Exploring The Incidents Of Strikes In Post-Apartheid South Africa
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ABSTRACT

Since the right to strike was recognised in the South African Constitution, strike actions have been a common phenomenon in the country. Causes of strikes in South Africa are multifaceted and their effects detrimentally catastrophic.

This paper explored the incidents of strikes in post-apartheid South Africa and it analysed newspaper and other published articles to track down the occurrence, causes, and effects of strikes in South Africa. In this paper, it was established that the main causes of strike actions range from poverty, inequality, and unemployment to union rivalry and the undemocratic nature of the labour relations. It also established the effects of strike actions which are both social and economic.

To achieve labour market stability, this paper recommended the democratisation of labour relations, the creation of sound stakeholder relations, turning employees into employers through indigenisation policies, and the implementation of a national minimum wage.

Keywords: Strike; Post-Apartheid; South Africa

INTRODUCTION

Today strikes have literally become a certainty in South Africa. Every time one turns to a news channel, there is a high chance of seeing groups of workers demonstrating. The most common message written on striking workers’ placards always has to do with petitions for a pay raise. Disturbing to these strike actions are the alarming cases of violence and distressing fatalities that stem thenceforth. South African statistics reveal that approximately 200 striking South Africans were killed, 313 injured, and over 3,058 arrested during the period 1999 to 2012 (SAIRR, 2013).

Labour stability has dramatically been an unfeasible objective in post-apartheid South Africa. Workers’ rights, as contained in the Labour Relations Act (Act 66 of 1995, subsequently amended in 2002), have led to workers spending more time in the streets and demonstrating whenever they feel infringed. The Act gave effect to Section 27 of the Constitution regulating rights of trade unions, promoting collective bargaining, and recognising the right to strike. It also provided mechanisms for dispute resolution and instituted the Labour and Labour Appeal Courts as superior courts, with exclusive jurisdiction to decide on matters arising.

Key to the incidents of strikes in South Africa is the extent of development of labour movements in the country. South Africa has the most vibrant, organised, and soundly developed labour movements on the continent. Trade unions in the country have a rich history that stretches back to the apartheid era. They have been instrumental in shaping the political, economic, and social fabric of the country. The roles of fore-fronting the armed struggle, mass mobilisation, and underground operation played by trade unions since 1982 helped to shape the face and complexion of labour behaviour, even nineteen years into democracy. Voicing on the streets has been considered the language clearly understood by employers. The right and ability to strike in South Africa is a reflection that the country has embraced the Kaufman (2010) core principle that forms the theoretical and policy foundation for the field of industrial relations. According to Kaufman (2010), labour is embodied in human beings and is not a
commodity. Workers in the country have been literate enough to understand their rights as enshrined in the 1997 edition of the South African Bill of Rights.

Strikes have been rife in all sectors, leaving some economic commentators calling South Africa “a striking nation” (Greg, 2013). They have become a blunt weapon frequently wielded in an atmosphere of hostility and intimidation, with negative socio-economic consequences. The causes of strikes are multifaceted and the effects detrimentally catastrophic. Key to the causes is the fact that South Africa faces a number of long-standing economic problems that still reflect, at least in part, the long-lasting and harmful legacy of apartheid (OECD, 2013). As explained by Visser (2007), the history of industrial relations in South Africa, especially pertaining to strikes, is, to a greater extent, a reflection of the country’s racially divided past.

Despite the introduction of the Black Economic Empowerment and the Broad–Based Black Economic Empowerment Act (53 of 2003), the majority of black South Africans feel somewhat excluded in opportunities to create wealth. A good number of citizens believe that both the BEE and the BBBEE were successful in making a few black South Africans into millionaires. It is common belief among most black South Africans that only those closer to the corridors of power hugely benefited from these pieces of legislation. The majority continue to grieve in the lower league of “the working-class” where their income barely covers basics. This background makes it coherent to literally assume that the majority of striking workers (who are commonly from the previously disadvantaged groups) are critically bitter at the whites who own most of the firms (gains from apartheid policies) and the ANC-led government that hand-picked a few comrades to make them millionaires.

Visser (2007) revealed that even though studies on the South African labour relations have recently begun to produce some data of strike occurrences, none provides a complete chronological picture of South African strike incidents. The lack of adequate literature on strike incidents in South Africa justifies the relevance of this paper. Therefore, the primary objective is to explore the incidents of strikes in post-apartheid South Africa. The specific objectives are:

- to explore the main causes of strikes in post-apartheid South Africa
- to discuss the effects of strikes on the South African economy
- to give recommendations for a stable labour market in South Africa

In the subsequent section, this paper tracks down the main causes of strikes in South Africa and the succeeding sections discuss the effects of the recent episodes of strikes in the country, as well as recommends possible solutions to attain stability in the South African labour market.

COMMON CAUSES OF STRIKES IN POST-APARTHEID SOUTH AFRICA

Causes of strike actions in South Africa today are complex but mostly general. It is public knowledge that most common to the demands of workers in South Africa are wage increases and/or good working conditions. Equally, this paper notes that other factors play a significant role in causing labour unrests in the country. Such factors include union rivalry, poverty, unemployment, and inequality, the use of migrant workers, apartheid legacy, and fear of retrenchment, among others. This section discusses selected causes of strikes in South Africa. Causes selected for discussion in this study are: the mismatch between wage offers and demands, union rivalry as well as poverty, unemployment, and inequality.

Mismatch between Wage Offers and Demands

A large number of strikes in South Africa are to petition employers to either increase wages or improve the working conditions. According to the 2012’s edition of the Industrial Action Report, wages, bonus, and other compensation still remain the main reasons for work stoppages in South Africa. The Department of Labour (2012) revealed that a total of 99 strike incidents were recorded in 2012 as compared to 67 in 2011, 74 in 2010, 51 in 2009, and 57 in 2008. Working days lost during 2012 amounted to approximately 3.3 million involving 241,391 employees as compared to approximately 2.8 million in 2011 (involving 203,138 employees). In terms of wages, R6.6 billion was lost as a result of striking workers during 2012 (Department of Labour, 2012).
In most cases, employers are reluctant to meet the demands of workers, which, to an extent, are ridiculously exorbitant. In July 2013, gold producers represented by the Chamber of Mines of South Africa (CMSA), proposed a wage hike of 5%. On the other side of the negotiation table was the National Union of Mineworkers (NUM) which considered the offered increase an insult to workers and proceeded to declare a deadlock in the negotiations. NUM asked for a 60% increase from the minimum entry-level salary for gold miners. Still on the same negotiation table, the Association of Mineworkers and Construction Union (AMCU) negotiated for increases as high as 150% (Jamasmie, 2013). In light of the offers from employers, workers’ demands are not only absurd but ludicrous. The scenario is equally applicable if one is from the workers’ point of view. A 5% offer in a country with an inflation rate rocketing above 6% is not just economically insane, but also morally comical.

In August 2013, technicians from the South African Transport and Allied Workers Union (Satawu) members working at South African Airways went on strike after the airline refused to add a 0.4% once off payment to its offer of 6.5%. On the same day of this event, 140,000 workers in the construction industry embarked on a strike affecting 50% of civil engineering firms. This was after the Commission for Conciliation, Mediation, and Arbitration (CCMA) failed to resolve the dispute. Of the 140,000 striking workers, 90,000 were members of the National Union of Mine Workers (NUM) and 50,000 were members of the Building, Construction, and Allied Workers Union (BCAWU). They demanded a 13% increase in 2013 and 14% in 2014. Meanwhile, on the other side of the negotiating table was the South African Federation of Civil Engineering Contractors (SAFCEC) which considered the demands as unreasonable and unaffordable. In the meantime, 30,000 workers affiliated to the National Union of Metalworkers of South Africa (Numsa) had a strike in the car manufacturing industry. The Automobile Manufacturers Employers’ Organisation (AMEO) offered a 10% increase, whereas Numsa demanded a 14% annual wage hike, a housing subsidy, and transport allowance (Greg, 2013).

Differently, in September 2013 around 70,000 petrol attendants and vehicle industry workers affiliated to Numsa spent three weeks striking. Numsa negotiated for a double-digit percentage (preferably 12.5%) increase per year, R30 an hour across the board increase by 2016 on actual rates of pay in all sectors and divisions for workers earning above R6,000 a month, among other demands. However, for three weeks the Retail Motor Industry (RMI)\(^1\) remained adamant at a 7.5% offer (later revised to 9%) before eventually yielding to pressure agreeing on an 11.6% increase. The strike was prolonged and heated that the Minister of Labour, Mildred Oliphant had to intervene to broker an understanding between RMI and Numsa. These disparities between wage offers and demands make strikes certain in South Africa.

Union Rivalry

Labour frameworks in South Africa are undemocratic (Motau, 2013), resulting in union rivalry. There is massive competition between trade unions in the country. The fear of losing members to rivalry unions have led to a less coherent and uneven approach within the trade unions in their bid to improve employee welfare. Each union wants to appear as the most attractive to garner more support. Unfortunately, this leads to unreasonably militant trade unions that petition for economically unfeasible demands. Trade unions are now more radical and inclined to politics and militancy as opposed to their primary mandate of improving employee welfare within an economically sustainable business environment.

Perfect example of trade unions within the same industry - but that speak with unnecessarily different voices to achieve technically the same goal - are NUM and AMCU. Both unions represent workers from the same sector, same industry and sometimes, to a more interesting note, the same firm. However, as a measure to appear more attractive to both existing and prospective members, each union speaks a different language on the negotiation table. The only common thing between the two unions is that they are outrageously militant toward employers. Both are politically radical and seem to love being on the streets more than being locked behind closed doors negotiating for economically sustainable solutions.

Individuals of noble minds can rationally figure out that rivalry between unions makes them bring disgracefully unreasonable demands to the negotiating table in the hope that employers rejects them, yielding their

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\(^1\) The RMI is the major employer representative of the Motor Industry Bargaining Council.
desired outcome of being on the streets. Striking is now used as a tool to mobilise and increase membership and, in the end, giving the particular union a political edge. Notable instances where rivalry between unions impaired effective negotiations can be pointed out. An example is in the mining industry where in July 2013 gold producers represented by the CMSA proposed a wage hike of 5%. However, NUM asked for a 60% increase from the minimum entry-level salary for gold miners, while AMCU negotiated for increases as high as 150% (Jamasmie, 2013). Two words to describe this negotiation discord are “disgraceful and shameful.”

Inequality, Poverty, and Unemployment

Material conditions have divided South Africa into two nations - one black and the other white. The latter is relatively prosperous and has ready access to a developed economic, physical, educational, communication, and other infrastructure. The former - and larger - nation is black, poor, and lives under conditions of a grossly underdeveloped infrastructure with massive rates of unemployment and other socio-economic challenges (Mbeki, 1998). This was further explained by Gelb (2003) who exuded that 3 million South Africans (7% of the population) were living on less than $1 a day in 2000 and 10 million people (23% of the population) on less than $2 a day. In 1999, 32% of households in South Africa were below a poverty line of US $251 per month per household (1995 prices), equivalent to US $81 per month per individual. Using the same poverty line, the poverty gap was 13% (Bhorat, 2003).

Unemployment is another ordeal challenging South Africa. The unemployment rate increased from 19.1% in 1994 to 26.1% in 2010, averaging 24.8% between 1994 and 2010 (Murwirapachena et al., 2013). In South Africa, unemployment differs according to race, gender, and educational qualification. By the year 2005, black South Africans had the largest share of the unemployment rate (31.5%), followed by Coloureds (22.4%), Indian/Asians (15.8%), while White South Africans had the least share of 5.1% (Barker, 2007).

Inequality, poverty, and unemployment in South Africa provide the social and economic need to increase expectations of wage increases. In the context of inequality, poverty, and unemployment, the visible display of crass accumulation by union and political leadership fuels the fire of greater expectation of rewards for lower and middle class workers (Hartford, 2012). According to Hartford (2012), opulent spending by newly empowered black entrepreneurs and the wealthy whites has deeply angered the ordinary workers, fuelling their demands to secure a more reasonable slice of the economic cake. Also to note is the huge inequity in remuneration structures in South Africa. Company CEOs and owners earn ratios of thousands of times more than the entry level workers. This is immoral considering the conditions under which workers toil every day. The fear of being unemployed, high levels of poverty, and inequity in South Africa inspire workers to go to the forefront of a strike action.

EFFECTS OF STRIKE ACTIONS IN SOUTH AFRICA

The strike actions have far and wider reaching consequences in the economy as a whole, ranging from economic to socio-political effects, and are both immediate and long term. However, this paper emphasises more on the economic impact of strike actions. As advocated for by Israelstam (2011), “strike means disaster for both parties”; the employers who lose business and the employees who lose their jobs. Thus, as a result of strikes, employers, employees, the government, third parties, and the entire economy suffer.

The common received knowledge is that strike actions have extensive negative effects on the economy as a whole. However, due to the complexity of the nature of strikes, rarely can one empirically quantify the effects of strike actions on the economy (Myers et al., 2009). Nevertheless, it is factual that strike actions have negative consequences for the economy. World over, strike actions have been associated with the immediate effects, such as the loss of production which reduces the actual GDP, and the long-term effects, such as the loss of investment which reduces the potential GDP of a country (Economic Research Division, 2010). This section reveals some of the main effects of strike actions on the economy.

Loss in Production

Strike actions usually lead to the decline in production levels. For a strike action to be successful, workers have to hit the employers where it hurts the most; that is, halting or slowing down production. Those who are willing...
to work are always under threat from the striking workers as they are accused of undermining solidarity; hence, weakening the cause of the striking workers. Though, in most cases, some workers stay away from work by choice, others do so through fear of their counterparts. During strike actions, many productive hours are lost through picketing, sit-ins, and negotiations. Management and workers’ representatives waste a lot of time locked in long and strenuous negotiations where workers will naturally be asking for more and employers offering less. The longer the strike action, the more the productive hours lost. For instance, statistics by the Department of Labour (2012) revealed that, in 2012, about 3.3 million (3,309,884) productive working days involving 241,391 employees were lost due to strike actions, as compared to 2.8 million (2,806,656) lost in 2011 (involving 203,138 employees). It seems there is an upward trend in the strike incidence in South Africa which translates into a huge loss in profitability of the firms involved, with millions of rands being lost country-wide and across firms.

In 2010, for example, the South African economy was heavily affected by the Transnet strike. Given that the transport sector is the engine for every economy, the South African economy suffered a great loss in production during the three weeks of the Transnet strike. According to the then-acting Chief Executive of Transnet, the estimated costs of infrastructural and equipment damages amounted to R60 million (Economic Research Division, 2010). Economist Mike Schussler (as cited in Coetzee, 2010) believed that the Transnet strike cost the economy between R300 million and R500 million a day. Coetzee (2010) further states that various economists believe that the economy lost around R15 billion plus an estimated amount of over R30 million in strike-related damages. More recently, the economy lost a lot of money and productive days owing to the widespread strikes in the mining sector. The Pulse (2012) alluded that the 41-day strike at Lonmin’s Marikana mine solely resulted in production loss of about 15% of the mine’s 2011 annual output. Given that mining contributes about 5% of South Africa’s GDP and makes up approximately 50% of the country’s total exports, the 41 striking days yielded huge production and export losses.

Lost Contacts

Prolonged strikes usually result in firms losing business contacts with both their suppliers and customers who are lost temporarily during the strike action while others are permanently lost, which impacts negatively on the firms. Losing suppliers and customers is associated with losing trust which, when once lost, is difficult to regain. This is so because regaining trust involves rebuilding relationships which often requires a lot of time and resources. Consequently, due to lost production and lost contacts, most firms are left with no option but to shut down operation. During the 2010 Transnet strike, for instance, many firms lost business contacts and a lot of money. In the KwaZulu Natal province alone, the strike led to a loss in export revenue of about R150 million and R0.69 million in the fruit and wine industries, respectively (Coetzee, 2010). Furthermore, Coetzee (2010) alluded that imports worth about R5.56 million were lost in the seafood industry, with importers of prawns and salmon losing about R250,000 during the strike. The meat industry was not exempt, incurring a loss of about R5.4 million. In general, the losses for both the agricultural and seafood product traders in the province approximated R162 million owing to the strike (Coetzee, 2010). Given such alarming statistics, the loss of contacts has a multiplier effect on the government that stands to lose tax revenue from the employers’ loss of contacts.

Where strikes prevail, some firms are forced to shut down, with the exception of other firms strong enough to remain in business. Israelstam (2011), in support, argues that, “although some firms are strong enough to survive the damage caused by a strike, they can still lose market share, and weaker businesses could go under as a result of industrial action.” This implies that all firms, regardless of their strength in business, are substantially affected by strikes. Even though some may not reach a shutdown point, they can still find it difficult to recover from the strike impact.

Loss in Investment

Loss in investment is a long-term effect of strike actions because it affects potential GDP. Over the past decades, the importance of investment on any economy’s well being, as well as its role as a key component of aggregate demand, has augmented the world over. Investment is stimulated through boosting investor confidence, which is normally perceived through a country’s economic stability. Investors are usually risk averse and rely on the stability of a country encompassing the political, economic, and social stability before committing their capital and
other resources. They prefer to invest in countries that are stable to those unstable. The received wisdom is that persistent strike actions in a country can dampen and constrain investor confidence due to some strikes being politically motivated under the guise of improving working conditions, although most strike actions are about wage increases and improvement of working conditions. Politically driven and prolonged strikes tend to crowd out both domestic and foreign direct investment. More so, strike actions usually destroy the reputation of a country and its ability to attract foreign direct investment.

Loss of Employment

Strike actions can also have a substantial negative impact on employment. Thus, the employers lose production through lost production hours in the same manner that employees lose wages. Mostly affected are those who work under the piece rate system (using the no work, no pay rule). A report by the Department of Labour (2012) revealed that R6.6 billion worthy of wages were lost as a result of striking workers in 2012. The impact is even more for prolonged strikes as, in some instances, some workers lose their jobs after the strike action, especially in cases of illegal strikes or where firms shut down. Workers lose jobs in the event that firms shut down after a strike. Moreover, employees retrenched or dismissed due to strike-related issues always encounter difficulties in finding other decent jobs. Hence, every time workers strike, they risk striking themselves out of jobs. For instance, in October 2012, Amplats - a platinum mining company - terminated employment for 12,000 striking miners due to a prolonged strike (MSNBC, 2012). The aforementioned is one such case where workers lost their jobs due to involvement in a strike action. While in most cases employment is affected directly by strikes, there are also indirect effects of strikes on employment that emanate from shutdowns of firms, trade deficits, and low investment, among others.

Socio-Political Effects

Strike actions do not only have economic impact but also affect the social fibre of the country. In most cases, the major strike actions turn ugly with a lot of people dying and some being injured, owing to violence that can mount during a strike. This exposes the workers and their families to a lifetime of poverty as some will not be able to work for their families in the future owing to injuries, retrenchments, or even death. This translates into a government and society’s burden of financially supporting the injured workers, retrenched people, and bereaved families, especially through payments for the disabled, unemployment benefits, and social grants, respectively. According to Gibson (2012), 34 people were killed, 78 injured, and more than 200 arrested in the Marikana platinum mine strike of August–October 2012. The political and violent nature of most strikes in the country gives South Africa a bad reputation.

POSSIBLE SOLUTIONS TO A STABLE LABOUR MARKET IN SOUTH AFRICA

Considering the multifaceted nature of the causes and effects of strikes in South Africa, solutions therefore require a holistically coherent and comprehensive approach by all economic agents. As discussed earlier in this paper, inequality, poverty, and unemployment form part of the main causes of labour unrests in South Africa. Addressing these socio-economic issues requires proper macroeconomic tools from the government. It is worth mentioning that the ANC-led government has been so active in trying to eradicate inequality, poverty, and unemployment. Various policy tools ranging from RDP, GEAR, ASGISA, NGP, among others, have been employed since the end of apartheid. The government is never reluctant to embrace any noble recommendations to completely eradicate these socio-economic evils. This section recommends possible solutions to achieve stability in the South African labour market.

Democratisation of Labour Relations

The government should introduce the requirement of balloting before a strike as a measure to prevent violent strike actions. Each time a strike occurs, not all workers in that particular industry affirm the strike. Non-striking workers have been subjected to intimidation and violence. To a larger extent, there are workers who are coerced to join a strike against their will. During the September 2013 petrol attendants’ strike, Karl Cloete, Numsa’s deputy general secretary, mentioned that the retail motor industry had around 300,000 workers, of whom around
 Strike actions usually happen in the agriculture, mining, and transport sectors where mostly people are paid low wages that do not tally with their efforts. Minimum wage in South Africa currently protects only the so-called vulnerable sectors with no unions or very little union activity. These sectors include domestic workers, contract cleaning, private security, wholesale and retail, farm workers, forestry, taxi, learnerships, and children in the performance of advertising, artistic, and cultural activities. This paper recommends that the government introduce and enforce a national minimum wage that extends to other sectors across all industries. Firms that do not abide by the rule should be heavily fined. The market wage rate, as determined by labour supply and demand, does not reflect South Africa’s decent wage. Unskilled workers mostly settle for the lower wages due to their unmarketability elsewhere. The government should protect workers from exploitation by working together with both employers and labour unions to decide on a minimum wage that is above the poverty line. However, policy formulation on its own is inadequate, but the policy implementation and enforcement is a matter of concern.

CONCLUSION

This study followed newspaper and other published articles to explore the incidents of strike actions in post-apartheid South Africa. The paper acknowledged that South Africa experiences high incidents of strike actions in this post-apartheid era. Consequently, the paper explored the main causes of strikes - the mismatch between wage offers and demands, union rivalry, poverty, unemployment, and inequality, and the apartheid legacy, among others. Subsequent to the causes, this paper discussed notable effects of strikes - loss in production, lost contacts, loss in investment, and a loss of employment. In the final section, this paper suggested possible solutions for a stable labour market. The paper recommended the democratisation of labour relations, the creation of sound stakeholder relationships, turning employees into employers through indigenisation policies, and the implementation of a national minimum wage. Even though studies on the South African labour relations have recently begun to produce some data on strike occurrences, none provides a complete chronological picture of South African strike incidents (Visser, 2007). Therefore, this lack of adequate literature on strike incidents in South Africa justifies the significance of this paper.
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