THE STATE OF LABOUR RELATIONS IN LOCAL GOVERNMENT AND SALGA’S ROLE IN PROVIDING SUPPORT SERVICES TO MUNICIPALITIES

A conceptual framework
About this Publication

This report was written to support the development of an implementation framework for the management and provision of direct labour relations support to targeted municipalities. The development of the implementation framework was commissioned by SALGA to D.I.M. Industrial Relations Solutions.

Acknowledgements:

Lerato Shai – Report author
Rio Nolutshungu – Project sponsor
Duduzile Madubanya - Project implementation lead
Rebecca Matsie – Project research support
Zwe Ndlala – Project manager
Johan van Zyl – Project co-ordinator
Mvuyisi April – Project compliance support
Thobile Mhlongo – Project management support
Thavarajoo Pillay – Project implementation support
Ntsakisi Madzibane – Packaging & Distribution
Kwena Prince Mashita – Distributionn
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1 Introduction

The World Economic Forum’s 2019 Global Competitiveness Report ranks South Africa 60th out of 141 countries, an improvement since the last report. Despite notable strengths such as a well-developed financial sector, an advanced transport infrastructure and strong market size, South Africa’s competitiveness continues to be held back by a poor performing labour market particularly the lack of flexibility with respect to wage determination where the country ranks 134 out of 141 countries (Schwab, 2019). This has direct implications for economic growth, the ability to address the structural unemployment challenge and achieve social cohesion.

The local government labour relations context is no different with many municipalities facing long-standing labour relations management challenges. To this end, the South African Local Government Association (SALGA), in its role as an employer body representing local government and as part of its mandate to assist in the comprehensive transformation of local government in South Africa, seeks to develop a systematic approach and implementation framework to providing direct labour relations support to targeted municipalities. This report is one component of a set of deliverables to support the development and implementation framework. It seeks to conduct a comprehensive review of the state of labour relations in local government focusing specifically on collective bargaining, compliance levels, dispute resolution and highlighting critical challenges. Additionally, it will review the current model SALGA implements to support municipalities and compare this with other employer organisations. Finally, this analysis will culminate in a conceptual framework to guide the development of a labour relations support implementation framework.

The report is organised as follows: a brief review of the statutory framework and collective bargaining system, an analysis of the state of labour relations in local government including critical challenges, a literature review of the role of employer organisations, an overview of the existing model of support municipality properties, comparative analysis of employer bodies and a theory of change for labour relations support to municipalities.
2 Methodology and data

The methodology comprises a desktop review of existing documents and literature, an analysis of available secondary data and a methodical audit of available reports to establish major developments and trends. Each of these are discussed in more detail below.

2.1 Literature and document review

The report conducts a review of literature to answer the question: what is the role of employer organisations in labour relations? The review seeks to understand the services typically provided by employer organisations, their effects on labour relations and the benefits members derive from association. The intention was to focus on employer organisations in the local government however, what emerged is the limited research available on employer organisations more broadly relative to research on trade unions. Hence, the review draws on available literature on the private sector employer organisations, both internationally and locally, to outline the role of employer organisations. The report also outlines SALGA’s existing model of providing support and the role it plays in labour relations as an employer organisation. This is informed by a review of existing documents, primarily a methodical assessment of SALGA’s annual reports from 2009/10 to 2018/19. SALGA’s annual reports are published to provide an overview of progress against the association’s annual performance plan and highlight important milestones, challenges experienced and the financial performance. Additionally, the report reviews existing documents and websites to conduct a comparative analysis between SALGA and other employer organisations.

2.2 Consultative workshop

A working session was held with SALGA officials responsible for provision of labour relations support to municipalities. This session focused on developing a theory of change for provision of labour relations support and was an important source of insights on challenges in local government and the existing model for addressing them.

2.3 Data sources and survey summary

Department of Employment and Labour industrial action reports

The report takes advantage of the availability of annual industrial action reports published by the Department of Employment and Labour (DEL) from 2008/9 to 2018/19 which documents industrial action in a given reference period, typically a year, and provide insights into the factors underlying these through an analysis of amongst others work stoppages, days lost, duration of strikes and wages lost, causes of strikes and events that took place. The latter is based on the DEL’s media monitoring data system.
South African Local Government Bargaining Council conciliations and arbitration referrals

The South African Local Government Bargaining Council (SALGBC) provided data on cases referred between 2018 and 2021 for both conciliations and arbitration. The data separates cases referred by issues raised, the council divisions where they were raised, and outcomes of conciliation and arbitration. This data is analysed to understand the critical issues that were raised as well as the state of dispute resolution in local government. The SALGBC also provided additional data on compliance order section 33a cases which includes the status, type of breach and municipal respondents.

Commission for Conciliation, Mediation and Arbitration statistics

The Commission for Conciliation, Mediation and Arbitration (CCMA) provided data on the labour issues raised by the local government sector. This data is analysed to assess trends and establish the most common issues that are raised for conciliation in local government. The data is available from 2015 to 2020.

Labour courts judgements

The Southern African Legal Information Institute (SAFLII) publishes records of judgments for all courts in the country. The number of cases involving municipalities in the Labour Court and the Labour Court of Appeal is collated and analysed to assess the municipalities that have been involved in judgments overtime. The SAFLII is an online repository of legal information with the objective to promote the rule of law and judicial accountability by publishing legal material for open access (Southern African Legal Information Institute, 2021).

SALGA labour relations feedback survey

The report conducts primary data collection in the form of a survey administered directly to municipal officials to obtain data to assess the state of labour relations in their municipalities and their feedback on support received from SALGA. A brief summary of the survey respondents for the latter is provided below.

Table 1 Total survey respondents and number of municipalities per province

<table>
<thead>
<tr>
<th>Province</th>
<th>Total respondents</th>
<th>Total municipalities</th>
<th>Sample municipalities</th>
<th>Percentage of municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC</td>
<td>29</td>
<td>39</td>
<td>23</td>
<td>59%</td>
</tr>
<tr>
<td>FS</td>
<td>7</td>
<td>23</td>
<td>7</td>
<td>30%</td>
</tr>
<tr>
<td>GP</td>
<td>9</td>
<td>11</td>
<td>5</td>
<td>45%</td>
</tr>
<tr>
<td>KZN</td>
<td>31</td>
<td>54</td>
<td>24</td>
<td>44%</td>
</tr>
<tr>
<td>LIM</td>
<td>18</td>
<td>27</td>
<td>12</td>
<td>44%</td>
</tr>
<tr>
<td>MP</td>
<td>8</td>
<td>20</td>
<td>7</td>
<td>35%</td>
</tr>
<tr>
<td>NC</td>
<td>8</td>
<td>31</td>
<td>8</td>
<td>26%</td>
</tr>
<tr>
<td>NW</td>
<td>8</td>
<td>22</td>
<td>7</td>
<td>32%</td>
</tr>
<tr>
<td>WC</td>
<td>24</td>
<td>30</td>
<td>21</td>
<td>70%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>257</td>
<td>114</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: SALGA Labour Relations Survey - Municipal Feedback, 2021
The table provides a breakdown of the total number of municipalities that responded to the survey and the total respondents (municipal officials) per province. Overall, 142 municipal officials (respondents) in 114 municipalities participated in the survey. This represents 44% of the municipalities in the country. Over 70% of the responses were submitted by municipal officials in three provinces: Kwa-Zulu Natal (KZN), Eastern Cape (EC), Limpopo (LIM), and Western Cape (WC). It is, however, important to note that despite low number of responses, Gauteng (GP) is relatively well represented with 5 of the 11 municipalities in the province submitting responses. The survey responses are least representative of municipalities in the Northern Cape where only 26% of the municipalities in the province are represented.

The survey responses also differ by type of municipality. South African municipalities are classified into category A, B and C. The category B municipalities are further subdivided into B1 to B4 classification which was originally developed as part of the Municipal Infrastructure Investment Framework (MIIF) in 2004. The categories are described below:

- **A**: Metropolitan municipalities (metros)
- **B1**: Secondary cities
- **B2**: Local municipalities with a large town as core
- **B3**: Local municipalities with small towns, with relatively small population and significant proportion of urban population but with no large town as core
- **B4**: Local municipalities which are mainly rural with, at most, one or two small towns in their area. Land ownership in the rural areas within these municipalities is typically communally owned.

The classification also includes distinguishing between C1 district municipalities, which are not water services providers, and C2 district municipalities, which are water services providers. To analyse the type of municipalities that responded to the survey, Table 2 shows the breakdown of municipalities that responded to the survey per category compared to the total municipalities in the category.

<table>
<thead>
<tr>
<th>Municipal category</th>
<th>Total responses</th>
<th>Survey sample</th>
<th>Total municipalities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>9</td>
<td>4</td>
<td>8</td>
<td>50%</td>
</tr>
<tr>
<td>B1</td>
<td>14</td>
<td>12</td>
<td>18</td>
<td>67%</td>
</tr>
<tr>
<td>B2</td>
<td>23</td>
<td>14</td>
<td>24</td>
<td>58%</td>
</tr>
<tr>
<td>B3</td>
<td>45</td>
<td>43</td>
<td>101</td>
<td>43%</td>
</tr>
<tr>
<td>B4</td>
<td>27</td>
<td>21</td>
<td>62</td>
<td>34%</td>
</tr>
<tr>
<td>C1</td>
<td>12</td>
<td>11</td>
<td>23</td>
<td>48%</td>
</tr>
<tr>
<td>C2</td>
<td>12</td>
<td>9</td>
<td>21</td>
<td>43%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>114</td>
<td>257</td>
<td>44%</td>
</tr>
</tbody>
</table>

*Source: SALGA Labour Relations Survey - Municipal Feedback, 2021*
The data shows that most of the municipalities that responded to the survey are category B, however the total only represents 43% of the municipalities in the category. The proportion of municipalities that responded is highest for categories A, B1, B2 and C1 municipalities where between 48% and 67% of the municipalities in the category responded.

There are two main implications of the above for the data analysis and interpretation. All analysis that is for the full sample will bias the views of municipalities in KZN, WC and EC and category B1, B2, B3 and B4 municipalities as they account for the majority of the responses. In instances where the analysis is presented per province the views of sampled municipalities in WC, EC, and GP will most accurately reflect the provincial picture relative to NC where municipalities are underrepresented. Similarly, analysis presented per category of municipalities will be most representative for categories A, B1, B2 and C1.

The survey is supplemented by findings from two other surveys SALGA has completed in recent years namely the danger allowance survey administered in 2020 and a survey assessing the functionality of local labour forums conducted in 2016.
3 A brief overview of the statutory framework and collective bargaining system

3.1 Legislative framework and structures

Section 23 of the Constitution of South Africa provides for collective bargaining and confers the right to strike to every worker. The Labour Relations Act 66 of 1995 (LRA) is the foremost piece of legislation that gives effect and regulates these provisions in the constitution with the intention of promoting economic growth, instilling justice in society, creating harmony in the labour market and entrenching democracy in the workplace. It seeks to achieve these by providing a framework for engagement in and promotion of orderly collective bargaining and the development of industrial policy by employers, employees and their respective organisations and unions and to promote effective resolution of labour disputes (Republic of South Africa, 1995).

The Basic Conditions of Employment Act (BCEA) 75 of 1997 is another important legislative instrument governing labour relations in South Africa. As the name suggest, the Act establishes and enforces the terms and conditions of employment which includes amongst others annual leave, overtime, sick leave, and meal intervals. The Act gives effect to section 23 of the Constitution which confers the right to fair labour practices to all workers.

In addition, municipalities are also required to adhere and comply with several other legislation, plans and policies that affect labour relations in local government. These include, for example, the Employment Equity Act, the Skills Development Act and Skills Development Levies Act, the Municipal Systems Act, the Occupational Health and Safety Act, and the Service Charter or Accord. Specifically, Section 3 (71) of the Municipal Systems Act 32 of 2000 states that “municipalities must comply with any collective agreements concluded by organised local government within its mandate on behalf of local government in the bargaining council established for municipalities” (Republic of South Africa, 2000).

The LRA establishes critical structures that are meant to “provide simple procedures for the resolution of labour disputes” (Republic of South Africa, 1995). These include the Commission for Conciliation, Mediation and Arbitration (CCMA) which promotes social justice and enforces fairness in the workplace through preventing disputes and offering resolution services as well as the Labour Court and Labour Appeal Court which are both established to hold exclusive jurisdiction over matters pertaining to the Act.

3.2 Collective bargaining system in the local government context

The South African Local Government Bargaining Council (SALGBC) is the central bargaining structure for labour relations in local government. Although the establishment agreement was signed in 1997, the SALGBC was registered in 2001 with the Department of Labour. The Council was established by voluntary agreement as per the provisions in the LRA and includes SALGA as the sole employer organisation representing 257 municipalities and two trade unions representing employees namely the IMATU and SAMWU which together represent 91% of the employees in the municipalities. The parties of the Council are primarily responsible for negotiating conditions of service and matters of mutual interest that conclude in collective agreements that are binding for all members represented by the parties (South African Local Government Bargaining Council, 2007).
Roles and functions in labour relations management in local government

The SALGBC comprises two tiers, the central council (national) and 13 divisional councils (provincial and metro divisions) with municipal level bargaining taking place within local labour forums. Figure 1 Levels of collective bargaining in local government shows the issues that each level is responsible for.

Figure 1 Levels of collective bargaining in local government

<table>
<thead>
<tr>
<th>National Level</th>
<th>Divisional Level</th>
<th>Local Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>(section 10.2)</td>
<td>(section 10.3)</td>
<td>(section 11)</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>Special leave</td>
<td>Matters of mutual concern pertaining to the workplace which do not form the subject matter of National and Divisional negotiations, including:</td>
</tr>
<tr>
<td>Medical aid</td>
<td>Acling allowance</td>
<td>• Education and training plans</td>
</tr>
<tr>
<td>Retrenchment policy and severance pay</td>
<td>Night-work allowance</td>
<td>• Employment equity</td>
</tr>
<tr>
<td>Retirement funds</td>
<td>Standby allowance</td>
<td>• Service restructuring</td>
</tr>
<tr>
<td>Homemaker’s allowance</td>
<td>Shift allowance</td>
<td>• Introduction of new technology</td>
</tr>
<tr>
<td>Annual leave</td>
<td>Long-service bonus</td>
<td>• Proposals for privatisation</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>Emergency work</td>
<td>• Work re-organization proposals</td>
</tr>
<tr>
<td>Sick leave</td>
<td>Legal indemnification</td>
<td>• Arrangement of working hours</td>
</tr>
<tr>
<td>Hours of work</td>
<td>Additional paid sick leave</td>
<td>• Health and safety proposals</td>
</tr>
<tr>
<td>Family responsibility leave</td>
<td>Admin measures for the taking of sick leave</td>
<td>Source: SALGA Local Labour Forum Training Programme Presentation, 2020</td>
</tr>
</tbody>
</table>

The central council and divisional councils are responsible for negotiation and conclusion of collective agreements as per the above levels of bargaining. The divisional levels are further responsible for dispute management in the respective divisions. Importantly, the Council plays a crucial role in the enforcement of agreements and has a dedicated department responsible for compliance management and inspection.

The Constitution of the Council outlines the following core objectives which also encompass the roles and function of each of the parties to the Council (South African Local Government Bargaining Council, 2007):

- Maintain and enhance industrial peace and promote sound relations between parties,
- Prevent disputes from arising through negotiation and conclusion of agreements on critical issues relevant to maintaining the mutual interest of employers and employees in local government,
- Administer, supervise, and enforce agreements, to implement the dispute resolution functions set out in the Act,
- Promote education and training in local government,
- Consider, advise, and develop proposals and represent parties and their members on any policy or legislation changes.

With respect to the roles and responsibilities of the local labour forum, the main collective agreement states the following (South African Local Government Bargaining Council, 2015):
The Local Labour Forum shall have the powers and functions of negotiating and/or consulting:

- on matters of mutual concern pertaining to the workplace and which do not form the subject matter of negotiation at the Council or its Divisions.
- on such matters as may from time to time be referred to such forum by the Council or its Divisions.
- provided that it may not negotiate on any matter which has been reserved for exclusive bargaining in the Council or the Divisions.
- Concluding of Minimum Service Level Agreements.

Disputes over what is negotiable, what are the matters that are for consultation and over whether a specific process constitutes sufficient consultation are to be resolved through the dispute resolution mechanism of the Council. The dispute resolution process is discussed in more detail below.

**Dispute resolution process**

Figure 2 below outlines the dispute resolution process within local government. The first step in the process is grievance which entails the aggrieved employee(s) raising the issue with their superior and if unresolved escalated to the Head of the Department and finally to the municipal manager (South African Local Government Bargaining Council, 2015). The grievance procedure is part of the Main Collective Agreement.

Failure to resolve the issue at these levels triggers a dispute which can be referred for conciliation to either divisional council or central council depending on the nature of the dispute. The conciliation is a process that seeks to resolve the dispute by agreement through a meeting with a conciliator (South African Local Government Bargaining Council, 2015). In cases where conciliation does not lead to the resolution, parties involved in the dispute can refer it to the respective council for arbitration or seek to resolve the matter in the labour court depending on the nature of the dispute. During arbitration, a hearing takes place where an arbitrator hears both parties’ case and takes a decision that is binding on the parties to the dispute unless taken on review by one of the parties.

*Source: SALGA Labour Relations Dispensation Presentation, 2016*
Matters of mutual interest that fail to reach settlement through the process described above typically result in employees resorting to strike action unless the dispute relates to essential services employees. As highlighted in the legislative framework, the right to strike is fundamental to the labour relations system in South Africa. It is an important tool at the disposal of trade unions to exercise when collective bargaining fails to meet their demands. A critical motivation for strike action is to compel the employer to adhere to the demands that are of mutual interest to both parties. As will be shown in the section that follows, industrial action has become a persistent feature of labour relations in South Africa (Mzangwa, 2017).
4 The current state of labour relations in local government

4.1 Collective bargaining

SALGA successfully negotiated four multi-year salary and wage collective agreements on behalf of its members in the SALGBC since 2009/10. This is despite challenges such as was the case in 2018/19 when negotiations ended in a certificate of non-resolution. SALGA’s intervention to convene mandate-seeking sessions across provinces to lobby for acceptance of the proposal was critical to the conclusion of the agreement (SALGA, 2019).

Moreover, several other collective agreements were concluded over the period including the Disciplinary Procedure and Wage Curve collective agreement. Moreover, a Service Charter for local government was adopted in the SALGBC. Divisional conditions of service collective agreements were also concluded during this period.

Figure 3 presents the trend in salary and wage increases since the 2012/13 collective agreement and compares this with the official consumer price index (CPI). It is important to note that this CPI is used to estimate the increases in the outer years of the agreement.

Figure 3 Salary and wage increases 2012/13 to 2018/19

Employee and related costs constitute between 23% to 31% of municipal expenditure, hence the ability of SALGA to represent all municipalities and consistently conclude agreements is important for financial planning and expenditure forecasting (Statistics South Africa, 2020). As shown in the graph, the SALGBC’s negotiation yielded above inflation increases over the period of between 6.5% and 7.4%.

1 For example, the 2012/13 agreement notes an increase of CPI plus 1.25% in 2013/14. The CPI rate in that year of 5.7% is added to the 1.25% to arrive at the estimated 7% increase.
These agreements have contributed towards greater predictability for municipalities.

**Figure 4 Salary and wage increases 2012/13 to 2018/19**

<table>
<thead>
<tr>
<th>SALGA’s representation at the collective bargaining council enables better municipal planning (106)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
</tr>
<tr>
<td>6%</td>
</tr>
</tbody>
</table>

*Source: SALGA Labour Relations Survey - Municipal Feedback, 2021*

Feedback from municipalities shows significant agreement that that the agreements reached by SALGA in collective bargaining are important and enabling of stability, predictability in municipal planning and contributing to better planning.

### 4.2 Levels of compliance

For the collective bargaining outcomes to be realised, it is important for all stakeholders to adhere to the laws, agreements and procedures that govern the processes. One important indicator of compliance with labour laws and collective bargaining framework is adherence to the Labour Relations Act. As discussed in the section above, the Labour Relations Act is explicit about the requirements that need to be met for a strike to be considered protected. Employees and employers, or their respective representatives, are required to engage in dispute resolution process prior to any action taking place. In the event of failure to settle the dispute, the union is required to provide the employer with 7 (seven) days (Section 64 LRA) notice of their intention to strike. A strike is considered unprotected where it occurs without these processes having been complete. The proportion of industrial action that is procedural therefore serves as measure of levels of compliance with labour laws and procedures. The trends in the proportion of strikes that are protected and unprotected in the country are provided in Figure 5 below for the period 2015 to 2019.

**Figure 5 Proportion of protected and unprotected strikes**

*Source: Department of Labour Annual Industrial Action Reports, 2010 - 2019*
The data suggests worsening levels of compliance with the Labour Relations Act and collective bargaining processes since 2017 with 65% of all work stoppages in 2019 unprotected. The Department of Employment and Labour reports that in 2019 the majority of the unprotected strikes occurred in the community industry driven by municipal and health workers who failed to follow due process prior to engaging in strikes (Department of Employment & Labour, 2019). Moreover, existing literature on strike action in South Africa highlights increasing incidence of violence and intimidation with non-striking workers placed at risk with many prevented from going to work (Selala, 2014).

Moreover, SALGA conducts regular monitoring of compliance with collective agreements. In their 2018/19 annual report, the association notes a growing trend within local labour forums to enter into agreements that were in contravention with collective agreements with negative effects on labour relations in these jurisdictions. This finding is another indicator of weakening compliance with laws and labour relations procedures in the local government context.

The labour relations municipal feedback survey asked respondents to indicate the main barriers to labour relations legislative compliance. The main reason reported are inadequate financial and other resources (47%), incorrect interpretation of legislation (36%) and agreements and poor understanding of legislation and agreements (35%). The main barriers are, however, different across the provinces and municipal categories as shown in Figure 6 and Figure 7 below.

Figure 6 Main barriers to labour relations legislative compliance: provincial breakdown

The breakdown highlights a few nuanced differences. While inadequate resources and poor understanding legislation and agreements are main barriers in most municipalities. The main barriers in Limpopo, North-West and Mpumalanga municipalities are poor leadership and management in the municipalities as well as incorrect interpretation of legislation and agreements respectively.

Source: SALGA Labour Relations Survey - Municipal Feedback, 2021
The municipal category breakdown adds further insight suggesting different core barriers in different types of municipalities. Inadequate financial and other resources is a particular problem in B3 municipalities. Most of the responses from metropolitan and C1 municipalities reveal that poor understanding of legislation and agreements as a key barrier, while incorrect interpretation of legislation and agreements and poor leadership and management are reported as main barriers in B4 and C2 municipalities respectively.

4.3 Dispute resolution

This section provides data that is focused on instances when a mutual interest dispute is unresolved emphasising strike action and the trends in municipal cases in the labour courts.

Number of work stoppages

The data presented in Figure 8 below shows an increasing trend in the total number of annual work stoppages in the country indicating a worsening labour relations context overall.
The reports note that the community industry has continued to be a major contributor to the total number over the period with local government highlighted in later years (also shown in Figure 5). A steep increase in work stoppages within this industry is observed from 2016 which coincides with local government elections. While a decrease is observed in 2019, the industrial action report for the same year notes that the trend for the community industry in particular is positive (Department of Employment & Labour, 2019).

Moreover, 45% of the total 157 total strikes reported in 2019 occurred in the community industry. While the reports do not provide a breakdown of the total number of strikes in local government specifically, the narrative notes that the increase in recent years has been driven by industrial action in local government and the health sector where workers demanded changes to working conditions and improvements in wages and benefits. Some employers resorted to the use of replacement labour to minimise the effect on service delivery.

**Working days lost per organisation**

One of the negative effects of a strike is work stoppages and the lost days of work which further impacts directly on service delivery. The total number of workdays is calculated by multiplying the number of workers involved in each stoppage by the duration of the stoppage in days lost and adding the totals for all stoppages during the analysis period. Figure 10 outlines working days lost by organisation and divides government into the different spheres which allows for an analysis of the specific contribution of local government to the total days lost in the country.
The private sector plays a dominant role in the working days lost in the labour market with a majority contribution across the period largely due to industrial action in the mining industry. Although the proportion of working days lost that emanates from local government has been inconsistent between 2010 and 2019, the proportion of days lost in this sphere in recent years is the highest in government. Read together with the data on the total number of strikes where local government is a key contributor, the above working days lost data suggests that strikes are frequent but of short duration.
Despite frequent and relatively short strikes when compared to the private sector in particular, the number of working days lost to strikes in local government paints a concerning picture. The working days lost decreased from 2010 stabilising in 2012 and 2013 however, this progress has since reversed with the total days lost in 2019 returning to levels observed in 2010. This upward trajectory is due to an increasing number of strike actions by municipal workers over the period.

A closer look at the contribution of each trade union representing municipal workers shows that most of the working days lost has been due to work stoppages by SAMWU members. This finding aligns with the individual reports which suggest a dominance of SAMWU in strike action. Nonetheless, it is noteworthy that both unions experienced a significant increase in days lost.

Principal cause of dispute

The industrial action reports have consistently tracked the principal cause for a dispute that led to strike action which provides time series data to assess the changes over time. Figure 13 shows the trends in the proportion of working days lost that was due to a particular labour dispute issue between 2010 and 2019 in the country. It is immediately evident that the primary cause of disputes over this period has been disagreements over wages, bonus, and other compensation benefits constituting a minimum of 60% of the working days lost during this period. Although high, a downward trend is observed between 2010 and 2017 which points to possible improvement in the collective bargaining processes across various industries in this time. The days lost to these disputes have been on the rise again since then. Other important drivers of strike action include grievances, working conditions and refusal to bargain.
The above data is for the entire labour market. As discussed in the introduction to this section, to understand the nuanced experience in municipalities, the review process includes a collation of and analysis of the individual municipal reports across all the industrial reports since 2010. This analysis suggests that, although pay progress and wage increase related disputes occurred, in most of the strike action that took place in municipalities, the disputes over wages, bonus and other compensation benefits were not due to the salaries and wage levels which are regulated by collective agreements but instead resulted from non-payment of wages due to workers in specific months. This includes non-payment or late payment of salaries and wages, overtime pay, leave pay, and bonuses. The strike action was also driven by discontent with changes to policies e.g. a change to leave pay arrangements where municipality used to pay for unused leave and took a decision to discontinue. Pay progression also came up as an issue along with employee job evaluation and categorisation of municipalities, market related benchmarking exercises supported by SALGA and evaluations that would lead to changes in salaries.

The analysis of the reports also provides further detail regarding the type of issues related to working conditions, grievances, and other reasons. A theme that emerges is contestation with respect to the use of private providers and the outsourcing of service provision. Municipal workers went on strike to oppose both with reasons including the poor performance of some providers and the failure of employers to fill vacant positions and the consequent effects on working conditions. There are several disputes related to demands for expanded public works and other short-term workers to be made permanent employees which is linked to the action against outsourcing.

Several strikes demonstrate a clear lack of confidence in the management of the municipality both at a political and administrative level. This emerges from workers perceptions of unfairness, nepotism, poor performance and corruption by municipal leaders and senior management. This lack of trust is further affected by workers views that municipal management fails to implement agreements from local labour forums. Insights from the theory of change workshop with SALGA officials indicates that part of the reason is union pressure to deviate from provisions in collective agreements.
Reported municipalities with incidents on industrial action

The collated individual reports of incidents in municipalities are summarised below to investigate which municipalities are mostly frequently reported in the industrial action reports. It is important to note that a limitation of this data is that it is not a comprehensive list of all incidents of strike action that took place in local government over the period. The industrial action reports draw from the DEL’s media reporting system and is limited to what was reported herein. The below data is therefore presented as an initial indication of which municipalities would be ideal for further investigation and will be corroborated with SALGA’s own data regarding challenges.

Table 3 Top ten municipalities by number occurrence in the industrial action reports (2011 - 2019)

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>No. of reports 2011 - 2015</th>
<th>No. of reports 2016 - 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tshwane</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Nelson Mandela Bay</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>eThekwini</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Cape Town</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Metsimaholo</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Sol-Plaatje</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Ekurhuleni</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Msunduzi</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Makana</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Source: Department of Labour Annual Industrial Action Reports, 2010 - 2019*

The list shows the top 10 municipalities with public reports in between 2011 and 2015, and between 2016 and 2019, to match the local government election periods. A key insight from this data is that metropolitan municipalities (Category A) and secondary cities (Category B1) experience significant and repeated challenges with industrial action, and consequentially labour relations management. Specifically, Nelson Mandela Bay emerges as a particularly vulnerable municipality with continued reports of action in recent times as well. The reports of incidents in City of Tshwane and eThekwini and City of Johannesburg have decreased since 2015 but all metropolitan municipalities remain in the top 10. Further analysis of the individual reports reveals the labour relations dynamics in these municipalities. These range from contestation with the use of labour brokers, several strikes by bus drivers in the City of Tshwane when a new fare system was introduced, allegations of corruption by management, demands for permanent employment, improvement of working conditions and cases of municipalities refusing to bargain.
Commission for Conciliation, Mediation and Arbitration issues raised

The majority of the cases referred of the period pertained to application to certify bargaining council awards. This has increased over the period. This is followed by issues related to unfair conduct. A significant portion of the cases in the data do not include a reason for the dismissal. Cases related to equal pay for work of equal value have reduced over the period.

SALGBC referrals

Conciliation referrals

The SALGBC received a total of 6755 referrals conciliation between 1 July 2018 and 30 June 2021. SAMWU referred 2321 of the cases, while IMATU and Others referred 1711 and 2723 cases respectively. Over 80% of the total cases referred apply to three issues namely unfair labour practice (50%), unfair dismissal (29%) and interpretation or application of collective agreement (8%). Moreover, 76% of the cases were either unresolved (60%) or abandoned after conciliation (16%).
The breakdown of issues raised by outcome also suggests that most referrals end in non-resolution or abandonment after conciliation. The two issues with the highest proportion of cases resolved are those that pertain to mutual interest, refusal to bargain and labour broker. As can be expected most of the cases that are referred to the incorrect jurisdiction are those classified as other. The results above suggest that conciliation repeatedly fails to lead to resolution of disputes in local government.

A breakdown of the issues by division where the case was referred shows that all SALGBC divisions receive referrals of related to unfair labour practices and unfair dismissal. Referrals related to the interpretation/application of collective agreements are mostly dealt with by the central council and most of the fixed term contract issues emanated from the Western Cape.

**Arbitration referrals**

The SALGBC received a total of 4334 referrals conciliation between 1 July 2018 and 30 June 2021. SAMWU referred 1461 of the cases, while IMATU and Others referred 1317 and 1556 cases respectively. The top issues referred include unfair labour practice (52%), unfair dismissal (32%) and interpretation or application of collective agreement (8%).
The breakdown of issues by outcomes paints a better picture for arbitrations compared to conciliations with most of the arbitration cases either concluded, settled, or withdrawn. The consultative workshop insights suggest that a possible reason is because municipalities pay closer attention to cases during the preparation for arbitration and can address the challenges. Issues with a high prevalence of withdrawal include unilateral change to terms/conditions of employment, other and dispute by essential services. Interestingly, all issues relate to part-time employment were withdrawn during arbitration. Fixed term contract and mutual interest are two issues where settlement occurs the most. The issues where an outcome of non-jurisdiction is common include unilateral change to terms/conditions of employment, fixed term contract and other. A similar pattern to the conciliations is observed when the issues are broken down by division i.e., most of the interpretation/application of collective agreements are dealt with by the central council. An exception is issues pertaining to part-time employment which were only referred in Northern Cape. The data provided does not provide a breakdown of awards in favour of municipalities and by who referred the case (unions vs. municipalities). This would provide additional insight on where the problem lies.

The SALGBC also provided additional data on compliance order section 33a cases which includes the status, type of breach and municipal respondents. Overall, 317 cases are reported between 2018 and 2021. As shown below, over 70% of the cases involve non-adherence to the disciplinary procedure, grievance procedure, wages and salaries and organisational rights.
What is also clear from the above is that the cases do pertain to agreements reached through the collective bargaining process and compliance to these agreements.

Table 4 Top ten municipalities by number of arbitration cases referred to SALGBC

<table>
<thead>
<tr>
<th>Municipal respondent</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Tshwane Metropolitan Municipality</td>
<td>47</td>
</tr>
<tr>
<td>eThekwini Metropolitan Municipality</td>
<td>22</td>
</tr>
<tr>
<td>Rustenburg Local Municipality</td>
<td>14</td>
</tr>
<tr>
<td>Ekurhuleni Metropolitan Municipality</td>
<td>14</td>
</tr>
<tr>
<td>City of Johannesburg</td>
<td>6</td>
</tr>
<tr>
<td>Amathole District Municipality</td>
<td>6</td>
</tr>
<tr>
<td>Masilonyana Local Municipality</td>
<td>6</td>
</tr>
<tr>
<td>Renosterberg Local Municipality</td>
<td>5</td>
</tr>
<tr>
<td>City of Matlosana Local Municipality</td>
<td>5</td>
</tr>
<tr>
<td>Endumeni Local Municipality</td>
<td>5</td>
</tr>
</tbody>
</table>

*Source: SALGBC report compliance order section 33a cases, 2018-2021*

The table above further demonstrates, as already seen in the industrial actions reports, that most of the 317 cases involve metropolitan municipalities and secondary cities as respondents with City of Tshwane and eThekwini metropolitan municipalities having the most cases referred.

Table 5 Arbitration cases referred to SALGBC by status

<table>
<thead>
<tr>
<th>Case status</th>
<th>% of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>The municipality has complied. Case Closed.</td>
<td>24%</td>
</tr>
<tr>
<td>Award details logged. Case Closed.</td>
<td>15%</td>
</tr>
<tr>
<td>Complaint or monitoring logged</td>
<td>13%</td>
</tr>
<tr>
<td>Case scheduled for arbitration</td>
<td>5%</td>
</tr>
<tr>
<td>The matter has been withdrawn. Case Closed.</td>
<td>5%</td>
</tr>
<tr>
<td>The Municipality has submitted. Case Closed.</td>
<td>3%</td>
</tr>
<tr>
<td>The matter does not concern compliance.</td>
<td>3%</td>
</tr>
<tr>
<td>Investigation details logged. Case Closed.</td>
<td>3%</td>
</tr>
<tr>
<td>Ruling details logged. Case Closed.</td>
<td>1%</td>
</tr>
<tr>
<td>The matter does not concern a compliance with a collective agreement Case Closed.</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Source: SALGBC report compliance order section 33a cases, 2018-2021*

Lastly, an assessment of the status of the 317 cases suggests most of them have either concluded with compliance by the municipality, award, have been logged, scheduled for arbitration, withdrawn, submission or it did not concern compliance.
Labour court and labour court of appeal cases

A count of judgements involving municipalities on the South African Legal Information Institute provides a picture of the trends in cases in the labour courts.

Figure 19 Number of court cases involving municipalities, Labour Court and Appeal Court

On average, the labour courts heard 40 cases per year which involve municipalities either as applicants or respondents. Similarly, the Labour Appeal Court heard on average 4 appeal cases which involve municipalities. The cases in the Labour Court increased until 2016 and have since decreased and stabilised. A similar pattern is observed for the Labour Appeal Court. The cases cover an array of labour relations issues including dismissal, unfair labour practices, discipline hearings, misconduct, terminations, renumeration and unfair discrimination, suspension and breaches of terms and conditions of employment.

Table 6 Top ten municipalities by number judgements in the Labour Courts (2011 - 2019)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>No. of judgements 2011 - 2015</th>
<th>No. of judgements 2016 - 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekurhuleni</td>
<td>34</td>
<td>23</td>
</tr>
<tr>
<td>Tshwane</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Emfuleni</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>eThekwini</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Maquassi Hills</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Mogale City</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Merafong</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Lekwa</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Matlosana</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

The data shows that metropolitan municipalities and secondary cities had the most disputes referred to the labour court. The exceptions are Maquassi Hills and Lekwa municipalities which are B3.
4.4 Critical labour relations challenges in local government

This section draws from the above analysis of the current state of labour relations over the past decade to present the critical labour relations challenges facing local government. The SALGBC has managed to conclude several important agreements in the last decade, however, these alone cannot and have not delivered labour peace and stability in municipalities. The purpose is to inform the design of support interventions as part of the development of the labour relations support implementation framework.

Dysfunctional local labour forums, weak processes, and poor compliance

The ineffectiveness of local labour forums emerges as a critical challenge from the review of the industrial action reports. Two specific issues arise namely, the refusal of parties to bargain and poor implementation of agreements concluded in the forums. Both issues have led to strike action from municipal workers. Moreover, the SALGA annual report notes support provided over the period to reactivate dysfunctional LLFs which have ceased to provide a platform for bargaining at the municipal level. More recently, the association has noted a growing trend where municipalities enter into agreements through the local labour forums that contradict or are already covered in collective agreements concluded in the SALGBC.

This poor level of compliance also shows up in the increasing number of unprotected strikes in local government. As a central mechanism for the bargaining relationship at the local level, the strength and functionality of local labour forums is critical to achieving labour relations outcomes. Moreover, indications of refusal to bargain and failure to reach agreements in the local labour forums also suggests a breakdown of relations between the two parties. Overall, the survey finds that ineffective local labour forum (43%) is a key challenge in municipalities. However, in a different question, most respondents agree that the LLF is an effective mechanism for bargaining and concluding agreements. This suggests that while municipalities consider the mechanism effective, it is currently not operationally effective.

Figure 20 Level of agreement with LLF is an effective mechanism (no. of respondents in brackets)

Source: SALGA Labour Relations Survey - Municipal Feedback, 2021

Figure 21 Labour relations challenges (LLF ineffective): provincial breakdown

Source: SALGA Labour Relations Survey - Municipal Feedback, 2021
The provincial breakdown shows that this is particularly a problem in the Western Cape, KZN and Limpopo 30%, 27% and 24% of the total responses respectively list this as a main challenge. This is also the case in the Northern Cape and Gauteng however, to a lesser extent.

Figure 22 LLF challenges

![LLF challenges chart]

Source: SALGA Local Labour Forum Training Programme Presentation, 2020

The LLF survey focused on the specific challenges that explain poor functionality of LLFs and notes the lack of or postponed meetings, lack of understanding of LLF roles, and non-implementation of resolutions as key. Additionally, the industrial action reports raised two specific issues: the refusal of parties to bargain and poor implementation of agreements concluded in the forums. SALGA has noted a growing trend where municipalities enter into agreements through the local labour forums that contradict or are already covered in collective agreements concluded in the SALGBC in recent years.

Breakdown of trust between municipalities and organised labour

Harrison notes that (2004) the bargaining relationship aims to establish trust and good relations between management and employees and to keep peace between their common interests. The analysis of the current state of local government points to a failure in the relationship between municipalities and their employees to establish trust and good relations. Several of the strike action reported includes a clear lack of confidence in the municipality to manage and deliver on its mandate with several allegations of corruption, nepotism, and unfair labour practices.

2 Note that this question required responses to choose multiple answers and the total responses are analysed to compare provinces instead of the total number of municipal officials (respondents)
Figure 23 Labour relations challenges (breakdown of trust): provincial breakdown

The result of this breakdown in trust and good relations has been an increase in industrial action with consequent disruptions to service delivery in municipalities. More concerningly, the number of work stoppages and the working days lost to such action, as reported in the industrial action reports, has been increasing in municipalities resulting in significant reductions in productivity. The principal cause of dispute points to several structural challenges in the municipalities. Poor involvement of employees in decision making and failure to effectively consult emerge as a critical challenge. This includes municipalities’ failure to obtain agreement with trade unions on changes to policies related to allowances, bonuses, and other benefits. Moreover, the repeated cases of failure to pay salaries on time also points to challenges with municipal financial management also emerges as an underlying cause of several disputes.

The survey included industrial action as one of the options and it did not emerge as a key challenge overall, however the detailed analysis suggests where there is a need to explore the problem further.
Overall, only 25% of the respondents indicate that industrial action is a challenge. Within the municipal categories, the survey results show higher reported challenge in metropolitan municipalities, B4 and C2 municipalities. Similarly, at a provincial level the Eastern Cape, KZN, and North-West stand out. As noted, the number of work stoppages and the working days lost to such action, as reported in the industrial action reports, has been increasing in municipalities resulting in significant reductions in productivity.

Source: SALGA Labour Relations Survey - Municipal Feedback, 2021
A precursor to industrial action is bargaining in the LLF ending in dispute. The survey results show that this challenge is prevalent in metropolitan municipalities, B2 and C1 municipalities. The finding aligns with the data presented above: most industrial action occurs in metros and secondary cities. The provincial lens highlights Mpumalanga and the Eastern Cape as having challenges in this regard.

Disabling municipal governance environment and weak capability

SALGA’s 2018/19 annual report notes the following key challenges with municipal capabilities and governance: (1) ineffective political and administrative leadership, (2) weakened oversight due to political infighting at council level and interference in administration, (3) leadership inaction and consistent inaction related to transgressions, (4) inadequate support by national and provincial role-players, (5) instability of vacancies in key positions particularly a lack of stability at senior management levels, (6) inadequate consequences for poor performance and transgression, (7) shortage of skills for managing infrastructure life-cycle, including operations and maintenance, (8) poorly defined and sub-optimal organisational structure relative to municipal mandates and lastly (9) unstable labour relations. An important finding when this list is juxtaposed with the findings in the sections above is that in many instances, instability in labour relations derives from failure to address several the other challenges outlined.

Figure 26 Poor leadership and management: provincial breakdown

The survey provides further indication of this with poor leadership and management in the municipality emerging as a key challenge to compliance with labour laws and collective agreements in Limpopo, North-West, and Mpumalanga. The industrial action reports also note other examples such as instability in vacancies in key positions, lack of confidence in management and political leadership, poor performance of and perceptions of corruption and nepotism by senior management appear are some of the principal causes of dispute in several municipal strikes that occurred between 2010 and 2019. Achieving stability in labour relations is therefore intricately linked with addressing other challenges related to municipal capability and governance.

The Labour Relations Act sets a clear intention to promote economic development, social justice, labour peace and democracy in the workplace. With all indicators for each of these outcomes remaining unchanged or deteriorating over the past decade, a question that arises is whether the collective bargaining system and the primary stakeholders are sufficiently responding to the challenges faced. To provide an assessment of this in local government, the next section reviews literature on the role employer organisation within labour relations, the mechanisms that have been explored to respond to challenges and the portfolio of services that are offered to assist members. This review is followed by an overview of SALGA’s current model of support and a comparative analysis with other employer organisations.
5 The role of employer organisations in labour relations

Finnemore and Van Rensburg (2002) note that a major shift in post-apartheid South African labour relations as the legislative environment has adapted to address inequalities and offer workers more protection has been the growing significance of employer organisations. This growth in employer organisations was driven by increased pressure from trade unions for centralised negotiations on industrial and bargaining councils. The growth and increasing strength of trade unions also created an impetus for a similarly organised counterforce from employers (Harrison, 2004). Despite this and their relevance for socio-economic outcomes, employer organisations or associations have received substantially less attention in research across various disciplines compared to trade unions, their counterparts in collective bargaining systems. Grobler et al (2005) note a lack of research into the effectiveness and efficiency of employer organisations. A more recent international paper investigating the contribution of employer associations in sectoral collective bargaining also notes that there is limited economic literature in this area relative to research on the role of trade unions (Martins, 2020). Where literature does exist, it has predominantly focused on the private sector. Given this limitation, the review presented in this section will focus on what is available in the literature paying close attention to the role of employer organisations in labour relations and draw parallels to the local government context where relevant.

Although focused primarily on the private sector in OECD countries, Martins (2020) provides useful insights into the broad role of employer associations wherein the paper posits three primary activities: (1) collective bargaining, (2) representation and training and (3) coordination. The first is a primary role of employer associations and is pursued to increase bargaining power in negotiations with trade unions which results in lower costs and reduces competition among members. The second involves intermediation on behalf of members and streamlining provision of cross-cutting training which reduces costs for individual members. Lastly, the author notes that part of the coordination can include bargaining with key suppliers to reduce costs for members.

Barry and Wilkinson (2011) the debate about institutional change has been characteristically asymmetrical in as much as some institutional actors have figured extensively while others have been much less prominent. Historically, employer coordination has not captured the attention of the industrial relations community and there are relatively few contemporary studies of the activities of employer associations. The purpose of this article is to review and critique the literature on employer associations and explain how the traditional concept of countervailing power can be developed to reconceptualise employer coordination. We then argue for a research agenda to re-examine employer associations in light of ongoing changes to employment relations systems that require these bodies to revise the ways that they coordinate employer interests. © The Author(s challenge some of this role and assert that “employer associations are not just bargaining bodies and cannot be assessed purely on that basis”. In a paper which considers the effect of trade union decline on the role of employer associations, the authors argue that employer associations have a role to play in influencing the contextual environment within which members are operating. This can include assisting members to reframe the industrial relations and advancing their regulatory interest. Moreover, another similar study finds that employer and business organisations can take advantage of shifts in economic openness and hardship to adapt their structures and activities (Brandl, B. and Lehr, 2019). This can include greater focus on occupational training programmes and active labour market policies, deprioritising binding collective wage agreements when the context is no longer favourable.
In a descriptive analysis drawing on insights from survey of members, Spooner (2003) policies and strategies of employer associations have also been subject to some academic inquiry. Much of this research has been focused upon either how employer bodies have influenced government policy and subsequent structural reform or upon how employer associations have sought to adapt to the implications of such change. Less attention has been directed in the academic literature to the expectations and needs of businesses with respect to their associations. This issue has significant implications for an understanding of the dynamics of Australian industrial relations. Including, but not limited to, the dynamics of the relationship between businesses and employer associations. In this paper, the research findings of a survey conducted among members of the Printing Industry Association of Association (PIAA) investigates the role of employers’ associations in Australia using the print industry as a case study to understand the shifts in services offered over time in response to deregulation. The author finds that while employer associations had moved to expand their services to include specialist and company specific services, training and lobbying for public policy changes, the provision of traditional services including collective bargaining and assisting members with industrial and employee relations remain paramount for members.

A South African paper analysing the extent to which members make use of the services rendered by their employers’ organisations and how satisfied they are with the service provided offers a local perspective. The authors find that a small number of companies do make use of services, particularly in the areas of human resource management, labour relations and training which is noted as a particular strength of many employer organisations (Grobler et al., 2005). Challenges noted include weak overall performance of employers’ organisation, poor relationships between the company and its organisation, difficulty accessing information and slow response rates from employer organisation staff. The authors also find that only a limited number of organisations were responsive to member needs and offered advice related to market related challenges such as productivity, global competition, and training (Grobler et al., 2005). A paper by Godfrey, Theron and Visser (2007) also looks at the private sector and examines the state of collective bargaining in South Africa and finds that the bargaining council system has remained resilient over the years but continues to face challenges such as representation of parties to enable extension of agreements. Moreover, the enforcement capacity across councils remains inconsistent. Although not specific to an employer organisation, the paper’s focus on the functioning of bargaining council and especially where challenges remain provides some insight into the role employer organisations can play to address these.

Overall, the review suggests that collective bargaining and representation in labour relations issues remain a critical role for employer organisations to perform on behalf of their members. It emerges from the insights above that it is also equally important for employer organisations to engage with the environment in which members operate in and identify cross-cutting needs that can inform the provision of support services.
6 SALGA’s existing model for supporting municipalities

In line with the findings from the literature, SALGA recognises that to achieve successful transformation of local government it has to provide a comprehensive set of support interventions that extend beyond representation of municipalities in the SALGBC. This section seeks to outline the association’s current approach to supporting members in labour relations. It is informed by a methodical review of SALGA’s annual reports from 2009/10 and 2018/19 which includes reporting on the activities SALGA performed each year to achieve its strategic goals with respect to labour relations.

The intended outcome pursued by SALGA shifted from “a productive, stable labour environment, supported by a mutual gains approach” earlier in the analysis period to “a mutual gains approach enhanced resulting in improved labour relations environment in local government” from 2014/2015 and finally “labour peace and stability in municipalities” from 2017/18. This shift was in line with the roll out of mutual gains collective bargaining as a critical mechanism to creating the desired change in the labour relations as prescribed in the Labour Relations Act. Figure 27 provides a timeline of the key milestones that were achieved over the period in pursuit of this outcome.

SALGA successfully negotiated four multi-year salary and wage collective agreements on behalf of its members in the SALGBC. This is despite challenges such as was the case in 2018/19 when negotiations ended in a certificate of non-resolution. SALGA’s intervention to convene mandate-seeking sessions across provinces to lobby for acceptance of the proposal was critical to the conclusion of the agreement (SALGA, 2019). These agreements are important for ensuring stability, predictability in municipal planning and contributing to overall workforce peace.

Several other notable milestones are also observed over the period. The Disciplinary Procedure Collective Agreement was also concluded in the same year. Moreover, SALGA lobbied and succeeded in attaining permanent representation in the National Economic Development and Labour Council and the International Labour Organisation as part of its mission to effectively represent local government in socio-economic consultative forum (SALGA, 2014). The reports also mention the conclusion of the wage curve agreement in 2010/11. This was preceded by a lengthy process to negotiate the wage curve agreement which had been deadlocked since 2003/4 with failure to reach agreement in multiple negotiations. This remains a challenge as the agreement was nullified in the labour court.

As part of the quest to achieve labour peace and stability, the SALGBC members signed and adopted a service charter in 2015/16. The charter outlines the standards of service delivery that all members are committing to and sets out the standards, clarifies rights and obligations and sets out the standards of service delivery for all members of the SALGBC. SALGA embarked on an awareness campaign to ensure all municipalities are familiar with and commit to the charter. Another important milestone reached in this period was the conclusion of the Collective Bargaining strategy which provides direction to SALGA in its negotiation processes in the SALGBC. It focuses on wages and salaries, pension fund restructuring and medical aid contributions and provides guidance regarding an approach in each of these areas. SALGA also finalised a proposal for the restructuring of the pension fund to inform negotiations in the SALGBC and finally, held a labour law seminar for municipalities in 2018/19 which focused on an in-depth analysis of legislative amendments to labour law and covered the importance of local labour forums as well as practical experiences of the Disciplinary Code and Procedure collective agreement. SALGA were also able conclude a number of Conditions of Service collective agreements in the SALGBC Divisions.
The above summary of the milestones suggests that SALGA has played a critical role and delivered on several aspects of its mandate with respect to fostering sound and productive labour relations. As shown in the diagram on the next page, over this period SALGA has continued to provide labour relations support to municipalities. The next section discusses the core support activities that SALGA provides in more detail.
Figure 27 SALGA labour relations milestones 2010 - 2019

Labour Relations Milestones, 2009 to 2019

2009/10 – Concluded multi-year agreement 2009 to 2012

2010/11 – Established Human Resource Practitioners Forum

2010/11 – Concluded multi-year agreement 2009 to 2012

2011/12 – Roll-out a mutual gains collective bargaining

2012/13 – Concluded collective agreement

2013/14 – Conclusion of the SALGBC collective agreement

2013/14 – Salary agreement

2014/15 – Wage curve dispute finalised by the Labour Appeal Court in favour of affected municipalities

2014/15 – Adoption of Service Charter for local government by SALGBC

2015/16 – Concluded multi-year agreement 2015 to 2018


2017/18 – Proposal for Pension fund restructuring completed

2018/19 – Concluded multi-year agreement 2018 to 2021

2018/19 – Annual Local Government Labour Law Seminar

Municipal representation in the SALGBC and support with disputes, capacity building, advice, monitoring compliance and functionality of LLFs

Source: SALGA annual reports, 2010 - 2019
6.1 SALGA’s core support activities

SALGA undertakes seven core activities to realise this outcome: (1) representation of municipalities in collective bargaining in the SALGBC, (2) support and representation of municipalities in disputes and internal disciplinary hearings, (3) provision of support to municipalities with implementation of agreements, (4) advancement of municipal interests in changes to legislation and policy, (5) capacity building, (6) monitoring municipal compliance with agreements, (7) provision of regular advice to municipalities on labour relations issues.

Figure 28 SALGA employer body core activities

Source: Author’s own analysis based on SALGA annual reports

Representation of municipalities in collective bargaining in the SALGBC

As the diagram illustrates, this support function core to SALGA’s role as employer body. The achievements and activities in this regard have been discussed in detail above. SALGA’s own assessment of its role suggests that this is a particular area of strength at both the central council and divisional levels. The association has succeeded in concluding several collective agreements and continues to represent municipalities in the SALGBC. Circulars are published and circulated to all municipalities to inform them of agreements concluded.
Provision of support and representation to municipalities in disputes and disciplinary hearings

The second core function that emerges from the review of the annual reports is SALGA’s provision of support to and representation of municipalities in disputes including conciliations, arbitrations, and litigations as well as disciplinary hearings. This has taken several forms in the 10 years under review including but not limited to the appointment of lawyers and senior counsel on behalf on municipalities, providing advice and appointing presiding officers and responding to queries regarding the interpretation of agreements. In 2017/18 SALGA represented municipalities in 107 disciplinary hearings, 82 conciliation and 183 arbitrations and litigations. The numbers for 2018/19 are 79 disciplinary hearings, 126 conciliation cases and 249 arbitration cases showing an increase in cases supported overall and an increasing support need around arbitration and conciliation cases.

Provision of support to municipalities with implementation of collective agreements

This support is typically provided through workshops dedicated to specific agreements and municipal visits to monitor implementation and provide support. For example, in 2009/10, SALGA hosted a workshop on the Organisational Rights Agreement and in 2010/11 SALGA Gauteng visited three municipalities to support them with the implementation of the Wage Curve Agreement and in 2011/12 SALGA Free State assisted two municipalities with the implementation of the circular on the Salaries and Wage collective agreement.

Advancement of municipal interests in changes to legislation and policy

As part of protecting municipal interests, SALGA continuously makes submissions to new policies and any amendments to existing legislation. In 2013/14 SALGA developed a position on the Labour Relations Act and lobbied on behalf of municipalities for its incorporation into the Amendment Act. Additionally, in 2015/16, SALGA made several submissions and also lobbied parliament for review of legislation that hampers on service delivery in local government. In response to the latter, parliament established a committee to make recommendations on the identified legislation.

Capacity building

SALGA has undertaken numerous initiatives at both the national and provincial levels. SALGA piloted training to address weaknesses in LLFs in the Free State in 2009/10 and rolled it out to other provinces the following year. In 2010/12 training included use of performance management systems at the provincial level. SALGA Mpumalanga capacitated Presiding Officers with disciplinary skills in a training focused on disciplinary procedures, conciliation ad arbitration. More recently, SALGA collaborated with the SALGBC to provide training in the Eastern Cape for LLFs and revive those that were dysfunctional.

Monitoring municipal compliance with agreements

The monitoring of municipal compliance with collective agreements and local agreements entered into in LLFs has taken the form of periodic surveys and assessment reports. Moreover, SALGA monitors the functionality of LLFs and tracks compliance with collective agreements through this process at the provincial level. There are two reports are noted over the period, one concluded in 2014/15 and another in 2017/18.
Provision of regular advice to municipalities on labour relations

SALGA regularly provides advice to municipalities on an array of labour relations and human resource issues. The association also receives queries from municipalities on labour relations issues and responds with advice and support where required. A few examples of advice provided over the period includes interpretation of the arbitration awards, schedule 8 of the LRA, overtime and shift allowance, transfer of municipal library workers in line with section 197 of the LRA. This support and advice reduce the municipalities costs for external legal advice.

6.2 Municipal feedback

Feedback on SALGA’s support services

The survey requested municipalities to provide feedback on the support services that they have accessed in the past five years. The data from the survey shows that the majority of municipalities accessed most of the services provided by SALGA with capacity building, provision of regular advice to municipalities on labour relations issues and provision of guideline documents on labour relations matters and representations in disputes emerging as the top services accessed. The two exceptions are monitoring of municipal compliance with agreements and advancement of municipal interests in changes to legislation and policy where fewer municipalities selected this option. The latter may be because it is not as recurring as other support required, or that SALGA’s efforts are not well communicated to municipalities.

Figure 29 Level of satisfactions with SALGA’s support services (no. of respondents in brackets)

When asked whether they are satisfied with the support services received, most of the respondents indicated that they are satisfied or very satisfied. This is compared to a similar question in the danger allowance survey where respondents were asked whether SALGA’s services meet their expectations and the majority responded in the affirmative. This finding is further supported by feedback from respondents on SALGA’s delivery of support services and the effect thereof.
One statement that stands out for the relatively higher levels of disagreement pertains to SALGA’s communication and early intervention. While most respondents still agreed or strongly agreed with this statement, the higher disagreement suggests that this is an area that requires further exploration to assess how SALGA can strengthen its approach.

**Adoption of policies and directives**

In response to a question regarding the compliance with SALGA labour relations directives, many respondents indicated that they comply with the disciplinary action procedure and no work, no pay during unprotected strikes. Only a small proportion comply with the danger allowance policy. This finding is aligned with findings from the Danger Allowance survey conducted in 2020 where a small proportion of respondents indicated that the municipality had adopted the policy.

The reasons provided for not complying with the danger allowance policy are varied. Earlier on in its introduction, the reasons suggested lack of clarity regarding the national approach. Some municipalities are still unclear as one report suggest where the municipality notes that it is still waiting for a national determination suggests. Hence, the figure above may be indicative of a slow uptake in the policy and the need to continue to create awareness and clarify the national position.
Strengthening SALGA’s support

A qualitative analysis of an open question to municipalities regarding how SALGA can strengthen the support services it provides suggests five broad areas of intervention. The first area is focused on capacity building to labour relations and human resources practitioners. In this area, respondents note that SALGA needs to increase capacity building, be more consistent, provide opportunities regularly and continuously. A wide range of topics are indicated in the comments such as the prosecution, presiding and the general management of discipline, compliance with legislation, policies, and guidelines and LLF training.

The second area pertains to regular communication and specific requests is for SALGA to improve communication, be more proactive and respond faster to queries. There are also comments around increasing onsite visits to municipalities. This area of strengthening explains the finding above around SALGA’s proactivity and early intervention where relatively more respondents disagreed that this was the case. Linked to communication is the sharing of information as a third area. Respondents indicate specific requests around case law, arbitration awards and providing a library of resources for municipalities to access.

The fourth area is linked to both communication and information sharing but instead focuses on how this can be done through establishing forums. Requests include the need to ensure that technical working groups are re-established, creating a forum to discuss and a platform to engage affected parties.

Lastly, SALGA’s own capacity is raised as an area for strengthening with the need to increase panellists, ensure a high calibre of staff and specific comments from Western Cape about SALGA’s insufficient capacity in the province.
7 Comparative analysis of employer bodies

This section presents a comparative analysis of the roles/functions and support models of employer organisations. It compares SALGA to four employer organisations, two local government associations and two private sector employer organisations. It focuses on the United Kingdom Local Government Association (LGA), the Swedish Association for Local Authorities (SALAR), both local government associations that also act as employer organisations as well as the Steel and Engineering Industries Federation of Southern Africa (SEIFSA) and the Guardian Employer Organisation (GEO). Table 7 on the next page provides an overview of how the employer organisations compare against each of these support services.
### Table 7 Comparative analysis of employer bodies

<table>
<thead>
<tr>
<th>Employer organisation</th>
<th>SALGA</th>
<th>UK LGA</th>
<th>SALAR</th>
<th>SEIFSA</th>
<th>GEO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overview</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category of employers represented</td>
<td>All municipalities</td>
<td>Councils, metropolitan, unitary authority, fire and rescue authorities, police, fire and crime commissioners, national parks authorities, town, and parish councils</td>
<td>Municipalities, county councils and regions</td>
<td>19 independent employers</td>
<td>Companies in corporate (insurance houses, banks), road freight, motor, manufacturing, retail industries</td>
</tr>
<tr>
<td>Number of members</td>
<td>257 of 257 municipalities</td>
<td>328 councils of the 333 councils</td>
<td>290 municipalities and 20 regions</td>
<td>19 associations (1223 companies)</td>
<td>1000 companies</td>
</tr>
<tr>
<td>No. of employer organisations</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>19</td>
<td>Several</td>
</tr>
<tr>
<td>No. of unions represented</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>Several</td>
</tr>
<tr>
<td>Key objectives as employer body</td>
<td>To foster sound and productive labour relations</td>
<td>To work with councils and their partners to help create a workforce able to respond to major changes within the public sector.</td>
<td>To work for the interests of our members and offer them support and service</td>
<td>To represent the interests of its members and the industry as a whole</td>
<td>To provide a comprehensive professional labour and industrial relations service to employers in all fields of business.</td>
</tr>
<tr>
<td>Employer organisation</td>
<td>Support services provided</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>GEO</td>
<td>Representation in collective bargaining, Legislative and policy representation, Capacity building/training (labour relations, human resources), Representation in disputes, Labour relations advice, Support with compliance to legislation and agreements, Monitoring member compliance with, Peer-to-peer support, Provision of intelligence and data to allow benchmarking, 24-hour helpline, Web portal, Damage cover/insurance, Economic and commercial consultancy, BBBEE scorecard optimisation and employment equity</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEIFSA</td>
<td>x</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SALAR</td>
<td>x</td>
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<tr>
<td>UK LGA</td>
<td>x</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>SALGA</td>
<td>x</td>
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</tbody>
</table>
7.1 United Kingdom Local Government Association

The United Kingdom Local Government Association (LGA) comprises of 328 of the 333 councils in England. This includes districts, counties, metropolitans, and unitary authorities along with London boroughs and the City of London Corporation (Local Government Association, 2021). LGA is a politically led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. LGA’s main function is to influence and set the political agenda on matters that are important to councils for them to achieve local solutions to national problems.

The LGA represents employers in local government in the National Joint Council (NJC) for Local Government Services together with three other employer organisations. The role of LGA includes some of the functions of the NJC which are to negotiate collective agreements on pay and conditions and any other related matters, to urge all local authorities, recognised unions and employers to apply national agreements, to promote co-operation between employers and recognised unions throughout local government, to make advice available to local authorities, recognised unions and employees on industrial relations and personnel issues, to settle differences of interpretation and/or application of the national agreement that cannot be resolved locally or provincially and to assist where required in the resolution of disputes that cannot be resolved locally or provincially.

The LGA also offers resources and tools to its members to ensure they continue to improve and adapt to the changing nature of our economic and political environment. Under this umbrella they have regional improvement networks that provide tailored and ongoing regional support, peer to peer support and intelligence gathering through an extensive network of principal advisors, and regional teams. The LGA peer support provides members with a unique opportunity to engage with peers who have current or previous experience in the sector. This is further underpinned by a research offer which allows their members to compare their performance with other councils (Local Government Association, 2021). Support is also given to councils to develop stronger leadership and workforce structures that build the capacity of councils and places them in a better position to govern and deliver key services. LGA’s leadership offer delivers the skills, experience and support councils need to address key issues and maintain effective leadership (Local Government Association, 2021).

In addition to the above, the LGA offers several programmes including the Financial Resilience Offer, Economic Growth Advisors Programme and Economic Resilience Programme that provide their members with financial support to ensure effective financial resilience and economic recovery (Local Government Association, 2021). These programmes are also used to support members withstand the impacts of the COVID-19 pandemic. Building financial resilience includes working closely with councils over an extended period offering support that improves their financial situation (Local Government Association, 2021). For councils facing significant financial challenges bespoke targeted support including financial planning, strategy and forecasting is provided by a qualified senior finance associate. Councils are also provided with formal learning opportunities as well as finance leadership essentials, now with a particular focus on COVID-19 financial issues.
7.2 Swedish Association of Local Authorities and Regions

The Swedish industrial relations model is based on traditionally strong social partnerships between employers and trade unions. SALAR is the largest employer organisation in Sweden representing local authorities and regions, 290 municipalities and 20 regions (Swedish Association of Local Authorities and Regions, 2014). All of Sweden’s municipalities, county councils and regions are members of SALAR. SALAR seeks to provide municipalities, county councils and regions with better conditions for local and regional self-government.

The SALAR negotiates central collective agreements, supports members in their role as employers and create conditions for local solutions, represent and advocate for local government by raising issues, acting decisively and enlightening public opinion. Moreover, the association participates in advocating for legislative changes within the Swedish parliament (Swedish Association of Local Authorities and Regions, 2021) and offers services and support for the development of activities and provides the space for dialogue between its members and the international community (SKL International, 2021).

7.3 Steel and Engineering Industries Federation of Southern Africa

The SEIFSA differs from the above employer organisations included in the analysis in that it is a federation of employer associations in the metals and engineering industry. The federation seeks to be the voice of employers in the sector in engagements with other national stakeholders. SEIFSA participates in the Metal and Engineering Industries Bargaining Council and negotiates collective agreements on behalf of its members.

At the individual company level, the federation offers a range of support services and products to its members which span traditional employer organisation functions and extends these. In addition to advice, assistance, publications, training courses, seminars, and conferences, SEIFSA also provides economic and commercial consultancy services to members which covers for example contract price adjustment, market intelligence, market research and tender advisory. These services extend beyond the employer role and supports members in their industry activities.

7.4 Guardian Employer’s Organisation

The GEO represents an array of companies in different industries which distinguishes it from the other employer organisations in that it sits on various bargaining councils such as the Bargaining Council for the Fast Food, Restaurant, Catering and Allied Trades. The organisation has been operational since 1997 and exists to support members with labour law issues, representation, and provision of labour law services. The range of services includes, amongst others, representation of members in the Commission for Conciliation, Mediation and Arbitration, Bargaining Councils and the Labour Court, handling strikes and implementing lockouts, managing, and implementing retrenchment processes and training.

The GEO enters into service level agreements with each of its members to enable it to meet individual member’s needs. Moreover, it manages a legal fund which covers the cost of legal representation where required. It reports a success rate of 98% on cases where it has represented members.
GEO members are all insured against any arbitration awards made against members which they decide to settle. Assistance offered on-site includes chairing of disciplinary enquiries, grievances, union negotiations. This is supplemented by a 24-hour helpline for HR and labour relations advice and a web portal that has been uniquely designed to offer members information and advice to effectively fulfil their HR and industrial relations functions.

7.5 Lessons for SALGA’s support services as an employer body

The comparative analysis highlights several insights for SALGA to consider as it reviews the support provided to municipalities. A similarity between SALGA and the SALAR is that they both represent all municipalities in their respective countries while the LGA has majority membership and representation. Additionally, SALGA is similar to all employer organisations with respect to offering traditional support services to its members i.e., its role in collective bargaining and representation as well as capacity building. The lessons emerge with respect to differences in the offering across the employer bodies reviewed.

Strengthening peer-to-peer learning and support

The support provided by the UK LGA shows the possibility of creating a stronger system for municipalities to learn from each other. SALGA delivers this to an extent through the HR practitioner’s forum and there are also technical working groups that are being revived. However, a key learning from the comparative analysis is how data can be leveraged to provide intelligence to municipalities regarding their relative performance. The data can offer a comprehensive overview of the state of labour relations in local government. This could take the form of an annual state of labour relations report. Additionally, SALGA could develop a data-driven dashboard that gets regularly updated where municipalities can view data across the country and be able to benchmark themselves against several important indicators - state of the local labour forum, number of disputes etc.

Leveraging technology to enhance provision of information and tools

The comparative analysis also highlights an opportunity to leverage technology more effectively to address some of the challenges with ensuring that consistent and regular information is provided to municipalities. An example from the comparative analysis is the interactive web-portal that GEO offers its members which includes information, tools, and online training. There is an opportunity to investigate options for enhancing existing sites (e.g., the SALGBC and SALGA website) to deliver information, tools, and advice to municipalities in a more practical and user-friendly manner.

Explore and design appropriate financial instruments to support municipalities

Employer organisations’ representation of an industry or sector also offers an opportunity to design financial instruments that pool resources to address cross cutting challenges. An example from the comparative analysis is GEO’s damage cover for settling arbitration settlements. SALGA already represents municipalities in disputes and covers the cost of legal representation where required. This is repeatedly noted as a valuable service for municipalities. The comparative analysis highlights the possibility to introduce further structure to this support in the form of a legal fund that is managed by SALGA and with established criteria and processes for how municipalities can access the support. Additionally, SALGA can also consider designing comprehensive labour relations cover for municipalities aligned with the specific needs in the local context.
7.6 Municipal feedback

The options describe above were tested in the survey administered where municipalities were asked which additional services they would access if provided by SALGA. Overall, the labour relations web portal and data and information for municipalities to benchmark themselves as well as a central employee assistance programme are the top three services that respondents would access if available. A breakdown of the total responses per province in Figure 32. This set of feedback aligns with the areas of strengthening that municipalities reported, for example, the labour relations web portal would respond to the library of resources and sharing of information.

Figure 32 Feedback on possible additional support services SALGA could provide

The top service that respondents would access differs across the provinces although there is a clear preference for a labour relations web portal across all of them. The top service in Mpumalanga, North-West, Limpopo, and Western Cape is access to data and information to benchmark themselves against their peers, whereas for the Eastern Cape it is a centralised employee assistance programme. Moreover, facilitated peer-to-peer support emerges as important for municipalities in Gauteng and the North-West.

This feedback does not in and of itself suggest that SALGA should introduce these services but provides insights into areas of improvement and where enhancements should be prioritised when changes are made. Moreover, SALGA can consider how to achieve the same underlying objective for each of these services in customised, cost-effective ways that leverage and build on what is already in place.
A theory of change for labour relations support to targeted municipalities

The above Theory of Change (ToC) is designed to provide an analytical framework to understand critical conditions and pathways for SALGA to achieve its objective to foster sound and productive labour relations. The ToC is simplified to focus on the core pathways and does not present a comprehensive account of all the complexities associated with achieving the overall impact. The focus is to outline the implications of the underlying logic for the provision of labour relations support for the design of the labour relations support implementation framework. Ultimately, SALGA's role as an employer body and the activities it undertakes in this role seek to contribute to the impact of a democratic and accountable local government providing quality services to communities in a sustainable manner. The ToC shows how the required set of inputs and activities can be converted into outputs that in turn lead to a set of immediate, intermediate, and long-term outcomes that produce the desired impact. Within this results chain, SALGA has direct control and influence over the inputs, activities and outputs which together produce a set of immediate outcomes and less control and influence of the intermediate and long-term outcomes.

This section discusses each of the areas within SALGA’s locus of control in more detail below with a focus on the implications for the design of the implementation framework. The aim is to highlight the role SALGA can play and to outline what needs to be in place to ensure that it maximises its contribution to the overall desired impact.

Inputs

The inputs include systems and processes, funding, human resources and skills, programme management and coordination and securing buy-in from municipalities. An important condition for achieving the immediate outcomes is for SALGA to ensure that its resources and capacity are sufficient to deliver the support services that will respond most effectively to municipalities needs. Moreover, it also requires that SALGA’s organisational design, processes, and mechanisms to provide support are structured to enable the responsiveness and consistency needed to address labour relations challenges in local government.

Activities and outputs

The activities undertaken are the set of support services that SALGA provides to municipalities. A critical condition in this area includes ensuring that collective agreements adequately reflect and respond to labour relations needs and challenges in municipalities, ensuring that support services are delivered at the requisite scale, quality, and consistency to lead to the desired outcomes. As an illustration, ensuring that training is conducted is an important output but will not lead to the immediate outcome of increased knowledge and skills if the content or delivery or number of targeted officials was not at the scale, quality or uniformity required for the change to happen.
Figure 33 Theory of change: Labour relations support to municipalities

South African Local Government Association: Labour relations support to municipalities

Goal: To contribute to a democratic and accountable local government providing quality services to communities in a sustainable manner

<table>
<thead>
<tr>
<th>Systems and processes</th>
<th>Activities</th>
<th>Outcomes</th>
<th>Immediate Outcomes</th>
<th>Intermediate Outcomes</th>
<th>Long-Term Outcomes</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Represent municipalities in collective bargaining in the SALGIC</td>
<td>Consistent application of conditions, procedures and predictable salaries and wages</td>
<td>Effective and efficient employment relations</td>
<td>Enhanced service delivery in local government</td>
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<tr>
<td>Support with and represent municipalities in disputes</td>
<td>An increasing number of municipalities implement and comply with collective and other agreements</td>
<td>An increase in labour productivity in local government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support municipalities and monitor implementation of agreements</td>
<td>Municipalities are represented in disputes</td>
<td>The legislative and policy environment is more enabling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Build municipal labour relations capacity</td>
<td>Municipalities received support to implement collective and other agreements</td>
<td>Labour relations policies and legislation reflect the interests of local government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance municipal interests in legislation and policy</td>
<td>Workshops, training and courses are delivered and municipal officials are trained</td>
<td>Enhanced municipal planning and operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice municipalities on labour relations issues</td>
<td>Positions and provisions for changes to legislation and policies are developed and submitted on behalf of municipalities</td>
<td>A reduction in unresolved labour disputes and challenges as well as the associated costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour relations advice is provided to municipalities</td>
<td>Increase functionality of labour relations mechanisms e.g., LLFs</td>
<td>Improved municipal capacity with respect to labour relations</td>
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</tr>
</tbody>
</table>

Transformation of relations support local economic development and growth

Monitoring, reporting, knowledge creation and learning
There are underlying assumptions that need to hold for SALGA’s support services to lead to the desired outcomes. It is assumed that municipalities will apply new knowledge, skills, and advice to the challenges that they face and that in so doing, there will be an improvement in how these challenges are addressed. Moreover, it is assumed that municipalities’ implementation of collective and other agreements will translate into improvements in conditions which in turn improve the trust relationship between municipalities and organised labour.

**Immediate outcomes**

The immediate outcomes encompass the first set of results that are expected if the outputs are all achieved. These are not directly produced by SALGA but emerge from the provision of support services. Hence, a critical measurement of the effectiveness of the support provided is to whether these outcomes are materialising. In addition to collecting monitoring data against these, SALGA also needs to test whether some of the assumptions that are important conditions for success hold true. These include the assumption that the time and funds that municipalities save because of reduction in unresolved disputes and challenges will be redirected to productive activities in the municipality and that municipalities respond to an enabling legislative and policy environment to improve labour relations process and management.

**Monitoring, reporting, knowledge creation and learning**

The theory of change should be accompanied by a monitoring and evaluation framework that clearly outlines the key indicators that will be measured for inputs, activities, outputs, and outcomes. The needs to guide data collection and regular analysis to monitor changes in each area to inform adaptations to approach, delivery and support services provided. This requires clear articulation upfront (both quantitative and qualitative) of what level of performance will lead to the desired results so that progress can be tracked against this. The annual reports indicate that SALGA does have monitoring mechanisms in place to assess the extent to which support services are provided, however, this is largely focused on the output level e.g., the number of municipalities represented in disputes and falls short of also measuring the efficacy of the support services provided e.g., number of municipalities where the support lead to resolution of disputes. The latter needs to go beyond self-reported feedback from municipalities on their satisfaction with the services provided and collect quantitative and qualitative data that tracks whether the immediate outcomes are emerging.
9 Recommendations

The following recommendations of critical issues that the implementation framework needs to respond to emerge from the review and analysis in the report:

An assessment of SALGA’s own capacity, resources, and process should inform the services delivered

The implementation framework should be designed considering the level of each input SALGA requires to feasibly deliver on its mandate as an employer body. How does SALGA resource and structure itself to deliver on the overall aim to foster sound and productive labour relations? This will affect how the support services are delivered to maximise, reach, and impact in a cost-effective manner and whether changes need to be made in this regard.

A process and criteria for establishing how municipalities will be targeted for support

It is clear from the review that the challenges faced by municipalities are not homogenous and some municipalities require targeted support. The implementation framework needs to clearly outline the decision-making process for targeting support to specific municipalities. A set of criteria that includes for example, the percentage of unresolved disputes in the municipality, the functionality of the local labour forum and the number of unprotected strikes over a certain period. The criteria can also be used to determine how support can be differentiated across the municipalities. These criteria must be transparent to ensure that municipalities have information to explain why they may have not received certain support.

A monitoring plan to support regular assessment of the efficacy of support services provided

The report has shown that SALGA has an opportunity to strengthen its monitoring to also focus on measuring immediate outcomes. This is crucial for consideration in the design of the implementation framework to inform how SALGA will incorporate new learning and adapts its implementation of support services in response to information regarding what is most effective at addressing challenges in local government.
10 Conclusion

This report has provided a comprehensive overview of the current state of labour relations in local government, a literature review of the role of employer organisations in labour relations, SALGA’s existing model of providing support to local municipalities and finally drew on this information to provide a conceptual framework to inform the design of a labour relations support implementation framework.

The report highlights several key findings such as the fact that the labour relations context in local government has worsened over the last decade, especially with respect to dispute resolution. This is the result of various key issues, including the ineffective mechanisms in local government for facilitating collective bargaining and dispute resolution at the local level. The presentation of the analysis using a provincial and municipal category lens revealed differences in the challenges municipalities face and the support they require. Furthermore, the report shows that while SALGA has continued to provided services that meet municipal expectations, with a particular strength at representing municipalities in collective bargaining, the report notes several areas that require strengthening e.g., consistency and regularity of capacity building and improved communication.

The report provides a set of recommendations of critical issues that the implementation framework needs to address including consideration of the SALGA’s own capacity and whether changes are required, how targeting will take place and how support can be differentiated. The analysis also suggests an opportunity for SALGA to strengthen its monitoring capacity to move beyond output indicators to assess the efficacy of support services provided and the extent to which immediate outcomes are being achieved.
References


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