on a multi-year deal, would be implemented with effect from 1 July 2010
- On 7 October 2010, SAMWU and the South African Association of Water Utilities reached a historic wage agreement in the water sector. SAMWU as the majority union in the sector signed the first National Agreement in the sector providing for a 9% increase across the board. The increase equaled inflation plus 5% increase for all water board workers
- At Exxaro coal, a settlement was reached with NUM in the middle of October 2010 over a 7.5% wage increase for the highest-paid workers and 8% for those in the lowest three grades. Solidarity also reached a "favourable" wage agreement with the company. Apart from a wage increase of 7.5%, it was agreed that the issue of grading, which threatened to upset wage negotiations at the coal giant, would be referred to a task team to receive urgent attention
- In October 2010, NEHAWU and Limpopo Economic Development Enterprise reached a wage agreement of 11.0%. Management had also agreed to offer R2 500 to every employee as a performance bonus
- On 19 October 2010, public sector unions signed a wage deal with the Government. The unions accepted the Government's 7.5% wage increase and R800-a-month housing allowance. About 66% of union members signed the wage settlement offer. A total of 50.1% union representation had been required to implement the Government's offer
- In the middle of October 2010, Solidarity concluded wage agreements of between 7% and 8% at the national bargaining council for the wood and paper sector (PG Bison, Masonite and Sonae Novobord were involved). Glass sector negotiations at the bargaining council for the chemical industry were also finalised with an increase of 7.5%
- On 16 December 2010, NUMSA and BHP Billiton reached a wage settlement. The settlement offer was an 8% increase in year one, and a further 2% increases in line with CPI in years two and three. NUMSA said on other matters related to the settlement, such as the phasing out of labour brokering, fully-paid maternity leave and medical aid would be processed and finalised within six months.

Wage agreements not only have a direct impact on prices, but also affect prices indirectly via aggregate demand. The impact of the wage agreements on aggregate demand results from both the wage rises themselves and the measures which the Government implemented in order to facilitate agreement including a higher personal tax allowance.

**Table 1** shows the median wage levels in South Africa by industry. Wage settlement rates in South Africa were way above the rate of inflation in 2010. Median wage settlement rates varied by industry between 8% and 11%. An important aspect of the recent wage agreements is that the lowest wages rose by considerably more than wages in general in relative terms. This greatly increases the risk of wage variation in the near future, since there may be a tendency to re-establish earlier differentials. However, large contractual wage rises may deter employers and wage earners alike from wage variation. Whether the structure of the agreement will contribute to extensive wage variation may depend on the tightness of the labour market, on the one hand, which affects the bargaining position of employees, and the capacity of businesses to accede to wage demands, on the other hand.

The third Quarterly Bulletin of the South African Reserve Bank (December 2010) revealed that headline consumer services price inflation decelerated to within the inflation target range from July 2010 and amounted to a year-on-year rate of 5.2% in October 2010 (South Africa, SARB, 2010:19). The overall current account deficit widened from 2.5% of GDP in the second quarter of 2010 to 3.0% in the third quarter of 2010 (South Africa, SARB, 2010:25). Wage agreements are compatible with lower inflation, but an excessive current account deficit poses a long-term threat to exchange rate stability.

**Table 1: Median wage settlement levels in South Africa by industry, 2010**

Industry	% wage settlements
Agriculture, hunting, forestry and fishing	8.0
Construction	8.6
Electricity, gas and water supply	9.5
Finance, insurance, real estate & business service	11.0
Manufacturing	8.5
Mining and quarrying	8.0
Transport, storage and communication	8.8
Wholesale and retail trade	9.0
<b>ALL SETTLEMENTS</b>	<b>9.0</b>

Source: Labour Research Service, wage settlement trends, 2010



4

CHAPTER  
FOUR



## 4.1. STRIKE ACTIVITY MEASURED IN NUMBER OF WORK STOPPAGES, WORKING DAYS LOST, TIME-LOSS RATIO, WORKING HOURS LOST AND WAGES LOST, 2006–2010.

The year 2010 was characterised by a number of work stoppages both in the public and private sectors. The wage agreement that was signed in 2007 between public sector unions and the South African Government expired in the middle of 2010 and negotiations between the State and public sector unions began in earnest in April 2010.

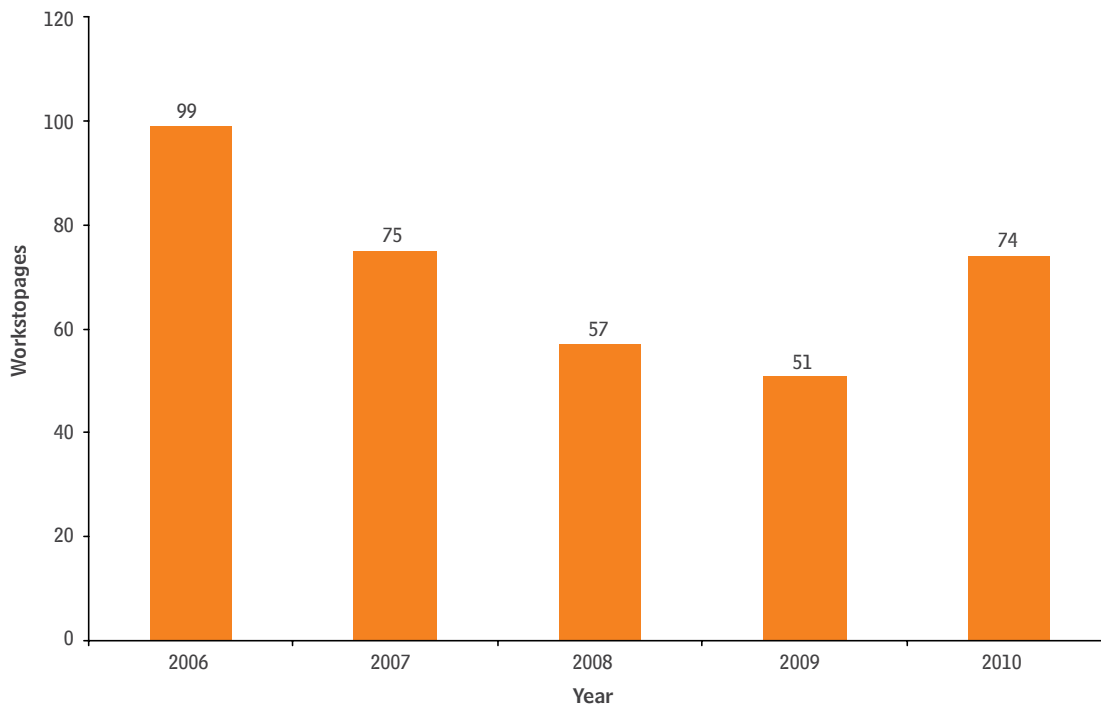
The whole public service was affected by industrial action in 2010, with Local Government affected by labour disputes in April and the Provincial and National Government in July and August 2010. In the private sector, Pick 'n Pay, Dis-Chem Pharmaceuticals, car assembly plants, Northam Platinum and businesses in the fuel and retail sectors were also affected by strikes. The following six work stoppages resulted in about 19 791 189 working days lost, approximately 95.7% of the total working days lost in 2010. The six work stoppages are profiled below:

- **South African Local Government Association vs SAMWU and IMATU:** On 12 April 2010, municipal workers country-wide went on strike. Several cities and metropolises were affected by this labour dispute. SAMWU's demands included a 60th percentile, while SALGA offered 50th percentile. It was claimed that this would put municipal salaries on par with wages in other sectors of the economy. Among other demands by workers were an end to the use of labour brokers by the municipalities for some services, mainly waste management. SAMWU's key demands included the extension of the Job Evaluation Collective Agreement and a wage cap on salaries of councilors, municipal managers and Section 57 employees (senior council officials)
- **Transnet vs SATAWU and UTATU:** On 10 May 2010, Transnet workers represented by SATAWU embarked on strike after demanding an across-the-board wage increase of 15%, and rejected Transnet's 11% offer. Later the United Transport and Allied Trade Union joined ranks with SATAWU to push for a 15% increment in wages and other benefits. SATAWU said the offer was rejected because the increase was to be applied only to the basic wage and not the other benefits, leaving workers worse-off
- **PRASA vs SATAWU:** On 17 May 2010, workers of the Passenger Rail Agency of SA (PRASA) embarked on a wage strike. PRASA had upped a 5.0% across the board offer to 8%, while the unions demanded a 16% increase
- **Dis-Chem vs SACCAWU:** On 27 May 2010, members of SACCAWU at Dis-Chem pharmacies embarked on a nation-wide strike. It was reported that the company refused to bargain with SACCAWU over wages and other issues of terms and conditions of employment. It was further reported that SACCAWU demanded a R3 500 minimum wage for workers, a 15% annual increase across the board, the conversion of casual staff to permanent after three months, a guaranteed 13th cheque, and medical aid, a housing subsidy, meaningful long service awards and other benefits. Dis-Chem said SACCAWU's membership stood at 1 400 out of the company's 6 000 employees nationally but that the membership numbers had dwindled substantially in the past year.
- **DPSA vs Public Service Unions:** In July and August 2010, public servants across the country embarked on a nation-wide strike. Unions representing 1.3 million workers demanded 8.6% pay increases and a monthly housing allowance of R1 000 backdated to 1 April 2010. On 22 July, the Government made a final offer to raise wages by 6.5% and pay a R750 housing allowance
- **Northam Platinum's Zondereinde Operations vs NUM:** On the night of 5 September 2010, most employees at Northam Platinum's Zondereinde operations in Limpopo embarked on a strike. The industrial action started after workers rejected the company's increased wage offer of 8% and a similar increase in living-out allowance to R1 728 per month. NUM demanded a 15% wage increment on a one-year deal, as well as a living-out allowance of R3 500 per month. Northam offered 8% on a two-year deal.

Strikes, lockouts, and other outcomes of employer-employee negotiations, however, affect not just unionised workers, but reverberate well beyond the negotiating parties. Strikes in some public services can endanger public safety and have significant economic costs. Nearly every strike by public employees receives considerable public attention, and the hardships faced by those who use strike-affected services are often significant. Private sector settlements are important because labour costs are a key factor of economic competitiveness, legislation that influences wages or the likelihood of a labour disruption may affect the competitiveness of a firm relative to that of firms in other jurisdictions.

Figure 1 shows that strike incidents increased from 51 in 2009 to 74 in 2010. The number of strike incidents in 2010 was also higher than work stoppages of 57 in 2008. The number of work stoppages in 2010 is even higher than the average of 71 work stoppages over a period of five years between 2006 and 2010. Although, strike incidents were more frequent in South Africa in 2010 compared to the last two years, the number of strike incidents recorded in 2006 still remain the highest at 99 in the five year period under review, followed by 75 work stoppages in 2007.

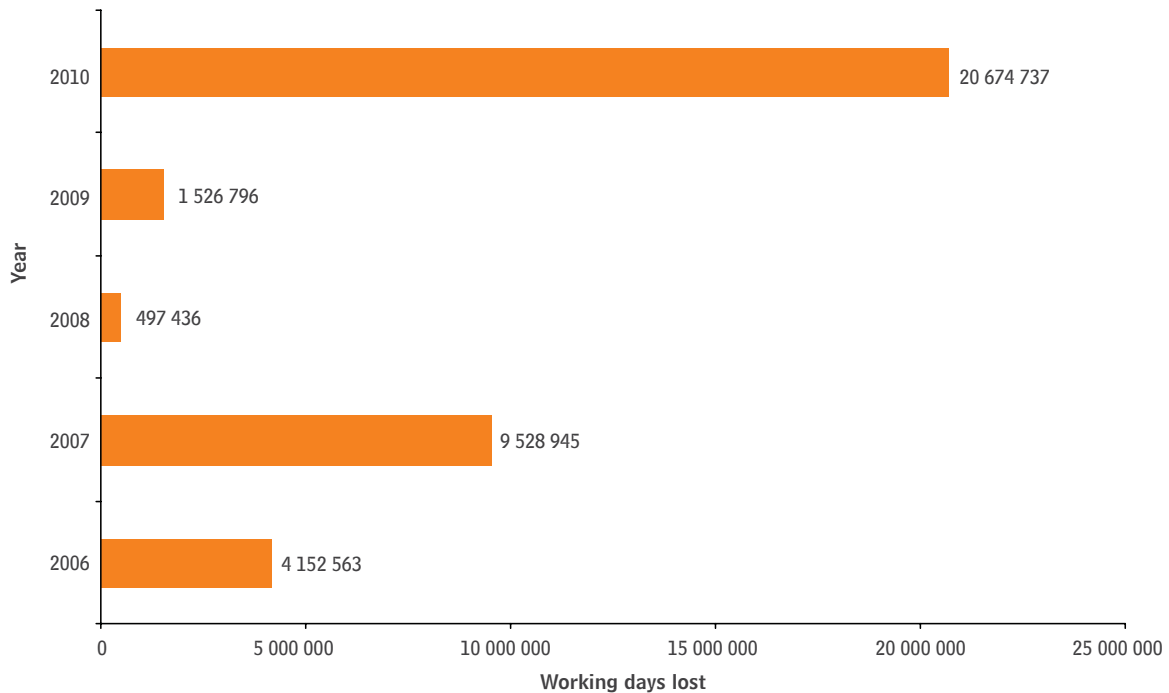
**Figure 1: Trends in the number of work stoppages in South Africa, 2006-2010**



Source: Department of Labour, Strikes Statistics.

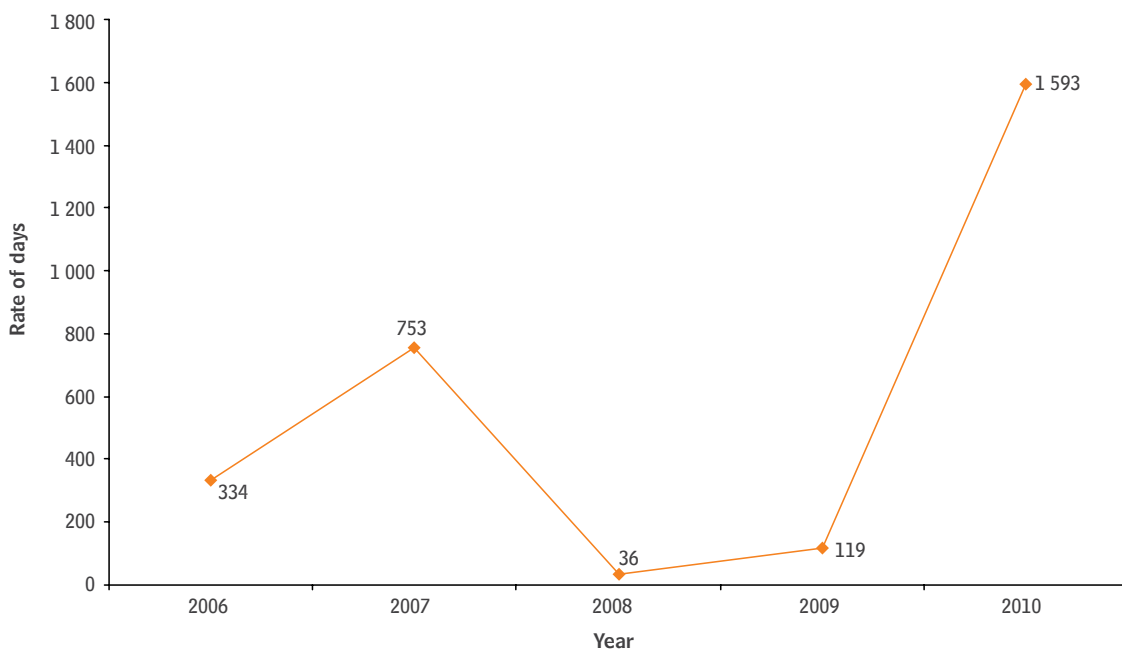
**Figure 2** indicates that in South Africa in 2010, the number of working days lost to strikes, i.e., the number of workers on strike or lockout multiplied by the length of the work stoppage was the highest on record. About 20 674 737 working days were lost in South Africa in 2010, compared to 1 526 796 working days lost in 2009. This is more than ten times the figures of 2009. The increase in working days lost is attributed to the public service strike with more than 1 million participants lasting for about 18 days. The Local Government strike also had its bigger share although it was more supported largely in some major cities like Johannesburg than in Cape Town. Unlike the public service strike, the local government strike had a moderate support. There were also some big strikes in the private sector like the fuel and retail strike, Northam Platinum strike, Transnet and Prasa strikes, however, the public service strike was huge in terms of the number of participants and the duration of the strike.

The economic effect of lost worker days can be significant. Fewer days spent working reduces both workers' take-home pay and firms' profits. Firms might also reduce their planned capital investment in anticipation of lower capital investment use during work stoppage periods. These two effects might reduce the productivity of both labour and capital, the two main components of economic productivity.

**Figure 2: Trends in working days lost in South Africa, 2006-2010**

Source: Department of Labour, Strikes Statistics.

**Figure 3** illustrates working days lost per 1 000 employees. This is the only indicator of strike activity that allows valid international comparison. Comparing other indicators of strike activity on an international level is fraught with difficulties since not all disputes are accurately reported. Country data for a single year can be substantially inflated by a dispute in a single major industry like the public service strike in South Africa in 2010, even though the rest of the economy was largely unaffected. One-day general strikes can also have a big impact, especially if there is very little other strike activity apart from a single day of action. In South Africa in 2010, for every 1 000 workers, 1 593 working days were lost due to strikes. Just as is the case with total working days lost, this was the highest in the history of South African labour relations. Furthermore, this high time-loss ratio could be explained by the huge public service strike that took place in July and August 2010.

**Figure 3: Working days lost per 1 000 employees due to strikes, 2006-2010**

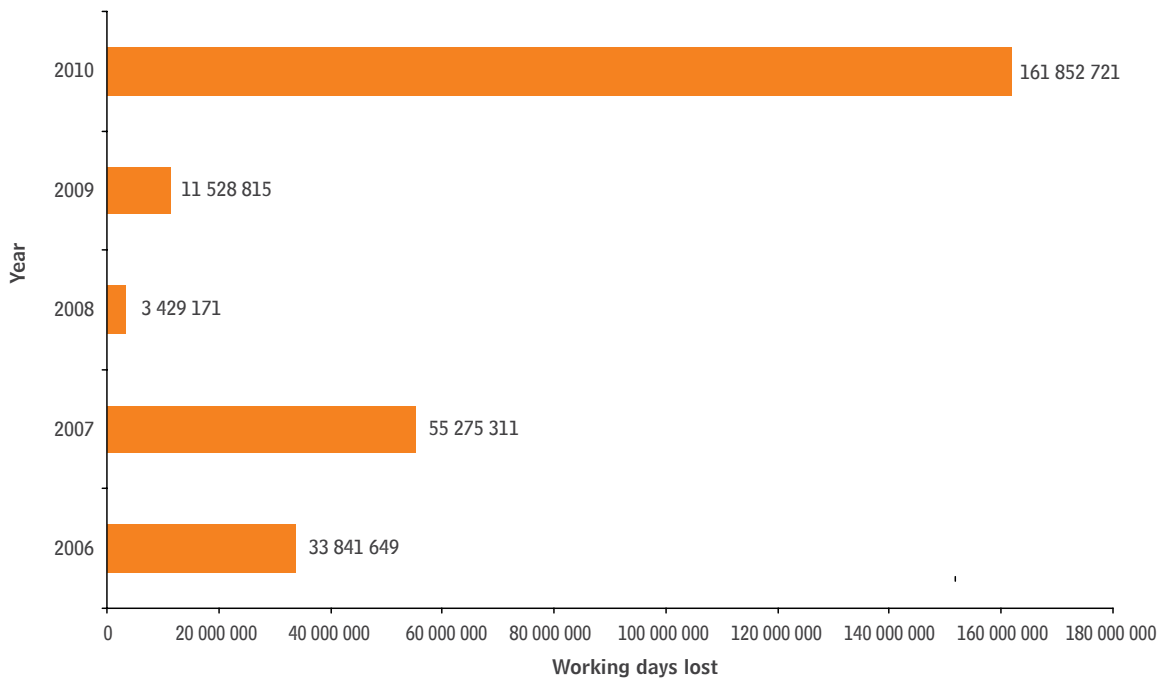
Source: Department of Labour, Strikes Statistics

**Figure 4** depicts a five-year trend in working hours lost. Just like working days lost, South Africa lost the highest working hours in 2010 in

the history of South African industrial relations. Approximately 161 852 721 working hours were lost to strikes in 2010 compared with only 11 528 815 working hours lost in 2009.

This again can be explained in terms of the huge public sector strike in July and August 2010. Public servants always participate in large numbers in public sector strikes; furthermore, these strikes last longer than most of the strikes. The 2007 working days lost are the second highest, again due to the huge participation of public servants in strike. In 2008 and 2009, public servants did not embark on strike since the three-year wage agreement that was signed in 2007 between the state and public sector unions was still holding.

**Figure 4: Trends in working hours lost in South Africa, 2006-2010**

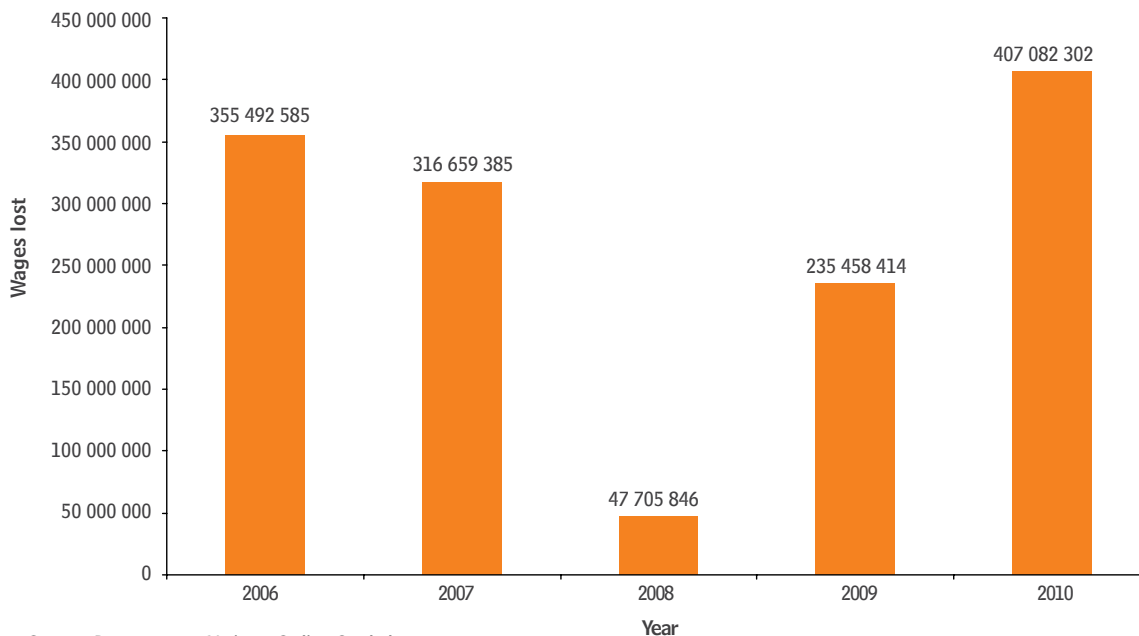


Source: Department of Labour, Strikes Statistics.

Work stoppages are a cost to both employers and workers. Since the principle of “no-work-no pay” applies in South Africa, any worker that goes on strike is supposed to forfeit the salary of the day s/he was on strike.

Figure 5 shows that about R407 082 302 was lost to workers in wages in 2010 compared to R235 458 414 wages lost to workers in 2009. In calculating the estimated loss in wages and salaries, no account is taken of the fact that work not performed during the period of the stoppage may often be performed and paid for at a later date. In the event that the loss in wages and salaries is not provided for a particular work stoppage, no attempt is made to estimate wages or salaries using the total number of hours lost for the stoppage and an estimated wage rate based on data from the Quarterly Employment Survey (QES) as produced by Statistics South Africa.

**Figure 5: Wages lost due to work stoppages in South Africa, 2006-2010**



Source: Department of Labour, Strikes Statistics.



5

CHAPTER  
FIVE

# WORK STOPPAGE COMPARATIVE ANALYSIS, 2009 AND 2010

The indicators used to measure work stoppage activity include the number of stoppages measuring frequency, the duration of stoppages measuring persistence, the number of employees involved measuring extent, the number of working days lost measuring economic impact and the estimated loss in wages, also measuring economic impact.

## 5.1. Provincial distribution of work stoppages

Table 2 shows that the distribution of work stoppages is provincially uneven. Gauteng remains the province with the highest number of work stoppages, perhaps attributed to its high level of economic activity. Gauteng accounted for about 32 work stoppages in total in both 2009 and 2010 respectively. It is followed by Limpopo with about 17 work stoppages. Work stoppages increased from 1 in Limpopo in 2009 to about 17 in 2010. This increase can be attributed to the number of isolated incidents affecting small businesses and the national strikes that affected the municipalities, Pick 'n Pay and the public service. Furthermore, perhaps more workers are more aware of their rights in the workplace and are starting to push for better working conditions. The opening of more platinum and coal mines can also explain more frequent work stoppages in Limpopo.

Northern Cape recorded the least number of work stoppages in 2010, however, strikes increased from 1 in 2009 to 6 in 2010. In line with the number of work stoppages, strikes had the highest economic impact in Gauteng. In Gauteng, workers lost about R159 753 646 in wages in 2010, compared to R107 435 951 in 2009. Work stoppages had the least economic impact in the Free State in terms of wages lost. Workers in this province lost about R15 233 695 in wages in 2010 compared to R918 141 in 2009. This might be explained by the fact that there was no strike in the gold sector in 2010 in the Free State.

**Table 2: Distribution of work stoppages and wages lost by province<sup>3</sup>, 2009 and 2010**

Province	Work stoppages				Wages lost (Rands)	
	2009	2010	% Change	Annual Average <sup>4</sup>	2009	2010
Gauteng	32	32	0.0	32	107 435 951	159 753 646
Western Cape	6	11	83.3	8.5	15 920 072	30 019 007
Mpumalanga	5	7	40.0	6.0	8 361 169	24 912 778
KwaZulu-Natal	8	14	75.0	11.0	23 793 533	54 601 436
Eastern Cape	8	11	37.5	9.5	4 861 033	45 834 665
Limpopo	1	17	1 600.0	9.0	1 094 353	40 228 368
North-West	8	10	25.0	9.0	71 124 162	15 631 021
Northern Cape	1	6	500.0	3.5	1 950 000	20 867 686
Free State	5	7	40.0	6.0	918 141	15 233 695
<b>Total</b>	<b>74</b>	<b>115</b>	<b>55.4</b>	<b>94.5</b>	<b>235 458 414</b>	<b>407 082 302</b>

Source: Department of Labour, Strikes Statistics.

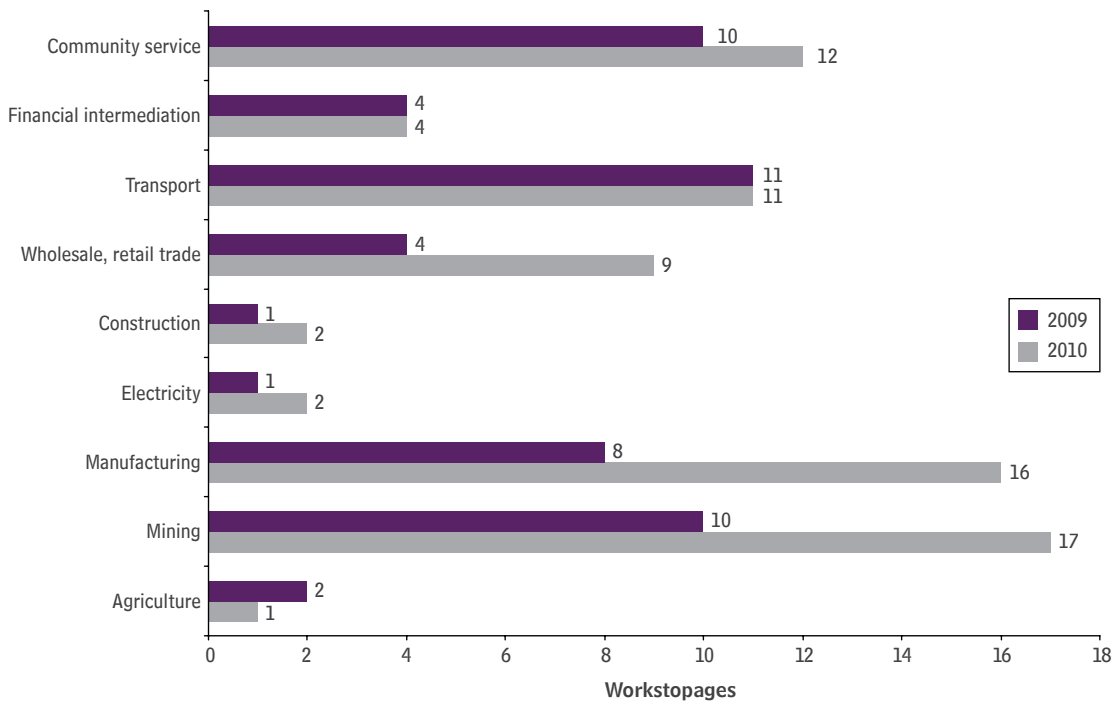
## 5.2. Industrial distribution of work stoppages

Figure 6 indicates the industry distribution of work stoppages in both 2009 and 2010. In 2010, mining and quarrying had the highest number of work stoppages at 17 compared to 10 in 2009. This included strikes that affected Exxaro KZN Sanos, Richards Bay Minerals, Eagle Granite (Pty) Ltd, Bokoni Platinum mine, Gold OneAfrica Limited etc. These strikes were more isolated and some of them unprotected. Manufacturing followed with the second highest number of work stoppages at 16 in 2010 compared to 8 work stoppages in 2009. Community, social and personal services accounted for about 12 work stoppages in 2010 compared to 10 in 2009. The electricity, gas and water supply and construction industries had the least number of work stoppages in 2010 with 2 each respectively. In 2009, the same industries accounted for one strike incident each respectively. This might be attributed to the fact that when one talks of electricity, gas and water supply, one speaks about Eskom, whilst in the construction industry a new wage agreement was concluded in 2010 without a labour dispute.

3 4

<sup>3</sup> The total for work stoppages in 2010 in Table 1 differs from the total of 74. This is due to national work stoppages that may affect a number of branches or establishments in the nine provinces, being counted as one in the national total but according to workplaces affected in several provinces being counted more than once.

<sup>4</sup> Annual averages have been rounded to the whole number since we cannot have half a work stoppage.

**Figure 6: Distribution of work stoppages by industry, 2009 and 2010**

Source: Department of Labour, Strikes Statistics.

### 5.3. Industrial distribution of working days lost

**Table 3** depicts the distribution of working days lost by industry. Community, social and personal services industry accounted for the highest number of working days lost in 2010. Work stoppages in the local government, provincial government and national government led to the loss of 18 866 531 working days, about 91.3% of the total working days lost in 2010. In 2009, only 215 008 working days were lost in the industry. The fewer working days lost in 2009 might be attributed to the fact that the wage agreement signed between the state and public sector unions in 2007 was still holding in 2009. Hence, only the local government employees went on strike in 2009.

The transport, storage and communication industry recorded about 640 757 working days lost in 2010 compared to 252 783 working days lost in 2009. This was partly due to the Transnet strike that accounted for about 494 550 working days lost, about 77.2% of the total working days lost in the transport, storage and communication industry. The strike that affected PRASA also recorded a huge amount of working days lost of 83 024. The wholesale and retail industry accounted for the third highest number of working days lost with about 394 584 compared to about 24 705 working days lost in 2009. The increase was due to national strikes that affected Dis-Chem and Pick 'n Pay. Strikes in the manufacturing industry led to the loss of about 384 980 working days. This is attributed partly to strikes that affected car assembly plants like Toyota in Durban, Ford South Africa in Silverton, Volkswagen in Port Elizabeth, etc. A strike that affected tyre factories like Apollo Tyres South Africa (Pty) Ltd also had its impact in the manufacturing industry. Mining and quarrying also recorded the 5th highest number of working days lost of 361 113 with the Northam Platinum strike that lasted for about 43 days dominating in terms of working days lost. Agricultural industry accounted for the least number of working days lost with only 108 in 2010 as opposed to 29 760 in 2009. This might be attributed to the lack of awareness of farm workers of their rights due to the low level of unionisation in the industry.

**Table 3: Distribution of working days lost by industry, 2009 and 2010**

Industry	Working days lost	
	2009	2010
Agriculture	29 760	108
Mining	413 402	361 113
Manufacturing	317 174	384 980
Electricity	47	7 681
Construction	264 654	3 787
Wholesale, retail trade	24 705	394 584
Transport	252 783	640 757
Financial intermediation	9 263	15 196
Community services	215 008	18 866 531
<b>Total</b>	<b>1 526 796</b>	<b>20 674 737</b>

Source: Department of Labour, Strikes Statistics.

## 5.4. Working days lost per 1 000 employees by industry

**Table 4** illustrates working days lost per 1 000 workers in each industry. Following on the pattern of working days lost, in the community, social and personal services, for every 1 000 workers, about 7 045 working days were lost in 2010 compared to only 82.0 in 2009. The high time-loss ratio (working days lost per 1 000 workers) in this industry in 2010 is attributed to national strikes in both public service and local government. Mining and quarrying industry follows with time-loss ratio of more than 1 000 again in 2010. This is an active indication of the proneness of this industry to strikes. Although the time-loss ratio went down from 1 383 in 2009 to 1 191.8 in 2010 this pattern remains a concern. The main reason for this high time-loss ratio might be attributed to the fact that there is no bargaining council in the industry, hence companies negotiate individually with the Chamber of Mines. This implies that every year there are negotiations in this industry and some companies are signing one-year agreements like Northam Platinum. Transport, storage and communication had the third highest time-loss ratio at 828.9. The Transnet and PRASA strikes are the main contributors to this high time-loss ratio.

**Table 4: Industrial distribution of working days lost per 1 000 employees, 2009 and 2010**

Industry	Time-loss ratio	
	2009	2010
Agriculture	46.0	0.2
Mining	1 383.0	1 191.8
Manufacturing	184.0	224.7
Electricity	1.0	77.6
Construction	250.0	3.5
Wholesale, retail trade	9.0	133.9
Transport	343.0	828.9
Financial intermediation	6.0	9.4
Community services	82.0	7 045.0

Source: Department of Labour, Strikes Statistics.

## 5.5. Industrial distribution of working hours lost

**Table 5** shows the distribution of working hours lost by industry in both 2009 and 2010. Like working days lost, the community, social and personal services industry accounted for the highest number of working hours lost in 2010 with about 150 685 369 compared to 1 485 182 working hours lost in 2009. Again this is due to the national strikes in both local government and public service. Transport, storage and communication comes second with about 4 238 786 working hours lost, followed by manufacturing with approximately 3 025 595 working hours lost. Agriculture and construction industries had the least number of working hours lost in 2010 with 972 and 17 640 respectively.

**Table 5: Distribution of working hours lost by industry, 2009 and 2010**

Industry	Working hours lost	
	2009	2010
Agriculture	241 560	972
Mining	2 871 523	1 160 812
Manufacturing	2 448 795	3 025 595
Electricity	419	30 860
Construction	2 381 886	17 640
Wholesale, retail trade	197 640	2 523 722
Transport	1 848 214	4 238 786
Financial intermediation	53 596	168 965
Community services	1 485 182	150 685 369
<b>Total</b>	<b>11 528 815</b>	<b>161 852 721</b>

Source: Department of Labour, Strikes Statistics.

## 5.6. Industrial distribution of workers involved in work stoppages

Statistics on the public service strike that happened in July and August 2010 indicates that about 1 028 268 public servants participated in the public service national strike, hence the community, social and personal services industry accounted for the highest number of workers involved in work stoppages in 2010 compared to only 29 187 workers in 2009. This was followed by transport, storage and communication with about 36 791 participants in work stoppages in 2010 compared to 31 491 participants in 2009 as shown in **Table 6**. Agriculture and construction industries had the least number of workers that participated in work stoppages in 2010 with about 54 and 233 workers respectively.



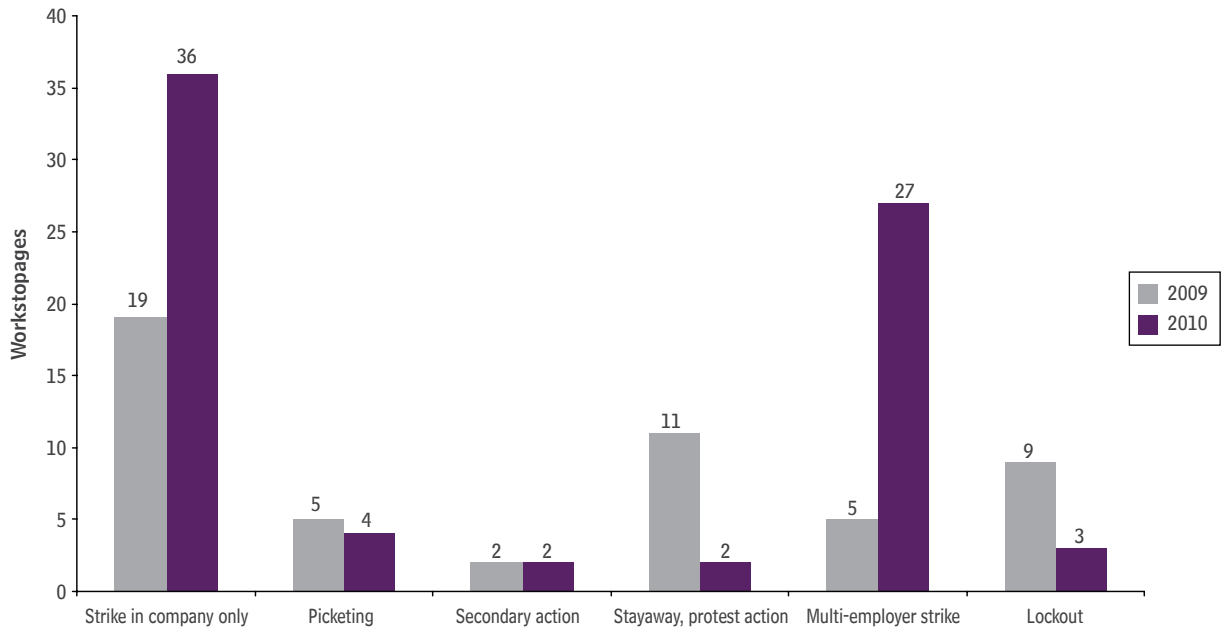
**Table 6: Distribution of employees involved in work stoppages by industry, 2009 and 2010**

Industry	Employees involved	
	2009	2010
Agriculture	534	54
Mining	27 480	12 626
Manufacturing	31 027	25 663
Electricity	79	3 985
Construction	40 716	233
Wholesale, retail trade	9 363	33 659
Transport	31 491	36 791
Financial intermediation	2 850	6 495
Community services	29 187	1 072 307
<b>Total</b>	<b>172 772</b>	<b>1 191 813</b>

Source: Department of Labour, Strikes Statistics.

## 5.7. Nature of work stoppages

Some work stoppages affect one company either in one branch or throughout the country and it is called a “strike in company only” like the national Pick ‘n Pay strike in October 2010. Other work stoppages affect different companies in the same sector like the rubber strike that affected companies like Apollo and Continental and it is called a multi-employer strike. In 2010, the number of work stoppages that affected one company only at a time was about 36 compared to 19 in 2009 as shown in **Figure 7**. This indicates that there were a number of isolated work stoppages across the country. Multi-employer work stoppages increased from 5 in 2009 to about 27 in 2010. This might be attributed to the fact that a number of wage agreements had expired in 2010, and new agreements had to be concluded like in the rubber and the fuel and retail sectors etc. Work stoppages in support of other workers, i.e. secondary strikes remained the same in both 2009 and 2010. There was a decrease in lockouts from 9 in 2009 to 3 in 2010. This might be attributed to a decrease in the level of intimidation and violence in the workplace.

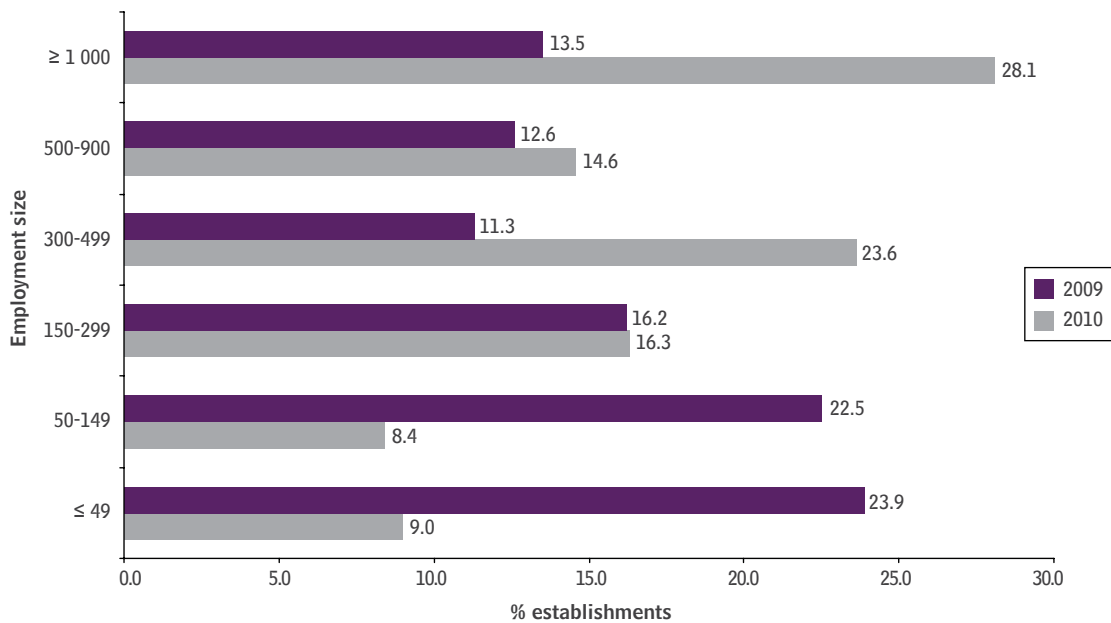
**Figure 7: Distribution of work stoppages by their nature, 2009 and 2010**

Source: Department of Labour, Strikes Statistics.

## 5.8. Work stoppages by employment size of establishments

The number of establishments affected by work stoppages that have 1 000 and more employees in their workforce increased from 13.5% in 2009 to 28.1% in 2010 as illustrated in **Figure 8**. Establishments that are affected by 1 000 and more employees are classified as big establishments. The increase might be due to issues related to working conditions, where big companies are intensifying the use of middlemen in employing workers and the outright outsourcing of their core services. Establishments affected by work stoppages that employ between 500 and 999 employees also increased relatively from 12.6% in 2009 to 14.6% in 2010. Figure 8 further shows that establishments affected by work stoppages that employ 49 workers and less have declined from 23.9% in 2009 to 9.0% in 2010. Less and less small firms are affected by work stoppages. Perhaps workers in small firms realize that small companies can no longer afford better working conditions compared to big companies and instead of embarking on strikes, workers are much more concerned about their jobs, hence less small companies are affected by strikes.

**Figure 8: Percentage distribution of establishments affected by work stoppages by employment size, 2009 and 2010**

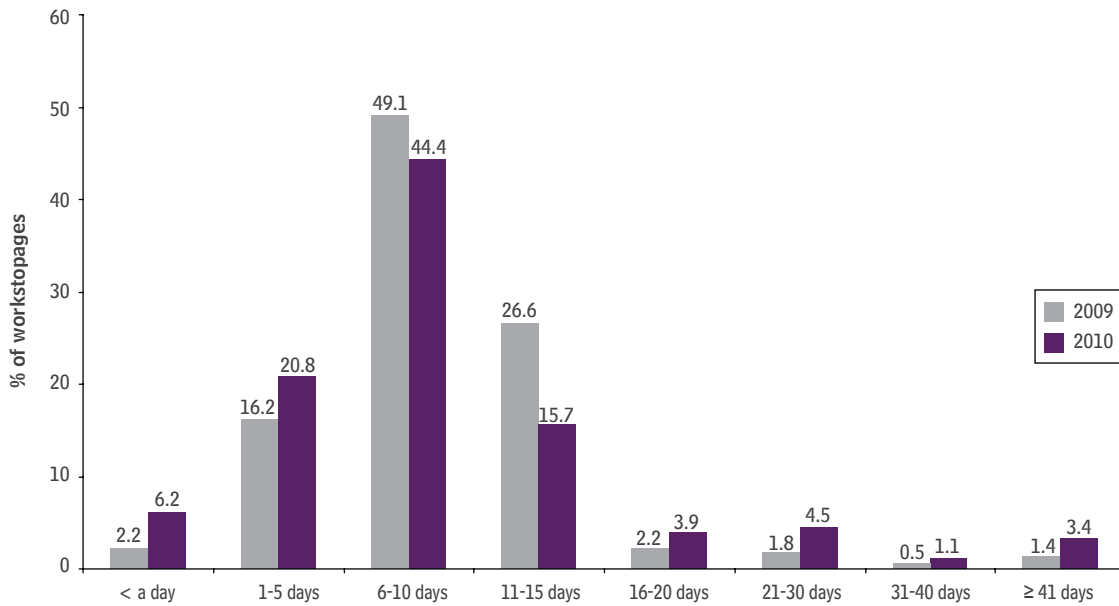


Source: Department of Labour, Strikes Statistics.

## 5.9. Duration of work stoppages

Records from the Department of Labour show that the longest work stoppage in 2010 that involved Dis-Chem and SACCAWU lasted for about 75 days, as opposed to the stoppage involving the Employers Organisation of Cephalopod and Associated Fisheries that lasted 73 days in 2009. The number of work stoppages that lasted 41 and more days increased from 1.4% in 2009 to 3.4% in 2010 (**Figure 9**). This includes the Eagle Granite (Pty) Ltd strike that lasted for 48 days. This might partly be attributed to the use of replacement labour. The use of replacement labour is expected to increase the length of strikes. Employers with greater bargaining power might see the use of replacement labour as a more effective tool and want to use it both more often and for longer. The more use of "scab labour" is expected to be significant enough to extract more concessions from employees. Work stoppages that lasted between 6 and 10 days decreased from 49.1% in 2009 to 44.4% in 2010. Work stoppages that lasted for less than a day increased from 2.2% in 2009 to 6.2% in 2010. These include strikes that affected Pick 'n Pay at the beginning of the year in the Western Cape. Generally more than three-quarters of the work stoppages did not go beyond 15 days.

Figure 9: Percentage distribution of work stoppages by duration, 2009 and 2010



Source: Department of Labour, Strikes Statistics .

## 5.10. Principal cause of strike activity measured in working days lost

The causes of work stoppages differ and in most cases a strike is not caused by a single factor only. Although there might be the main reason for a work stoppage, there will always be other reasons that will go with the main one. In this instance the report focuses on the main reason for a labour dispute.

**Table 7** confirms that wages, bonuses and other compensation remain the main cause of work stoppages. In 2010, work stoppages related to wages, bonuses and other compensation resulted in the loss of 20 434 319 working days, which is approximately 98.8% of the total working days lost, whilst in 2009 the same reason led to the loss of 1 394 125 working days, which represented about 91.2% of the total working days lost in 2009. Once again, the nation-wide public service strike was predominantly wage related and it resulted in the highest number of working days lost in the history of South African labour relations. Other factors like refusal to bargain and working conditions also contributed to increase on the number of working days lost in 2010, however, the increase was insignificant as they contributed only 0.6% and 0.5% of the total working days lost respectively.

**Table 7: Working days lost distribution by principal cause of dispute, 2009 and 2010**

Principal cause	2009	%	2010	%	% difference
Wages, bonus and other compensation	1 394 125	91.2	20 434 319	98.8	7.6
Working conditions	68 398	4.5	77 638	0.5	-4.0
Disciplinary matters	4 510	0.3	1 536	0.0	-0.3
Grievances	39 804	2.6	8 040	0.0	-2.6
Socio-economic and political conditions	14 655	1.0	147	0.0	-1.0
Secondary action	1 665	0.1	138	0.0	-0.1
Retrenchments/redundancy	2 631	0.2	16 468	0.1	-0.1
Refusal to bargain	0	0.0	130 103	0.6	0.6
Trade union recognition	1 008	0.1	6 348	0.0	-0.1
<b>Total</b>	<b>1 526 796</b>	<b>100.0</b>	<b>20 674 737</b>	<b>100.0</b>	<b>0.0</b>

Source: Department of Labour, Strikes Statistics.

## 5.11. Working days lost and trade union movement

In 2010, the public service work stoppage in July and August accounted for the highest number of working days lost. It was a single strike that had about 1 028 268 workers involved in the strike for about 18 days. This strike alone led to the loss of about 18 508 824 working days, which is about 90% of the total working days lost in 2010. Hence public service unions like PSA, NEHAWU, DENOSA, POPCRU, SAPU, SADTU, SAOU, PEU, NUPSAW and HOSPERSA accounted for the highest number of working days lost.

**Table 8** indicates that work stoppages led by NEHAWU accounted for about 18.6% (3 857 671) of the total working days lost in 2010. This was followed by PSA led strikes, accounting for approximately 16.4% (3 387 115) of the total working days lost, then SADTU led work stoppages resulted in about 16.3% (3 368 606) working days lost. Although, it was relatively calm in the private sector compared to the public sector in 2010, SATAWU led strikes resulted in the loss of about 2.1% (433 901) of the total working days lost in South Africa in 2010, followed by NUM related work stoppages that led to about 1.7% (351 389) working days lost. All in all the public service was the worst hit by strikes in 2010

**Table 8: Distribution of working days lost by trade union movement, 2009 and 2010**

Trade union	2009		2010	
	Working days lost	%	Working days lost	%
AMCU	0	0.0	15 854	0.1
BCAWU	132 327	8.7	0	0.0
BEMAWU	3	0.0	0	0.0
BWAWUSA	0	0.0	317	0.0
CEPPWAWU	50 182	3.3	4 752	0.0
CWU	82 203	5.4	12 806	0.1
DENOSA	0	0.0	1 129 113	5.5
EHCHAWU	635	0.0	0	0.0
FAWU	31 555	2.1	63469	0.3
FGWU	0	0.0	888	0.0
GIWUSA	10 788	0.7	0	0.0
HORSPERSA	0	0.0	1 060 781	5.1
IMATU	55 120	3.6	18 399	0.1
JAMAFO	0	0.0	59	0.0
MEWUSA	0	0.0	126	0.0
MTWU	7 656	0.5	0	0.0
MWASA	4	0.0	1 971	0.0
NABAWO	0	0.0	634	0.0
NAPTOSA	0	0.0	777 371	3.8
NCBAWU	0	0.0	149	0.0
NEHAWU	38 776	2.5	3 857 671	18.6
WITHOUT UNIONS	0	0.0	4 023	0.0
NUFBWSAW	19	0.0	108	0.0
NULAW	173	0.0	0	0.0
NUM	537 922	35.2	351 389	1.7
NUMSA	17 569	1.2	277 740	1.3
NUPSAW	0	0.0	833 637	4.0
PEU	0	0.0	259 124	1.3
POPCRU	0	0.0	2 243 781	10.8
PSA	38 028	2.5	3 387 115	16.4
SACCAWU	27 792	1.8	420 130	2.0
SACU	0	0.0	12 776	0.1
SACTWU	220 985	14.5	2 160	0.0
SACWU	1 755	0.1	0	0.0
SADTU	11 466	0.8	3 368 606	16.3
SAMA	5 845	0.4	0	0.0
SAMWU	93 770	6.1	324 601	1.6
SANDU	0	0.0	148 071	0.7
SAOU	0	0.0	388 685	1.9
SAPU	0	0.0	1 073 512	5.2
SARHWU	0	0.0	74 182	0.4
SATAWU	133 008	8.7	433 901	2.1
SOLIDARITY UNION	11 948	0.8	25 494	0.1
TAWUSA	0	0.0	14 705	0.1
TENUSA	749	0.1	0	0.0
UASA	11 368	0.7	0	0.0
UTATU	5 150	0.3	86 637	0.4

Source: Department of Labour, Strikes Statistics.

## 5.12. Strike activity and productivity

Strikes can affect productivity in the short run. Although the short-run effect of a strike might seem obvious, there is no data in the Department to prove this statement. Information that the Department receives from employers says nothing about the impact of the strike on production or productivity in general. What we know is that employers affected by strikes can offset a strike's effect, to some extent, by speeding up production prior to the strike and restocking afterwards. Data collected on strikes by the Department has primarily focused on the measurement of a strike activity on employers directly affected by labour disputes. An important limitation of that approach is that it provides no information on other employers, information that arise if other employers are unable to obtain material inputs from struck employers or lose the market for their output as a result of a strike.

Indeed strikes are costly, since output and productivity at an affected employer can be affected by the disruption of production. Moreover, in the months leading up to a work stoppage, workers may be less productive than usual as a result of deliberate militancy, or indifference toward their work. Labour productivity is reduced because of an effective refusal of cooperation by workers.

The detrimental effects of a strike can be satisfied by defensive behaviour on the part of employers. Employers may respond to a strike with an "intertemporal substitution" of production, rushing production in anticipation of a strike and restocking following the strike. The employment of a skeleton crew or substitute work force can also offset some of the losses, to the extent that these workers overcome any short-term skill mismatches. At the industry level, productivity and output reductions caused by a strike may be offset through the presence of non-unionised employees, and other employers in the industry that are not affected by strikes. Consumers of a firm's output may purchase from those employers that are not affected, and other producers may substitute alternative input suppliers. To the extent that these "substitute" suppliers are domestic producers, the domestic industry would recoup some of the losses incurred by the firm affected by strike.

External costs of a strike may be greater than firm-specific or sector-specific costs. Firstly, within the struck sector some of the costs of reduced output borne by the struck firm are offset by the higher demand for the output of nonstruck firms in the sector. On the other hand, in the unaffected sectors with direct links to the affected firms, producers are forced to bear the cost of doing without the input or finding a new supplier. Although the substitute suppliers in the affected sector will receive a surge in orders, and the intensity of factor use and average factor productivity will increase for these substitute suppliers, these firms are unlikely to produce quickly enough to avoid some interruption of deliveries. So even though the firms with direct links to the struck firms may be able to find substitutes, they will almost certainly experience some deterioration in supply deliveries. Unless the interruptions are long enough and of predictable duration, the firms would not want to bear the costs of a temporary layoff and recall. The consequent "hoarding" of labour will decrease short-run supply of labour.

## 5.13. Determinants identified as giving rise to work stoppages in South Africa

One of the major factors that lead the union movement to harden its attitudes during negotiations is the inequality that prevails in the South African labour market. This has indeed irked the union movement. SAPA reported in *The Citizen*<sup>5</sup> on the Survey "Who owns Who". The survey revealed that the number of super-wealthy South Africans had doubled in a year (SAPA, 2010:6). The report, according to the *Citizen*, stated that the number of billionaires had nearly doubled from 16 in 2009 to 31 in 2010. The "Remuneration Trends Report-Southern Africa" by Price Water House and Coopers released in August 2010 shows in its findings on remuneration paid to executive directors of large-cap companies listed on the Johannesburg Stock Exchange that when the long-term incentive payout values are included in the comparison, the pay gap of employees and executive directors can reach as high as 300 times (PricewaterhouseCoopers, 2010:19). The report further said that this inequity of worker and executive remuneration has become a highly contentious issue in South Africa and was commented on by the South African Minister of Finance in his budget vote speech to the National Treasury on 11 May 2010.

Whilst management is earning high salaries, they are encouraging competitiveness. While this has brought about restructuring in the economy and changes in balance of power, these scenarios have also seen employers attempt to take advantage of changes in scale to rationalise operations and achieve productivity gains. Management's strategy in South Africa in 2010 emphasised cost containment and efficiency, hence increasing the likelihood and duration of work stoppages. This contrasts with situations, where management negotiation strategy emphasises stability and accommodation, resulting in the reduction of these variables. Management concentrated their bargaining on cost containment and efficiencies. As mentioned, emphasis on these issues is believed to make the likelihood and probable duration of work stoppages greater.

Competitive forces are pushing large employers to seek concessions from workers to increase productivity through more flexible workplaces, reduced salaries, and subcontracting. Unions understandably have great difficulty accepting these. Most work stoppages in South Africa recently were caused by irreconcilable differences between the parties where employers refuse to give sufficient pay raises while asking their employees to be more productive. In other cases, employers are simply asking for too many concessions from employees. This situation is made more serious in the current globalised market.

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<sup>5</sup>The Citizen, 7 December 2010.

There appears to be no avoiding the liberalisation of competitive forces. South Africa's major concern in the face of globalisation and relentless technological change is how to increase competitiveness to maintain our current standard of living. Indeed, there appears to be a large consensus in South Africa, including the trade union movement supporting competitive measures if properly implemented.

The challenge is to find the appropriate accommodation of needs that will foster competitive industries, yet still provide workers with the means to protect their interests and benefit from the results of productivity. While arising from challenging circumstances, it is not an insurmountable task. If work stoppages arising from competitive forces are to be avoided, and productivity and efficiencies sought by employers are to be achieved, options will have to be developed based on best practices that integrate and accommodate both parties' interests as much as possible.

## 5.14. Work stoppage future outlook, 2011

A number of employers in South Africa have signed a one-year wage agreement with unions. These include the South African Government, UNISA, Eskom, Lafarge Aggregate & Concrete Business, Exxaro Coal, Nuclear Energy Corporation of South Africa, etc. All the wage agreements expire in 2011. This implies that new negotiations had to start either at the beginning of 2011 or the middle of 2011. Employers and trade union movements have reached short-term wage agreements due to the greater risk and uncertainty in the South African economic environment in which both unions and employers operate. A multi-year wage agreement has greater appeal for the employer than for the union. Wage negotiations are a costly activity from the employers' perspective, involving a significant expenditure of resources on an activity that at best has no impact on output and at worst has a negative impact on output. That firms motivated by the search for profit would like to minimise the time spent engaged in wage negotiations, is not surprising.

The union's view of multi-year wage agreements is different from that of employers. Collective bargaining is, after all, one of the outputs of the union's production function. Consequently, even though the union would not want to bargain as often as possible (since bargaining process is costly for it too), it would generally prefer a more frequent bargaining schedule than that desired by the firm. For this reason, a long-term wage agreement is not something the union will easily agree to.

The degree of the risk and uncertainty in the economic environment constrains the length of the wage agreement the union is willing to agree to. A principal concern for the union in this regard is the potential for an upswing in economic activity. If locked into a long-term wage agreement, the union would be able to take little advantage of such upswing, and the union leadership would consequently look ineffectual in the eyes of the members. A second major concern for the union is the possibility of unanticipated inflation, which would erode real wage under a long-term wage agreement in the absence of a cost of living escalator clause and, again, cast an unfavourable light on the union leadership. To compensate for these fears, the union's leadership will demand higher increments to compensate for agreements of longer duration. The one-year wage agreements signed between employers and unions are costly and would not provide employers with a fairly high degree of stability in 2011 in labour relations and will not allow employers to plan for production and investment well into the future. With one-year wage agreements, the likelihood of work stoppages remain high until the wage agreement is reached, unlike with multiple-year wage agreements, where negotiations only happen after some years, hence some years will be strike free.



6

CHAPTER  
SIX

## CONCLUSION

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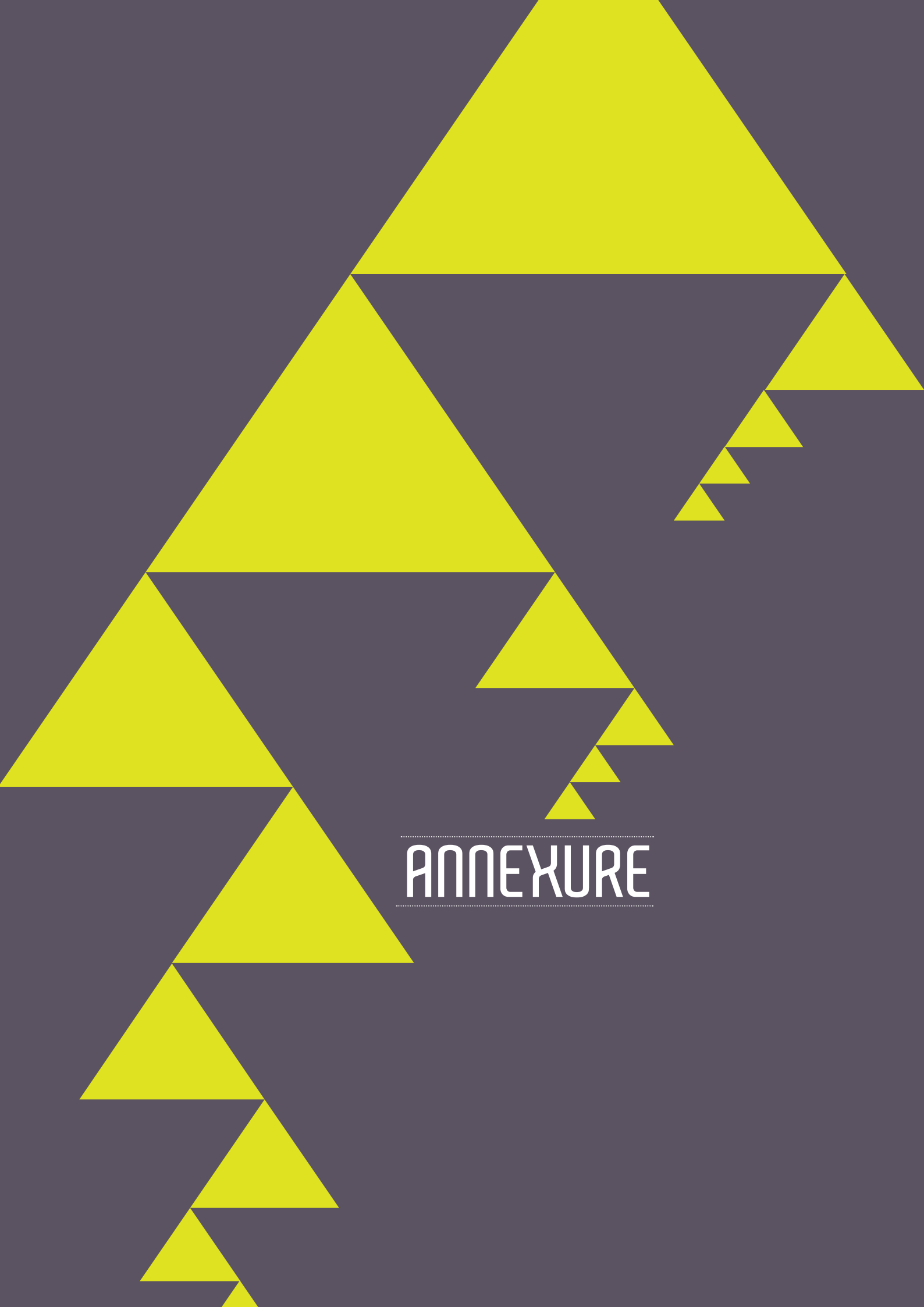
What happened in 2010 is now explicable. Workers' expectations of relative power rose sharply in winter. In many cases, some employers seemed to concur, by offering concessions. The inflexibility of some employers became clear as more and more strikes ended with the capitulation of workers. At the same time, those employers who had conceded began to revoke their concessions. Now aware of the extent of resistance, most workers drastically revised their expectations; they surrendered. The more determined workers struck to defend their gains. Some succeeded and some were finally defeated. These events allowed us to decompose strikes into sequences of interaction and uncover sequences that did not lead to a work stoppage. However, sequences could be iterated, as the employer counterattacked to recover what had been ceded before. It is therefore necessary to connect work stoppages into series involving the same workers and employer(s). Conflict between labour and capital is ultimately about power, the power to inflict costs. Workers had little reason to belong to an organization that could not help them win improved conditions of employment. Sequences of interactions have the advantage of being intelligible, rather like a historical narrative. Instead of external variables causing events to "happen", actors make decisions in response to previous actions, and those decisions affect subsequent possibilities.



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ANNEXURE

# ANNEXURE A

## Data Appendix

The following two supplementary tables contain data not included in the main report:

**Table A1: Number of workers involved, working days lost and working hours lost by industry/sector, 2010**

Industry/Sector	Workers involved	Working days lost	Working hours lost
<b>Electricity, gas and water supply</b>	<b>3 985</b>	<b>7 681</b>	<b>30 860</b>
Electricity, gas, steam and hot water supply	3 985	7 681	30 860
<b>Wholesale and retail, repair of motor vehicles</b>	<b>33 659</b>	<b>394 584</b>	<b>2 523 722</b>
Hotels and restaurants	<b>3 938</b>	<b>84 933</b>	<b>679 120</b>
Retail trade, except of motor vehicles and motor cycles; repair of personal household goods	20 589	175 880	1 361 587
Wholesale and commission trade, except of motor vehicles and motor cycles	3 483	46157	374 340
Sale, maintenance and repair of motor vehicles and motor cycles; retail trade in automotive fuel	5 649	87 614	108 675
<b>Manufacturing</b>	<b>25 663</b>	<b>384 980</b>	<b>3 025 595</b>
Basic metals, fabricated metal products, machinery and equipment	496	7 409	59 666
Coke, refined petroleum products and nuclear fuel	1 724	130 752	1 046 016
Food products, beverages and tobacco products	2 380	52 287	464 236
Transport equipment	20 709	190 401	1 386 158
Textiles, clothing and leather goods	135	2 160	52 000
Wood and products of wood and cork	219	1 971	17 520
<b>Community, social and personal services</b>	<b>1 072 307</b>	<b>18 866 531</b>	<b>150 685 369</b>
Education	414	2 994	22 354
Health and social work	667	5853	11 842
Public administration and defence activities	1 071 003	18 856 346	150 640 469
Recreation, cultural and sporting activities	223	1338	10 704
<b>Mining and quarrying</b>	<b>12 626</b>	<b>361 113</b>	<b>1 160 812</b>
Coal and lignite	463	4 106	27 097
Metal ores, except gold and uranium	11 425	349 628	1 070 000
Other mining and quarrying	541	5 410	45 985
Gold and uranium ore	197	1 970	17 730
<b>Transport, storage and communication</b>	<b>36 791</b>	<b>640 757</b>	<b>4 238 786</b>
Land transport, transport via pipelines	27 739	496 926	3 126 546
Passenger transport	1 324	17 688	364 094
Post and telecommunications	2 372	42 618	340 959
Public transport	5 189	83 024	400 507
Air transport	167	501	6 680
<b>Construction</b>	<b>233</b>	<b>3 787</b>	<b>17 640</b>
<b>Financial intermediation, insurance, real estate</b>	<b>6 495</b>	<b>15 196</b>	<b>168 965</b>
Activities auxiliary to financial intermediation	103	1 236	9 285
Financial intermediation, except insurance and pension funding	370	1 850	14 800
Security services	6 000	12 000	144 000
Hotels and restaurants	22	110	880
<b>Agriculture, hunting, forestry and fishing</b>	<b>54</b>	<b>108</b>	<b>972</b>
Agriculture, hunting and related services	54	108	972

Source: Department of Labour, Strikes Statistics.

**Table A2: Number of working days lost by nature of organisation, 2010**

Nature of organization	Working days lost
Central Government General	8 329 020
Government Enterprise	591 467
Local Government General	343 031
Private Sector	1 230 984
Provincial Government General	10 180 235

Source: Department of Labour, Strikes Statistics.

# ANNEXURE B

## B: Methodology for monitoring industrial action

### B1. Introduction

The collection and analysis of industrial action statistics is guided by the guidelines and practices that have been developed by the International Labour Organisation (ILO). The point of departure can be found in the ILO Resolution adopted by the Fourteenth International Conference of Labour Statisticians in January 1993, concerning statistics of strikes, lockouts and other action due to labour disputes. This resolution is accommodative rather than prescriptive in its approach. It states that: "Each country should aim at developing a comprehensive programme of statistics of strikes, lockouts and where relevant other action due to labour disputes in order to provide an adequate statistical base for the various users, taking into account the specific national needs and circumstances" (ILO Bulletin of Labour Statistics, 1993-2, Annex I, XI). The Department has been provided with a legislated instrument (Form LRA 9.2) to collect data on labour disputes.

### B2. Definitions

*Section 213 of the Labour Relations Act, 1995 provides the following definitions:*

#### **A strike:**

The partial or complete concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer or by different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between employer and worker, and every reference to work in this definition includes overtime work, whether it is voluntary or compulsory (s 213).

#### **A lockout:**

The exclusion by an employer of workers from the employer's workplace, for the purpose of compelling the workers to accept a demand in respect of any matter of mutual interest between employer and worker, whether or not the employer breaches those workers' contracts of employment in the course of or for the purpose of that exclusion.

#### **A protest action:**

The partial or complete concerted refusal to work, or the retardation or obstruction of work, for the purpose of promoting or defending the socio-economic interests of workers, but not for a purpose referred to in the definition of strike".

*Barker, F et al (1996) in "South African Labour Glossary" defined the following concepts as follows:*

#### **Picketing:**

Action by employees or other persons to publicise the existence of a labour dispute by patrolling or standing outside or near the location where the dispute is taking place, usually with placards indicating the nature of the dispute. The aim of picketing might simply be to communicate the grievance to the public or it might be to persuade other employees in that workplace not to work and to take their side in the dispute, to deter scab labour, to persuade or pressurise customers not to enter the workplace, to disrupt deliveries or drum up public support.

#### **A secondary strike:**

A strike in support of a strike by other employees against their employer. The strikers have no issue with their employer, but that employer might be in a strong position (due to there being a close business relationship as either an important customer or supplier) to pressurise the employer who is in dispute.

#### **Stayaway action:**

Industrial action by a group of employees in the form of absenting themselves from work without permission in support of some socio-political or socio-economic issue which does not relate to their employment situation.

**Work stoppage:**

A work stoppage is made up of a series of events, all relating to the same issue. Work stoppages have two characteristics, type and degree. The type of action is either a strike (action initiated by an employee), or a lockout (action initiated by an employer). The statutory definitions of strikes and lockouts are given in the Labour Relations Act, 1995.

**Industrial action:**

Action by unions, employees to pressurise the other party in the furtherance of an industrial dispute. It usually refers to strikes and lockouts but could also include picketing, product boycotts, sit-ins, go-slow strikes and other actions which disrupt the production process.

**Work hours:**

Those hours during which an employee is obliged to work.

**B3. Coverage**

Data collection attempts to cover the entire country, all economic activity and all sectors of the economy, legal and illegal industrial action. The system attempts to cover all industrial action due to labour disputes. The figures in this report are inclusive of all industrial actions which come to the knowledge of the Department, and the methods taken to secure information practically preclude probability of omissions of a serious nature. This is a painstaking exercise, and it is believed that the statistics indicates the conditions of labour disputes in the country with reasonable precision. Since LRA Form 9.2 has been redesigned, the Department is now in a position to cover employees both directly and indirectly involved in industrial actions separately, that is, those who participate directly or indirectly by stopping work. Workers absent from their normal place of work at the time of a strike or stoppage, for reasons such as sick-leave, vacation, business or personal reasons, whether authorised or unauthorised, are excluded from participation in industrial actions and are therefore not counted.

The LRA excludes independent contractors from the definition of employee. The LRA further excludes from the scope of coverage certain categories of workers, namely members of the National Defense Force, National Intelligence Agency and South African Secret Service. The coverage by the Department of industrial action, however, includes all of the above, provided they embarked on an industrial action in the period under consideration.

**B4. Data collection**

In addition to the legal obligation on employers to report industrial action, the Department has introduced an active media monitoring programme. Through this system, media information on industrial action is used to make contact with employers and to encourage voluntary compliance with reporting requirements. Telephone and telefax communication with affected employers ensure a reasonably accurate coverage of all industrial action.

The cooperation of private sector employers also speeds up the process of data collection. After completing the form, most employers send it to the Head Office of the Department. Some employers keep blank forms with them to complete and when an industrial action arises they voluntarily complete the forms and send them to the Department.

After receiving the form either directly from the employer or from the provincial office, Head Office staff members check the form to assess if the information provided is sufficient. If the information is insufficient, Departmental staff contact employers with the aim of getting relevant information, after which the data is captured on a database specifically designed for monitoring industrial action. The form is designed for workers who are both directly and indirectly involved in the industrial action, excluding all those who are on leave. The method of data collection and processing has remained the same ever since. The Department has to rely on the employers affected by disputes for detailed information on such matters as size, length, reason given for striking, etc., which it requires for its records as required by the 1995 Labour Relations Act. No attempt is made to contact other parties to disputes, e.g., unions to verify the information that has been supplied by employers. Hence at this level, employers constitute a principal source of strikes data.

**B5. Calculations****Working days lost**

All calculations are made on the basis of information recorded on the LRA Form 9.2. After capturing the data, the loss of working days is calculated by multiplying the number of workers involved in each stoppage by the duration of the stoppage in days lost and adding the totals for all stoppages during the reference period. For example, if during the reference period there is one stoppage, involving 2 000 workers and lasting three days, working days lost would be computed as follows:

- 2 000 workers x 3 days = 6 000 working days lost

## Working hours lost

Working hours lost are the aggregate number of working hours lost stemming from all work stoppages during the reference period. The statistic is calculated by multiplying the number of workers involved in each stoppage by the number of hours of the stoppage and summing the products thus obtained for all stoppages during the period. For example, if during the reference period there is one stoppage, involving 2 000 workers and lasting three hours, working hours lost would be computed as follows:

- 2 000 workers x 3 hours = 6 000 working hours lost

Estimated working time is computed by multiplying the employment for the period by the number of days typically worked by most employed workers during that period. In some cases, Saturdays (when customarily not worked), Sundays, and established holidays are excluded. It is also to determine the normal hours of work for groups of workers since LRA form 9.2 provides for this. An average eight hour day is used to represent the normal working day in the country.

## Time-loss ratio

This is the number of working days lost due to industrial action per 1 000 employees. It is the standard method that has been used to convert working days lost into a strike rate that takes account of the size of total employment. This also enables comparisons to be made across industries and provinces that differ in employment size. For example, a country with 12 488 000 employees and loosing 1 662 000 working days will have a ratio of 133 arrived at as follows:  $1\,662\,000 / 12\,488\,000 \times 1\,000$

## Measurement

The criterion used to identify a single strike, lockout, stoppage or protest action, is the industrial action in question. The Department has adopted the following International Labour Organisation (ILO) recommendations used to denote one industrial action:

- a temporary work stoppage, due to one industrial action, occurring among workers in one establishment at one time
- temporary work stoppages, due to one industrial action, occurring among workers in several establishments at the same time
- temporary work stoppages, due to one industrial action, occurring among workers in one establishment at different times, in which the period between stoppages is not more than two months
- temporary work stoppages, due to one industrial action, occurring among workers in several establishments at different times, in which the period between stoppages is not more than two months.

While attempts to satisfy the ILO requirements are made, the instrument of data collection (LRA Form 9.2) served as the point of departure, in order to meet the specific needs of the Department.



ISBN: 978-0-621-40008-3



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