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Employment Relations in South Africa
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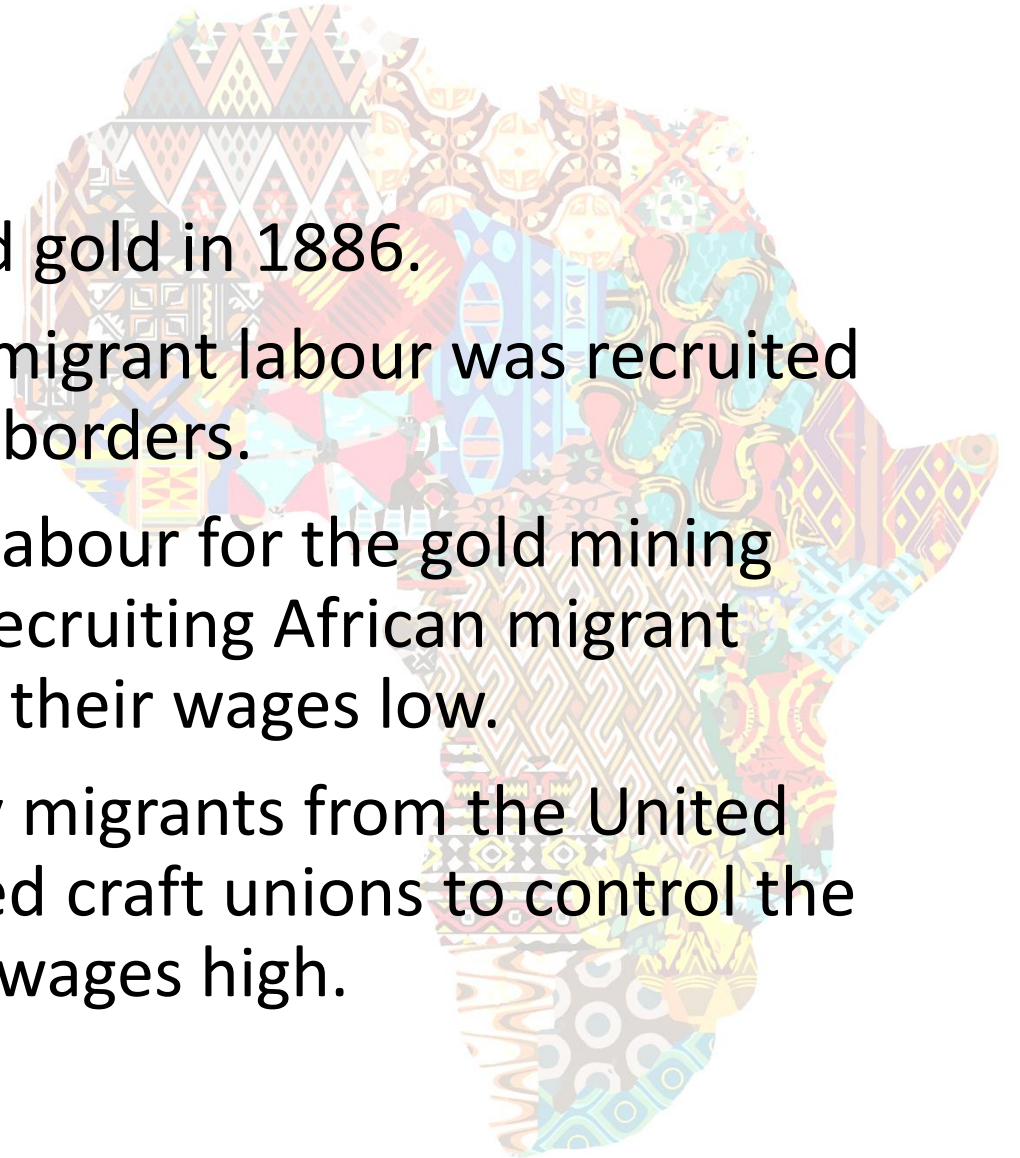
Background

- Unlike all the other countries in Sub-Saharan Africa with the exception of Zimbabwe, the European settlers did not return to their original home countries, but remained in the country after the countries became independent.
- Although the European settlers constituted a small minority of the total population they remained the dominant force. They retained political and military control. In South Africa the economy and wealth as well as most of the land remained in White hands.
- This profoundly effected the system of employment relations that evolved historically in South Africa.



Historical context

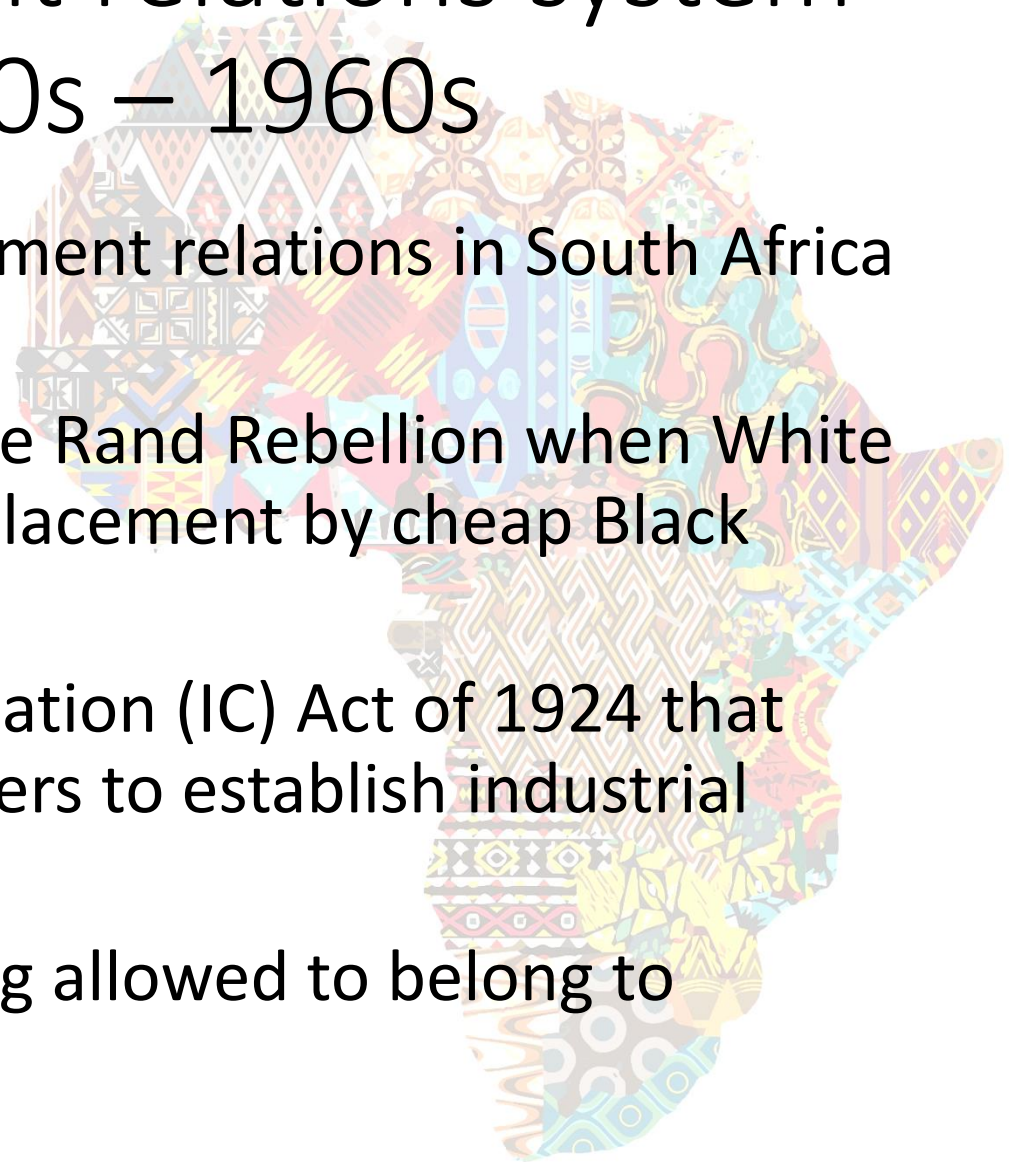
- Diamonds were discovered in 1867 and gold in 1886.
- To do the hard physical labour African migrant labour was recruited from within and beyond South Africa's borders.
- The Chamber of Mines, that recruited labour for the gold mining industry, established a monopsony in recruiting African migrant labour. This enabled the mines to keep their wages low.
- The skilled work on mines was done by migrants from the United Kingdom and Australia. They established craft unions to control the supply of skilled labour and keep their wages high.



Evolution of employment relations system

First Period 1920s – 1960s

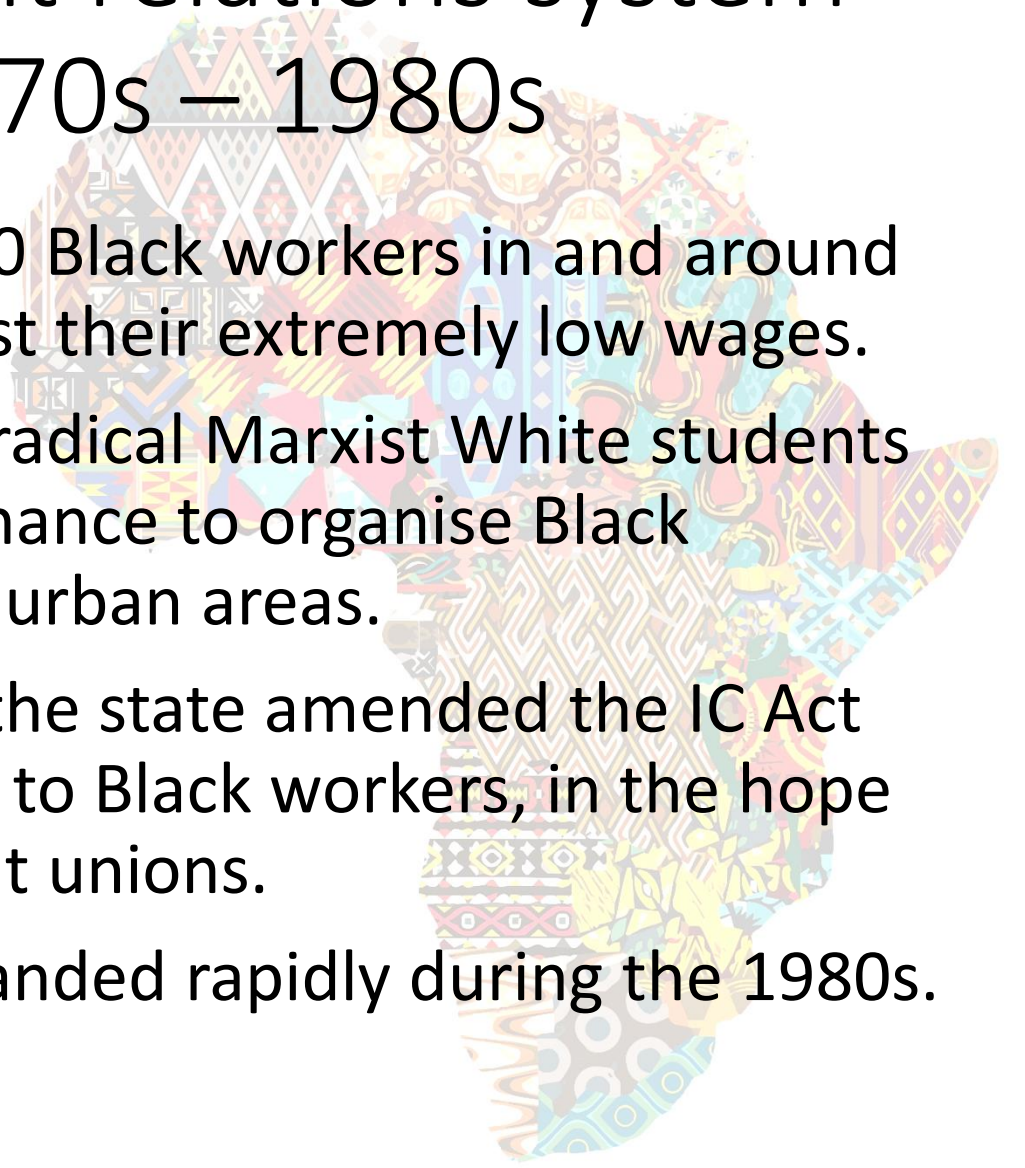
- The history of institutionalised employment relations in South Africa can be divided into three periods.
- The first period started in 1922 with the Rand Rebellion when White mineworkers revolted against their replacement by cheap Black labour.
- The outcome was the Industrial Conciliation (IC) Act of 1924 that enabled White employees and employers to establish industrial councils and bargain collectively.
- Black males were excluded by not being allowed to belong to registered trade unions.



Evolution of employment relations system

Second Period 1970s – 1980s

- The second period started when 60,000 Black workers in and around Durban went on strike in protest against their extremely low wages.
- The raised worker consciousness gave radical Marxist White students and former Black trade unionists the chance to organise Black workers into trade unions in the major urban areas.
- As the unions entrenched themselves the state amended the IC Act from 1979 to 1981 to extend full rights to Black workers, in the hope of institutionalising increasingly militant unions.
- As a result, Black unions grew and expanded rapidly during the 1980s.



Evolution of employment relations system

Third Period 1990s - 2020

- The catalyst for the third period was the growing economic and political protests against the apartheid regime during the 1980s.
- The Congress of South African Trade Unions (COSATU) led the mass democratic movement protest actions in massive strikes and stayaways.
- After the African National Congress (ANC) and the South African Communist Party (SACP) were unbanned in 1990, they entered into a Tripartite Alliance with COSATU.
- After the political transition to a constitutional democracy in 1994, the ANC government passed worker-friendly employment relations law.



Legislative framework of employment relations 1

- The first law of the new regime was the National Economic Development and Labour Council (NEDLAC) Act of 1994.
- NEDLAC consists of the peak organisations of the government, business, labour and civil society. Its main role is to consider all draft labour legislation, amend it until consensus is achieved, then submit it to parliament.
- The Labour Relations Act (LRA) of 1995 retained industrial councils, renamed them bargaining councils and extended them to the public sector.
- Section 35 of the Act established the Public Services Coordinating Bargaining Council (PSCBC) statutorily while section 37 granted it the right to designate a sector of the public service for the establishment of a bargaining council.

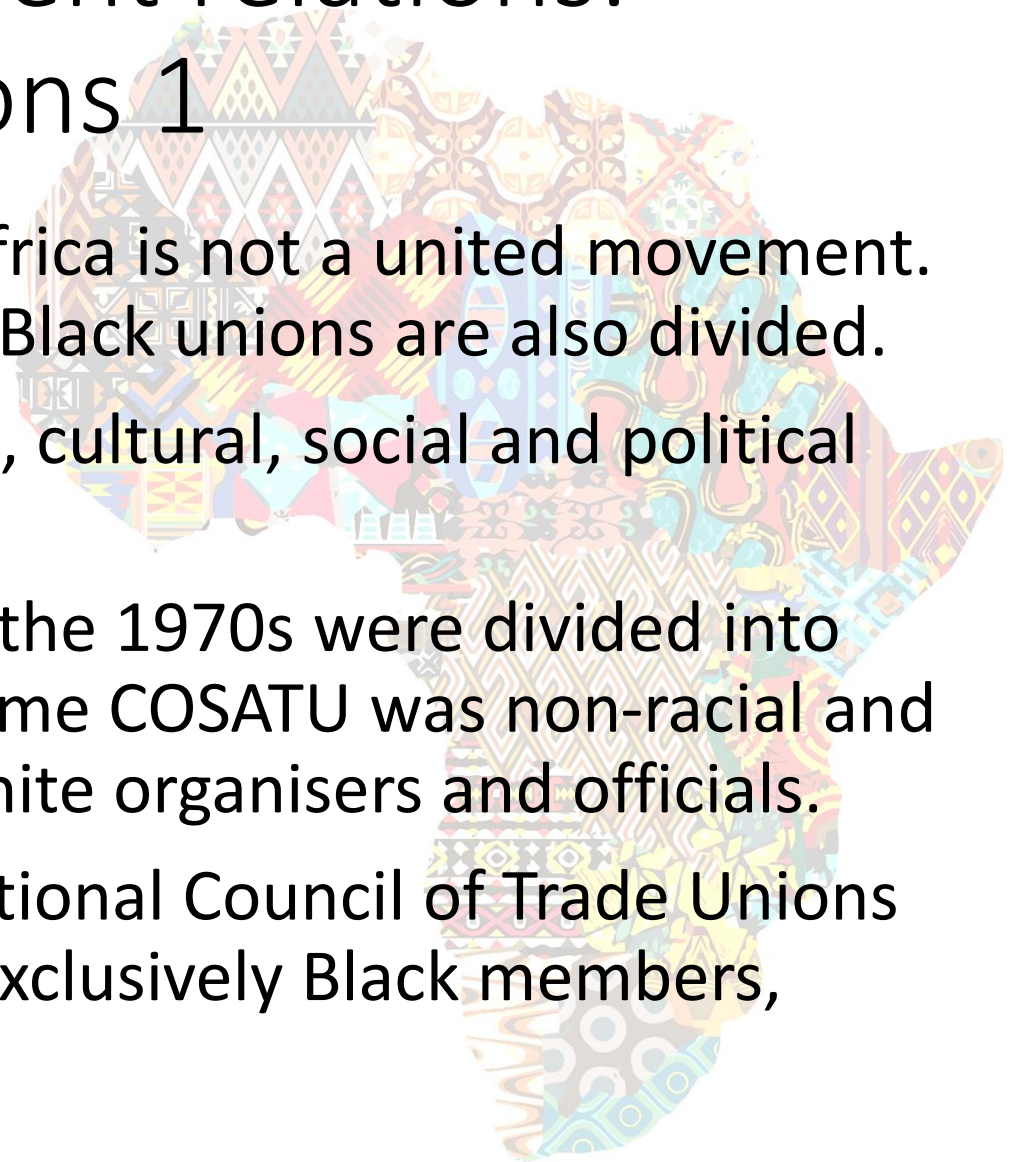
Public Sector Bargaining Councils

- excluded educators and police personnel, hence the Education Labour Relations Council (ELRC) was set up for educators and the National Negotiating Forum (NNF) for uniformed police personnel
- The PSCBC elevated the Education and Labour Relations Council (ELRC) in combination with another bargaining forum into the Safety and Security Sectoral Bargaining Council (SSSBC). In addition the PSCBC created two more bargaining councils, the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) that covers the whole of the health and welfare sector, and the General Public Service Sectoral Bargaining Council (GPSSBC) that covers all employees who do not fall within the scope of any of the other sectoral bargaining councils.

Parties in employment relations:

Trade unions 1

- The trade union movement in South Africa is not a united movement. It is not only divided along racial lines. Black unions are also divided.
- Black unions are divided on ideological, cultural, social and political grounds.
- The Black unions that emerged during the 1970s were divided into two camps. The larger group that became COSATU was non-racial and Marxist in orientation. It welcomed White organisers and officials.
- The smaller group that became the National Council of Trade Unions (NACTU), was pan-Africanist and had exclusively Black members, organisers and officials.



Parties in employment relations:

Trade unions 2

- A dispute within COSATU led to the expulsion of the National Union of Metalworkers of South Africa (NUMSA) in 2015. It then formed the South African Federation of Trade Unions (SAFTU).
- SAFTU declares itself to be “socialist-orientated, pan-Africanist from a Marxist perspective, and inspired by the principles of Marxism-Leninism”.
- The Federation of Unions of South Africa (FEDUSA) was established in 1997. It is multi-racial including many Coloured members. It has a social democratic orientation.
- Solidarity is a union that aims to protect minority rights, especially those of Afrikaans-speaking Whites and Coloureds.



Parties in employment relations:

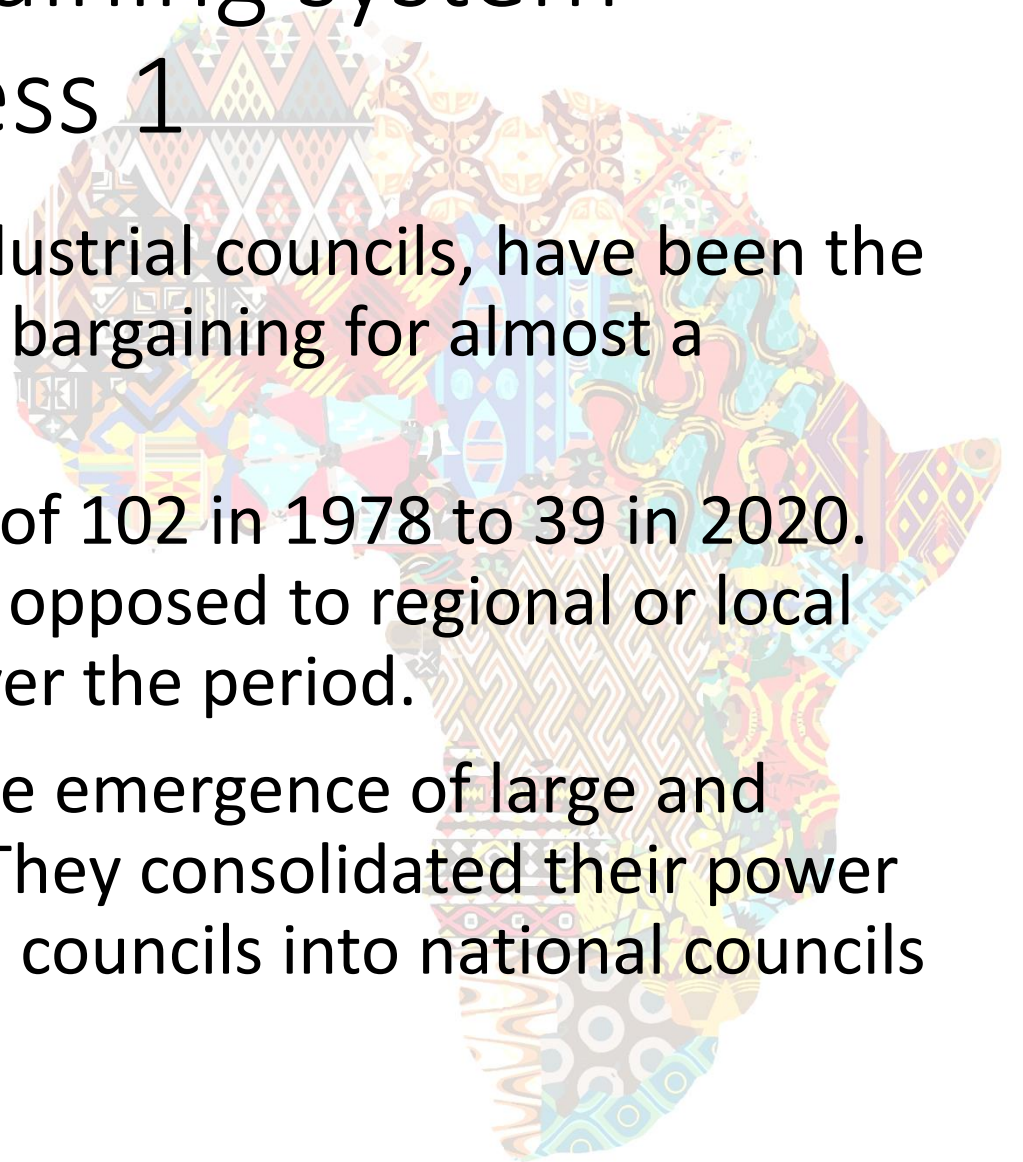
Employers' association

- The oldest employers' organisation is the Minerals Council of South Africa, the rebranded Chamber of Mines which dates back to 1887.
- The Steel and Engineering Industries Federation of South Africa (SEIFSA) is more than a century old. It is the umbrella for 24 independent employers' association.
- SEIFSA negotiates collective agreements on the national Metal and Engineering Industries Bargaining Council.
- The National Employers' Association of South Africa (NEASA) consists mainly of small businesses. It is hostile to bargaining councils and opposes the extension of bargaining council agreements to small businesses.



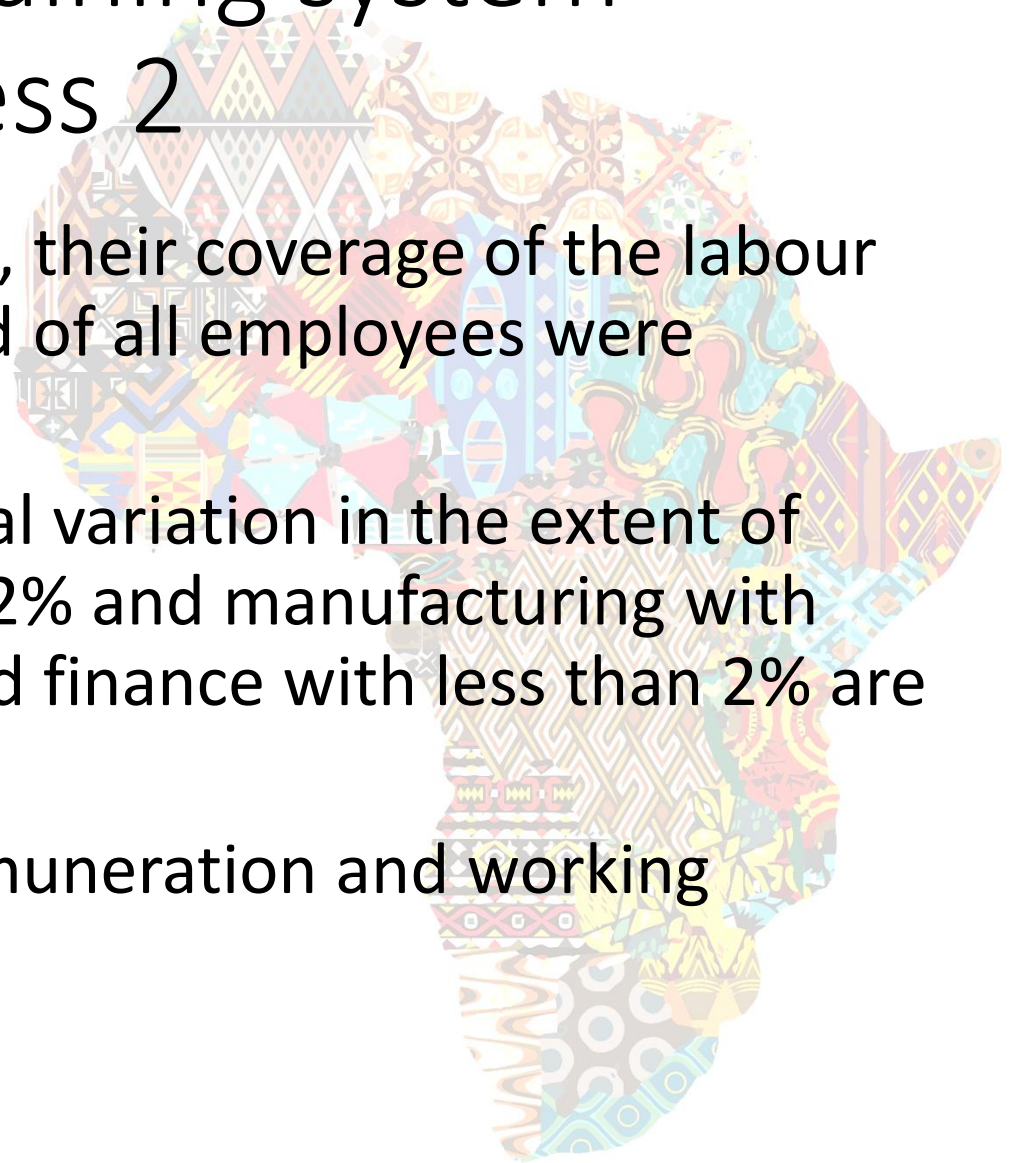
The collective bargaining system and process 1

- Bargaining councils, formerly called industrial councils, have been the key law-based institutions of collective bargaining for almost a century.
- They dwindled in number from a peak of 102 in 1978 to 39 in 2020. The proportion of national councils, as opposed to regional or local councils, has risen from 13% to 54% over the period.
- This centralisation was partly due to the emergence of large and powerful national Black trade unions. They consolidated their power by forcing the merger of some regional councils into national councils and setting up new national councils.



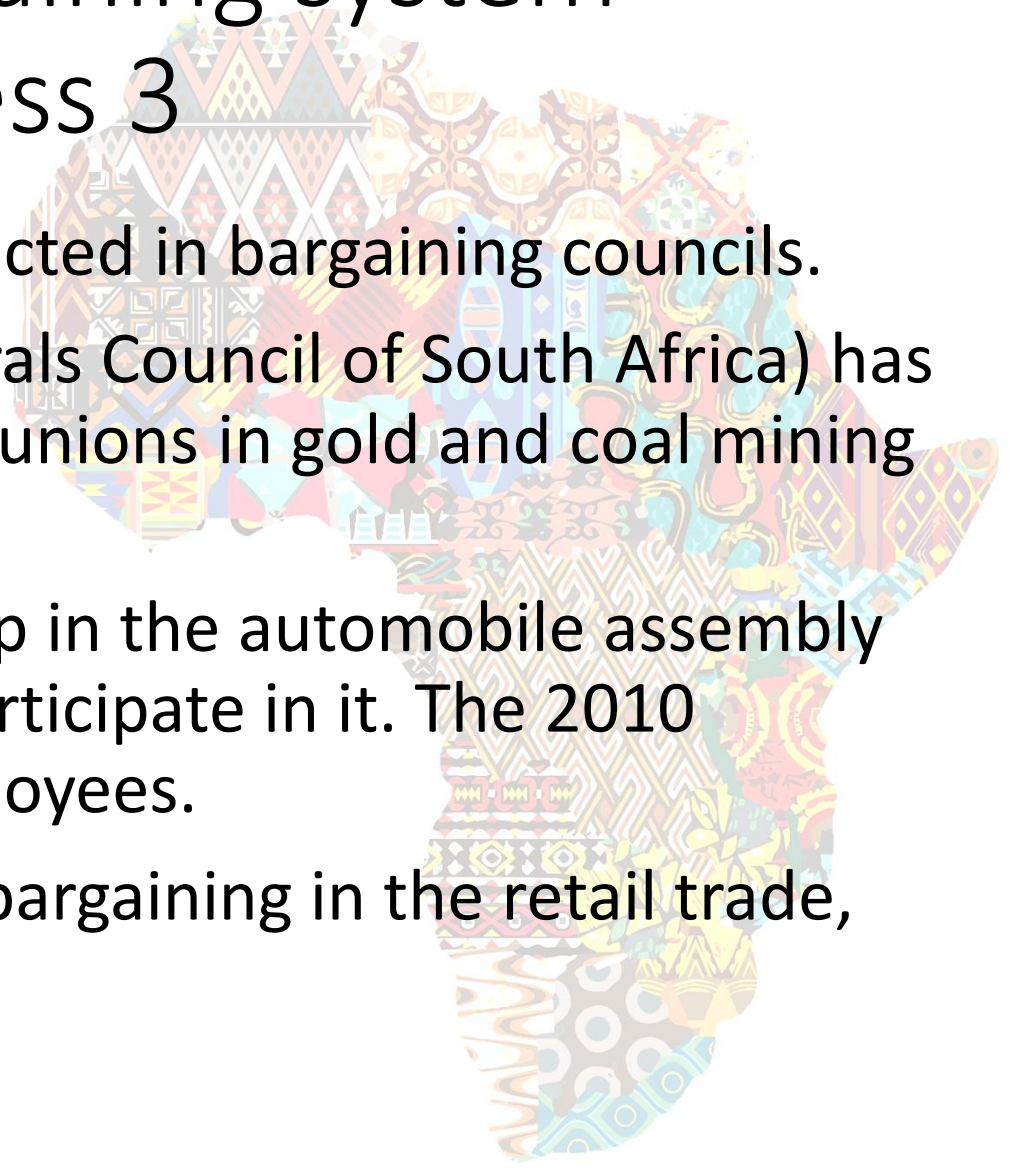
The collective bargaining system and process 2

- In spite of the longevity of the councils, their coverage of the labour force is low. In 2004 less than one-third of all employees were covered by council agreements.
- There is, however, considerable sectoral variation in the extent of coverage by councils: Transport with 72% and manufacturing with 43% are high, while trade with 14% and finance with less than 2% are low.
- The PSCBC however negotiates the remuneration and working conditions of all public servants.



The collective bargaining system and process 3

- Collective bargaining is not only conducted in bargaining councils.
- The Chamber of Mines (now the Minerals Council of South Africa) has conducted centralised bargaining with unions in gold and coal mining since 1915.
- A National Bargaining Forum was set up in the automobile assembly industry in 1989. All the assemblers participate in it. The 2010 agreement covered about 30,000 employees.
- There is also extensive company-level bargaining in the retail trade, especially in large chain stores.



Over to Asanda Benya

