

Union strike: SAA 'seconds from disaster'

By Gerhard Papenfus 15 Nov 2019

Can a striking trade union ever find itself in a worse position than in negotiations with a bankrupt employer?



Hansueli Krapf via [wikimedia.org](https://commons.wikimedia.org/wiki/File:SAA_ground_crew.jpg)

When an employer has no assets and the bank refuses to grant further credit, what is there to negotiate about, unless you are a responsible trade union who wants to engage honestly on matters aimed at saving the business.

If the employer is bankrupt and the staff component is completely disproportionate (as is the case of SAA) a union's negotiating power is so eroded that the last thing it can afford to do is to strike. What an employee would typically do in such a situation is to walk out and lock the doors behind him. Since the employer has nothing to offer or even negotiate about, it has nothing to lose and its risk is therefore extremely limited, if there is any risk at all.

That, however, is a 'real world' scenario. In the case of SAA, the employer behaves as if it is still solvent, which it isn't - especially if its salvation was dependent on further funding from a real-world commercial bank and not State bailouts.

SAA pretends as if its service is indispensable, which is not the case. Its airspace market share (local and international) is in the region of 20 percent, which will be taken up by other carriers in the event of SAA's demise. This notion of indispensability, however, emboldens the trade unions to make unrealistic demands.

Then there is the issue of the SAA brand. The fact is that the brand is tarnished to such an extent that closing SAA will actually enhance Brand South Africa. Nothing tarnishes a brand more than attempting to create the impression that it is a flagship, while it is blatantly apparent that the opposite is true.

SAA can't be saved.

Every day that it continues to operate, the risk it poses to 'South Africa Inc' is multiplied. Therefore, the

sooner the government acts to terminate this liability, the better.

ABOUT THE AUTHOR

Gerhard Papenfus is the Chief Executive of the National Employers' Association of South Africa (NEASA).

For more, visit: <https://www.bizcommunity.com>