

## LABOUR MARKET DASHBOARD

### AN OVERVIEW OF THE LATEST PROMINENT ISSUES IN THE LABOUR MARKET

#### 1. LOADSHEDDING AND ITS RIPPLE EFFECT:

- For weeks the country has been plunged into darkness with Eskom's recent implementation of stage 6 load shedding which was last experienced in 2019
- Due to the staff protests, Eskom indicated that it was 2 000 megawatts away from implementing stage 8 load shedding which would have resulted in the country not having electricity for 48 hours over a four-day period or 96 hours over eight days
- With the recent return of its staff, Eskom announced its implementation of stage 4 and stage 2 load shedding as of the 10<sup>th</sup> of July 2022.

The agricultural sector has reported expansive losses of machinery and equipment which have been damaged by the persistent load shedding and has warned that the crippling outages will result in increase of production costs.

Load shedding has affected the farming sector in the following manner:

- Farmers will now be planting less due to rising costs associated with their farming
- Plant schedules are affected leading to reduced numbers of seasonal produce
- Increased costs of production
- Farmers spend more time working to catch up on lost hours which also results in overtime wages.



Small, Medium, and Micro-enterprises (SMMEs) are also being affected by load shedding in that:

- SMMEs' security is being compromised (they have become more prone to theft and burglary)
- They are facing loss of profit due to loss of production
- Their electronics and goods being sold are often damaged
- SMMEs are making less money but are still expected to pay the same amount of rent.

With the increased fuel prices, working from home has become a far more attractive strategy for the working class. However, the load shedding disruptions have affected organizations' outputs and productivity.

Businesses and workers have been affected by:

- Diminished productivity
- Failing internet connections
- Missed deadlines as employees are struggling to complete tasks on time
- Staff having to redo work because of lost data
- Staff taking longer periods to complete work.

- While stage 4 load shedding is expected for most of July, there could be light at the end of the tunnel with a number of staff being reinstated and the additional support received from Minister of Public Enterprises, Pravin Gordan.
- The South African government is considering creating a second State-Owned Enterprise for electricity distribution
- Additionally, the government is considering investing in renewable sources to augment electricity supply
- The government is looking into purchasing agreements to procure energy from Independent Power Producers (IPPs)

## 2. FUEL, FOOD, PRICE HIKES:



Month-on-month: The cost of the average household basket **increased** by R78.92 (1.7%) from R4 609.89 in May to R4 688.81 in June 2022

Year-on-year: The cost of the average household food basket **increased** by R560 (13.6%) from R4 128.23 in June 2021 to R4 688.81 in June 2022



From the 6<sup>th</sup> of July, fuel variants have **increased** by at R2.30.

- Inland petrol 95- **R26.74**
- Inland petrol 93- **R26.31**
- Coastal petrol 95- **R26.09**
- Coastal petrol 93- **R25.66**

Furthermore, the temporary relief measure against **increasing** fuel prices announced by the (Department of Mineral Resources) DMRE and National Treasury has decreased from R1.50 to 75c

According to the City of Johannesburg, the following tariff **increases** have been applied from 1<sup>st</sup> of July 2022:



- Electricity has **increased** by 7.47%, which is a significant reduction of the increase in the previous financial year of 14.59%.
- Water has **increased** by 9.75%.
- Sanitation charges have **increased** by 9.75%
- Refuse charges have **increased** by at least 5%

## 3. PROTESTS AND SOCIAL UNREST:

On the 12<sup>th</sup> of July, 18 of the South African Revenue Services (SARS) tax branches were not operating due to the staff embarking on a wage protest.

The National Education, Health and Allied Workers Union (NEHAWU) and Public Servants Association (PSA) are continuing their strike following Eskom's strike success with their strike.

Unions claim that if a collapsing Eskom can give staff a **7% increase**, SARS can do more as its doing well in revenue collection.

The unions rejected the 1.3% increase offer after demanding a **10% increase**



On the 6<sup>th</sup> of July, taxi drivers and truck drivers blocked roads, following the announcement of the fuel increase.

The protests paralyzed business in Mpumalanga, spilling over into Kruger National Park and blocking access to the Mozambique border.

While there were also major routes blocked in Richards Bay and Durban.

Sifiso Nyathi of the All Truck Drivers Forum and Allied South Africa (ATDF ASA) suggested that "one day, all of us, taxi drivers, truck drivers and truck operators must come together for a major protest.

- The South African Federation of Trade Unions (SAFTU) is planning on mobilizing all affiliated unions and those outside the federation in unity against what they call “government's failure to protect the poor”.
  - The union is planning a “tools down” in August 2022
- The issues raised by the union include: **the country's power crisis, staggering unemployment levels, increasing cost of living and the freezing of public sectors wages.**

#### 4. DISMISSALS AND MANDATORY VACCINE:



In late June, Tiger Brands had planned to close a fruit and canning operation in the Western Cape, after failing to find a viable buyer.

This would have resulted in a loss of 4 000 jobs.

Even though there are potential investors coming forward to stop an imminent foreclosure, there is still no assurance that Tiger Brands workers are safe.

Following Eskom workers violent protest, Eskom insists that it will take disciplinary action against the workers involved.

This is as unions celebrate the conclusion of the years wage negotiations.

Eskom's head of Human Resources, Elsie Pule said “while Eskom employees are guaranteed the right to strike in the Constitution, like all workers, they have entered into service level agreements with their employer declaring some of them as essential services, this means they cannot strike.”

- Standard bank has dismissed 40 employees and Old Mutual has dismissed 49 employees who had refused to take the Covid-19 vaccine.
- The Congress of South African Trade Unions (COSATU) has called for the immediate reinstatement of these employees, following the companies' withdrawal of their Covid-19 vaccination policy after the reassessment of the state of the pandemic. The federation has encouraged all workers who were fired to lodge grievance with the CCMA. Additionally, the South African Human Rights Commission has received 221 complaints relating to Covid-19, most relating to mandatory vaccine in the workplace.

## 5. CONCLUSION AND RECAP:

As unions draw a line in the sand over Eskom's disciplinary action issues, it appears that the company could be headed for another dispute with workers.

The increase in fuel, which has a domino effect on food and transport costs makes the lives of hundreds of thousands extremely difficult and government officials are warning that South Africa is set to face a repeat of the July 2021 riots as very little has and is being done to address the issues facing the country over last year.

There seems to be no practical solution regarding load shedding which is not making life any easier for consumers as the agricultural sector is planning on increasing prices, for small businesses as well as for workers.

The All-Truck Drivers Forum and Allied South Africa's and SAFTU are warning of a possible unrest.

The CCMA can expect case referrals due to the dismissal of employees upon refusing the vaccine- as COSATU has advised these ex-employees to lodge complaints- as well as case referrals from Eskom's workers should be any dismissals.

### **References:**

1. [https://pmbejd.org.za/wp-content/uploads/2022/06/June-2022-Household-Affordability-Index-PMBEJD\\_29062022.pdf](https://pmbejd.org.za/wp-content/uploads/2022/06/June-2022-Household-Affordability-Index-PMBEJD_29062022.pdf)
2. <https://www.iol.co.za/business-report/economy/rattling-of-protest-drums-as-high-fuel-price-sparks-n4-blockade-6ed5e88a-464a-4509-9bf9-2725c4217886>
3. <https://ewn.co.za/0001/01/01/cosatu-40-standard-bank-staff-sacked-for-refusing-covid-jab-must-be-reinstated>
4. <https://businesstech.co.za/news/government/605566/sars-closes-tax-branches-as-strike-action-hits/>
5. <https://www.news24.com/fin24/economy/eskom-brings-in-ex-employees-manufacturers-to-deal-with-crisis-20220707>
6. <https://www.businesslive.co.za/bd/national/labour/2022-07-12-cosatu-challenge-to-workplace-vaccination-may-be-first-salvo-in-a-broader-war/>
7. <https://www.iol.co.za/dailynews/news/kwazulu-natal/workers-vow-to-shut-down-sars-until-their-demands-are-met-ff6b3398-5003-4ba9-b536-c684ace20592>
8. <https://businesstech.co.za/news/business-opinion/605506/south-african-workers-are-saying-no-to-the-office-but-load-shedding-could-push-them-back-cto/>
9. <https://ewn.co.za/2022/07/06/eskom-intent-on-taking-disciplinary-action-against-employees-who-went-on-strike>
10. <https://ewn.co.za/2022/06/30/sa-2-000-megawatts-away-from-stage-8-load-shedding>
11. <https://www.bloomberg.com/news/articles/2022-06-28/tiger-brands-plant-shutdown-may-cost-4-000-jobs-province-says>
12. <https://www.businesslive.co.za/bd/national/2022-07-06-farmers-warn-of-further-cost-increases-due-to-crippling-power-cuts/>
13. <https://businesstech.co.za/news/finance/604148/load-shedding-is-killing-the-cold-chain-in-south-africa-and-its-pushing-up-food-prices/>
14. <https://ewn.co.za/2022/07/06/eskom-intent-on-taking-disciplinary-action-against-employees-who-went-on-strike>