

Public sector strike on the cards as pay talks collapse

Daily Maverick - 25 Sep 2022

UNIONS Public sector strike on the cards as pay talks collapse Members of the Public Servants Association march through the CBD of Cape Town on 26 August 2010 during a nationwide protest for higher wages. (Photo: Gallo Images / Foto24 / Cheslyn Abrahams) By Ray Mahlaka Follow 25 Sep 2022 Follow 1 At least four trade unions have rejected the government's final offer of a 3% pay increase for public servants. Unions are now testing their members' appetite for strike action. The government's attempt to secure a remuneration deal for South Africa's 1.3 million public servants has gone awry, with some trade unions rejecting its latest pay-rise offer and risking strike action that could paralyse the delivery of crucial state services. Wage negotiations in the public sector began in May when trade unions representing public servants initially demanded a 10% increase for 2022, later reduced to 6.5%. Read more in Daily Maverick: "Unions demand 10% increase in public sector wages, setting the stage for a bitter battle" The government — represented by the National Treasury and the Department of Public Service and Administration — immediately rejected the trade unions' demand, which would cost at least an extra R49.2-billion to fund and implement. The Treasury and its head, Enoch Godongwana, argued that the government could not afford the increase when public finances were still recovering from the impact of the Covid pandemic. Wrestling down the cost of remunerating public servants is a crucial part of getting South Africa's public finances back into shape. It will cost R682.5-billion to remunerate public servants during the government's 2022/23 fiscal year, which is the single largest component of its expenditure. The government proposed an offer that is not linked to the cost of

living. The offer gives public servants a 1.5% increase, known as “pay progression”, which is built into their salary structure. It will be factored in every year and awarded for their years of service. As a sweetener, the government threw in an after-tax cash gratuity (or bonus) of R1,000 a month that would run for a year, ending on 31 March 2023. Read more in Daily Maverick: “Government rejects 10% pay hike demand by public sector trade unions” This proposal was spurned by eight trade unions. The government tabled a new offer on 30 August at the Public Service Coordinating Bargaining Council (PSCBC). It proposed increasing the “pay progression” rate from 1.5% to 3%, a rate similar to the one recently offered to government ministers and their deputies, premiers, members of provincial executive councils, judges and traditional leaders. But it came with several caveats: the government would embark on initiatives that would keep the amount it spends to remunerate public servants from growing, including asking public servants to take early retirement without penalties and reassessing critical skills in the public sector to offer voluntary severance packages. Divisions in the trade union movement The response by unions to the government’s improved offer has been divided. After being given 21 days to engage their public servant members about the offer, unions — including the National Union of Public Service and Allied Workers, the Police and Prisons Civil Rights Union, the South African Correctional Services Workers Unions and the South African Policing Union (Sapu) — rejected the offer. These unions, canvassed by DM168, as well as others — including the Public Servants Association (PSA), the South African Democratic Teachers Union, the National Education Health and Allied Workers Union, the Democratic Nursing Organisation of South Africa and others affiliated to labour federation Cosatu — said they were still gathering feedback from their public servant members about the government’s improved offer. They had not officially rejected the offer. In engaging their members, the unions will also test their appetite for strike action, which would force the government’s hand in awarding public servants cost-of-living pay increases. The unions are balloting their members — a process that will determine whether a strike enjoys majority support (more than 50%) from public servants, and also outline picketing rules. Visit Daily Maverick’s home page for more news, analysis and investigations But the balloting process will be complex and take a long time to conclude, said Lesiba Thobakgale, a negotiator for Sapu. Sapu and the PSA have taken steps closer to strike action. Both unions have declared a dispute at the PSCBC, as their negotiations with the government for an inflation-linked pay rise have failed. And on 20 September, Sapu and the PSA were awarded certificates of non-resolution by the PSCBC, which paves the way for their members to embark on a legal strike if they agree to do so. A major strike in the public sector last occurred in 2010, paralysing schools and hospitals for 20 days. The strike

turned violent and police at state facilities in Gauteng and the Northern Cape fired tear gas, rubber bullets and water cannon. To end the strike, trade unions eventually accepted a 7.5% pay rise and an R800 monthly housing allowance. Godongwana will not want this history to be repeated — his Cabinet colleagues will want to avoid a public sector strike at all costs.

A sticking point for the trade unions is that a Constitutional Court ruling in February 2022 endorsed the government's decision to renege on the last leg of a three-year remuneration agreement with unions because it could no longer afford to implement pay increases of 8% in 2020. Unions argued that the ruling would put the collective bargaining process at risk because the government could walk away from binding agreements whenever its financial situation deteriorated. This weakened the negotiating power of unions and some lack an appetite to embark on a costly strike, said labour analyst Michael Bagraim. "The government tends to implement a no-work, no-pay policy during strikes. So to expect public servants to go on a strike and earn nothing when the economy and cost of living are tough will be a lot. They cannot sit at home for two weeks and not earn anything," he said.

This story first appeared in our weekly Daily Maverick 168 newspaper, which is available countrywide for R25.

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