

Strikes And Their Economic Consequences

Issued by Perfect Word Consulting (Pty) Ltd

After conducting intensive research* into the topic of strikes and labour unrest, the Mandela Initiative came to several conclusions. One of these was that the right to strike is made up of a delicate balance between the power of firms and the rights of employees, and is considered a sign of a healthy democracy.

“Whilst there are potential benefits from strikes (e.g. better work morale, lower absenteeism, or improved labour productivity), strike action also brings about numerous direct and indirect economic costs that can be high, depending on duration, number of workers involved and divisions affected,” the Initiative confirmed.

According to labour expert Suleyman Alley, there are seven key causes of labour unrest: health hazards in the workplace; excessive working hours; low wages; demand for leave with pay; discrimination; inadequate working tools; and aggressive behaviour of managers towards employees. While several activities can be taken in an effort to prevent strikes from occurring or escalating, in the South African context, the tendency towards violent outbursts seems to outweigh reasonable action.

“Strikes and labour unrest have marked negative impacts on the employees themselves, the employers and their stakeholders, the government, consumers, and the economy,” advises Jacki Condon, Managing Director of Apache Security Services. “The negative effects on international trade include the hinderance of economic development, creating great economic uncertainty – especially as the global media continues to share details, images and videos of violence, damage to property and ferocious clashes between strikers and security.”

Strike action results in less productivity, which in turn means less profits. Labour Law expert, Ivan Israelstam confirms that; “The employer is likely to lose money due to delayed service to clients or to lost production time. The employees will lose their pay due to the no work, no pay principle. If the strikers are dismissed they will lose their livelihoods altogether.”

This year alone, Eskom, Prasa, various manufacturing plants, Sasol and the Post Office have faced crippling strikes – to name but a few. Condon argues that there are more immediate consequences to consider than loss of income. “As the socio-economic issues continue to affect South Africans across the board, tensions are constantly rising,” states Condon.

“Businesses must protect themselves, their assets, business property, and their non-striking employees from violence and intimidation.”

Condon believes that this requires the deft hand of well-trained and highly qualified close protection operatives. These operatives provide not only protection, but video evidence as well, ensuring those responsible for damage can be held to account. “The key is to create a strategic partnership with a reliable security provider. Plans must be put into place to protect businesses against vandalism, physical assault, property invasion and intimidation during labour unrest,” concludes Condon.

For more information, please contact Jacki Condon: jcondon@apachesecurity.co.za.

* <http://www.mandelainitiative.org.za/the-impact-of-strikes.html>

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Apache Security Services was built on the solid belief that the protection of lives, property, assets and reputations can only be achieved by people who are fanatically driven and obsessed with being the best in their chosen profession; this is the philosophy our management team lives by.

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