

Farmworkers 'burn' investor confidence

By [Paul Vecchiatto](#) and [Bekezela Phakathi](#)

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The Western Cape farm strike took a dramatic turn on Thursday (10 January) as the Congress of South African Trade Unions (Cosatu) said it had "exhausted its social and political capital" in trying to find a solution to the upheaval and that the protests were now effectively "out of its hands".



Thousands of farmworkers have embarked on violent action in support of their demand that their wages be doubled to R150 a day, belong to unions.

As with the strikes that swept the mining sector last year, organised labour has found itself wrong-footed in its attempts to negotiate on behalf of the workers and end the violence.

Police fired rubber bullets at protestors again on Thursday (10 January) as workers stoned vehicles and tried to build barricades on the N1, virtually shutting off access to a number of Western Cape towns.

There are fears that the Western Cape's international image could be hit hard as the strike continues unabated, which could harm investor sentiment.

Last night, rating agency Fitch said it was cutting South Africa's sovereign credit rating, citing political tensions and subdued growth.

"The workers have said they will not go back to work until their demands are met. This entire area will now burn to the ground until a solution is found. I do not know whether a solution will be found," Cosatu Western Cape secretary Tony Ehrenreich said.

Cosatu condemned the violence, but believed that, in some instances, the police were to blame, he said.

"Violence begets violence. People have been shot at, some leaders have been shot at by private security firms," he said.

Agricultural Business Chamber chief executive John Purchase said the farm strikes were doing "irreparable damage to brand South Africa".

"It will definitely affect investor sentiment. It is not just agriculture and the Western Cape that will suffer, but the whole of South Africa," he said.

The Western Cape agriculture department said there was no easy solution to the strike. Spokesman Wouter Kriel said the department was "very concerned" about the high level of violence, which made negotiations difficult.

"All we can do is to urge representatives and strikers to remain calm so that a solution can be reached," Kriel said.

At a press conference on Thursday (10 January), union leaders said farmers who refused to negotiate increases would face international boycotts of their produce.

Ehrenreich said Cosatu would use its international connections and pressure the Government Employees Pension Fund, which invests heavily in South African retailers, to "punish bad farmers" who did not agree to a new minimum wage.

He said about 28 of the Hex River Valley table grape farmers had agreed to meet on Friday (11 January) to begin talks on resolving the strike.

Ehrenreich lambasted commercial farmers association Agri SA for refusing to negotiate on wages.

Food and Allied Workers' Union (Fawu) deputy general secretary Moleko Phakedi said it was important that farmers realised the consequences.

"We have not yet called for an international boycott but we will, especially if farmers do not agree to freedom of association of their workers," he said.

Among those injured in the protest action was African National Congress Boland leader Pat Marran, who was allegedly shot in the face with a rubber bullet fired by a private security guard.

Many farmers had prepared for the strike by beefing up their security using private security staff brought in from other parts of the country.

Police spokesman Lt-Col Andre Traut said 18 people were arrested on public violence charges on Thursday (10 January), but a full tally would be released on Friday (11 January).

He was aware of the incident involving Marran, but no charges had been filed yet.

The strike had spread to more than 16 towns in the Western Cape.

Source: *Business Day* via I-Net Bridge