

# Govt workers threaten strike within two weeks

PRETORIA: Unions representing 1.3 million government workers have threatened to strike within two weeks but any stoppage was unlikely to disrupt the World Cup, which ends on Sunday.

A number of groups have threatened industrial action during the soccer tournament, which is being staged for the first time in Africa, and any disruption would embarrass President Jacob Zuma and his government.

But the unions representing workers including nurses, police officers, teachers, immigration staff and other government officials said on Monday they may take two weeks to mobilise members and still hoped for a resolution.

"We are left with no other option, but to consider the most severe option to us, which is strike action," said John Malukele, chief negotiator for COSATU.

Labour unions have used the World Cup to bargain for higher wages, which analysts warn could in the long run harm the country's ability to attract investment and create jobs as it recovers from its first recession in 17 years.

"The long term negative will be on higher inflation; salary costs will have to be absorbed

and will be given to the consumer at some stage," said Elize Kruger, an economist at KADD Capital.

Fourteen unions affiliated with the powerful Congress of South African Trade Unions (COSATU) and Independent Labour Caucus were seeking wage increases of 8.5 percent, about double the inflation rate, and a doubling of housing allowances to R1000 a month.

The unions said the workers turned down a 6.5 percent wage rise offered by the government.

"We believe they should be able to accept it because you can't get any better offer than that and this should be done probably by Wednesday or Thursday," said National Union of Mineworkers (NUM) spokesman Lesiba Seshoka.

Dave Mohr, analyst at Citadel, said the wage increase could hurt plans to expand Eskom's power infrastructure and would raise its overall costs, despite being granted an average 25 percent tariff rise for the next three years.

"Dishing out that kind of wage increase reduces the capacity of Eskom to use the 25 percent increase to fund the new investments," Mohr said.

