



# ANNUAL INDUSTRIAL ACTION REPORT

OF THE DEPARTMENT OF LABOUR

2014



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# CONTENTS

List of figures	V
List of tables	V
Acronyms	VI
Acknowledgement	VII
Executive summary	VIII
Introduction	1
<b>CHAPTER TWO:</b>	8
<b>Comparative analysis of work stoppages, 2013 and 2014</b>	
2.1. Provincial distribution of work stoppages	8
2.2. Industrial distribution of work stoppages	9
2.3. Industrial distribution of working days lost	9
2.4. Working days lost per 1 000 employees by industry	10
2.5. Industrial distribution of working hours lost	10
2.6. Industrial distribution of workers involved in work stoppages	11
2.7. Nature of work stoppages	11
2.8. Work stoppages by employment size of establishments	12
2.9. Duration of work stoppages	13
2.10. Principal cause of strike activity in working days lost	13
2.11. Trade union involvement in work stoppages	14
2.12. Determinants identified as giving rise to work stoppages in South Africa	15
2.13. Work stoppage future outlook for 2015	15
<b>CHAPTER THREE:</b>	18
<b>Wage settlements</b>	
3.1. Wage settlements concluded with strikes in various industries, 2014	19
3.2. Wage settlements concluded without strike incidents	20
3.3. Abandoned strike incidents	22
3.4. Suspended strike incidents	22
<b>CHAPTER FOUR:</b>	24
<b>Profile of work stoppages, 2014</b>	
<b>CONCLUSION</b>	35
Policy considerations	35
References	35
<b>ANNEXURE A</b>	36
Data appendix	36
<b>ANNEXURE B</b>	38
B. Methodology for monitoring industrial action	38

## LIST OF FIGURES

Figure 1:	Trends in the number of work stoppages in South Africa, 2010 - 2014	3
Figure 2:	Trends in working days lost in South Africa, 2010-2014	4
Figure 3:	Working days lost per 1 000 employees due to strikes, 2010-2014	4
Figure 4:	Trends in working hours lost in South Africa, 2010-2014	5
Figure 5:	Wages lost due to work stoppages in South Africa, 2010-2014	5
Figure 6:	Percentage distribution of protected and unprotected strikes in South Africa, 2014	6
Figure 7:	Distribution of work stoppages by industry, 2013 and 2014	9
Figure 8:	Distribution of work stoppages by their nature, 2013 and 2014	11
Figure 9:	Percentage distribution of establishments affected by work stoppages and employment size, 2013 and 2014	12
Figure 10:	Percentage distribution of work stoppages by duration, 2013 and 2014	13

## LIST OF TABLES

Table 1:	Distribution of work stoppages and wages lost by province, 2013 and 2014	8
Table 2:	Distribution of working days lost by industry, 2013 and 2014	9
Table 3:	Distribution of working days lost per 1 000 employees by industry, 2013 and 2014	10
Table 4:	Distribution of working hours lost by industry, 2013 and 2014	10
Table 5:	Distribution of employees involved in work stoppages by industry, 2013 and 2014	11
Table 6:	Distribution of working days by principal cause of dispute, 2013 and 2014	13
Table 7:	Working days lost by trade union 2013 and 2014	14
Table 8:	Median wage settlements levels in South Africa by industry, 2014	18
Table 9:	Distribution of wage settlement in various industries, 2014	19

# ACRONYMS

<b>AMCU</b>	Association of Mineworkers and Construction	<b>NASECGWU</b>	National Security Commercial and General Workers' Union
<b>BAWUSA</b>	Bawsi Agricultural Workers Union of South Africa	<b>NASRIEU</b>	National Sugar Refining and Allied Industries Employees Union
<b>BCAWU</b>	Building Construction and Allied Workers Union of South Africa	<b>NEASA</b>	National Employers' Association of South Africa
<b>BTR</b>	Bus Rapid Transport	<b>NEDLAC</b>	National Economic, Development and Labour Council
<b>CAWUSA</b>	Congregated and Allied Workers Union of South Africa	<b>NEHAWU</b>	National Education Health and Allied Workers' Union
<b>CCRAWUSA</b>	Care Centre Catering Retail and Allied Worker's Union	<b>NTM</b>	National Transport Movement
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>NUFAWU</b>	National Union of Furniture and Allied Workers Union
<b>CEO</b>	Canvas Employment Organisation	<b>NUFBSAW</b>	National Union of Food Beverages Wine
<b>CEPPWAWU</b>	Chemical, Energy, Paper, Printing, Wood and Allied Workers Union	<b>NULAWU</b>	National Union of Leather and Allied Workers' Union
<b>COSAWU</b>	Commercial Services and Allied Workers' Union	<b>NUMSA</b>	National Union of Metal Workers of South Africa
<b>CSAAWU</b>	Commercial, Stevedoring, Agricultural and Allied Workers' Union	<b>NUM</b>	National Union of Mineworkers
<b>CPI</b>	Consumer Price Index	<b>PAWUSA</b>	Public and Allied Workers Union of South Africa
<b>CWU</b>	Communication Workers Union	<b>PSA</b>	Public Servants Association
<b>DENOSA</b>	Democratic Nursing Organisation of South Africa	<b>PTWU</b>	Professional Transport Workers' Union
<b>DPSA</b>	Department of Public Service and Administration	<b>SACCAWU</b>	South African Commercial, Catering and Allied Workers' Union
<b>EE</b>	Employment Equity	<b>SACTWU</b>	South African Clothing and Textile Workers' Union
<b>FAWU</b>	Food and Allied Workers Union	<b>SACU</b>	South African Communications Union
<b>FMAIWU</b>	Federated Mining and Allied Industries Workers Union	<b>SADTU</b>	South African Democratic Teachers Union
<b>FGWU</b>	Food and General Workers' Union	<b>SAEWA</b>	South African Equity Workers Association
<b>GDP</b>	Gross Domestic Product	<b>SAFCEC</b>	South African Federation of Civil Engineering Contractors
<b>GIEA</b>	Glass Industry Employment Association	<b>SALGA</b>	South African Local Government Association
<b>GIWUSA</b>	General Industries Workers Union of South Africa	<b>SAMA</b>	South African Medical Association
<b>HOSPERSA</b>	Health and Other Service Personnel Trade Union of South Africa	<b>SAMWU</b>	South African Municipal Workers' Union
<b>HOTELICCA</b>	Hotel, Liquor, Catering, Commercial and Allied Workers' Union of S.A.	<b>SANC</b>	South African Nursing Council
<b>ILO</b>	International Labour Organisation	<b>SANRAL</b>	South African National Roads Agency
<b>IMATU</b>	Independent Municipal Allied Trade Union	<b>SATAWU</b>	South African Transport and Allied Workers Union
<b>ITU</b>	Inqubelaphambili Trade Union	<b>SATEO</b>	South African Tanning Employers Organisation
<b>KSCWO</b>	Kutama Senthumule Correctional Workers' Organisation	<b>SEIFSA</b>	Steel and Engineering Industry Federation of South Africa
<b>LMIS</b>	Labour Market Information and Statistics	<b>TAWUSA</b>	Transport and Allied Workers Union of South Africa
<b>MEWUSA</b>	Metal and Electrical Workers' Union of South Africa	<b>TOWU</b>	Transport and Omnibus Workers' Union
<b>MIBC</b>	Metal Industries and Bargaining Council	<b>UASA</b>	United Association of South Africa
<b>NAGEWU</b>	National General Workers Union	<b>UTATU</b>	United Transport and Allied Trade Union
		<b>WSSA</b>	Water Solutions Southern Africa



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- ◆ Coca-Cola
- ◆ Platinum mines (Lonmin, Anglo American and Northam)
- ◆ Bargaining councils ( Footwear, SEIFSA and South African Textile)

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## EXECUTIVE SUMMARY

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The Department of Labour's strike report shows that the year 2014 saw fewer strikes that lasted for long periods, resulting in more days and hours lost although with fewer (118 566) employees involved. In 2014 about 88 strike activities were recorded with more working days lost (10 264 775) while in 2013, strike records were at 114 with 1 847 006 working days lost from labour unrest. Key features of industrial actions in 2014 are tabled as follows:

- According to the recorded information in the Department of Labour's database, the number of strike incidents in 2014 decreased to 88 strikes. South Africa experienced a drop in strike incidents as compared to 2012 and 2013. In 2010, the Department recorded 74 cases, 67 in 2011, 99 in 2012, 114 in 2013 and 88 industrial action cases in 2014
- By industry, most strikes in 2014 occurred in the community, social and personal services industry followed by the manufacturing industry. Few strikes were recorded in Finance and Utilities industries
- Wages, bonus and other compensation disputes remain the main reason for work stoppages in 2014 at 98.4% of working days lost
- Out of 88 strikes in 2014, 48% of strikes were **unprotected** and 52% were **protected** strikes. In 2013, less **protected** strikes were recorded at 48% of 114 strikes and **unprotected** strikes at 52%
- More working days were lost due to strikes in 2014 compared to 2013. Workdays lost increased by 455.7% from 1 847 006 in 2013 to 10 264 775 in 2014. The increase in 2014 is explained by the strike duration in the mining industry while in 2013 it was due to more workers being involved in strikes than in 2014
- More working hours were lost in 2014 compared to 2013 as a result of industrial disputes. Hours lost increased by 608.6% from 2013 to 2014. In the past 5 years, the working hours lost was highest in 2010 and lowest in 2009
- Regarding the impact on the economy in 2014, about R6.1 billion in wages were lost due to strikes in 2014 as compared to R6.7 billion in 2013. This represents a decrease of 8.25%.
- By province, North West (46.3%) and Limpopo (37.40%) were the two provinces which were most affected by wages lost due to strikes in 2014
- In many industries, wage settlements were lower than the initial demands by unions
- The trade union accounting for most workdays lost as a result of industrial disputes in 2014 was AMCU (92.2%), followed by NUMSA (2.59%) and NUM (1.4%). Unlike in 2013 where SATAWU had more members participating in strikes and more working days lost
- In terms of strike duration in 2014, the strikes lasted for 16-20 days on average, unlike in 2013 where most strikes lasted 1-5 working days on average. On the other hand, strike incidents were mostly recorded from companies' size of less than 49 employees in 2014. This is the same as in 2013
- By nature of work in 2014, out of the 88 strikes, most strikes were "strikes in companies only" at 50% and "lock-out strikes" amounting to 29.5%



## INTRODUCTION

The Department of Labour regulates the labour market for sustainable economy through various pieces of legislation. Amongst them are the development of appropriate legislation and regulations, protection of human rights and coordination of social dialogue. The Department is implementing these legislation tasks under difficult economic conditions. South Africa's economic performance has been weakened in the past few years due to the impact of the global economic crisis. The 2014 Budget Speech indicates that South Africa's economy has continued to grow, but more slowly than projected a year ago<sup>1</sup>. The unfavorable economic conditions create difficulties for the country to address the triple challenges of unemployment, inequality and poverty. Despite this, the Government set a 5% annual Gross Domestic Product (GDP) growth rate to create employment, overcome poverty and reduce inequality<sup>2</sup>.

The industrial action that were experienced in the country in 2014 took place in the context of the difficult economic climate both at global and national levels and this impacted negatively on the poor working people. The income of the working people was under pressure as it suffered under the cost of inflation. Thus, the Government has put in place a number of interventions amongst them the debate regarding the introduction of the national minimum wage as one of the measures to reduce wage inequality.

On the other hand, it should be noted that the economic growth prospect still looks weak as the outlook for 2015 is just 2% down from 2.5% indicated in October 2014<sup>3</sup>. High prices of electricity, petrol and the high cost of living all contribute to the demand of higher salary increases. Therefore, the conditions for continuation of the prolonged industrial action might still persist.

The 2014 Industrial Action Report is structured as follows: The **First Chapter** looks at the key features of strike activities in 2014. In particular it gives an overview of strikes in terms of total number of work stoppages, the duration of strikes and the economic impact of the strikes to the country in a form of wages lost. The **Second Chapter** of the report illustrates the strike activities in respect of industries. It also reflects on the working days lost per union proportion, causes and nature of work stoppages. The **Third Chapter** then sets out ways in which wage settlements were reached between employers and employee's organisations. It presents those wage settlements that were concluded without strike incidents, suspended and abandoned strikes. It also outlines the analysis on the median wage settled by industry. Lastly, on **Chapter Four**, it examines the strike activity profiles that occurred which were monitored in the Department of Labour's media monitoring system in the last twelve (12) months of 2014.<sup>4</sup>

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1 Minister of Finance, Budget Speech, 26 February 2014

2 Medium Term Budget Policy Statement 2014, National Treasury Republic of South Africa, 22 October 2014

3 Minister of Finance, Budget Speech, 25 February 2015

4 For noting: The 2014's South African Post Office strike data was not available during the development of this report because of the delay in the submission of data





# CHAPTER ONE



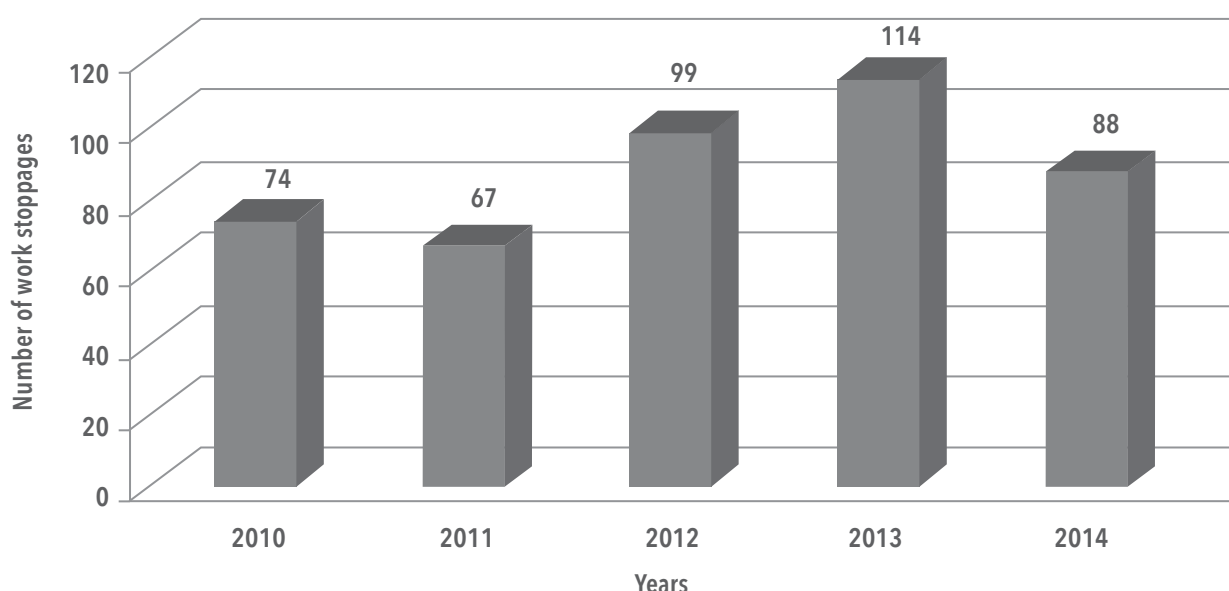
# CHAPTER ONE:

## Strike activity as measured in the number of work stoppages, working days and hours lost, time-loss and wages lost, 2010 – 2014.

In 2014, South Africa experienced a lower number of industrial action incidents from small, medium and large industries. The strikes were fewer, but longer. There were a lot of national strikes from the mining's platinum belt, the steel and engineering and the clothing sector. These national strikes had a huge impact on the economy because most of them were due to wage hike demands. The strike at a steel and engineering company saw most car manufacturers and dealers calling the manufacturing sites off, due to unavailability of parts.

Strike incidents were also seen from the community and manufacturing industries and a few from the utilities industries. Also, strikes from the community industry at the health communities where nurses and care-givers went on strike leaving people's health and lives compromised. It was also observed that AMCU members dominated the strikes field by spending five and a half months of idleness in the platinum mine sector.

**Figure 1: Trends in the number of work stoppages in South Africa, 2010 - 2014**

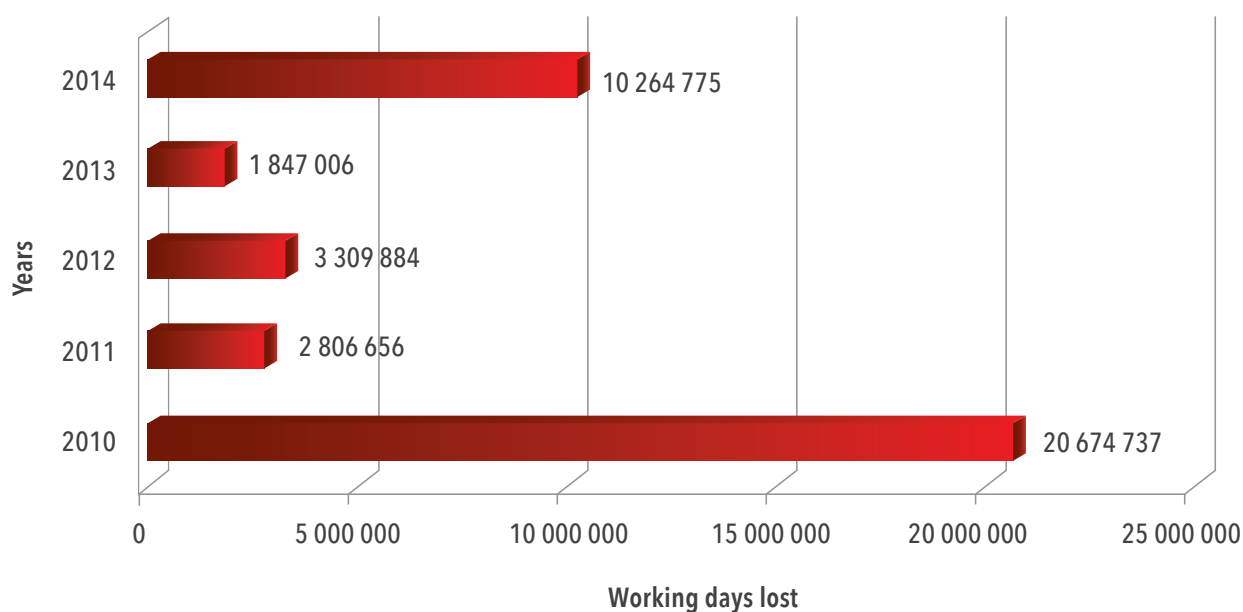


Source: Department of Labour, Strikes Statistics

Figure 1 above represents the total number of work stoppages in the past five years. In general, the picture shows a wave pattern of strike incidents over the period under review. The year 2014 reflects that there were 88 strike incidents. This represents a decline of 23% in strikes as compared to 2013. It can be concluded that 2014 was a relatively "stable year" in terms of strike incidents as compared to 2012 and 2013. In addition, the President of South Africa has advised the Department of Labour to review the sectoral determinations of agriculture and forestry, private security and wholesale and retail sectors<sup>5</sup>, in order to improve and stabilise the industrial action sphere in the country.

<sup>5</sup> President Jacob Zuma, the State of the Nation (SONA), February 2015

**Figure 2: Trends in working days lost<sup>6</sup> in South Africa, 2010-2014**

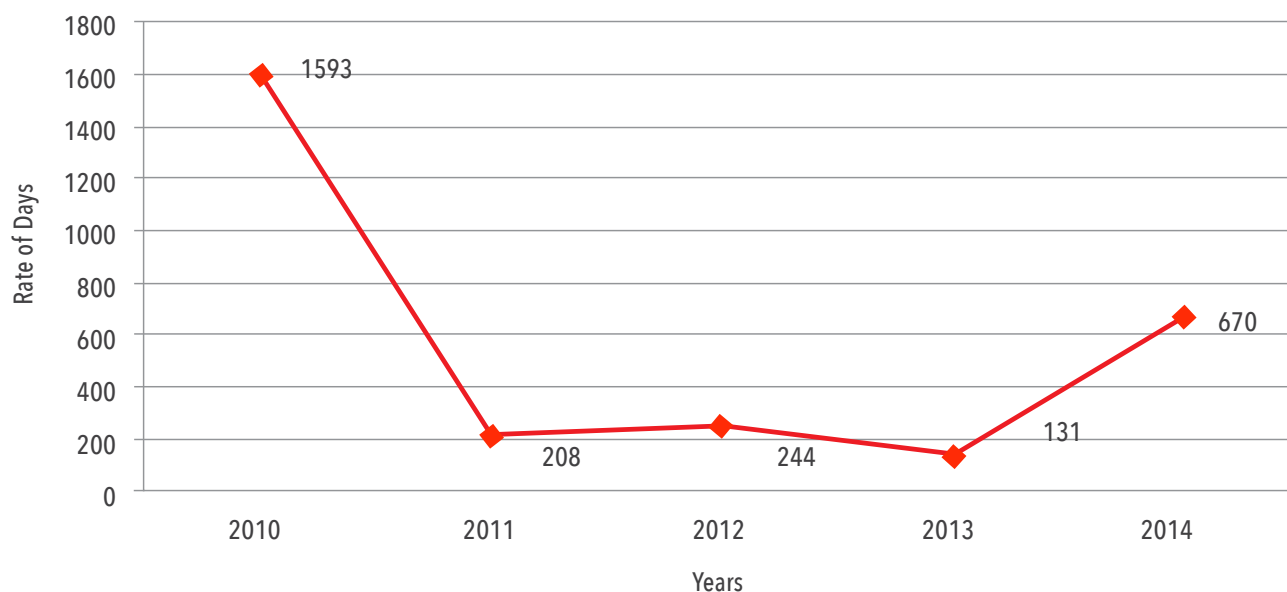


Source: Department of Labour, Strikes Statistics

There were 10 264 775 working days lost in 2014, up from 1 847 006 in 2013 due to strikes in 2014. This is shown in **Figure 2**. The higher number of working days lost was, amongst others, from the longest five and a half months long strike in the mining industry in the North West during the beginning of 2014. This is a reflection of how the strike negatively impacted on the economy of South Africa. After 16 weeks of the platinum belt strike, StatsSA data has shown that the production of platinum came to a standstill with the production volumes falling by 44.3% in a year-on-year.

The figure of working days lost in 2014 is however lower as compared to 2010 when the public servants' strike contributed to 20 674 737 working days lost as a result of a higher wage demand.

**Figure 3: Working days lost per 1000<sup>7</sup> employees due to strikes, 2010-2014**



Source: Department of Labour, Strikes Statistics

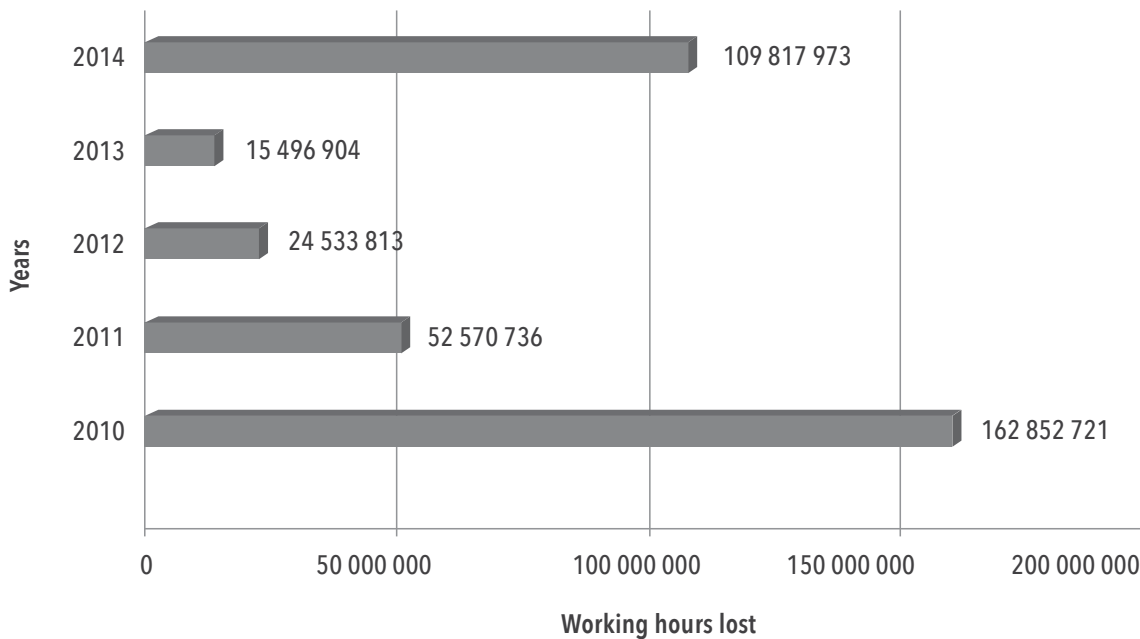
<sup>6</sup> The working days lost due to strikes implies the total number of workers involved directly in the strike or lockout multiplies by the length of the work stoppage

<sup>7</sup> This indicator allows for international comparison in strike activity. For international comparison, the ratio distinguishes which country is strike prone when compared to another.

Overall the number of working days lost per 1 000 employees increased from the previous three years. **Figure 3** above, indicated that 670 working days per 1 000 employees were not worked in 2014 due to work stoppages. This is high, compared to the ratio of days lost in 2011, 2012 and 2013 at 208, 244 and 131 respectively.

On the other hand, while there were so many days lost per a thousand employees to strikes, economists have cautioned that prolonged strikes are damaging and encouraging a shift to mechanisation in the manufacturing industry, which is a key industrial sector in Government's job creation plans.

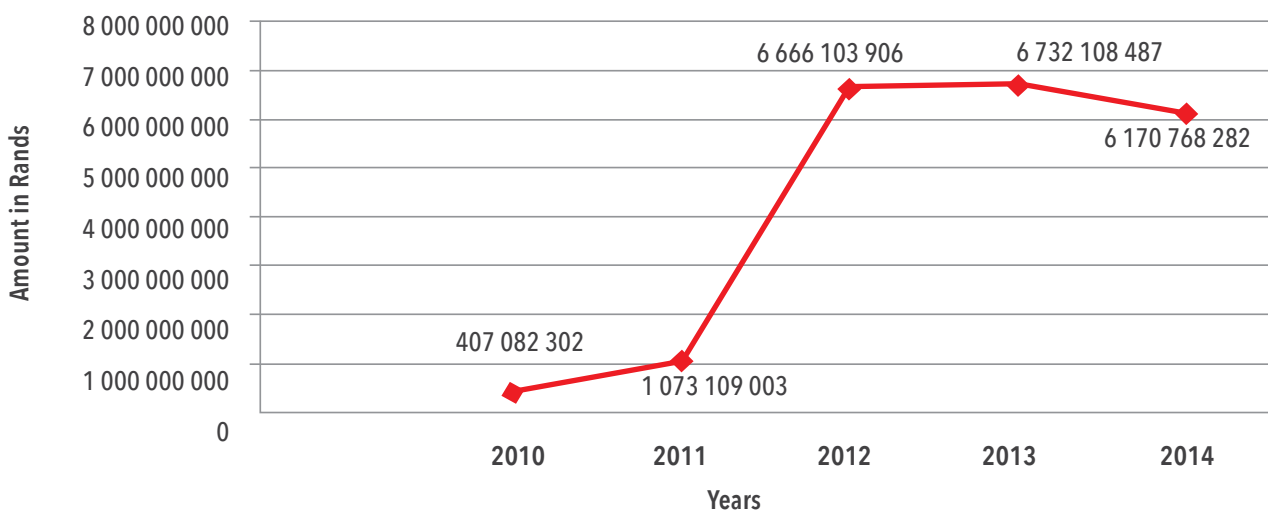
**Figure 4: Trends in working hours lost in South Africa, 2010-2014**



Source: Department of Labour, Strikes Statistics

**Figure 4** above illustrates the trend in working hours lost due to work stoppages in the country during the last five years. A drastic increase in working hours lost was observed from the year 2013 to 2014, from 1 549 604 to 109 817 973. This represents 608.6% from 2013 to 2014.

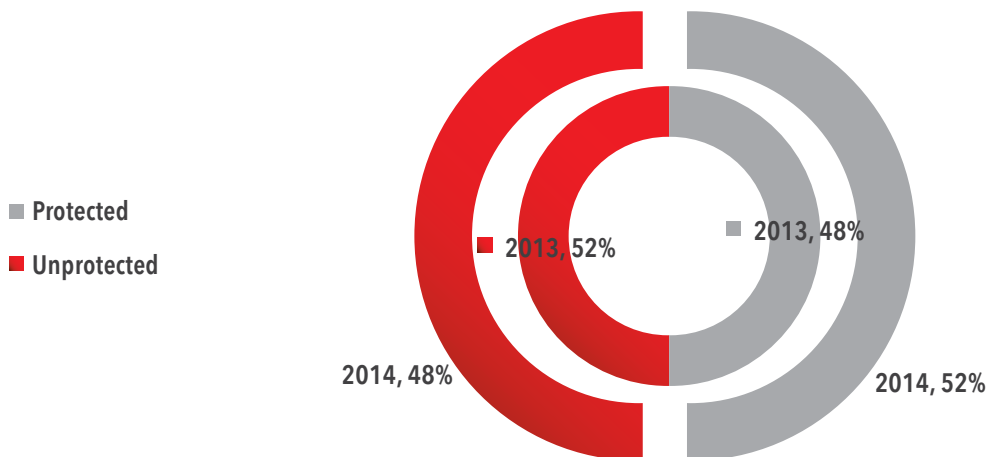
**Figure 5: Wages lost due to work stoppages in South Africa, 2010-2014**



Source: Department of Labour, Strikes Statistics

It is common knowledge that work stoppages have an economic impact on an individual employee and on the employer. As such **figure 5** focuses on the labour cost impact resulting from work stoppages. As reported by the employers, R6,1 billion of wages was lost due to workers embarking on strikes in 2014. Drawing from **Figure 5**, it can be concluded that fewer strikes and with fewer workers resulted in lower wages lost in 2014. Miners who were directly and indirectly affected by the more than 5-month strike, due to a wage dispute, were forced to live on handouts.

**Figure 6: Percentage distribution of protected and unprotected strikes in South Africa, 2014**



Source: Department of Labour, Strikes Statistics

**Figure 6** signals if workers have complied with the legislation in place to embark on strike action. According to **Figure 6**, more than 50% of strikes were **protected**, leaving 48% of strikers embarking on **unprotected** strikes in 2014. Amongst the unprotected strikes in 2014 were workers at a KwaZulu-Natal municipality who were demanding that the municipal administrator be removed from his position in May.



# CHAPTER TWO



## CHAPTER TWO:

### Comparative analysis of work stoppages, 2013 and 2014

An in-depth overview in terms of strike activities will be dealt with in this section. It will focus on the two-year comparative analysis with reference to the provincial distribution of strikes, employees involved, duration and nature of strike incidents.

#### 2.1. Provincial distribution of work stoppages

**Table 1: Distribution of work stoppages and wages lost by province<sup>8</sup>, 2013 and 2014**

Province	Work stoppages				Wages lost (Rands)	
	2013	2014	% Change	Annual Average <sup>9</sup>	2013	2014
Gauteng	97	99	2.0%	98	2 790 818 539	686 766 498
Western Cape	61	26	-57.3%	44	282 476 238	153 413 326
Mpumalanga	17	7	-58.8%	12	6 624 440	3 656 835
KwaZulu-Natal	44	32	-27.2%	38	217 917 033	126 135 375
Eastern Cape	33	9	-72.7%	21	88 216 194	34 246 430
Limpopo	17	12	-29.4%	15	20 460 233	2 307 881 033
North-West	12	12	0%	9	3 267 311 526	2 857 473 302
Northern Cape	3	-	-	2	53 000 000	-
Free State	18	1	-94.4%	10	5 284 281	7 286 483
<b>Total</b>	<b>302</b>	<b>198</b>	<b>-34.4%</b>	<b>247</b>	<b>6 732 108 487</b>	<b>6 176 768 282</b>

Source: Department of Labour, Strikes Statistics

**Table 1** illustrates the provincial distribution of work stoppages and wages lost in the last two calendar years, 2013 and 2014. Just as the previous year, Gauteng, the province which is the economic and industrial hub of the country, still recorded the highest number of work stoppages in 2014 even though it economically recovered its growth to 2.2% in 2013. Of a total 198 strikes recorded from the provincial records, 99 strikes were recorded in Gauteng followed by KwaZulu-Natal at 32 and 26 in the Western Cape. Of these provinces, Gauteng presented an increase of 2.0% in strikes as compared to 2013. Only one strike was recorded in the Free-State, with a drop of 94.4% as compared to the previous year. The Northern Cape did not encounter any strike activities during 2014.

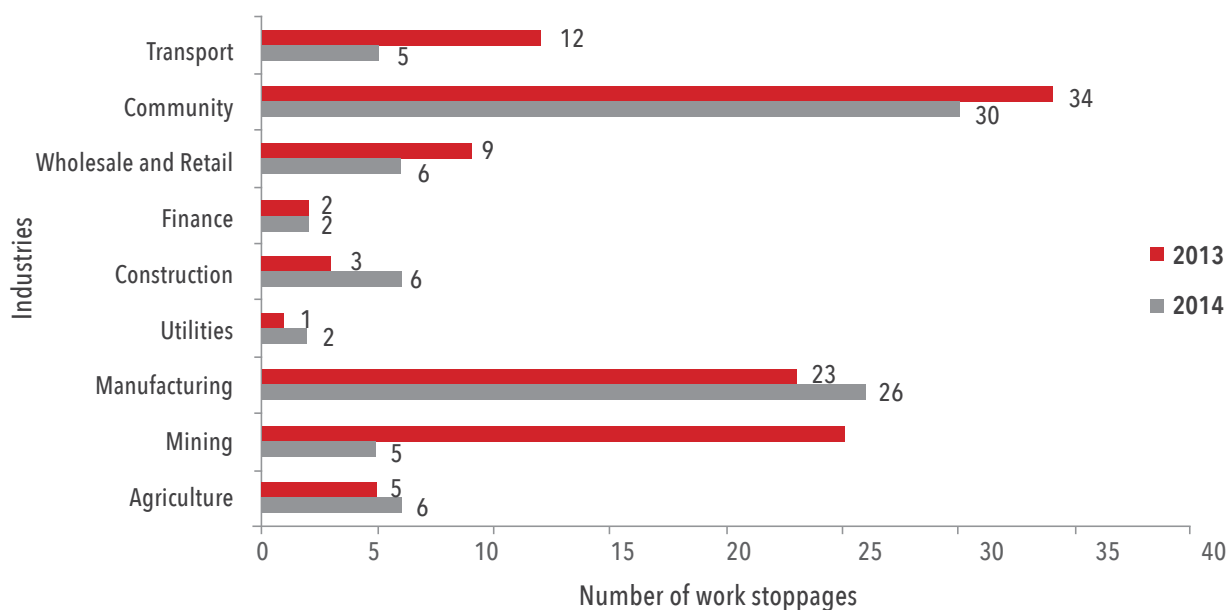
In terms of wages lost due to strikes, North West and Limpopo contributed more to the national wages lost during the strikes period of 2014. Both provinces contributed 83.63% to the total of R6 176 768 282, with North-West 46.26% and Limpopo at 37.36%. More wages lost in North West and Limpopo were due to the strikes at Anglo American Platinum, Lonmin and Impala Platinum Mines.

<sup>8</sup> The total number of work stoppages in 2014 in Table 1 differs from the total of 88. This is due to national work stoppages that may affect a number of branches or establishments in the nine provinces, being conducted as one in the national but according to workplaces affected in several provinces being counted more than once

<sup>9</sup> Quarter averages have been rounded to the whole number since we cannot have half a work stoppage.

## 2.2. Industrial distribution of work stoppages

Figure 7: Distribution of work stoppages by industry, 2013 and 2014



Source: Department of Labour, Strikes Statistics

As recorded from the Department's database, all industries were hit by strike action in 2014. Of the total 88 strikes recorded, the community and manufacturing industries contributed more at 34.0% and 29.5% respectively. The Community industry continued to be mostly affected by work stoppages in the last two years at 34 in 2014 and 30 in 2013. Strikes from most community care-giving sites saw hospital patients unattended and leaving people's health and lives compromised. In some hospitals laundry services were not provided and this undermined the recovery of patients.

On the other hand, the one-month long strike in the manufacturing industry by Metalworkers, saw steel and engineering companies cutting production and almost bringing the country's economy down. Motor manufacturers had to shut down production in order to manage disruptions due to the strike action. The transport, mining and wholesale and retail sectors experienced a decline in the number of workplace strike incidents in 2014 from 2013.

## 2.3. Industrial distribution of working days lost

Table 2: Distribution of working days lost by industry, 2013 and 2014

Industry	Working days lost		
	2013	2014	% Contribution
Agriculture	64 442	21 187	0.2
Mining	515 971	9 611 452	93.6
Manufacturing	343 222	467 513	4.6
Utilities	3 232	14 466	0.1
Construction	250 243	10 776	0.1
Wholesale, retail trade	47 216	40 120	0.4
Transport	477 355	25 309	0.2
Financial intermediation	20 415	3 062	0.0
Community services	124 910	70 890	0.7
<b>Total</b>	<b>1 847 006</b>	<b>10 264 775</b>	<b>100.0</b>

Source: Department of Labour, Strikes Statistics

Records and contributions on working days lost per industry are illustrated in **Table 2**. As shown, the total working days lost during the strike actions in 2014, were significantly higher as compared to 2013. The mining industry lost more working days to productivity (9 611 452) in 2014 from five strikes. More working days lost in the mining industry emanated from the 152 days spend off duty by mine workers. The contribution of the mining industry to the total working days lost stood at 93.6%. The manufacturing industry followed with 467 513 working days lost contributing to 4.6%.

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

**Table 3: Distribution of working days lost per 1 000 employees by industry, 2013 and 2014**

Industry	Time-loss ratio <sup>10</sup>	
	2013	2014
Agriculture	870.8	28.5
Mining	1 222.7	22 509.2
Manufacturing	193.0	267.3
Utilities	23.3	139.1
Construction	218.6	8.1
Wholesale and retail trade	149.9	12.2
Transport	134.9	26.5
Financial intermediation	229.2	1.5
Community services	6.1	20.2

Source: Department of Labour, Strikes Statistics

Noting from the analysis above, the mining industry contributed negatively to the working days and hours lost as a result of strikes in 2014. **Table 3** shows how each industry contributed per 1 000 employees to the strikes in 2013 and 2014. The majority of industries contributed less to working days lost per 1 000 employees with the exception of the mining, manufacturing and utilities industries at 22 509.2, 267.3 and 139.1 respectively. Employees from the mining companies that contributed to the high ratio in working days lost were from North West's Lonmin Marikana and Impala Platinum mines.

## 2.5. Industrial distribution of working hours lost

**Table 4: Distribution of working hours lost by industry, 2013 and 2014**

Industry	Working hours lost		
	2013	2014	% Contribution
Agriculture	608 090	208 371	0.2
Mining	3 630 625	104 177 550	94.9
Manufacturing	3 337 979	3 966 611	3.6
Utilities	25 856	189 700	0.2
Construction	2 207 375	128 516	0.1
Wholesale and retail trade	458 434	329 498	0.3
Transport	3 825 742	204 561	0.2
Financial intermediation	163 480	24 496	0.0
Community services	1 239 324	588 670	0.5
<b>Total</b>	<b>15 496 904</b>	<b>109 817 973</b>	<b>100.0</b>

Source: Department of Labour, Strikes Statistics

As shown in **Table 4**, working hours lost per industry has drastically increased from 15 496 904 in 2013 to 109 817 973 in 2014. The increase in working hours lost is an attribute of an increase in working days lost. As a result, the more working days lost the more hours will be lost. The mining industry showed a high increase in working hours lost due to strikes in 2014. Even though, strikes were fewer in the mining industry they were however long in the days lost. In terms of percentages, the mining industry lost more working hours, contributing to 94.9% followed by the manufacturing industry at 3.6% in 2014.

<sup>10</sup> We used quarter 3 revised QLFS 2014 number of employees by industry to determine the working days lost per 1 000 employees by industry.

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

**Table 5: Distribution of employees involved in work stoppages by industry, 2013 and 2014**

Industry	Employees involved		
	2013	2014	% Contribution
Agriculture	8 417	2 056	1.7
Mining	204 661	74 580	62.9
Manufacturing	21 718	25 641	21.6
Utilities	1 458	788	0.7
Construction	13 083	851	0.7
Wholesale and retail trade	1 939	1 500	1.3
Transport	22 331	1 224	1.0
Financial intermediation	1 066	249	0.2
Community services	22 520	11 677	9.8
<b>Total</b>	<b>297 193</b>	<b>118 566</b>	<b>100.0</b>

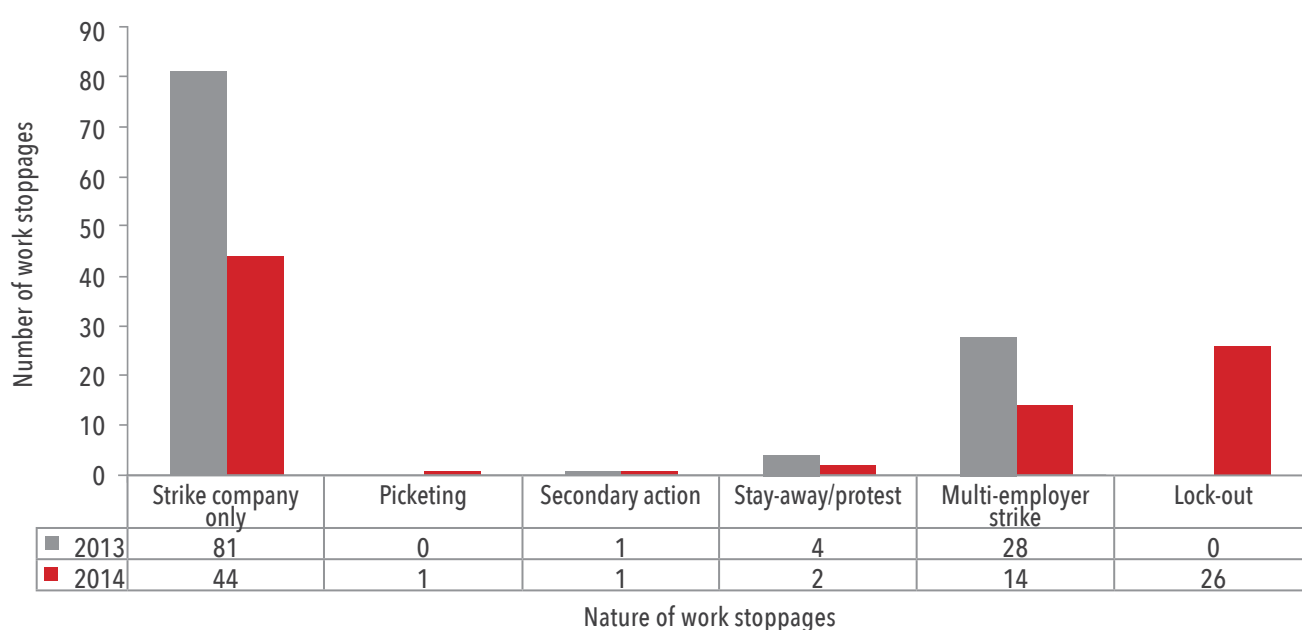
Source: Department of Labour, Strikes Statistics

Employees' participation to the industrial activities has a great effect on company productivity. **Table 5** above presents the distribution of employees who participated in strikes by industry. As indicated, the number of employees who participated in the strikes during 2014 decreased as compared to 2013. Even though the mining industry had fewer strikes in 2014, it however saw most (74 580) employees embarking on strikes followed by community services and manufacturing industries at 25 641 and 11 677 respectively. Mining industries contributed more (62.9%) in terms of employee participation to the strikes. In the third month of five month strike, one economist warned that the country's GDP would have a negative impact on GDP in the mining sector in the first quarter with further negative impact on exports in the second quarter of 2014.<sup>11</sup>

On the other side, utilities, construction and financial intermediation industries saw few members participating in strike incidents during the 2014 calendar year.

## 2.7. Nature of work stoppages

**Figure 8: Distribution of work stoppages by their nature, 2013 and 2014**



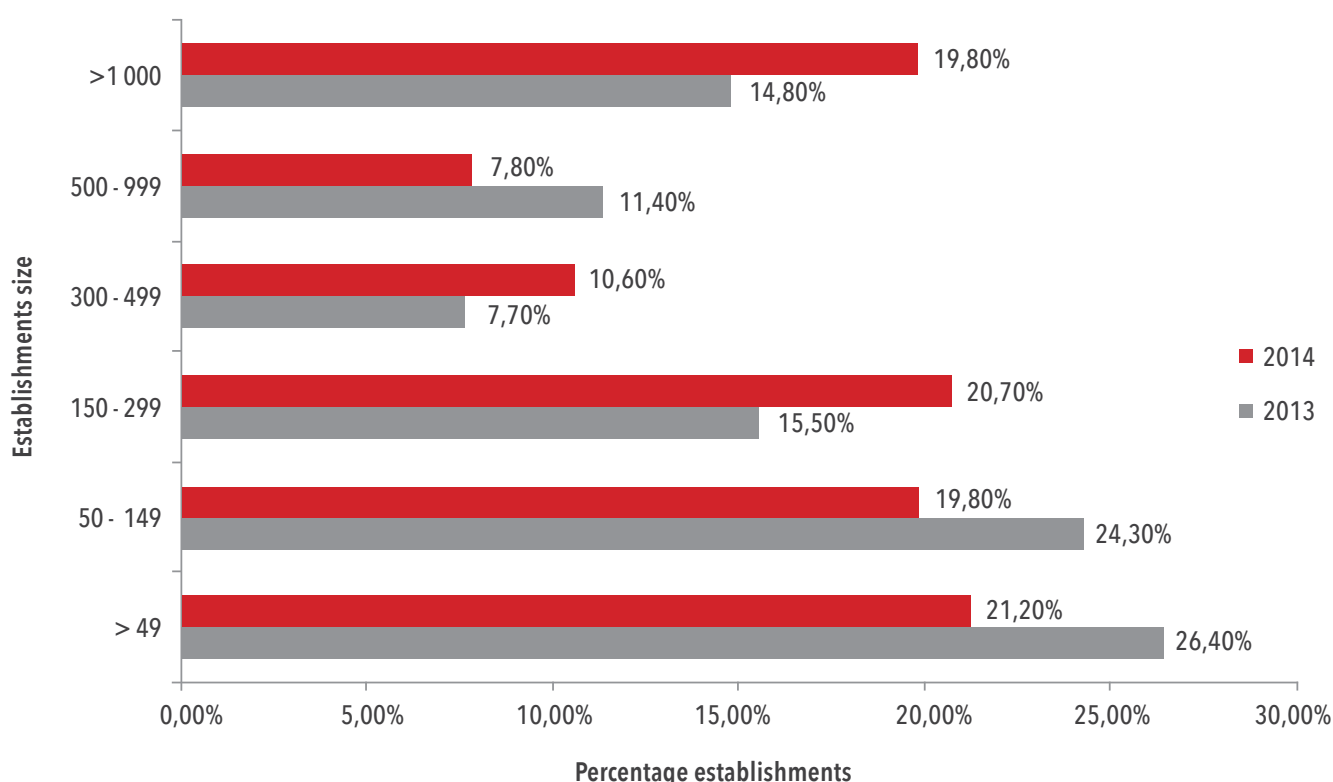
Source: Department of Labour, Strikes Statistics



**Figure 8** illustrates strike incidents in a different form of occurrence during 2013 and 2014. "Strikes in company only" dominated at 44 although with a decrease of 54.3% in 2014 as compared to 2013. There was also a 100% increase in the form of those who were locked-out of the work premises. Lockout is exclusion by an employer from the employer's workplace for the purpose of compelling the employees to accept any mutual interest between employer and employee. It is in other words "the employer's equivalent of the strike weapon".<sup>12</sup> Meanwhile employer organisation, the National Employers' Association of South Africa (NEASA), locked-out workers of the Steel and Engineering Industries Federation of Southern Africa who had engaged in the industrial action until a more sustainable wage offer of 10% was accepted.

## 2.8. Work stoppages by employment size of establishments

**Figure 9: Percentage distribution of establishments affected by work stoppages and employment size, 2013 and 2014**



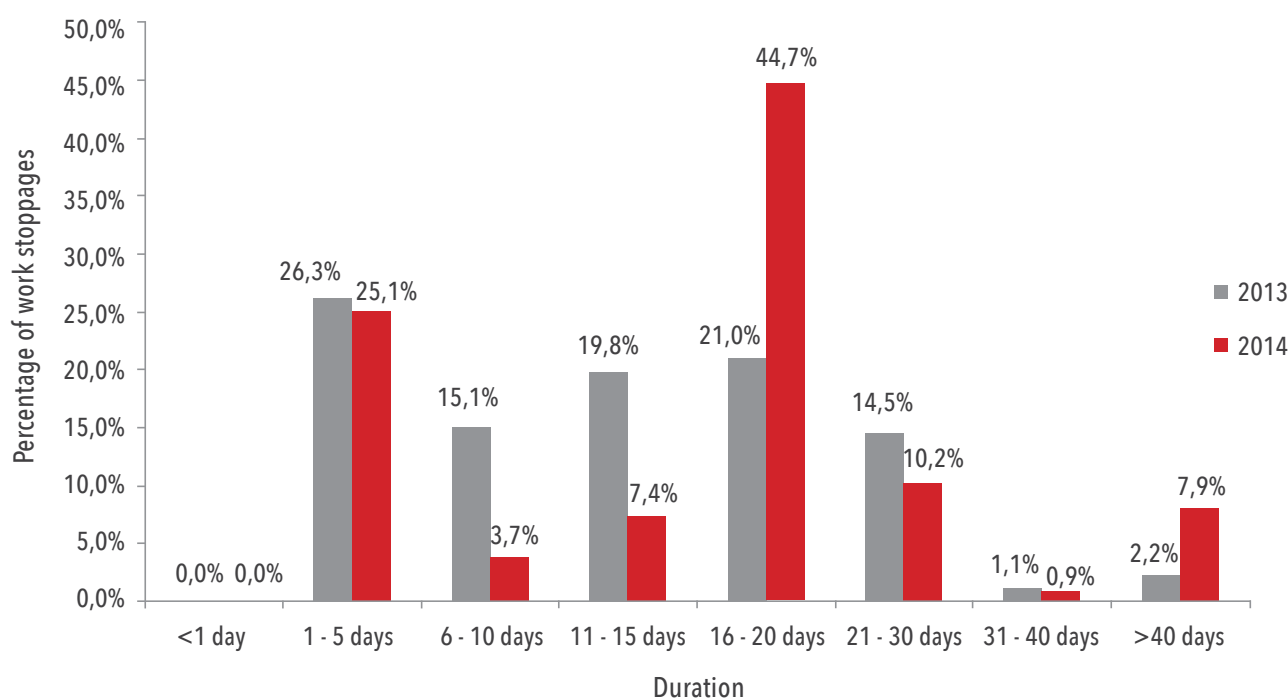
Source: Department of Labour, Strikes Statistics

Generally, **Figure 9** shows that most employers with fewer employees in size were vastly affected by strikes in 2014. These small establishments contributed 61.7% of the workforce that embarked on strikes during the current period. Companies that employ 500-999 employees in 2014 only saw 7.8% of strikes at workplaces while employers with an establishment of more than a thousand employees saw an increase of 5% in the two-year comparative analysis.

<sup>12</sup> Judge Steenkamp, A. Pretoria News, 1 July 2014

## 2.9. Duration of work stoppages

Figure 10: Percentage distribution of work stoppages by duration, 2013 and 2014



Source: Department of Labour, Strikes Statistics

In 2014, the South African labour market saw most employees actively participating in strike actions for longer than 15 days according to **Figure 10**. It is not by choice that workers abstain from doing work but by virtue of striving for a higher take-home salary and other benefits. Of the employees who went on strike in 2014, 44.7% stayed away for a period of 16-20 days. Followed by those who stopped work for 1-5 days at 25.1%. Reportedly, some of the strikers went on strike for longer than 40 days, where the employer and unions could not resolve the dispute. Amongst them was Blinkwater Millies in Mpumalanga, a food, beverage and tobacco product manufacturer, whose negotiations lasted for 122 days.

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

Table 6: Distribution of working days by principal cause of dispute, 2013 and 2014

Principal cause	2013	% Difference	2014	%	% Difference
Wages, bonus and other compensation	1 378 351	76.6%	10 096 653	98.4%	21.8%
Working conditions	34 933	1.9%	1 776	0.0%	-1.9%
Disciplinary matters	17 450	1.0%	38 129	0.4%	-0.6%
Grievances	120 431	6.5%	25 625	0.3%	-6.2%
Socio-economic and political conditions	30 713	1.7%	167	0.0%	-1.7%
Secondary action	3 532	0.2%	3 500	0.0%	-0.2%
Retrenchments/redundancy	176	0.0%	201	0.0%	0.0%
Refusal to bargain	1 818	0.1%	8 784	0.1%	0.0%
Trade union recognition	67 203	3.6%	0	0.0%	-3.6%
Other compensation combined with other factors	155 095	8.4%	24 620	0.2%	-8.2%
Other reasons	37 304	2.0%	65 320	0.6%	-1.4%
<b>Total</b>	<b>1 847 006</b>	<b>100.0%</b>	<b>10 264 775</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Department of Labour, Strikes Statistics

Workers call out for an industrial action at workplaces for various reasons. Some are as a result of job dissatisfaction, others over pay increase demands while others are about unfair labour practices. According to **Table 6**, the main reason why employees lost days to strike in 2014 was as a result of wages, bonuses and other compensation. The reason has remained the same over the past years. Employees who went on strike over wages, bonuses and other compensation demand amounted to 98.4%.The percentage is higher as compared to 2013 at 76.6%.

## 2.11. Trade union involvement in work stoppages

**Table 7: Working days lost by trade union 2013 and 2014<sup>13</sup>**

	2013 Working days lost	%	2014 Working days lost	%
AMCU	134 064	7.3	9 464 385	92.20
BAWUSA	17 222	0.9	0	0.00
BCAWU	24 023	1.3	0	0.00
CAWUSA	350	0.01	0	0.00
CCRAWUSA	299	0.01	0	0.00
CEPPWAWU	7 668	0.4	15 791	0.15
CUWUSA	0	0.0	1 974	0.02
CWU	1 306	0.1	0	0.00
DENOSA	8 597	0.5	0	0.00
FAWU	26 968	1.5	54 635	0.53
GIWUSA	8 956	0.5	417	0.00
HICRAWU	270	0.01	0	0.00
HOSPERSA	157	0.01	132	0.00
HOTELICA	0	0.0	679	0.01
IMATU	11 679	0.6	2 428	0.02
ITU	10 425	0.6	23	0.00
KAWU	0	0.0	627	0.01
KSCWO	0	0.0	516	0.01
MEWUSA	4 986	0.3	17 294	0.17
NASECGWU	0	0.0	890	0.01
NASRAIEU	0	0.0	8 595	0.08
NEHAWU	118 532	6.4	36	0.00
NONE	76 934	4.2	20 703	0.20
NTM	67 963	3.8	0	0.00
NULAWU	0	0.0	5 730	0.06
NUFBSAW	4 053	0.2	48	0.00
NUM	321 598	17.4	143 911	1.40
NUMSA	305 398	16.3	265 393	2.59
PSA	305	0.01	0	0.00
SACCAWU	9 289	0.5	14 563	0.14
SACTWU	0	0.0	40 349	0.39
SADTU	1 993	0.1	0	0.00
SAEWA	0	0.0	4 900	0.05
SAMWU	23 471	1.3	736 78	0.72
SAPWU	1 306	0.1	0	0.00

<sup>13</sup> The total number of days lost by trade union membership does not tally with the total number of working days lost in (2013 1 827 790) and (2014 10 209 682). Not all employers were able provide breakdowns i.t.o membership participation.

	2013 Working days lost	%	2014 Working days lost	%
SATAWU	466 206	25.2	24 786	0.24
SOLIDARITY	240	0.01	11 557	0.11
SS	122	0.01	0	0.00
TAWUSA	20 787	1.1	0	0.00
TOWU	138 319	7.5	0	0.00
TWU	11 700	0.6	0	0.00
UASA	2 604	0.1	35 642	0.35

Source: Department of Labour, Strikes Statistics

**Table 7** reflects on the distribution of working days lost by participation of trade union membership. Unlike in 2013 where SATAWU had more members participating in strikes, AMCU, NUMSA and NUM members dominated in strikes during 2014. All three major trade union members contributed mostly to working days lost at 92,2%, 2.59% and 1.40% respectively. This can be associated with strikes that took place at the mining sector where the AMCU members participated in the strike in a fight over the R12, 500 monthly salary increment. The steel and engineering strike by metal workers also saw NUMSA members down their tools in numbers over the 12% wage hike demand.

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

South Africa is still confronted with the challenges of poverty, inequality and unemployment after 20 years of the democratic dispensation. To illustrate this, the National Development Plan (NDP) states: "South Africa remains a highly unequal society and too few work".<sup>14</sup> The country is experiencing what some have called the shrinking core of the full-time workers with non-wage benefits. The workers generally experience continued downward pressure on their wages and as a consequence the purchasing power is reduced. For instance the New Growth Path (NGP) Framework observes that "Amongst the employed, many workers had poorly paid, insecure and dead-end jobs".<sup>15</sup> The insufficient income put pressure on workers to find additional sources of income, amongst them, loans, prolonged working hours, and overtime. The indebtedness of the people has been widely reported and identified as a serious problem and as a result most people no longer qualify for credit.

The tendency by the companies to use measures of labour cost reduction, putting downward pressure on wages of full-time workers, whilst on the other hand they report increased earnings, increased executive remuneration and exporting profits (to the Western and European countries) is increasing the wealth and income inequality in the society. The unemployed people who rely on the few employed in the family put more burden to the individuals who are employed in the family. The industrial action, in particular their length of period (mining in particular – platinum sector, metal and engineering sector and communication - post office) by workers was the reflection of the desperate situation, method of resistance and struggle for increased income to maintain and improve the living conditions of their families.

## 2.13. Work stoppage future outlook for 2015

The Minister of Finance indicated that the projection for economic growth for 2015 is just 2%, down from 2.5% indicated in October last year (2014)<sup>16</sup>. Therefore, this provides some sense and view of how the economy is expected to perform during 2015 and the impact on the labour market and lives of the poor both employed and unemployed. The 2014 collective bargaining resulted in a number of multi-year agreements between employers and labour in various industries. The prospects for economic growth and multi-year agreements create conditions and an environment for a decline in the number of industrial actions in 2015. The expected decline in the number of industrial actions will be the continuation of the decline that took place in 2014, however their duration was long.

<sup>14</sup> National Development Plan 2013, Executive Summary, National Planning Commission

<sup>15</sup> The New Growth Path: Framework

<sup>16</sup> Finance Minister, Budget Speech, 25 February 2015

The above notwithstanding, it is expected that the public sector and gold sector negotiations will be prominent in 2015. The public sector wage negotiations that commenced in 2014 were not yet concluded by the time of writing this report. On the other hand, the communication sector (Post Office) labour relations were still uncertain as the Communication Workers Union reported in late 2014 and early 2015 that they will go to another industrial action after they came back from the lengthy one that took place in 2014.

The wage negotiations are also expected in the coal sector with the involvement of the National Union of Mineworkers and Solidarity as they represent the majority of members.

It should be noted that the Minister of Finance had already announced in his Medium-Term Budget Policy Statement in October 2014 that public servants will have to accept inflation-related increases or face staff cuts. This position was uttered while the negotiations were not yet concluded and outside the collective bargaining process. In addition there was still a huge gap between the demand by workers of around 15% across-the-board increase and employer's offer of a multi-year agreement of 5% per annum for three years effectively from 1 April 2015.<sup>17</sup> The government budget position and inflation limits will create challenge for settlement that will be favourable to public servants and it is likely that mining workers will not accept imposition of inflation as a benchmark and instead will focus on the living wage perspective, closing the wage gap, addressing the cheap labour legacy and correcting the wrongs of the past.

The future environment however creates the possibilities for prolonged strikes. The prolonged strikes might be reduced by the implementation of the labour law amendments that are expected to be effective from 1 April 2015. The amendment in the labour laws will give powers to the Commission for Conciliation, Mediation and Arbitration (CCMA) to intervene in strikes without the consent of the affected parties.<sup>18</sup> The impact of the amendments on the labour legislation will nonetheless be evaluated in the near future.

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<sup>17</sup> [www.fnb.co.za](http://www.fnb.co.za), Economics, 5 February 2015

<sup>18</sup> Ibid