WAGE REGULATION
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Tucsa welcomes industrial move for Coloureds

Rand Daily Mail 12/2/75

By JOHN IMRIE
Labour Editor

THE multiracial Trade Union Council of South Africa yesterday wholeheartedly welcomed indications by the Prime Minister that Coloureds are going to be allowed to participate in established industrial institutions like the Wage Board, the Apprenticeship Board and the Unemployment Insurance Board.

"It is a practical acknowledgement that the principles of non-discrimination which exist in the Apprenticeship Act, the Wage Act and the Unemployment Insurance Act are going to be honoured for the first time," said Mr Arthur Grobbelaar, Tucsa's general secretary.

"It will give some substance to the Government's claim that it is moving away from discrimination."

Mr Grobbelaar said there had been grave and widespread dissatisfaction among Coloureds for a long time at inequality of treatment experienced through not direct representation on the Apprenticeship Board and local apprenticeship committees.

"The Act provides for local apprenticeship committees for all industries, with employers and employees equally represented. But Coloured trade unionists have been consistently prevented from representation on many of these committees, with the result that applications for apprenticeships for Coloured youths are refused for a variety of frivolous reasons by the White representatives of the White unions.

"It is important therefore, that not only should Coloureds be allowed to sit on the policy-making Apprenticeship Board, but that their representation be extended to the local committees which actually deal with apprenticeship contracts."

Similarly, Mr Grobbelaar said "representation for Coloureds on both sides of the Wage Board and the Unemployment Insurance Board would enable them to guard the interests of Coloured workers."

No race post for Webb

Labour Editor

A LEADING Coloured trade unionist said yesterday he would be prepared to serve on institutions like the Wage Board, the Apprenticeship Board and the Unemployment Insurance Board — but not on the Race Classification or Group Areas boards.

Welcoming the Prime Minister's announcement that Coloureds are to be given meaningful representation on various statutory bodies, Mr Ronald Webb, general secretary of the Motor Industry Combined Workers' Union and a vice-president of the Trade Union Council of South Africa, said:

"If the Prime Minister's move results in Coloureds obtaining a real voice in these organisations which affect them so vitally I would be happy to serve on bodies like the Wage Board, the Apprenticeship Board and the Unemployment Insurance Board.

"But I would not be a party to bodies like the Group Areas Board and the Race Classification Board, both of which are vehicles for perpetuating discrimination which offends our dignity and which have led to great suffering among the Coloured people."

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Officials may get pay rises

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STAR 12/5/75

Labour Reporter

Tens of thousands of public servants, railwaymen and Post Office officials will receive index-linked pay increases if representations by their trade unions and staff associations are successful.

Demands for automatic pay increases tied to the rises in the Consumer Price Index were formulated by organised labour in the public sector about two months ago.

Tight secrecy surrounded the move and is being maintained even now — partly because it is considered that index-linking in the public sector would trigger off a spate of similar demands from trade unions in the private sector.

NO COMMENT

Mr R H Landman, general secretary of the Public Servants Association, declined to comment today.

He said his organisation regarded salaries as a confidential matter between itself and the Government.

Mr G Kruger, general secretary of the Telecommunications Association, also had no comment.

Mr J R Benade, secretary of the Federal Consultative Council of Railway Staff Associations, was not available for comment.

FAVOUR

Both the 220 000-strong Trade Union Council of South Africa and the 195 000-strong Confederation of Labour favour index-linking of wages.

"The worker's income has always been lagging behind price increases, and index-linking will only permit him to catch up from time to time," said Mr Wally Grobler, secretary of the confederation.

He disclosed today that his own trade union, the Artisan Staff Association, had put the question of index-linking before the Federal Consultative Council of Railway Staff Associations. He could not say how much further the FCC had taken the recommendation.

Mr Robert Kraft, assistant general secretary of TUCSA, said index-linking of wages would be anti-inflationary in that it would counter wage demands and purchases made in anticipation of price increases.

Index linking —economists are divided

STAR 28/5/75

Staff Reporters

At a symposium organised by Tucsa, a panel of economists was sharply divided on the practical advantages of index linking in South Africa.

Index linking means that economic contracts such as wages, loans and savings are linked to changes in the cost of living. For example, if an acceptable cost of living index rises by 15 percent, then wages, the value of loans and savings must automatically rise by 15 percent.

The panel included Dr J Cloete, Barclays Bank's chief economist, Dr J Hupkes, chief economist of Federale Volksbeleggings, Mr Robert Kraft, economist of Tucsa, Miss Joan Knox, and Professor Arndt Spandau of Witwatersrand University's economics department. Chairman of the panel was Mr George Palmer, editor of the Financial Mail.

SYMPTOMS

The two academics and Mr Kraft said they thought indexing could be applied in South Africa, but the other economists disagreed.

All the economists admitted that indexing tackled the symptoms and not the root cause of inflation. They talked about lowering the rate of inflation or keeping inflation at present levels. They did not firmly state that indexing would end inflation.

Dr Hupkes said that partial indexing was not a feasible proposition in South Africa. If wages were only linked to a cost of living index, for instance, there would be unfair pressure on other groups and sectors of the economy.

"If we want indexing," he said, "then we must go the whole hog."

Dr Cloete remarked that there was already partial indexing in South Africa. Building contracts, rental agreements and some recent wage agreements were examples.

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(4) 325
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HANSARD 17 Q. 1089.

3 June 1975

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Wages paid to Black employees of a private organization undertaking blasting operations

*19. Mr. G. B. D. McINTOSH asked the Minister of Labour:

Whether the Divisional Inspectorate of his Department in Durban has received any representations in regard to the wages paid to the Black employees of a private organization undertaking blasting operations: if so, (a) what was the nature of the representations and (b) what was his Department's response to the representations.

*The MINISTER OF LABOUR:

Yes.

(a) Alleged underpayment of wages.

(b) As the firm's records are maintained at its head office in Johannesburg, my Department is at present ascertaining what the true facts are.

HANSARD 18

Q. 1125-6

10 June 1975.

(2) 325

Underpayment of wages to Bantu employees of private organization undertaking blasting operations

*16. Mr. G. B. D. McINTOSH asked the Minister of Labour:

(1) (a) When did the Divisional Inspectorate of his Department in Durban receive representations with regard to the underpayment of wages to the Bantu employees of a private organization undertaking blasting operations, (b) when did his Department request this private organization to supply it with information with regard to the payment of such wages and (c) how many Bantu employees are involved;

(2) whether such employees are still employed by this organization.

†The MINISTER OF LABOUR:

(1) (a) No record was maintained of the date on which the employees first contacted the Bantu interpreter clerk. As a result of telephonic inquiries by the Black Sash on 18 March a copy of the written complaint of 5 March which could not be traced was, however, delivered to the Divisional Inspector's office.

(b) An inspector visited the site on 25 March but could not trace anybody in control of the workers. Subsequent endeavours to trace the person in control were also unsuccessful.

(c) This information is not available as no records could be obtained locally and the teams of workers are scattered over a wide area along the railway line.

(2) Yes, to the best of the inspector's knowledge. As stated in my reply of 3 June 1975 the firm's records are maintained at its head office in Johannesburg and my Department is at present ascertaining what the true facts are.

I may add that I am not satisfied as to the manner in which this complaint was handled and steps are being taken to obviate a recurrence of this nature.

Pay deal mockery — union

STAR 16/6/75

Labour Reporter

One of South Africa's most respected trade unions has told the Minister of Labour that he should not have approved an industrial agreement which provides for the underpayment of Black sales staff.

The National Union of Distributive Workers' secretary, Mr Ray Altman, says in a letter to the Minister — the recently gazetted agreement of the Industrial Council for the Non-White Trade on the Witwatersrand "is making a mockery out of the collective bargaining process."

The letter expresses the union's grave concern that the Minister should have approved the agreement which:

- "In no way affects the (wages of the) bulk of the members of the registered trade union which negotiated the agreement, but
- "materially affects the wages and working conditions of the Black labour sector who had no direct representation or say in the making of the agreement."

REVERSAL

Black sales staff would have been assured of higher minimum wages under the existing wage determination for the commercial distributive trade if the Minister had excluded them from the provisions of the agreement Mr Altman pointed out.

Mr Morris Kagan, Transvaal vice-president of Mr Altman's union, said in an interview the implications of the agreement were "unique" in the history of South African industrial agreements.

Invariably such agreements provide for wages higher than those laid down in the relevant wage determinations.

In this case, he said, the process had been reversed, Black staff had been prejudiced and the interests of the bulk of White union members concerned had not been reflected at all.

Instead of the R20,75 to R41,50 a week minimum provided for under the wage determination Black sales assistants were getting R15,40 a week under the agreement affecting "native shops" and mine concession stores on the Witwatersrand.

18/6/75 Labour Reporter

The Federated Chamber of Industries has called on the Minister of Labour, Mr Viljoen, to give urgent and serious attention to the "inadequate" system of Black labour relations.

A statement by the FCI's president, Mr D V Benade, presented to Mr Viljoen and released for publication today, makes it clear that no obstacles should be placed in the way of an orderly development of Black trade unionism.

INADEQUATE

The FCI was convinced that a policy of orderly development towards "meaningful participation by all workers in all aspects of industrial relations" would contribute significantly towards continued industrial peace," the statement said.

The FCI made the following points:

- "Present legislation does not allow sufficient meaningful participation and representation by Black employees" in settlement of disputes and negotiation of employment conditions.
- The present system was inadequate because the majority of negotiations conducted under it were not afforded statutory recognition and it did not provide Black workers with collective bargaining machinery "in the broadly accepted sense."
- The deficiency had become a cause of discontent among Black workers and warranted serious attention.

NO OBSTACLES

The statement said Black unions should not be given premature recognition — nor should obstacles be placed in the way of their development, provided the leaders and members of the unions concerned manifested attitudes and objectives "not inimical to the national interest."

It called on employers to take note of their Black workers and supported the Government's appeal for the establishment of liaison and works committees which would prepare workers for involvement in collective bargaining.

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Black unions are inevitable

STAR 17/6/75

IT is not often that a powerful and widely representative employers' association puts public pressure on a government to increase both the scope and the influence of the trade union movement. Yet this is precisely what the Federated Chamber of Industries has just done.

The FCI has written to the Minister of Labour, Mr Marais Viljoen, calling for an urgent review of the present "inadequate" system of Black labour relations. This system does not allow "meaningful participation and representation" by Blacks in the settlement of disputes and the negotiation of employment conditions. It does not afford statutory recognition to most negotiations and is provoking serious discontent among Black workers.

In short, the FCI wants the Government to pave the way for the statutory recognition of Black trade unions and for the orderly integration of Blacks into the otherwise enlightened South African industrial conciliation machine. A classic example of enlightened self-interest on the part of an organisation which would know better than any other exactly what the interests of industry really are.

Faced now with almost identical demands from both the employees (including a large slice of the recognised trade union movement) and the employers, is it possible that the Government can still be short-sighted enough to resist the inevitable?

Black role in trade unions 'inevitable'

RDM 19/6/75

BLACK involvement in trade unions was "inevitable, and industry and the Government had to make certain this development took place in an orderly manner," the South African Federated Chamber of Industries said yesterday.

The chamber, "representing the widest section of employer interests in the manufacturing sector in the Republic, has reached a consensus on the policy question of the maintenance of sound industrial relations," a statement issued in Pretoria said.

Its policy statement had been presented to the Minister of Labour, Mr Marais Viljoen, and further discussion would be held with him on implementation of the policy.

The chamber is convinced that a policy of orderly development towards meaningful participation by all workers in all aspects of industrial relations would contribute significantly to the continuance of industrial peace in South Africa," it said.

While basic industrial legislation regulating working conditions, wage and service conditions and settlement of disputes had "contributed materially to the remarkable history of industrial peace" in South Africa, the chamber recognised that present legislation did not allow sufficient meaningful direct participation and representation by Black employees in settlement of disputes and negotiation of working conditions.

"This deficiency has become a cause of discontent and warrants attention."

While the Bantu Labour Relations Act of 1973, setting up works and liaison committees, had created new opportunities for Blacks, the system was inadequate in that the majority of negotiations were not afforded statutory recognition.

"The chamber feels that with the growing demand by Blacks for meaningful and direct participation and representation in the negotiation of wages and working conditions, it will become inevitable that the Government give recognition to it, if necessary by legislative action.

"Any steps taken in this direction should, however, take account of the ability of Black workers to organise themselves within a framework of the responsibilities in the negotiation process" the chamber said.

The Chamber supported the Government's appeal to all industrialists to take advantage of the opportunities provided for the esablishment of liaison and works committees in the "sincere belief that it is in the national interest to develop the collective self-awareness of the Black worker in industry."

The establishment and conduct of these committees should, however, be conducted in full consultation with the affected Black workers and with total involvement of top management, the chamber emphasised.

The chamber was convinced some employers and many employees were not properly motivated or informed about the effective operation of works and liaison committees and that this lay at the root of much of their alleged ineffectiveness.

It recommended an "intense and positive programme of education" for employers and employees. —Sapa.

UPSWING COULD BRING MORE LABOUR UNREST

Sun Trib. (Fin) 6/7/75

NEXT YEAR COULD BE DANGER TIME, SAYS NATAL LABOUR EXPERT

By CHRISTOPHER MORRIS

A SECOND ROUND of labour unrest is possible when the tempo of economic activity picks up again, says Len Thorne, director of Natal Employers' Association.

The apparent Black labour calm could be lulling employers into a false sense of security, he says.

And the storm could break at the beginning of next year if economists are correct in their predictions of an economic upswing.

Mr Thorne believes the labour scene is quiet now because of the low level of economic activity. Workers are afraid trouble with employers could result in loss of jobs.

Demand

But their opportunity will come with an economic upturn and the corresponding increase in the demand for labour.

Black workers will be in a better bargaining position and will not fear a threat to their employment.

"Industry should take advantage of this period of calm to take stock of the situation and decide whether their communication and negotiation channels are sufficient to stand up to the pressures and stresses of a strike situation," he said.

This especially applies to Natal, which leads the country in labour development, he says.

Trouble

"One way of avoiding trouble in the future is to recognise that we cannot afford to differentiate on the grounds of race. A basic requirement of labour peace is that the work force is not considered by employers to be merely a set of units but rather as productive individuals irrespective of colour.

"If we didn't live in the ivory tower atmosphere of South Africa we would probably be a labour marketplace.

"But we aren't allowed a marketplace because our politicians have told us that four men out of five cannot yet be involved in wage negotiating procedures."

Future

Mr Thorne stressed that the establishment of a Black middle class, with a stake in the country's future "because it had something to lose", would go a long way to bringing about future economic and political stability.

Furthermore, sluggishness on the part of the employer to grant wage increases at a rate to keep up with the inroads of inflation would mean a disruption in the smooth flow of industry.

Workers had learnt in 1973 the power of unrest and had grasped some knowledge of negotiating procedures, he says.

Mr Len Thorne: Workers aren't a set of units

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Daily Dispatch 7/8/75

State switch on black trade unions?

JOHANNESBURG — A major switch in Government policy which will provide for a form of black "in-company" trade unionism had been predicted by the general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar.

"My information is that company unions will be allowed which will negotiate directly with individual employers," Mr Grobbelaar said.

"The Minister of Labour, Mr Marais Viljoen, gave a hint of this when he told the South African Institute of Personnel Management conference in Cape Town this week that legislation will be introduced in the next session to give legal force to wage agreements reached through the works and liaison committee system."

MR GROBBELAAR

Mr Grobbelaar said that Mr Viljoen was to "have another bash at trying to make the unworkable work.

"We are to have amendments to amendments for an unacceptable measure.

"This time the minister will seek to provide some form of industry-wide works committees as distinct from the company committee, but they will be flexible enough for company-type unions to come into being.

"These, I am informed, will be allowed to negotiate directly with their employers.

"This is an advance on the present inadequate system but it will still fall far short of adequate black worker representation."

Mr Grobbelaar said the minister was to be congratulated for echoing previous statements by the Prime Minister, Mr Vorster, that the Government would not stand in the way of black job advancement which was acceptable to white trade unions.

"The minister should be encouraging the unions to accept black advancement but his announcement that he will not oppose this is at least a step forward," Mr Grobbelaar said. — DDC.

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CoL 'could threaten industrial peace'

C.T. 9/7/75

Cape Times Correspondent

PRETORIA. — Dammed-up discontent among hundreds of thousands of Black workers because of continual rising prices of basic products, including food, could threaten industrial peace, the president of the Garment Workers Union, Senator Anna Scheepers, said yesterday.

Senator Scheepers, who heads a union with more than 25 000 workers — eighty percent of them Africans — said if the Government wanted to ensure a reasonably stable labour force, immediate attention would have to be given to speedier CoL adjustments.

Increases had been given by employers to most African workers over the past two years, but when these were measured against the cost of living they were too little and too late.

"What we are doing is creating a work force vulnerable to agitators — a situation this country cannot afford at this critical time of change."

Regular wage adjustments at least once a year were essential if the wages of lowly-paid workers were to keep pace with the rise in the consumer price index.

Senator Scheepers said the only satisfactory basis for increases was to tie them to the consumer price index.

"Indexed pay rises ensure that the buying power of earnings is protected," she said.

SOUTH AFRICA's use — and misuse — of her manpower has always been a key factor in its political development.

Equally, job reservation, influx control, the ban on registered Black trade unions and migratory labour are political issues which have long hobbled its economic growth.

Now, one of the country's most powerful employer organisations, the Federated Chamber of Industries, is considering a national manpower development policy which, if adopted by the Government and the private sector, could not only speed up South Africa's economic growth, but provide the wheels for profound social change.

Key elements in the policy are:

- The greater geographical and occupational mobility of workers.
- The improvement of skills in the total labour force.
- The phasing-out of the migrant labour system as it exists.
- The relaxation of statutory and traditional job reservation.
- The preparation of Black workers for more meaningful involvement in the collective bargaining process.
- The fixing of minimum wage levels "in accordance with the basic necessities of life".
- The extension to the total labour force of adequate unemployment, pension and sickness benefit schemes.
- The abolition of discrimination against women in the labour market.
- The co-ordination of the labour policies and practices at present administered by four Government departments — Bantu Administration, Labour, Health and Mines.

The necessity for such a policy — with its implied drastic shifts in South Africa's traditional labour attitudes — can be gauged from a few statistics — based on official forecasts.

By 1980 there will be 330 000 new entrants into the labour market every year. By the year 2000, that figure will swell to nearly half a million. More than 70 per cent will be Black, of which a substantial proportion will have to find work outside the homelands.

Blacks at present constitute 55 per cent of the industrial labour force, but by the year 2000 that figure, too, will rise to 70 per cent, while the demand for trained labour will far outstrip the supply from the White, Coloured and Asian sections of the population.

Recently, the FCI produced a far-ranging statement on industrial peace in South Africa.

Now, the director, Dr H. J. J. Reynders, has conceded that this was merely part of the all-embracing national development policy which the chamber is considering submitting to both Government and the private sector.

Stable industrial relations were vital to South Africa's economic future and prosperity, he said. It was essential to plan for the orderly development of future labour policy.

Training

Essential components should be the planned development of the economy to provide work opportunities at a rate which would meet rising expectations and raise living standards, the development of training and management practices to increase productivity, and the optimum geographic distribution of wealth.

A final essential was the "meaningful participation of all workers to underwrite the future of industrial peace".

In the light of this, few would doubt that the policy package which his chamber is considering is — as he says — "of central importance to all sections of the community".

One of the key elements in the recommendations is the rapid improvement of Black skills, including a much larger Government contribution to pre-employment training programmes, basic and adult education. There should be an accelerated programme of training for all race groups, while more attention should be given to retraining to afford workers the opportunity to change careers, acquire new skills and return to work after a break in service.

The greatest need for technicians, supervisors, operators and artisans will continue to arise in the White industrial areas, followed by the border areas and homelands. All training will have to be speeded up to an unprecedented pace if growth and employment targets are to be met.

Sun Times 10/8/76

By FLEUR DE VILLIERS

On the question of geographical mobility, the policy does not call for the "unqualified removal of influx control", but for the streamlining of procedures to eliminate friction and delays. Suggestions here include the practical application of the Bantu Administration Board system which, in theory, permits a greater mobility of Black labour, the improved working of labour bureaux and their physical separation from offices administering influx control.

In its present form, the migratory labour system is not conducive to optimum labour practices and sound labour relations and should be modified. Suggestions include the improvement of commuter services to allow the worker to visit his family on a weekly or monthly basis. Where this is not possible, the recommendation is that workers — with a history of employment in industry and certain minimum educational status — be allowed to reside in White areas on a family basis, although not enjoying Section 10 rights. Industry should be allowed more freedom to acquire Black workers on a longer-term basis, the one-year contract system should be amended and the migrant worker system as it exists at present gradually phased out.

Clear need

Explaining the policy on industrial relations, Dr Reynders says that it is incumbent on employers to make full use of the works and liaison committee system, but that to the extent that the aspirations of Black workers c not be met through system there is a need for the autho to in due course, legal recognition their aspirations.

This should be where it is clear the attitudes and tives of Black wo are not inimical t national interest.

"In the light o growing belief c sections of South can industry that involvement in trade union mov is inevitable, it cumbent on in and the Governm ensure that this place in an manner." While ture recognition not be given to trade unions, u sary obstacles not be placed in path.

Re-entry

On the quest wages, he said while these were determined by forces of dema supply, prod and the ability ployers to pay, incumbent on to fix minimu levels "at least cordance with t necessities of to recognise the through rising the standard o A further re dation was that ernment deter differential cos ing index for ferent wage gr regions to g ployers in inte adjustments.

One of the mediate effect policy — if ad puts the ball industry's ow This is that in cepts a direct bility in its ow national inter

The Star
Wednesday September 3 1975

Blacks must speak for Blacks

THE Minister of Labour's latest announcement on proposed improvements to the industrial relations machinery affecting Black workers is to be welcomed. But why appoint only one Black to the Central Bantu Labour Board?

Examine the case: the announcement is at least further evidence that the Government has accepted the vital importance of improved channels of communication between White employers and their millions of Black workers. It has accepted that the Blacks themselves must play a decisive role in negotiating wage and working conditions.

Mr Viljoen told the Prime Minister's Economic Advisory Council that the Bantu Labour Relations Regulation Act would be amended next year to provide for a Black representative on the Central Bantu Labour Board (an organisation with a key advisory role to play in the Black industrial conciliation machine) and for the creation of workers committees which would be able to speak for all the Black workers in a particular industry — whether that industry is organised into an industrial council or not. And, once an agreement is reached between the Black workers' representatives and the employers, the Minister will have the power to enforce that agreement on all employers in the industry or sector involved.

This will make the Government's industrial conciliation machine for Blacks more effective, although not as effective as it would have been had the Government allowed recognised Black trade unions on the same basis as those representing White, Brown and Indian workers.

Why not make a majority, if not all of the board's members, Black? After all one of their major functions is to advise the Minister on matters affecting the interests of Black workers—and who knows Black workers' interests better than Blacks?

Should the Minister do this, he will make his own system much more effective than it already is and he will give Black workers much greater confidence in the men who are charged with representing their interests.

(1) 134
(2) 128
(3) 145
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(5) 325

Viljoen has new wage plan

RDM 3/9/75

By CLIVE EMDON
Labour Correspondent

THE Minister of Labour, Mr Marais Viljoen, yesterday told the Prime Minister's Economic Advisory Council that he was thinking of establishing elected industrial committees of Black workers to negotiate wage agreements for each industry.

He came out strongly against recognising African trade unions and said industrial committees would consist of workers chosen from works and liaison committees in various industries.

Agreements reached by these committees and employers would be submitted to him through the Central Bantu Labour Board for approval and promulgation in the Government Gazette.

He said the effect of promulgation of an agreement would be to make it binding on all workers and employers in the industry and in the area.

This would be done "so as to ensure that employers who are prepared to make sacrifices to improve the lot of their Black workers won't be detrimentally affected by unfair competition on the part of unscrupulous competitors."

Employers who were signatories to such agreements would, however, be required to prove they were representatives of employers in the area, before the agreements were made applicable to their competitors.

The Department of Labour would be responsible for applying these agreements, the Minister said.

In cases where industrial committees and employers were unable to reach agreement, the matter would, in terms of existing legislation, be referred to the Wage Board for arbitration.

The Minister also said that legislation would be introduced at the next session of Parliament which, among other things, would provide for the appointment of a Black man to the Central Labour Board. This would ensure, he said, that the Black man would be able to make a more meaningful contribution to determining his service conditions.

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Major plan for Black workers

ARGUS 18/9/75

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The Argus Correspondent

PRETORIA. — The Minister of Labour, Mr M. Viljoen, today announced Government plans for Black 'industrial committees' which will have direct bargaining powers with employers.

The Minister's disclosures today are a major development in the Government's policy towards collective bargaining rights for Black workers. His speech today spelt out the new machinery envisaged, expanding considerably on the hint of new legislation he gave in July.

Though Mr Viljoen was at pains to say the Government's refusal to recognise Black trade unions remained in force, it is clear that the 'Industrial committees' will give a virtually equivalent industry-wide bargaining instrument to Black workers.

Mr M. Viljoen

Mr Viljoen made his announcement while opening the congress of the co-ordinating Council of South African Trade Unions in Pretoria.

He disclosed:

- Legislation would be introduced in the next parliamentary session with a view to establishing industrial committees 'which can speak with authority for the particular industries for which they are set up.'
- Such committees could be established in industries and areas where works and liaison committees represented Black workers,
- The central Bantu Labour Board would be informed when the Minister had given approval to the establishment of such a committee.
- The industrial committees would consist of Black representatives from the ranks of the works and liaison committees,
- In the case of unorganised industry, the industrial committees (in consultation with the Central Bantu Labour Board) could negotiate directly with employers and conclude agreements with them.
- The agreements would be laid before the Minister via the Central Bantu Labour Board and Ministerial approval of them — followed by publication in the Government Gazette — would give them the necessary force of law.
- The agreements would be made binding on all other employers and workers in the particular industry and area to ensure that employers party to the agreements were not harmed by unreasonable competition.
- The Department of Labour would be responsible for the application of such agreements.

In the case of industries where industrial councils existed, industrial committees could be set up just as in the case of unorganised industry, but no negotiations outside the industrial council could take place because the council was the only body with legal powers to conclude agreements in its sphere of jurisdiction.

Blacks to get more pay power

STAR 18/9/75

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John Patten,
Political Correspondent

The Minister of Labour, Mr Viljoen, today announced dramatic Government plans to establish Black "industrial committees" which will have direct bargaining powers with employers.

The Minister's disclosures represent a major development in the Government's policy towards collective bargaining rights for Black workers.

He spelt out in detail the machinery envisaged expanding considerably on the hint of new legislation he gave during July.

Although Mr Viljoen was at pains to say the Government's refusal to recognise Black trade unions remained in force, it is clear the "industrial committees" will give a virtually equivalent industry-wide bargaining instrument to Black workers.

Mr Viljoen made his announcement while officially opening the biennial congress of the co-ordinating council of South African Trade Unions in Pretoria. He disclosed:

Authority

● Legislation would be introduced at the next

Pay power for Blacks

From Page 1

would be made binding on all other employers and workers in the particular industry and area to ensure employers party to the agreements were not harmed by unreasonable competition.

● In the case of industries where industrial councils existed, industrial committees could be set up just as in the case of unorganised industry, but no negotiations outside the industrial council could take place because the council was the only body with legal powers to conclude agreements in its sphere of jurisdiction.

But the legislation would lay down that Black representatives chosen by the industrial committee itself could draw up proposals on service conditions for Black workers and submit them to the industrial council for consideration.

Explaining the shortcomings of the existing system, the Minister said agreements concluded between employers and Black workers did not have the force of law. There was also no provision for employers and Black workers in a particular industry and area to conclude an agreement binding on all employers and workers.

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15/6/76 (Cape Argus) 11/10/76

UNIONS TO DEMAND MORE

By Christopher Prophet

MANY trade unions are going ahead with wage increase demands in spite of the undertaking of certain trade union organisations to recommend wage restraints in the months ahead. They feel many of their workers are living below the poverty datum line.

The South African Confederation of Labour and the Trades Union Council are to ask workers considering wage negotiations to take into account only 70 percent of the increase in the consumer price index.

Both organisations have a proviso that sections of the community have differing abilities to make sacrifices in the anti-inflation battle. It is upon this that many unions are to negotiate new wage claims.

This is in accordance with the national agreement by the Government, trade unions and employer groups, but it highlights that many feel unable to cope with rising cost and that they are unable to make ends meet on their present incomes.

The secretary of the Western Province Building Workers' Union, Mr R. G. Simmons, said: 'Of course we are pushing for wage increases. Wouldn't you? All our unskilled workers are below the poverty datum line. Most get about R25 a week. They are unable to come out on this.'

Referring to the national agreement, he said: 'We never belonged to the Trades Union Council of South Africa. They cannot speak for the majority of workers. They are taking advantage of the fact that they are a registered organisation.'

Mr L. A. Petersen, secretary of the Garment Workers' Union of the Western Province, said: 'We are negotiating at present for wage increases and are going ahead with our wage claims. We feel many of our workers are below the poverty datum line.' He said the wage claims were proposed before the national agreement.

The area official for the Electrical Workers' Association and secretary of the Electrical and Allied Trades Union of South Africa, Mr C. Sidield, said: 'We've got no option but to ask for a wage increase. Our agreement expires in December. We have submitted proposals to employers and negotiations will start soon. The claims will probably be pruned in accordance with the national agreement as regards wage increases.'

He said the pensions for his workers were 'miserably low' and the union would now 'go for fringe benefits more than ever.'

The secretary of the Tramway and Omnibus Workers' Union (Cape), Mr D. C. Benade, said: 'We have just concluded a number of wage agreements, which are going to outlast the period of restraint. We asked for increases commensurate with the consumer price index.'

He said the agreements would last for a year and he fully supported the Government's proposals to curb inflation.

The secretary of the National Union of Distributive Workers, Mr J. R. Allman, said: 'We have

RDM 1/10/75

FCI is warned of high wage demands

PORT ELIZABETH. — If anti-inflationary measures failed, demands for wage increases may go as high as 30 per cent, Mr E. L. Klopper of the Transvaal Chamber of Industries said in Port Elizabeth yesterday.

Speaking at the annual convention of the Federated Chamber of Industries, Mr Klopper said workers were already asking for increases of 10 to 12 per cent.

He said industry had to play its part in the fight against inflation."

If this did not happen, future wage demands would "make the present ones seem small", Mr Klopper said.

He added that the recent devaluation lent particular urgency to an anti-inflationary stand by industry.

Mr Frank Lock, director of the National Association of Automobile manufacturers, said net profits in his industry had fallen below one per cent in face of rising costs. He said sales aggravated the problem.

For every increase in car prices, the Government was collecting more sales revenue, he said. — Sapa.

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EDITORIAL OPINION

WHAT ARE THE FACTS?

IT is important that there should be a thorough inquiry into the week-long disturbances at the African township of Madadeni, near Newcastle.

The immediate cause, or trigger, is fairly obvious — an increase in the bus fares between the township and the industrial area. The underlying cause, as we pointed out in a leading article earlier this week, is no less obvious — low wages and rising prices all round.

But if the Madadeni riots are not to pass uselessly into the annals of civil and industrial unrest, it is surely an elementary form of insurance to learn as much as possible about the specific sociological conditions that have kept a whole community so poised on the brink of violence that it took no more than a five-cent fare increase to topple it over.

The supposition is that household budgets are so tightly stretched that any extra burden means hardship, but what are the facts? What is the income of an average family at Madadeni? What proportion goes on transport costs? What other irritants or grievances are there? Should the bus fares, which are already subsidised by the Department of Transport and the Department of Bantu Administration, be subsidised further? What can be learned to help defuse similar situations before they become explosive?

These are all material questions arising from the disturbances of the past week, and unless an attempt is made to answer them intelligently and act upon the findings it is unfair to expect the police, who have behaved with commendable restraint, to continue to bear the brunt of situations that can only be forestalled by urgent social and political action.

Ideally workers should be paid enough to enable them to pay their way without hardship. But in the present recesssionary phase of the economy, and with more inflation in the pipeline as a result of devaluation, other means will have to be found—and found quickly—to protect vulnerable Black workers against price rises and the threat of unemployment.

Newcastle — low pay high CoL

(2) 40
(3) 101
(4) 317
(5) 334
(6) 242

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Mercury Reporter 4/10/75

NEWCASTLE, which is still reeling after a week of violence, must look to industrialists and socio-economic factors for the root cause of the disturbances.

For although the riots were triggered by a five-cent rise in bus fares, the fares are no longer the issue.

This is borne out by the fact that the most serious outbreak of violence in which two White men were held hostage and assaulted, and three policemen injured, took place at the Iscor compound where workers do not use the buses.

Two years ago — at the time of labour unrest in Durban — a study mooted by the Chamber of Commerce here placed the poverty datum line at R90 a month.

At the beginning of this month, Mr. Dave Lewis, a Member of Parliament, said the minimum wage for a family of five was R120 a month.

Although an accurate figure could not be obtained, residents estimated there were 10 000 houses.

This means an average of eight people are living in each house.

Residents said there were two high schools, four higher primary

planned in the regulation regimented square, and each house is identical to the next.

With the exception of one street the roads are untarred.

Rental for the houses is R4,38 a month.

castle for their purchases.

Appalling social conditions prevail in both townships.

Africans have reported that even before this week's violence, drunkenness, robbery and violence were prevalent.

Representation for the townships is by way of a township council, appointed by the Department of Bantu Affairs.

There are no elections.

In Madadeni, the chairman of the council is Dr. Frank Mdlalose, best described as a moderate.

Although he is an appointed leader, Dr. Mdlalose, the township's doctor, commands wide respect and would undoubtedly be elected by the people.

However even he has been stoned during the last week for his consistent attempts to defuse the situation by appealing for calm.

It is against this background of frustration and squalor that violence erupted on Monday.

It would appear at this stage that the violence has been spontaneous.

As one Black said: "How else can my people protest. How else can we show our disgust. We have no representation."

The danger of the situation remains that it must inevitably create radical leaders, a class of whom already seem to be emerging from the ranks of taxi owners.

The tragedy of Newcastle is that industrialists here are not paying significantly lower wages than the rest of South Africa, and the townships of Madadeni and Osizweni are no different from hundreds in South Africa.

ly views people

● All letters must bear the writer's signature and address, even if a nom-de-plume is used. The Editor reserves the right to reject or abbreviate any letter.

ANDREW

JUST three kilometres Dublin a 32-year-old normality with her hus

According to police in Northern Ireland, Mrs. Roisin McLaughlin is a murderer. But as a result of the centuries-old enmity between Britain and Ireland, there is no chance that Mrs. McLaughlin will be extradited to face murder charges in Ulster.

The killing in which Mrs. McLaughlin is accused of being involved was one of the most unpleasant in Northern Ireland since the present troubles began six years ago. Four unarmed soldiers were lured by several girls to a "party" in Belfast: when they arrived they were made to lie on a bed, and then machine - gunned. Three died, and the other survived, with crippling injuries.

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Curb wage demands — Heunis

Star 9/10/75

(334)

Own Correspondent

CAPE TOWN — The problem of inflation could to a large extent be attributed to a tendency throughout the world to comply with demands for higher wages too easily, Mr J C Heunis Minister of Economic Affairs said in a speech yesterday.

In a paper read in his absence at the opening of the national conference of the Institute of Chartered Secretaries and Administrators, Mr Heunis said increased costs arising from higher wages would be recovered from the consumer in the form of higher prices. And no one would gain in the end.

The advantage of higher wages for the employee is offset by higher prices. His real income can show a sustained increase only if his productivity increases.

If higher wages were to be granted only as compensation for increased productivity an important blow in the fight against inflation would be struck, Mr Heunis said.

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Wage gap wider in cash terms

ARGUS 22/10/75

Financial Staff

THE gap between the earnings of Coloured and White workers widened between 1970 and 1974 in spite of Coloured workers receiving higher percentage wage increases.

This was shown by Coloured Development Corporation statistics, Mr Toni Kedzierski, the corporation's training officer, told a NDMF seminar in Johannesburg today.

He quoted figures of Coloured workers' average monthly earnings. These show the Coloured worker receiving a higher percentage rise in pay each year since 1970. But in terms of rands and cents, his pay rise was much lower than the average for White workers.

In 1970, the Coloured average was R77,01 monthly, against R267,09 for White workers, leaving a wage gap of R190,08.

EVEN HIGHER

By last year Coloured earnings rose to R127,03 but White wages rose to R399 and the gap between the two was even higher at R271,07 — a 42 percent rise in the differential.

In those four years, Coloured earnings moved

Finance 2

to 31,9 percent of White pay from 28,8 percent in 1970.

Mr Kedzierski said the remark was often heard that Coloured men were not accepted by their own people as supervisors or managers. But this was mainly due to the lack of physical signs of status and the lack of support the organisation gave to his new position.

CONTRADICT

'While a White can contradict or counteract any command given by a Coloured man his authority will never be accepted as the White still displays his traditional stereotype of being "superior."

'The only way in which Coloured management can succeed is by the firm supporting him in strict organisational lines and not taking short-cuts.

'The habit of the White general foreman speaking directly to the workers will undermine the Coloured foreman's authority.'

STATUS SYMBOLS

Coloured people elevated to higher jobs of supervisor or manager tended to become extremely status conscious as shown by buying patterns and the insistence on various status symbols.

'It is important that the same status symbols the Whites enjoyed in that job be retained by the Coloured as these status symbols may be the only physical proof of his higher achievement in life.

'His community life may not present him with the opportunity to present visibly his newly acquired status.'

F.M. 24/10/75

The sex gap

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Sex discrimination is as entrenched in SA's wage structure as race discrimination. African women are the most under-paid of all

It is well known that the proportion of Africans in the work-force is on the increase. Between 1951 and 1970 economically active Whites grew by just over 50% but the African work force grew by no less than 80%.

Less well known is the extent to which African women are being drawn into employment. Yet as Erich Leistner and Willie Breytenbach point out in a recent booklet, *The Black Worker in South Africa*, this is "one of the most striking phenomena of recent years."

Between 1951 and 1970 African women workers grew by 230%, against 46% in the case of men. Even if agricultural employment is excluded (since there are problems in comparing census data), women increased by 160%. Leistner and Breytenbach point out that whereas only 24% of African women of working age were economically active in 1951, the proportion is now 46%. This is higher than the figure for White women (38%) and on a par with that for Coloured women.

In 1960, one in five African workers was a woman, but in 1970 the ratio was one in three.

As the table shows, the great majority of African women work in agriculture or domestic service. What is particularly interesting is the increase in African women in manufacturing and commerce: in manufacturing from a mere 7 000 in 1951 to 70 000 in 1970; in commerce from only 2 000 to 50 000.

This immediately raises the issue of sex discrimination in pay. Ray Altman, general secretary of the (White) National Union of Distributive Workers (NUDW) and of the (Coloured) National Union of Commercial and Allied Workers, tells the *FM* that "sex discrimination is a bigger bugbear for us than race. The employers are not in favour of eliminating the sex differential as they are getting women as cheap labour."

Sex discrimination, of course, affects women of all races. It is of particular concern in the case of Africans, since even the great majority of men still earn below the poverty datum line.

Bringing in women at lower rates of pay has already become a problem for trade unions in the laundering and dry cleaning industry. Last year the (African) Laundry and Dry-cleaning Workers' Association decided that men should forego part of an interim wage increase in order to narrow the male female differential. The Wage Board, however, retained the differential.

The Johannesburg branch of the (Coloured) National Union of Laundering, Cleaning, and Dyeing Workers has now asked the Board to fix a minimum starting-wage of R28 a week for men and women. Secretary Eric Tyacke says: "If this is not possible, we would at least like to see the usual 20%-25% differential reduced."

Wage Board chairman Izak Claassens tells the *FM* the Board's approach is to reduce the sex differential in graded jobs where no "muscle power" is involved, but that in unskilled jobs minimum wages for women are fixed at 80% of those for men. Claassens says that in rural areas African men sometimes insist, for status reasons, that women be paid less. But he adds: "When there is convincing evidence that the greater majority of workers want a cessation of the sex differential, the Board would consider this and refer it to the Minister of Labour."

AFRICAN WOMEN WORKERS

Agriculture	655 000
Domestic service	633 000
Medical and welfare	43 000
Education	33 000
Wholesale and retail trade	29 000
Clothing manufacture	21 000
Catering and accommodation services	20 000
Textile manufacture	15 000
Food manufacture	13 000
Public administration and Defence	6 000
Wood and paper manufacture	5 000
Laundry services	4 000
Other manufacturing and services	21 000
Other	10 000
Unclassified	216 000
Unemployed	165 000
Total economically active African women	**1 889 000**

Source: 1970 census

NUDW vice-president Morris Kagan suggests that the Wage Board should ask government to carry out a scientific investigation into factors cited by employers as justifying sex discimination. Among them: men are more stable; less prone to absenteeism; and physically stronger. Interestingly, Claassens says there is no evidence that women are more prone to absenteeism.

In fact they are "frequently more responsible than men." And Emma Mashinini, secretary of the (African) Commercial, Catering, and Allied Workers' Union of SA, asserts: "What men can do we can also do and sometimes do better."

Eric McMaster, assistant vice-president (personnel) of Checkers, and Alan Fabig the OK's personnel director, tell the *FM* that although actual pay-rates for both men and women are usually above the minima laid down in Wage Determinations, they nevertheless reflect the pattern of sex differentials in Determinations. They also both make the point that to bring women up to men's pay-rates would be "very costly".

A set of recommendations by the Wage Board for the commercial distributive trade in the larger towns submitted to the Labour Minister for his approval and gazetted two weeks ago does not contain a sex differential for the job "shop assistant," but there is a wide differential in certain other categories.

Thus, in the case of qualified clerks and sales assistants, the proposed new minimum wage for women is only 68% of that for men.

Women of all races are affected by discrimination in these job categories, and Altman tells the *FM* the unions have been pushing for a closing of the sex gap, but without much success. In unskilled jobs, such as general assistant and general worker, the women's proposed new minimum is 80% that of men. In some areas, that will mean a new minimum wage for them of a measly R35 a month.

Confirms Tucsa's assistant general secretary, Robert Kraft: "There is no doubt about it — women are being used as cheap labour in this country. Discrimination against women is the rule: one finds it in masses of industrial agreements."

Kraft adds that it is feasible and desirable to advocate that companies should move towards equalisation of pay between the sexes in the same job over a period of, say, five years. "They must keep in mind that if they want to increase output they must move towards equal pay. Women are becoming more conscious of their rights. However, efforts to remove pay discrimination on the basis of sex must still take second place in the queue to efforts to remove discrimination on grounds of race."

It's often argued, particularly in the case of Black women, that their wages can justifiably be kept low on the grounds that they are not the main breadwinners. Very often, of course, this is simply not true and women are indeed the main breadwinners, (sometimes assisted by a child who really belongs at school) even the sole breadwinners.

It would be interesting to see some of the trade unions take Claassens at his word and present irrefutable evidence that the majority of workers do not want wages to be related to sex. There could hardly be a more appropriate job to undertake in International Women's Year.

D.D. 28/10/75.

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Bill gives black workers more say

PRETORIA — A draft Bill aimed at giving black workers a more meaningful say in determining their own wages and service conditions was published by the Department of Labour here yesterday.

The Bill, which proposes the formation of black industry committees on a regional basis, provides for agreements reached with employers in areas where there is no industrial council to be made legally binding.

The lengthy amendment to the Bantu Labour Relations Regulation Act of 1953 has been posted to more than 200 employer and trade union organisations, regional committees of the Bantu Labour Board and other interested parties.

The Department of labour has asked for comment and suggestions to be sent to it by December 2, after which a final draft will be drawn up to be introduced during the parliamentary session next year.

"The draft Bill endeavours to give a bigger say to black workers in determining their conditions of service," the Secretary for Labour, Mr B. G. Lindeque, told a press conference here.

"Their voice will be heard right to the top. These people are getting a progressively greater say," Mr Lindeque said.

The proposed legislation follows a statement by the Minister of Labour, Mr Marais Viljoen, that the major shortcomings of the present law were that agreements with black workers did not have the force of law, that there was no provision for regional agreements in an industry and that the black man's voice was not always sufficiently heard in negotiations about his service conditions.

The industry committees would be formed from black members of works and liaison committees — which operate only in a particular company or organisation — and would then speak and negotiate on behalf of black employees in that industry in that region.

Mr Lindeque described this provision as a prospective new dispensation for black workers. Members would be elected for a three-year term and would have to be representative of employees in that industry.

He emphasised, however, that the present industrial council system was unaffected. Wages and other conditions of employment could be negotiated directly with a group or association of employers in a region where there was no industrial council.

Where an industrial council existed, representatives of the relevant industry committee would be notified of intended negotiations and could attend and participate in the industrial council negotiation.

Detailing the principal provisions of the Bill, Mr Lindeque said blacks would be able to be appointed to the central Bantu Labour Board, and to the post of Bantu labour officers. Both were at present exclusively white.

The Bill would expressly make it an offence for an employer to make it a condition of service that a black employee did not become a member or participate in the activities of a regional committee of the Bantu Labour Board, an industry committee, a liaison committee, a co-ordinating works committee or a works committee.

Employers would be compelled to give all reasonable facilities to members of these committees to perform their committee duties.

The Bill also amended the provision regarding the formation of works and liaison committees. One liaison committee would in future be able to be established for a number of branches of one firm in an area, instead of one for each branch as at present.

An establishment would also in future be able to have both a works committee and a liaison committee. The prospect was that works committeees, consisting of black employees only, would elect members to the liaison committee, consisting of both employees' and employers' representatives, in the negotiating chain. — SAPA.

A race against time

F.M. 31/10/75

325

Government's new Labour Bill extends the works and liaison committee system. But many African workers reject the system — and are stepping up demands for trade union rights

Black trade unions — or works and liaison committees? It's becoming a race against time. As the Department of Labour this week released a Bill to amend the Bantu Labour Relations Regulation Act and extend the committee system, Black workers in Durban again rejected the committees and launched a campaign for the recognition of unions.

The draft Bill has been posted to employer groups, registered (but not African) unions, and regional Bantu labour committees inviting them to comment and suggest further changes by December 2. Its main features:

- The chairman and members of the Central Bantu Labour Board (CBLB, a body within the Department charged with looking after the interests of African workers) and Bantu Labour Officers and assistants need no longer be White;
- Instead of having a separate liaison committee in each of his establishments in a particular area, an employer may now set up one liaison committee for all his establishments in that area;
- Liaison committees are now specifically empowered to negotiate with employers about employment conditions. Previously they could only

4. Are you satisfied with your present tutor? Yes/no
Comment

5. (a) What in your opinion should the aim of tutorials be

(b) Do you feel these goals were achieved during the year?

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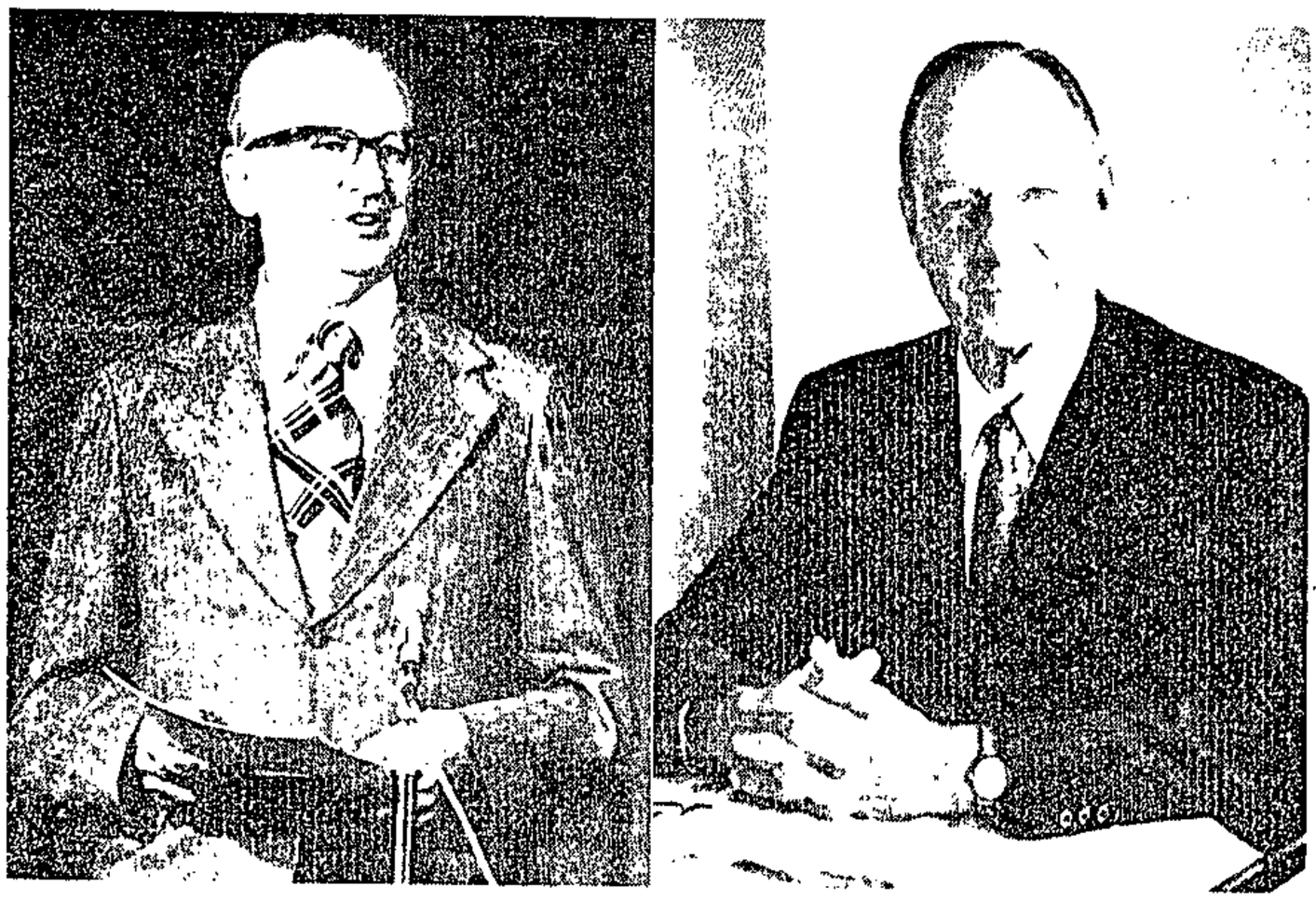

Marais Viljoen and Hugh Tindale . . . are their plans acceptable to Black workers?

"recommend." Some employers have in the past refused to allow liaison committees to talk about pay, but at a Press conference this week Secretary for Labour Ben Lindeque confirmed that liaison committees are entitled to negotiate wages;

- An establishment may now have both a liaison and a works committee. Previously the one excluded the other, but Lindeque says a number of influential employers want both. One suggestion is that a works committee (which may consist only of workers) could now communicate its wishes to management via a liaison committee (at least half of whose members must be elected by the workers, the remainder being appointed by management); and
- Most important, the Bill introduces a new kind of committee for Black workers — the industry committee — and thus extends the committee system from a single establishment to an industry-wide basis.

Industry committees

This change was foreshadowed by Labour Minister Marais Viljoen a year ago. Works and liaison committee members in any trade and area may now ask the Minister for the establishment of an industry committee. In a trade and area where there is no industrial council registered for the particular trade, an industry committee may enter into an agreement about wages and other employment conditions with an employer group. The agreement may then be declared binding by the Minister on all employees and employers in that trade and area.

Where there is an industrial council, industry committees do not have the right to enter into such agreements. Instead, the CBLB will designate committee members to attend meetings of the industrial council and participate (but not vote) in its deliberations.

Thus, for example, an industry committee in the commercial distributive trade in Johannesburg could negotiate a wage agreement with the employers, since there is no industrial council. But in the steel and engineering industry, where there is an industrial council, an industry committee would not have the right to negotiate separately with the employers but would be able to take part in the council's proceedings.

The Bill thus ensures that industry committees will not in any way constitute a threat to the sacred cows of industrial relations in SA, the industrial councils.

- The Bill also prohibits employers from stopping workers' participation in the committee system, and binds them to give committee members "every reasonable facility" to perform their committee duties.

One major defect in the Act, which has been pointed out before but which the Bill — evidently through intention rather than oversight — does not remedy, is the requirement that all committee members must be employees in the industries concerned. Just how effective a role will they be able to play? Wage negotiation is a complex business: employers will come to the bargaining table armed with facts and figures, but when will industry committee members get the chance to study economic conditions, CoL projections, the cost and profit structure of the industry in question, and the thousand-and one other things they need to know to bargain effectively? The answer is that in practice they won't.

They will therefore be dependent on the secretarial and professional assistance of the Department of Labour. Alternatively, they could — as a number of works and liaison committees do — get help from one of the unregistered African trade unions.

Lindeque stresses that the Bill is not necessarily the "final answer. We cannot be sure what will happen in the future." On one interpretation the Bill is a step in a direction which might one day lead to the recognition of African unions. But on another it is an attempt to undermine the growing African union movement through an alternative system.

The position of African unions is as anomolous as ever. "They are not recognised," confirms Lindeque, "but they are not forbidden either." Government's attitude to them is reminiscent of the US's pretence for so long that the People's Republic of China did not exist.

Significantly, while the Labour Department is asking trade unions which cater for White, Coloured and Indian workers for their views on the draft Bill, it is not consulting the two dozen or so African unions.

Tremendous success

According to Lindeque, the committee system has been a "tremendous success." There are now 1 969 liaison and 279 works committees in operation, in establishments with a total of 613 000 African workers. Hugh Tindale, chairman of the CBLB, pays tribute to the "magnificent part" of some employer organisations in propagating the committee system.

There is indeed no doubt that many employers — though certainly not all of them — are taken with the committee system. Whether it has the support of any significant number of African workers is much more doubtful.

The Labour Department cites a study last year by the University of the Orange Free State as furnishing proof of the value of the committee system. Significantly, however, the university's report showed that the initiative for the establishment of liaison committees came from management in nine cases out of 10 and from workers in only one case out of 10. Though the report declared liaison committees satisfactory, it canvassed only management's views, not those of workers.

There is thus very little real evidence that the committees have any degree of support among Black workers. Indeed, there is considerable evidence to the contrary. The *FM* attended a meeting of 150 Black workers, shop stewards, and trade union officials in Durban at the weekend, where a campaign was launched to collect 100 000 signatures in townships and factories on a petition calling for the recognition of Black unions.

"We must show very clearly that we do not want works and liaison committees," declared one speaker. Said

FM 31/10/75 (325)

another: "We are here because we are exploited in the land of our forefathers. We are hungry and we must engage in purposeful action."

Said a Pinetown worker, summing up the mood of cool determination at the meeting: "Our struggle is for our rights as workers. We are not fighting the government, we are only fighting for our rights. Whites, Coloureds, and Indians fought very bitterly for their trade union rights."

Added a man from Howick: "I was once a soldier and I am prepared to fight and even die for this country."

A worker from Pietermaritzburg declared: "I told my employers quite courageously that I am a member of a trade union. Some of the workers started shivering when I said this. One day the employer brought a Labour Department official to say that there are no African trade unions in SA. But I told him 'You are a White man. I know what I want from a union. It is none of your business'."

SA's Black unions — despite all the obstacles they have to surmount — now claim a membership of 60 000, against 40 000 a year ago. Government and employers are ill advised to ignore this growing movement.

The new draft Bill will no doubt strengthen the works and liaison committee system. But in the final analysis the test of the system's success is going to be whether it has widespread worker support. And that is very much open to doubt.

4. Are you satisfied with your present tutor? Yes/no
Comment

5. (a) What in your opinion should the aim of tutorials be
(b) Do you feel these goals were achieved during the year?

Star 19/11/75

Strike drop a boost for work groups

Political Correspondent

The Minister of Labour, Mr Viljoen, has disclosed a dramatic drop in the number of man-hours lost through strikes by Black workers since the introduction of works and liaison committees two years ago.

He told the Natal Chamber of Industries at a banquet in Durban last night it was "a real waste of time" to bargain on the disappearance of the works committee system.

What would happen instead in the future was that the system would be altered from time to time when the need for changes arose. This was why a draft Bill had just been distributed designed to improve the present system by giving agreements reached between employers and Black workers the force of law among other things.

Mr Viljoen said that in 1973 — the time when works committee legislation was introduced — 1,3-million man-hours had been lost in Black strikes.

Last year the number had dropped to 653 000 and up to the end of September this year, only 86 000 man-hours had been lost in this way.

BETTER NOW

"I mention these figures to show to what extent the Act has contributed to remove misunderstandings and false impressions and to establish a basis through which better human relations can be brought about on the labour front," he said.

Regardless of the progress made since the Act was amended, Mr Viljoen said he was eager that more employers should use the committee system, because it could only contribute to a more satisfied labour force and to happier employer-worker relations.

The Minister applauded some employers for their positive attitude. One of the largest organisations, he said, had established a special section to assist its members in the formation of liaison committees.

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D.D. 25/11/75

Wage gap must be narrowed call

JOHANNESBURG — There is no question that South Africa must continue to narrow the wage gap although increased wages for races other than white have contributed to inflation.

Restraining such increases would be a threat to social peace, Dr Dawie Gouws, a leading personnel consultant, said.

He was interviewed after speaking on wages at a symposium of the Institute of personnel management here yesterday.

The institute is seeking to devise an anti-inflation plan for personnel management.

The elimination of the wage gap where there was at least an equivalent productivity increase was essential under the anti-inflation programme, Dr Gouws said.

He was referring particularly to the wage gap between people of different races doing the same work.

This gap had increased substantially although the lower paid race groups had received higher increases percentage wise, he said.

Thus skilled and semi-skilled whites got R323 a month this year compared to R164 a month received by their black counterparts.

Improving wages for blacks who are earning around subsistence levels is already a matter of social conscience.

This should not be ignored in the anti-inflation campaign."

There were no easy solutions to this and other problems connected with inflation. One of the most important objectives in the fight against inflation should be to change attitudes and expectations and to demonstrate the relationship between pay and productivity.

Dr Gouws foresaw a "concertina effect," on wages, with the lower-income levels pressing against the top.— SAPA.

Labour goodwill 'not enough'

STAR 26/11/75

Labour Reporter

South Africa cannot rely on goodwill alone for its Black labour relations, according to the personnel manager of a leading industrial and commercial group, Mr R V Sutton.

The number of works and liaison committees for Black workers introduced voluntarily was not adequate to meet the needs, Mr Sutton told a labour relations seminar of the National Development and Management Foundation in Johannesburg today.

In preference to compulsion to raise the numbers of committees, he proposed a "device of regional agreements for specific trades which would be applicable to everyone."

Such agreements on wages and working conditions would be concluded through a regional labour council composed of employers and workers in undertakings where committees existed.

The representativeness required of such bodies should not be too stringent, Mr Sutton said.

In that way organisations would be encouraged to form committees for their workers in order to qualify for participation on the regional councils.

The existence of an agreement on wages and working conditions in the individual enterprise could be made a condition of membership of the regional councils, and such agreements might be approved by the councils.

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Check Black pay, employers told

RDM 29/11/75

By GERALD REILLY

THE South African Institute of Race Relations has appealed urgently to employers to review Black wages.

The director of the institute, Mr Fred van Wyk, said yesterday it was feared that some employers might shelter behind the anti-inflation manifesto which provided for a go-low in wage and salary ncreases.

It should be emphasised that low-paid workers were specifically excluded from this provision.

Mr Van Wyk said increases granted to the mass of urban Black workers had been swallowed up by the sharp rises in essential foods and other commodities during 1975.

"The prices of bread, mealie meal, milk, and other basic foods on which the vast majority of African families depend have all gone sky high, and there is no doubt that the number of hungry African families in the major areas is rising.

"If we want to avoid growing friction between Black and White and the grim consequences of labour unrest, the authorities must keep in close touch with the economic situation of urban Blacks," Mr Van Wyk said.

Voluntary organisations were doing a fine job in helping to feed the hungry in the townships, but it would be far healthier if Blacks were placed in a position where their earnings gave them the security every worker merited.

Mr Van Wyk said the vice-president of the institute of Personnel Management, Mr J. Dickerson, said earlier this week that the poor response to the Government's tax concessions for Black training had been "nothing less than pathetic and somewhat alarming."

Mr Van Wyk said if employers were refusing to cooperate in this vital area, the Government should step in and take over the responsibility for raising the earning power of Blacks by industrial training.

BLACK WAGES 'MUST GO UP'

Mercury Correspondent

PRETORIA — The Institute of Race Relations has appealed urgently to employers to review Black wage levels.

The institute's director, Mr. Fred van Wyk, said yesterday it was feared that some employers might shelter behind the anti - inflation manifesto which provided for a curb in wage and salary increases.

But, he said, it should be emphasised that low-paid workers were specifically excluded from this provision.

Mr. van Wyk said increases granted to most urban Black workers had been swallowed by the sharp price rises in essential foods and other commodities this year.

"The price of bread, mealie meal, milk and other basic foods on which the vast majority of African families depend has gone sky high, and there is no doubt that the number of hungry African families in the major areas is rising."

Mr. van Wyk agreed with the chairman of the U.K. - S.A. Trade Association, Mr. William Like, who said in London this week that the implications for South Africa's lower paid workers would be forbidding if inflation continued.

"If we want to avoid growing friction between Black and White and the grim consequences of labour unrest, the authorities must keep in close touch with the economic situation of urban Blacks," Mr. van Wyk said.

Voluntary organisations were doing a fine job in helping to feed the hungry in the townships, but it would far healthier if Blacks were placed in a position where their earnings gave them the security every worker merited.

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Mr. van Wyk said if employers were refusing to co - operate, the Government should take over the responsibility for raising the earning power of Blacks by industrial training.

Hotel staff get pay rises

13/12/76 Mercury

Mercury Reporter

LICENSED hotel and restaurant staff in the Durban area are to receive increases ranging from 25 to 53 percent over the next three years.

The increases, which were announced yesterday by the Industrial Council for the Liquor and Catering Trade, come into effect on January 1 next year.

Male general service employees receive an increase of R[illegible],50 a month to R75 in January. Annual increases to R85 a month in 1978 are provided for.

Salaries of female general employees will rise from R70 to R80 during the three year period.

In the three years the increases for walters and wine stewards will raise their salaries by R15 a year from the present R85 a month to R130 a month.

Barmen have also been given R15 annual raises, increasing their salaries from the present R175 a month to R220 a month in the three years. Clerical employees salaries in the same period will increase from R110 to R145, while cooks' salaries will increase from R100 to R145.

The agreement also laid down new conditions of employment, including the number of hours worked in a week and amount of leave employees are entitled to annually.

~~1 176~~

2 326

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325

R10 for 50 hours

31/3/76 NM.

African Affairs Correspondent

THIRTY-SIX Africans in Pinetown are working a 50-hour, five-day week for about R10 — half the Minimum Living Level — but a Department of Labour official said nothing could be done because they were not covered by a wage agreement.

The men, employed by Garden Master, a garden maintenance firm, service 50 houses a week, starting work before 7 a.m. and finishing at 5 p.m. or later.

None of the men is registered by the company as an employee, although several have worked for the firm for several years.

One worker told the Mercury that he received R10 a week and had to support three children. None of the men interviewed earned more than R12,50 a week.

They receive no pension, medical aid, holidays, sick leave or leave pay.

Another worker recalled that he had fallen off a company truck when it was involved in an accident. Though injured on duty he received no compensation or pay for the time spent in hospital.

The Government announced a poverty level of R125 a month in its anti-inflation manifesto in November last year.

The Department of Economics at Natal University calculated the Minumum Living Level last August as R90.

None of the men seemed to pay less than R8 to R10 a month for rent in Clermont or Emolweni — about 25 percent of their wages.

A spokesman for Garden Master declined to comment.

STAR 1/4/76

Footwear workers' pay to be doubled

Labour Reporter

The South African footwear industry, which employs about 22 000 workers, has decided to pay a minimum wage of R125 a month from July 1.

The move will mean a 50 percent increase for the industry's lowest paid workers — from a prescribed minimum of R19 a week to R28,50.

Many individual employers are paying similar or even higher minimum wages, such as AE & CI which pays a minimum of R130 a month.

But the footwear industry may be the first industry of its size to prescribe a minimum rate of R125, the poverty guideline set by the Departent of Statistics under the anti-inflation manifesto.

DECISION

The decision was taken in Port Elizabeth last week as the compilers of South Africa's two national minimum living or subsistence levels made a strong plea for such a minimum rate.

They pointed out that their guidelines, ranging from about R110 to R120 a month, allowed only for the barest essentials for a family of six. In practice more was required to allow for a decent life, they said.

"Only apprentices and learners may be paid less than R125 a month under the new agreement in the footwear industry," said Mr Steve Scheepers, secretary of the Transvaal Leather Workers' Union and leading negotiator for the new minimum.

(1) 326
(2) 187

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Wage move welcomed

Argus 18/11/76

The Argus Political Staff

THE United Party's chief spokesman on finance, Mr D. D. Baxter, said today he did not think the latest move in the Government's anti-inflation campaign would cause any strong upsurge in either wages or prices.

Such an upsurge was unlikely in the present situation of underemployment in the economy, he said.

Mr Baxter, MP for Constantia, welcomed the announcement by the Minister of Economic Affairs, Mr J. C. Heunis, that from March 31 next year, wages and prices were to be left to find their own level.

Mr Baxter said: 'South Africa continues to be plagued by an inflation rate higher than that prevailing in most other countries.

'It is, therefore, pertinent to realise that the most important reason for this situation is the past extravagance and financial mismanagement of the Government.

'We are paying in inflation a large part of the huge increases in Government spending of the past few years, some of which was on highly extravagnt projects and much of which was for ideological reasons.'

Mr Baxter said that in an attempt to rectify the position, the Government had put the economy in a financial straitjacket.

Apart from the anti-inflation programme, which had imposed voluntary restraints on wages and prices — with a measure of hardship for wage earners—South Africans were also enduring taxation at levels which had only once been exceeded in the past 30 years.

In framing its next Budget, the Government would be faced with the dilemma of whether to continue to dampen the economy with high taxation aimed at reducing the rate of inflation, or to 'put back some steam' into the economy to provide more jobs and to use the country's resources more fully.

To continue too long with a dampening policy would be dangerous as it could force the country into a serious slump, he added.

Attention has been given and is being given by more and more manufacturers to the construction of enclosed cabins which will protect the operator from the unpleasant factors ment th a confortable post the weather and clean filt working pace for long nd in this manner full tireless machine. Thes considered unnecessary luxu progressive farmers as e er productivity in thei een trained to unde ne functions of the sophi machinery of to-day.

A bogus inspector and the Wage Act

By MERVYN REES
Chief Crime Reporter

SHOPKEEPERS and office workers in Johannesburg's northern suburbs have been warned to be on the lookout for a bogus Department of Labour inspector who threatens to prosecute them unless they buy a Wage Act notice for R33.

Detectives warn that the "inspector" has claimed several victims in Glenhazel and other northern suburbs recently — and even gives a receipt for the money he takes from them.

He tours shops and offices demanding to see that the Wage Act Notice of 1957 is displayed on the premises.

"When it is not, he tells people they have broken the law and threatens to summons the owner to pay a R200 fine," Lieutenant D. Armstrong, of the Lyndhurst CID, said yesterday.

He said the "inspector", who identifies himself as P. A. Smith, then says he will sell them a Wage Act notice for R33 and overlook the offence. He gives his victim a receipt and disappears.

Lt Armstrong appealed to people who are approached by the man to telephone the Lyndhurst CID at 40-7219.

DEVELOPMENT OF IMPLEMENTS:

Every agricultural machine and implement has been the subject of intense study and development; some of them have become quite sophisticated and have been provided with considerable muscle in the shape of hydraulic servomechanisms. Some of these machines have become almost unrecognizable compared with the primitive implements from which they were developed, others like the plough are still readily recognizable as such despite some considerable development work on them as well. While the basic ploughing function has not changed much over the centuries, certain design changes in the plough construction and mouldboard contours have given the modern farmer a robust implement that can

Pay-row crew quits

SOME of the 70 Greek seamen who abandoned their ship, Victoria, which docked in Durban yesterday. The men refused to go on board until they had been paid the correct amount. The ship sailed without them.

3/2/72 M

Mercury Reporter

SEVENTY Greek crewmen were left on the wharf last night when the luxury cruise liner Victoria sailed from Durban to Cape Town four hours late.

The men, mainly stewards, cooks and galley hands, left the ship as soon as it docked at 8 a.m. yesterday. They left over a wage dispute.

Mr. George Soupios, a steward and spokesman for the crew, said they had not been paid since November 29.

When they left Reunion five days ago, Captain John Tourvas was told that the men would leave the ship in Durban if they were not paid. All non - Greek crew have been paid by the company Chandris Lines, who own the ship.

Mr. Soupios said all Greek merchant seamen had been given a 45 percent pay rise from the Greek Government from the beginning of November, but when the men were given their wages they found they were getting less. The company had deducted money for no apparent reason.

He said overtime rates had increased as well, but these were not included, nor did they receive the usual Christmas bonus.

Mr. Soupios said the men wanted to know what had been deducted and why. The money was on board yesterday but not the amount stipulated by the seamen's union in Greece.

Mr. Soupios said the Greek Minister of Shipping had telexed the captain. The telex, he said, read: "It is not right for sailors to abandon ship. Go back and everything will be done to help you."

No mention was made of the money, or why it had been held back.

Mr. Soupios said all the stewards were involved in the strike. The ship has over 200 crew.

The captain then told the men he would sail without them. After negotiations with the Greek Consul, Mr. G. Aristopoulos, and the captain, it was decided to sail leaving the crew members behind.

Before the ship left, the men were warned by a spokesman for the Railways Police that they would be illegal immigrants.

They were not allowed to return for their clothing or possessions, and many were half-dressed. Their passports are with the ship's agents who accompanied the pilot boat to the harbour entrance.

Mr. Soupios said he did not care how the passengers, who are on a five-week cruise to South America, fared.

"If they want us to work, they must pay us. And it is nonsense the captain saying he has the best stewards left. We are all involved in the strike. We want to fly home to Greece where we will be able to earn some money."

The Greek Consulate has agreed to fly the men back as soon as their tickets are available. They will stay at the Astra Hotel or the Seamen's Institute in Point Road until they go.

Both the captain and the ship's agents refused to comment.

Captain Tourvas said: "It is none of your business. I am anti - Press."

Mr. Soupios said the ship would probably take on more crew in Cape Town.

The Victoria will take about three days to reach Cape Town, during which time the passengers will have to do without the usual luxuries.

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WAGE REG Strikes

3437

WAGER REGULATION
GENERAL

R3m a year can upgrade PO Blacks

Political Correspondent

THE ASSEMBLY. — Only R3-million a year is needed to place Coloured, African and Indian Post Office employees on a par with White salaried staff.

This was disclosed yesterday in the House of Assembly by the Minister of Posts and Telegraphs Senator Van der Spuy, in answer to questions by Mr Rene de Villiers, PRP Parktown.

Senator Van der Spuy said additional expenditure, estimated at R2 925 200 was needed annually "in respect of 4 664 non-White officials."

(338) 20/6/77 DD

Narrow gap says unions' leader

JOHANNESBURG. — The present economic climate provided employees with the ideal opportunity to give serious consideration to the narrowing of the wage gap, said Mr Lief van Tonder, president of the Council of Trade Unions.

He was addressing the Johannesburg Afrikaanse Sakekamer on the attitude of the trade unions towards the training of blacks in industry.

"The unions have often presented unreasonable wage demands in the past, but workers can no longer afford such demands. The country will soon be saddled with major problems if employees do not give serious consideration to narrowing the wage gap between white and black workers," he said.

It was also the Government's duty to play its part in this.

The Government could immediately dispense with job reservation without seriously affecting white workers, said Mr Van Tonder.

"The damage which this single piece of legislation has done to our economy — especially overseas — is frightening. If job reservation is done away with, one of the sheet-anchors of the country's enemies overseas would fall away," he said.

While black tradesmen could at present be trained to operator level at most, training on higher levels would come, he said.

The whole question of training the trades as it now stood would come into the melting pot, to make it better directed. White tradesmen with the necessary qualities must have the opportunity to equip themselves to become technicians and higher through further study.

In this way, a vacuum would be created lower down the ranking order, which could be filled by trained blacks, without whites feeling themselves threatened by the training of black workers, said Mr Van Tonder. — SAPA

SUN TIMES 5/2/78 (345)

Row looms over pay rise 'favouritism'

By RAY JOSEPH

THE RECENTLY announced five per cent pay rise for public servants will apply only to lower-income workers. Officials in the upper-income bracket will get an increase of more than 11 per cent.

A senior spokesman of the Public Service Commission, which works out salaries for all public servants, said the five per cent was an across the board increase.

"But the Cabinet has approved a small extra amount to improve the top structures in the service."

A Bantu Affairs official, who pointed out that the percentage increase for top officials would be twice that of the rest, said: "These are the people who must take up our case in the future. But, if they are satisfied, they will not be so keen to do this."

The official said that calculations based on an official memo showed that:

- Public servants earning between R660 and R12 000 will get the announced five per cent increase.
- From R12 600 up to R13 200 it will be 6,061 per cent.
- From R13 200 to R15 600 the increase leaps to 11,570 per cent.

The highest salary mentioned in the memo is R15 600, for which the increase is 11,888 per cent.

The Bantu Affairs official said: "The 11 per cent increase is not unreasonable — except that they want to look after their top people at the expense of the others.

"We do not begrudge them their increase, but the way it is being given is grossly unfair. It is sheer favouritism.

"This will not be accepted lying down when it becomes known. We all have to bear the same high cost-of-living burdens as the top people.

"The higher increases for top officials will cost a hell of a lot of money."

The present five per cent increase is a hold-over from July, 1976, when public servants received only 10 per cent of a promised 15 per cent increase.

They were promised the other five per cent in January, 1977, if the economy picked up. It was again deferred and is only now being granted.

SUNDAY T

Wage rise claims of over 25 pc predicted

Star 6/3/78

(345)

Labour Reporter

Trade union demands of wage increases from 25 percent upwards will be fairly commonplace in the private sector this year, Mr Ronnie Webb, president of the Trade Union Council of South Africa, said today.

He said prices had spiralled in spite of wage sacrifices, and the workers had been "made fools of."

"We are now going all out to recoup their losses of the last three years," said the leader of the 230 000-strong multiracial body.

Mr Wessel Bornman, secretary of the 200 000-strong white Confederation of Labour, said it would be a tall order for unions to recoup the past three years' losses because that would amount to about 30 percent.

ABNORMAL RISE

"We are going to approach the whole of the trade union movement to try to establish a consensus on possibilities of curbing the abnormal rise in the cost of living," he said.

"It's no use remedying the situation by means of wage demands alone — some employers simply could not bear the cost."

Mr Bornman said nothing specific had been proposed, but there were "a few possibilities for joint action."

Asked about his attitude towards a wage/price freeze he said: "We have to recover some of our losses before we start thinking of a wage/price freeze."

Ten metal unions want big pay rises

Star 6/3/78

345

Sieg Hannig, Labour Reporter

The 10 trade unions in the metal industry have demanded increases of up to 42 percent in minimum rates of pay and up to 23,8 percent across the board.

And employers have countered with a call for the removal of job reservation "in its entirety."

It is the first time that employers in such an important industry have called outright for the scrapping of job reservation.

HIGH STAKES

The stakes have never been higher in the history of pay negotiations on the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry.

And the negotiations, starting in Johannesburg on Tuesday week, are bound to have repercussions on a wide front.

About 500 000 workers of all races are affected directly and thousands more indirectly because these negotiations traditionally set the trend for many other industries.

Details of the bargaining positions were disclosed today by Dr Errol Drummond, director of the Steel and Engineering Industries Federation (Seifsa).

The demands of the 10 trade unions, due to be discussed with employers at the industrial council on March 14, included increases ranging from 42 percent to 14,86 percent in the scheduled basic rates of pay, including 26,15 percent for artisans and 18,64 percent for labourers and across-the-board increases ranging from 25c an hour (11,47 percent) for artisans to 11c an hour (18,64 percent) for labourers, with a 23,81 percent rise for one of the intermediary grades.

RESERVATION

Seifsa's counter-proposal on behalf of the employers leave no doubt that it means business when it accepted the Urban Foundation's anti-discriminatory code of employment practice late last year.

"We want to scrap job reservation in its entirety," said Dr Drummond.

star 7/3/78

Concern over salary gap

(345)

The Department of Education and Training is concerned about reducing the salary gap between white and black teachers at the higher qualified levels, a department spokesman announced.

Billions!

That's the bill for closing wage gap

5/11/78 Sunday Times

CLOSING the racial wage gap in South Africa, in the case of skilled and semi-skilled workers, would cost the country about R2,07-billion a year, Charles Cogill, of Wits University, estimates in a study released this week.

Mr Cogill, senior lecturer in organisational behaviour at the Wits Graduate School of Business, says the R2-billion-plus represents an additional 12 per cent on the nation's pay bill and would sap up about 15 per cent of the total money supply in the economy.

The figures, he says, highlight the need for continued capital investment in the South African economy to stimulate economic growth.

He warns that every company contemplating closing the wage gap ought to take note of the possible inflationary effects and unemployment such a step could cause.

Many companies, he says, will go out of business if they were to close the wage gap in the short or medium terms.

Charles Coghill ... many will go out of business

By MARTIN CREAMER

Firms which want to do so, he says, should carry out a cost-benefit analysis to see whether the money they would have to outlay could be more effectively invested.

They would also have to ensure that increased productivity accompanied increased pay.

A breakdown shows that employees' income constituted 65 per cent of last year's national income. Closing the wage gap would raise this figure to 72 per cent, or 7 per cent in net national income, representing about 15 per cent of the total money supply in the economy.

Certain analysts, Mr Cogill says, argue that meaningful comparisons between black and white wages can be made only when the comparisons are between jobs which are identical, for example, between black bus drivers and white bus drivers.

"Such arguments may be seen as camouflage and would not be accepted in Britain or America today," he says. "The British Government has laid down a code of practice which companies operating in South Africa ought to follow. That is: a company's wage structure should be determined independently of race, according to principles of job evaluation.

Sunday Times

345

5/11/78

Widened

"A second point must be made is that the wage gap must not be eliminated simply for reasons of social responsibility."

The latest salary survey data, he says, shows that the wage gap in South Africa is still very evident, despite concerted efforts by employers to increase salaries of their black staff.

The percentage increases from June, 1977, to July, 1978, for black employees was 24 per cent, against about 8 per cent for whites.

"An overall analysis reveals, however, that although black employees are enjoying a quicker rate of pay increases in rand terms, the wage gap has actually widened slightly."

Skilled blacks are being paid 50 per cent less than whites, the survey shows, and Mr Cogill finds that while special attention is being paid to wages at subsistence levels, insufficient pay incentives exist for blacks in the important semi-skilled area.

The financial motivation to acquire skills, he says, is greater for semi-skilled whites than for blacks.

The primary purpose of job evaluation is to provide a grading of jobs to facilitate decisions aimed at reaching an equitable and consistent pay structure.

While there are a number of job-evaluation systems used in South Africa, Mr Cogill concludes that the Paterson system — which grades jobs according to the levels of decision-making to which people have to rise — is a good model to use in examining aspects of pay distribution in the economy, highlighting differentials between black and white, skilled and unskilled.

Wits man urges firms to be wary

Call to close wage gap

345

DD 9/11/88

57

EAST LONDON — The Transkei Development Corporation had closed the wage gap between black and white in one year the chairman of the TDC, Mr Franko Maritz, said yesterday.

Mr Maritz was chairing a panel discussion on equal employment opportunities in East London yesterday.

Mr Ben Venter, Human Resources manager of Nordberg Manufacturing told the symposium whites formed 16 per cent of the population in South Africa and earned 65 per cent of the income. This gap was closing at one or two per cent a year.

It had, he said, been estimated it would cost R2,-07 billion to close the wage gap between white and black.

To close the wage gap could lead to a drop in profits in the short term. — DDR.

Workers will press for pay increases

24/11/79 RDM (354)

Pretoria Bureau

PRESSURE on the Government to increase wages and salaries in the public sector from the beginning of next year is mounting.

Leading members of both staff associations and trade unions believe the Government is well placed to allocate the R250-million which they say would be needed to give an across-the-board increase to workers in the Post Office, South African Railways, provincial and State departments.

They point out that the Government has underestimated revenue significantly and that taxes from the gold mines will be nearly double the estimate of the 1978/79 Budget.

At its meeting tonight, the executive of the Posts and Telegraphs Association is expected to stress "a critical need" for financial relief for Post Office staff.

Although R7-million was allocated earlier this year to be distributed in bonuses to Post Office workers, that was "a drop in the bucket" and could in no way be taken as a substitute for substantial increases.

The railway unions have warned that the bonuses their members have been promised in January would make no difference to the growing pressure for larger pay packets.

Economists have pointed out that Government income during August exceeded expenditure by R132-million. Government deposits with the Reserve Bank rose by R187-million to R574-million and in September by a further R265-million.

Keeping this money out of circulation, they say, is keeping a clamp on consumer spending, something which can only do the economy harm and perpetuate recessionary conditions.

SWART LONE ,INGRYPEND V

DEUR H. J. GROSSKOPF, Redakteur Suider-Afrika van Nasionale Koerante

BAIE aandag is in die laaste jare gegee aan die verbetering van swart lone, bevind twee navorsers in 'n belangrike boek wat binnekort verskyn. Die Regering het werkgewers se arm gedraai en die Loonraad meer aggressief laat optree — en dis belangrik dat die wit werkers hierdie poging blykbaar steun om die loongaping te vernou.

In baie sektore is dit nie ongewoon dat swart lone met 20 of 30 persent per jaar gestyg het terwyl wit lone skaars tred gehou het met die inflasiekoers van 12 persent nie.

In hul hoofstuk in South Africa's Urban Blacks: Problems and Challenges skryf Robert Kraft en Oscar Motsepe, dosente aan Unisa se Skool vir Bedryfsleiding, dat die swart stakings van 1973 'n belangrike impak op die wit stedelike mening gehad het.

Onder blankes het blykbaar 'n konsensus ontstaan dat swartes te min betaal is, dat stakings nie voorkom kan word deur hulle onwettig te maak nie en dat die bestaande stelsel van nywerheidsverhoudinge vir swartes onvoldoende is.

Werkgewers het besef die Polisie gaan nie vreedsame stakings onderdruk nie — en die wit stedelinge het deeglik besef die swartman is vir goed in die stad.

Toe die vorige premier, mnr. B. J. Vorster, in die Parlement sê dat ook hy van plan is om die les van die stakings te leer, het hy bepaald die mening van die blanke massa weergegee, skryf Kraft en Motsepe.

Hy het nie net die staking probeer afkoel deur 'n sekere mate van meegevoel met die stakers te toon nie, maar het ook laat blyk dat die swartes 'n nuwe basis van agting in die oë van blankes verwerf het.

Die konsensus van 1973 het gegaan oor die aard van die probleem, nie oor die oplossing nie. Daaroor word nou nog geargumenteer. Tog was dié konsensus 'n belangrike eerste stap vir latere optrede.

Die Parlement het swart werkers die reg gegee om te staak, en hulle het groter bedingingsmag gekry. Daarby het die Regering druk op werkgewers uitgeoefen om swartes se werkomstandighede te verbeter.

Die reële lone van swartes het van 1973 tot 1975 vinnig verbeter en het in 1976 stadiger gestyg, maar toe was die ekonomie nie meer so sterk nie.

Dit is tipies van 'n ontwikkelende ekonomie dat die verspreiding van rykdom skeef is: die gaping tussen ryk en arm word breër in die eerste groeifases en dan weer nouer namate die ekonomie tot volle wasdom vorder.

Die inkomsteverspreiding in Suid-Afrika word dus deels deur ons ontwikkelingstadium verklaar. Dat dit hier grotendeels saamval met die wit-swart-verdeling, maak dit ook 'n belangrike politieke punt.

Die vinnige verbetering in swart lone het 'n warm debat onder werkgewers en in die Regering se binnekringe afgegee, skryf Kraft en Motsepe. Sommige sê maatskappye word nou verplig om spaarsamer met arbeid te werk en vinniger te meganiseer, wat die werkloosheid en dalk die politieke probleme vererger.

Die teenargument is dat die huidige werkloosheid kunsmatig hoog is weens die resessie, maar buitendien is 'n ekonomie met hoë lone nodig om die nodige binnelandse

BUIGER 2/11/78

325

ERBETER'

uitbreiding te bevorder, want ons ekonomie is nog té swaar afhanklik van 'n klein elite wat duursame verbruiksgoedere en weelde-artikels koop.

Die skrywers haal 'n ontleding aan wat daarop dui dat die onderwys die grootste rede is vir die inkomsteverskil in die fabrieks-wêse tussen wit mans en nie-blankes. Hul onderwys, gemeet aan die jare op skool, verklaar 50 tot 60 persent van die loonsverskille.

Hulle wys daarop dat die swart opleiding aan 'n breë front verbeter word: vir fabrieks-werkers én ondernemers. Daarby is van die wette wat swart arbeid beheer, gewysig om werkers groter bedingingsmagte te gee wat in die howe afdwingbaar is.

Die houding van wit werkers het pragmaties verander om groter buigsaamheid in arbeidsbeleid en opname van swartes toe te laat in werk wat vroeër vir blankes afgebaken was. Die wit stedeling aanvaar nou basies die permanensie van die swart stedelinge, hoewel dit nog vir die Nasionale Party politieke implikasies het.

Daar is dus 'n konsensus onder blankes dat arbeidshervorminge nodig is, en daar is heelwat blyke van veranderinge. Tog, skryf Kraft en Motsepe, kan 'n mens nie met dieselfde vertroue sê dat die swartes hierdie veranderinge met ewe veel optimisme bejeën nie.

„Die gematigde swart vakbondleiers is bepaald versigtig optimisties dat die Wiehahn-kommissie 'n konstruktiewe verslag sal indien en dat die verskillende kodes oor indiensneming toestande sal verbeter. Privaat waarsku hulle dat verwagtinge in sekere kringe gewek is, en wonder hulle oor wat die reaksie sal wees as die hoop sou beskaam."

* South Africa's Urban Blacks: Problems and Challenges is saamgestel deur George Marais en Robert van der Kooy. Dit bevat veertien hoofstukke deur verskillende deskundiges en word uitgegee deur die Skool vir Bedryfsleiding, van wie dit ook bestel kan word teen R12, plus 48c belasting. Die adres is Posbus 392, Pretoria 0001.

10pc State pay boost

NM 28/11/78 (345)

Mercury Correspondent

PRETORIA — Nearly 900 000 White and Black public sector workers are to get increases from April 1 next year, according to three ministerial announcements here last night.

The 270 000 railway workers — the Minister of Transport, Mr. Louwrens Muller said, are to get salary and wage adjustments of 10 percent.

The Minister of Interior, Mr. Alwyn Schlebusch, said the Cabinet had approved a consolidation of pensionable allowances paid to public service workers and to make certain salary structure adjustments from April 1.

The Minister of Posts and Telegraphs, Mr. F. W. de Klerk, said it had been decided to grant salary relief to Post Office employees from April 1.

The pensionable allowances now being paid would be consolidated into basic salaries at the same time, Mr. de Klerk said.

Mr. Schlebusch said a further thorough investigation into narrowing or eliminating the salary gap in certain public service categories would be made.

Senior public servants said last night that State department and provincial department workers, as well as Post Office workers, could expect the same treatment as Railway workers, and that their increases would also be in the region of 10 percent.

Economists pointed out last night that if it was virtually certain the whole of the public sector would receive 10 percent increases, consumer spending power would be increased by nearly R400 million.

According to the latest Department of Statistics figures the 895 000 workers in the public sector — 407 469 of them White — are paid about R3 300 million a year.

The Progressive Federal Party's financial spokesman, Mr. Harry Schwarz, said he hoped the increases were based on purely economic grounds and not on political grounds which might become apparent in the near future.

Although South Africa appeared to be heading for a high bout of inflation next year, the public sector workers were entitled to relief.

But the chief economist of Barclays Bank, Dr. Johan Cloete, warned that 10 percent increases for so many workers in the public sector could be "disastrous."

He claimed they would trigger off a round of demands for 10 percent-plus increases in the private sector and have a snowballing effect on prices.

WAGE REGULATIONS —

GENERAL

14/12/79 — 31/12/81

F.M. 14/12/79 (345)

FM 14/12/79.

WALTER WILLIAMS

Against the minimum wage

Leon Louw, director of the Free Market Foundation, interviews US economist Professor Walter Williams, of Temple University, Philadelphia, who recently visited SA.

Louw: Professor Williams, could you amplify your views on the minimum wage?

Williams: Well, a minimum wage — regulating where they can live, where they can work, and things like that. So it's not a problem solely restricted to the minimum wage.

It could be argued that there are blacks who are not getting jobs simply because they are black. In other words, people would tend to prefer to employ whites, and then it might be argued that the minimum wage actually helps blacks who are in jobs getting lower wages than their real worth.

Clearly a black who is skilled and who retains his job as a result of the minimum wage law may be benefited in many ways. But then there is the unskilled black he competes with, who will be denied the opportunity of getting employment.

In other words, the low-skilled black worker is disadvantaged by a minimum wage in favour of the high-skilled black worker.

Yes.

There does remain the view that somehow blacks are going to be exploited unless you impose some humane minimum income level.

I worry about the statement that if blacks are not protected by government they'll be exploited, because you have to make some fairly racist assumptions that they are incapable of determining what is best for them. The job that SA faces is to permit individuals to decide independently what is best for them and I doubt whether a black would take a job at a wage that he thought was lower than his next best alternative. What we need is to permit the individual every right to protect himself, and the best way to allow him to do so is to have a free market, with individuals motivated by the profit motive.

Blacks would still perhaps argue that the problem here is that whites effectively own all the jobs available, or most of them anyway; that the opportunity for blacks to make the big capital investment needed for jobs is low because they don't have much capital and can't get access to the optimal locations.

The point is that if there's open market competition, if an employer is paying a black worker a price lower than his productivity, that particular employer will make some windfall profits. In an open market, if he is making abnormal profits paying somebody a certain amount in excess of his productivity — puts him at a disadvantage in competing with the more skilled worker. If you have to pay somebody a minimum of R10 a day, you lower the probability of a worker who is only worth R5 a day getting a job. And then, even if you were to make the minimum wage lower, or require the firm to pay a wage higher than the worker's worth, you give the firm a lot of incentive to mechanise; and a worker is not made any better off by being replaced by a machine.

It is probably true that there are many workers in SA whose productivity is higher than the minimum wages we have — but they still don't have jobs.

The problem in SA is very complex, because you have many restrictions on entry: blacks are not allowed to work at certain jobs, or it's made very costly for them in terms of the numerous laws

TOP INSURERS

Any insurance companies, long or short term, which may qualify for our Top 20 Table on the basis of total assets, but have not hitherto been included, are invited to contact the Surveys Editor.

The lowest total assets figures in 1979 were: life assurers, R31,9m; short term, R9,3m. It should be noted that all figures are in respect of SA business only.

in this way, he'll invite entry by his competitors who, when they come in, will simply seek to get a greater part of the labour supply by getting the price right. In an open market. This tends to penalise the employer who pays his worker a price lower than that indicated by his productivity.

The whole notion of worker protection is to have as much competition as possible.

So you would say competition drives wages up?

Yes, and drives down profits and prices of products.

Would one conclude from that that the best beneficiaries of a competitive market are the workers and the consumers?

Yes: and this is demonstrated throughout the world. Look at the traditional history of the Jews. They were persecuted

Professor Williams . . . freedom for the individual

all around the world, and if you look at the markets they entered, they were the ones that were open and highly characterised by free enterprise. Again, if you look at the Chinese who are discriminated against in SE Asia, while they don't have political rights in the traditional sense of the term, they nonetheless produce 40%-60% of the GNP in some of the countries there.

If you have a job reservation precluding blacks from jobs, that discriminates against the black who might take the job and also against the employer who might be a white person, who wants to employ the black. But now blacks are saying that they need certain protections because, firstly, they've been disadvantaged by discriminatory laws over the years and so are starting the race further back than the whites — so there needs to be an income redistribution in their favour. Secondly, they say if there's free competition with whites they won't be able to stand up to it, so they need interim protection. In other words, the market must be open to them, but not to whites, as an act of fairness. What's your response?

From a moral point of view it is somewhat saddening that people might say we just want to change the colour of who is protected: that they are saying we've had white protection for a number of years, now we want black protection. I find protection for either person undesirable.

But let's look at the issues involved. To improve the welfare of the black community in Soweto, for example, you want as much competition as possible. You want the firms operating in that community which can produce what those people want at the lowest possible cost consistent with black economic development. Of course, certain black businesses are going to pay the cost in the form of their inability to compete. But should we protect black businesses in Soweto at the expense of millions of consumers? While one can sympathise with the difficulties of the black businessman, the overriding concern are the consumers in Soweto. If you can raise the income of consumers in Soweto by 1% or 2% either in the form of higher wages or in the form of lower prices, that is a far more significant contribution to black economic development than raising the profits of black businessmen by 200% or 300%.

What is your position on affirmative action — where, say, a restaurateur is now told he *has* to serve blacks?

I object to any kind of imposition on anybody's free choice. While I may personally find it despicable that a restaurateur would not want to serve me as a black man, I see that it is his right to be able to serve whomever he pleases.

You've said during your stay in SA that discrimination is costly. In other words, the market tends to penalise the discriminator, and reward the non-discriminator.

It's very important to recognise that irrelevant choice, that is choice based on race, or sex or height or whatever, is heavily penalised by the market place. If a producer refuses to hire a black person who has the same productivity as a white person, that producer will have a higher cost operation. If a company refuses to hire a black man to do the same job as a white man but the black man will work for R10 a day and the white man for R20 a day, that particular company is facing higher production costs.

Many people are morally outraged by the notion that somebody has to take a lower wage in order to sell his services, or some people might have to pay a higher price to buy some things; but while we might find this despicable, the alternative is even worse. If you deny the person the opportunity of offering a lower price for his services, you deny him the only weapon he has to fight the massive racial discrimination in SA.

F.M. 23/11/79 (345)

JOB CREATION

A uniform approach

A cottage industry project has just been officially launched in Soweto. Forty women attended a graduation ceremony signifying their successful completion of a dressmaking and knitting course run by Singer SA as part of its Social Awareness programme.

The ceremony marked the initiation of a project initially to supply school uniforms and jerseys to more than 4 000 Soweto children.

The course was established in response to a request by six Soweto women's clubs that combined to form the Co-ordinating Council for Soweto Women's Clubs and took a decision to combat female unemployment by creating their own jobs. Their motivation was timely. According to Hennie Bornman, in charge of Singer's Social Awareness programme, Singer had been running successful low-key labour intensive cottage industries in Brazil and Mexico. The company was keen to initiate similar projects in SA, particularly in the homelands.

The women contacted the Urban Foundation who granted them an interest free loan repayable over five years to purchase machines. Singer sold them 20 sewing and knitting machines at discounted prices and also offered free training facilities.

The Urban Foundation stepped in with a further cash injection to help the women stockpile supplies. Dave Milstein, the UF's coordinator of business development, then helped the committee to establish bookkeeping systems.

Milstein is enthusiastic about the continuing success of the project. He says: "One of the advantages of this programme is the cost of job creation — 40 jobs have been created for an investment of R20 000 — that is R500 per job."

The ultimate aim is to afford black women the opportunity of working either in groups or alone manufacturing products that can be sold through a controlling body from whom they can also buy raw materials. It is envisaged that this body will also be responsible for sales, marketing and general administration. Payment could either be by piece-work or by fixed wages. After initial training, one or two people would receive additional training as teachers and would then train others as required.

Singer has now been approached by the Cisker Development Corporation, the South West Africa Development Corporation, and the Economic Development Corporation to initiate similar projects.

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(345) FM 23/11/79

F.M. 23/4/79 (49)

DR WALTER WILLIAMS

No small messiah

Lean and more than two metres tall, Dr Walter Williams, associate professor of economics at Philadelphia's Temple University, is no pseud. An articulate protagonist of the theory that the minimum wage law discriminates against blacks, and that affirmative action programmes achieve nothing, he is in Johannesburg to speak at the international conference on "Free enterprise and the individual."

He walks tall, patently at ease with himself, having come to terms with being black without carrying a burden of hate and hostility. "Human beings are more similar than different," he tells the *FM* during a tea break at the symposium. "If I met a truly *verkrampte* Afrikaner I would feel no hostility towards him. He is a human being. I don't like the system in SA, but it's the system, not the individual. One can feel a sense of moral outrage but that does not tell us how to get from here to there."

He's no Uncle Tom. Instead he's rational and able to see black problems in perspective. "I can't come here as a little messiah and tell you to repent. It's foolhardy."

What he can tell us, is that he wants to see in this land, rich with promise and potential, a system whereby blacks can "begin to share its wealth. Share it both in consumption and production." He sees the situation here as "politically unstable for the next 20 to 30 years. You must change in the direction where blacks participate fully in the economy otherwise it would need massive resources to defend this country inside and outside its borders. Even so, it can be accomplished it will come at a very high cost. You must forestall the notion of having to defend yourself internally . . ."

Williams . . . human being are more similar than different

He rejects punitive measures against SA. "The blacks would bear the greatest burden of sanctions. That's not the solution." He equally rejects minimum wage laws. "It causes discrimination in employment, and it always discrimmates against the less preferred, the blacks." He says it is better for blacks to earn R50 than zero. "It's not acceptable but it's better."

Other Williams theories include the argument that youth employment is crucial because "early work experiences, even in the most menial of tasks, are the training that in the acquisition of skills and attitudes that will make him a more valuable employee in the future." He believes firmly that third parties in welfare intercept government funds for the poor. "The bulk of poverty money is either consumed in bureaucratic machinery or is spent in ways that do not reduce poverty."

He answers the *FM* question about whom he predicts will win the 1980 presidential election with a cynical laugh. "It doesn't make a damn. We're going down the tubes as a nation so who cares who leads us there?"

About SA's possible outlook this urbane Philadelphian is more positive. "SA offers on the African continent, certainly in the sub Sahara territories, the greatest hope for multinational harmony with your riches and intrastructure. Potentially, you are a showcase for the world." He does not minimise the amount of water that has to flow under the bridge before this comes about. Equally, he does not see SA's problems as insurmountable.

'Women still not paid the rate for the job'

345

STAR

15/9/79

While the wages of unskilled black workers have risen by 30 percent since July last year, South African employers have ignored the feminist call for the rapid closing of the gap in male and female wages.

According to a survey by P E Salary Surveys, most international companies in South Africa have granted massive wage increases to their black workers.

The manager of the survey unit, Mr Jon Cole, said external pressure appeared to be one reason why employers had concentrated increases at the "bottom of the ladder."

But a senior consultant with P E Salary Surveys, Miss Maggie Pearson, says the survey has proved that the gap in the salaries of men and women has even widened in some cases.

"And there appears to be no likelihood of the situation changing in the short or medium term.

"The frequent and often strident calls by women's organisations and feminists for payment of the rate for the job irrespective of sex, has fallen on deaf ears.

Miss Pearson explained that according to employers, male staff were more likely to be dedicated to their jobs while women were usually working to supplement the family income and were therefore not prepared to put everything into a job.

JAARVERSLAG
1978

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Nr. 61 van 1973).

Star 9/8/79

345

"Starvation wages" in border areas and homelands are making a pipedream of a living wage for urban workers, say labour leaders.

The Star's labour reporter, SIEGFRIED HANNIG, examines the problem of a minimum wage of R12 a week set in a Johannesburg industry which employs thousands of workers.

Arthur Grobbelaar . . . "abject poverty in large urban townships aggravates social tensions."

Living wage for everyone

A national minimum wage must be the labour movements ultimate objective, says Mr Arthur Grobbelaar, general secretary of the multiracial Trade Union Council of South Africa.

He does not see it as an immediate possibility.

"But if we don't begin somewhere, we shall never reach this goal," he said.

"Abject poverty in large urban townships aggravates social tensions," he warned.

"And this reinforces the demand for some form of minimum wage — whether it is sectoral, regional or national."

Initially a minimum wage system could be flexible and allow for exclusions, Mr Grobbelaar said.

But he insisted that border areas should not be given the exemptions they enjoy currently.

The Government already lays down some minimum wages by way of wage determinations published in the Government Gazette.

One such wage order specified R4,50 a day as the minimum wage for unskilled workers on the Reef if these are daily employees.

Permanent employees who are unskilled have to be paid at least R21,50 a week, if they are men aged 18 or more.

The minimum wage for unskilled women is R17,20 a week.

All unskilled workers with the possible exception of learners were expected to get at least the wages laid down by the wage determination for unskilled workers, said Mr Hugh Tindale, chairman of the board.

Yet R21,50 a week remains well below any recognised minimum living level.

The Household Subsistence Level for a Soweto family of six stood at R159,76 in April.

Fewer than half of the households in Soweto earned this in March, according to a survey by Markinor.

Every fifth household had to make do with an income of less than R100 a month.

And fewer than a third of Soweto households had a monthly income of R200 or more in March.

The Johannesburg Chamber of Commerce has worked out a monthly budget for a Soweto family of five. This stood at R192,73 in May.

This budget allows only R4,66 for savings and emergencies, R3,28 for personal care, R4,34 for writing materials and R2,23 for amusement and sports.

4

c) Ander lede:

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Mnr W.J. September

13

Friends (Quakers) en van die American Friends Service Committee deurgebring. Hy het 'n aantal konferensies in verskillende dele van die land bygewoon, baie vergaderings toegespreek en senior beamptes van die Carnegie Corporation, van Community Relations Services van die Departement van Justisie van die Amerikaanse regering, van die American Friends Service Committee en kollegas verbonde aan verskeie universiteite besoek.

Gedurende Augustus en September het die Direkteur Engeland, ingrese vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

LAUNDRY, DRY CLEANING AND DYEING TRADE, CERTAIN AREAS.

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ipal Areas: Beacon

C: Worcester Munici

D: Port Shepstone a Empangeni,
ismith, Kroonstad tersburg,
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Poor pay for general work

(345)

Star 9/8/79

A living wage for urban blacks is becoming a pipedream, says Mrs Lucy Mvubelo, general secretary of the black National Union of Clothing Workers.

She was asked to comment about the "shocking" starting wage of R12 a week, being paid to "general workers" in the Johannesburg garment industry.

The startling fact about this wage is that it was the result of recent negotiations between the employers and the trade unions.

One of the unions involved is Mrs Mvubelo's unregistered union which is the strongest black union in South Africa with a 98 percent membership among blacks in the Transvaal clothing industry.

The other is the registered parent union of Mrs Mvubelo's union, the Garment Workers' Union of South Africa.

If this kind of wage is to be paid to black workers with the best union representation in any industry in South Africa what is to become of those with weaker unions or none at all?

Senator Anna Scheepers, president of the registered union, is "highly upset" about the wage deal.

She said the negotiations lasted for months, reached deadlock twice and were concluded after a strike threat.

She pointed out that the R12 wage rises to R19,80 a week at half-yearly intervals.

She also stressed that the "general worker" is the category of employment by which young girls gain entry into the better paid jobs of the industry.

"Qualified machine operators now get at least R26,35 a week — the highest rate applicable to garment workers anywhere in South Africa," she said.

Senator Anna Scheepers . . . "highly upset" at the starting wage of R12 a week now being paid to general workers in the Johannesburg garment industry.

Senator Scheepers blamed the "starvation wages" paid in border areas and homelands for the poor wages being paid in Johannesburg.

"Employers in these areas are in competition with our employers — they are the curse of the clothing industry," she said.

"They pay a starting wage of R3 a week in Thaba Nchu in the Free State, for unskilled workers."

Mrs Mvubelo added that workers in homelands and border areas also worked longer hours and had none of the many benefits enjoyed by her members in Johannesburg.

"Strikes will not help us as long as this situation prevails.

"It's the fault of the Government," she said.

"Fortunately there are some employers who pay far better wages."

According to a survey done last November (before the new wage improvements) the industry's 4 300 general workers were paid R17,80 a week on average.

Optimistic climate for pay talks

(2) 345

CAPE TIMES 9/1/80

By GORDON KLING

PAY NEGOTIATIONS likely to increase the living standards and improve work conditions for millions of South Africans are about to get under way in an unrivalled climate of optimism between organized labour and the business community.

The prevailing financial boom, say labour leaders, provides a golden opportunity for smooth implementation of the new labour dispensation flowing from the government's acceptance of the apartheid-demolishing recommendations of the Wiehahn and Riekert commissions at a time when black worker aspirations have never been higher.

New negotiations for mine workers' pay will begin in March and they are expected to be concluded by June. Normal procedure is to establish agreement with the white miners and then set black mineworkers' pay.

It is possible that this will not be altered by the establishment of black unions in terms of the Wiehahn recommendations, but the position will be watched carefully, and it is expected that the commission will release proposals specifically geared to the mining industry this parliamentary session.

A spokesman for the Chamber of Mines emphasized in an interview from Johannesburg last night that wage policy was linked to productivity, and not to the soaring gold price.

"But if prices continue at the current level we will obviously be in a position to pay more equitable wages," he added. It was also likely that the wage gap between black and white workers could be narrowed further, and conditions of employment would be upgraded, while the possible opening of new mines would create new job opportunities.

A better deal

"The broad consequences are that we should be able to offer workers a better deal," said the spokesman.

About 400 000 workers are employed in the gold mines, and the labour force on all mines in the Republic totals about 1 000 000.

Confirming the high expectations of organized labour, the president of the 250 000 member Trade Union Congress of South Africa (Tucsa), Mr André Malherbe, yesterday told the Cape Times he believed conditions in the workplace had only begun improving.

"The general feeling is that employment opportunities should certainly increase, unemployment will drop, and I think we are entitled to some tax relief, particularly concerning petrol," he said.

The question of higher wages depended on how effectively the government could control inflation: "If they can't contain it, you'll see the reaction in our demands."

Mr Malherbe believed the improved economic environment would allay fears materializing out of the Wiehahn and Riekert recommendations. "In an unemployment situation people tend to look over their shoulders rather than ahead as is happening now. I sincerely hope I'm right in believing that recent government concessions on labour are only the start, and we'll see more in the coming session of Parliament."

He believed the role of unions would become more pronounced with the boom. "I don't like the expression 'union power' but union effectiveness will grow because they become more representative, and more of a factor, when workers do not have to clamour for jobs."

Guidelines for new wages

The general secretary of the "whites only" Mine Workers Union which is affiliated to the 200 000 member South African Confederation of Labour, Mr Arrie Paulus, said guidelines for the new wage talks would be drawn up at a union congress in Johannesburg at the end of the month.

"When the gold price was $35 an ounce they told us they could not afford to pay us as well as other industries. Now that it appears there is no ceiling to the price, we naturally expect some benefits."

Mr Paulus said he believed the living standards of blacks on the mines had improved tremendously over the past few years and there was no longer a need for their pay to rise at a faster percentage than whites. He said the MWU had about 18 000 members out of 44 000 white miner workforce.

"I'm optimistic that we'll get a better deal than last year's 10,2 percent," he said, "but it will be up to the congress to decide what we'll go for."

MINIMUM WAGES

Against workers' interests

David Matthews is a Cape Town businessman

The objective in enacting minimum-wage laws (or regulations) is to confer upon certain workers a benefit which the free market would otherwise deny them. This benefit takes the form of the cash differential between the free market price of labour and a higher price set by state-authorised bodies which the employer is compelled to pay.

The principal justification for such laws is moral. As it is popularly believed that such a thing as a "fair" price for labour exists, and it is known that employers will rationally tend to pay as little as possible for the labour they employ, the state believes itself morally justified in compelling employers to pay more for their labour than they might otherwise do. By such measures, it is believed, the "exploitation" of labour is prevented. By such measures, too, the State is seen to be responsive to the interests of the majority over those of a minority.

In calling for and enacting minimum-wage laws, both workers and politicians assume that such laws actually confer a benefit on the worker which is paid for by the employer. If this assumption can be shown to be invalid and it can be demonstrated that the enforced portion of minimum wages actually *harm* the interests of the majority of workers, and are not in reality even paid for by employers, the politicians can possibly be induced to repeal such laws to the benefit of all.

The belief *seems* to be true, but only because it fails to take into account other less-obvious but highly relevant factors. In respect of minimum wage laws, four such factors ensure that compulsory minimum wages will not only fail to achieve their objective, but that they will actively harm the interests of the workers.

- **The cost of wages is paid for by the purchaser and not by the employer.** Labour costs form part of the total productive cost of any good or service produced. This, together with all other costs, is paid for by the purchaser at the time of sale. If market conditions are such that labour-cost increases cannot be included in the selling price without adversely affecting sales and production (ie the economy is stagnant or recessive or the goods are price-sensitive), profitability will be lowered. This means, among other things, that marginally-profitable businesses will close down, output will fall, and the workforce generally will be reduced.

> *"Bearing the political consequences of unemployment in mind, SA is in no position to exclude anybody who desires to work from access to the economy."*

Compulsory minimum-wage increases will redistribute wealth, not, as is their intention, from employer to employee, but from one group of consumers to another. That the majority of the workers should subsidise the earnings of the minority was never the intention of minimum-wage advocates.

- **Compulsory minimum-wages are directly responsible for increasing unemployment during periods of slack economic activity.** As the demand for goods and services declines, so productivity and profitability fall. A compulsory increase in wages at this point will frequently result in the laying-off of staff as businesses attempt to balance the increased labour costs with a reduced income. Those who retain their jobs and receive a wage increase, benefit at the cost of those who are laid off.
- **Minimum-wage laws condemn a portion of the potential workforce to a state of permanent unemployment.** Wages, by definition, can only be related logically to productivity, for they are nothing other than payment for work done. To attempt to relate them to anything else is absurd. Minimum-wage laws, however, require that a certain percentage of a man's wages be related to morality. By attempting to reconcile the logically irreconcilable and setting a market-unrelated price to an individual's labour which exceeds its economic worth (as in the case of the inexperienced young, the incapable, and many of the unskilled), minimum-wage laws ensure that a portion of the workforce will be rendered unemployable. They are just not worth the price demanded for their labour. Bearing the political consequences of unemployment in mind, SA is in no position to exclude anybody who desires to work from access to the economy.
- **By increasing the relative cost of labour, minimum-wage laws encourage the move from labour-intensive to capital-intensive methods of production.** They bring us that much closer to the day when it becomes more cost-efficient to replace expensive labour with expensive but more productive machines. And of all types of labour, that most readily substituted by machinery is the simple, repetitive type performed by the unskilled worker.

So the benefits which minimum-wage laws are believed to confer upon the workers are an illusion. They do not even achieve their objective of transfering wealth from employer to employee. Anyone having the interests of the workers genuinely at heart should be calling for the repeal of minimum-wage laws, rather than for their enforcement.

comparative advantage in wine & England has the C.A in cloth.

From the second table we derive barter rates.

In Portugal: 1 wine costs $\frac{80}{90}$ cloth & 1 cloth costs $\frac{90}{80}$ wine

i.e. wine is cheap & plentiful & cloth is rare & expensive.

7/6/80 ARGUS

Scrap minimum wage laws, says US economist

(345)

Professor Williams

LAWS for minimum wages end up by harming the people they are supposed to help — the lowest skilled workers — and should be scrapped, says a visiting black American economist.

By Tom Hood

Professor Walter Williams of Temple University, Philadelphia, said at Stellenbosch this week: 'Enforcing minimum wages gives firms the incentive to automate and destroy the jobs of the low-skilled, the most helpless people in society.

'Though supposed to help blacks in South Africa, the Sullivan and EEC employment codes discriminate against the least preferred workers — the low-skilled and the young.'

INCENTIVE

If the minimum wage were for example, R3 an hour and a worker's output was worth R1,50 an hour, that was a strong incentive not to employ him.

Professor Williams, in a controversial address to 50 academics and businessmen at Stellenbosch said the Sullivan and EEC codes about low wages should be soft-pedalled in South Africa.

It was better that three men should each earn R80 a month than only one man earn R240 and the other two be unemployed.

'American companies don't care about blacks any more than the man in the moon. They are under political pressure from shareholders at home and they take the easy way out and raise wages, eventuallly creating more unemployment among blacks.'

Labour unions were the greatest supporters of the minimum wage law in the United States, where trade unionists made two or three times the minimum wage.

FREE ECONOMIES

Trade unionists used their powers with the Government to price competitors out of the market.

The professor said many South Africans were shocked by some of his views on free economies.

'I don't care whether people believe what I say, or even if they think I'm crazy. But I do want people to question conventional wisdom on these subjects.'

He was against all State interference in business and said the State should confine itself to the defence and laws of the country and stay out of 'making things.'

It was always less efficient and more expensive than free enterprise.

And he made these points:

- Conservation of wild animals and trees: 'I don't care anything about future generations. What have they done for me?'
- By promoting your own self-interest you are promoting the public good.
- If the Government wants to make jobs for blacks, it should bring out a maximum wage law that discriminates against high-skilled workers.
- It is a fraud and misrepresentation to call the South African economy a free market and capitalist economy. It is socialist because so much is government-controlled.
- Blacks in South Africa are not rebelling against capitalism — they are repudiating socialism.
- A marketing board is collusion. Minimum prices are not in the public interest.
- In a time of change in South Africa, you should eliminate dictators, not just change the colour of dictators.
- Whites with guilt problems should go to a whipping post and let blacks beat them rather than bring about destructive laws like equal pay or minimum wage laws.
- If someone told Americans they would have to wait more than three days for a telephone there would be rioting in the streets. In South Africa the bureaucrats get their pay and it does not matter when you get your phone.
- When your economy is booming, people are less resistant to change and someone else getting an increased share.

UNIT TRUSTS

	Buy	Sell	Yld
O Mutl	332.00 (330.23)	310.46 (308.81)	3.98 (4.00)
NGF	(211.21)	(197.23)	(5.[illegible]4)
Sage	362.07 (360.74)	333.61 (334.37)	4.28 (4.30)
I AL	349.37 (347.60)	329.59 (327.92)	4.35 (4.37)
Sais	(152.25)	(142.04)	(5.94)
Sntmtrst	(320.85)	(299.65)	(4.30)
Trust	(105.73)	(98.75)	(4.61)
Sanlam	(143.85)	(134.50)	(4.[illegible])
Intergro	01.[illegible] (101.37)	96.10 (95.64)	5.3[illegible] (5.33)
Grdbnk	316.92 (315.84)	298.30 (297.28)	4.00 (4.01)
Standard	216.13 (215.36)	205.45 (204.71)	4.25 (4.27)
St Inc	101.77 (101.77)	99.27 (99.27)	10.02 (10.02)

Richard Ellis

10/6/80

American advocate of free enterprise says:

STAR 10/6/80

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Scrap fixed wages in SA

Minimum wages should be scrapped — but the Government should take steps to prevent starvation, says a leading American advocate of free enterpise. SIEGFRIED HANNIG interviews Professor Walter Williams, right, on the implications of free enterprise and revolution in South Africa.

Preaching free enterprise to South Africans comes naturally to a black American who was an "angry young revolutionary" 20 years ago.

Professor Walter Williams, 45, of Temple University, Philadelphia in the United States, deplores job reservation and influx control.

The former black radical, here as guest of the Rand Afrikaanse University and sponsored by the Free Market Foundation, speaks up not only against violent revolution in South Africa but even against economic pressure for reform.

Equally surprising is that he should call for the scrapping of minimum wages.

Does he not realise that many households in Soweto have to make do with incomes below the Household Subsistence Level?

Would it not be more difficult to remove job reservation without the protection of minimum wages?

"I don't have easy solutions," Professor Williams admitted. "Also I am not willing to see people starve because they can't produce enough to support a family."

The Government should provide for payments which would raise the incomes of families to an acceptable level where wage earnings fall short of such a level, he felt.

Similarly the Government might find it necessary to compensate privileged workers for income losses arising from competition with cheap labour after the removal of job reservation, he suggested.

"Maybe moving completely and immediately to a free enterprise system with no adjustment period is too much for the system in South Africa," the professor said.

Since 1972 he has seen the beginnings of change in South Africa, he says.

"But I personally just don't believe that there's sufficient time; that is. South Africa should have started on the changes that it's only starting now back in 1950."

South Africa had the potential to be the richest country in Africa and have a multiracial society living in peace.

"It appears though that the circumstances will not allow that dream to be realised," Professor Williams said.

Even if political and economic equality were to be introduced today, real racial equality would be impossible for another 50 or 100 years because of the long gestation period of "human capital."

"You start on a doctor when a child is three years old," the professor explained.

For the first time now a South African prime minister seemed to be recognising the problem. But every time he made even a minor concession to blacks he was shortening his political life.

Efforts to overthrow the Government were no solution, the professor said with reference to white military strength and to economic problems and tribal conflict elsewhere in Africa.

"Political power tends to fall into place after you have economic power," he said.

And he saw this as coming about through rapid economic growth, which would increase the economic "pie" that whites should share with blacks.

"The civil rights movement in the United States could not have been successful in the 1930s because we were in a depression," Professor Williams said.

"It could only be successful during the rapid growth period of the 1960s."

He suggested that South Africa should attract foreign companies with the lure of cheap labour, unfettered by minimum wages, and with tax concessions.

Homelands could grow rich by virtue of their cheap labour — just as Hong Kong and Taiwan which had become the second and third richest political units in Asia by attracting investors with cheap labour.

But this advice comes very late in the day. Few foreign investors are attracted to the homelands where no minimum wages are laid down.

And those multinational companies already here are paying higher wages than most South African firms.

The reason lies in political pressure to which even some of the world's most powerful companies have bowed.

Professor Williams has no answer to this problem. But to those who would intensify political pressure via South African trade and investment, he says: "White South Africa could survive very well if foreign industries took their investments out. The people who would bear the burden would be mainly black South Africans."

Black South Africans also would have to bear the costs of a violent revolution, if they did not exercise patience.

It would take a long time for blacks to achieve political power by way of winning economic power — if that could be done at all.

"I was not satisfied as a young American with the existing state of affairs," Professor Williams said. "I would not be talking this way 20 years ago. I would be an angry young revolutionary as I was then. But age has a way of teaching you things.

"You have to ask yourself what are the realistic alternatives," Professor Williams said.

Star 26/6/80

(345)

Union 'starv

By Maud Motanyane

The Commercial Catering and Allied Workers Union (CCAWU) has called for a compulsory standardised wage to counter poverty.

There are indications, says the union, that thousands of blacks, especially those in the lower-income group, are earning below the minimum living level.

The CCAWU is sceptical of the minimum levels worked out by various universities and marketing companies and are generally used by companies to determine wages. These are often too low, says the union.

"With the spiralling cost of living, it is difficult to imagine how a family of five in Soweto can manage to exist on R185,27 a month," says

What the figures represent

The Poverty Datum Line, formerly the yardstick used to measure poverty in the community, has been replaced by either the Minimum Living Level or the Supplemented Living Level in the calculation of wages.

The Minimum Living Level (MLL) represents the minimum financial requirements of a family if it is to maintain its health, and have an acceptable standard of hygiene and sufficient clothing.

The Supplemented Living Level (SLL) represents neither a minimum nor a luxury living level, but it makes provision for more items than those in the MLL. By present standards these may be regarded as representing necessities plus desirable amenities of life.

The average household income is counted as the income brought together by all working members of a household.

ns hit out at vation wages'

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(242) (345)

Mrs Emmah Mashinini, secretary of CCAWU.

● The minimum living level of a family of five, as worked out by the Johannesburg Chamber of Commerce in November last year, is R185,27. The family's Supplemented Living Level, with extras like entertainment and sport, would be R200,79. The family would spend R103,26 on food.

● The University of Port Elizabeth's figures are: The Minimum Living Level for an average family in Johannesburg: R179,44 a month. The Supplemented Living Level: R201,04.

● Market Research Africa (MRA) estimates the average household income in Soweto to be R245 a month. Unisa Bureau of Market Research estimates it could be much higher.

"Although these figures are themselves suspect, there are breadwinners who are earning much below them — as little as R40 a month sometimes," says Mrs Mashinini.

"There is nothing forcing family members to pool their incomes. If the children don't want to give their parents money, they won't."

According to the South African Council of Church's Domestic Worker's Project (DWP) there are domestic workers earning as little as R25 a month.

The University of Witwatersrand is at present working on a project to find out how the unemployed and those earning starvation wages are surviving.

The project, under the directorship of Dr D Webster, aims at finding out to what extent black families are capable of survival through engaging in small scale enterprise aimed at providing cheap goods and services. These would include hawking, beer-selling, operating pirate taxis, etc.

Mrs Sarah Chitja, of the National Union of Clothing Workers (NUCW), said the unions were very aware that many workers were not able to afford bare necessities.

The NUCW, whose average wage for an experienced factory worker is R32 a week, has an average of 50 people a week coming for advice on their financial problems.

The union has found:

● an increase in the number of people who cannot afford rent;

● parents unable to afford school fees, especially for boarders;

● many unable to keep up with hire purchase agreements.

The government should work out a compulsory minimum wage, say the unions. Based on that wage, employers can then add money according to skill, qualification and merit.

At the moment unskilled black labourers are paid according to the guidelines stipulated in the Wage Determination Act of 1957 and these are "pitiful," the unions say.

"There is nothing one can do with an employer who pays his labourers R26,26 a week if the Act says he can," the Commercial Catering and Allied Workers Union argues.

What employees can hope for are only gentlemanly agreements between the union and the employer if they belong to a union, between the workers' committee and the employer, or between the employer and the employee.

societies with the largest proportion of capital and free markets have coped better than any other economy."

Other points made by him are that:

- In SA low labour costs mitigate against the use of technology;
- Unlike minimum wages, maximum wages would discriminate in favour of the unskilled against the highly skilled.

Barclays' economist Dr Johan Cloete tends to agree with the trade union view and disagrees with those of De Wet and Williams. He feels that the latter approach ignores the demand side of the argument. It is not necessarily harmful to increase wages, he argues, because if workers are paid more they will buy more and productivity will increase along with employment. De Wet and Williams argue that this is only true in the short-term.

But Cloete says that even without restrictive legislation SA would not have a freely competitive market. It is debatable, he continues, whether the unskilled were ever receiving a wage commensurate with their productivity levels. And there is no evidence that wage increases in SA are responsible for unemployment. The motivational aspect is crucial, since a "just wage" affects productivity.

Chris du Toit, chairman of the SA Consultative Committee on Labour Affairs (SACCOLA), agrees with Grobbelaar and Cloete, insisting that wages must keep up with inflation. Companies should aim at increasing efficiency in order to contain costs and prices. If there is no cost of living increase, there will be industrial unrest in SA. However, Du Toit is against statutory minimum wages which, he says, lead to inflation and unemployment.

One company which decided to introduce a minimum wage equal to the minimum subsistence level is Premier Milling. Deputy MD Peter Wrighton says that because it cost them more, the company had to embark on a productivity drive and reduce the number of employees. But productivity did not improve as fast as wages. "Minimum wages," he notes, "cost us R20m — when compared with other major competitors."

There is an area of consensus in these diverse views. It is that ideally, workers should be paid according to productivity and efficiency. But a case can be made for the wages of unskilled workers being increased above the subsistence level, irrespective of their productivity — at least in the short-term.

If serious structural unemployment still ensues, the obvious solution is to spend more money on training and education. Job creation is, of course, a function of economic growth. But short-term wage policy should not entirely disregard the need to uplift the poor, especially in a country in which they are denied basic rights to sell their labour where and at what price they will. As Brian Kantor, of UTC argues, higher wages in certain circumstances could even raise employment by offering greater incentives to those no longer seeking work to return to the job market.

WAGE POLICY FM 11/7/80

Differing opinions

345

Current employment policy in SA is geared towards increasing the overall level of skills. But that is a long-term objective. Meanwhile, it is clear, particularly in the light of recent wage disputes, that short-term wage policy is in a state of disarray. What should be done?

The trade union point of view, outlined by TUCSA's Arthur Grobbelaar, is that wage improvements should be made which maintain the standard of living. He sees no evidence in SA that minimum or increased wages have led to greater unemployment. Mechanisation and automation are generally the result of technological change, not of increased labour costs. When evaluating the worth of the job the skill content has to be taken into account, "but we also have to provide a living wage," he adds.

Professor Geert de Wet of RAU insists that wage policy should be left to the market mechanism. The result will be a reduction in the rate of inflation, an increase in real wages and a decrease in unemployment. By contrast, an increase in money wages leads to increased inflation, capital intensive methods, unemployment and decreased purchasing power.

Disagreeing with Grobbelaar, De Wet says there is evidence that the unemployment which started in 1972-73 was the result of the sustained increase in minimum wages. However, he notes, the present expansion of the economy will neutralise the effect and may even lead to a small reduction in unemployment.

Key struggle

Visiting economist Professor Walter Williams of Temple University in the US is emphatic that it is "not in the interests of the unskilled to increase wages indiscriminately." The key struggle of labour unions, he points out, is against other employees. Unions do not care about national problems.

While Williams broadly agrees with De Wet, he adds that SA needs to remove oppressive legislation and restrictions on labour. Laws disguise the true scarcity prices of inputs, but minimum wages and equal pay for equal work also do this. The removal of restrictions will lead to the operation of the free market. However, he sees a free market as "only a necessary condition — not a sufficient condition."

Williams does not know what the sufficient conditions are. But he notes: "In the history of man all evidence suggests that

Don't push wages too high says Ackerman

100 1/8/80

345

GRAHAMSTOWN — If minimum wages were pushed too high, South Africa's unemployment problem would become critical, Mr Raymond Ackerman, chairman of Pick 'n Pay, said here yesterday.

He told a student meeting that the country was already facing its worst unemployment situation ever and that enforcing higher minimum wages would simply push unemployment up.

"However, the danger is that if we don't think about minimum wages, people will pay ridiculously low wages and get away with it."

Mr Ackerman was speaking on the subject, The new consumer — South African blacks, at a lecture organised by the International Association of Commerce and Economics Students (Aisec).

"The real problems facing this country are inflation and unemployment — not Swapo on the borders," Mr Ackerman said.

"One of the most important things that must happen in the 80s is that people understand the meaning of social responsibility.

"The government has to make dramatic changes and eliminate certain laws from the Statute Book, but big business has its role to play too." — DDC.

Soweto roadblocks

POLICE yesterday refused to give details of the massive roadblocks staged over the weekend in which a man was arrested for possession of explosives on Friday.

Brigadier Swanepoel, of John Vorster Square, refused to reveal any figures or details of the roadblocks. "Don't pressurise me on this as the details will be available tomorrow", (Monday) he said.

BOOM BRINGS SURGE IN NEW JOBS, WAGES

17/9/80

Financial Editor

THE economic boom has created tens of thousands of new jobs in industry. It has also resulted in a big increase in salaries and wages paid.

Figures issued by the Department of Statistics show that in the 12 months ended June the number of people working in mining, construction, manufacturing, power generation and communications rose by 176 874 — an increase of 6,4 percent — to 2 934 932.

In the same period salaries and wages paid to workers in these sectors increased by 25 percent from R801-million to R1 003-million a month.

The number of people employed in mining rose by 19 170 or 2,8 percent to 711 379, while this sector's wage bill increased by 20,1 percent from R152,9-million a month in June last year to R183,7-million in June this year.

MANUFACTURING

In the manufacturing industry the labour force rose by 140 400 or 8,2 percent to 1 411 200, while the monthly salary and wage bill rose 29,1 percent from R404,9-million to R522,6-million.

The construction industry took on 11 300 additional workers increasing its labour force by 2,7 percent to 422 500. Its monthly wage bill rose by 21,9 percent from R100,1-million to R122-million.

There were 45 300 people employed in the electricity generating industry in June this year, 2 700 or 6,3 percent more than a year ago. Salaries and wages paid rose by 25,8 percent from R15,9-million to R20-million a month.

RAILWAYS

The Railways and Harbours increased its labour force by only 867 in this period to 266 403. However, its wage bill rose by R20,5-million or 20,7 percent to R119,6-million.

The Post Office enlarged its work force by 2 028 or 2,7 percent to 78 150, while its wage bill rose R7,1-million or 25,1 percent to R35,4-million a month in June.

The increase in the number of whites employed in all these sectors was 39 055 which brought the total at work to 618 053.

Coloured employment in this period rose by 31 837 to 348 965 and black employment by 87 844 to 1 866 993.

GOVERNMENT

These figures do not include those working for the Government, the retail, wholesale, financial and other service sectors, and those in agriculture.

Also excluded are those working in the 'informal' sector which is becoming quite extensive in the black townships.

The controversal unemployment survey conducted by the Department of Statistics put the increase in coloured employment in the 11 months ended June at 23 000 and the increase in the number of blacks at 173 000.

The survey results are based on statistical sampling methods used to measure the rate of unemployment in the United States.

TUCSA CONGRESS

STAR 25/9/80 (3145)

Tucsa backs fund for education

By Sieg Hannig
Labour Editor

DURBAN — An all-out campaign to raise money and spend it on improved education for the disadvantaged should start now, the Trade Union Council of South Africa has been told.

Such a campaign could convince school boycotters that society had their interests at heart, Mr Robbie Botha, a new vice-president of Tucsa told the annual conference.

He moved a resolution expressing concern at the slow rate at which blacks became apprentices. The resolution blamed black educational qualifications, among other things, saying they were deemed inadequate. The conference adopted the resolution unanimously.

Mr Botha warned that it might take some time before any real inflow of blacks into skilled trades became apparent.

Mr Botha blamed this on overcrowded schools and other educational shortcomings, as well as the disadvantages of a poverty environment which left blacks unprepared for industry.

Mr Ike van der Walt of the SA Boilermakers' Society, said everything possible should be done to integrate blacks in industry but a future also had to be ensured for them.

Mr van der Walt also warned against attempts to promote cheap labour through separate training for black apprentices.

Equal rights for women in the work place will be gained only through collective action by men and women in the trade unions, said Mrs Fay Mandy, an executive committee member of Tucsa.

She told the conference that both the Wage Act and the Industrial Conciliation Act said discrimination could be applied in wages and types of work given to women.

The conference unanimously passed a motion calling upon the Government to remove all provisions discriminating unfavourably against women.

binding energy B_{AZ} increases
To show the rate of increase

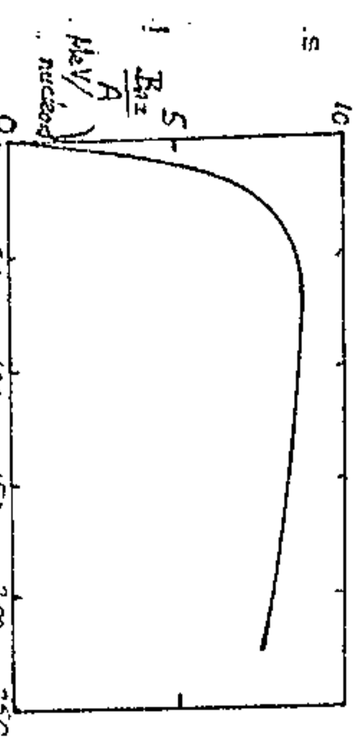
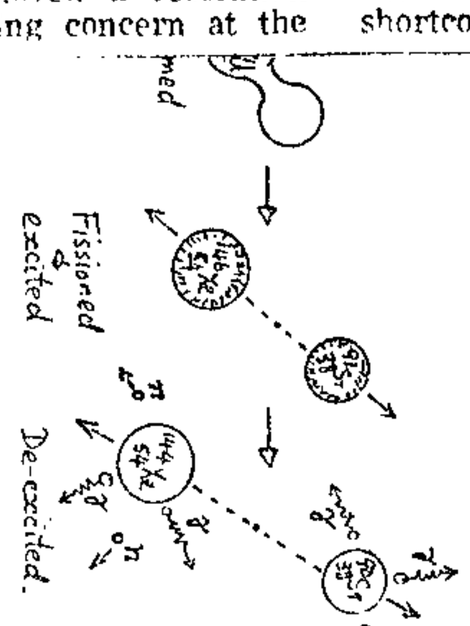


Fig. 22

into medium nuclei or if we split into medium nuclei our final atly bound than the initial there will be a further release h will be liberated as the oducts. In order to produce nuclei must have sufficient oulomb repulsion, so as to reduce the range of the nuclear force. ome very heavy nuclei and is thus cases. It may also be induced as by bombarding a heavy nucleus such The product nuclei (fission a of A values, average A ≈ 117, are usually unstable in their oactive. Two or three neutrons process and these are important ning fission chain reactions. ach fission (~200 MeV) appears sion fragments.



5. *Interactions and Measurements of Nuclear Radiations*

We consider only radiations (particles) having kinetic energies in the energy range (between ~ 0.1 MeV and a few × 10 MeV) typical of nuclear physics. The interactions of these radiations with matter are basic to many phenomena and to many aspects of nuclear technology. Examples are the detection of nuclear radiation, the design of radiation shielding and the assessment of radiation dose.

5.1 *Interaction of radiation with matter*

As a representative group of particles (radiations) we will consider the electron, proton, alpha particle, neutron and gamma photon (e, P, α, n,γ). Within these the charged particles form a natural group or subset which it is convenient to consider together.

(a) *Charged particles* (e.g. e, p and α) interact predominantly with the atomic electrons in matter. Their interactions with nuclei are extremely rare, in comparison, at the energies we are considering. The interactions lead to the ionization and electronic excitation of the atoms in matter in a process which can be viewed as a series of collisions between the incident particle (e, P or α) and the electrons of the absorber atoms. The particle loses kinetic energy in these processes and it will carry on losing energy until it is brought to rest (assuming that the absorbing medium is thick enough to completely stop the particle). The distance (thickness) required to bring the particle to rest is called the range of that particle (in that particular medium) at that particular incident energy.

The range of the particle therefore depends on the rate at which it loses energy along its path of travel, that is on the energy loss per unit distance ($-dE/dx$) along this path. The energy loss ($-dE/dx$) depends on the density of the medium and the charge and the velocity of the particle. It is higher for a higher charge or a lower velocity. If we compare alphas and protons at the same energy, for example, the alphas have a higher charge and (owing to their larger mass) a lower velocity. Therefore, in a given medium, ($-dE/dx$) is larger for alphas than for protons of the same energy and the alpha range is less than the proton range for the same incident energy (see tables below and fig.24(a)). Furthermore, for either particle, the velocity decreases, and hence ($-dE/dx$)

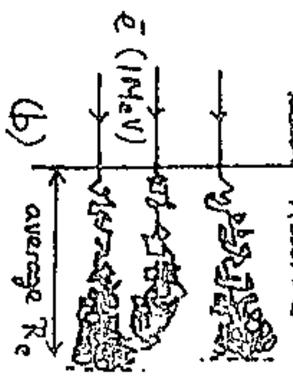


Fig. 24

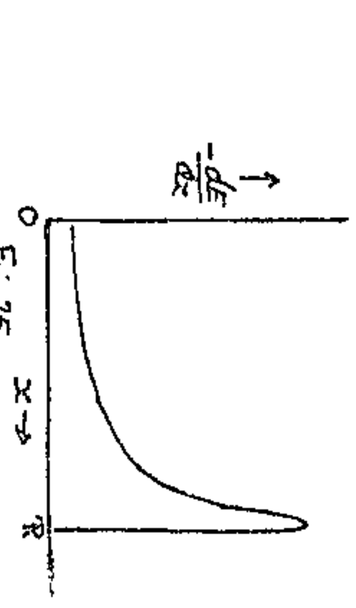


Fig 25

Cape Times 26/9/80

Tempers flare at Tucsa conference

DURBAN. — Tempers flared at the annual conference of the multiracial Trade Union Council of South Africa here yesterday, when the first reservations in Tucsa history were raised over Tucsa's demand for a national minimum wage.

"I would rather have inflation than revolution," said Mr Norman Daniels of the Textile Workers' Industrial Union, after a lengthy debate over the issue.

In spite of one call for the matter to be researched before taking a decision, and a cautioning that overseas studies had shown a minimum wage to be detrimental to lower echelons of workers, the conference opted to call again for a national minimum wage.

Mr F Hansa of the Garment Workers' Union (Natal) said the minimum wage for all would keep away hunger and prevent workers from falling foul of politicians and the government.

Mrs Dulcie Hartwell (Natal), said it was all very well to listen to Canadian and American economists, but asked "what was to happen to the tens of thousands who had no wage determinations or industrial councils".

Premier Milling (a major food producer) was paying the laid down minimum wages, but was being supported by taxpayers through government subsidies.

If workers had a minimum wage they would spend more money and would not have to be subsidised, she said.

Mr Arthur Grobler, general secretary of Tucsa, said the minimum wage question was receiving attention from the Wiehahn Commission and the National Manpower Commission.

STAR 9/10/80 (345)

Unregistered union breaks new ground

One of the most extensive recognition agreements in recent labour history has been negotiated by an independent trade union.

It is the Metal and Allied Worker's Union (Mawu), an unregistered affiliate of the Federation of South African Trade Unions (Fosatu).

The agreement has been reached with the Tensile Rubber Company, Wynberg, Johannesburg, which is a subsidiary of the powerful General Tire Industrial Rubber Products group.

The managing director of the company, Mr H Schultz, announced today that negotiations were completed and the agreement would be signed in the near future.

The agreement went "far beyond" those negotiated at house and industrial council level by registered unions, a Mawu spokesman said today.

Its unusual features include:

- Full recognition of a shop stewards' committee, which will have negotiating rights on "all aspects of working conditions," including wages.
- The right to hold shop stewards committee meetings in company time.
- Report-back facilities for shop-stewards in the factory itself.
- Guaranteed consultation with the union on retrenchments.
- A health and safety shop-steward, who will liaise with management on factory conditions.

The union spokesman praised the company for its willingness to negotiate with Mawu in 1979, before the latter had applied for registration.

Other sources say negotiations were given added impetus in August this year by a two-hour stoppage over wages by the 200-strong Tensile Rubber workforce. A satisfactory wage-agreement has since been reached, the sources said.

Blacks lose out on notice pay

STAR 10/11/80 (345)

Star Line Reporter

Black employees who are dismissed without good cause and do not receive notice pay or who have money deducted from their wages unjustifiably often do not realise they can legally demand their money.

"Many such employees are unsophisticated and do not know who to turn to, so they simply shrug off their losses," a Johannesburg lawyer who handles such cases at the Hoek Street Law Clinic told Star Line.

The clinic assists those who fall within the lower income groups at a nominal fee.

Samuel Madlala, a security guard at the Park Lane Clinic in Johannesburg, was annoyed when the company arbitrarily deducted a R10 fine from his wages because he refused to work through a day shift into a night shift when the night staff failed to report for duty.

A security officer at the clinic admitted to Star Line that fines were imposed on certain staff. "The amount we take off depends on the type of trouble the staff gives us," the officer said.

The Hoek Street Law Clinic lawyer told Star Line this was illegal and the Park Lane Clinic had been successfully sued for the money and costs.

NO BONUS

John Mwala (66) father of eight schoolgoing children, told Star Line he had worked at the White Horse Inn in Randburg for 35 years when, in May, the hotel owner, Mr A Payne, told him not to come back to work the next day as he was being retrenched.

Mr Mwala said he was not given notice pay to which he was legally entitled or a gratuity or long service bonus although Mr Payne in a written testimonial had recommended him highly.

When Star Line approached Mr Payne, he said he had sold the hotel and he did not recall not giving Mr Mwala money in lieu of notice. "We would not have operated that way, but if he can substantiate his claim, we'll look into it," he said.

SACKED

Gerstle and Hochstadter, an Industria firm, summarily dismissed Mr I Matsele, a truck driver with six years' service, without paying him notice pay and indicated on his unemployment card that he had left for "reasons other than resignation or retrenchment."

A spokesman for Gerstle and Hochstadter told Star Line that although Mr Matsele was a long-standing, loyal employee, it had been decided to dismiss a number of drivers and "unfortunately, he was among them."

He asked Star Line to note that after the Law Clinic had written to him, Mr Matsele was paid R85,00 notice pay. "This was R20 more than claimed," the spokesman said.

Unique deal as dockers' wages go up

By STEVEN FRIEDMAN
Labour Reporter

STEVEDOR employers and a worker committee with close links to the unregistered Western Province General Workers Union (WPGWU) have negotiated a wage agreement which significantly raises the pay of stevedores at Cape Town docks.

The negotiations took place in the context of the only industry-wide recognition agreement between an employer and a worker committee associated with an unregistered union in the country.

Stevedor employers do not officially recognise the WPGWU. However, the committee, which represents workers throughout the harbour, has close links with the union and union officials take part in negotiations as observers.

It is unique for employers to negotiate on an industry-wide basis with an unregistered worker body.

The new wage agreement is the second to be concluded between the committee and stevedor employers. Employers recognised the committee late last year after a one-day strike at the harbour.

In terms of the agreement, workers' basic guaranteed wage will be increased by 14,1% from R48,20 to R55 per week, as of January 1.

Saturday and Sunday overtime rates are increased by 26,3% from R18,60 per shift to R23,50.

According to a statement issued yesterday by the union, several other worker allowances have been increased and several new allowances will be implemented.

Negotiations for a pension fund will continue and are expected to be concluded by the end of the year.

The statement said the negotiations had occupied five days and had been conducted in a "good spirit".

This, it said, was indicative of "the harmonious industrial relations which can be achieved when employers recognise the right of workers to representation of their own choice".

The WPGWU added: "We trust this attitude will continue to prevail and will serve as an example to those employers who seek confrontation rather than negotiation."

Bills aim to take race out of labour

STAR 14/12/80

By David Breier
Pretoria Bureau

Three draft Bills to desegregate labour bureaux and abolish race and sex discrimination in industrial training were published in the Government Gazette today.

The Bills are based on recommendations of the Wiehahn and Riekert reports, published over the past two years. They have been published to enable the public to comment on them.

If necessary they will be amended before the Bills are laid before Parliament. Public comment should be in by January 10. The three Bills are:

● The Manpower Training Bill, which aims to consolidate all existing acts dealing with training.

These are the Apprenticeship Act, the Black Employees In-Service Training Act, the In-Service Training Act (for whites, coloured people and Indians) and the Training of Artisans Act (for adults). The Bill will be completely non-discriminatory and will apply to all forms of industrial training.

It will set up a National Training Board to replace the Apprenticeship Board. The board will have much wider powers and will deal with all aspects of industrial training and not only apprentices.

It will include representatives from employers, employees and the Government and will co-ordinate training schemes.

GUIDANCE

● The Guidance and Employment Bill will establish guidance and placement centres for all population groups.

This Bill will also control private employment offices and will cover the old Registration for Employment Act for white, coloured and Indian people and the Black Labour Act.

● The Wage Amendment Bill, which aims to streamline and rationalise the workings of the Wage Board.

This board will no longer have to go through the red tape of putting determinations before Parliament, although its wage determinations will be open to inspection.

IMPROVEMENTS

It involves improvements to administrative procedures without introducing fundamental changes.

More radical legislation is expected to be introduced at the next parliamentary session.

The Government is also expected to put clamps on the rights of trade unions to obtain support from outside the country. Neighbouring countries supplying labour to South Africa may be obliged to sign an undertaking to withdraw any workers who take part in illegal strikes.

UIF more easily accessible

Unemployment insurance benefits for blacks will be more widely accessible in the New Year.

This has been announced by Dr P J van der Merwe, Deputy Director-General of the Department of Manpower Utilisation.

He said this move came after one of the recommendations of the Riekert Commission, which suggested that labour bureaux of the administration boards should deal with the payment of these benefits.

However in Johannesburg it has been decided for administrative reasons to retain the existing arrangements for unemployment insurance

The Department of Manpower Utilisation, at 15 Market Street, will continue to deal with applications for benefit by men and women who register for employment at the labour bureaux in New Canada and Polly Street.

Pass rate in 'coloured' schools for 1979

Union pleas for SA national minimum wage are rejected

RDM

Times (345) 9/12/80

By STEVEN FRIEDMAN
Labour Reporter

THE Minister of Manpower Utilisation, Mr Fanie Botha, yesterday rejected suggestions for a national minimum wage in South Africa, and for domestic and farm workers to have official bargaining rights, according to black union sources.

But, the sources said, Mr Botha agreed to meet a delegation of independent black unions next year — a sign that the Government is continuing efforts to win the approval of sections of the independent black union movement for proposed changes in labour laws.

He also told the unions that the Government would try to remove sex discrimination from all future wage orders and agreements.

These points emerged at a meeting yesterday between Mr Botha and the Council of Unions of South Africa (Cusa). Cusa raised a wide range of issues which are causing concern in the black and nonracial union movement.

In a statement released after the meeting, Cusa described its discussions with the Minister as "full and frank".

Cusa had asked for the meeting to clarify points raised at an earlier meeting between the Minister and some black unions. It also wanted to raise "in-principle" objections to details of a draft labour Bill prepared by the Government.

Cusa said in its statement that the Minister agreed to meet a delegation from independent black unions next year.

The Government is known to be eager to ensure that bodies such as Cusa and the nonracial Federation of South African Trade Unions (Fosatu) join its new labour dispensation.

Fosatu recently threatened to withdraw from the official system — its unions have applied for Government registration — unless changes were made to legislation the Government proposed last year.

Mr Botha's agreement to a second meeting with independent unions indicates that the Government remains anxious to win their support for proposed changes.

The Cusa statement said that it had approached Fosatu to join the Cusa delegation to see the Minister, but Fosatu had been unable to attend because of "administrative and logistical problems".

Cusa, however, had undertaken — in agreement with Fosatu — to present to the Minister "common in-principle objections" to the draft labour Bill and "points at issue" from the previous meeting with him.

The statement said points raised at the meeting included:

- A change of the definition of the term "employee" in labour legislation to allow domestic and farm workers to join registered unions;
- The autonomy of unions, the question of foreign funds for unions, and strike provisions in labour legislation;
- Sex discrimination, the issue of a minimum wage, unfair dismissals, discrimination in employment and workers' maternity benefits;
- Issues affecting foreign workers, as well as those affecting workers and unions in the homelands;
- The delays unions have experienced in gaining registration, union stop-order facilities, and access to industrial councils;
- The training of black workers for artisan status.

A Cusa spokesman said yesterday that the Minister indicated that farm and domestic workers would not be granted official bargaining rights at this stage.

"We are unhappy about this," the spokesman said. "We feel they need these rights badly."

Mr Botha had also argued against the concept of a national minimum wage, saying it would increase unemployment.

On sex discrimination, Mr Botha said his department was seeking to eliminate sex differentials in all industrial agreements and wage orders. He stressed that anti-strike measures were aimed at illegal strikes only, and said that unions would be entitled to receive foreign funds so long as they were not used to finance illegal strikes.

"We will be watching carefully to see whether this principle is included in the legislation," the spokesman said.

The recent detentions of unionists in Ciskei and various problems relating to discrimination in employment and unfair dismissals had also been raised.

The spokesman said the Minister had invited him to approach his department on these issues if further problems arose.

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GENERAL NOTICE

Gg 7341

NOTICE 905 OF 1980

DEPARTMENT OF MANPOWER UTILISATION

WAGE AMENDMENT BILL

345

The following Draft Bill to amend the Wage Act, 1957, is hereby published for general information and comment.

Any comments or representations thereanent should be lodged in writing and in duplicate with the Director-General: Manpower Utilisation, Private Bag X117, Pretoria, 0001, within 21 days of the date of publication of this notice.

General explanatory note

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

—— Words underlined with solid line indicate insertions in existing enactments.

DRAFT BILL

To amend the Wage Act, 1957, so as to further define certain expressions; to make further provision for the establishment of divisions of the Wage Board; to apply the secrecy provisions to assessors; to provide for the discontinuation of the publication of Wage Board recommendations for objections; to provide for the delegation of authority; to repeal the provisions requiring the registration of employers; to provide further for the keeping of records and the displaying of notices by employers; and to provide for incidental matters.

ALGEMENE KENNISGEWING

KENNISGEWING 905 VAN 1980

DEPARTEMENT VAN MANNEKRAGBENUTTING

LOONWYSIGINGSWETSONTWERP

Die volgende Konsepwetsontwerp om die Loonwet, 1957, te wysig word hierby vir algemene inligting en kommentaar gepubliseer.

Enige kommentaar of vertoë daaromtrent moet binne 21 dae vanaf die datum van publikasie van hierdie kennisgewing skriftelik en in duplikaat by die Direkteur-generaal: Mannekragbenutting, Privaatsak X117, Pretoria, 0001, ingedien word.

Algemene verduidelikende nota

[ ] Woorde in vet druk tussen vierkantige hake dui skrappings uit bestaande verordeninge aan.

—— Woorde met 'n volstreep daaronder, dui invoegings in bestaande verordenings aan.

KONSEPWETSONTWERP

Tot wysiging van die Loonwet, 1957, ten einde sekere omskrywings te wysig; verder voorsiening te maak vir die instelling van afdelings van die Loonraad; die geheimhoudingsbepalings op assessore van toepassing te maak; voorsiening te maak vir die uitskakeling van die publikasie vir besware van aanbevelings van die Loonraad; om vir die delegasie van magte voorsiening te maak; die bepalings wat die registrasie van werkgewers vereis, te herroep: om verder voorsiening te maak vir die hou van rekords en die vertoon van kennisgewings deur werkgewers; en om vir bykomstige aangeleenthede voorsiening te maak.

for full text see Gg 7341—1

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has been completed, the Act will be repealed. The Act will be repealed, but at the moment we cannot predict when exactly the process will have been completed.

With that, I think, we have reached the end of this discussion. In any event, it is not a controversial measure. I thank hon. members for their obligingness and their consent to the Second Reading of this Bill.

Question agreed to.

Bill read a Second Time.

Bill not committed.

Bill read a Third Time.

WAGE AMENDMENT BILL

(Second Reading)

*The MINISTER OF MANPOWER UTILIZATION: Mr. Speaker, I move—

That the Bill be now read a Second Time.

This Bill is aimed at effecting improvements to the Wage Act, which was promulgated as far back as 1957 and has not been revised since then. The purpose of the principal Act is to regulate, by way of wage determinations, the wages and other conditions of service of employees who are not subject to industrial council agreements or other wage regulating measures.

The aims of the Bill are, chiefly, to expedite the making of wage determinations, to eliminate differentiation in wage determinations on the basis of sex and, where possible, to rationalize and alleviate the obligations that are at present imposed on employers by the Act. I have already tabled an explanatory memorandum in order to explain the proposed amendments. I should now like to furnish further details with regard to the more important amendments envisaged.

The procedures prescribed by the Act for determination of conditions of service are cumbersome and have a delaying effect on wage determinations. The most important single factor in this regard is the fact that recommendations made by the Wage Board after an investigation must first be published for objection in the *Gazette* before a determination can be made. In terms of the Act the publication of Wage Board recommendations for objection has now been done away with, which will expedite the process of wage determinations to an appreciable extent; this will be to the benefit of both the country's economy and the labour force.

As regards the obligations of employers in terms of the Act, section 28 of the Act requires that employers subject to wage determinations have to register with the Department of Manpower Utilization and furnish certain data. The registration of employers no longer serves a useful purpose and accordingly the section in question is being repealed. This will result in the elimination of a considerable amount of administrative work for both employers and the Department of Manpower Utilization and rationalization will in this way be effected. Section 30 imposes further obligations on employers, in that they are required to put up notices in the prescribed form on their premises containing summaries of or extracts from the Act and the relevant determinations. Few employees make use of these notices, and due to developments in the labour field and the development of effective channels of communication, employees prefer to make use of other sources of information, such as trade unions. In the light of this and since this legal requirement is burdensome to employers, this section is being amended to provide that it will only be necessary for an employer to keep available on his premises a copy of the relevant determination and to make it available to an employee on request.

In order to accommodate employers further with regard to the storage space taken up by wage records which they have to keep for a period of three years for inspection purposes, it is now being provided that such records may also be kept in microfilm or other microform reproductions thereof.

To eliminate unnecessary administrative work and reduce the duties imposed on me by the Act, provision is being made for the chairman or the temporary chairman of the Wage Board to be vested with some of the powers which are at present vested in me, while some of my other powers may be

delegated to senior officials of my department.

Apart from the amendments mentioned, persons in the service of registered welfare organizations receiving financial aid from the State are excluded from the scope of application of the Act, as in the case of the Shops and Offices Act.

As matters stand at present, any method of differentiation may be applied in a direction to the Wage Board and in Wage Board recommendations, excluding those based on race or colour. At present, wage determinations contain provisions drawing a distinction between men and women. In terms of the Bill, differentiation on the basis of sex is now also being prohibited. This amendment is being effected in view of international developments, the entry of women into the labour market on a larger scale and representations received from time to time concerning the position of working women. A prohibition is now also being imposed on any differentiation on the basis of sex, race or colour in the granting of exemption to the provisions of a wage determination.

The remaining amendments for which provision is made in the Bill are not substantive and accordingly I do not deem it necessary to elaborate on them.

I trust that the amendments envisaged will enjoy the be granted of this House.

Dr. A. L. BORAINE: Mr. Speaker, this Bill is closely related to the Industrial Conciliation Act in that both provide the machinery for wage regulation measures. The difference in principle between the two Acts is that under the Industrial Conciliation Act provision is made for the establishment of voluntary associations of employers and employees and industrial councils. Under the Wage Act, however, wage determinations are made and administered by the State acting through the Wage Board and the Department of Manpower Utilization. In other words, the Wage Act is applied where there is no organization between employers and employees.

For us to approach this Bill, one has to understand how important this measure is and how important any amending legislation is because it affects so many hundreds of thousands of people. The majority of the amendments to the Wage Act are not of great significance. Amendments are made to several definitions and titles, the constitution of the Wage Board and board report requirements. Ministerial delegation to inspectors is also being provided for. Included furthermore are references to the maintenance of records, using new methods of microfilm and microform.

It is quite clear that the hon. the Minister and his department have sought to streamline the administration of the Wage Board and its investigations and recommendations. We are very supportive of that approach.

The most important clauses, however, are those that deal with the repealing of sex discrimination. I think this is a milestone in the history of labour legislation in South Africa. In clause 4 sex discrimination is repealed and prohibited in regard to the Wage Board's investigations and recommendations, respectively. The hon. member for Houghton is going to speak to this as well, and most fittingly, I think, but I want to stress that this is a fundamental change of far-reaching significance. This party has maintained since its inception that it is wrong and self-defeating to discriminate against workers in terms of their opportunities, their training and their rewards in terms either of sex, colour or race. We have maintained over many years that the determining factor ought to be and must be merit. Therefore we welcome this amending legislation which makes it impossible to discriminate on the grounds of sex both in regard to the investigations and the recommendations made by the Wage Board. I am convinced—I say this with respect—that the hon. the Minister must be a very happy man in his own home: I am quite convinced his wife must be very pleased and delighted with this change, and I know that he is going to make the hearts of many women throughout the country very happy. I am not sure whether that is his intention, but I want him to know that there are thousands of women who are probably going to drink a toast to the hon. the Minister tonight. This happens so rarely that I hope he is going to accept this in the spirit in which it is said.

Unfortunately, there is a qualification to this provision in clause 7(c) where it is clear that prohibition of the differentiation on the basis of sex shall not apply in respect of requests made to the board under section

4(1) or 15(2) prior to the commencement of this subsection. I appreciate that there are far-reaching financial implications for employers in instances where big differences still exist in terms of prescribed wages for males and females. Nevertheless, I am very unhappy about this limitation and I want to ask the hon. the Minister approximately how many women are involved, how many directives or determinations this will affect and how long this is going to continue. I think it is important for the House to know this before it accepts this qualification and, whilst I appreciate that one cannot make certain changes overnight without doing some violence to the whole substructure and infrastructure of the Department of Manpower Utilization, nevertheless I think it is important to place on record these questions and ask the hon. the Minister to respond to them in his reply. Just how many people are going to be affected by the fact that there will still be discrimination on the basis of sex in respect of determinations made prior to this Bill becoming law? In other words, how many determinations does this cover and how long is that situation going to continue? Is it possible that some of these women are going to be affected for a considerable time? I think this will be a grave disappointment to many who, whilst welcoming the new move, are still going to be stuck with discrimination on the basis of sex. I hope the hon. the Minister understands the direction of my questions.

It is a fact that many employers have deliberately employed females to do the same job as that done by men, simply because of the differentiation in the reward laid down by the Wage Board recommendations.

We know this to be a fact, and I hope there is going to be some measure of protection for women who will now qualify for equal pay for equal work. We simply cannot afford to have large numbers of women dismissed simply because of this change. I should like to appeal to employers not to misuse this very excellent change to be brought about by the proposed legislation. The whole practice of discrimination against women simply because of their sex—over which they quite clearly have no control—is outmoded, outworn and indefensible. I therefore think that the hon. the Minister and his department are [illegible] congratulated on bringing this legi[illegible] before us.

There are a number of other impo[illegible] aspects I want to refer to. Firstly I w[illegible] refer to clause 8(b) which deletes subse[illegible] (7) of section 11 of the principal Act. [illegible] refers to the requirement that Wage B[illegible] reports and recommendations be tabl[illegible] Parliament. I said initially that we have [illegible] problem with wanting to speed up the [illegible] of the Wage Board, but notwithst[illegible] this, I would still ask that these Wage B[illegible] reports and recommendations be [illegible] without delaying the work of the [illegible] Board. What I am saying is that the re[illegible] and recommendations could still be sub[illegible] ted to this House, without the work of [illegible] Wage Board necessarily being held [illegible] have no doubt that it is of vital impor[illegible] for this Parliament to be informed of [illegible] reports and recommendations.

This brings me to clause 10 which repe[illegible] section 13 of the principal Act. The effect [illegible] this will be that Wage Board recommen[illegible] tions will no longer have to be published [illegible] the *Government Gazette*. The hon. the Minister referred to that in his Second Reading speech. Again I can appreciate the arguments raised, both by the hon. the Minister and in the explanatory memorandum. I am not at all sure, however, nor have I yet been persuaded, that it is no longer necessary to publish these, for all to see, in the *Government Gazette*. It may well be [illegible] and the explanatory memorandum [illegible] make out a case for it—that this is redundant, that it is no longer necessary, because there are other channels through which people can make their recommendations. It is, however, a time-honoured tradition to have a warning published in the *Government Gazette* so that labour organisations can read the warning, decide whether or not they are going to give evidence and make representations accordingly. I therefore wonder whether, in this whole matter of streamlining, we are not in danger of doing away with certain practices that have proved to be invaluable in the past. I should therefore like to hear the hon. the Minister's comments, because we are still contemplating the possibility of an amendment in the Committee Stage.

I now come to clause 19 relating to section

[illegible] of the principal Act which forbids victimi[illegible]tion by an employer and defines a trade [illegible]ion, not in terms of the Wage Act, but in [illegible]ms of the Industrial Conciliation Act. My [illegible]ding of this is that in terms of the existing [illegible]ion 25 an employer may not victimize an [illegible]ployee, as defined in the Wage Act, [illegible]use such an employee belongs to a [illegible]gistered trade union, and I emphasize the [illegible]rd "registered". In terms of the amend[illegible]ent before us today, however, the [illegible]mployer may not victimize an employee [illegible]en if he belongs to an unregistered trade [illegible]nion. That is how I understand this provi[illegible]on. If my interpretation is correct, this is a [illegible]ry significant improvement, and I should [illegible]e to commend the hon. the Minister and [illegible]s department for it. If I am wrong, [illegible]owever, I would obviously like more details [illegible]om the hon. the Minister. If I am right, [illegible]hen this brings matters into line with the [illegible]ovisions of the Industrial Conciliation Act. I do not want us to move beyond this point without underlining the fact that this is a very big step forward indeed.

Fourthly, I turn my attention to clause 21 repealing section 28 of the principal Act which provides for the compulsory registration of employers. The motivation is that the repeal of this section would be conducive to rationalization. I want to be assured by the hon. the Minister that the information which normally flows from this compulsory registration will be available from other sources. That point is made in the explanatory memorandum, but I am not yet persuaded. It is one thing to scrap the red tape and administrative snarling, but it is another not to be in possession of knowledge which enables the Wage Board to do its work satisfactorily. I want to be sure that we are not letting employers get away with it. The point is made in the explanatory memorandum that employers have simply disregarded, that they have not filled in the forms and have not given the information. It may well be that we can get all the information or, rather, that the Wage Board, the hon. the Minister or the department can get the information from other sources. However, I want to be assured that that is the case and that it will not simply go by default.

Fifthly, clause 23 repeals section 30 of the principal Act. The employer no longer needs to have the determination fixed "in some conspicuous place upon his premises". Sir, I have worked in an industry, in factories and in mines in parts of South Africa and I know how important this notice has been. It is true that in recent years certain communication committees have been set up in South African industry and that downward and upward communication has received a higher priority than before. It is also true that the trade union movement has been extended much more widely than ever before. But once again I wonder whether all workers will have the kind of relationship with their employers where they will feel free enough to go to their employers and ask or demand to see a copy of such a determination. I know the employer is required to have a copy of such a determination upon his premises and he is required to make it available to an employee upon request. I should, however, like to hear from the hon. the Minister whether in the experience of his department these determinations no longer serve any purpose by being prominently displayed in the workplace. I appreciate that the present requirement might be of some nuisance value to some employers, but I hope we are not taking away the right of employees to be aware of wage determinations without having to ask for that information.

Finally, clause 28 refers back to clause 7(c) and provides that the provision of a wage determination made before the Wage Amendment Act of 1981 comes into operation and which differentiates on the basis of sex shall remain in force until amended, cancelled or superseded. I want to repeat what I said earlier: I want to know how many people will be involved before these determinations based on differentiation will be amended, cancelled or superseded. I hope that we are not talking about years ahead, but rather that this excellent move of scrapping discrimination on the basis of sex will affect all, or as many as possible, and as soon as possible. We support the Bill.

*Mr. L. J. VAN DEN BERG: Mr. Speaker, allow me to avail myself of this opportunity to express my appreciation for the goodwill and friendliness that all hon. members have displayed towards me on my accession to this House. Hon. members may deduce from this I am now making my

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maiden speech. Nor can I overlook thanking hon. members from the Transvaal for the honour that was bestowed upon me on the occasion of my election as a member of the House.

Sir, as is the case with other labour legislation, particularly with the Industrial Conciliation Act, the Factories Act and the Shops and Offices Act, the Wage Act is a very important one, in the sense that it makes minimum conditions of service possible for workers. After the tragic mine strike in 1922, the South African Government realised that legislation is essential to ensure labour peace, although this strike was not related to wages. After Gen. Hertzog formed the PACT Government in 1924 together with the leader of the South African Labour Party at the time, there was a grave awareness of the need for such legislation. The first Industrial Conciliation Act appeared in 1924. Let me say at once that even before 1924, officials from the Labour Department were involved in drafting suitable legislation to promote labour peace. The first Wages Act appeared on the Statute Book in 1925 and was piloted through the House by the late Minister Walter Madeley who was a good friend to the workers. Important amendments were made later on, in 1937 only—we can actually talk about a new Act that contained provisions which were a considerable improvement on the original Act. Twenty years later, in 1957, a further improved Wages Act was placed on the Statute Book by Parliament. The 1957 Act followed on the recommendations of the Botha Commission of Inquiry into Industrial Legislation. The same Dr. Botha was one of the chairmen of the Wage Board, the third in fact.

It is a good thing for us to pay tribute from time to time to people who carried out important services. I should like to pay tribute to the chairman and members of the Wage Boards over the years. They carried out valuable work without ever really coming into the limelight. So far there have been eight chairmen, viz. Mr. F. A. W. Lucas, who was the first chairman, Mr. F. McGregor who succeeded him, Dr. J. H. Botha, Dr. S. P. du Toit Viljoen, Dr. W. F. J. Steenkamp, Mr. H. W. Tindale, Mr. H. J. Bohnen and the present chairman, Mr. I. J. Claassens.

The Wage Board investigates an in[illegible] and then makes its recommendations [illegible] hon. the Minister who in turn mak[illegible] determination. The Wage Board attempt[illegible] recommend fair wages and other condi[illegible] of service, taking into account the indus[illegible] ability to pay and the cost of living in [illegible] area concerned. In earlier Acts it was [illegible] vided that the industry's ability to pay [illegible] be taken into account in recommending [illegible] living wage for the worker. However, [illegible] was impractical because the standard [illegible] living of the workers differed and [illegible] differentiation on a racial basis was [illegible] permitted. In industries where there is [illegible] trade union or where no agreements [illegible] wage determination is of cardinal imp[illegible] tance. Even where agreements do [illegible] determinations are also necessary from time to time because the period of an agreement [illegible] often expires whilst negotiations [illegible] already reached a deadlock. The determination of wages protects the workers [illegible] exploitation in the interim until an agreement is made once again.

The hon. the Minister of Manpower Utilization explained the Bill so thoroughly that it is not necessary for me to deal with it clause by clause. I apologize to the hon. member for Pinelands who spoke before me for not reacting to the points that he made. I leave it to the hon. the Minister to reply to the hon. member's speech point by point. I am sure he will do so. I shall just emphasize a few extremely important aspects of the legislation. Firstly, it is a good thing that the position of registered welfare organizations is now being put right. The provisions of the Wage Act will no longer be applicable to them. Then it is also pleasing to see that differentiation on the basis of sex is now being eliminated in respect of directives to the board for the purpose of an inquiry.

As far as clause 7 is concerned, I am largely in agreement with the previous speaker. This clause provides that the prohibition on differentiation does not apply with regard to directives that were issued before the amending Bill came into operation. However, I understand what the problem is. All of us understand it very well. However, I want to express the wish that the Wage Board will not find it necessary, or will very seldom find it necessary to make use of this concession.

Furthermore, the radical decrease in the period of time that it takes to make a determination, is very welcome. The procedures that have to be followed at the moment by both the Wage Board and the hon. the Minister before a determination can be made, are clumsy and the improvements in this regard will accelerate matters considerably to the benefit of all concerned.

We on this side of the House welcome the amending Bill and we are pleased to support it. I also thank the Opposition for the support that they have granted to it.

*Mr. R. B. MILLER: Mr. Speaker, in the first instance I should just like to thank the hon. member Mr. Van den Bergh for an interesting review of the functions and origin of the Wage Act and of the various people who were involved. It is always interesting to note that in many respects South Africa has some of the best legislation in the world, and although from time to time we may disagree with the hon. the Minister and hon. members opposite with regard to specific matters in legislation, I must say that I believe that we do have one of the best Wage Acts in Africa, indeed in the world. I thank the hon. member for his review and I also congratulate him on his first speech in this House.

The question of amending the Wage Act, 1957, as contained in the legislation before us today, introduces quite a number of innovations which have probably been long overdue in the South African setting. Before going on to a discussion of the various clauses which we would like to discuss with the hon. the Minister, I should just like to thank the hon. the Minister and his department for so timeously providing us with an explanatory memorandum. Such a memorandum always makes it so much easier to understand what the intentions of the hon. the Minister and his department are. I should like to say: Thank you very much indeed for it.

We have very little difficulty with most of the clauses in this amending legislation, but I would like to highlight certain specific aspects of it and then come back to one or two clauses which I think are of major importance and therefore require some discussion with the hon. the Minister and hon. members on that side of the House. First of all, I just want to say that we welcome all of the innovations regarding the structuring of the Wage Board itself and of subsidiary bodies of the Wage Board. As I said in a previous debate, one of the hallmarks of a mature legislative programme in any democratic system is the introduction of legislation aimed at the devolution of power, for the delegation of power without abrogating the responsibility of the Minister at the top. In the functioning of the Wage Board we find that this principle is now being introduced so that the Minister himself need not be belaboured with certain specific responsibilities referred to in the earlier clauses of this Bill. In fact, the Wage Board itself may now issue directives in this particular regard. Then, also the question of the tabling of the recommendations in Parliament, which will no longer be enforced, we believe, is quite an important change as well. I know that this was questioned by the hon. member for Pinelands. In practice, however —and really, efficiency is all about improvement in practice—one must be realistic regarding the effectiveness of a procedure which may have been established by precedents or by convention. At first reading it seems to be quite a significant change being recommended here by the hon. the Minister, that the recommendations of the Wage Board should no longer be tabled in Parliament. On practical examination, however, we believe that the innovation is going to be an improvement, and that it will in particular cut down the time delay in the effective implementation of a wage determination recommendation. Although at first glance it would appear that this is a radical departure from the parliamentary procedure, we do not think it is so, and we certainly welcome that clause.

Then, regarding the publication of the recommendations of the Wage Board in the *Government Gazette*, I should like to ask the hon. the Minister to confirm the fact that the amendment here, according to our interpretation, is only the publication of the recommendations of the Wage Board in order to invite comment, to invite criticism and to invite specific interested parties to express their opinion about it. We want confirmation of the fact that it will be true that the wage determination itself will still have to be published in the *Government Gazette* in

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order to make it effective. Therefore it is only the question of interested parties having the opportunity of commenting upon a wage determination, which is being changed here today.

The legal instrument by which a wage determination will be implemented will obviously still be the *Government Gazette*, with the signature of the State President affixed to such notice, and the date on which such determination becomes operative included as well. I should like to ask the hon. the Minister whether that is in fact also his interpretation of clause 10 of the Bill. As I understand it it is only the recommendations which will not be published in the *Government Gazette*, while the final Bill itself will be published in the *Government Gazette*.

Furthermore it is also very interesting to note the following. There is an old saying which says the sun never sets on the British Empire. I do think, however, that certain of the rays of the old Union of South Africa will also never be eclipsed. There are certain remnants of the old Union of South Africa on which the sun will also never set. In this respect I should like to refer hon. members to clause 15 of the Bill, which seeks to amend section 21 of the principal Act by the substitution in subsection (3) of the word "Republic" for the word "Union". This on the 20th anniversary of the Republic of South Africa indicates that the legislature does ultimately catch up with amendments which are necessary. Similarly we find, in clause 25 of the Bill, which seeks to amend section 36 of the principal Act, that the reference which has been made until now to the "Governor-General" is finally changed into "State President". Let it never be said that details escape the attention of Parliament.

What concerns most people, however, revolves, I believe, around clause 7, in which is contained the removal of the differentiation or discrimination based on sex when a wage determination is put into operation. I should also like to refer briefly to clause 5 and clause 7 simultaneously, because we are dealing here with a very important principle, not only in terms of the moral attitude of treating males and females equally, but also in terms of the repercussions of this on the economy, as well as the possible disfunctions that could arise from this measure. Let me say quite clearly before I proceed that I support these clauses. My party stands for merit on the job and equal pay for equal responsibility irrespective of race, creed, colour or sex. I do think, however, that we must have a look at the implications of this amendment as it is contained in this Bill before us. In the first instance I should like to refer to clause 5, because that will take me on to a discussion of clause 7, specifically to where it deals with the proposed new section 8(5).

The Wage Board, which until now has been required to take into consideration a number of factors in determining a wage classification, had to consider, for instance, the cost of living in the specific area in which the trade in question was being practiced, as well as the surrounding industries. There has always been the danger that a wage determination can perpetuate poverty. Strange as that may seem, it is one of the possible results of a wage determination. One only has to look at a depressed area with an oversupply of unskilled labour because the wage determination in terms of the existing Act and in terms of the existing legislation always refers to unskilled labour. There may be categories of unskilled labour, however, in which a certain amount of experience is required in order to earn a higher wage. Skilled workers are very seldom affected by the Wage Act because the market supply and demand factor take care of that in the free enterprise system. There has, however, always been the possibility that a wage determination in a depressed area can perpetuate poverty, and that is why we welcome the recommendations of the Wiehahn and Riekert Commissions which have made it possible, through the hon. the Minister's department and through the Manpower Planning Commission and the Wage Commission, to have trade unionism established in South Africa because, as trade unionism grows in South Africa, fewer and fewer people will actually remain under the umbrella protection of the Wage Act; at least we hope that will be the case. Overseas, in the maturer industrial areas of the world like America, England and Germany one still finds that 20% of the workers are outside the trade union movement. Fortunately, however, that 20% are normally to be found amongst the white collar workers and

among the blue collar or unskilled workers. It is our sincere wish that the Wage Act itself will become less and less important as an instrument for negotiation and the determination of wages.

Having said that, I would like to indicate that the implication of clause 5, the removal of the considerations the Wage Board had to take into account when determining a wage structure, will not in fact be that the wage determinations drawn up in future will perpetuate poverty, particularly in the depressed areas of South Africa.

This brings me finally to clause 7, more particularly clause 7(c). In South Africa today the most exploited worker is the skilled Black female. We only have to look at certain industries. I want to mention some of them here today but they are only a representative sample of the companies concerned. Take, for example, the wage determination in the textile industry. It is sometimes unbelievable what minimum wages are prescribed for Black female workers. I know that the hon. the Minister is concerned about this. It is pretty obvious that he is. In many of these wage determinations we find that the minimum wage is the actual wage paid because of the oversupply of unskilled Black females and the economic pressure that drives them into the market place. Many of these wage determinations prescribe a wage which is 50% below the poverty datum line, and those wages are actually being paid. There is nothing the State can do about that because the employers are subscribing to the minimum wage determination. I believe therefore that we have had an unnecessary exploitation of Black female workers in South Africa and, when this clause comes into operation, I trust it will also be brought into a conjunction with a review of the minimum wages in order to increase the minimum wages to at least the poverty datum line which in the urbanized areas of South Africa today stands at R150,00.

Mr. B. W. B. PAGE: Hear, hear!

Mr. R. B. MILLER: Yet it is recommended by the Sullivan Code and other codes that one should not even be looking at the poverty datum line because at that level a man just exists. If one also takes inflation into account one sees that even this level of existence is being eroded by about 15% per annum. What one should therefore be looking at is the mean living level, and that means a wage today in the region of R225 per month. We must bear in mind that there are still industries in South Africa that are covered by wage determinations in terms of the Wage Act and that are paying 50% less than the poverty datum line. This means that there are companies paying R50 or R60 per month for Black female workers. We welcome the recommended changes, and I should like to ask the hon. the Minister to confirm to this House that as each wage determination expires—and in most cases a wage determination is for a period of three years; very few of those I know of are for longer than that—his department will ask the Wage Board to pay particular attention to the question of minimum wages so as to bring them into line with at least the poverty datum line but preferably with the mean living level, because when these wage determinations expire the proposed amendments come into operation. My party is always in favour of innovation and improvement in the quality of life of people. We therefore welcome and wholeheartedly support the provisions of this amending Bill.

Mrs. H. SUZMAN: Mr. Speaker, the hon. the Minister will not be surprised to know that I intend to devote the major part of my speech to the clause which removes sex discrimination from the Wage Act. I want to say at once that I think we are indeed today taking a very big step forward in South Africa in labour relations. For many a long year women's organizations, women in employment and in the trade unions and individual women for that matter have campaigned for equal pay for work of equal value and, until now, I may say, they have campaigned to no avail. Both the Industrial Conciliation Act and the Wage Act, the Magna Chartas of labour in South Africa, have permitted the Industrial Councils and the Wage Boards, in laying down Industrial Council agreements and Wage Board determinations, to use any method of discrimination based on age, sex or experience in determining minimum wages and conditions of employment. It is true that discrimination on the basis of race is ex-

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cluded in both the Industrial Conciliation Act and the Wage Act in the proviso's to the relevant sections in those Acts.

As a result of permitting sex discrimination, in many occupations the wage rates for women are anything between 25% and 35% lower than the wage rates laid down for men in equal occupations. Let me give a few examples. I want to quote from an article "The Woman Worker in South Africa" which appeared in the February issue of this year of *New Era*. A male machinist earns a minimum wage of R36,30 per week while the corresponding wage for females is R28,20, a difference of approximately 21%. Female laundry workers in the Cape earn 10% to 20% less than their male counterparts. Women textile workers in Durban earn 20% less than male workers in the same occupation. In the commercial distributive trade the minimum wage for a female clerk or sales assistant is set at R170 per month, while a male in the same category earns R242 per month.

This is all a part, I believe, of the long standing myth we have had in South Africa, and indeed still have in many respects, that a woman's earnings are only supplementary to a man's earnings—almost like extra pocket money for the household. This is, of course, absolutely not the case. Women, especially Black women, are very often the sole breadwinners in the family. The recent "Maids and Madams study" in the Eastern Cape showed that 58% of the women in domestic service interviewed were the sole supporters of their families. A West Rand Administration Board survey which was done a few years ago in Soweto revealed that 30% of the households in Soweto were entirely supported by the earnings of female wage earners.

The differentiation between male and female wages presently affects a large number of occupations. Something like 240 job categories exist for which the minimum wages for men and for women differ, the wages for women sometimes being 75% to 85% that of men. In 1976 women formed about 38% of the gainfully employed population. Now I believe it is up to about 40%. According to the Manpower Utilization report, the latest one, in 1979 there were 1 045 929 workers under Industrial Council agreements of whom a very considerable number must have been women. I do know the exact number. The hon. member for Pinelands has asked the hon. the Minister to give us that figure for the Industrial Council agreements. The information is broken down in the report but the report does break down the number of women in industries and trades regulated by wage determinations. There were 418 130 women in industries and trades regulated by wage determinations of whom, according to the report, 83 430 were women. The point I am trying to make is that the important principle which is being established today by the relative clause in the Bill will affect a considerable number of women workers. I welcome the change that is being introduced by the clause, although I know, of course, that it is going to be phased in and that it is going to take some time before it is effective.

There are a few comments I want to make in this respect and there are also some reservations I want to voice. Firstly, it seems obvious to me that if the principle of sex differentiation on the basis of sex is valid for workers under Wage Board determinations it should also be valid for workers under Industrial Conciliation agreements. I should therefore like to ask the hon. the Minister if it is his intention in the next session, or as soon as possible anyway, which will be the next session, to introduce the same amendment into the Industrial Conciliation Act as he is introducing today into the Wage Act. In other words, he has to bring the Industrial Conciliation Act into line with the Wage Act as far as the removal of discrimination on the basis of sex is concerned. Secondly, is the hon. the Minister ever going to include farm workers and domestic workers under the protection of the Wage Act? I believe it is high time that this happened. It affects thousands upon thousands of workers, many of whom are Black women who have absolutely no protection whatsoever and many of whom, I want to say, are among the most exploited workers in South Africa. A very simple amendment to section 2(2) of the Wage Act would do the trick.

I now want to make a few observations, some of which are in line with the observations made by the hon. member for Durban North, about the possible repercussions of the removal of sex discrimination in setting

wage rates. Of course, some of the unions have actually expressed fears that instead of female wages going up to equalize wage rates between female and male workers, male wages may well go down. I assume this is not going to be the intention and I hope very much that the hon. the Minister will keep his eye fixed on Wage Board determinations to make sure that this does not happen. The other possibility, of course, is that as a result of equal wages some women may be replaced by men. In other words, because employers now have to pay the same wages to women as they pay to men, they would rather employ men in those occupations. I think the history of the Garment Workers' Union perhaps bears this out in reverse. In other words, the garment industry was taken over, firstly by male Blacks from Whites because Whites moved out into other occupations after World War II, but then Black women took over from Black males because the sex discrimination which was allowed meant that Black women were paid lower wages than males and gradually the industry became almost entirely an industry occupied by Black women. That is fine. They have acquired skills and I doubt very much whether anything is going to happen to skilled workers as a result of the removal of sex discrimination in the Wage Act. I believe that the acquisition of skill by workers is something that employers value. They will not readily replace women by men because wage rates are now equalized. But I do not think the same thing necessarily applies in unskilled occupations. I think it may very well be necessary to watch carefully when this provision is introduced and implemented on a large scale, particularly if there are areas of depression, to see that this does not happen. If it does happen I hope the hon. the Minister will consider firstly extending the victimization clause to cover such an occurrence or secondly, make sure that the unfair labour practices section which is contained in the Industrial Conciliation Act but not in the Wage Act, is extended to cover the Wage Act although it is a very wide definition. Thirdly, examine the Sex Discrimination Act which was introduced in Great Britain in 1975 and the Equal Pay Act which was introduced in 1970 and finally implemented in 1975, to see whether we cannot learn something from those Acts which were specifically introduced to cover discrimination on the grounds of sex, so that women will not find themselves replaced by males simply because wages have been equalized. I know it is not easy to implement this. It is very difficult to prove whether an employer is engaging or not engaging an individual on the basis of merit or whether it is simply personal choice with discrimination as its base. But I think the very fact that the law is against an unfair practice of this kind is educative—it educates people into thinking that way and ultimately people become used to non-discrimination. Therefore I ask the hon. the Minister to keep an eye open for any unfavourable repercussions which might occur more particularly in the hiring of workers in the unskilled field and maybe even in the firing of workers in the unskilled field. I do not believe that this will apply to skilled trades.

I have a number of other reservations which I shall raise in the Committee Stage.

In accordance with Standing Order No. 22, the House adjourned at 18h30.

WEDNESDAY, 25 FEBRUARY 1981

Prayers—14h15.

REPORT OF SELECT COMMITTEE ON TRAVEL AGENTS AND TRAVEL AGENCIES BILL

Mr. A. A. VENTER, as Chairman, presented the Report of the Select Committee on the Travel Agents and Travel Agencies Bill, as follows:

Your Committee begs to report that owing to the imminent dissolution of Parliament it will be unable before the end of the session to give proper consideration to the subject of the Travel Agents and Travel Agencies Bill [B. 33—'81], referred to it for inquiry and report. In the circumstances it requests the House to order its discharge from further service this session.

*The MINISTER: . . . he will join me in feeling very happy about the special benefits that will soon be granted to the S.A. Police.

Question agreed to.

Bill read a Third Time.

WAGE AMENDMENT BILL

(Second Reading resumed)

*The MINISTER OF MANPOWER UTILIZATION: Mr. Speaker, while the debate was in progress yesterday, a number of questions were put to me by hon. members opposite. If I answer their questions in detail now, perhaps we can cut the Committee Stage short. I shall try to reply to all the questions as they were put to me.

The first question by the hon. member for Pinelands was how many women are being affected by the wage determinations. This is a very important question, because you will recall that the differentiation between the sexes is now being phased out by means of this legislation. At the moment the correct figure is 87 357, which is quite a considerable number.

The hon. member also asked how many directives or determinations would be affected by the provisions of clause 7(c), i.e. where discrimination still takes place on the basis of sex. As the hon. member knows, determinations are continually being revised by the Wage Board. At the moment 35 determinations are in the pipeline.

Another question had a bearing on the danger of women possibly losing their jobs because equal pay is a prerequisite now. However, I do not think that one need be concerned about this. We have a strong economy and there is a considerable demand for trained staff. Therefore, it will not happen often that women are discharged as the result of the principle of equal pay but, if this should happen, we have created an instrument to deal with it. What are the functions of the Industrial Court? If someone is relieved of his position as part of an unfair labour practice, he has an immediate remedy, viz. the Industrial Court. If there should be unfair discrimination, for whatever reason, the person concerned now has an immediate remedy, unlike the position in the past, because he can appeal to the Industrial Court. Therefore, employees do not need to have any fears in this regard.

It was also asked how long it would take before there would no longer be discrimination on the basis of sex. As matters stand at the moment, the Act will probably be implemented in a short while. Existing determinations will have to be revised, but the maximum period before all possible discrimination on the basis of sex will be phased out, could be two, or at the most three years. As determinations are revised, the clause concerned will be implemented. Consequently, a process of phasing out will be commenced at once.

Another question concerns clause 8(b). The hon. member asked for reports and recommendations of the Wage Board to continue to be tabled. The reason why the provision is now being amended, is for the very reason that the documents are very bulky. Hon. members know what a report by the Wage Board looks like. It is a bulky document and it is continually being tabled. When the reports come to this House, they must be in both official languages. This immediately means tremendous pressure on the translating services. However, if tabling the reports served a good purpose, one could concede that it should be done. However, we know from experience what happens. I have been responsible for this portfolio for several years already and in this period the Opposition has never put a question in this regard. My department does not receive any questions in this regard either. Even members on this side of the House do not ask questions about it and no letters are addressed to us on this subject. Therefore, these are documents that are merely tabled formally and which cause a great deal of work outside and we can very easily rationalize them. There is no other reason for eliminating subsection (7). The fact that the reports will not be tabled here, does not mean that they are not available. Of course they are still available to the bodies concerned. For instance, the trade unions receive the reports. However, to bring them here from there and table them here with all the work that this entails, is really simply too much. Which hon. member sitting here tonight has ever looked at one of those documents? No one looks at them. Nor do I, and I am the Minister. These things pass one by. One takes a formal look at them. However, these are not the type of documents with which we should burden either this House or the country. Seventy or eighty determinations are regularly revised once every two years, translated and tabled. No, I think this is a very good change that is being brought about.

There is unanimity in this regard. It is not as if questions are being asked about this. The hon. member says he does not feel happy about repealing section 13 of the Act. This is being done by clause 10. This provision has a bearing on the publication of explanatory memoranda. In all investigations, the Wage Board issues a questionnaire for completion by representative organizations. This actually amounts to the organizations concerned being asked questions by way of a representative questionnaire, and depending on the replies to the questions, certain conclusions are reached which are then discussed once again with the trade union concerned. Therefore there is an interaction. The way in which it is ascertained whether changes should take place in wages, is that questions are asked first and, after the information has been collected, the matter is discussed. This is a process that, in general, is organized in such a way that those who participate in it, have all the details. I am quite satisfied with this and so are the trade unions. This legislation has not simply landed here in front of us. Many long discussions have been held about it with the bodies concerned. There is not a single body that is not satisfied that it should be done in this way. Therefore, I want to satisfy hon. members. If they perhaps thought that there were trade unions or other bodies who asked questions about this, I can set their minds at rest by telling them that this has not happened in our experience.

The next clause has a bearing on victimization. The victimization clause deals with the fact that employers could make employees feel that their membership of trade unions had something to do with the wage determinations. One symptom of victimization is that people do not have the courage to ask questions. However, if there are victimization provisions with regard to registered trade unions, then what about the others? As the Industrial Conciliation Act reads at present, it is very clear that victimization will not be tolerated, whether it has a bearing on registered trade unions or unregistered trade unions. Therefore, the aim is that all forms of victimization must be eliminated. In the labour world, victimization of workers is an unpleasant matter. Workers do not want to feel that employers can twist their arms in some way or other and victimize them. What we are trying to do here, is to remove that sting. This is why the provision has been formulated in this way.

The hon. member also asked a question in connection with putting up notices. He asked whether it is necessary to eliminate the posting up of notices. This is the type of administrative arrangement that was introduced by legislation and which caused a great deal of work. It is the experience of trade unions, employers' organizations and the department that if an employee wants to know what an industrial agreement is, who does he ask? He does not ask his boss, nor does he read a notice. He goes to his trade union at once. He goes to someone that he trusts. In other words, this is where they get their information, and therefore we really do not think it is necessary to oblige employers in this way to display the bulky, I am tempted to say exhaustive wage determinations. It is a waste of time and space and practice has shown that it is really not meaningful. As hon. members can see now, most of the provisions of the legislation are aimed at streamlining the legislation, at being accommodating, at making it easier and at creating confidence. On the basis of the reactions that we received from the employees' organizations, i.e. trade unions, I am convinced that they are entirely in agreement with the proposals that are before the House.

Last night the hon. member Mr. Van den Bergh made a representation for and made favourable remarks about former leaders in this sphere, former chairmen of the Wage Board. I want to agree with the hon. member and say that the people who have led the Wage Board in the past, were outstanding people. In this regard I want to mention the name of a person who served the department for 51 years, viz. Mr. Tindale. He died in an accident a short while ago. For years he was the secretary and then

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also the chairman of the Wage Board. Therefore, I want to thank the hon. member for the remarks that he made in this regard. One of the speakers who spoke after him, congratulated him on his maiden speech, and I too want to congratulate him on behalf of this side of the House. I have admiration for him because we knew one another in the Other Place, and also because he was a trade union leader for many years and particularly when he was still younger and in the line of fire, he made a special contribution in this sphere as leader of the steel workers.

The hon. member for Durban North also asked a few questions. He wanted to be assured that only the objection stage would be eliminated and that the determination itself would still be published. This is the case. The hon. member's interpretation is correct. The publication of the determination is essential to give it legality, and consequently the provision remains unchanged. The hon. member also referred to clause 5 and spoke about decent standards of living. He wanted to know whether it would not perpetuate poverty in certain areas of depression. The hon. member must know that the Wage Board follows the policy that wages must be reasonable. The Wage Board tries to take all factors into account, including local factors, when it makes a determination. All factors that can have an influence on and can give an answer to whether the wage that they are determining, is a living one, are taken into account. Provision is also made for a period of transition when there may be a movement from a low to a higher wage. The hon. member then asked whether the department would at least bring wages into line with the poverty datum line or preferably with the standard of living when wage determinations are revised. As I said, fairness is taken into account in determining wages. In this regard the Wage Board takes into account all information that may have an influence upon the standard of living of wage earners. I want to assure the hon. member that he does not have to be afraid of the Wage Board taking any other factor into account besides the welfare of the workers and all the factors that influence that welfare in the labour situation.

Now I come to the hon. member for Houghton. I can understand that any woman would react smartly to the question of phasing out differentiation on the basis of sex. I want to tell the hon. member that before she rose to her feet here, and even when the legislation was published, there was a reaction from various women's organizations. She wants to know whether we intend making a similar amendment to the Industrial Conciliation Act during the next session. I think this is what she asked. I can tell her that this is in fact what we intend to do. In the bargaining situation there are two instruments, i.e. the Industrial Conciliation Act and the Wage Act. The hon. member will understand that we cannot build a principle into one and not into the other. This is simply logical. This is why we are intending to do this.

Then she asked whether I as Minister would consider bringing farm workers and workers in private households within the scope of application of the Act. The answer is that I cannot do this, firstly because circumstances in agriculture and in private households are completely different. There are really no representations of which I am aware, of which I have to take note in this regard. I have undertaken, as far as agriculture is concerned, not to take action in this sphere at all unless I do so in co-operation with the agricultural unions and they take the initiative in this regard. As far as private households are concerned, I want to say that although voices are always being heard, it is so unco-ordinated that one really does not have the impression that people in South Africa want us to apply the Industrial Conciliation Act or the Wage Act in that sphere.

Mrs. H. SUZMAN: It applies in other countries.

The MINISTER: I do not believe South Africa has reached the stage where we have to look at that.

Then the hon. member asked for the assurance that the wages of men would not drop in the process of eliminating differentiation on the basis of sex. This will never happen. How could it happen? Firstly, the economy does not allow it and secondly at the moment there is a shortage that must be taken into account. What sense would there be in this in view of the fact that the entire principle that we are trying to build in, and which the private sector accepts, is the

principle of equal pay for equal work done out of equal service rendered? What will happen in practice, therefore, is in total opposition to her submission. I have no fear in this regard. Taking the economic condition into account, I do not believe this will happen.

The hon. member also wanted to know whether women could not be replaced by men in the unskilled professions in cases where equal wages are paid, and if this should happen, could employees who fall under the Wage Act consider this an unfair labour practice? I can tell the hon. member that as soon as such a departure occurs, I shall consider it an unfair labour practice. Then if it is an unfair labour practice the matter can be referred to the Industrial Court, a body which in my opinion has played a very important role in recent times and will continue to do so in the future.

I assume that the questions that were put, all of them sensitive questions regarding the labour situation, were asked with a view to the possible reactions that there may be. I can give the assurance that this was foreseen when the legislation was drafted, and that I am satisfied that the legislation has been very well received. In fact, lately there has been an indication that all labourers, including the trade unions, understand this and agree with it. Therefore, the Government has the full support of the people who are affected by this legislation.

Question agreed to.

Bill read a Second Time.

Committee Stage

Clause 4:

Mrs. H. SUZMAN: Mr. Chairman, I should just like to say one or two things. One is that we welcome the removal of sex discrimination. This is a very important step the hon. the Minister has taken. He told us in his reply to the Second Reading that, if I remember correctly, 37 000 women were affected by wage determinations and that there were 35 such determinations. I am very glad indeed to have the hon. the Minister assure us that it is his intention to introduce the same clause into the Industrial Conciliation Act as soon as possible; in other words, the removal of sex discrimination.

The MINISTER OF MANPOWER UTILIZATION: It can obviously not be the same clause but a clause on the same basis.

Mrs. H. SUZMAN: Yes, with the same basic principle. Let us put it that way. Quite obviously that will be even more important because I imagine there are probably more women affected by industrial conciliation agreements than there are under the Wage Act. We do not have the figures. The Manpower Utilization Report does not give a breakdown as far as sex is concerned although it does give a breakdown as far as race is concerned. I was wondering whether the hon. the Minister had such figures. I gather they are not available because it involves an enormous amount of work.

The MINISTER OF MANPOWER UTILIZATION: Yes, a tremendous amount of work.

Mrs. H. SUZMAN: Yes. However, I think it would be a reasonable assumption that even more women are affected under the ICA than under the Wage Act. I just wanted to say to the hon. the Minister that I was and I am sure all of us here were very pleased indeed to hear that the hon. the Minister was going to do that. The hon. the Minister referred to the question of the replacement of women by men when wages are equalized. I want to make it quite clear that I have no fears as regards the skilled occupations either. There is an overall shortage of skilled labour and it is very unlikely that an employer will jeopardize his enterprise by sacking skilled women in the hope of getting men to take their places.

The MINISTER OF MANPOWER UTILIZATION: That is what I said.

Mrs. H. SUZMAN: Well, I quite agree with the hon. the Minister, but would he not agree that the situation might be very different as far as unskilled work is concerned where there is not a shortage of labour and where indeed there is an oversupply of labour in comparison to the number of jobs that are offering? These labour jobs and

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unskilled jobs at the moment also rate women's work at a lower wage than that for males. I am sure that is the reason why a number of employers have employed women in these jobs. I hope the hon. the Minister will keep a careful eye on this situation.

The MINISTER OF MANPOWER UTILIZATION: We are keeping an eye on the situation.

Mrs. H. SUZMAN: The hon. the Minister says that there is a remedy in that one can go to an industrial court if there is a dismissal on these grounds. However, I do not see any definition of "unfair labour practice" in the Wage Act although there is a definition of "unfair labour practice" in the Industrial Conciliation Act. Can people who fall under wage determinations as against people who fall under industrial council agreements use a definition of "unfair labour practice" although there is no such definition in the Wage Act? This is why I am bothered about it. I certainly do agree with the hon. the Minister that there is no danger as far as skilled workers are concerned. They are protected by their very scarcity and by the very fact that they have acquired a deftness in their job. I am quite sure that employers will be very wary indeed of taking men on instead of retaining women in those circumstances.

The MINISTER OF MANPOWER UTILIZATION: Mr. Chairman, of course there could be isolated cases but I do not think that it could be the rule. Apart from that, the hon. member will know that we do have the industrial courts and, of course, the labour unions will see to it that this sort of practice does not take root in South Africa. Therefore I am not worried about it.

Mrs. H. SUZMAN: Yes, but unskilled workers do not very often have trade unions.

The MINISTER: Yes, but normally there are unions. There are many people who will watch over their interests. Apart from watching over their interests, we do have the machinery on the part of the department to see to it. I really do not think that in practice they would be in a position where this could happen.

Mrs. H. SUZMAN: Mr. Chairman, the reason why I think we must think about this is that other countries have this experience too. It was found necessary in Great Britain, I believe, when the Equal Wages Act was passed, to see that there was legislative protection against discrimination on these grounds. I think we must just watch out.

Clause agreed to.

Clause 8:

Dr. A. L. BORAINE: Mr. Chairman, I want to say firstly that we appreciate very much the full replies given by the hon. the Minister. I want to refer to clause 8(b) which proposes the deletion of subsection (7), which, of course, does away with the tabling of recommendations and reports by the Wage Board. The hon. the Minister has made a good case that this should no longer be the practice because this will delay the work of the Wage Board and also actually involve the Wage Board in needless expenditure and also in translation work. It does seem to me that as these recommendations and reports have obviously to be made available to the trade unions, the translation must take place. In other words, the translation does not take place simply because it is going to be laid on the Table in Parliament. These documents must be made available and I want to make a suggestion to the hon. the Minister. I am not going to move an amendment I merely want to ask the hon. the Minister if he will discuss with his department the possibility of making reports and recommendations available to, say, the spokesmen of the various parties in this House so that at least there is a record for those of us who follow the deliberations, the recommendations, the reports and the work of the Wage Board. [Interjections.] I am simply recommending that and I quite agree with the hon. the Minister that it is quite clear that very few people ever look at this. I go along with all his comments but I make that suggestion to him.

Clause agreed to.

Clause 10:

Mrs. H. SUZMAN: Mr. Chairman, the

hon. the Minister has explained the reason for the repeal of section 13 of the Act, which of course is the measure that makes it necessary to publish in the *Government Gazette* the recommendations of the board. He also says in the explanatory memorandum that he has issued on the Bill, that the Wage Board offers ample opportunity for representations to be made by interested parties and that objections received after publication of the recommendations have as a rule already been considered by the board during its formulation, and almost without exception, he says, the recommendations that have been published are republished as wage determinations without amendment. In his speech this evening the hon. the Minister told us that no objections had been received from the trade unions about the repeal of section 13. I, however, have one objection from a trade union which was sent to the Director-General of the Department of Manpower Utilization. It is from the Association of Distributive and Allied Workers Unions and they take a very strong view in regard to the repeal of section 13. Perhaps the hon. the Minister has not seen this objection.

The MINISTER OF MANPOWER UTILIZATION: I have not seen it.

Mrs. H. SUZMAN: As the hon. the Minister has not seen it I am going to read part of it to him because I think he ought to hear it and the House ought to hear it. The point they make is this. First of all they say that they are totally opposed to the deletion of the objection process. They say although it is seldom indeed that any change has been made as a result of objections, this is not the fault of the objectors. They say they make objections and it is not their fault that their objections are not accepted. They also say that the people who are affected by such important measures as the payment and the receipt of wages and the provision and enjoyment of certain conditions of employment must have a right to a proper say in regard thereto.

Well, I see it does say in the White Paper that it is a legal requirement that interested parties be invited by the board to lodge representations. I gather, however, that that is before the recommendations are actually published, and I think that it is after the recommendations are published that these people want to have an opportunity again of objecting to the recommendations which have been accepted by the board. I know it is supposed to be time-consuming to publish these recommendations. It all lengthens the process.

The MINISTER OF MANPOWER UTILIZATION: It retards the final acceptance of the recommendations.

Mrs. H. SUZMAN: Well, I see that, of course. Anything that is open to objection retards the final acceptance of the recommendation. I do not think it is nearly as important, however, as getting a recommendation which is accepted by everybody concerned. It seems to me that should be the objective. The union makes, what I believe, is a very good point. Although it does not make it here, I have certainly heard the point being made that the way in which to speed up the operations of the Wage Board is to increase the size of the Wage Board. I think there are only five . . .

The MINISTER OF MANPOWER UTILIZATION: We did increase the size of the Wage Board some time ago to handle the increased volume of work.

Mrs. H. SUZMAN: Well, it still takes a long time. Perhaps the hon. the Minister should have an even larger board or regional representatives who can do the work of the board. I gather that one member of the permanent board has to sit on a regional assessor board which is appointed. It seems as though the hon. the Minister needs a larger permanent board in this particular case because they have to deal with hundreds of wage determinations. They are always years behind with their work. By the time they publish a recommendation it is already out of date because of inflation.

An HON. MEMBER: Oh, come on!

Mrs. H. SUZMAN: Well, I believe that is true.

Dr. A. L. BORAINE: Of course, it is true.

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Mrs. H. SUZMAN: It is true, yes.

The MINISTER OF MANPOWER UTILIZATION: You know it is the exception that really proves the rule.

Mrs. H. SUZMAN: Yes, but I hope the hon. the Minister will admit that sometimes when a wage board determination is published it is in force for five years.

The MINISTER OF MANPOWER UTILIZATION: Three years.

Mrs. H. SUZMAN: Well, it can be longer than that. By the time the five years have expired . . .

The MINISTER OF MANPOWER UTILIZATION: There is normally a revision every two or three years.

Mrs. H. SUZMAN: Yes, but it takes so long that by the time it is revised it is already out of date again. I do not believe, however, that the way to speed up the recommendations and final determinations of the Wage Board is by repealing the provision to necessitate publication in the *Government Gazette* thus allowing the people concerned to take a good look at the position and lodge further objections. I believe the way to do it is . . .

The MINISTER OF MANPOWER UTILIZATION: Of course, they do have the opportunity of discussing the whole matter concerning wages with the board before publication takes place. They do actually have the opportunity of discussing the matter and, if necessary, to lodge objection. I believe they are given ample opportunity. The fact is, however, that this specific aspect has met with the approval of the vast majority of labour unions. I happen to know this. That is why I say that the exception in the one case referred to by the hon. member may be proving the rule as far as the majority are concerned.

Mrs. H. SUZMAN: I am not saying that this proves or disproves the rule. The hon. the Minister, however, did make a categorical statement that nobody had objected to this.

The MINISTER OF MANPOWER UTILIZATION: Well, I did not know of any objections.

Mrs. H. SUZMAN: I accept that, of course. However, I did want to draw the attention of the hon. the Minister to the fact that a large union actually has very strong objections to the removal of the need to publish in the *Government Gazette*.

Dr. A. L. BORAINE: Mr. Chairman, we raised this point during the Second Reading debate on this Bill and, in his reply to that debate, the hon. the Minister referred to this matter and discussed the reasons for the refusal, namely, that this is going to expedite the work. Obviously, we would want to see that. However, it is disturbing. As I pointed out during the Second Reading debate, publication in the *Gazette* has been the practice for many years. We have now had this information from the hon. member for Houghton and, although for obvious reasons we cannot move an amendment—we cannot simply negative this clause—we are not at all satisfied so far that we should go ahead with this repeal unless the hon. the Minister can give us some further information.

*The MINISTER OF MANPOWER UTILIZATION: Mr. Chairman, I should just like to say that the deletion of section 13 is in accordance with the recommendation of the commission. The commission had every opportunity to investigate this matter fully. In fact, everybody had the fullest opportunity to give evidence before the commission on this point.

†Actually, therefore, this provision is in line with the recommendations of the commission itself. I do not think it is necessary for us to discuss the matter any further. I may say that I do not think that there is any foundation in the arguments of the hon. member. I do not think any valid point was raised. I want to say again that I think exceptional circumstances have been mentioned here. However, if his argument proves to have some foundation, we can always come back next year. At the moment, however, I am satisfied that we are doing the right thing and I am also satisfied that I am not depriving the people con-

cerned of the opportunity to discuss the matter and to have full access to all the information before publication takes place. As a matter of fact, this matter has been discussed with the labour unions concerned. Naturally, if one has a discussion with the people concerned and one straightens out all the negative points with such a labour union, when one then produces a final report it cannot be argued by such people that they did not have an opportunity to discuss the matter. That is actually what is happening here. We are delaying the final publication and this simply means that the people affected are going to lose something. Those people are the workers and they are going to lose money.

Mrs. H. SUZMAN: Well, I am concerned about the possible loss of rights which they now have.

Clause agreed to (Official Opposition dissenting).

Clause 19:

Mrs. H. SUZMAN: Mr. Chairman, I just want to tell the hon. the Minister that we are very glad indeed that he has extended the victimisation section to include the unregistered unions as well. I think this is a very important step forward and I should like to have that on record.

Clause agreed to.

Clause 21:

Dr. A. L. BORAINE: Mr. Chairman, clause 21 repeals section 23 of the principal Act. I want to say that a comment I made in this regard during the Second Reading debate was one of the very few comments to which the hon. the Minister did not reply although I must admit that he replied very fully indeed to all the other questions we raised. This provision deals with the compulsory registration of employers. In seeking to rationalise the work of the Wage Board the hon. the Minister has sought to scrap this compulsory registration with the motivation that the information will be available from other sources. It is quite obviously to the advantage of the Wage Board to scrap any unnecessary administrative work and anything that holds up the work of the Wage Board. It is, however, another thing entirely not to be in possession of knowledge that will enable the Wage Board to do its work satisfactorily. The reason given by the hon. the Minister and also set out in the explanatory memorandum that employers simply have not completed the forms is, I believe, hardly justification for this. I should like to be assured by the hon. the Minister that this information is available. If that is the case, then I am satisfied.

The MINISTER OF MANPOWER UTILIZATION: Mr. Chairman, it is difficult to get the information from the companies concerned, although we can get the information from other sources. I am satisfied that we do get the information although we get it the other way round.

Clause agreed to.

House Resumed:

Bill reported without amendment.

Third Reading

The MINISTER OF MANPOWER UTILIZATION: Mr. Speaker, I move subject to Standing Order No. 56—

That the Bill be now read a Third Time.

Dr. A. L. BORAINE: Mr. Speaker, I will be very brief. In the Second Reading debate I said that the measure before the House must be regarded as a milestone in legislation involving workers in South Africa, and I want to underline that. The information given to us by the hon. the Minister in his reply simply confirms that. I took a guess when I said the figure was approximately 100 000 and obviously that was a slight exaggeration because the hon. the Minister now says that 87 300 people are being subjected to sex discrimination. That is a considerable number of people to be affected by a differential scale over which they have no control simply by virtue of their sex. Women in industry and commerce have for years been waging a battle in many countries to obtain equal reward for work of

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equal value, and I want to stress again that we on this side of the House welcome this movement towards doing away with discrimination in the workplace in South Africa. We have stressed the necessity for this and we are delighted that this legislation has now been introduced. I also trust that what the Department of Manpower Utilization has done in this regard will serve as an example to the private sector because there is no doubt whatsoever that discrimination on the grounds of sex and, indeed, race and colour, still exists in South Africa. There are employers who hide and have hidden behind Government legislation in the past, but the introduction of this Bill now leaves them without any cover, and I am delighted. I hope that the employers of South Africa will learn from this step now being taken by the Department of Manpower Utilization in terms of moving away. We have of course to use the term "moving away" as we also heard from the hon. the Minister that there are 35 of these determinations still in existence and that it will be approximately two to three years before the goal of no discrimination on the basis of sex is reached. But the important thing that we have stressed is that we are on the right road. No one can expect the position to be transformed overnight, that we concede immediately. We are, however, glad that we are on the right road and we want to stress that this is something that ought not only to be welcomed but also to serve as an example for the rest of industry in South Africa because, as the hon. member for Houghton pointed out, there are thousands more women who are being discriminated against, some in very senior positions in commerce, industry and in professions. I hope that this kind of legislation will serve to spur on many others.

There is another aspect I want to raise in this Third Reading debate, and that is the extension of the protection against victimization. I underlined this in the Second Reading debate and will therefore not delay the House by discussing it any further, but this now extends to those who are not members of registered trade unions. The fact that this covers members of unregistered trade unions means a tremendous amount. It may not appear to mean very much to those of us sitting in this House this evening, but there are workers who have been victimized in the past—the hon. the Minister knows it and all know it—and the fact that they are being given protection can only augur for industry and the economy of South Africa. We therefore support the Third Reading of the Bill.

*The MINISTER OF MANPOWER UTILIZATION: Mr. Speaker, throughout the debate everybody concentrated on the one important change in the Bill, namely the phasing out of discrimination between the sexes. In the position South Africa is in at present, we had no choice but to eliminate this existing difference, because I think the economy demands it of us. In this day and age I think it is no more than right, because in all sectors of the economy women are coming forward to take their places at the high level as well as on the low level of manpower utilization. Therefore it is only right that we should be fair and treat women. If they do the same work as men we should not begrudge them the same rewards.

Today more and more women are being the breadwinners.

Mrs. H. SUZMAN: Hear, hear!

*The MINISTER: If the woman is the breadwinner in a family, there is no reason why she should be discouraged by receiving a lower wage or salary.

Mrs. H. SUZMAN: How about separate taxation too?

*The MINISTER: I think it is time to admit that the life expectancy of women is really a little better, than that of men and that women must remain active members of the work force for a longer period than the Act or custom has hitherto allowed. I should like to just underline this by saying further that I think it is a deficiency which we must not only admit and rectify for the sake of the rights of women, but for the sake of the economy of South Africa as well. I agree with everybody who endorses the fact that this is an important step forward.

Mrs. H. SUZMAN: Congratulations! You have done something right for a change.

Question agreed to.

Bill read a Third Time.

ENVIRONMENT PLANNING AMENDMENT BILL

(Second Reading)

The MINISTER OF INTERNAL AFFAIRS: Mr. Speaker, I move—

That the Bill be now read a Second Time.

Permit me to sketch briefly the function of the Physical Planning Branch of the Office of the Prime Minister, in regard to which certain responsibilities and duties have been entrusted to me.

The Republic's growing population has made increasing demands on the country's irreplaceable resources. With a view to the optimum utilization thereof, and in order to ensure orderly development of the soil which will enable the various population groups to uphold and develop their distinctive identities, co-ordinated overall physical planning is being undertaken.

Initially this fell under the former Department of Environmental Planning and Energy, and in view of the rationalization of central government services, the physical planning function was taken over by the Physical Planning Branch of the Office of the Prime Minister. In this way the Government is advised with regard to effective utilization of the soil and natural resources, and planning and development projects are initiated and evaluated, always mindful of the possible influence thereof on the political, economic, social and security aspects of our country. As regards organization, the Physical Planning Branch is divided into two components, namely land use determination and spatial development co-ordination. Despite representing two clearly defined fields of activity, the two sections are complementary in striving towards and achieving the objectives to which I have referred.

The Land Usage Determination section is chiefly concerned with spatial planning at an overall level and the drafting of statutory guide plans.

The first step in the effort to establish an orderly and effective physical framework at the national level was taken in 1965 when the National Physical Development Plan was drawn up. For purposes of planning and development the country was divided into 42 regions, including four metropolitan areas, and guidelines were laid down in respect of the desirable and foreseeable national physical development structure. An effort was made to specify the role and functions of the various regions within the national framework, taking into account the hierarchic order of cities and towns.

With regard to the on-going revision of the National Physical Development Plan, it is the responsibility of the Planning Advisory Council to ensure that the needs and endeavours of the population in the broader content are taken into account. The board consists of representatives of the public, private and academic sectors.

The aim of involving the public in the planning process at all times is pursued at the regional level by a system of regional development associations and regional development advisory committees. At present there are 35 regional development associations and six regional development advisory committees.

Physical/spatial development planning, as an integral part of comprehensive development planning, is undertaken on a broad national basis for specific areas and regions. Moreover, guidelines and guide plans are drawn up to indicate on what soil the main elements and activities should be placed so that the envisaged development may be best accommodated and served in the best possible way. It has to serve as a basis for government bodies to draw up guide plans, master plans and other more detailed land-use plans. The guide plan action, a product of the implementation of the Environmental Conservation Act, is at present playing an important role in land-use planning.

The Development Co-ordination section has the task of overall co-ordination of the interpretation and implementation by various bodies of planning guidelines, in order to ensure the purposeful execution of statutory directives and to promote co-ordinated development by all development bodies.

Existing and proposed development plans and budgets of government bodies and the

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Superceding w.d. no: 298

AREA A: East London.

AREA B: Parys.

AREA C: Estcourt.

WAGE REGULATION-GENERAL

1985

Minimum wage suggested to Govt

345

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ARGUS 9/2/82

Argus Correspondent

PRETORIA. — The National Manpower Commission has recommended a minimum wage to the Government.

The announcement was made by the commission's chairman, Dr Hennie Reynders, here yesterday. He did not give the amount but said the recommendation was contained in one of several reports submitted to the Government.

The other reports concerned the training of unemployed people, schemes to be used for the purpose and the training of workers in industrial relations.

The Government's reaction was awaited.

STATISTICS

Statistics showed that the unemployment rate among black men, excluding the homelands, was about 5,5 percent.

The overall rate for men and women was 7,3 percent and this compared favourably with statistics in other Western countries. These figures were also an improvement on those for the same period last year.

While slow growth rate had been predicted for the year, he did not believe that this would susbstantially increase the unemployment rate.

The commission was involved with three interrelated studies which it hoped to complete and submit to the Government about June.

TRADE UNIONS

These were a further investigation into the registration of trade unions, their representativeness and recognition, the functions of works councils and the Industrial Court and its functions.

'We are also looking into the manpower needs,' said Dr Reynders. The Human Sciences Research Council had been asked to do a five-year study on the subject.

LABOUR RELATIONS

Perspective on Natal

FM 23.4.82

Many employers and unionists are confused about the immediate direction of government labour policy, according to a survey conducted by the University of Natal's Economic Research Unit.

Two other conclusions drawn by the authors of the survey, Professor Jill Nattrass and Elizabeth Ardington, are that there is a growing overlap between labour and political issues, and that differences of perception between employers and unionists over key labour issues could be the seedbed for future labour unrest.

They have found that both unionists and employers are uncertain about government's acceptance of the recommendations of the Riekert and Wiehahn commissions. Some feel the situation is still so confused that another commission should be appointed. "One respondent stated that he had the feeling that the policy was being developed 'brick by brick and that no-one had any clear idea of what the final building might look like'."

The survey reveals concern that reforms in labour policy are not being accompanied by reforms in other areas. Because blacks are not being granted social and political rights, it feels that black unions will inevitably become involved in socio-economic matters outside the sphere of labour and employment issues. This will result in the creation of "unions representing a political rather than an industrial standpoint."

Although most employers and unions are in favour of industry-based unions, "the recent proliferation of unions on racial and political grounds means few unions can truly claim to represent the majority of workers in a particular industry."

More than a quarter of unions and employers prefer the industrial council (IC) system to any other system of industrial relations. But, say Nattrass and Ardington, if the proliferation of unions outside the IC system continues, the system will no longer be effective.

Nattrass and Ardington say there is little difference of opinion between unionists and employers over many questions in the survey, particularly where questions are of a theoretical, as opposed to an immediately relevant nature. However, there are important differences over the collective bargaining process and the role played by the union movement. Employers give a low rating to collective bargaining rights as a factor important to job acceptability. Unions, however, give these rights high priority. Only 3,6% of employers, but more than 50% of the unions, regard the absence of labour organisation as a serious impediment to black advancement

The survey reveals that although most employers and unions want collective bargaining, they differ over what form it should take. More than 40% of employers want an IC or two-tier system, while black unions show a preference for plant-level bargaining. Unions totally reject works councils and liaison committees.

Nattrass and Ardington say that most employers find it impossible to deny the right to bargain collectively and are probably genuinely in favour of its recognition. However, "their thinking has not progressed sufficiently in practice to take this recognition into account in their everyday activity."

LABOUR FM 23.2.82

Negotiation holds the key

In labour matters, conventional wisdom is that unions try to boost wages during a boom, while in times of recession they become more concerned about job security. Employers in some important industries can therefore be excused for being startled by wage demands confronting them this year.

Many have hoped for modest demands from labour. After all, profits are going to drop as the economy slows down. In addition, foreign markets remain depressed and this year companies have to contend with a tax increase.

Despite this, wage increases ranging from 50% to 100% are being demanded by unions in the metal, clothing and laundry industries and sections of the motor and chemical industries. In many cases, the gap between what unions want and what employers are offering is alarmingly wide. Even in the mining industry, where unions' demands are modest compared with those in several other sectors, the gap is substantial. Unions want a 15% increase (down one percentage point from their initial demand) while employers have indicated that they will agree to a 5% pay rise (up two points from their original offer).

During the past week disputes have been declared by registered unions in both the mining and the metal industries — the first step in the process which can lead to legal strikes. There is no denying the seriousness of this impasse in the two largest industries in SA, other than agriculture.

The deadlock in the mining industry involves eight unions affiliated to the Council of Mining Unions (CMU), which essentially represents the interests of white miners. While unions try to achieve wage increases which counter the effects of a 15,2% inflation rate for last year, mining houses point to the fact that gold has been selling at less than $350 an ounce for most of this year.

Unionists have dismissed the employers' offer as "absurd." Employers, on the other hand, believe that the unions must face economic realities. Sharply declining earnings of gold mines and rising costs mean that there is less money available for wage increases.

There are, however, important differences between this dispute and what is happening elsewhere. It is now three years since government granted trade union rights to blacks. While only a very small number of blacks belong to mining unions, many have been unionised in other industries. Where in the past blacks had little direct say in wage negotiations in these industries, they are now making their presence felt — and the result is discomforting for employers and even some unionists.

There are a number of related factors behind these wage demands:

☐ The sharp rise in the cost of living in the past year. In most parts of SA the household subsistence level (HSL) for blacks (one measure of the minimum needed by a black family) has risen faster than the consumer price index. The University of Port Elizabeth's Institute for Planning Research has found that the HSL for many blacks on the East Rand, for example, has risen by about 20% in the past year. The average increase for major urban centres during the past year is the highest recorded for a 12-month period since the start of the institute's surveys 10 years ago.

☐ Demands to close the large wage gap between skilled and unskilled workers. A respected industrial relations practitioner estimates that in many SA industries, for every rand an unskilled worker earns, a skilled worker — an artisan — earns between R5 and R7, and sometimes even more. In Europe this ratio is more realistic, ranging between 1:2 to 1:3. At the other end of the scale, the ratio in the troubled US motor industry is 1:1,5 — something which obviously does little to encourage skills training and productivity.

He points out that closing this gap in SA is not going to be easy. The shortage of skilled labour during the past boom has resulted in high wages for artisans, and because there is still a strong demand for these skilled workers, their wages will continue to rise. The demand for unskilled labour remains comparatively slack.

To a great extent, employers are suffering the consequences of government policies which for many years prevented or discouraged blacks from entering skilled occupations. "The only way we are going to close the gap is through training, training and more training," he says.

(345) (189) (243) Sowetan 15/6/82

Mwasa negotiates new wage deal

THE Media Workers' Association of South Africa (Mwasa) and the two leading English language newspaper groups — the Argus Company and SA Associated Newspapers Limited — have announced that they have reached a formal agreement regarding a mid-year wage increase for weekly-paid black staff.

The latest agreement guarantees that Mwasa members will be earning not less than 9 percent more from July 1, 1982, than they were on January 1, 1982, calculated on a January 1981 base.

Salaried staff were not included in the negotiations, which lasted two days. The latest increase comes into effect on July 1.

Exchange Rate
Monetary Policy
money supply VS Δ in Reserves.
MS fn MBase.

Star 27/8/82 343

Employers in dilemma on negotiations

Union demands for recognition often indicate opposition to the industrial council system, thus presenting managements with a ticklish problem. Labour Reporter Tony Davis looks at a new study by a Unisa professor.

Plant level bargaining is unlikely to replace industry-wide negotiations in South Africa in the near future.

As a result of recent dispensations in labour law and the emergence of black trade unions, employers have been caught up in the dilemma of how best to conduct negotiations.

While established unions and many employers are satisfied with the "tried and tested" system of industrial councils to decide on wages and working conditions in the labour arena, emergent unions have demanded plant or shop level negotiations.

This ticklish problem for managements is discussed in a new study of recognition agreements by Professor Johan Piron of Unisa's School of Business Leadership.

In "Recognition or Rejection?" Professor Piron says union demands for recognition often indicate an opposition to the industrial council system.

Emergent unions chose plant level recognition agreements as an alternative to the council system which operates on a regional industrial level, professor Piron says.

This system is satisfactory for many established unions which also operate on that level but not for emergent unions which are seeking redress from managements at plant level.

While the established unions usually represent skilled workers, emergent unions represent unskilled or semi-skilled workers and these unions feel their members' rights cannot be adequately protected at council level, he argues.

Many black workers are not protected by their skills and the unions seek through a plant level recognition agreement to protect their members.

Some plant level negotiations are seen to reflect political aspirations and at the same time emergent unions may reject industrial councils because of their long-standing association with only white-member unions.

Professor Piron says that whether or not one agrees with such views, they do carry weight in industrial relations and have to be dealt with.

On agreements with only registered trade unions, Professor Piron says this should not be made a requirement.

"The question of whether a union supports the statutory system of collective bargaining hardly affects its ability to represent the employees of the company."

He also discusses the difficulty of the criterion of representivity and the concept of "50 plus 1" percent for a union to be accorded recognition.

If a union with only 10 percent membership in a plant can bring that plant to a standstill in the event of a strike, then the management should not be too fast in refusing to deal with the union.

A recognition relationship can only be successful if it operates on the level of "good faith," says Professor Piron. Emphasis on legal obligations by the parties involved and the threat of legal intervention tends to polarise attitudes.

There are a number of weaknesses to the industrial council system, according to Professor Piron. These include:

- It does not always meet worker needs at the plant level.
- It is a "slow-moving machine" and does not always involve the parties concerned as much as it should.
- Because the council system meets the needs of centralised collective bargaining, it is not programmed to meet certain shop floor needs.

Professor Piron argues that there are also weaknesses in relying solely upon plant level bargaining as there is little done in regard to medical aid or pension issues, and the system is young and in "dire need" of expertise and experience.

"The industrial council is an established system which will not go away or be pushed away in the near future," he says.

Plant level agreements can also encourage inter-union rivalry for membership at a company.

In his conclusion, Professor Piron recommends that the recognition practice be allowed to develop more extensively before any attempt is made to legislate such agreements. Once the practice has been allowed to develop further then legislation could be introduced in line with current practice.

Professor Piron spoke on the subject of recognition agreements at a seminar organised in Johannesburg this week by Unisa's Institute of Labour Relations.

'Strike laws need to be decriminalised'

SUN CITY — Strike laws in South Africa should be "decriminalised", Professor Blackie Swart, professor of industrial relations at the Business School of the University of Stellenbosch, told delegates to the IPM convention.

Prof Swart said at present workers went on strike despite the law, but employers "were not possessed of the complementary opportunity of a lock-out.

"It should be left to the employers and unions to agree on strike and lock-out procedures.

Prof Swart said the State sanctioned plant-level collective bargaining. Guidelines could be published on this kind of agreement.

"Although it has been contended that plant-level recognition and agreements constitute a voluntarily relationship of trust, the situation in South Africa is such that some form of redress should be granted in cases where one party refuses to co-operate or reneges on the terms of an agreement Prof Swart said.

With a proliferation of plant agreements, unions might play employers against another, aggravating wage inflation. However, in South Africa, plant agreements were negotiated mainly for 'unskilled workers, and it was unlikely that unskilled wages could be pushed too far. — Sapa

(345)

LABOUR MEDIATION

Learning the ropes

FM 22/10/82

Valuable insights into the use of conciliation, mediation and arbitration to resolve industrial relations disputes have been given to SA employers and unionists in recent weeks. Workshops and seminars held in major centres by Andrew Kerr, widely regarded as Britain's most experienced conciliator, have added impetus to efforts to establish a mediation service in SA.

Kerr is the recently retired chief conciliation officer of Britain's Advisory, Conciliation and Arbitration Service (Acas).

He was invited to SA by a group of labour academics, unionists, employers and lawyers who are exploring the possibility of establishing an independent mediation service which is acceptable to both management and labour.

Acas was formed about eight years ago in response to a loss of confidence in the conciliation and arbitration services provided by a government department. There was a fear that this service was being influenced by the incomes policy being pursued by government.

Acas is a statutory body, but it has managed to remain impartial and independent from government. It provides advisory services to management and labour on all industrial relations and general employment matters. These include payment systems, job evaluation, trade union recognition and disciplinary, dispute and redundancy procedures. The services provided by Acas are free and readily available throughout Britain.

It also provides a conciliation service on individual rights of workers, in particular those concerned with unfair dismissals. British workers can appeal to an industrial tribunal if they feel they have been unfairly dismissed. To lessen the burden placed on the tribunals, Acas conciliators try to settle the appeals before they go to the tribunals. They deal with about 30 000 cases a year and settle about two-thirds of these.

Conciliator Kerr ... message from Acas

However, it is the collective conciliation service in industrial disputes which is central to the concept of Acas. Kerr points out that the British make a clear distinction between conciliation and mediation. Conciliation to them is a process in which a third party, the conciliator, who is a member of the staff of Acas, assists parties in dispute to reach a settlement. This is done with the consent of the parties and the settlement is the responsibility of the parties. The conciliator may make suggestions about how the dispute may be settled, but he will not record these suggestions as written recommendations.

The service operates by means of contacts and discussions, obtaining information and holding joint and separate meetings of the parties to explore the possibility of a settlement. Areas of agreement and disagreement are probed and identified.

In mediation, the mediator who is not a member of Acas's staff, but probably a labour academic who is regarded as impartial, will, after listening to the parties, make written recommendations to them about how to resolve the dispute. The parties are not obliged to accept these recommendations, but they often form the basis for further negotiations leading to a settlement.

In arbitration, the parties have to agree, before the arbitration is arranged, to accept the arbitrator's award. This is not a legal obligation, but is regarded by Acas as morally binding. "In the eight years of Acas's existence, no arbitrator's award has been rejected," says Kerr.

The number of cases dealt with by either mediation or arbitration in Britain is small compared with those dealt with by conciliation, says Kerr. Unions and companies tend to avoid arbitration over serious issues because they feel this takes control of the dispute out of their hands. But arbitration has been useful in resolving some major disputes.

During his visit to SA, Kerr was often asked how Acas has retained its independence, despite the fact that it is funded by government. He says there are two main reasons. The first is that under the Act that set Acas up, no government minister can tell Acas how to carry out its functions. Secondly, Acas is run by a council consisting of a full-time chairman, who is acceptable to both management and labour. Among the nine part-time members are respected academics and people nominated by unions and organised industry. Kerr says government never tried to influence him during the time he worked at Acas.

Acas tries to conciliate before industrial action is taken. In about 80% of the cases dealt with by it in conciliation, no industrial action has occurred. Pay disputes form more than half the disputes that Acas deals with, but recognition cases, dismissal and discipline cases form a fairly substantial part of the total.

UNIVERSITY OF CAPE TOWN

Single-digit pay rise policy on the cards

By Alec Hogg,
Assistant Financial Editor

In an effort to bring the inflation rate under control, South Africa may soon adopt a wage restraint policy.

It is expected that the Prime Minister's Economic Advisory Council will suggest a voluntary charter to keep wage increases in single digits over the next couple of years.

The council, which has held meetings in Pretoria over the past two days, is debating methods for exercising more effective control over inflation.

Most of the discussion has revolved around a wages and prices policy, which in effect means restriction of annual wage increases to below the inflation rate.

Similar policies have been introduced in Canada and New Zealand with limited success.

Any decision made by the council will be presented to the Cabinet before a public statement is made. That would take at least a fortnight.

PRODUCTIVITY

Sources in the council are reluctant to comment on what success such a policy would have in South Africa. But they note that increases of 15,3 percent, 19,7 percent and 23,5 percent respectively in employees' wages packets over the past three years have had an inflationary effect.

Business has also indicated concern over sharp increases in wages.

Mr Bas Kardol says in Nampak's annual report released today: "One must question the rationale of increasing salaries and wages without a corresponding increase in productivity.

"South African employees are now accustomed to receiving salary and wage increments at least in line with the Consumer Price Index.

"I must signal a warning note as this practice is distinctly inflationary and, ignoring changes in exchange rates, must reduce the country's competitiveness in international markets."

For any wage restriction policy to succeed, full support of business is needed. This, given Mr Kardol's representative view, does not look too difficult.

MAXIMUM

The suggested framework from the Economic Advisory Council could stipulate a wage increase maximum of somewhere between five and nine percent.

In public addresses, particularly at the recent Financial Mail conference, the Minister of Finance, Mr Owen Horwood, has hinted that such a policy may be on the cards.

One of the reasons which stock market analysts have given for the firm industrial sector is that an announcement is expected soon from Government of an agreement with major trade unions on wage rises of less than 10 percent.

Subject ECO 1
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1. Enter at the top of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
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SECTION 1

The Argus Tuesday February 8 1983

Labour laws get a new look

ARGUS 8/2/83

Parliamentary Staff

THREE Bills on labour matters, introduced by the Minister of Manpower, Mr S P Botha, were debated yesterday.

The Manpower Training Amendment Bill and the Labour Relations Amendment Bill were read a second time with the support of all three opposition parties.

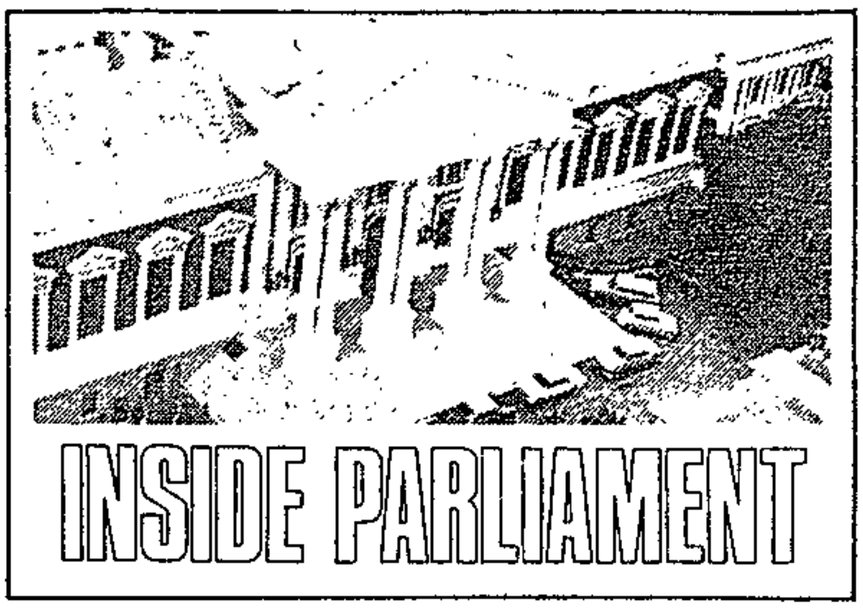
The Basic Conditions of Employment Bill, also debated at the second-reading stage, drew some criticism, but opposition speakers indicated that they would support it in principle.

The Conservative Party criticised the Bill on the grounds that it made "unnecessary" reference to race and colour, and that a provision about overtime work for women employees could harm family life.

State aid

The three Bills provide, among other matters, for:

- State financial assistance to group training centres.
- Control of labour brokers and the registration of labour brokers' offices.
- Further regulation of the establishment and composition of conciliation boards.
- Voluntary arbitration in certain disputes and provision for certain appeals to the industrial court.



- Making overtime work voluntary and limiting it to 10 hours a week for shop, office and industrial workers.

In moving the second reading of the Labour Relations Amendment Bill, the Minister said the proposed legislation provided for control over the activities of labour brokers and for the registration of labour brokers with the Department of Manpower.

The purpose of the legislation was to provide more stable service conditions and greater protection for people working for labour brokers.

Another provision was aimed at creating an official forum for the solution of disputes in industries and in areas where no industrial board had any jurisdiction.

Mr Botha said this amendment was not intended to minimise the important role of industrial boards.

Another important provision was to make the machinery of the Labour Relations Act more readily available to parties in dispute, and to speed up the introduction of that machinery.

The Minister would also now have the power, after consultation with the parties in dispute, to appoint a mediator.

Provision was also being made for direct arbitration regarding any dispute about employer-employee relations.

It was proposed that the secrecy provision of the Labour Relations Act be brought into line with that of other Acts.

Dr Alex Boraine (PFP Pinelands), the official Opposition's spokesman on labour, said the Bill provided for unregistered unions and employers' associations to have access to conciliation boards where there was no industrial council.

The inclusion of unregistered unions in this process was a major step forward.

Mr S P Barnard (CP Langlaagte) said he was worried about the National Party's philosophy concerning the future of white workers.

Under the Government's labour legislation, white workers were being "thrown into the pool together with all the workers." White workers were not given the protection they deserved.

Moving the second reading of the Basic Conditions of Employment Bill, the Minister said the proposed legislation would replace the Shops and Offices Act and the Factories, Machinery and Building Work Act of 1941.

Watchmen

The terms of the Bill would also extend to categories of workers who had not had legal protection before, such as nightwatchmen.

The Bill was designed to meet declared Government policy in respect of the recommendations of the commission of inquiry into labour legislation.

The Manpower Training Amendment Bill provides for the imposition of a levy by the Minister of Manpower for the benefit of training centres.

During the debate, Dr Boraine called on employers throughout South Africa to continue to train workers even during times of recession.

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Cape Times 31/8/83 (365)

Wage restraints could have major impact on inflation rate — RAU

Own Correspondent

JOHANNESBURG. — Wage restraints could have a major impact on South Africa's inflation rate over the next few years according to a study by the Rand Afrikaans University's economics department.

The study estimates that without a policy of wage restraint South Africa's annual inflation rate, which is currently dropping, will shoot up to 14 percent in 1986.

It is expected to rise even further after 1986.

Increases

Wage rate increases are expected to be 10 percent in 1984, 21 percent in 1985 and 24 percent in 1986.

The study estimates inflation will drop below nine percent in 1984 and stay there through 1985 and 1986 if wage increases are held down to nine percent, 11 percent and 12 percent respectively in those years.

"This clearly illustrates the importance of wages as an element in the price-setting process.

"It suggests we may eventually succeed in bringing down inflation to low levels again, provided we take the necessary action on the structural level and do away with the pre-occupation with monetary policy, without abandoning an attempt at monetary and fiscal discipline," the RAU report comments.

Bargaining

The authors of the report say a request for wage restraint does not mean they are asking for wage controls.

"Wages in general are set by way of bargaining between large groups in various forms.

"Restraint in the bargaining process is all that is necessary."

Wage restraint implies fiscal discipline as it means less government expenditure and higher company savings.

A further implication is that less tax income will be required by the government.

Lower growth

In addition to reducing inflation a wage restraint policy means lower growth in the money supply while imports will be less than at higher wage and inflation levels.

In spite of the relative drop in personal disposable income caused by lower wages, real consumption rates rise marginally at the lower price levels and real growth increases somewhat, the RAU report estimates.

Company-level pay talks 'tempt chaos'

E. Post 25/10/83 (345)

By LOUIS BECKERLING
Business Editor

LABOUR relations expert Mr David van Coller today warned of "chaos" which might follow a swing to regulating industrial affairs by way of company-based recognition agreements.

Addressing the 78th annual conference of the Building Industries Federation at the Hotel Elizabeth, Mr Van Coller added that the resultant variations in employment conditions throughout industry would be considerable.

"As would be the chances of escalating inter-group conflict."

In his address Mr Van Coller, graduate of Oxford University, director of the Institute of Industrial Relations, and personnel consultant (industrial relations) to Anglo American, evaluated the respective merits of industry-wide bargaining and company level bargaining against a South African background which "combined to create an industrial relations arena with probably the greatest potential for instability anywhere in the Western world".

Assessing the relative merits of the two, Mr Van Coller said industrial councils arose out of joint voluntary action by employers and employees "and at the outset there is an acceptance of equality and a sense of permanance in the relationship".

Recognition agreements negotiated at company level, by contrast, frequently "come into existence following major pressure and thus from the outset the question of power is a factor".

Whereas the statutory sanction granted industrial council agreements allowed for great moral pressure and ultimately criminal action in the event of a breach of agreement, in recognition agreements sanction lay directly with employees and their union "which must either use the strike weapon or take legal action by resorting to the industrial court".

"As before, this is a direct conflict between employer and the employees in that company in which high levels of power are likely to be brought into play at an early stage."

Mr Van Coller underlined the potential for variations in working conditions by referring to the metal industry where, within the industrial council were represented:

- One union representing Asians and coloureds.
- Three unions representing blacks.
- Five unions representing whites.
- Four unions representing Asians, blacks and coloureds.
- One union representing Asians, coloureds and whites.
- A further six unions outside the council.
- 3 500 companies, organised into 45 associations.

"In such circumstances the potential for chaos is considerable if the system is to function on recognition agreements," said Mr Van Coller.

Dealing with criticisms directed at the council system, Mr Van Coller conceded that it was predictable that black workers should have reservations. This problem was, however diminishing as a result of first-hand experience.

Allegations that in some councils the parties have used the closed-shop principle and refused to grant stop-order facilities to non-party unions in order to prevent them from spreading were more serious.

"If this is, in fact the case, it would appear extremely unwise. A sound collective bargaining system can only be established on the principles of freedom of association and voluntarism in collective bargaining."

CRITICS of the Government's disputes machinery have been given new ammunition by a wage dispute between bus company Putco and two unions. RDM 28/3/84 (345) (333)

Because passenger transport is an "essential service", Putco drivers could not strike legally when the unions deadlocked with the company over pay.

Disputes in "essential services" must be settled by an arbitrator appointed by the industrial court so, when mediation failed to settle the dispute, the court was asked last August to appoint one.

This it did — seven months later. Arbitration began late last week.

Thus both sides have had to wait seven months for the only machinery which the law allows them to settle their dispute.

The industrial court's president, Mr B J Parsons, says delays in appointing arbitrators are usually the fault of parties to a dispute — the unions say the court is responsible.

But the Putco dispute can hardly have done much for the credibility of the official disputes system.

And, in a different economic climate, would drivers have waited seven months rather than take matters into their own hands?

Bargaining row flares

Labour Correspondent

IN WHAT could become a key case affecting bargaining in several industries, the Metal and Allied Workers Union (Mawu) says it will ask the Industrial Court to rule that it is unfair for an employer to refuse to bargain over wages with a majority union outside an official industrial council.

Mawu has declared a dispute with a metal company McKinnon Chain at its Maritzburg plant, because the company is not prepared to negotiate wages with it directly.

The company, a member of the Steel and Engineering Industries Federation (Seifsa), says wages should be negotiated between Mawu and Seifsa at the Metal Industrial Council.

Seifsa has advised all member companies to refuse to negotiate wages with unions outside the metal council. Most metal companies support this stance and would therefore be affected by the case should it come to court.

In several other industries, employers are also opposed to negotiating outside councils and the case would therefore affect them too.

According to a company spokesman, the McKinnon dispute is to be considered by the Metal Industrial Council, as the law requires. If the council fails to settle it, the union can take action against the company in the court.

The current dispute follows one last year in which Mawu threatened the company with Industrial Court action after claiming it had refused to recognise it. McKinnon denied this, saying it was willing to deal with the union.

The action was withdrawn after the two sides began negotiating on recognition but, when negotiations began, the company said it was unwilling to negotiate wages directly.

In the latest issue of Fosatu Workers News, journal of the Federation of SA Trade Unions to which Mawu belongs, the union charges that McKinnon Chain had given workers merit increases in addition to the wage rises negotiated at the industrial council, but had refused to negotiate these with the union.

It said "worker pressure" had forced some employers to negotiate wages directly with the union, but that there were "still a few stubborn metal employers left".

Domestics: Minimum wage mooted

CAPE TIMES 10/4/84 (345)

Staff Reporter

EMPLOYERS should pay domestic workers an absolute minimum of R150 a month, plus two meals a day and travelling expenses, the Roman Catholic Justice and Peace Commission recommends in a brochure published in Cape Town.

Citing a University of Port Elizabeth research paper on the minimum monthly household subsistence level for a family of six, it suggested the "absolute minimum monthly wage" for 1984 should be R150 plus two meals a day and travel expenses for a full-time worker living out. If she lived in, it should be R133, plus all meals.

Overtime pay (anything more than 40 hours a week) should be worked out at R1,50 an hour.

If employers could not afford this, they should reduce the domestic worker's working hours rather than fire her.

"Remember domestic workers would rather offer their services for a little money than nothing at all," the leaflet said.

Wages for domestic workers should be determined more by the needs of the person than by the going wage rate.

"Too many domestics are suffering low pay and long working hours," the leaflet said.

Employers could help in upholding the dignity of their domestic workers by granting them basic rights such as extra pay for extra hours, sick leave, time off to visit their families and friends, and holidays.

"There is no legislation protecting domestic workers as such. This then places them in a very vulnerable position.

The worker is totally dependent on the attitude and outlook of the employer."

ARGUS 11/5/84 CITY 345

Seminar on wage negotiation

Labour Reporter

PREPARING businessmen for wage negotiations with trade unions is the theme of a seminar to be held in Cape Town next week.

The seminar, which will be addressed by Professor Blackie Swart of the University of Stellenbosch's graduate school of business, and industrial relations consultants Mr Steuart Pennington and Mr J Myburgh, hopes to attract chief executives, senior managers and industrial relations managers.

A spokesman for the industrial relations consultancy Steuart Pennington and Associates, which is hosting the seminar, said that wage practices in companies were "increasingly being challenged by the trade union movement".

"Management should be aware of the likely union stance on these issues and be in a position to reduce expectations, while at the same time ensuring the continuity of acceptable wage practices which are geared towards rewarding for skill and job worth."

A subsequent seminar, hosted by the same consultancy, will focus on new industrial safety and health legislation.

Trade unionists have attacked the new legislation for not allowing enough worker control of safety practices.

Speakers will include Mr J Baard, industrial relations adviser to the Cape Chamber of Industries, and Dr Jonny Myers, an industrial health expert from the University of Cape Town.

The two seminars will be held on May 15 and 16 at the Arthur's Seat Hotel, Sea Point.

RDM 3/8/84 (345)

Solution to industrial disputes lies in collective bargaining

OPINION

A WEEKLY FEATURE PRESENTING A WIDE VARIETY OF VIEWS

LOET DOUWES DEKKER

Lecturer in industrial relations at the University of the Witwatersrand Graduate School of Business Administration

THE PRESENT disputes and potential further industrial unrest in the mining as well as steel and engineering industries centre round the question of the level at which collective bargaining should take place.

But the fundamental issue is whether the peace obligation will remain an institutionalised industrial relations principle.

The acceptance of this principle by unions and employers has been part of South Africa's collective bargaining procedure since 1924; that is, both parties undertaking that for the duration of the agreement there will be no strike or lock-out action on disputes arising from laid down wage rates and working conditions.

However without structural reform of the industrial council system and other centralised forums through which employers' associations and trade unions have traditionally negotiated, this peace obligation principle will be eroded.

Disorder will then increasingly manifest itself in the work place. The spread of disorder is a slow process and difficult to halt.

Emphasis is placed by black unions, correctly so, on report back to members, irrespective of the level of bargaining. This democratic practice ensures support for the peace obligation when the agreement negotiated by the leaders is finally accepted.

If, however, union leaders cannot report back on satisfactory progress, a deadlock in the negotiations will be declared.

Such a situation must be followed by a meeting to vote on strike action or not and, if so decided, actual entering a trial of strength situation of striking.

If this cannot occur then the requirement of industrial action only following due procedure will be questioned by workers.

Why should workers accept control over the use of their power through collective bargaining, if managers implement wage rates which employers' associations have unilaterally decided?

The dogmatic demand by employers' associations that collective bargaining only takes place at the central level between unions and themselves and not at work place level between management and a representative union, is undermining the role of union leaders.

Workers will increasingly believe that it is better to stop work first.

The negotiations for a new 1984 wage agreement in the steel and engineering sector did not satisfy two black unions representing unskilled and semi-skilled workers.

These were the Steel and Engineering and Allied Workers Union, and the Metal and Allied Workers Union (MAWU), and the multiracial SA Boilermakers Society (SABS), which accept members at all skill levels. SEAWU subsequently reluctantly signed the agreement.

Its membership is now bound by the peace obligation. The other two unions have not been mandated by their membership to accept an agreement which appears to follow the pre-Wiehahn tradition of favouring skilled — and hence white — workers.

The SABS stated: "We believe the agreement as it stands is imbalanced and does not provide for fair increases in wages throughout the scale.

"SEIFSA (the Steel and Engineering Industries Federation) has said there is an across-the-board increase. But the distribution heavily favours the highest paid workers who are already paid twice or more the basic wage agreed upon.

"The increases provide very little relief for workers at the bottom of the scale" (Financial Mail, June 22, 1984).

Mawu stated that Seifsa had not even considered its demand for R2,50 per hour for the lowest paid job. The wage agreed to by the other established unions, of R1,73 per hour for unskilled workers, is less than the inflation rate and does not increase the workers' standard of living.

Why not both levels? Workers know that employers can and do pay wages above the minimum negotiated at centralised level.

When then, when workers have taken on the status of a union member should it be suddenly stated, as Seifsa has done, that the industrial council wage is a maximum rate?

Why, now that unions are gaining a power base in the place of work, do Seifsa and the Chamber of Mines instruct their members not to negoiate further with any signatories to an agreement?

No wonder the SABS refused to sign the agreement which would have bound them to a peace obligation clause, and prevented negotiations with individual employers.

Collective bargaining will inevitably occur where the union can express its power. That dynamic will determine the level at which the process of give and taken on wage demands and counter offers is compromised and a settlement is reached.

For black unions it is the shop floor, for established unions it is the industrial council. As Mawu and SABS warned, they will, where they have membership support, table demands on those companies for wage increases over and above the industrial council minimum rates.

Such a step will not endanger the peace obligation. In fact, that principle can be built into the procedural arrangements of the recognition agreement. Further, the bargaining for actual rates will only affect a small number of companies in the engineering industry.

But if unions cannot negotiate wages at the level of the work place where they have majority membership, disorder will occur.

What structure should be considered by both unions and employers' associations?

At the centralised level of a sector, the unions and the employers' associations will negotiate both the minimum and maximum rates. But only the minimum rates will be implemented.

The employer faced with no union majority presence will be free, as at present, to unilaterally pay more depending on criteria such as profitability, performace appraisal, merit increases within job grades, incentive scheme, etc.

At the company where the union is representative and the collective bargaining agent, negotiations with the employer will take place to determine the actual wage rates to be paid.

These wage rates would then however not be more than the maximum established at the sectoral or industrial council level.

That maximum will be a limit to be based on overall profitability in the industry.

The range between the minimum and maximum will provide an opportunity for both the unions and management to negotiate, as part of the plant-level agreement, on issues such as wastage; job specifications and standards; quality; rejects and incentive schemes as well as crucial concerns of workers about the quality of their work life.

These problems could be tackled by managers and shop stewards at monthly meetings after the negotiation of actual wage rates.

The broad parameters of any incentive and quality of work life schemes should preferably be laid down by the parties during the negotiations at the sectoral or centralised level.

This approach will ensure that the negotiated increases of actual wage rates are related to improvements in output or service rendered.

More crucial, such an agreement would re-institutionalise the peace obligation into South Africa's industrial relations system; provided the right to strike and lock-out as last resort weapons were openly acknowledged.

Mawu announced, within the first month of the new minimum wages having been published for the iron and steel industry, that it had negotiated increases over and above the minimum levels of the industrial council rates at ten factories.

Three other companies refused to do so. Obviously the stage has been set for confrontations and hostilities.

What understanding about the importance of centralised sectoral collective bargaining and the joint peace obligation can emerge among workers and line managers if it is a system which each year creates mistrust, anger and fear instead of facilitating expressions of unionism in the work place?

How can Mawu and SABS as well as SEAWU leaders maintain among their members respect for collective bargaining and the advantages of that process as well as the importance of joint social security schemes if each year negative report backs have to be made?

Why should the important principle of employer solidarity be endangered by employers' associations demanding that no plant-based bargaining takes place?

The above brief outline of integrating the two levels of collective bargaining obviously requires elaboration and discussion between employers associations and unions.

But broad rules to integrate the two levels of negotiations can be formulated.

If consensus on certain rules can be reached, the energy necessary for workers to resort to industrial action, and for employers to maintain a dogmatic stand, can be focussed to tackle problems of the quality of working life, increases in standard of living as well as improvements in production and services.

Abolish the minimum wage, says De Beer

345

Star

28/2/85

Municipal Reporter

The chairman of LTA, Dr Zac de Beer, yesterday called for the abolition of minimum wages so that more jobs could be created.

He was speaking in Johannesburg at a conference on solving city problems. The conference is being organised by the Central Business District Association and the Johannesburgse Afrikaanse Sakekamer.

Dr de Beer said when he was a Prog MP 15 years ago, he campaigned for minimum wages — but South Africa was prosperous and economically stable then.

The Government totally controlled the economy and the country could afford substantial increases in wages.

"Today we proclaim our devotion to free enterprise and in some respects have moved towards it.

"It is necessary to release the energies of all our peopleinto productive labour of all kinds and the right way to do this is through untrammelled free enterprise.

"One of the barriers which must come down is the minimum wage system," Dr de Beer said.

He said bureaucracy should also be reduced to help create new jobs.

"My view is that the Group Areas Act and the system of race classification should be scrapped altogether. But, for the purposes of today's argument, it is only necessary to say those aspects of the apartheid system which impede free enterprise must go," Dr de Beer said.

He said control standards should be relaxed.

"I don't plead for the abolition of all health, building, safety and other regulations, but only for a reasonably flexible attitude that takes account of the desperate need to allow everyone who can work to do so," Dr de Beer said.

Zac de Beer: Minimum wage must go

Own Correspondent

JOHANNESBURG. — Dr Zac de Beer, chairman of LTA and an executive director of Anglo American, yesterday called for the abolition of statutorily determined minimum wages.

Speaking at a conference here on problems facing South African cities, Dr De Beer, a former Progessive Federal Party MP, presented his call as a necessary measure to prevent South Africa from deteriorating into a "banana republic".

South Africa's inflation rate was three times that of its major trading partners and the creation of new employment opportunities was possible only if costs could be held down, he said.

"I believe that in today's circumstances we must discard entirely the concept of enforced minimum wages."

Dr De Beer, who acknowledged that he had campaigned in the past for higher minimum wages, added: "Today I am pleading for people to be allowed to work for any wage, no matter how low, that they are prepared to accept."

He said he had changed his views because circumstances had changed radically.

South Africa in those days was "tolerably prosperous and stable" and its inflation rate was lower or only fractionally higher than that of its major trading partners.

"Black wages in absolute terms were pathetically low and the wage gap was disgracefully wide," Dr De Beer said.

"There were no trade unions for blacks and job reservation was in full flower."

Today, however, the labour force was largely and increasingly unionized and more and more wages were set by collective bargaining, while job reservation was "almost extinct".

Dr de Beer also called for the abolition of all apartheid measures which impeded the free-enterprise system — influx control, race classification and the Group Areas Act — and for the relaxation of health, building and safety regulations to provide for the "desperate need to allow everyone who can work to do so".

RDM 4/3/85 (345)

THE National Manpower Commission decided some two years ago against recommending a national minimum wage and in recent months it has not featured as a major issue.

Only a minority of employees are governed by statutory minimum wage determinations — and those really only in industries where there is an absence of union-management collective bargaining channels.

As a result, wage board determinations are seldom as high as industrial council wage minimums or those negotiated between individual employers and unions.

Which is why the sudden elevation of the issue by Dr Zac de Beer, an executive director of Anglo American, who last week called for an abolition of statutory minimum wages, has been seen as somewhat puzzling.

The debate on wages and the free market in South Africa is bedevilled by several factors.

South Africa is far off from being a "free labour market". The pass laws and the labour bureaux system provide a system of labour control and impediments to free movement probably unmatched anywhere in the world.

The labour structure on the mines, for instance, is hugely dependent on rigidly channelled migrant labour and racial job reservation, which is far from being extinct.

Even then, emerging unions would argue that you cannot view labour as any other commodity coming onto the market without restraints and minimum protections for workers the employer always has the better of the power relationship.

Mercury 6/3/85

Union totally opposed to a wage freeze

(345)

Labour Reporter

THE National Union of Distributive and Allied Workers, representing thousands of employees of all race groups in the distributive trade, is totally opposed to a freeze on wages.

The union says in its latest news bulletin, New Era, that one of the reasons for South Africa's present economic problems — depression, the inflation rate, and rising unemployment — was that prices were too high for the vast majority of consumers to be able to buy goods on their present wages.

A freeze on wages while food prices remained high would not solve the problems of the working masses, who are struggling to make ends meet with their low wages.

The union suggested that the owners and shareholders of businesses should learn to accept lower profits and lower dividends in the current economic climate.

'Surely none of the company directors or shareholders would have to do without clothing, shelter or food.'

The union was responding to a recent reported statement by Mr Harry Schwarz, the PFP's finance spokesman, who called on the Government to take steps to introduce involuntary wage and price controls in negotiations with commerce and industry.

'It is a pity that the PFP projects an image on these issues of being among those who always call on the workers to tighten their belts even when there is no room left.'

DSM 8/3/85 (345)

Low pay row rages

By PHILLIP VAN NIEKERK

MR IKE VAN DER WATT, general secretary of the SA Boilermakers' Society, said yesterday that recent calls for the scrapping of minimum wages would mean that wages would sink to an "abysmal level".

Reacting to a speech last week by Dr Zac de Beer, a director of Anglo American, Mr Van der Watt said Dr De Beer's attitude was one which was becoming "distressingly prevalent" among people who did not have to exist on minimum wages.

He said calls by employers to pay people any wage, no matter how low, that they we prepared to accept, was complementary to employers paying as little as they liked.

"What Dr De Beer misses entirely is the fact that by allowing wages to deteriorate rapidly you also destroy the market for local goods and with it the chances of the development of an economy which creates jobs and provides the goods needed for the economic upliftment of the population," Mr Van der Watt added.

RDM 11/3/85 (345)

A NEW word on the debate over minimum wages, opened up recently by Dr Zac de Beer, a director of Anglo American, came last week from Mr Ike van der Watt, general secretary of the SA Boilermakers' Society.

Mr Van der Watt, who addressed members of the Cape Chamber of Industries in Cape Town, described Dr De Beer's call for the abolition of minimum wages highly irresponsible and dangerous.

He was particularly peeved at a statement by Dr De Beer that SA used to be "tolerably prosperous and stable, though black wages were pathetically low and the wage gap was disgracefully wide".

Mr Van der Watt replied: "If you can tell me how any country can be even tolerably prosperous while the wages of the majority of the working force are pathetically low and a disgraceful wage gap existed I would be thankful.

"It appears that Dr De Beer has a very limited definition of the country and its prosperity."

Rand DAILY MAIL
MONDAY March 11 1985

(345)

Less pay, more jobs?

THE first weapon wielded in a war on want should be an open mind, even on such contentious issues as scrapping the minimum wage policy.

South Africa, at this time, suffers from want: from a tightening of belts in the cities to outright starvation in some rural areas.

In response to the latter, influx control has so collapsed that the public debate is no longer whether or not to retain the system, but how best to abandon it.

Bankruptcy, crime, unrest, homelessness — these are the forces unleashed by our runaway inflation. They bear down most heavily on those sections already constrained by political and racial barriers from their own economic upliftment.

But there is also the barrier, as Dr Zac de Beer sees it, of an enforced minimum wage policy. A director of Anglo American, Dr de Beer confessed his own turnabout on this issue at a recent conference on urbanisation. He did so because the greatest job need for decades to come, would be, he said, among people with little education and no formal skills. Both competitiveness in export markets and greater import replacement at home required a low cost structure. To that end, to encourage both economic growth and employment opportunities, Dr De Beer said: "Today I am pleading for people to be allowed to work for any wage, no matter how low, that they are prepared to accept."

A horrified Mr Ike van der Watt, of the Boilermakers Society, says this is a call to employers to pay as little as they like.

We do not believe the issue is as simple and stark as that. Times have changed, with improved labour employment practices and the acceptance of black trade unions and collective bargaining procedures.

But the presence of a huge, unskilled and unemployed black population has not changed — moreover it is growing at a rate outstripping facilities and resources.

A family planner told last week's population growth conference: "There will be 19-million more people in South Africa in 15 years' time — no matter what we do now."

How is South Africa to find jobs for them, when we are so far from using the population we have productively? Certainly not by retaining race discrimination, bureaucratic red tape, obstacles to black business development and unrealistic First World standards for our Third World poor.

The question is whether a minimum wage policy belongs to that list of barriers, or whether it needs to be retained to safeguard disadvantaged people against exploitation.

It is an issue the unions need to confront, certainly with an eye on the past, and to the protection of their present membership, but also to that huge volume of desperate, jobless people coming off the human production line.

have been or will be taken in this regard?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes. It has been found that the extended service rendered is satisfactory.

(2) No. The present service is adequate and non-compulsory. The private sector may, if they so wish, transport traffic to and from the station.

Maintenance of railway line

323. Mr W V RAW asked the Minister of Transport Affairs:

(a) How many track kilometres of railway line are maintained (i) mechanically and (ii) manually and (b) what was the maintenance cost per track kilometre in each of these categories as at the latest specified date for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS:

(a) (i) and (ii) Railway lines of Transport Services are being maintained mechanically with integrated manual maintenance of certain parts of the track. Separate statistics are therefore not readily available.

(b) The fully integrated use of both methods makes meaningful division of costs impossible. However, during the financial year 1983-84 approximately R10 300,00 per kilometre was spent on track maintenance.

Hansard Q 601. 679

Crimes against security of State: prisoners

18/3/85

332. Mrs H SUZMAN asked the Minister of Justice:

How many prisoners who are (a) 18 years and older and (b) under the age of 18 years are serving sentences for (i) crimes against the security of the State and (ii) other crimes?

The MINISTER OF JUSTICE:

On 31 January 1985 the figures were as follows:

(a) (i) 335

(ii) 90 503 with regard to all ages. As figures at the 244 prisons vary daily, statistics per age group are not centrally kept and can only be obtained by a country-wide survey.

(b) (i) One (1)

(ii) Included in the total given in (a)(ii).

Hansard Q.601. 680

Public Service: posts

18/3/85

339. Mr H H SCHWARZ asked the Minister of Home Affairs:

(1) (a) How many posts were there in the Public Service as at the latest specified date for which figures are available and (b) how many such posts were vacant;

(2) how many (a) appointments to and (b) resignations from the Public Service were there in 1984?

The MINISTER OF HOME AFFAIRS:

(1) (a) (i) Administrative, clerical, professional, technical, general A and general B divisions: 106 425 posts.

(ii) Non-classified division, educated and services (Prisons only): 125 266 posts.

(b) (i) In respect of (a)(i) above: 15 857.

(ii) Particular in respect of (a)(ii) above are handled departementally. Particulars are not readily available.

(2) Details not readily available as, in

terms of the policy of greater managerial independence, departments do not fully report to the Commission for Administration in this respect.

Hansard Q. 601. 681

Prisons: deaths

18/3/85

349. Dr M S BARNARD asked the Minister of Justice:

(1) Whether any deaths were reported in South African prisons in 1984; if so, (a) how many prisoners in each race group died of (i) natural and (ii) unnatural causes in that year and (b) what were the main causes of these (i) natural and (ii) unnatural deaths in respect of each race group;

(2) whether post-mortems were performed on such prisoners; if so, how many post-mortems were performed in 1984?

The MINISTER OF JUSTICE:

(1) Yes.

(1) (a) (i) and (ii)

1 January 1984–31 December 1984	Natural	Unnatural
Blacks	146	47
Coloureds	36	20
Whites	14	4
Asians	0	0

(1) (b) (i)	Natural Causes
Blacks	– Heart diseases, tuberculosis and pneumonia
Coloureds	– Heart diseases and tuberculosis
Whites	– Mainly heart diseases
Asians	– None

(1) (b) (ii)	Unnatural Causes
Blacks	– Assault by fellow prisoners and suicide
Coloureds	– Assault by fellow prisoners and suicide
Whites	– Suicide
Asians	– None

(2) Yes, in terms of the Inquests Act, 1959, (Act No 58 of 1959), 71 post-mortems were performed in respect of unnatural deaths.

As far as natural deaths are concerned, post-mortems are also conducted when, in the opinion of the medical practitioner involved, any uncertainty exists as to the exact cause of death. However, these figures are unfortunately not readily available.

(345) Hansard Q. 601. 682

Black Labour Relations Regulation Act

18/3/85

356. Dr A L BORAINE asked the Minister of Manpower:

(1) How many (a) industrial council agreements, (b) conciliation board agreements, (c) arbitration awards, (d) Wage Board determinations and (e) orders in terms of the Black Labour Relations Regulation Act were inforced as at the latest specified date for which figures are available;

(2) how many (a) Whites, (b) Coloureds, (c) Asians and (d) Blacks were affected by each of the above five categories of wage regulating machinery as at this date?

The MINISTER OF MANPOWER:

(1) (a) 187.

(b) Nil (Conciliation board agreements are usually not published).

have been or will be taken in this regard?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes. It has been found that the extended service rendered is satisfactory.

(2) No. The present service is adequate and non-compulsory. The private sector may, if they so wish, transport traffic to and from the station.

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(2) how many (a) Whites, (b) Coloureds, (c) Asians and (d) Blacks were affected by each of the above five categories of wage regulating machinery as at this date?

The MINISTER OF MANPOWER:

(1) (a) 187.

(b) Nil (Conciliation board agreements are usually not published).

(c) Nil (Arbitration awards are seldom published)

(d) 51.

(e) The Black Labour Relations Regulation Act was repealed in 1981

5 Orders are in force in terms of the Labour Relations Act, 1956.

Note: The above figures relate to published measures, statutorily declared binding as at 31 December 1984.

(2)	(a) Whites	(b) Coloureds	(c) Asians	(d) Members of the Black Population Groups
Industrial Council Agreements.....	165 976	267 379	85 494	664 550
Conciliation Board Agreements.....	—	—	—	—
Arbitration Awards	—	—	—	—

(Awards are binding without being published and figures for those not published are not available)

Wage Determination: All races: 533 371; separate figures are not available.

Orders: All races: 137 427; separate figures are not available.

Note: The figure given under (2) for wage determinations is in respect of wage returns received only.

Hansard Q. Col. 683
18/3/85

Ciskei: agreements

365. Prof N J J OLIVIER asked the Minister of Foreign Affairs:

(1) (a) What total amount was paid by South Africa to Ciskei in the 1984-85 financial year in terms of agreements between the two countries and (b) how was this amount made up;

(2) whether any additional amounts have been paid to Ciskei in the form of (a) loans or (b) grants; if so, (i) how many, and (ii) what was the amount of the loan or grant, in each case;

(3) whether any further (a) loans or (b) grants are evisaged in the 1985-86 financial year; if so, what loans or grants?

The MINISTER OF FOREIGN AFFAIRS:

(1) (a) R330 358 900.

(b) The budgeted amounts which are to be paid to Ciskei during the 1984/85 financial year fall into two main categories, namely:

A *Direct Assistance*

(i) An amount for budgetary assistance under Programme 3: Foreign Aid and Development Co-operation of Vote 9: Foreign Affairs R44 375 000.

(ii) *Statutory payment*

Amount payable to the Government of Ciskei in terms of section 2(1) (b)(i) of the Act on Financial Arrangements with Ciskei, No 118 of 1981. This amount forms a direct charge on

the State Revenue Fund. R120 000 000.

(iii) *Technical assistance*:

South Africa is from time to time approached by other countries with requests for assistance in one way or another. Assistance may take the form of expert advice, visits, evaluation of projects, bursaries, etc. Each such application is considered on its merits. During the 1984/85 financial year provision has been made for an amount of R622 700 for the possible requirements of Ciskei in this regard.

(iv) *Loan Fund*:

Like any other friendly country Ciskei may apply for the financing of certain projects within the framework of the Economic Co-operation Promotion Loan Fund. Such applications are considered strictly on merit according to fixed criteria and within the limits of availble funds. This type of financing consists mainly of loans which are, naturally, repayable. According to estimates an amount of R5 840 000 will be paid to Ciskei in the 1984/85 financial year.

(v) *Incentive scheme for Industries*

In accordance with existing jointly agreed arrangements between the SATBVC-states, the RSA is obliged to refund the TBVC-states on a Rand-for-Rand basis for actual expenditure incurred in these states in terms of the industrial incentive scheme, which took effect on 1 April 1982. According to estimates the RSA will refund Ciskei to the amount of R15 404 000 during the 1984/85 financial year.

B. *Transfers in terms of bilateral agreements*

Transfer payments which are regarded as own sources of income of the Ciskei Government:

(i) Income tax; an estimated amount of R14 950 000.

(ii) An estimated amount for the payment of Ciskei's share in the Customs Union Revenue Pool R129 628 000.

(iii) Rand Monetary Area: estimated transfer of R2 539 200.

(2) (a) No. Loans in terms of project aid agreements are included in the amount mentioned under (1)(a).

(i) and (ii) fall away.

(b) Yes.

(i) Two grants.

(ii) Estimated transfers i r o the following:

Relief of distress (drought)	R5 000 000
Action programme: Creation of job opportunities	R3 431 000
	R8 431 000

(3) (a) and (b) The final budgetary allocation for the 1985/86 financial year has not yet been finalized and therefore it would be pointless to furnish figures with regard to Ciskei at this stage.

Hansard Q. Col. 686
18/3/85

Transkei: agreements

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Hansard Q. Col. 683 18/3/85

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Warning on pay cuts

Sowetan 21/3/85

THE scrapping of minimum wages in South Africa's present recession would force trade unions into militancy and increase the strike rate, say two trade unions affiliated to the Trade Union Council of South Africa.

In an editorial in the current issue of their official journal, the Garment Worker, the Garment Workers' Union of South Africa and the national Union of Clothing Workers caution that if minimum wages were abolished, workers would be vulnerable to exploitation and their only recourse would be submission or militant action.

The editorial is a reaction to a recent call by Anglo American's Dr Zac de Beer, for the abolition of minimum wages to provide more jobs for South Africa's unemployed.

It rejects the idea that lower minimum wages would lead to more people being employed.

"A cut in wages would not result in an increase in employment. It would just result in an increase in company profits. If Dr de Beer was taken seriously and workers were stripped of their wage protection in a recession, unions would be forced into militancy and the strike rate would soar," the editorial says.

It calls for a reduction in working hours, rather than the lowering of minimum wages to boost employment.

Sowetan 12/4/85

Seifsa 'aims to uplift blacks'

THE Steel Engineering Industries Federation of SA (Seifsa) was commited to raising the standard of living of lower paid employees in the metal and engineering industry, especially blacks.

In his presidential address, Seifa's Mr J W Nelson says that he believed that this could be achieved over a "reasonable period of time within the parameters of prevailing economic circumstances and through increased effectiveness in industry."

He said the years 1975 and 1983 — a period encompassing two economic downturns and one upturn — the starting wage for an unskilled employee in the industry increased by 29 percent after allowing for inflation.

Dispute

Seifsa, an employer organisation, has released its 1984 annual report at a time when several emerging unions have declared a dispute over wages, at the industrial council.

In the report, Mr Nelson says that employers face a "serious dilemma" in that wage increases would lead to further reduction in employment levels at a time when unemployment was already high.

However, the Registrar of Financial Institutions, Robert Burton, denies that the scrapping of pure endowment policies is being considered. According to him, the letter was sent merely to establish the extent of such policies.

But whether or not the authorities are considering a ban, there is little doubt that the marketing of PEs is under attack. The authorities are trying to find out the amounts involved and, if they are big enough, they could take steps to block the product. But action is unlikely to be taken before the Margo Commission releases its recommendations.

Says Burton: "It is likely that the information will be passed on to the Margo Commission." This is, however, unlikley to be gathered in time as life offices will not exactly rush to furnish such information.

Monty Hilkowitz, MD of Liberty Life, feels that the Registrar is merely trying to establish any possible abuse of PEs and, he believes, rightly so: "Where it is abused, it should be examined."

He adds that the Registrar also probably wishes to establish the relative weight which PEs carry in the various life office portfolios. To some life offices, PEs represent a large portion of their business and perhaps the industry is writing an increasing proportion of this business.

He says the scrapping of PEs would be unfortunate: "They are good for the economy, good for the man-in-the-street and good for the industry."

Rudi Siggemann, the assistant GM (marketing services) of Prudential, feels that the Registrar is acting on the concern expressed by the Minister of Finance, Barend du Plessis, in his Budget.

He feels that PEs have been part and parcel of the market for so long that it is unlikely they will be scrapped. But he conceives it is possible that the authorities could extend the minimum term of the contract necessary before the proceeds may be taken tax free, say, from 10 to 15 years.

It is also possible that a certain proportion of life cover will in future have to be attached to the contract. ■

MICHAEL JACQUES

345

The case for wage cuts

Michael Jacques is a chartered accountant with the management consulting division for Peat Marwick Mitchell

When people talk of a minimum wage, they talk about an amount of money — for example R2/hour, R20/day, or perhaps R150/month. This type of minimum wage has been shown up time and time again for the nonsense it is; and worse, for the harm it does, both to the economy and to the people it is supposed to protect.

But those who advocate minimum wages are undoubtedly sincere people. They do not wish to harm either the economy or those whose interests they are trying to protect. And they do, in fact, have a case; there is a case for a minimum wage. It should however be stated, not in absolute terms, but in relative terms.

What is the difference? On another occasion, when I wrote a piece for this column (*FM* August 17 1984), I pointed out that value is added by a business enterprise because the three factors of production — land, labour and capital — work together and each is therefore due to a share of this added value.

In fact their shares can come from nowhere else. If one factor gets more than its share, this extra can only come from the share of one of the other factors. And if they all appear to get more than their share, this comes only from inflation, a situation that has indeed been prevalent in SA for a number of years.

When business is good we can get away to an extent with this situation, bearing with some fortitude the resultant inflation. However, the crunch has come. We are beginning to see that if the taxman takes, say, 30% of added value, the providers of capital take 20%, and the landlord 20%, the employees cannot have the 50% they have been taking in the past. The result is retrenchments and, in many cases, the business itself goes under. This we have witnessed in the last year or so: massive retrenchments and business failures.

What, however, is the connection between labour's share of added value and a minimum wage? The accompanying table shows added value statements for a given business over three years during a recession, starting with sales totalling R100 in year one.

GAUGING THE COSTS

	Year 1	Year 2	Year 3
Sales	R100	R90	R80
Cost of sales (bought in goods and services)	50	45	40
Added value	50	45	40
Wages and salaries	R25	R25	R25
Capital	10	10	10
Taxation	10	10	10
Retained	5	nil	(5)
	R50	R45	R40

In the following years, sales fall off. But, because the cost of wages remains the same, R25, so the company has to eat into its reserves. And in the third year there is no fat left. The options then open to the company are: get rid of employees to bring their share of added value to 20, or to go out of business.

There is a third option: persuade the employees to take a wage cut to bring down their share to 20. This may seem horribly simplistic and one could argue that this has been tried a million times before at every management/union bargaining session. The trouble is that management bargains on the basis of the old profit and loss account, which not even they really believe, and union officials certainly disregard.

Instead, the thing to base one's bargaining upon should be the value added statement with a minimum wage as a percentage of the value added.

Thus, in the case above, the agreement could be, say, for 50% of value added to be taken in the form of wages. These wages (from management salaries down) must first be fixed at a certain level. Each month the value added statement is prepared and published to employees. If the total wage bill is less than 50% of value added, the employees get a bonus the next month, if more than 50%, they get a reduction. Thus, in the table for year two salaries and wages should be, say, R22, and in the third year, down to R20.

The point is that production of added value is almost entirely in the hands of the workforce (and that includes management). It is they and they alone who determine what products or services to provide, the quality of the product, the level of wastage, the usage of resources, and the degree of efficiency.

Land and capital can't do this; their functions are different.

Getting rid of labour in a recession is not always the answer. Business recessions are like winter: it is time for tidying up, for learning, for considering new markets, new products, and new technology. This involves the whole workforce. And, when spring comes, the business should already be at the starting blocks, not flapping around like a lame duck looking for staff, for products, for markets and the rest.

We are in the middle of the business winter now; why not make the most of it?

What I am advocating here is probably the only realistic way of getting the labour cost of production down, of keeping companies in business and of keeping unemployment down.

Freezing wage levels is not the answer. The answer is to get wage levels down, but to give labour the opportunity of increasing wages without disturbing the shares due to capital, land and the taxman. This can only be done by relating wages to value added, or if you like, to productivity. ■

'Trek' from rural wages

CAPE TIMES 16/5/85

Political Staff

SHOCK minimum wage rates in the Transkei and Lesotho encouraged workers to trek to the urban areas, a University of Cape Town study has found.

It found that the official minimum wage levels in Transkei and Lesotho were often less than a third of that earned in the building industry in South Africa and less than half that earned on the mines.

"It is no mystery that so many workers trek from these impoverished rural areas to find jobs in developed South Africa, often defying legal prohibitions and certainly encountering discrimination and forfeiting the comforts of family life.

"Yet those who have jobs in the reserves, though paid perhaps one-third of the poverty datum line, must be counted fortunate against those who have no jobs," the study said.

The study, released yesterday by the Southern Africa Labour and Development Research Unit (Saldru) at UCT, said minimum wage rates in both Transkei and Lesotho were "remarkably low".

It said no South African industrial and wage agreements applied in the reserves and the minimum wage rates which had been fixed were so low that enforcement was redundant.

In some parts of Transkei, labourers were entitled to as little as R12,70 a week, it said.

Although low wages should in theory attract labour-intensive industries to the rural areas, the failure of the decentralization policy showed that the low-wage factor was a small one in the decision to relocate an industry.

The study found that every wage determination in Transkei "falls far below the Household Subsistence Level".

However, there was no reason why a worker in Umtata should earn less in Umtata while doing the same job as a worker in Cape Town or Durban.

"Low-wage regions represent a constant threat to the standards won by organized urban workers.

"The history of South Africa's wage board and industrial council system shows that without an effective union presence there is unlikely to be effective minimum wage regulation."

Abolish — not 'reform' — these job-killing bodies

B. Day 24/5/85

ECONOMIC VIEWPOINT/Samuel Brittan in London

IF THERE is one issue which will be a test of the Thatcher government following the state of nerves into which so many Conservatives apparatchniks have talked themselves after the shire elections, it is what it decides to do on wages councils.

So long as these councils exist, government talk about more flexible labour markets and the relation between pay and jobs will have a hollow ring. For while ministers can only have a very indirect influence on the pricing out of work which emerges from collective bargaining, or from the employers who take the line of least resistance, wages councils are an entirely statutory creation.

Government has provisionally decided to deratify the International Labour Organisation Convention No 26, which requires it to establish minimum wage machinery.

The Department of Employment's consultative paper leaves the options open between "reform" and abolition of these councils. The department has asked for comments.

The department is known to be split on the issue, but the thrust of its consultative paper is that wages councils raise labour costs and thereby reduce job opportunities.

Sufferers

Two out of three wages council establishments employ less than 10 people; yet they have to comply with orders running to 30 pages in length which, according to the department, "are frequently difficult for both employers and employees to understand", and which, by imposing rigid differentials for categories and grades, make sensible wage structures more difficult to introduce.

There would be sufferers if the wages councils were abolished, *and nothing else happened.* by the 26 wages councils, primarily in service industries such as retailing, catering and hairdressing, but also in clothing.

About four out of five of these workers are female and two out of three part-time, according to D of E estimates. Minimum fulltime pay rates for adults range from £63 to £72 a week. About one-million workers are now paid only council rates without any premia.

No-one should feel cheerful or self-congratulatory about imposing downward wage pressures on workers in these very low-pay ranges, even though the great majority are unlikely to be principal breadwinners.

The essential argument for abolition is certainly not that the poor should be made poorer. On the contrary, it is the one made by Professor James Meade in his IEA paper, 'Wage Fixing Revisited', that the way to improve the distribution of income in favour of the poor is not to force up wages above market-clearing levels at the expense of job losses, but to top up the pay of those on low wages through the tax and social security system.

The aspect of the social security review most relevant here is not the pensioners controversy, but proposals such as the income-related additional child benefit, or the successor to Family Income Supplement, which would supplement the incomes of poorer, work-

Economy and not just a Finance Ministry, it would do a deal with the DHSS, whereby it took a generous line on income-related family benefits in return for the support of the DHSS and its sympathisers in Cabinet for the abolition of wages councils.

Meanwhile, the question for a market economist with a conscience is whether to campaign to improve and extend income supplements or whether to use their inadequacies as an excuse to continue the institutionally-enforced destruction of job opportunities for the weakest and most vulnerable.

Difficulties

A weakening of union monopoly, and of the "wage round mentality" among employers, is the most important precondition for the creation of more jobs at the upper end of the skill and income scale. The difficulties of doing this are not an argument for holding up action at the other end of the labour market, especially as low-paid workers suffer more from unemployment and have greater difficulty in finding jobs once they are on the dole.

The biggest problem facing the abolitionist is that the interest groups, pressure groups and voluntary organisations, as well as agit-prop bodies, sending comments to the Employment Department, will be in favour of keeping wages

impact of small competitors with low labour costs. All these groups, plus fear of souring further relations with the TUC and unfavourable media headlines, will impel the establishment of the D of E against abolition.

Another piece of grit is the report of the Auld Committee, which was asked to inquire into Sunday opening, but took it upon itself to recommend the retention and strengthening of retail wages councils. It only shows that even distinguished economic journalists, such as Frances Cairncross, who was a member, can nod.

Employers sometimes argue that wages councils keep out unions. The general effect must surely be, however, to impose union-type constraints even where employers would otherwise be able to avoid them.

Retentionists occasionally focus on the "small" size of the job effect in standard calculations. If every 1% reduction in the growth of earnings raises employment by half a percentage point, then, if abolition made wages 10% lower than they would otherwise be, about 100 000 to 150 000 new jobs would be created.

These are not good arguments for retention. Short of a head-on attack on the whole wage-fixing system, any one individual job creation measure has a "small" effect.

gramme extensions — are between them expected to reduce unemployment over the next few years by 300 000, according to the London Business School.

If the abolition of wages councils added another 100 000, the cumulative effect of all these measures, on top of economic recovery, might just be sufficient to reverse the rising unemployment trend

Compromise "reforms" are hard to find. If wages councils' controls were merely abolished for young people under 18, only 5% of the wages council workforce would be affected; and the proportion would fall if government induced more people into training.

Abolition for youngsters only would scarcely be worthwhile unless the age for the full adult minimum were raised to, say, 23, as it is in the Netherlands.

Simplified

Alternatively, council functions could be simplified so that they only prescribed the adult minimum and ceased to lay down, overtime payments, holidays, holiday pay, and so forth (rent de-control of new tenancies might well be the most important single addition to these moves).

Even then, however, government would still be in the embarrassing position of calling on people to price themselves into work while at the same time legally preventing them from doing so. If Tom King, the Employment Secretary, is to be hanged by the pres-

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If the Treasury were concerned to be a real Ministry of Political

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Three separate budget measures — the National Insurance changes, the YTS and Community Pro-

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Even then, however, government would still be in the embarrassing position of calling on people to price themselves into work while at the same time legally preventing them from doing so. If Tom King, the Employment Secretary, is to be hanged by the pressure groups for a lamb, he might as well undergo the same penalty for a worthwhile sheep.

B Day 24/5/85

Some findings on minimum pay and jobs

PAY REGULATION has been most intensively investigated in the US, which has had minimum wage laws since 1938 with many changes in coverage. Most research shows that jobs are lost when minimum rates are raised and the worst sufferers are teenagers and blacks.

In the UK, quantitative estimates for the whole economy, summarised in a recent Treasury paper, suggest that every 1% off real wages will produce 0,5% to 1% more jobs. These estimates assume government will maintain nominal demand as the Chancellor undertook in his budget speech.

An official British paper to the NEDC had a section on the relation between relative wages and the employment of young people, suggesting that the adverse effect was even greater than that of excessive real wages in the economy as a whole.

Henry Neuberger, the economic adviser to the leader of the Labour Party, used a version of the Treasury Model in a 1984 Low Pay Unit paper to support wages councils. The soft answer is that "even" Neuberger admits that abolition would create some jobs, although only 8 000.

The hard answer given by the D of E's employment market research unit (EMRU) Bulletin No 4, April 1985, is that Mr Neuberger's work suffers from "serious anomalies" such as not specifying his assumptions about government economic policy response.

A more interesting study, although based on a very small sample, is by Roger Kaufman in the March 1984 British Journal of Industrial Relations. This was one of the reasons for wage stickiness in the face of recession in small competitive firms. This was explained partly in terms of encouraging employee motivation and employers' social objections to low wages.

But, in addition, half the firms subject to statutory minima felt that they were prevented from recruiting more workers by the ban on undercutting.

An econometric study has just been published by EMRU itself, "Wage Floors in the Clothing Industry, 1950-81". The workforce in this industry declined from 580 000 to 285 000. The detailed estimates are up to 1979, during which male employment fell by 40% and female by 30%.

The effects of real minimum wage requirements were sufficient in themselves to have reduced employment by 10% to 20%. Other non-wage labour costs, such as employers' contributions, accounted for a further 20% or more. Employment elasticities ranged from 0,2 to 0,4.

During the period of faster contraction up to 1981, minimum wage requirements "had an even stronger negative influence on jobs", but estimation problems made it more difficult to assess the effect.

GRAND APARTHEID

Argus 9/7/85

Poverty and despair in SA's tiniest homeland

SOL MAKGABUTLANE reports on the poverty and unemployment in Qwa Qwa, smallest and poorest of South Africa's homelands

SCORCHED, hilly ground, throngs of sad unemployed men, and R12 a week for the lucky few that do hold jobs — that is life in the crowded territory of Qwaqwa, the tiniest of South Africa's 10 tribal homelands, which is located on Lesotho's Northern borders, in the foothills of the Drakensberg.

The homeland is bursting with thousands of tribesmen, both young and old, who are crying out for jobs. But, at the time when the private sector is working to improve the living standards of South Africa's blacks, employers in this homeland are paying labourers as little as R12 a week, with neither trade unions or a minimum wage in sight.

Workers in Qwaqwa's sprawling capital of Phuthaditjhaba say they are trapped in a cruel, insurmountable quagmire out of which there is no easy route. If they do not work, they will surely starve in this dry and rocky landscape. If they do, they are compelled to accept paltry wage packages.

Qwaqwa's Government officials are generally reluctant to comment on the wages being paid in the factories in the territory — which numbered 62 at the end of last year — but they confirmed growing dissatisfaction.

A spokesman for Qwaqwa's Department of Justice observed: "There is concern here. We know of workers who get as little as R10 a week. At the moment there is still preparation for the formation of a council which will stipulate a ruling about wages."

The problem, though, is that officials do not want to push their luck too far, lest they scare off investors who, along with the homeland's government, are the biggest employers in Qwaqwa.

Workers caught in this human tragedy find little solace in official assurances that the situation is being remedied.

The Argus spoke to three factory workers in Phuthaditjhaba's industrial area, where about 6 000 of Qwaqwa's female population of 102 752 are holding jobs.

☐ "Gladness" (not her real), is a supervisor in a clothing factory. Having joined the concern 11 months ago after passing Standard 9, she ascended rapidly to her present position, where she is in charge of about 20 workers.

"I started at R14 a week," said the 21-year-old woman. "At present I get R20 a week."

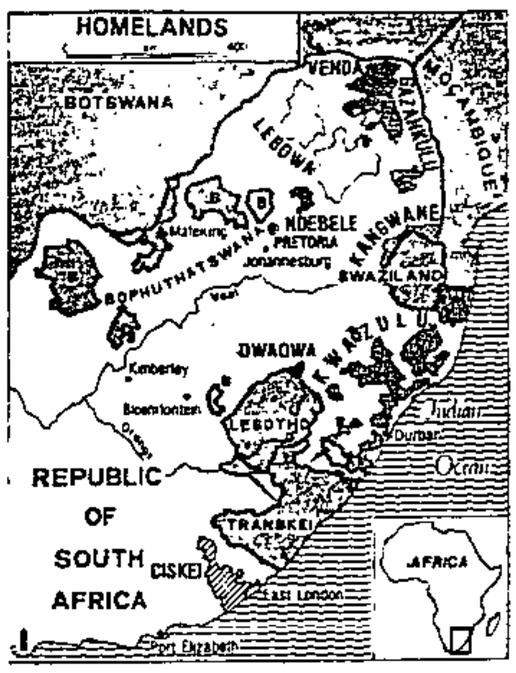
Some of her fellow workers are not as fortunate.

☐ Twenty-two-year-old "Gertrude" (not her real name) from Tshesele village, who works in the same factory, joined the concern late last year and received R12 a week. "Right now I get R14."

Her weekly bus coupon costs R4,50.

☐ "Stephen" (33) from Monontsha, near Phuthaditjhaba, is a worker in a locker factory. He has been there for five weeks, but is already thinking about quitting as "I can't go on working for R20 a week forever".

The incentive package, according to the Qwaqwa Development Corporation, for investing in the 62000ha mountain splendour homeland includes:



The homelands

☐ No capital outlay for industrial land or factory premises. These are supplied by the QDC at a rental which is a percentage of the erection cost less a 75 percent rental concession for 10 years.

☐ A non-taxable cash refund of 95 percent of the average wages of all personnel involved in the manufacturing process up to a maximum of R110 per worker per month is paid each year for seven years.

☐ Up to 50 percent of capital requirements in addition to premises is provided by the QDC at an interest rate 75 percent subsidised for the first 10 years. The entrepreneur is only required to put in a minimum of 35 percent of the capital.

☐ Housing loans, with 40 percent of the interest rate subsidised, are given to key personnel of the investing company.

☐ Up to R500 000 of the costs of a company moving to Qwaqwa from overseas or from the PWV or Durban/Pinetown areas will be paid by the QDC.

In spite of all these efforts to create jobs, thousands of Qwaqwa citizens have registered in labour burueax in the territory as workseekers.

About 9 000 have found employment in the nearby country towns of Harrismith and Bethlehem. Hundreds of others assemble daily at a labour office in Phuthaditjhaba, hoping to be recruited as migrant workers in distant cities.

"The registration of workseekers at this assembly centre is voluntary and therefore the figure of registered workseekers submitted by this centre cannot be regarded as the official unemployment figure in Qwaqwa," pointed out Mr J S Corneelse, manager of the labour bureau run by the Orange-Vaal Development Board in Phuthaditjhaba.

He said that since the bureau began operating in July, 1984, up to the end of last month, a total of 9 944 people, mostly males, registered as work seekers.

"Over the same period the centre managed to find employment for 4 540 workseekers," he added.

Out of Qwaqwa's population of 181 594, less than half — 78 842 — are males.

Last Monday and Tuesday were particularly good days for Mr Corneelse: he managed to find employment for 42 people.

"We can do better than this," he said delightedly. "The average is 400 a month."

Govt urged to control wage, price rises

Finance Reporter

The Government was urged yesterday to exercise direct control over sequential increases in wages and prices in a bid to halt the excessively high inflation rate.

Dr J J Cloete, group economist of Barclays Bank, addressing a luncheon of the Durban branch of the Institute of Chartered Secretaries and Administrators on 'Our Inflation Problem,' said if the government placed an appropriate ceiling for average annual increases on administrative prices and wages it would be in a position to exert a powerful influence on annual increases in general price levels.

Ceilings

Dr Cloete said if the private sector also extended these ceilings on wages and price increases to their own employees it would hold down the inflation rate to a very considerable extent.

'In this way, it should be possible to achieve a steadily lower inflation rate each year without the authorities having to apply very restrictive monetary or fiscal measures and so having to create a recession in the economy in order to force the necessary cutbacks in wages and prices through unemployment and depressed sales.'

Dr Cloete said monetary policy and the setting of targets for annual increases in money supply, 'as the de Kock Commission has now recommended, can then be used to reinforce the restrictive impact on the inflation rate of the Government imposed ceiling on the annual increases in administered prices and wages.'

Industrial Court rules ...

Refusal to bargain at plant level 'not unfair'

CLAIRE PICKARD-CAMBRIDGE

THE Industrial Court has made one of its most significant judgments by ruling that a refusal to bargain at plant level is not necessarily an unfair labour practice.

The outcome is expected to have an important influence on the response of employers to rising union demands for plant-level bargaining.

The ruling is of vital importance in the metal industry where the Metal and Allied Workers' Union (Mawu) is threatening strikes at more than 100 companies in a demand for plant-level bargaining.

The court had to decide in the case of Mawu vs Hart Ltd whether it should compel the employer to bargain with the union at plant level on effective wages and the introduction of a funeral benefit allowance.

Hart in Durban is a member of an employer association which is party to the Industrial Council where minimum wages and conditions of employment are negotiated. It is also affiliated to the Steel and Engineering Industries Federation of South Africa (Seifsa) which advises members not to negotiate fundamental issues at plant level.

In its judgment, the court said it did not find the two systems of collective bargaining to be incompatible. It said that with regard to current trends, bargaining at plant level ought to be encouraged as much as possible.

But the court said it had to be borne in mind that negotiations should always be voluntary to be effective.

The union argued that Hart's refusal to negotiate on wages and the funeral benefit allowance was an unfair labour practice because it unfairly affected employees and prejudiced their economic welfare.

The union said plant-level bargaining was supplementary to industrial-level bargaining because minimum wage rates fixed by the Industrial Council protected employees. But the Industrial Council could not fix a reasonable wage and there was a wide disparity in the profits earned by different companies.

Hart's reasons for refusing to negotiate at plant level included the claim that bargaining on the two issues had taken place at the Industrial Council. Additional bargaining on these matters should be voluntary without legal compulsion.

Seifsa intervened as an interested party and said Mawu was one of 15 trade unions party to the Industrial Council. Inter-union rivalry would be worsened if employers had to deal with competitive bargaining units in separate forums.

The dispute was initially referred to the Industrial Council and when it was not resolved Mawu initiated actions at the Industrial Court.

Mawu says Hart ruling will lead to strikes

CLAIRE PICKARD-CAMBRIDGE

AN Industrial Court key ruling that Hart Ltd's refusal to bargain at plant level was not an unfair labour practice has drawn angry response from the Metal and Allied Workers' Union (Mawu).

The applicant Mawu said the judgment was "pointing unions in the direction of more industrial action".

All unions in the Metal Industrial Council had called for the right of plant-level bargaining and this would now be refused, it said.

Sam van Coller, executive director of the Steel and Engineering Industries Federation of South Africa (Seifsa) — which represents employers — said Seifsa was pleased with the judgment, particularly as it appeared to support the notion of voluntary collective bargaining rather than legal compulsion.

"We are studying the judgment and it will influence what we do. We are also committed to restructuring the collective bargaining process and are still awaiting suggestions from unions affiliated to the local co-ordinating council of the International Metalworkers' Federation," he said.

Mawu is urging workers in the metal industry to join unions and unite to match Seifsa's power. "Only in this way will the employers' power to dictate the conditions of employment be smashed once and for all," it said.

It said the court's ruling had destroyed reforms proposed by the Wiehahn Commission and re-introduced the discredited liaison committee system in which worker representatives could only consult and not negotiate on plant-level issues.

The court had also chosen to ignore overseas precedent on labour law and unfair labour practices. This confirmed the trend by the court to take a very parochial and narrow view of its jurisdiction, Mawu said.

"It is now clear the court is only prepared to establish rights for individuals and that it is not prepared at all to establish collective rights."

Mawu said it still believed collective bargaining at industry level should be supplemented by bargaining based on ability to pay.

WAGE REGULATION - GENERAL

1986 - 1988

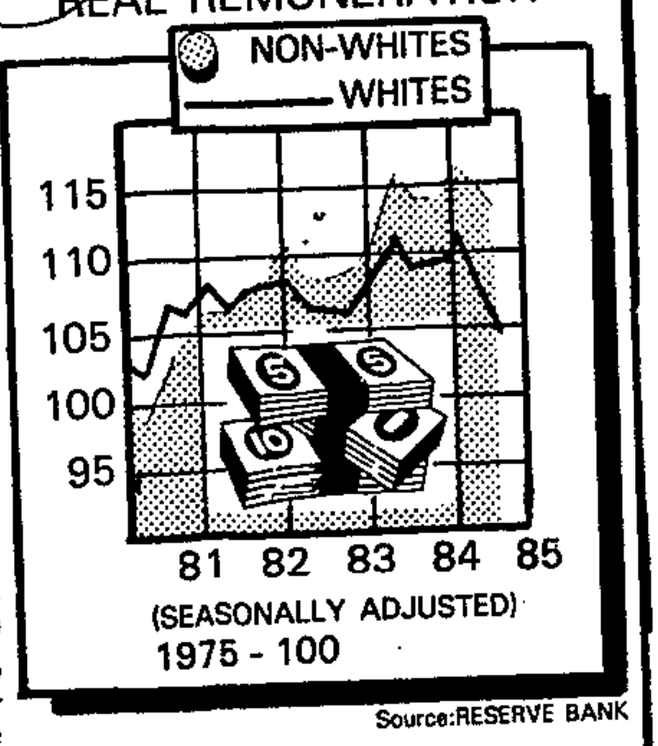
BUS DAY 7/1/86

Gap between pay and prices widens

STEPHEN CRANSTON

345

THERE is an ever-increasing gap between the consumer price index and pay, according to Cees Bruggemans, Barclays Bank chief economist.



He said: "If we read the Reserve Bank graph that goes up to mid-1985, we can extrapolate that the decline since late 1984 has not been reversed but has continued.

"It is now uncomfortably large and inflation seems to be carrying its own momentum."

A Standard Bank economist said that gross domestic product was unlikely to keep pace with the population growth, while there would be increasing demand for social and infrastructural services.

The extent to which different groups would suffer, he said, depended on the political situation: "If there was a right-wing backlash, then the whites would be protected.

"On the other hand, if we continued to muddle through, unionised blacks would benefit, as would skilled whites, while there would be severe unemployment among unskilled whites and unorganised blacks.

"If the brain drain continued, good managers might receive greater remuneration because of their scarcity value, but it would have to be much more severe."

uary 11 1986

Inflation 'inordinately high'

Barend warns on pay rises

STAR 11/1/86 (345)

Political Staff

PARLIAMENT — Minister of Finance Mr Barend du Plessis warns that excessive wage and salary increases this year will result in more inflation.

He called on executives in the private and public sectors of the economy to "take full cognisance of this possibility" in wage determination decisions.

Introducing his Mini-Budget in Parliament yesterday, Mr du Plessis said there could be no doubt that salary and wage increases in excess of the inflation rate for 1986 — expected to decline — would exert renewed inflationary pressures.

Describing the rate of inflation as "still inordinately high", Mr du Plessis said this was not at present a reflection of excessive demand but rather of the preceding sharp depreciation of the rand after last July.

The depreciation had inevitably raised the cost of fuel and other imported goods, and exerted cost-push pressures on the price level.

FOREIGN CREDITS

The post-July depreciation was, in turn, caused mainly by the withdrawal of foreign bank credits, and an outflow of capital in other forms — a result of "the marked deterioration in overseas perceptions of South Africa's socio-political situation".

Now that the rand had not only ceased to depreciate, but had shown an effective appreciation since mid-December, the cost-push effects should begin to diminish "before too long".

It was expected that the consumer price index would return to the downward adjustment pattern it had adopted before the 1985 depreciation.

Other points made by Mr du Plessis included:

Mr Barend du Plessis . . . he is cheered by world oil price fall.

- The decline in world oil prices could contribute significantly to the strengthening of South Africa's balance of payments. This could also lead to a further stimulation of the economies of South Africa's major trading partners, and benefit this country's economy.
- There were sound reasons for expecting that the recent rise in the gold price was not a mere short-term phenomenon but the upward trend could be maintained at least for the foreseeable future.
- A real growth rate of 3 percent was expected for 1986 — a significant about-turn after the decline of 0,5 percent in 1985. The expected economic growth could spread to all sectors of the economy, resulting in job creation over a wide front.
- The Government's ambitious job creation project should continue to bear fruit.

Mr du Plessis said his positive review of the economy did not mean that the country no longer had serious problems. The Government, in fact, remained seriously worried about the problem of inflation and unemployment.

But it should be clear that the Government was tackling these problems with the most appropriate measures.

Rest of public service 'happy' — but railmen threaten strike

STAR 345 20/2/86

By Sue Leeman, Pretoria Bureau

Mainstream public servants, teachers and postal workers have been cautiously enthusiastic about the 10 percent salary increase they are to receive from April 1 — but angry railway workers are threatening strike action.

South African Transport Services (SATS) Artisans Staff Association chairman Mr Jimmy Zurich has warned the situation is "explosive", saying railway workers may down tools in protest if their demand for another 15 percent is not met.

The salaries of all four groups are to rise by 10 percent from April 1 and the full service bonus — slashed by one third last year — has been restored.

In addition, the 12 percent allowances for public servants and postal workers have been incorporated into fixed salary scales. SATS pensions are to be increased by eight percent.

Public servants last had a general increase in January 1984.

Mr Zurich said there were rumblings about strike action and railway workers were bombarding his offices with complaints.

"The rest of the public service appears to be happy, but they have had their 12 percent allowances as well as occupationally differentiated increases, whereas we have not.

"The Public Service Act says we may not strike — but this Act has yet to be tested."

"Feelings are running very high — the Minister must do something and do it quickly."

Head of the white Public Servants Association, Dr Colin Cameron said public servants were thankful for the increase but had hoped for 13 percent.

It was hoped that the main Budget would contain announcements of occupationally differentiated increases which could boost salaries further.

The coloured Public Service League chairman, Mr Malcolm Domingo, welcomed the increase but said it would not really help public servants cope with the cost of living, which had risen by 30 percent since the last general salary increase in the sector.

He pointed out some public servants were still earning as little as R180 a month and their pay packets needed further attention soon.

Federal Council of Teachers Associations (FCTA) chairman Professor H O Maree said the adjustment did not represent the backlog which had built up since January 1, 1984. But the FCTA welcomed the promise that further attention could be given to specific adjustments in the profession.

Post and Telegraph Association of South Africa chairman Mr Frikkie Smith said any relief was welcomed but his association had hoped for an increase of 15 percent. The incorporation of allowances would alleviate the situation to some extent.

Last year 'worst for wages in a decade'

W/E ARGUS 1/3/86 345

Labour Reporter

REAL wages crashed in 1985 under the impact of inflation and the failure of employers to raise wages sufficiently, according to the South African Labour and Development Research Unit (Saldru) of the University of Cape Town.

According to the unit's review of minimum wages, last year was the worst for wages in at least a decade.

But the real wage decline was not solely due to an unexpectedly high inflation rate that ate away otherwise realistic wage increases.

No adjustment

"All industrial councils and the Wage Board knew for a certainty that inflation would be an important feature in 1985," the report said.

"Yet a quarter of industrial council agreements and half of all wage determinations made no adjustment in minimum wages at all in 1985."

In 1985, 91 percent of labourers' minimum wages fell in real terms (57 percent in 1984), 23 percent of labourer job categories had no wage rise at all (16 percent in 1984) and only nine percent showed a real wage rise (43 percent in 1984).

Under determinations of the Wage Board, which sets pay for workers not covered by industrial council or other agreements, 95 percent of labourers' wages had a lower real value in December 1985 compared with the previous year.

Only two wages for artisans, out of 135 surveyed, kept ahead of inflation.

"What is most worrying is the growing proportion of wage determinations for which the board set no increase at all for a year at a time."

Union demands will damp salary increases for executives

B/Day 21/3/86 (345)

Industry Reporter

UNIONS will increasingly use executive pay rises as a negotiating tool, says University of the Witwatersrand Business School economist Mark Addleson.

Speaking at a series of seminars on executive remuneration held this week by FSA Management Consultants, Addleson said unions will use executive pay as a psychological tool to anchor their demands.

This, among other factors, will have a damping effect on executive salary increases.

Unemployment, low growth and limited inter-firm mobility, he said, had more effect on the executive job market than inflation, skills shortage, emigration or high taxation.

FSA MD Olof van Schalkwijk said executive pay packages will become more flexible to increase motivation of top personnel.

The introduction of fringe benefits taxation, he said, had changed rigid salary packages in SA, and a survey had shown that 94% of executives, when given the choice, opted for flexible pay packages.

"In a year's time more than 50% of companies will have the option of flexible packages for executives," Van Schalkwijk added.

He predicted a rise in incentive "at-risk" money in packages, which accounts for about 8% of executive salaries at present.

John Redelinghuys, MD of the executive recruitment agency J Redelinghuys & Partners, said failure to equip managers to adapt to a changing business world led to a high rate of executive unemployment.

At the same time, he said, there is a shortage of top management skills, a situation aggravated because people with managerial skills were leaving SA.

Mining council declares dispute on wages

27/3/86

By Sheryl Raine

The Council of Mining Unions (CMU) has formally declared itself in dispute with the Chamber of Mines over the 1986 review of wages and other conditions of employment, the chamber said yesterday.

It said the dispute was declared at the second meeting held to negotiate wage increases for 24 000 members of eight unions, including the white Mine Workers Union, affiliated to the CMU.

It said: "At the first meeting on March 20, we offered to increase wages of mining industry employees by 11 percent with effect from May, but declined to consider a series of additional union demands on fringe benefits."

During negotiations on Thursday, the chamber said it had indicated that the wage increase offer was negotiable but it was "not prepared to improve other conditions of employment as well".

The CMU found that unacceptable.

In terms of the Labour Relations Act, the CMU may now request the Minister of Manpower, Mr P T C du Plessis, to appoint a conciliation board.

The chamber said: "If one (a conciliation board) is established the chamber and the unions will continue the negotiations in the more formal mode of the conciliation board."

Wage negotiations start

ANNUAL wage talks affecting more than 300 000 metalworkers are to begin in Alberton on April 15.

The employers' federation Seifsa has already received demands from some unions.

Seifsa director Sam van Coller said employers had received demands from the Confederation of Metal and Building Unions, the white Mineworkers' Union and the Yster en Staal en Verwante Nywerhede Unie.

However, Seifsa has not yet received demands from the International Metalworkers' Federation, of which the Metal and Allied Workers' Union is a member.

Mawu has called its nationwide shop-steward councils to meet in Germiston, Maritzburg and Durban on Sunday to discuss its demands for the pending negotiations.

Business Day Reporter

The union said demands submitted by Mawu members included a minimum wage of R3,50/hour, an across-the-board increase of 50c/hour, a 40-hour week without loss of pay, the right to strike without dismissal, six months' paid maternity leave and an undertaking from employers not to involve the police or defence force in labour matters.

Mawu has called for a mass rally to be held in each region on April 12.

Last year the wage talks resulted in deadlock and a period during which the industry was without an agreement after the existing agreement expired on June 30.

An agreement was reached finally, but, for the third consecutive year, Mawu refused to sign.

The Natal Mercury, Thursday, May 15, 1986

Security men to get better deal soon

345

Labour Reporter

POOR wages and often shocking working conditions which have long been a bone of contention within the security industry are likely to end soon, according to spokesmen for security firms in Durban.

Mr J T Thorpe, chairman of the South African National Security Employers' Association, Sansea, said a new wage determination affecting thousands of employees in the industry was expected to be gazetted shortly.

'It is expected that minimum wages and working conditions will be considerably upgraded,' he said, adding that in anticipation of the new ruling many employers had already taken it upon themselves to increase wages.

A Durban firm, Induna Security, announced wage increases and shorter working hours for its workforce of 350 last week.

Responsibilities

Mr David Birkett and Mr Rene Minnaar, joint-managing directors of the company, told the Mercury yesterday that they increased the minimum wages from R260 a month to R300 a month and reduced the working week for some from a 72-hour week to a 48-hour week by working an 8-hour shift.

'Only about 10 percent of our workforce who have been contracted out are not yet on the reduced working hours, but we are negotiating on their behalf,' said Mr Birkett

At present the minimum wage for a guard in terms of Government legislation is set at R264 a month and that of a watchman at R232. For this a man is expected to work 72 hours a week.

Fidelity Guards has increased wages of its employees in its guarding services division by 13 percent across the board.

Mr John Sewell, the company's marketing director, said yesterday that they paid their employees between R400 and R600 a month depending on their posting and responsibilities involved.

W/E ARGUS 15/5/86

LABOUR AFFAIRS

DICK USHER

Pick 'n Pay strike in perspective

NOW that the chutney and tomato sauce has stopped flying, maybe there's space for a relaxed look at the Pick 'n Pay strike.

The workers have come away with a R85 a month increase, R5 less than the Commercial, Catering and Allied Workers Union (Ccawusa) was holding out for and R5 more than the company was offering when the strike began.

In the end, the tough line and tactics taken by Ccawusa can be viewed as an indication of workers' determination to force the living wage issue.

It is a major element in wage negotiations in all industries as workers see their take-home pay being eroded by inflation and other factors.

For example, unionists involved in pay talks with the Steel and Engineering Industries Federation of South Africa have described the federation's pay offer as "an insult to the concept of a living wage" and many other unions are battling to convince employers of the necessity of substantial increases to keep pace with inflation.

UNDER ATTACK

Wages are clearly under attack.

The most visible threat is inflation which, at about 20 percent, automatically reduces the buying power of wages by that much each year.

Even the long-awaited abolition of pass laws and influx control will probably contribute to the downward pressure.

A more hidden aspect of the attack is the homeland system.

Rebates and other inducements have encouraged industrialists to establish themselves there instead of the existing industrial areas. At the same time homeland governments have helped keep wages low by "union bashing".

Both processes have produced a flow of "cheap" imports.

Manufacturers in the textile industry, for example, are increasingly concerned by the threat these pose to their own operations. At the same time they undermine jobs and wages in the established industrial areas.

The Government policy of encouraging small business also threatens wages.

The theory behind it is that the development of the informal business sector needs to be stimulated to combat unemployment and to do this unnecessary red tape and regulations need to be eliminated — including relaxing minimum wage provisions, an obvious threat to wages in the formal sector.

The draft Temporary Removal of Restrictions on Economic Activities Bill, published recently, is seen as another prong of the attack and unionists have condemned it as a wholesale attack on wages and conditions of employment.

NUM defers chamber talks

Talks in which the National Union of Mineworkers (NUM) is expected to respond to the Chamber of Mines' annual wage offer will be held later this week after being cancelled yesterday at the union's request.

The chamber's offer would have raised minimum pay in the lowest job catergories by 17 percent and at the top by 12.

The NUM had demanded a 45 percent wage increase.

W/E ARGUS 28/6/86 (345)

It's the workers who foot the bill for minimum wages

A free market means a free people, writes DAVID MATTHEWS, chairman of the Small Builders' Association, who queries in this article — the first in a series in Business Argus — the validity of what he calls the "sacred cows" of labour policies.

DOWN the well-worn cow paths of the mind ambles the fattest sacred cow of them all: minimum wages.

Even to suggest today that minimum wages are less than necessary, good, and self-evidently just, is to label oneself as an enemy of the people, a blood-sucking capitalist, and, at the very least, out of tune with the times.

At the risk of goose-stepping to a different drum, let me state unequivocally that minimum wages are a total fraud.

More, that the concept is used by manipulators of public opinion to further their own selfish interests by exploiting the very people they claim to be most concerned with protecting.

Included in price

Consider: whenever something is made for sale, the costs of the labour, the material, and the overheads are all included in the selling price — which is paid by the buyer or consumer at the time of purchase.

If wages are raised for so-called reasons of morality, then this increase is also included in the selling price and is paid for by the consumer.

The employer indeed advances the minimum wage on Friday afternoon, but it is the consumer, not he, who pays for it finally when the goods (or service) is bought.

98 percent

Who is the consumer? Ninety-eight percent of the time it is the worker — simply because he composes ninety-eight percent of the population. This means that minimum wages are not paid for by employers — they are paid for by other workers.

The extra R50 or so a month in wages that a worker receives as a worker is paid out when he buys the goods or services produced by his fellow workers in his own and other industries in his role as consumer.

If all workers received exactly the same minimum wage, they would be no better off because what they gained as workers, they would pay out as consumers.

To better-organised

Although minimum wages are advocated as being moral, they are, in fact, highly immoral, because they result in a redistribution of wealth — not from capital to labour (as their advocates pretend) — but from the poorer section of society to the better-organised: from domestic and farm workers, for example, to the members of aggressively unionised industries.

At the same time, by fixing a minimum rate at which an employer may employ a worker and a minimum rate which a worker may accept, minimum wages deny access to the labour market to all those workers who are willing to work for less than the fixed rate.

Artificial scarcity

They create, in fact, an artificial scarcity of labour in order to inflate the earnings of those who manage to retain their jobs.

Minimum wages are simply a means of establishing a labour monopoly, which is no less reprehensible than a business monopoly.

For these reasons, they are clearly fraudulent and furthermore, against the interests of the workers as a whole.

NATIONAL

Bid for 'healthy climate' for small businesses

AK Beeld 2/7/86 (345)

PRETORIA. — The Government is to de-regulate small business to create a "healthy climate" for this sector of the economy.

The Minister of Trade and Industry, Dr Dawie de Villiers, said in a statement that the Government had, in the main, accepted the recommendations of the President's Council's committee for economic affairs for developing and de-regulating small businesses.

He said the committee sought to promote a healthy climate for the small business sector, in view of its important economic role.

The committee concentrated on the establishment of a framework for a more effective policy of small business development and de-regulation.

Dr de Villiers said the Government was convinced the recommendations, which it had accepted and was implementing, would contribute towards expediting de-regulation and promoting the economic development of small business and the developing communities.

The Small Business Development Council has welcomed the Government's moves.

In a statement the council said the stimulation of entrepreneurship, especially in neglected areas, was now a responsibility of all Government departments and authorities.

"We hope that Government departments and other authorities will single-mindedly pursue de-regulation as a most important means of stimulating entrepreneurship," said Dr Ben Vosloo, managing director of the SBDC.

"Small business can only make a meaningful contribution to the economy and to job-creation in an environment of minimum Government control."

The chairman of the committee for economic matters of the President's Council, Dr Francois Jacobsz, said he was "particularly pleased" with the Government's reaction to his committee's report on de-regulation and small business development.

The Government had accepted all but one of its recommendations, he said.

"Even the recommendation that was not accepted has been amended in such a manner that it can still achieve the goals we set in the report."

He foresaw no problem in implementing the recommendations. — Sapa.

1986 (345)

K MAYOR'S WAGE IS R1 900 A MONTH

SOWETAN, Friday, July 18,

BLAC

By JOSHUA RABOROKO

SOWETO'S mayor is paid a monthly allowance of R1 900 and other councillors receive R900 while council members in the Johannesburg City Council are paid much less though their council is richer than the Soweto City Council.

Soweto's deputy mayor is paid an allowance of R1 700 and the chairmen of the management and other committees in the council receive travel expenses, a car allowance and free petrol.

These allowances were approved at the January-February council meeting and came into effect from March 1.

Members of the management committee in the Johannesburg City Council receive R1 960 while ordinary members get R620 per month. This means Johannesburg City Council members get about two thirds what Soweto councillors earn.

The Johannesburg mayor, who also gets this R620 allowance, is however entitled to an allowance for clothing, motor car and other fringe benefits. Soweto's mayor is also entitled to a mayoral car.

A Soweto councillor, who may not be mentioned, said councillors complained about their allowance because of the many jobs they were expected to do.

SOWETO mayor Mr Ephraim Tshabalala.

Rise

"We then recommended to the Government that we should be given a rise. We received R400 and this was little," the councillor said.

The councillor confirmed that ordinary councillors received R1 200, but added that the mayor and his deputy were receiving more.

"The money comes from both the Government and from the council's funds," the councillor said.

A council member confirmed that councillors have received an increase in their allowances.

• The mayor, Mr Ephraim Tshabalala, is presently on suspension and is not receiving his allowance, a member of the Soweto City Council said yesterday.

MPs get pay increa

NM 31/7/86

JOHANNESBURG—President Botha yesterday announced pay rises of 35% for ministers and 22% for MPs.

Mercury Correspondent

The increases follow the report of a committee under former Vice-State President Alwyn Schlebusch, appointed in March to investigate the remuneration and conditions of service of political office-bearers.

Remuneration packages, which include salary and allowances, will increase from R84 920 to R114 930 for ministers; R81 800 to R113 280 for the Speaker and chairman of the President's Council; R71 390 to R85 182 for deputy-ministers; R68 090 to R81 000 for the Leader of the Opposition; and R47 300 to R58 050 for MPs.

The entire salary-and-allowance package is taxable.

The salary of the State President is not affected. It is determined by law.

Mr Botha said the report was based on a scientific investigation by private-sector consultants Hay-MSL.

Government had accepted the report *in toto* and all parties represented in Parliament were consulted.

Because of the current economic situation the new structures only partly implemented the Schlebusch committee's recommendations.

A recommendation that parliamentarians should be entitled to secretarial help, up to a maximum certified expenditure of R10 000 a year, would not be implemented at this stage.

The Government had also decided to appoint two committees to investigate and recommend on the remuneration packages for office-bearers of the new provincial system and the national states.

These investigations were necessary because changes had brought about added duties and responsibilities.

Ormande Pollok reports that Speaker Johan Greeff yesterday supported the increased salaries.

Workload

The new parliamentary dispensation calls for a system of well-considered legislation in terms of which all Bills on general affairs are referred to standing committees, also known as portfolio committees, on which all Members of Parliament serve,' he said.

'MPs are obliged to serve on quite a number of committees, specially MPs of smaller parties and of Houses with fewer members.

'During the past few years, an average of 120 Bills a year were introduced in Parliament, which gives an indication of the workload of some standing committees.

'The new dispensation and system of consensus makes heavy demands on the work input of members and entails greater specialisation on the part of MPs,' Mr Greeff said.

W/E ARGUS 23/1/80

A new direction for labour

LABOUR AFFAIRS

DICK USHER

A RECENT union demand that a company open its books to scrutiny during wage negotiations points to some possible future directions in South African labour relations.

The demand, which is not an altogether unusual one, was backed by a union threat to start an unfair labour practice action in the Industrial Court if the company refused to comply.

An industrial relations expert said this week that he did not think it would be long before the demand was a regular part of wage negotiations, probably backed by Industrial Court rulings.

"After all, the basis of our industrial relations policy is equity and the requirement that parties bargain in good faith," he said.

"And the problem is that, when one party does not have information about the other side's financial position, it is very difficult to say the bargaining has been equitable. And it isn't enough for the employer party to simply assure the union that it cannot afford to pay more.

"For equity there has to be knowledge, not assurances."

He said he thought that within a couple of years the practice of at least limited disclosure would be part of all negotiations.

But the possible effects go further than that.

When a company presents a case for having only a certain amount available for pay increases, the first question the union will ask is "Why?"

This will require disclosure of where other money goes and, if it is discovered that R1-million has been set aside for new cars for management, harder questions are certain to follow, the basic reasoning being "why should workers be deprived when managers get new cars?" — or something of that nature.

Not that management should throw up its hands in horror at the thought, the process is already in motion.

The bargaining philosophy and the protection of workers built into the Labour Relations Act has already whittled away at management's absolute prerogative to manage through the concept of an unfair labour practice and it is certain to go further.

Some Western European industrial relations systems — West Germany, for example, which was closely studied before the Wiehahn Commission reported — have worker participation at all levels of the workplace through works councils.

It would not be surprising if, as the South African system matured, something similar developed here.

345 W/E ARGUS 23/8/86

NEWS/COLUMNS

Workers' wages should reflect economic worth

Where there is freedom to contract there can be no exploitation, writes DAVID MATTHEWS. This is the third in his series of articles in Business Argus on ways in which current labour policies limit the operation of a free market and restrict the worker's freedom of choice.

IT IS amazing how readily people fall for the catchphrase "exploitation of the workers." It is no sooner uttered than businessmen cringe with guilt and all official attempts to curb the growing monopoly of labour are shelved.

Let us look at it objectively by asking: "Just exactly how does a businessman exploit a worker?"

Assuming (as is invariably the case) that there is freedom to contract — that the freedom of both parties to reach a mutually acceptable agreement on wages and working conditions is not interferred with by third parties — there cannot possibly be exploitation.

If an employer offers a very low wage and it is accepted, this is not exploitation — provided that the worker is free to quit his job and seek alternative employment elsewhere.

Even if a worker has to accept a very low wage because he cannot earn more elsewhere, this is still not exploitation on the part of the employer: it is merely a reflection of the worker's economic worth in the market at that time.

Labourers in India earn only one-tenth of the average daily wage of black South African labourers.

This is not because employers in India are 10 times more ruthless than they are in South Africa, but because there are 10 times as many labourers in India as there are here.

Conversely, labourers in New York earn many times the average daily wage of the South African labourer. Should we therefore pay labourers here what they get in New York? — and if not, why not?

Wages and salaries are merely the price of labour. And the price of labour — like the price of everything else — is determined principally by supply and demand.

Low wages are not necessarily a sign of exploitation. They are far more likely to be the sign of a relative over-supply of labour and a relatively backward economy — like ours.

The only way of increasing wages overall in real terms is through dynamic economic growth, which compels employers to bid up the price of labour in competition with one another.

If one is looking for real exploitation of labour, look at trade union requirements, which deny the worker the right to work for less than a fixed rate — even if he is prepared to do so and needs the work desperately.

Now *that* is exploitation of labour.

W/E ARGUS 28/9/86

Minimum wages threatened

LABOUR AFFAIRS

DICK USHER

THE latest Saldru (South African Labour and Development Research Unit) bulletin outlines yet further inroads into the minimum wage system.

Pointing out that employment in the clothing industry nationwide has fallen 26 percent since 1982, so that today there are only 100 000 workers in the industry compared with 135 000 in 1982, the report notes that this year's amendment to the industrial council agreement for the knitting industry in the Transvaal is the first to exempt non-parties from its provisions.

The Minister of Manpower, Mr Pietie du Plessis, has declared the agreement to be binding only on those employers and employee organisations which are party to it.

The decline in employment has affected the Transvaal more seriously than either Natal or the Western Cape. According to figures issued by the National Clothing Federation, there are now only 14 000 workers in Transvaal clothing factories — 40 percent less than in 1982.

The Saldru report says the failure by the Department of Manpower to extend the agreement to non-parties is alarming.

"It fits in neatly with the Government's concerted attempt to bring about the 'deregulation' of industry ...

"The new agreement simply undermines laws on minimum wages and other conditions of employment, established over many years of bargaining under the industrial council system.

"Minimum conditions established for the industry are deemed unnecessary, a choke on industry's development that needs to be removed."

In Bloemfontein, the report notes, disenchanted employers in the building industry have resigned from the industrial council which will shortly be liquidated. Once the current agreement expires in early 1987 no minimum wages will apply.

"From March 1987, none of the 3 200 or so workers in the Bloemfontein building industry, black or white, will be protected by the industrial council.

"Many wages are likely to fall below the present minimum rates ..."

After discussing the industrial relations situation in Bloemfontein, where there is no trade union to represent black workers, the report concludes that "the concern that the Bloemfontein building employers express for including blacks in the industrial council system is simply a red herring."

Accusing the employers of "destroying" the present council, the report says: "Their main aim ... is to get rid of the controls on wages and conditions of employment set in the agreement."

Heavy stuff.

ARGUS 10/11/86

Management to face 'toughest year' of wage bargaining in '87

The Argus Correspondent

JOHANNESBURG — Wage bargaining next year is likely to be the toughest yet, says an industrial relations consultant, Mr Andrew Levy.

Speaking about the outlook for wage bargaining next year at a conference in Johannesburg, Mr Levy said workers were looking to their unions to make good the ravages inflation had inflicted on their earnings.

He predicted that:

- Pressure would be exerted on employers by unions seeking national wage rates and enterprise-level bargaining. He believed the Congress of South African Trade Unions had set a minimum wage objective of about R3,50 an hour.
- There would be increased industrial action related to wage talks, which would take the form of go-slows or overtime bans rather than full work stoppages. This year 50 percent of strikes were sparked by wage disputes.

Industrial action occurred in 40 percent of wage talks this year, an increase of between six and eight percent.

"With any wage claim there is now a bigger chance that industrial action of some sort will follow," he said.

- May Day would be a public holiday and most employers would be presented with a fait accompli in this regard. He believed demands that June 16 be declared a holiday were not as well-supported as May Day demands.

ARGUS 12/11/86

Wages for workers fall behind the cost of living

Labour Reporter

WAGES for thousands of workers set by Wage Board determinations have consistently failed to keep pace with the cost of living, a research group has found.

The South African Labour and Development Research Unit, at the University of Cape Town, says in many cases new minimum wages have not been set for up to two years.

The latest monitor of minimum wage levels by the unit shows that rates set by the board are falling even further behind rises in the cost of living than rates set by industrial councils.

For labourers, the median wage in September was 87c an hour, 10,1 percent up since September 1984. But in that time the cost of living has risen by about 38 percent.

Real terms

The survey covers 204 wage determinations ranked from highest to lowest. The median wage is midway in the ranking.

For artisans, the median wage at the end of September was R2,70 an hour, unchanged from three months earlier and nominally 3,4 percent up on the median one year ago.

In real terms the average minimum wage for artisans fell by 13 percent in a year.

In the previous year a drop of 11 percent in real terms was calculated, the unit said.

Industrial councils

Minimum wage rates for labourers set by industrial councils were also lagging behind cost of living increases, the survey of 135 agreements showed.

The median wage for labourers was R1,36 an hour, representing a nominal rise of 12,4 percent from September 1985, during which time the cost of living rose by 18,7 percent.

For artisans the median showed a considerable real increase after declining since 1982.

Although the survey said the downward trend had been arrested, the latest increase still failed to restore the median even to its real level of January last year.

Revised wage offer: store strike to end?

345

DD 16/2/87

JOHANNESBURG — Striking OK Bazaars workers throughout the country are to be consulted by the Commercial Catering and Allied Workers' Union during the next few days on a revised wage offer from the company, a spokesman for the union said yesterday.

Talks to resolve the marathon strike ended at 4 am on Saturday with an indication that an end to the two-month-old dispute was possible.

Mediators for the union and OK Bazaars said in a joint statement the union had agreed to consult its members on a new wage offer.

The union will officially respond to the company's offer when mediation talks resume on Saturday.

The mediators would not provide details of the talks and both the union and OK Bazaars have agreed not to comment on mediation.

About 10 000 workers have been on strike at the national chainstores and warehouses across the country in support of their demand for a R160 a month across-the-board increase, rejecting the company's offer of an R85 increase.

A spokesman for the union, Mr Jay Naidoo, said yesterday the union members would be consulted in a series of meetings this week.

Meanwhile, a two-man delegation from the union which left for Europe last week to seek financial aid for the strikers was presently in England, according to Mr Naidoo.

Mr Naidoo was unable to say whether the fund-raising mission, headed by the union's president, Mr Makhulu Ledwaba, had been successful or not. -DDC

B. For the period 1 July 1984 to 30 June 1985

(a)	Whites	1
	Coloureds	0
	Asiatics	0
	Blacks	84
	Total	85
(b)	Whites	1
	Coloureds	0
	Asiatics	0
	Blacks	64
	Total	65

C. For the period 1 July 1985 to 30 June 1986

(a)	Whites	0
	Coloureds	1
	Asiatics	0
	Blacks	6
	Total	7
(b)	Whites	0
	Coloureds	1
	Asiatics	0
	Blacks	6
	Total	7

Labour disputes/work stoppages/strikes

380. Mr P H P GASTROW asked the Minister of Law and Order:

In how many instances were the South African Police called to the scene of a *(a)* labour dispute, *(b)* work stoppage and *(c)* strike in 1986?

The MINISTER OF LAW AND ORDER:

(a) 64 instances.

(b) 26 instances.

(c) 286 instances.

Strikes

381. Mr P H P GASTROW asked the Minister of Manpower:

(a) How many strikes involving Black workers occurred in 1986, *(b)* in how many cases did the strikes arise out of wage demands and *(c)* what were the main causes of the remainder of the strikes?

The MINISTER OF MANPOWER:

(a) 780 (includes work stoppages)

(b) 246.

(c) Trade union matters—27 strikes.
Disciplinary measures—113 strikes.
Working conditions—125 strikes.
Other or unknown—269 strikes.

Wage regulating machinery

382. Mr P H P GASTROW asked the Minister of Manpower:

(1) How many *(a)* industrial council agreements, *(b)* conciliation board agreements, *(c)* arbitration awards, *(d)* Wage Board determinations and *(e)* orders in terms of the Labour Relations Act, No 28 of 1956, were in force as at the latest specified date for which figures are available;

(2) how many *(a)* Whites, *(b)* Coloureds, *(c)* Asians and *(d)* Blacks were affected by each of the above five categories of wage regulating machinery as at that date?

The MINISTER OF MANPOWER:

The figures are as at 31 December 1986.

(1) *(a)* 88.

(b) 1.

(c) Nil.

(d) 51.

(e) 6.

(2)

		(a) Whites	(b) Coloureds	(c) Asians	(d) Blacks
(a)	Industrial Council Agreements	151 816	210 113	71 075	528 298
(b)	Conciliation Board Agreements	—	116	—	—
(c)	Arbitration Awards	—	—	—	—
(d)	Wage Determinations	172 000	130 500	42 700	615 000
		(Estimated figures)			
(e)	Orders	All races: 154 166 (Separate figures are not readily available).			

Apprenticeship contracts

383. Mr P H P GASTROW asked the Minister of Manpower:

(1) How many new apprenticeship contracts were registered in each trade in 1986 in respect of *(a)* White, *(b)* Coloured, *(c)* Asian and *(d)* Black persons;

(2) what total number of apprenticeship contracts was in operation in 1986?

The MINISTER OF MANPOWER:

The following statistics are as at 31 December 1986:

(1) Industry	Totals	(a) Whites	(b) Coloureds	(c) Asians	(d) Blacks
Aerospace	187	182	2	—	3
Automobile Manufacturing	117	73	18	2	24
Building	505	276	161	27	41
Coal Mining	24	17	—	—	7
Diamond Cutting	13	13	—	—	—
Electrical Contracting	4	4	—	—	—
Electricity supply	295	289	6	—	—
Explosives and Allied Industries	139	118	6	1	14
Furniture	59	18	31	9	1
Government Undertakings	263	249	14	—	—
Hairdressing	575	537	25	7	6
Jewellers and Goldsmiths	20	19	1	—	—
Local Authority (N Tvl)	56	56	—	—	—
Metal (Engineering)	3 369	2 693	250	168	258
Mining and Building—Mines	1 970	1 765	30	6	169
Motor	1 115	919	114	59	23
Printing	281	203	54	19	5
SA Transport	566	565	—	—	1
Sugar Manufacturing	62	17	5	19	21
Tyre and Rubber Manufacturing	39	18	10	2	9
Walvis Bay	1	1	—	—	—
Totals:	9 660	8 032	727	319	582

(2) A total of 29 826 contracts of apprenticeship were in operation on 31 December 1986.

ARGUS 24/2/87

'Real' wages down — UCT survey

Labour Reporter

REAL wages set by wage boards and industrial councils continued to fall during 1986, according to University of Cape Town research.

The South African Labour and Development Research Unit's (Saldru) latest monitor of minimum wages shows that only one out of 105 Wage Board determinations for labourers and one out of 61 for artisans showed a real increase, relative to inflation, since the previous determinations.

"And more wage determination increments are falling well below the rate of inflation — so much so that in 1986, after the increments were granted, the real wages of nine of the determinations were more than 20 percent lower

Only five of the 204 wage determinations in force exceed the latest supplemented living level (SLL) of R396,46 a month calculated by the University of South Africa.

Eighty percent of industrial council agreements for labourers are below the SLL and 22 percent of agreements showed real wage rises in 1986, compared to 19 percent in 1985.

Earnings dropped in '85 — report

345

STAR 2/3/87

Pretoria Bureau

White South Africans earned less in real terms in 1985 than in 1975, the Central Statistical Services (CSS) in Pretoria has revealed.

In 1985 the total average annual income of white households was R33 932; the buying power of this sum — once price hikes, inflation and the changing value of the rand since 1975 are discounted — is R9 972 compared with the R10 215 average annual income in 1975.

This represents a drop in real income of 2,4 percent.

White South Africans continued to spend more than they earned in 1985 — the average expenditure being R34 117. However, they still spent 2,5 percent less in real terms than in 1975.

In the 12 major areas surveyed, whites in the Pretoria-Verwoerdburg area earned the most, with an average total income of R40 050. East London's whites earned the least — R26 208 a year on average.

Fewer frills for whites

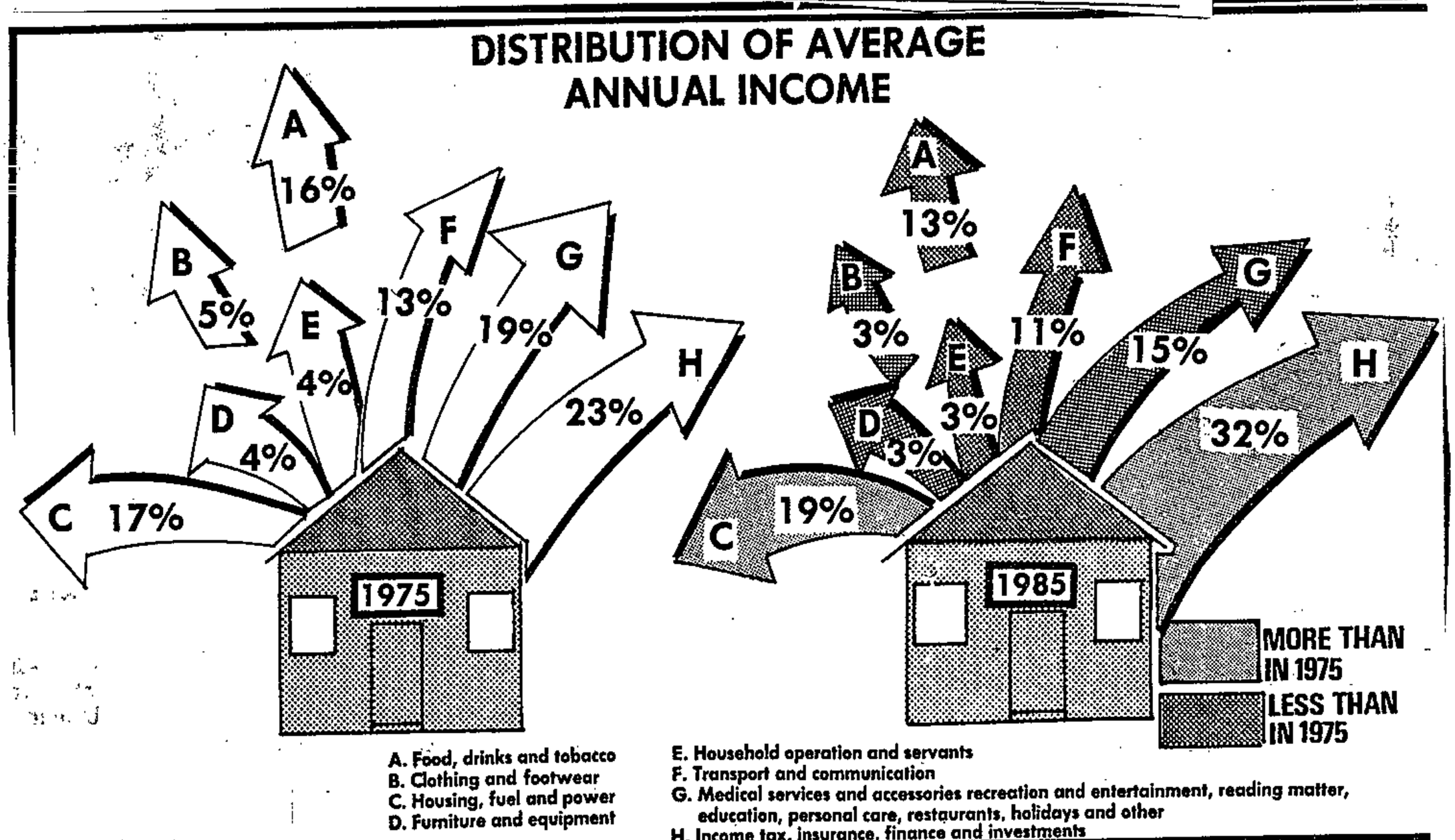
White South Africans spent a smaller slice of their expenditure pie on just about every commodity as tax, investments and insurance claimed the lion's share of paypackets in the past ten years.

Whites spent nine percent more on income tax, financing, insurance and investments than ten years ago, and housing took a 2,6 percent larger slice of the expenditure pie.

They cut down on food, furniture, clothing and shoes, transport, servants, medical services, personal care, education, books and magazines, restaurants and holidays.

The decline in spending on food was a "relatively large" 2,4 percent, the CSS said.

The Star Mo



State's wage bill has jumped 26pc

Pretoria Bureau

The State's wage bill for the final quarter of last year topped R3 289 million — an increase of 26 percent on the R2 603 million spent on public service salaries in the same quarter of 1985, Central Statistical Service (CSS) figures show.

The CSS survey also showed the number of public servants had swelled by 4,4 percent over the same period, bringing the total staff establishment of central government, the provinces, local authorities, self-governing homelands and statutory bodies to 1 075 041.

The average white salary in central government at the end of last year was R1 605 a month — compared with R893 for coloured people, R1 556 for Indians, and R670 for blacks. In local authorities, whites were paid an average of R2 178 a month, coloured people R734, Indians R1 033, and blacks R488.

The Government has often been taken to task, particularly by Opposition spokesmen, for the size of the public service.

They say the sheer size makes it unwieldy and often ineffective — and say this causes an unnecessary drain on the country's finances.

Not even the closure last year of the provincial councils and the removal of certain functions from the provinces has reduced the numbers.

But Government spokesmen defend the size of the service, saying new posts had to be created recently in vital areas, including black education.

Wage issues the cause of most strikes, says report

345

STAR 27/5/87

Political Staff

South Africa was not experiencing such a high level of labour unrest as was sometimes claimed, according to a National Manpower Commission report on strikes.

The report, and one on redundancies and retrenchments, was tabled in Parliament yesterday.

According to the Minister of Manpower, Mr Pietie du Plessis, the report indicates that strike activities in South Africa do not compare unfavourably with those in the rest of the world.

Although wages and wage-related issues were the main contributory causes, this was less noticeable in times of economic recession.

Compared with other countries the average duration of strikes was relatively short and in recent years it was less than three days.

Conditions of service and especially wages were in most instances given as the main causes of strikes but alleged unfair dismissal was also frequently given as a reason.

According to employers, strikes were generally relatively peaceful and orderly. Disputes were in most instances referred to industrial councils but conciliation boards and the Industrial Court were also used to settle disputes.

There had been positive developments towards the equitable treatment of all workers.

Guidelines which had been developed were that:

- Steps should be taken by employers to avoid or minimise retrenchment.
- Sufficient notice should be given to trade unions and employees of impending retrenchments and consultation should take place.
- Employees to be retrenched should be selected fairly and objectively.
- Assistance should be provided, such as time off to seek alternative employment.

Decline in average real wage

Eve Post 1/10/87

(345)

PRETORIA — The average real wage per employee declined by 2% in the first half of 1987 compared with the first half of last year.

The report said the average amount of nominal salaries and wages per worker in the non-agricultural sectors of the economy rose by 14,3% during 1986 and the first half of 1987 compared with the first half of 1986.

"Relative moderation in wage settlements and wage increases was maintained" despite the mild cyclical strengthening of the demand for labour and the increased incidence of strikes in certain industries.

"The average real wage per employee, which had decreased by 4,3% and 3,7% in 1985 and 1986 respectively, therefore declined further, by 2% in the first half of 1987 compared with the first half of 1986," the report stated — Sapa

ARGUS 27/10/87

Unions are outwitting employers in negotiations

Business Editor

PORT ST JOHN'S. — Few employers can match the expertise of the new generation of trade union negotiators in collective bargaining skills and they end up compromising themselves and other employers in their industry by pushing up wages and employment conditions.

This was claimed by Mr Bokkie Botha, group personnel manager of AECI at the Building Industries Federation annual congress yesterday.

The country faced a dramatic rise in shop floor bargaining compared with the old system of industry-wide agreements. Collective bargaining levels could even involve one department instead of the whole of the labour force in one enterprise, he said.

"The industrial council system is under fire from above and below — trade unions see them as racist and favouring whites, while many small employers see them as pushing wages too high."

Mr Ike van der Watt, president of the Boilermakers' Society, said the future of traditional trade unions, which sought work-related benefits looked bleak.

EXCLUSIVE CLUB

Unless the traditional trade union became more involved in the total spectrum of labour in industry and found some way of influencing the membership, it might as well make up its mind to become a benefit society or institution which would be only an exclusive club within the industry.

The growth of black membership had resulted in Cosatu claiming a membership of 700 000 or more than 65 percent of union membership in this country.

"As a result there is no doubt that the labour movement will be hijacked by politicians unless some acceptable form of political representation can be achieved soon," he added.

Unions wage psychological war

W/E ARGUS 16/1/88

LABOUR AFFAIRS

DICK USHER

WHEN it comes to negotiations between unions and employers, it's not only the physical forces both sides can muster that come into play — there are also the psychological aspects.

Both sides employ them, but it seems that union negotiators might be somewhat more inventive and adventurous in their tactics — especially given the cross-cultural elements that exist — than employers.

Most negotiators have encountered the old tactic of having one person on the team detailed off to lose his or her temper should it become necessary. Nothing wrong with a bit of righteous anger at the appropriate moment as part of the total mix of tactics, it maintains an edge to the discussions.

That sort of thing probably goes back into pre-history.

Uncontrolled anger, however, is another matter and it's known for both sides to identify someone in the opposition who's susceptible to a bit of needle and subject them to it.

If someone can be niggled into losing control, they can often say something they don't really mean, become irrational and then the other side gets an edge.

It's been suggested that such people tend to be from the older Tucsa-type unions which rarely had the basic worker organisation which the newer unions have concentrated on. Jumping up and down was often all they had to offer.

The newer unionists, often very skilled negotiators, know the advantages the other side can extract from unguarded moments and do their best to avoid them.

Their point of view is that they're negotiating on behalf of their members and that, if necessary, the anger can be expressed on the shop-floor by the workers rather than wasting it by shouting at employers. Worker solidarity gives them both confidence and a fall-back position.

Somewhere around the same level, unsettling the opposition, is a move one organiser got quite gleeful about when describing employer reaction.

"Reactions vary, but some of them are totally baffled."

"They'll bring us tea. Instead of picking the cup up I leave it on the table and start slurping away," he said.

"They never know how to react. They just don't know what they've got on their hands.

Cape Times 22/1/88

Govt workers want better 'bargaining mechanism'

PRETORIA. — Government workers are pressing for a more effective salary and wage bargaining mechanism.

The issue was discussed on Wednesday night at the meeting of the Public Servants Association management board.

It is understood strong representations will be made to the Minister responsible for the public service, Alwyn Schlebusch, for a prompt response to the PSA's demand.

Senior PSA memebers say they are totally at the mercy of the Commission for Administration.

If their pay representations are rejected, they have no comeback.

There is no appeal mechanism where disagreement can be thrashed out and a compromise reached.

The other issue discussed was market-related salaries.

The PSA again claims the gap between private sector and public sector pay has widened.

Linked to more effective negotiating machinery is the need for a system that takes more pertinently into account equivalent earnings in the private sector, it is claimed.

The PSA's response to criticism that too big a slice of the national budget is set aside for the payment of government workers is that they are not responsible for staff demands of the tricameral system or the administration of other government policies.

civil service jobs and a

Star 5/2/88.

Graduate wage gap widens

345

Self-employed stockbrokers with university degrees earn far more than other graduates — R210 000 a year — while farmers earn the least, according to research into the earnings of white male graduates carried out by the HSRC's Institute for Manpower Research.

The survey of a group among South Africa and Namibia's 180 000 white male graduates shows that judges earn the highest wage in the public service, R101 500.

In the past 15 years the annual percentage increase in the private and public sectors was the same, 12,3 percent, but since 1984 the wage gap between the two sectors has widened, it says. — Pretoria Bureau.

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HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Unemployment Insurance Fund: balance

20. Mr P G SOAL asked the Minister of Manpower:

(1) What was the balance of the Unemployment Insurance Fund at the end of 1987;

(2) (a) what was the total amount (i) paid into the Fund by State employers and employees and (ii) paid out in benefits in that year and (b) to how many applicants were benefits paid;

(3) (a) what is the present average rate of interest received by the Fund and (b) what amount was paid from the Fund in 1987 in respect of administration costs;

(4) (a) what total amount in unclaimed money is held in the Fund and (b) how many persons are involved in this amount;

(5) how many employers were registered with the Unemployment Insurance Fund as at 31 December 1987?

The MINISTER OF MANPOWER:

(1) R309 650 152

(2) (a) (i) R24 977 480

(ii) Separate figures on the total amounts paid in benefits to unemployed contributors in the various sectors, including those who were in the employment of the State, are not kept. The total amount paid out in benefits to all beneficiaries amount to R388 274 527.

(b) A total of 395 888 applicants who were in the employment of the State and the private sector received benefits during 1987. Separate figures on the number of unemployed contributors who were in the employment of the State, who received benefits during 1987, are not kept.

(3) (a) 8.68 per cent.

(b) R23 585 013

(4) (a) Particulars are not available.

(b) Figures are not available.

(5) 135 567

NOTE: All of the above-mentioned figures are provisional and subject to audit.

Wage regulating machinery

22. Mr P G SOAL asked the Minister of Manpower:

(1) How many (a) industrial council agreements, (b) conciliation board agreements, (c) arbitration awards, (d) Wage Board determinations and (e) orders in terms of the Labour Relations Act, No 28 of 1956, were in force as at the latest specified date for which figures are available;

(2) how many (a) Whites, (b) Coloureds, (c) Asians and (d) Blacks were affected by each of the above five categories of wage regulating machinery as at that date?

The MINISTER OF MANPOWER:

The figures are as at 31 December 1987:

(1) (a) 86

(b) None

(c) None

(d) 51

(e) 5

(2)

	(a) Whites	(b) Coloureds	(c) Asians	(d) Blacks
Industrial council agreements	148 660	216 591	72 346	527 284
Conciliation board agreements	—	—	—	—
Arbitration awards	—	—	—	—
Wage Determinations	161 099	136 709	41 089	571 177
	(Estimated figures)			
Orders	All races: 129 969 (Separate figures are not readily available)			

Apprenticeship contracts

23. Mr P G SOAL asked the Minister of Manpower:

(1) How many new apprenticeship contracts were registered in each trade in 1987 in respect of (a) White, (b) Coloured, (c) Asian and (d) Black persons;

(2) what total number of apprenticeship contracts was in operation in 1987?

The MINISTER OF MANPOWER:

The following statistics are as at 31 December 1987:

(1)

Industry	(a) Whites	(b) Coloureds	(c) Asians	(d) Blacks
Aerospace	274	2	—	3
Automobile Manufacturing	40	23	2	15
Building	131	117	21	17
Coal Mining	—	—	—	—
Diamond Cutting	8	—	—	—
Electrical Contracting Industry	92	21	7	7
Electricity Supply Undertaking	104	—	—	1
Explosives and Allied Industries	101	3	5	4
Furniture	17	9	10	—
Government Undertakings	207	19	—	—
Hairdressing	517	22	17	6
Jewellers and Goldsmiths	20	—	1	1
Local Authority Undertaking (Northern Transvaal)	40	—	—	—
Metal (Engineering)	2 322	247	153	269
Mining and Building-Mines	1 416	48	16	185
Motor	933	97	64	23
Printing	172	51	16	6
SA Transport Services	207	1	—	1
Sugar Manufacturing and Refining	7	3	17	19
Tyre and Rubber Manufacturing (PE, Uitenhage and Brits)	25	2	1	—
TOTALS	6 633	665	330	557

(2) A total of 25 689 contracts of apprenticeship were in operation on 31 December 1987.

Registered trade unions: confinement of membership

33. Mr P G SOAL asked the Minister of Manpower:

(1) How many registered trade unions confined their membership to (a) White, (b) Coloured/Asian and (c) Black persons as at the latest specified date for which figures are available;

(2) (a) how many racially registered trade unions were there, and (b) how many (i) White, (ii) Coloured and Asian and (iii) Black persons were members of trade unions, as at that date?

The MINISTER OF MANPOWER:

(1) (a) 41

(b) 29

(c) 29

(2) (a) 106

(b) (i) 446 779

(ii) 310 196

(iii) 835 122

decade ago, ... were gunned down in turf wars waged by ...
said.

Key judgment on discrimination

Cape Times 29/2/88

Own Correspondent

JOHANNESBURG. — In a key judgment the Industrial Court has ruled that racial wage discrimination is an unfair labour practice and has given the offending company six months to eliminate it.

And, in ordering the reinstatement of several hundred workers, the court also appears to have significantly strengthened the right to protection from dismissal for workers involved in a "legitimate" strike.

The case of the SA Chemical Workers' Union (Sacwu) v Sentrachem, presided over by Dr D G John, arose out of a nine-week wage strike by 3 000 workers between May and July 1986 at seven of the chemical giant's plants. Management had issued dismissal notices on July 7, with an offer of re-employment to those who returned by July 15.

About 400 to 500 were not taken back — most because management said a restructuring of operations meant they were redundant. Seventeen were not rehired because of alleged disciplinary offences during the strike.

Six months of negotiations, and the implementation of conciliation procedures, failed to resolve the wage dispute in which — at the time of the strike — the union was demanding a R250 increase on the minimum R400 monthly wage while management was offering a R470 a month minimum.

Sacwu also demanded the elimination of racial wage discrimination, which it said was prevalent in the company.

In the judgment delivered last Thursday, the court ordered that Sentrachem eliminate discrimination by August 31.

The court defined discrimination as a situation where wages paid to black employees are lower than wages paid to other workers doing the same work — unless the difference is due solely to length of service in the job.

R1,5m first step

While there was some disagreement between Sacwu and Sentrachem on their definitions of the concept, evidence led by the company during the hearing was that it would cost R4 million to eliminate discrimination fully.

During negotiations Sentrachem had agreed to set aside an immediate R1,5 million for that purpose as a first step towards eliminating wage discrimination over a period of time.

The court noted that Sentrachem representatives had acknowledged discrimination existed and was morally indefensible.

It said there should have been greater efforts by the company to remove it.

The court also ordered the reinstatement of 400 to 500 workers and payment to them of eight weeks' backpay.

The most important and far-reaching reason given was that since the law grants unions and lawful strikers immunity from penal and civil sanctions "it would be anomalous if workers were nevertheless penalized by dismissal for striking".

D/D 26/3/85

Heed call to restrain hikes — Du Plessis

PORT ELIZABETH — The Minister of Finance, Mr Barend du Plessis, appealed here yesterday to businessmen to heed the State President's call for moderation in demands, price rises and salary and wage increases.

In an interview with the Daily Dispatch's Port Elizabeth cooresponden, he said that the expected average salary and wage increases of 15% in the manufacturing sector projected by the Bureau for Economic Research at Stellenbosch University would stimulate growth.

"Salary and wage increases create a demand for goods and service which will help to stimulate growth, but what must be guarded against is creating demand inflation."

He said this would need discipline by the private sector to keep demands, price increases and salary and wage adjustments within reason.

The nation-wide survey of manufacturing firms, conducted after Mr P. W Botha's appeal for private sector wage restraint, by the bureau involved more than 1 000 firms.

The bureau's director, Mr Ockie Stuart, said in 15 of 20 manufacturing sector categories, most firms expected to pay average increases of 15% to 20%. This expectation was highest in the food, footwear, textile, plastics and paper sectors.

In five categories — clothing, knitwear, transport, basic metal and fabricated metal — most respondents expected to pay increases of 14% or lower.

Mr Stuart said many firms had committed themselves to paying increases in advance of Mr Botha's call, and were now unable to lower these increases.

Another important finding was that productive capacity was increasing through an increase in employment. A further positive aspect was, in spite of the rise in the number of employees, the average labour cost per unit of production remained roughly unchanged and was not expected to increase in the next quarter.

Mr Stuart said this could point to higher productivity.

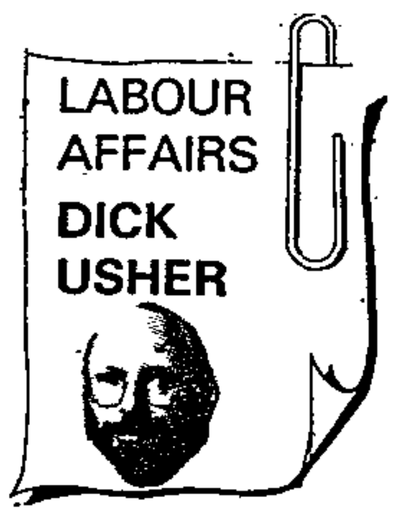
"Unfortunately, it should be noted at the same time that the manufacturing industry in general is now handicapped by a disturbing shortage of skilled labour," he concluded.

'Compulsory bargaining necessary'

W/E ARGUS 9/4/88

LABOUR AFFAIRS

DICK USHER



ONE of South Africa's leading labour lawyers this week argued the case for compulsory bargaining as a "necessary and desirable" element of the collective bargaining process.

The question is confused because of conflicting Industrial Court rulings.

In one case (Fodens) the court declared the employer's failure to negotiate was an unfair labour practice and compelled the employer to start negotiations.

But in at least two subsequent cases (Johnsons Tiles and Hart) it ruled that the Labour Relations Act (LRA) only encouraged collective bargaining.

In the Hart case the court declined to compel the employer to bargain on the basis that negotiations should always "assume a voluntary character in order to be effective".

Charles Nupen, director of Independent Mediation Services, in a paper at the conference on laws against trade unions and political organisations convened by the labour law unit at UCT, said the duty to bargain rested on the premise that society had an interest in compelling two organised repositories of power with contending objects — capital and labour — to settle disputes by negotiation rather than, or at least prior to, resorting to force.

The LRA provided for the creation of bargaining forums but imposed no duty to bargain.

"The philosophical tenet which characterises the statutory process from inception to result is voluntarism," he said.

Decisions such as Johnsons Tiles and Hart "regrettably . . . give succour to those many employers who want bargaining to be voluntary because they do not want to bargain at all, and they do not want to bargain because they do not like unions," he said.

DAILY

Business community accused of failing to fight inflation

DID 24/4/88

345

Political Correspondent

CAPE TOWN — The State President, Mr P. W. Botha, has expressed his displeasure with the business community for failing to respond to his appeals for wage, salary and price restraint in an effort to combat inflation.

Mr Botha stressed that the government had no alternative but to consider imposing other mechanisms via legislation to compel the business community to tow the line.

He indicated that one such legislative instrument was the draft Control of Harmful Business Practices Bill, now being circulated for comment.

Mr Botha said during his budget vote in the House of Assembly that this legislation would make it possible to take fast and effective action against persons who make themselves guilty of harmful business practices, thus protecting the consumer against exploitation.

Mr Botha said the reaction from the private sector, since he made his appeal in February, was disappointing.

Although he had received a few letters of support for his economic initiative, it seemed from media reports that the private sector would be granting general increases of 15 to 16 per cent.

In what was seen as a clear reference to Pick 'n Pay's chairman, Mr Raymond Ackerman, Mr Botha added, "I also find it strange to receive a letter from a leading businessman in which he declares his wholehearted support for combating inflation and (then) to read in the financial press afterwards that he granted salary increases of up to 28 per cent."

Mr Botha said that in letters he received from the general public, serious doubt was expressed about the willingness of the private sector to co-operate.

"An evident and concrete quid pro quo is demanded from the private sector in exchange for the sacrifice by, among others, public servants," the State President said.

He concluded that it had become evident that this would not come about by means of persuasion or voluntary teamwork.

Salaries — it's still tough at the bottom

(345) Star 4/10/88

National average pay increases in recent months have beaten the rate of inflation for the first time in five years, reports **Michael Chester**. But these increases still failed to restore living standards to 1983 levels.

A survey of salary trends carried out by Hay Management Consultants shows that average pay packets grew faster than inflation over the past 12 months for the first time since 1982.

On average, salaries have grown about 14,6 percent since the middle of last year, compared with increases in the consumer price index a shade below 12,5 percent.

Even so, employees at all levels are still worse off than they were five years ago.

The slide in living standards has worsened the lower that workers have stood in the job pyramid.

Even senior executives, whose pay packets fattened the most, failed to keep pace with inflation. Though their average basic salaries have surged by 92,5 percent since 1983 — from an annual R63 766 to R122 773 — the consumer price index raced ahead by a still faster 101,9 percent over the same period.

The pay packets of workers lower down the pecking order at around senior clerk level fell behind by as much as 25 percent.

Fortunately, according to Mr Ib Ravnsborg, the managing director of Hay, there are signs that employees are being given more and more chance to break out of the straitjacket of salaries in their particular job classification — if they put in a sound track record on actual performance, especially if they are specialists staying ahead in their field.

He believes that rewards for performance, in the form of bonuses and perks as well as basic salaries, will become a marked trend in future pay patterns, all the more so because of chronic shortages of skilled personnel in most business sectors.

The trend will accelerate, he says, as more routine administrative work is pushed over to computers.

Pecking order

The actual ranking of the job inside the company by strict title has already started to take a back seat to individual skill and performance at all levels.

The impact of perks on basic salaries is also spreading down the job pecking order. Thus, as an example, even clerical staffers in the financial sector can boost a basic salary of around R16 720 a year to a total pay package of almost R22 000 by perks such as housing loans, which, in turn, bring them nearer the pay levels of counterparts in the industrial sector.

Senior executives who make the grade with the Hay system of job evaluation can boost basic salaries of around R120 000 a year to nearer R170 000 with a package of perks.

South African employees need every extra rand they can lay hands on to match many of their overseas counterparts in living standards.

The Hay team has worked out a number of examples of how the purchasing power of South Africans nowadays fares in international comparisons.

The pay packet of an employee at around supervisor/foreman level can buy less than 60 percent of the basket of goodies that an American equivalent can. The senior executive is relatively even worse off — with a purchasing power of less than half his equal in the United States.

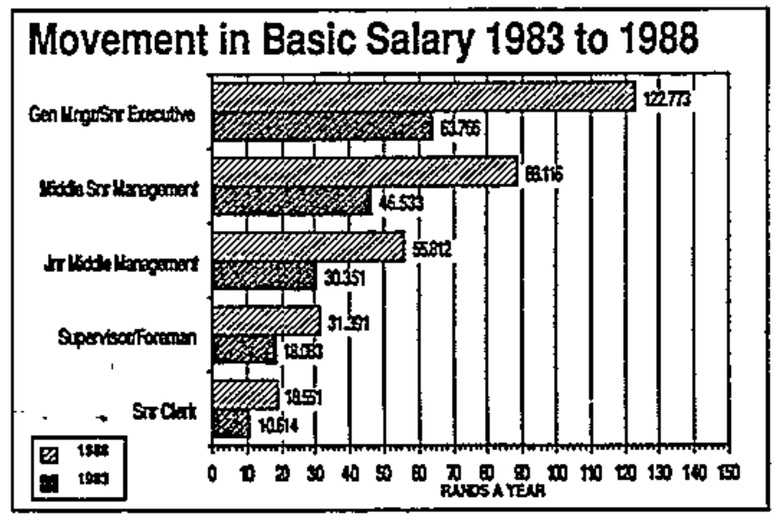
But there are huge differences between the size of the pay packets of bosses and rank-and-file workers down the line.

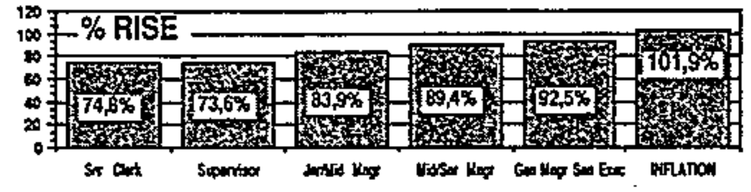
In South Africa, the chief executive officer of a company picked up more than 10 times the wages paid out to shop-floor workers at a count taken in 1986. That compared with only four times the difference seen in Australia and Sweden; 6,5 times the difference in France and England.

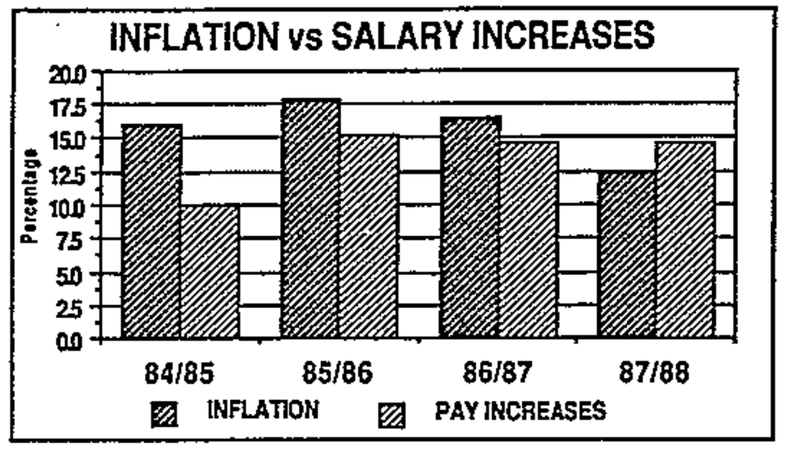
But the gap paled in comparisons with Brazil, where the difference leapt to a ratio of more than 36 times over.

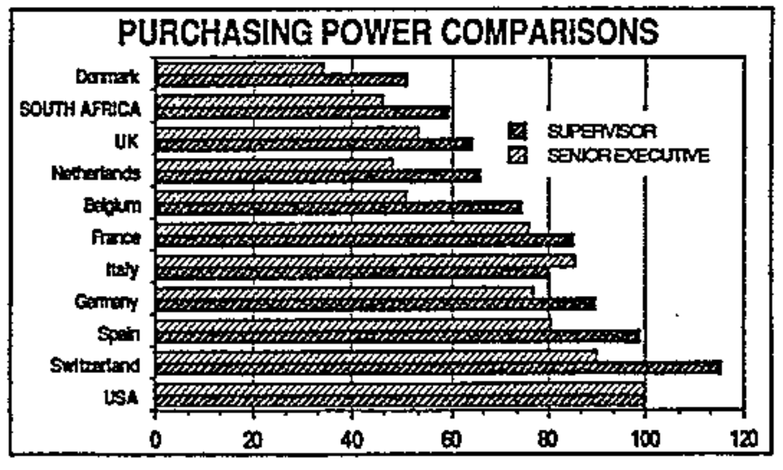
Among the reasons for the slide in purchasing power of South African pay packets are high inflation and the crippling of the rand exchange rate. But another major factor, says Miss Marie Marburger, surveys manager at Hay, is taxation.

"Theoretically, there is a choice of solutions: bigger pay increases, or cuts in tax rates," she says. "Unhappily, in the current economic climate, neither looks very viable."









Biggest rises may go to blue-collar staff

Star 4/10/86 By Michael Chester

Blue-collar workers could be awarded the biggest pay increases over the next 12 months as companies press ahead with black advancement programmes.

Hay Management Consultants forecasts that the pay of blue-collar workers, most of whom are black, will increase by between 16 and 18 percent compared with an inflation rate of 14/15 percent.

"There structural shifts in pay patterns to take serious account of socio-economic issues and policies aimed at narrowing the white/black pay gap are essential," says Mr Ib Ravnsborg, managing director of Hay.

Higher up the labour ladder, more and more emphasis is likely to be placed on performance and skill rather than job titles when salaries are reviewed.

"There are far stronger tendencies for salary packages to be seen as compensation for skill and professionalism, with emphasis on motivation through incentive schemes such as special bonus systems and profit-sharing schemes," he said.

"There will also be a marked trend towards offering higher rewards to top executives willing to take risks in shaping corporate policy to deal with growing competition and changing scenarios."

Hay predicts that increases lower down the management ladder may vary between 12 and 14 percent over the next 12 months.

But the scale looks set to rise to between 14 and 17 percent for top executives showing good performances.

● See Page 13.

WAGE REGULATION – GENERAL

1990 – 1993

Survey shows bargaining rift between wage sectors

B/Day 20/2/90 (345)

ALAN FINE

WIDELY divergent patterns of wage bargaining between "high" and "low" wage sectors have been identified in the latest Bargainers' Bulletin published by consultants Andrew Levy, Johan Piron and Associates.

The survey found union bargaining characteristics in high-wage sectors to be less aggressive than those in low ones.

Hence the overall average opening demand tabled at wage negotiations was for a 69,2% increase in the reporting period, the six months to February 1990.

The figure was only 31,4% in the high wage sector compared to 107% in the low wage sector.

One possible explanation for this, the survey suggested, was that unions and managements in the high wage sectors had developed "a more mature bargaining relationship involving realistic demands and counter-proposals".

It was also possible "the excessive demands in the low-pay sector merely represent the frustrations of workers and their aspirations to break out into the higher paid sectors".

A similar pattern presented itself in an analysis of the length of time between the tabling of initial demands and eventual settlement.

The average time required to settle was 86 days. In the low pay sector, this period was 110 days compared to 69 days in the high wage sector.

The survey found the actual level of settlements in the reporting period was an average 16,9% increase on payroll.

This was down from 17,4% for the whole of 1989. But, the survey cautioned, settlement levels during this period the previous year were also relatively low, and rose as the year progressed.

Therefore "employers would be ill-advised at this stage to budget significantly below any negotiated settlements concluded last year," it said.

Star 23/3/90 (345)

'Unskilled, semi-skilled pay has risen four-fold'

Mines release wage report

Labour Reporter

Unskilled and semi-skilled pay on South Africa's gold mines has risen four-fold in the past decade, according to the Chamber of Mines' 1989 review.

In the report, released yesterday, the chamber says the monthly average wage in these categories rose from about R160 a month in 1980 to R720 last year.

Real earnings

The report also details the narrowing of the racial wage gap in gold mining.

Since 1971, it says, the real earnings of semi-skilled and unskilled workers have risen four-fold, while skilled wages adjusted for inflation have remained unchanged.

The sharpest rise in real earnings was in the period 1972 to 1975 — before black miners were unionised. The past five years have seen marginal real wage gains for unskilled and semi-skilled goldminers, the report indicates.

Stressing that unskilled/semi-skilled workers last year received an additional R255 a month in fringe benefits, such as food and housing, the report says pay for the mining industry's predominantly unskilled workforce compares favourably with most other sectors of the economy.

The review also reveals that:

- South Africa's coal and gold mines paid R7 billion in wages and allowances last year, as against R1,5 billion in 1980.
- The Employment Bureau of Africa — the chamber's recruiting arm — last year paid out R708 million in deferred wages, remittances and other payments, largely in rural areas.

Wages for UK firms in SA

Nearly 98 pc of black staff now exceed 'Code' ruling

Star 28/3/89

345

The Star Bureau

LONDON — Nearly 98 percent of black workers employed by British companies operating in South Africa are now paid above the European Community Code of Conduct's recommended minimum level.

This is disclosed in the British Department of Trade and Industry's latest assessment of the working of the code, just published. The assessment covers the 12 months to June, 1988.

The report says the year saw a further reduction in the number of black employees paid below the minimum level.

Other projects

In addition, companies report "impressive" levels of involvement in projects benefiting not only their employees and their families, but also the wider black community.

The companies also continued to encourage the growth of black businesses, an element introduced in the code in 1985.

The assessment is the third since the implementation of the revised code. The revision introduced a number of new provisions, and changed the emphasis of many of the original sections.

Altogether 99 companies with full reporting responsibilities (Category A) submitted reports for the period, 10 fewer than the previous period. Eleven reports were submitted from from Category B companies.

Category A companies employed 62 600 black workers, 7 700 fewer than the last reporting period.

The report says that more than 95 percent of the Category A companies confirmed that all employees, irrespective of race, were free to choose the type of organisations to represent them.

Most had taken steps to inform their employees of their social and trade union rights, and many had promoted the Code of Conduct.

Most also reported formal involvement with trade unions.

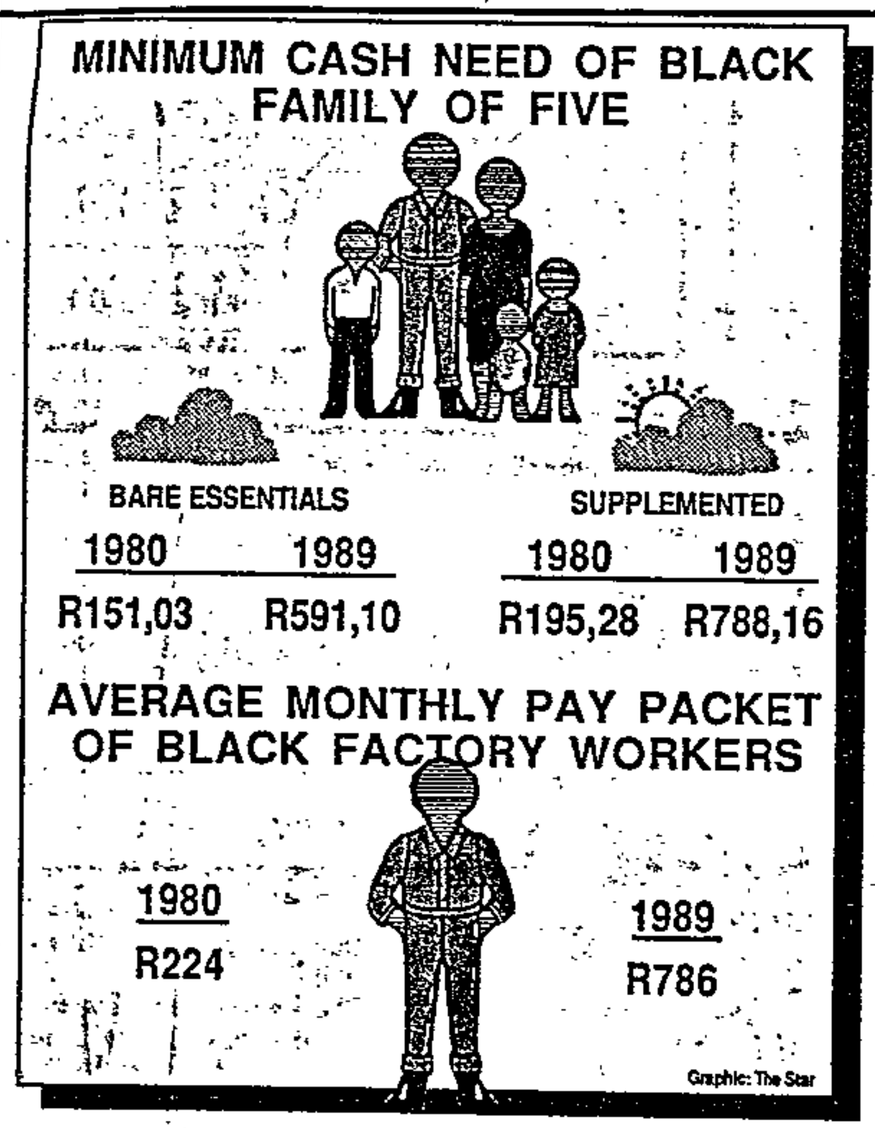
All but one of the companies confirmed that common pay scales were applied for all employees, that is equal pay for equal work.

More than two-thirds of the companies indicated specific policies in the employment and promotion of black workers in and to supervisory and management jobs. The remainder confirmed that employment and promotion was based on merit, with no race discrimination.

Commenting on the findings Britain's Anti-Apartheid Movement said: "The minimum wage level is utterly inadequate, and many British subsidiaries either do not report on their performance, or argue that they fall outside the code's definition of a foreign subsidiary. The code itself has gaping loopholes."

Star 16/4/90

BACKGROUND



A black family of 5 needs R591,10 a month to survive

MICHAEL CHESTER charts the crippling 400 percent increase in a minimum household budget since 1980.

The rock-bottom survival budget needed by a black family of five living in Soweto or elsewhere around Greater Johannesburg has climbed almost fourfold since 1980 to a minimum of R591,10 a month, according to new surveys.

Survey results — based on analyses by the Bureau of Market Research at Unisa — are being released to business firms by the Johannesburg Chamber of Commerce and Industry as guidelines to the hard realities faced by low-income families.

The new level of basic budgets compares with a national average of R549,98.

It describes what the researchers call the minimum living level (MLL) — the theoretical utter necessities of running a household.

It strips spending to the bare essentials needed to maintain reasonable health, acceptable standards of hygiene and just sufficient clothing for a black couple with three children.

The biggest single item is the food bill, worked out by nutrition experts as a minimum of R295,74. Clothing takes R90,88. Rent and services take R60,14. Transport — commuting to work or school and trips to the shops — takes R37,41.

Add a couple of extras that many white suburbanites consider as essential rather than anywhere near luxuries — such as a rare treat on recreation or entertainment — and the basic budget jumps to R788,18.

That is what the researchers call a supplemented living level (SLL). For the statistical record, the climb in the raw MLL budget between a count in 1979 and in August 1989 equalled 291 percent.

It was heavy going to stay ahead of inflation, which over the 10-year period surged as much as 298 percent on average for lower-income families.

Even for the fortunate breadwinners with settled jobs, rather than standing in unemployment queues or trying their hand in informal sector ventures, it has also been hard going to keep pay packets abreast of the prices spiral.

Mr Keith Lockwood, economist at the SA Chamber of Business, believes that a reasonable measure of trends is provided by official statistics on the movement of average black wages inside the manufacturing sector between 1980 and 1988 — the last year to be analysed in detail.

Here one sees that the average pay packets of black factory workers increased from R224 to R786 — or 250 percent.

The only cold consolation for them was that the percentage gain was better than the one for white factory workers, which trailed at 187 percent.

Then again, though, one may need to look at the pay packets in blunt cash terms: the black average of R786 had to stand comparison with a white average of R2 742.

"At least," says Mr Lockwood, "the standard of living of black families was making some headway, however modest, while white living standards were slipping."

Minimum living costs for low-income black families were also as high along the East Rand, according to separate surveys conducted by the Bureau for Economic Research at Stellenbosch University.

When the BER counted what it calls a household subsistence level in September, it found the basic budget to be R551,61 in Boksburg, R529,88 in Germiston and R523,95 in Benoni.

The total slipped down to R450,04 in Maritzburg and to its lowest at Peddie in the Eastern Cape, where it was estimated at R396,19.

Sanlam call for lower wage increases in inflation fight

(345)

LESLEY LAMBERT

CAPE TOWN — Sanlam has focused on the fight against inflation in its latest economic report and has called for lower wage and salary increases, higher levels of productivity and the passing on of savings in labour costs to consumers.

Chief economist Johan Louw says there are no instant solutions to the deep-rooted inflation problem in countries like SA which have open economies, relatively small domestic markets, extensive socio-economic problems and strong unrest potential rooted in large-scale unemployment.

Because wages and salaries are so closely linked to inflation, a higher inflation rate — which consists of higher labour and other costs — is built into each round of remuneration adjustments and perpetuated by money supply increases.

To break this inflationary spiral, Louw says it may be necessary in the short-term to limit wage and salary increases to levels below the current inflation rate.

But this will only be effective if the savings are passed on to consumers by way of smaller price rises.

Lower salary and wage increases should be accompanied by a programme to improve productivity with greater involvement by the public and private sectors and trade unions in the training and instruction of manpower, Louw says.

But employers will have to convince trade unions that an improvement in productivity will lead to the creation of new job opportunities rather than worker redundancy.

The promotion of competition by accelerating deregulation and privatisation programmes will also help decrease inflationary pressure, he says.

The financial authorities have applied fiscal and monetary discipline as the cornerstone of the anti-inflationary policy.

For some time, they have tried to limit the excessive granting of credit and the sharp growth in money supply and to maintain positive real interest rates as part of their monetary policy.

On the fiscal side, they have tried to curb inflation by strict control of government spending and a moderate budgetary deficit before borrowing.

In addition, they have been aiming at a fairly stable external rand value as a way of limiting increases in import prices and introducing greater price stability in domestic markets.

"SA's unacceptably high inflation rate can be lowered only if continued monetary and fiscal discipline is supported by a more stable rand, restrained increases in labour remuneration, real efforts to raise productivity and determined steps to effect greater competition in the economy," Louw says.

B/Day 23/4/90

Plea to keep wages realistic

Star 25/4/90 345

The inflation rate could be kept down only if demands for remuneration packages remained at realistic levels, the **Minister of Finance, Mr Barend du Plessis,** said yesterday.

Speaking in debate in the Extended Public Committee on Finance, he said it was a source of immense concern that productivity had decreased while the real salary per worker had increased.

"This has resulted in the real labour cost a unit produced increasing by 1,6 percent in the first nine months of 1989 in comparison to the same period in 1988.

"This definitely contributed to inflation, something which can only be effectively brought under control if negotiations for remuneration packages remain realistic."

The authorities had done their part by monetary and fiscal discipline and wage restraints to reduce inflation, but this stood to be negated by inordinate wage increases.

The recent Budget would play an important role as an instrument in pursuing more prolonged and stable economic growth, even if not at spectacular levels.

The immediate macro-economic objectives involved the balance of payments and inflation.

"The average monthly trade balance for the first quarter of 1990 is encouraging and indicates a current account surplus for the year of the targetted figure.

"Reserves of gold and foreign exchange at the end of February were R8,3 billion, which is the highest since October 1987. Even this level constitutes only about 1,5 months' import cover and we are looking to double this ratio.

"There can, therefore, still be no question now of relaxing exchange control."

The cooling-down measures were working but not to the extent that a further period of consolidation was not indicated.

"We do not now contemplate any major change in our stabilisation package," Mr du Plessis said. — Sapa.

White worker rights threatened, says CP

(345)

Star 27/4/87

The Government was continuing to narrow the wage gap between white workers and those of other races without ensuring that the other workers' productivity increased, **Mr Frank le Roux (CP, Brakpan)** said in Parliament yesterday.

Speaking in budget debate on the manpower vote, he said the white worker in South Africa was increasingly in danger of losing his indentity as a white worker, and that this was a result of the Government's view that the country should be a unitary state.

This was yet another cause of the country's real negative economic growth rate.

Mr le Roux said the Government was laughing at the pleas of white trade union leaders who asked for the maintenance of white workers' rights.

Mr James Cunningham (NP, Stilfontein) said the CP was creating false hopes among white South Africans. — Sapa.

Minimum wage: A vital shield ... or just a recipe for disaster?

(345)

W/Mail 10/8-12/8/90

In a ground-breaking move with vital economic implications, Cosatu looks set to adopt a national minimum wage next month. But not all its unions approve, reports **DREW FORREST**

Moves by the Congress of South African Trade Unions towards adopting a monthly minimum wage of R700 have alarmed business leaders

CONTROVERSY appears to be looming over the issue of a national minimum wage at the Congress of South African Trade Unions' campaigns conference next month.

And moves towards the adoption of a specific minimum wage figure have drawn an alarmed response from business leaders, one of whom described the economic implications as "horrific".

Cosatu's latest campaign bulletin has revealed that the federation's living wage committee will recommend a R700 monthly minimum wage — translating into R160 a week and R3,60 an hour — for adoption at the campaign's conference.

In the short term, the figure would be used as a tool to rally the low-paid and unorganised against "low-wage exploitation". But the goal is to adjust it annually for inflation and ultimately, under a friendly government, give it the force of statute law.

The minimum wage idea has deep historic roots in South Africa and commands powerful support on the left. A Freedom Charter demand, it forms part of the South African Communist Party's draft workers' charter. At its founding conference in 1985, Cosatu committed itself to fighting for a "national minimum living wage".

But because of the widely divergent conditions across industry, a specific living wage demand has eluded the unions. By formulating a floor level for all industries with the possible exception of domestic service — seen as a step towards a living wage of between R1 140 and R1 500 — the living wage committee has cut through the gordian knot.

Justifying the R700 target, the bulletin says it exceeds both the minimum living level and the household subsistence level, and comes close to the R667 average wage for general workers in all sectors calculated by the Labour Research Service (LRS).

Seen as a prime mover in the push for a statutory base rate, the National Union of Mineworkers has already adopted the R700 figure as policy. But other unions are not so keen.

A central anxiety is the impact on jobs and job creation, with opponents pointing to the mass retrenchments which followed the imposition of a statutory minimum for farming and domestic service in Zimbabwe.

Blaming the minimum wage and "cumbersome retrenchment procedures", Zimbabwe merchant bank RAL Sagit estimates that 57 000 jobs were lost in formal agriculture — a 17 percent drop — between 1980 and 1985.

In textile and clothing, which is exposed to low-wage international competition, weekly pay currently averages R141 a week, according to the LRS. The South African Clothing and Textile Workers Union, Cosatu's third-largest affiliate, is known to favour sectoral minimum wages set in negotiations with employers, and is likely to offer stiffest resistance to a R700 national rate.

Other sectors where average wages fall below R700 include mining, the public sector, transport, liquor and catering and agriculture.

"In low-wage sectors a national minimum would be disastrous," said one union man. "The R700 is based on current average wages, not on projections of our economic future. And because it takes no account of low-wage areas, such as the homelands, it would undermine regional economic policy and force workers to the cities."

It was unclear whether the R700 figure included payment in kind, a marked feature of mining and agriculture, he added, warning that in Zimbabwe, employers had reacted to the national minimum by charging workers for food and accommodation.

He also argued that by creating a separate focus, the R700 minimum demand would "cloud and undermine" the living wage campaign.

Employer responses to the statutory national minimum concept were uniformly hostile.

Commenting that rising farm wages had already brought a drop in the formal workforce, from about 1,3-million to below a million, in recent years, South African Agricultural Union president Nico Kotze warned that a minimum wage would spur mechanisation and demands for higher skill levels.

"Cotton-picking, for example, is an important source of piece-wages for women — but cotton can be picked by machine," he said.

For Steel and Engineering Industries Federation economist Michael McDonald, "indexing" wages for inflation holds special dangers. "Over a 10-year period, pay will tend to keep up with the CPI. But once you legislate, you lose flexibility. It's been a recipe for rampant inflation wherever it's been tried."

Describing the national minimum approach as "wrong-headed" and "unimaginative", business leader Bobby Godsell said the fixing of a specific figure involved assumptions about people's needs.

"Collective bargaining aims to reach a tolerably fair wage," he added. "Once you uncouple that from a particular industry and its economic realities, you're in trouble."

One crucial variable was the capital intensity of the industry concerned. In capital-intensive sectors, wages might represent 10 percent of costs, whereas in mining they made up 50 percent.

Commentators believe that because of its current push to rally the unorganised, and to give worker demands a high political profile, Cosatu is likely to adopt a national minimum wage next month.

NUM economist Martin Nicol, a strong proponent, dismisses claims that a statutory minimum would strengthen the state bureaucracy at the expense of unions. "Given the extreme weakness of the Manpower Department inspectorate, we have no fear that trade unions will be supplanted.

"And it is quite possible that the minimum would be set in collective bargaining. As the wage would be an important facet of state policy, the state might be included in this process."

Commenting on the Zimbabwe precedent, Nicol said the country's labour movement had historically been weak. South African unions would have the task of fighting mass retrenchments in the wake of minimum wage legislation.

And to enable the economy to cater for external factors, such as export price fluctuations, the minimum wage could be calculated as a percentage of average pay, Nicol said. He stressed that the R700 was half South Africa's industry average for blacks and whites, while the British Trade Union Congress had set its minimum at two thirds of the average.

The minimum wage, he said, would serve as a spur to job training and the creation of a more skilled and productive workforce. "If they pay more, employers will have to ensure a higher level of proficiency."

Nicol conceded that over time, employment levels in sectors such as textile could fall. But he added: "The unions have to face this squarely; are we going to cultivate a competitive advantage through slave wages? I believe we have sufficient natural resources to provide jobs for all at a decent wage."

Over 6m workers secure in old age

(345) S/Times 17/7/90

Employers boost retirement funds

By ADRIAN HERSCH

MOST employers favour retirement funds, according to research by the Mouton Committee.

Employee membership increased from under two-million in 1972 to more than 6,5-million this year, representing about 80% of workers in the formal sector. Executive director of the Steel and Engineering Industries Federation of South Africa (Seifsa) Brian Angus says: "Employers in the industry see a retirement fund as an essential benefit to workers."

The industry has two pension funds covering workers in lower and higher grades — 200 000 and 60 000 respectively. Both have equal union and employer representation on the board of trustees.

A provident fund for workers in the lower grades with equal contributions from employers and employees will be launched shortly. Employees can either stay in the pension fund or join the new one.

Mr Angus adds: "Although we accept that many feel strongly about joining a provident fund, we favour a pension fund system."

Pension funds are flexible and can be adapted to suit workers' requirements, which some have envisaged as being possible only under a provident fund.

Destitute

"There is a belief among some people, for example, that pension funds cannot provide for retrenchment. This is possible. They are also able to provide other benefits offered by a provident fund.

"The problem is that historically pension funds have not operated in this manner."

Mr Angus says that, in essence, the difference between the two funds is that on retirement a lump sum is paid (provident) as opposed to regular payments (pension).

"The worker receives a regular wage and the pension payments ensure continuity. The lump sum presents problems.

"Unions say workers could use the money to buy a house, which would be suitable. But there will be those who won't do that. There is a danger that the money could be unwisely invested and the worker left destitute in old age."

The number of workers covered by retirement funds has risen sharply since the Mineworkers' Provident Fund was establisahed in July 1989 to cover workers in the lower grades.

Workers in the more skilled positions were covered by pension funds, but those in the unskilled and semi-skilled grades had no retirement fund. There was only a long service award.

The National Union of Mineworkers (NUM) has for many years favoured a provident fund.

Potential

The decision to implement the fund — run on a 50-50 basis — was made at the wage negotiations between the Chamber and the NUM two years ago.

Chamber industrial relations service manager Ken van der Plank says: "We support the concept that employees enjoy retirement benefits. We are pleased that there is a scheme available for everybody."

After nearly a year of its existence about 240 000 workers contribute to the Mineworkers' Provident Fund. They comprise 170 000 NUM members and 70 000 others.

Potential membership is about 500 000.

SA Employers Consultative Committee on Labour Affairs (Saccola) pension portfolio holder Barry Horlock says about 80% of those employed in the formal sector belong to retirement funds.

Mr Horlock, also a member of the Mouton Committee, says many of the other 20% are employed in commerce (small shops) and agriculture.

Discussions with the SA Agricultural Union are expected to yield positive results.

"But the millions of unemployed present an alarming liability for the State in the next 10 to 20 years," says Mr Horlock.

Mr Horlock's belief about the preference for a pension fund as opposed to a provident one mirrors the concern of many.

"The worker has to invest the lump sum extremely carefully to counteract the effects of inflation," says Mr Horlock.

FINANCE FOR THE FUTURE

A BUSINESS TIMES FEATURE

S1 Times 11/7/90

Guarantee or risk is dividing line for funds

345

CONFUSION exists about the difference between a provident and a pension fund. Benefits from both can be based on either final salary or money purchase.

With a final salary arrangement the employer undertakes to pay a percentage of the employee's average monthly pay as a pension. Although the employee contributes monthly or weekly to the fund while he is employed, the employer takes the investment risk.

The money purchase fund combines employee contributions and payments by the employer. On retirement the pensioner receives either a lump sum or a pension to that equivalent, plus interest.

There is no guarantee that this will be a percentage of his or her final salary.

This scheme appears in most provident funds and the investment risk is transferred to the employee.

Under these circumstances, investments tend to be more conservative. Members and fund managers want guarantees and stability, not the risk of market fluctuations.

Citing the experience of the pension funds managed by the Old Mutual, chief operating officer Gerhard van Niekerk says this is certainly the trend.

"Pension and provident fund trustees do not want pay-outs to vary and depend on stock market levels. Portfolios normally have some form of guarantee. The capital in most cases is guaranteed, returns smoothed out to avoid dramatic pay-out differences from month to month."

Old Mutual manages the investments of several trade union provident funds, including the National Union of Mine Workers. Mr Van Niekerk says experience shows the preference for guarantees.

He suggests that boards of trustees of money purchase provident and pension funds should have effective membership representation. With the final salary scheme, members' benefits are not directly affected by the fund's investment performance.

Pay packets are thinner, says the Reserve Bank

(345)

B/Day 23/7/90

ANDREW GILL

A SLOWING down of the rate of increase in total nominal remuneration of employees was apparent in most sectors of the economy, most noticeably in mining and general government, said the latest Reserve Bank quarterly bulletin.

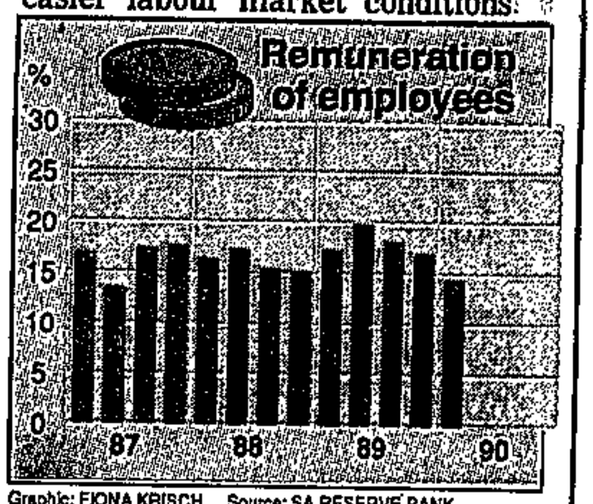
The annualised rate of increase in the total remuneration of employees slackened to about 10% in the first quarter of 1990 compared with a 23,5% increase in the first half of 1989 and a 12,5% increase in the second half of 1989, the bulletin said.

In the mining sector the slowdown was attributed to, among other things, a gradual reduction in the number of workers employed, especially in the gold industry where marginal or vulnerable mines had been cutting back on their operations.

The fact that the National Union of Mineworkers had only submitted their wage demands in the second quarter of 1990 was another factor, the bulletin said.

In general government, an overall increase of 10% was only granted from the second quarter of 1990 compared with a 15% adjustment in 1989 that came into effect in the first quarter of the year.

The gradually lower rates of increase in nominal remuneration in other sectors in the first quarter of 1990 was a reflection of apparently reduced rates of new job creation and easier labour market conditions.



Graphic: FIONA KRISCH Source: SA RESERVE BANK

Salaries rise for office rookies

S/Times 29/7/90

Business Times Reporter

STARTING salaries for skilled office staff are rising rapidly — in spite of the recession. (345)

The six-month survey of office salaries by Kelly Personnel says the starting salary for typists increased by 18,6% this year.

This can be partly explained by employers' demanding increased skills, such as word processing.

But managing director John Dawkins says a more important reason is that staff members are reluctant to change jobs in a recession because they fear the "last-in, first-out" retrenchment practice.

"This means employers must pay more to attract staff," says Mr Dawkins. "But salaries for those employed by the same company for a year or more are not increasing at the same rate that would apply in good times."

Starting salaries for accounts staff increased by 15,5% and receptionists received 14% more.

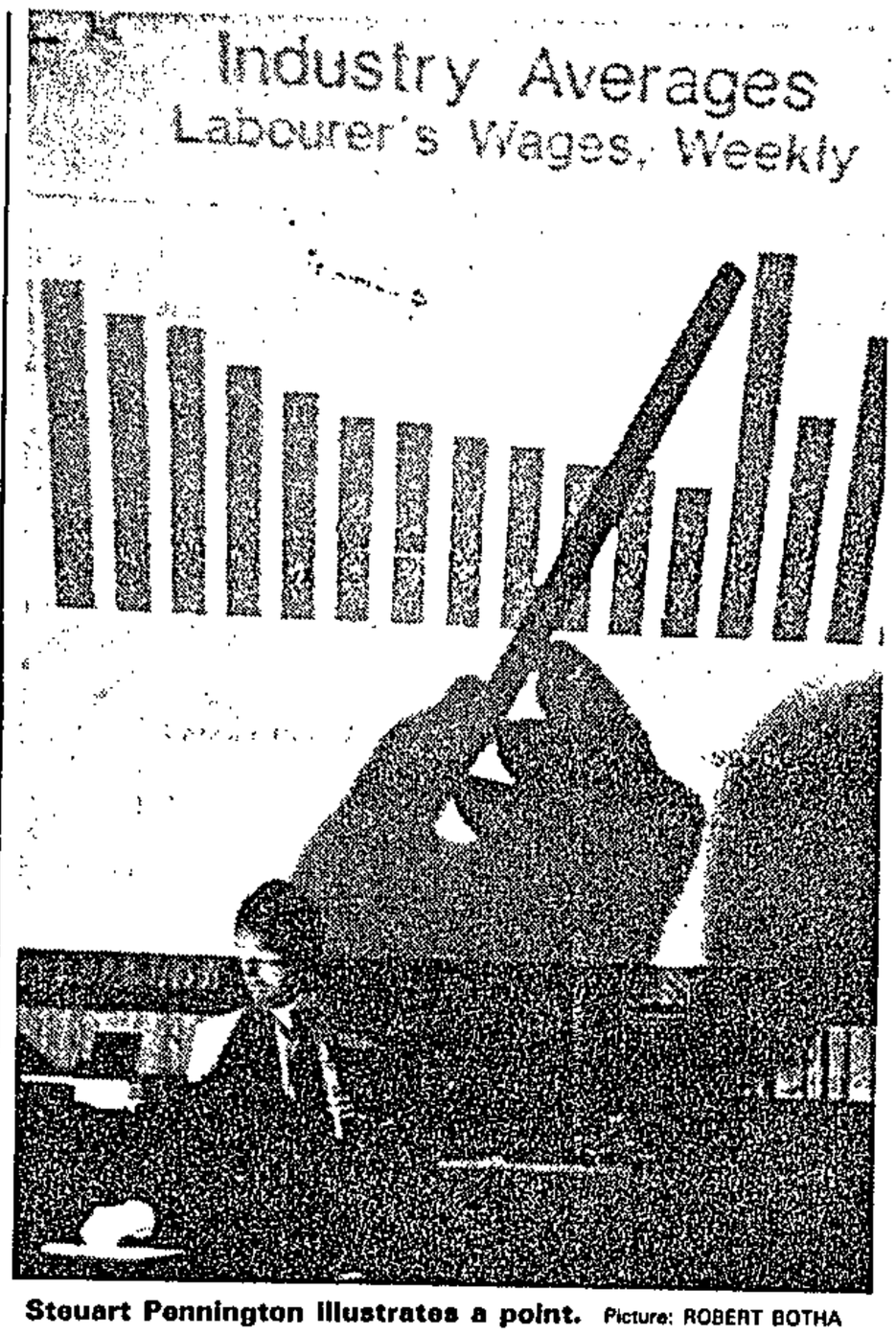
Eastern Cape salaries for secretaries were the lowest.

B/Day 8/6/90

State intervention 'necessary' to reorganise finance network

(345)

WILSON ZWANE



Stuart Pennington illustrates a point. Picture: ROBERT BOTHA

RESTRUCTURING private sector investment would require direct state intervention, Wits senior economics lecturer Mark Addleson said yesterday.

Speaking at a seminar on wage bargaining in Johannesburg yesterday, Addleson said the restructuring of financial networks comprising the conglomerates would not be accomplished by nationalisation.

"This would be best carried out by the use of anti-trust policy, specifically the dissolution of the holding companies which are the critical feature of SA's conglomerate structure" Addleson said.

"The controlled sale of the holding companies' shareholdings in operating companies would achieve a more equitable ownership distribution, especially if affirmative action was used to to promote black business ownership at the same time."

Also speaking at the seminar, industrial relations consultant Stuart Pennington said it would appear that the central reality for many workers was that the current wage was a quest for survival.

Employers should give this issue priority attention as the pressures for nationalisation and distribution mounted, Pennington said.

Addressing SA's housing problem, SPT Housing Consultants director Mike Morkel said the crisis was forcing the homeless and the underhoused to resort to squatting.

Morkel said the current housing backlog in black, coloured and Indian communities in the urban areas was acknowledged to be in excess of 1-million units.

"To meet these backlog requirements, plus to cope with the demand for additional homes from a growing population, requires that about 200 000 formal units be constructed annually for all groups till the turn of the century or beyond.

"The sad reality is that the construction sector is only delivering one-fifth of the required units annually," Morkel said.

"Access to land and housing underpins the very foundation of the economic power in SA," Morkel said.

SA Institute of Race Relations official John Kane-Berman said the state had to change its attitude to squatting.

"Squatting is now a solution to housing backlogs," he said.

Sanlam calls for lid on pay rises

(345) S/Times 22/4/90

Business Times Reporter

INFLATION, named public enemy No 1 by the Reserve Bank early this year, is still top of the hit list.

So much so that one of South Africa's top economists suggests that wage and salary increases might have to be limited — "as a short-term measure" — to below the inflation rate.

Sanlam chief economist Johan Louw writes in the group's Economic Survey that the "unacceptably high" inflation rate can be lowered only if strong monetary and fiscal discipline is supported by a more stable rand, restrained pay increases and and real efforts to increase productivity.

Unrest

"Everyone will have to make a contribution to lowering the high inflation rate to more acceptable levels.

"There is growing realisation that a significant drop in the inflation rate can be effected only by a comprehensive package involving the public and private sectors."

There is no instant solution to the deep-rooted problem, particularly for SA with its open economy, relatively small domestic market, extensive socio-economic problems and the strong unrest potential stemming from large-scale unemployment.

Mr Louw says it is generally appreciated that the maintenance of monetary and fiscal discipline must form the cornerstone of any anti-inflation policy.

In monetary policy the Government has been trying hard to limit excessive credit and growth in the money supply for a long time. This has been joined by the maintenance of positive real interest rates. It is official policy not to lower interest rates until there is a significant fall in the inflation rate.

Indication

The Budget was an indication that fiscal discipline is being used to curb inflation. The Government was trying to maintain a fairly stable external value of the rand to limit increases in the cost of imports and to give domestic prices more stability.

"This could makle a significant contribution to lowering the inflation rate," says Mr Louw.

Salary and wages represent a large cost input for nearly all industries.

"Adjustments — against a background of productivity changes — play an important role in cost and price levels of goods and services.

"The higher inflation rate, which consists of higher labour and other costs, is simply built into the next round of wage and salary adjustments, and so, with the help of a rise in the money supply, perpetuated.

JOHAN LOUW ... sacrifices to beat inflation

"To break this undesirable spiral we believe that — apart from all the other steps to lower the rate of price hikes — it might be necessary as a short-term measure to limit wage and salary increases to a rate even lower than the prevailing inflation rate.

"To achieve the desired results business will have to pass the 'savings' in labour costs on to consumers by means of smaller price increases.

"We are convinced that such action is essential to force the unacceptably high inflation rate down to lower levels."

Foreceful promotion of productivity could also make an important contribution to lower inflation.

Competition

"An imaginative programme to achieve this can be postponed no longer. That includes better tuition and training of manpower and the greater involvement of managements and trade unions in productivity programmes," says Mr Louw.

The promotion of effective competition should also help to reduce inflationary pressure.

It would include the promotion of the informal and small-business sector by accelerating the deregulation programme. Mr Louw says that in spite of steady progress in this direction, some laws, rules, regulations and practices hamper competition.

Privatisation, which could lead to more effective application of production factors and result in greater cost effectiveness and price stability, could also help to contain inflation.

Finally, the Competition Board could do more to promote competition, says Mr Louw.

Liquidity

Persistently high inflation is also adding to pressure to maintain high interest rates. Mr Louw does not expect any decline in prime overdraft rate before the third quarter of this year. He believes prime will stand at 19% at the end of the year.

Other factors militating against any early reduction in prime are the upward trend in foreign interest rates, indications that demand for credit is still strong and the fact that foreign reserves are still too low for comfort.

"It can be expected that the Government will take steps, if necessary, to rid the system of excessive liquidity to prevent interest rates from dropping too rapidly," says Mr Louw.

"If the present poor performance of the gold price continues, it will obviously defer any decline in interest rates."

Sanlam envisages long-term interest rates fluctuating around current levels for the next few months.

For written reply:

General Affairs:

Hout Bay: sewage

194. Mr C W EGLIN asked the Minister of Water Affairs:

(1) Whether an exemption permit has been granted to the Cape Western Regional Services Council to allow the discharge of sewage into the sea at Hout Bay; if so, when was it granted;

(2) whether, prior to the granting of the permit, his Department required a feasibility study of an alternative land-based sewage disposal scheme to be undertaken; if not, why not; if so,

(3) whether he will make public the results of such a study; if not, why not?

B474E

The MINISTER OF WATER AFFAIRS:

(1) Yes, on 2 May 1986.

(2) No. Local authorities and/or other institutions, normally appoint professionally qualified specialist consultants to investigate sewage disposal alternatives and to make recommendations regarding the best possible means of disposal. Upon receipt of the report by the specialist, it is studied by the Department of Water Affairs to determine whether the resultant discharge would be acceptable. There is no statutory provision for compulsory investigation of alternative sewage disposal schemes but the Department can, and has in the past, in some cases requested that such schemes be investigated.

(3) Falls away.

Originally it was the policy of the Department of Water Affairs to eliminate the disposal of raw sewage into the sea as far as possible. This policy was adopted at that time because there was then little knowledge about the effects of raw sewage discharge on the marine environment and little expertise was available for the proper design of marine outfall pipelines.

The Department of Water Affairs has a duty to review and adapt its water quality management policies continuously in the light of changing social, economic and technological circumstances, to ensure that the quality of the country's marine and fresh water resources is adequately protected. During the last decade sea water quality criteria were developed for beneficial use of the marine environment. Expertise on investigating the impact of marine disposal of effluents on beneficial use of the marine environment and on the design, construction and monitoring of marine outfalls was developed. The Department of Water Affairs' assessment is that these technological developments have now reached such a state that the same policies for effluent disposal in both the marine and fresh water environments can be adopted and subsequently a new policy was formulated.

In terms of the new policy the Department of Water Affairs will grant an exemption for the disposal of screened, macerated raw sewage into the marine environment if:

(a) It is neither justified nor practically feasible, in terms of water demand and supply considerations, to return the effluent to its source of origin or to utilise it as a source for re-use;

(b) the disposal of the effluent will not result in the deterioration of the marine environment to such an extent that it interferes with its beneficial use; and

(c) public opinion has been taken into consideration.

In terms of the above policy, the Department of Water Affairs, after receiving the application for an exemption from the said Regional Services Council, satisfied itself that it was neither practically nor economically feasible to require the treated sewage effluent be returned to its source or to be re-used. I may also add that a detailed investigation of the impact of the proposed marine outfall pipeline at Hout Bay on the marine environment was carried out during 1985 by the CSIR

according to the guidelines set by Report No 94 of the South African Scientific Programmes (Water Quality Criteria for the South African Coastal Zone). On the basis of this investigation the Department decided that the marine disposal of sewage under the conditions listed in the exemption issued would adequately protect the beneficial use of the marine environment at Hout Bay.

The present policy does not require an applicant to carry out a detailed and exhaustive comparison of alternative options for the disposal of effluent. I am also satisfied that at the time public opinion was taken into account and that it was not against the marine disposal of the effluent. It seems that since the time the exemption was granted public opinion has changed and turned against the marine disposal of sewage. If I now have to withdraw the exemption, it would result in fruitless expenditure by the Regional Services Council. As the exemption, when it was issued, met all the Department of Water Affairs' policy requirements, the said exemption remains valid and will not be reconsidered at this stage.

Civil pensioners

201. Mr K M ANDREW asked the Minister of National Health and Population Development:

(1) How many civil pensioners are there who retired (a) before 1960 and (b) during the period (i) 1960 to 1965, (ii) 1966 to 1970, (iii) 1971 to 1975 and (iv) 1976 to 1980;

(2) what is the average monthly pension paid to pensioners in each of these categories?

B481E

Hansard 17/4/90

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1)	(a)	Before 1960	785
	(b) (i)	1960-1965	1 373
	(ii)	1966-1970	3 204
	(iii)	1971-1975	8 590
	(iv)	1976-1980	15 970
(2)	(a)	Before 1960	R1 077,90
	(b) (i)	1960-1965	R1 094,72
	(ii)	1966-1970	R1 000,39
	(iii)	1971-1975	R 988,55
	(iv)	1976-1980	R 899,57

Bed occupancy rate at hospitals

212. Mr M J ELLIS asked the Minister of National Health and Population Development:

What was the average bed occupancy rate in 1989 in each specific hospital falling under the provincial administrations? B495E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

PERCENTAGE BED OCCUPANCY: PROVINCIAL HOSPITALS Hansard 17/4/90

The average percentage bed occupancy for provincial hospitals during 1989 is not readily available. The average percentage bed occupancy for provincial hospitals during 1988 was as follows:

	No of Hospitals	No of Beds	Ave % Occupancy
Cape Province	83	17 476	76,18
Natal	26	11 015	77,13
OFS	27	4 650	78,59
Transvaal	65	21 762	66,49

Labour Relations Act: wage regulating machinery

(345)

219. Mr P HP GASTROW asked the Minister of Manpower: Hansard 17/4/90

(1) How many (a) industrial council agreements, (b) conciliation board agreements, (c) arbitration awards, (d) Wage Board determinations and (e) orders in terms of the Labour Relations Act, No 28 of 1956, were in force as at 31 December 1989;

(2) how many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks were affected by each of the above five categories of wage regulating machinery as at that date? B547E

The MINISTER OF MANPOWER:

(1) (a) 147

(b) None

(c) 5

(d) 46

(e) 5

(2)

	(a) Whites	(b) Coloureds	(c) Indians	(d) Blacks
Industrial council agreements	172 138	196 576	64 617	536 590
	(Estimated figures)			
Conciliation board agreements	—	—	—	—
Arbitration awards	Figures are not readily available			
Wage Board determinations	169 000	135 000	39 500	554 550
	(Estimated figures)			
Orders (sect 51A)	All races: 142 800 (separate figures are not readily available)			

Note: Figures supplied are according to the definition of "wage regulating measure" in section 1 of the Labour Relations Act 1956. Some persons may be accounted for twice as all wage regulating measures are included. See paragraph 1.29 of the Department's Annual Report, 1989; as well as paragraph 24 of the Preface and Review.

Industrial Court: cases

251. Mr P H P GASTROW asked the Minister of Manpower:

(a) How many cases were referred to the Industrial Court, (b) how many of these cases were settled before evidence was called, and (c) how many *status quo* orders were (i) granted and (ii) refused, in 1989?

B641E

The MINISTER OF MANPOWER:

(a) 4 492

(b) 2 059 cases settled or withdrawn before hearing

(c) (i) 154

(ii) 183

Note: These figures are for the period 1 November 1988 until 31 October 1989. Please see table 1.1 on page 146 of the Department's Annual Report of 1989.

Industrial accidents

252. Mr P H P GASTROW asked the Minister of Manpower:

(1) (a) How many industrial accidents occurred in 1989 and (b) what was the total cost of these accidents to (i) the State, (ii) the Accident Fund and (iii) insurance companies;

(2) (a) how many persons (i) applied for and (ii) received compensation in terms of the Workmen's Compensation Act, No 30 of 1941, and (b) what was the total amount paid out in compensation, in that year;

(3) what was the total period for which the persons injured in such accidents were absent from work?

B642E

The MINISTER OF MANPOWER:

(1), (2) and (3) Figures for 1989 are not as yet available.

Industrial accidents

253. Mr P H P GASTROW asked the Minister of Manpower:

(1) How many workers (a) suffered permanent disablement and (b) died as a result of injuries sustained at work in 1989;

(2) (a) how many industrial accidents occurred in the Republic during the latest specified period of 12 months for which figures are available, (b) what amount was paid out by the Accident Fund in respect of such accidents and (c) what was the total period for which the persons injured in such accidents were absent from work?

B643E

The MINISTER OF MANPOWER:

(1) The figures for 1989 are not as yet available.

(2) The most recent figures available are for 1986.

(a) 247 784 as contemplated in the Workmen's Compensation Act, Act No 30 of 1941.

(b) R118 314 740,80

(c) 3 346 125 man-days

Note: Also see paragraphs 23, 27, 28 and 31 of the Accident Fund Annual Report 1989.

Director-General: administrative post

256. Mr C W EGLIN asked the Minister of Foreign Affairs:

(1) Whether a former Director-General of his Department, whose name has been furnished to his Department for the purpose of his reply, has been appointed to an administrative post in his Department; if so, (a) to what post, (b) (i) what are his powers, functions and responsibilities and (ii) over what areas will he exercise them and (c) what is the name of this person;

(2) whether any agreement has been reached with the present Government of Ciskei in relation to this post, if so, what is the nature of this agreement?

B667E

The MINISTER OF FOREIGN AFFAIRS:

(1) (a) Dr B G Fourie has been appointed on a short term contract in the Department of Foreign Affairs to act in an overall co-ordinating capacity in the Eastern Cape area as from 9 March 1990.

(b) (i) and (ii) He has no executive powers but acts in consultation with the Department of Foreign Affairs and the Ciskei Council of State in a co-ordinating capacity with regard to government functions in the region as well as those concerning relations between the RSA and Ciskei.

(c) Dr B G Fourie.

(2) The Chairman of the Ciskei Council of State was consulted on the desirability of the appointment and he welcomed the appointment.

SATS: publicity programme

258. Mr H H SCHWARZ asked the Minister of Mineral and Energy Affairs and Public Enterprises:

(1) (a) What is the cost of the publicity programme presently being conducted (i) on television, (ii) on radio and (iii) in the printed media by the South African Transport Services and (b) (i) for how long is it intended to continue with this programme and (ii) what is the purpose thereof;

(2) (a) what is the cost of the publication *Transnet — a leadership corporate profile* and (b) how many copies of this publication have been prepared?

B669E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES:

(1) (a) (i) R2 038 289,16

(ii) R191 709,54

(iii) R1 503 990,17

(b) (i) Television : until 12 May 1990
Radio : until 16 April 1990
Press : until 15 April 1990

(ii) To introduce the SA Transport Service's name change and to obtain the maximum acceptance for the new Corporate Identity.

(2) (a) R456 250,00

(b) 35 000.

Aggrieved parties: decisions/legal costs

260. Mr P J PAULUS asked the Minister of Manpower:†

(a) What amounts were paid by his Department in 1986, 1987 and 1988, respectively, in legal costs in respect of cases in which decisions of the Minister, Director-General and

Economic hopes raised by reform, study shows

ADELE BALETA

THE rise in political aspirations has not resulted in a massive increase in political hopes but rather an increase in economic expectations, the 1990 SA Township Annual has found.

The annual — compiled by Steuart Pennington and Associates and designed to close the information gap between management and labour — was based on a study of 36 townships serving major industrial areas.

In the annual's Industrial Relations (IR) review, Wage Bargaining Issues for 1990, the authors said the poltical climate, moves towards industry-wide bargaining, the housing and education crisis and the revival of "pension inadequacy perceptions" would be major influences on wage bargaining this year.

In addition, increasingly inflexible employment practices and poor business understanding would exacerbate these influences.

It appears progressive socio-political changes had created the expectation that similar changes in the economic environment would occur. "Demands for a fairer share" would intensify.

The wage bargaining agenda would change this year.

Employers needed to be more creative, flexible and aggressive and to move away from the "demand/response" syndrome of wage bargaining to a process of "exchange".

Adopting a more creative approach to granting increases was required, and suggestions included combining percentage with across-the-board increases, considering differential rand amounts per job grade, creating a reasonable differential between the increase on the minimum grade and the general increase for the grade. The myriad of leave demands should be rationalised, they said.

It was critical employers embarked on a "business awareness campaign" to empower all employees with a thorough knowledge of the business process they were involved in.

This year, the determination with which the union movement pursued centralised bargaining would increasingly conflict with the "purist view" of decentralised bargaining held by some employers, to the point of confrontation, the authors said.

It would be important for those employers opposed to and those for centralised bargaining to develop a consistent view in order to facilitate meaningful bilateral talks.

Housing, which had become an IR problem, was now second only to wages on the bargaining agenda.

Retirement

Employers needed to consider a wider range of assistance than bond collateral or other such "arms-length" facilities. Finding land and houses, providing assistance with purchase and bond "red tape", lending deposits and assisting with the fluctuating bond rates were some areas employers needed to consider.

Business had to focus on the quality of their pension/provident fund benefits and would need to recognise that demands for a reduction in the retirement age were a reality.

While the education crisis persisted, the need for workers to supplement the services provided by the Department of Education and Training by paying fairly substantial school levies would increase and employers would be expected to contribute, they said.

Despite positive political developments, the year ahead was fraught with political dangers, the authors predicted.

US do-gooders stick to the Sullivan path

S/Times 7/1/90 345

By David Carte

THE handful of American companies left in SA are still bending over backwards to do good.

The Signatory Association, comprising 59 US companies which continue the social programmes started by the Rev Leon Sullivan, has produced a 48-page report on the activities of its members to promote social justice.

The signatories report to management consultant Arthur D Little, compiler of the report.

Sanctions

The report, aimed at the pro-sanctions lobby in the US, details virtually every good work done by every American company in SA — but it does not mention outstanding companies by name because "full details ... would precipitate recrimination and reduce the effectiveness and willingness of companies to take further action".

In the year to June 1989, 11 companies withdrew because of divestment. That was less than the previous year when 22 stopped reporting. The size of the signatory work force fell to 27 036 from 33 451.

But the amount spent on social programmes rose to R86-million from R83-million. That means there was a 19% increase in spending per workforce member — from R2 600 to R3 100.

Since the programme was started in 1976, signatory companies have contributed R657-million for the benefit of blacks, coloureds and Asians in SA.

Several signatory companies helped to get employees released from detention. Almost all signatories adopted policies which provide for financial, legal and negotiating support for detained employees. Some have provided similar assistance to non-employees.

No less than 43% of the companies surveyed have allocated part of their contributions budget to committees of black, coloured and Asian employees, giving them a decision-making opportunity and the experience of defending their decisions to their own communities.

Signatories helped black entrepreneurs and protected hawkers from harassment. They spent R40-million on goods and services from black, coloured and Asian enterprises.

They also helped blacks to boycott Boksburg by providing buses to alternative shopping centres free of charge after the Conservative Party reintroduced petty apartheid.

Signatory companies helped to establish unified non-racial health and education facilities. They spent R37,5-million on educational assistance of non-employees, mainly children.

"Companies continue to organise events which bring students of all races together. They are supporting the growing number of non-racial schools and the admission of blacks, coloureds and asians into under-utilised white schools.

"Similarly, they are encouraging their employees to seek medical attention from white practitioners, who are more numerous and generally more available. This is made feasible by corporate medical aid."

Minimum

All signatory companies must pay a minimum wage of 30% more than the annually determined subsistence income.

"The subsistence income is determined for a family on the basis of one wage earner and five or six dependants, which is applied even if the employee is single with no dependants. The resultant minimum wage was a difficult challenge for many signatories in the manufacturing and agricultural sectors.

"The imposition of this standard has placed all signatory employees in a better economic position to fight the system. It, along with other enlightened employment practices ... has been acknowledged, even accepted by other SA companies."

More than half of the signatory companies paid a minimum wage of 50% more than Unisa's subsistence income.

Categories

The Signatory Association defines three categories of companies: those making good progress; those making progress; and those needing to become more active. No less than 72% made category one, 17% category two and 11% category three. All 59 signatories passed the basic requirements.

Companies that "passed basic requirements" but received low point rating were Donaldson Company Inc, Harnischfleger Industries, Ingersoll Rand, Joy Technologies and Joy Manufacturing, HH Robertson Co and Trinova Corp.

The principles of the signatory companies are: Non-segregation of work, eating, comfort and locker rooms, equal and fair employment practices for all races, equal pay for equal work, initiation and development of training programmes to prepare blacks, coloureds and Asians for more senior jobs, increasing the number of these people in more senior jobs, improving the quality of life outside work in housing, transport, schooling, recreation and health, and working to eliminate laws and customs that impede socal, economic and political justice.

THE WEEK IN BRIEF

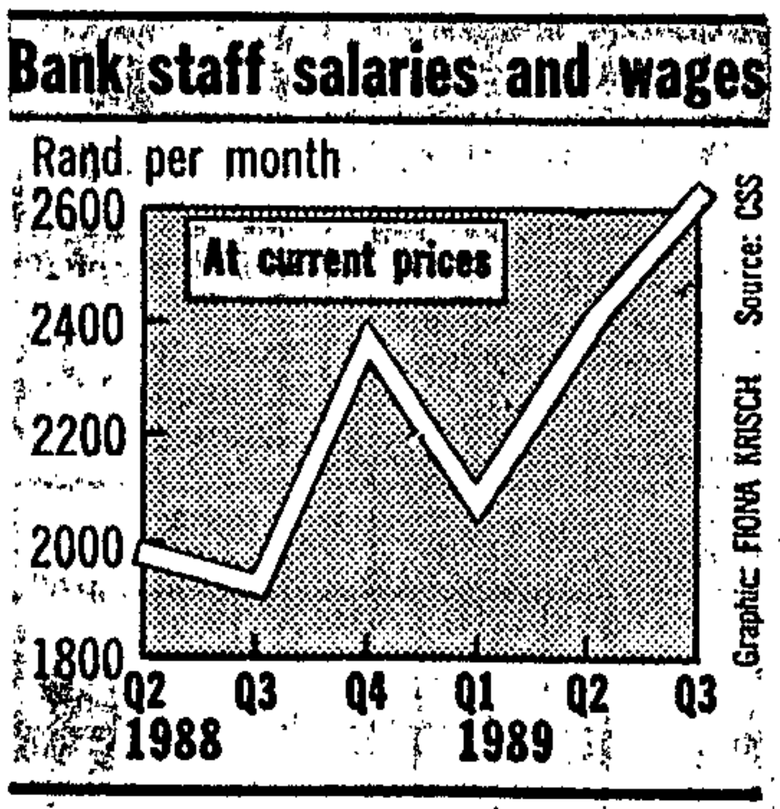
A SUMMARY of the week's corporate announcements.

Wednesday — Staalchem sells its steel roof-sheeting business to the former managing director for R9,8-million. The directors consider further disposals, caution urged.

Bankorp's rights offer 82,2% subscribed, balance underwritten.

Vlakfontein sells Droogebult for R16-million, settled by the transfer of 32-million Nigel shares currently held by Southgo. Vlaks to conclude operations within 18 months.

Liberty Life's capitalisation issue cash alternative is to be 960c a share.



Financial sector gets best wage increases

B/Day 5/11/90 GRETA STEYN (345)

THE financial services sector outstrips the rest of the economy when it comes to increases in pay packets.

According to Central Statistical Service (CSS) figures, the total wage bill for the industry grew at a rate dwarfing the rest of the economy (33,2% before inflation in the year to September 1989 — compared to an increase of 16% in remuneration of employees in the economy as a whole). Staff numbers grew at a far lower rate — 3,9% — during the same period.

CSS said employees in the financial services sector took home an average pay packet that was 10% higher in real terms

☐ To Page 2

Wage increases

(345)

☐ From Page 1

in September 1989 compared to the same month in 1988. Part of the huge jump could be explained by a pay-out of bonuses or profit-sharing in September 1989.

Bankers notched up an astonishing 17,2% real increase in their average monthly pay packets between September 1988 and the same month last year. Before inflation, this came to an increase of more than 30%.

However, the figure is subject to statistical noise because of the timing of bonuses and profit-sharing. These extra payments are included in the calculation for average monthly salaries.

Between June 1988 and the same month last year, the real increase was about 4% — still higher than the economy as a whole. The average monthly salary in the banking sector was R2 653 in September (at current prices). B/Day 5/11/90

Building society employees, by contrast, experienced a real decrease in average monthly wages between 1988 and 1989.

B.Day 2/11/89 (345)

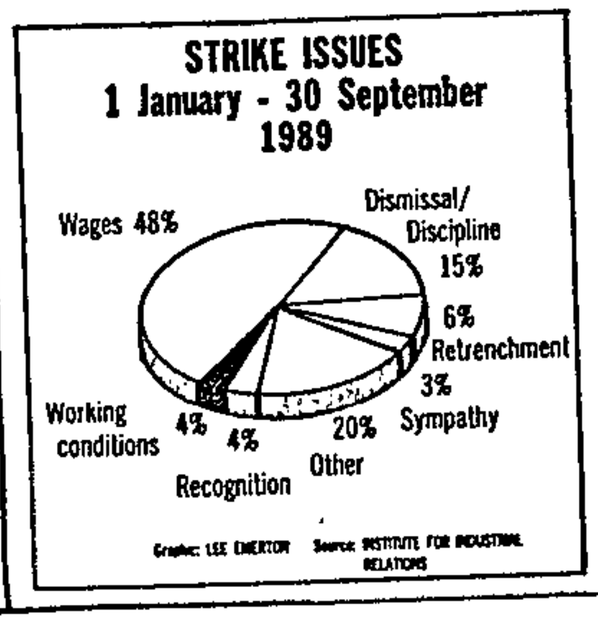
Wages trigger most strikes

ALAN FINE

NEARLY half the 205 strikes recorded by the Institute for Industrial Relations (IIR) in the nine months to September 30 were triggered by wage issues, an IIR report issued yesterday showed.

IIR senior professional officer Adrian Hersch said he expected wages to remain the largest single cause of strike for some time, as it would still take a number of years before historical racial wage imbalances were fully corrected.

The second largest category (15%) of strikes were over dismissals and other disciplinary issues.



Hersch noted a slow decline over the years in this figure, attributable to a greater realisation that disputes of right were more equitably settled by adjudication than by economic force.

However, he said, as long as unions perceived disadvantages in the use of the Industrial Court, such strikes would continue to occur.

The "other" category accounted for such issues as racial incidents, disinvestment, inter-union rivalry and stop order facilities, he said.

He noted the proportion of sympathy strikes had declined significantly in 1988 and this year, and said one factor causing this was probably the Labour Relations Amendment Act which decreed such strikes an unfair labour practice.

The majority of strikes (54%) had occurred in the PWV area, with the eastern Cape (13%) and Natal (12%) next in line.

The IIR study also found that 20% of the strikes had been in the chemical industry, 17% in metal, 13% in services (mostly black municipalities) and 11% in commerce and catering.

Less to spend for bosses

S/Times 1/10/89 (345)

SOUTH African executives have lost their leadership in terms of discretionary income which they enjoyed in the late 1970s and early 1980s.

A salary survey by P-E Remuneration Services shows that SA executives are now on a par with those in the Netherlands. They are followed only by their counterparts in Australia and the United Kindom.

The survey was conducted by looking at the buying power of net disposable income. That means net disposable income as a proportion of essential living costs.

The survey identifies American executives as having the greatest discretionary income, followed by those in West Germany, France and Belgium. SA has the highest inflation rate when compared with the other seven countries.

MARGINAL

Contrary to the trend identified in recent news reports, the survey says there has been no significant narrowing of pay differentials between white and non-white employees.

"Over the past year the wage gap has narrowed only marginally in the unskilled and skilled job categories for Asian, black and coloured employees.

"The wage gap at the semi-skilled levels has in fact worsened with a widening of between 1% and 5% when compared to the 1988 figures. The wage gap between males and females of all races has increased slightly since last year."

Analysing staff turnover, the report says it can cost the employer as much as 33% to 50% of an incumbent's annual salary. The figure for 1988 was 16%, and went up to 18% this year.

The mining sector was hardest hit with a staff turnover rate of 25%, followed by construction at 24% and distribution at 22%. The biggest drop came in financial institutions where turnover rates fell from 25% in 1988 to 15% this year.

Retrenchment figures increased to 3% this year from 2% in 1988, and 14% of companies foresee retrenchments in the coming year.

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Labour Update 16/5/89 Sowetan

Annual defines 'standard' wage

AN average household income of about R870 was needed to support "a modestly low" standard of living for a black family of five, but many black workers earned less than half the figure.

This is according to the South African Township Annual, a research document edited by Mr Stuart Pennington of the Industrial Relations Information Surveys.

Writing in the annual, Pennington says: "Wage negotiations are sometimes based on theoretical assumptions about living costs which take little account of actual living conditions in particular townships and the income required by a household to sustain a modestly low standard of living.

"The purpose of the annual is to provide 'live' data, based on interviews which will assist employers and employees negotiate on the basis of empirically based information rather than emotive threat," he says.

Data for the annual was garnered from 1 400 interviews in 28 townships, with the average size of family being 5,3 members.

The annual aims at providing those involved in wage negotiations with empirical data about expenditure, earnings and costs by township and by region.

In the last year, the average income required for a family of five had risen to R860,56 from R809,72 in at least 60 percent of the households, according to Pennington. There were, at least, two contributors to the "pot" at these households.

"The relatively low increase in the past year

MR PENNINGTON

By LEN MASEKO

is proof that 'belt tightening' is not merely an economist's favourite exhortatioin in inflationary times", he adds.

Regional surveys showed that different average household incomes were needed to sustain a "modestly low" standard of living: Pretoria - Witwatersrand - Vaal (R1 041,27), Eastern Cape (R746,23), Western Cape (R909,35), Natal (R825,63) and Free State (R828,54).

The survey also showed that Bekkersdal was inhabited by a population poorer than other communities in the Pretoria-Witwatersrand-Vaal areas with an unemployment rate of 57 percent. The average cost of living figure for the area was found to be R847,95.

Meanwhile Pennington predicts that housing will be the "hot topic" in employer-union negotiations in the next 18 months.

"Many current employer housing schemes are not yet meeting the needs of black workers. They tend to be based on inappropriate assumptions about financing and don't address the particular problem related to township conditions". For example financing is often based on remuneration calculations which include overtime".

The growing momentum of urbanisation had created further housing needs and pressure to upgrade existing homes.

Disappointment in store on pay rises

Star 23/6/89

345

Diagonal Street

DEREK TOMMEY

The latest money supply figures suggest that pay rises this Christmas, for the private sector at least, may not be as high as salary and wage earners expect or would like.

The figures show that the fight launched this year by the authorities to curb the money supply and so curb inflation has made an excellent start.

According to the Reserve Bank, the growth in the money supply came to a virtual halt in April and May.

In these two months M3 (the globular money figure) grew by only 0,2 percent to R126,2 billion. In the same two months last year the money supply grew by almost 10 times this amount — by 1,94 percent to R101,4 billion.

The lack of growth in the money supply in April and May is the result of less money being borrowed from banks and other private sector financial institutions. According the Reserve Bank, private sector borrowing in April dropped by R1,4 billion.

This is not surprising. The extremely high cost of borrowing (currently 19,75 percent and much more in some cases) must deter fresh borrowing while encouraging the repayment of existing debt.

And as these high rates continue, one must expect a further cutback in borrowings — and a further increase in anti-inflationary pressures.

The practical effect of the levelling off in the growth in the money supply is that firms which increase their prices must expect to sell less of their products. To get away with a price increase there must be a corresponding increase in the money supply.

But if the money supply has stopped growing, as it apparently has, a price increase means that the public has to cut back on its purchases of that product.

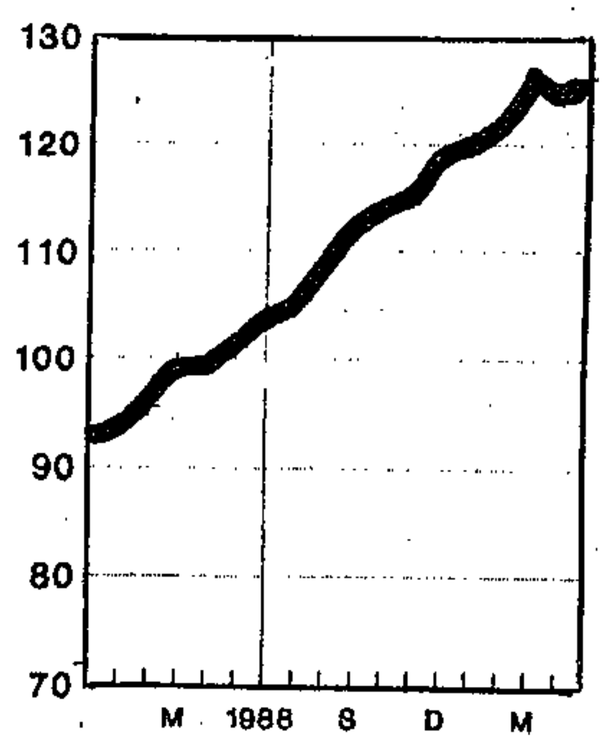
So a price increase can no longer be relied upon to generate higher profits. In fact it could even lead to lower profits if the increase leads to a sharp drop in sales. Clearly, with the cost of imported goods and particularly petrol still rising, some companies could be heading for a rough patch this year.

If they find they are unable to pass on price rises in full, then their profits will be squeezed. In fact some manufacturers and retailers already seem to be facing this problem.

However, a little hardship would be justifiable if this process achieves its intended aim of stopping the continual increase in prices.

I recently asked a former top South African businessman, now a top American businessman, what was the difference between working in South Africa and in low-inflation US. His prompt reply was: "When you get a pay rise there it means something."

Perhaps, if the authorities continue to control the money supply and don't shoot themselves in the foot by overpaying the public service, pay rises in this country might come to mean something too.



The overall money supply grew a mere 0,2 percent in April and May to total R126,2 billion.

Wage gaps between whites and blacks seem to be widening

By Michael Chester

New evidence of the huge size of the pay gap between white and black workers has been provided in a review of trends inside a number of key business sectors that between them share a labour force of more than five million employees.

The review, compiled by Central Statistical Services, traces the changes in the pattern of overall recruitment and salaries and wages from 1987 to the end of last year.

Socio-political reformers will be heartened by news that in all sectors — with the exception of the construction industry — it was the pay packet of the black worker that grew fastest, at least in percentage terms, if not in actual rand terms.

However, the review also unearths evidence of major differences in the pace of moves to close the wage gap from sector to sector.

For example, the average pay packets of the 175 000 black workers in the sector covering transport and communications barely stayed ahead of inflation, with increases of 15,1 percent over the 12 months.

This is the sector that embraces all road and rail services, the Post Office and the SABC.

One consolation was that at least the increase seemed far better than the 6,6 percent average raises awarded their 150 000 white workmates.

Even that fragment of comfort was overwhelmed, however, when the average wages of black workers, now at R761 a month, had to stand comparison with an average R2 227 paid to white colleagues.

Still, the R761 looked an improvement on the R610 a month average still being earned by 215 000 black workers in the construction industry — even after they had received a 17,1 percent pay hike.

And here the pay gap was even wider, with white workers enjoying a 22,3 percent jump in pay to R3 166 a month.

In the manufacturing industry, it was the 716 000-strong black labour force which enjoyed the 22 percent scale of increases in average pay — pushing it up to R914 a month.

Here, the 295 000 whites on the payroll received increases of a more modest 15,8 percent.

But they were enough to push their average wages to R3 141 — more than three times higher.

More doubts about the reliability of percentages in tracking what is happening to the pay gap emerge when one examines trends inside the wholesale/retail trades.

The increases in the average pay of the 360 000 black workers employed here last year were among the best of all, racing ahead no less than 37,6 percent, while 266 000 white workers had to settle for raises of less than 19 percent.

In the end, however, the new black average of R644 still looked a long way off the R2 144 white average.

Not only that, the pay gap of R1 335 a month at the end of 1987 has now swollen to R1 500.

The quirks of statistics can also be put to the test with a closer look at pay patterns at Eskom.

Here, black employees received average increases of almost 27 percent, lifting pay to R1 377 a month, while white raises seemed to trail behind at 11,5 percent, setting pay at R3 666.

What happened to the pay gap in actual rands?

In 1987 it was R2 202. Now it has crept up to R2 289.

It all somehow seems to sum up the perils of statistics.

MINIMUM WAGE FOR ALL IS A DICEY DO

S/Times 26/8/90

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MANPOWER MIRROR

By Adrian Hersch

COSATU'S proposed statutory national minimum wage is coming under fire.

A national minimum wage would force some businesses to close, and others to increase mechanisation, leading to redundancy, it is said.

A minimum wage recommendation of R700 a month — or R160 a week — will be discussed at a Cosatu conference next month.

A researcher of the South African Clothing and Textile Workers Union (Sactwu), one of Cosatu's largest members, says a national minimum wage presents difficulties because of the varying cost structures of industries.

Some are capital intensive, others use more labour. There are also differences within industries.

Structure

He says of the clothing and textile sector: "Urban and rural businesses are different. Although some employers may have chosen decentralised areas in avoid dealing with unions, the reality is that they budgeted for a specific cost structure.

"One wants to secure the best possible wages, but cannot at present expect rural rates to be the same as in the urban areas. If they were, some of the rural companies would be forced out of business."

He believes that centralised sectoral bargaining, which would set a statutory minimum for all in the industry, but with different rates for different areas, is practical.

Cosatu envisages the national minimum wage applying to all industries, except perhaps domestic service.

The proposal has caused concern among farmers. The SA Agricultural Union (SAAU) strongly opposes implementation of the Wage Act in farming, arguing it would lead to a decline in employment. There are fears that mechanisation would have to be increased.

Thousands of jobs were lost in agriculture after Zimbabwe imposed a minimum wage in 1980.

National Union of Mineworkers (NUM) economist Martin Nicol says that if a minimum wage were enacted by Parliament, it would be necesary to intrroduce other measures to create jobs. A scheme similar to that of the national employment project adopted in the US in the depression of the 1930s is envisaged.

However, Wits Business School senior lecturer in economics and consultant to Econometrix Mark Addleson says the position in SA cannot be compared with that of the US — even in the depression.

SA has endured an unemployment problem since 1975. It is not a cyclical problem. The manufacturing sector, for instance, employs the same number of people now as it did 15 years ago. Employment has fallen in construction.

Vigorous

The US used Keynesian policy in the 1930s to stimulate demand and so create jobs.

"The United Styates, unlike South Africa, was a vigorously growing, highly competitive country."

Mr Addleson says statutory increases would increase joblessness, resulting in an employed elite. A better solution would be for wages to increase in line with productivity.

Changes in the broader socio-political sphere, including measures to enable stable family life, would have to be achieved.

"It would also require commitment to training and an effective education system."

Productivity not keeping pace with wage increases

Sowetan 4/9/90

WAGES and salaries increased by an average of 25 percent per person a year while output has not gone up at all, Manpower Minister Eli Louw said in Johannesburg yesterday

Speaking at a dinner in honour of national productivity award winners, Louw said South Africans as a nation could not consume more than was produced.

"If we cannot produce more per person, we cannot consume more per person.

"Already we find that we are pricing ourselves out of international markets," he said.

The Government and the private sector must work together to develop training methods.

Louw said he wondered if organised labour, which in the past had used the marketplace as there was no other political forum, would continue along this path.

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"Will this approach still be appropriate in the new South Africa where different circumstances will prevail and where everybody will be required to make a maximum contribution to wealth creation?"

He warned against excessive demands within the labour market by "have nots" and growing labour unrest causing growing unemployment, lack of investment and poor returns on capital. - *Sapa*

Wage shocker

Sowetan 5/9/90

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A TOTAL of 68 percent of all African families live on less than R600 a month, according to research published yesterday by the South African Institute of Race Relations.

Writing in the latest edition of Social and Economic Update, Ahmed Jooma, a research officer at the Institute, shows that 68 percent of urban African households have an average household subsistence level (HSL) of R564 a month, whereas 60 percent have an HSL of less than R500 a month.

Jooma says in 1981 African workers collectively earned about half the amount whites did.

Despite a narrowing in the wage gap between race groups - blacks are now earning 70 percent of the amount earned by whites - the difference in the income level between blacks and whites remains substantial.

Turning to the subject of unemployment, Update notes that official figures estimate that there are three million unemployed people in South Africa. Two million of those are subsistence farmers and people in the informal sector.

Statistics indicate that about 400 000 people enter the job market every year, although few jobs are available.

Jooma's research suggests that this is because of the mismatch between the academically oriented system of education and the need for people with technical skills.

Currently there are 13,6 million economically active people in South Africa and the homelands, 58 percent of whom are employed in the formal sector.

A total of 2,7 million blacks were employed in the informal sector in October 1989.

Despite poverty and poor living conditions, however, statistics prove that the infant mortality

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Wage gap between blacks and whites 'remains substantial'

Business Day Reporter

SIXTY-eight percent of black families live on less than R600 a month, according to research published yesterday by the SA Institute of Race Relations (SAIRR).

Research officer Ahmed Jooma says in Social and Economic Update that the average household subsistence level (HSL) of urban African households is R564 a month, whereas 60% have a monthly income of less than R500 a month.

Jooma says that in 1981 black workers collectively earned about half the amount whites did.

Despite a narrowing in the wage gap between race groups (blacks are now earning 70% of what whites are), the difference in the income level between blacks and whites remains substantial.

He says official figures estimate that there are three million unemployed people in SA. Two million of those are subsistence farmers and people in the informal sector.

Statistics indicate that about 400 000 people enter the job market every year, although there are very few jobs available.

There are 13,6-million economically active people in SA and the homelands, 58% of whom are employed in the formal sector. A total of 2,7-million blacks were employed in the informal sector in October 1989.

The black infant mortality rate declined from 76 per 1 000 live births in the four years between 1970 and 1974 to 62 per 1 000 in the years 1983 to 1987.

From 1980 to 1984, the infant mortality rates for Indians, whites and coloured people per 1 000 live births were 20, 13 and 57 respectively — a decline in comparison with the period between 1970 and 1974 when figures were 38, 20 and 98 respectively.

'No' to labour's turnabout on living wage

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South 13/9 - 19/9/90

A campaign for a national minimum wage was one of the key issues discussed at Cosatu's campaigns conference last weekend.

In an earlier article, SOUTH labour reporter Chiara Carter looked at the arguments underlying the call for a national minimum wage.

Another view being debated in labour circles is that the proponents of a national minimum wage are working from an essentially reformist basis and that, instead, a revived living wage campaign is needed:

COSATU'S Living Wage committee has recommended a national minimum wage of R700 a month.

The committee stresses it is necessary to distinguish between the national minimum wage and the living wage.

The committee said: "The living wage has been estimated at between R1 140 and R1 500.

"This is our goal. But for many workers, this goal is still very far away. Their wages are too low to reach the living wage in one jump. They need a stepping stone."

Since 1981, the democratic movement has generally accepted that fighting for a living wage is one of the most important struggles of the oppressed and exploited.

Starvation

The struggle of the working class and its allies took a great step forward when Fosatu demanded that workers reject all attempts to make them accept starvation wages under the pretence of using so-called scientific surveys like the poverty datum line or the minimum living level.

Not only were these surveys based on incorrect information; they were also decided without consulting workers.

The labour movement recognised that workers had to have a say in formulating wage levels. The level of wages was arrived at by the strength of workers and their organisations — not by scientific surveys.

Fosatu said: "A living wage is a combination of two factors — what workers decide they require to live and what workers are able to get from their managements at both national and plant-based negotiations, based on the company's ability to pay, its profits and the ability of the union to get higher wages in the company."

At its founding conference in 1985, Cosatu stated there should be a campaign for a national living wage.

The federation's Living Wage Campaign (LWC) was launched in March 1987.

Cosatu showed that the struggle was not a narrow union campaign but one which involved the whole class.

Imagination

The demand for a living wage captured the imagination of the working class and its allies.

Many militant battles were fought under the banner of the LWC, supprted by a range of groupings within the mass democratic movement.

Service organisations tied to the labour movement, such as the Labour Research Service (LRS) and the Community Research and Information Centre (Cric), set about working out an amount for a living wage.

On the basis of these estimates, workers began to agitate for R1 500 a month.

Since the beginning of this year, however, it has been argued that the demand for a living wage is not viable as a short-term demand.

Instead, organised workers should fight for a national minimum wage — which is not the same as a living wage. This national minimum wage should be made law.

The call for a national minimum wage comes from organisations and institutions which are part of the democratic movement.

More striking is the fact that the call is counterposed to the living wage. The figure mentioned most often (R700 a month) is about the same as the poverty datum line.

The LRS has spearheaded this argument by saying a national minimum wage demand would provide a realistic and popular target for all workers earning less than the national average of R667 a month.

It would unify union campaigns. Unions could present a united front between high-wage and low-wage industries.

It could also provide a basis for unity within decentralised companies like Barlow Rand.

Union demands would be standardised within a minimum of R700 and a target wage of R1 140.

Farm workers can easily demand this minimum.

A similar argument was put forward by Rene Roux in the SA Labour Bulletin.

This is a marked break with the previous positions of the labour movement.

Why the turnabout?

The first reason put forward by the minimum wage proponents is the weakness of the LWC.

The second is the "unrealistic nature of the demand of R1 500 per month".

Both the LRS and Roux take as their premise the weaknesses of the LWC and conclude a national minimum wage campaign — without showing that the problems of the LWC are insurmountable.

There have been serious weaknesses in the LWC, but the way to overcome these is to revive the campaign with the struggles in 1990 used as a preparatory phase for a unified LWC aimed at the state in 1991.

Regarding the "realistic figure" of R700, who decides it is realistic?

It is argued that figures must be scientific — or they may be open to attack from the employers.

Prejudice

There is an underlying reformist assumption to this approach.

The debate about whether a figure is scientific does little to serve the interests of the working class. It is merely an attempt to serve the prejudice of the ruling class under the guise of being scientific.

The arbitary nature of these "scientific figures" is reflected in the absence of any agreement on what the exact figure is, even among progressive service organisations.

Marx said the value of wages is formed by two elements — the one physical, the other historical and social.

In South Africa, like in all capitalist countries, the social conditions of the different classes differ widely.

How the wealth produced is shared is in turn a product of class struggle.

The living wage cannot be separated from the minimum wage.

The living wage cannot be empiri cally determined; it is determined in struggle.

There are many theorists who maintain workers who get poverty wages are being cheated and it is necessary to convince the bosses to be fair.

This is the approach that service organisations adopt. Certain levels of wages are achieved only in the process of mobilisation; they cannot be predetermined scientifically.

It is clear that a figure arrived at in this process will be a living wage as it reflects best the strength and confidence of the working class and its consciousness and aspirations at a given stage of class struggle.

A figure arrived at in this way is the only conceivable minimum. It shows the rest of the working class what can be achieved and therefore defines this new level of wages as the new terrain of struggle.

The LRS acknowledges that a minimum wage campaign can only be successful if the high wage unions play a leading role.

If both the minimum wage and the living wage are arrived at through the same process of struggle, then the minimum wage must be the living wage.

The attempts by the LRS to separate the living wage from the minimum wage must be rejected as being the result of ruling class pressure on reformist elements in the mass movement.

Although the LRS, Roux and the Living Wage Committee take as their starting point the plight of non-unionised workers who form 79 percent of South African workers, and workers outside capitalist relations, such as domestic workers and the unemployed, the method used to rescue them defeats the whole purpose.

Missing

Both the LRS and Roux argue that workers earning above the proposed minimum should continue to struggle for a living wage, while those in the low income industries should struggle for the minimum.

What is missing is any assessment of how the living wage campaign could avoid the present problems and how it would relate to the campaign for a national minimum wage.

Despite lip service to the LWC, the effect of the LRS position is that at best the LWC is weakened, at worst dropped.

Those earning above R700 will struggle for a LWC alone; the struggle for a living wage will no longer be a unified campaign.

Even more criminal is that a Cosatu affiliate, the South African Domestic Workers' Union, is excluded.

The Living Wage Committee has failed to link the national minimum wage campaign with the struggle for a living unemployment benefit.

A major weakness of the LWC was that different unions fixed the living wage at different amounts.

Fate

The absence of a specified figure and the failure to target the campaign at the state led to the LWC becoming little more than individual unions conducting normal union wage negotiations with bosses and calling these demands a living wage.

The minimum wage campaign is in danger of a similar fate.

The living wage committee sees the national minimum wage as a struggle directed at the bosses and not the state.

For both the LRS and the living wage committee, the struggle will be directed against the bosses and the demand for a legislated minimum postponed until a post-apartheid government comes into power.

This does not take into account the experience of the working class.

The militancy of the working class forced the government to legislate trade unions for African workers in 1979. It was also the militancy of the working class that has made the government reconsider the Labour Relations Act.

We need to reject the national minimum wage and instead fight for the revival of the Living Wage Campaign as one which stipulates a specified amount and is directed at the present state for legislating.

FLASHBACK: Workers demanding a living wage PIC: RASHID LOMBARD

Nationwide minimum pay the goal

Unions launch wage campaign for workers

Sowetan 19/9/90

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A nationwide minimum wage campaign is being organised by the Congress of South African Trade Unions, which is due to hold a conference later this month to discuss how the minimum wage should be structured. Labour reporter BRENDAN TEMPLETON looks at the viewpoint of the South African Clothing and Textile Workers Union.

FOCUS

SOWETAN REPORTER

THE coming trade union campaign for a minimum wage should be designed to suit the needs of different industrial sectors.

This is the opinion of the South African Clothing and Textile Workers Union (Sactwu) collective bargaining and research centre, which believes a blanket approach to establish a single nationwide minimum wage would harm the economy and workers' interests.

The Congress of South African Trade Unions is planning a nationwide campaign to establish a minimum wage and is due to hold a conference later this month to discuss ways of implementing a minimum wage.

Viewpoints which have emerged so far can be divided into two main camps - those calling for a single national minimum wage (NMW) and those who believe it should be established according to the economic circumstances of different industrial sectors.

Approach

Sactwu favours the latter and has outlined its reasons in an article for discussion at the coming conference.

It believes such an approach will accommodate the needs of workers and ensure a healthy economy in a post-apartheid South Africa.

A sectoral minimum wage (SMW) can also act as a stepping stone to the eventual establishment of a NMW and, eventually, a living wage when economic conditions allow, it says.

"We must develop a minimum wage policy that is effective, that is capable of being implemented, that is appropriate to help uplift our apartheid ravaged economy and that can be effectively monitored and directly administered by the working class and their organisations," the trade unions.

Sactwu lists five reasons why a SMW is more practical:

* Industry economics differ from sector to sector and some are able to pay a higher wage than others. Without taking into account the unique cost structures and other features of a particular industry, its short, medium, and long-term wellbeing could be jeopardised if it is unable to meet the national minimum wage.

* Employment and unemployment is one of the main crises facing South Africa and a NMW may lead to greater mechanisation by businessmen who cannot afford the higher wage. This happened in Zimbabwe when NMW legislation was passed and thousands lost their jobs between 1982 and 1984, despite a law forbidding retrenchments "without sound financial justification".

Workers would be protected best if the policy addresses itself to the low wage industries separate from the relatively higher paid industries. Other businessmen could also move to neighbouring countries in an attempt to find cheaper labour.

* Collective bargaining would be undermined for workers in sectors which could afford to pay higher wages than the legislated NMW.

Experience

Employers would say there was no need for them to pay higher wages as they are already paying above the Government's legislated minimum.

Again, this was the experience in Zimbabwe where unionists found fixed wages effectively undercut their ability to bargain for higher wages for their members.

* Regional disparities also have to be taken into account. Rural employers pay lower wages and ignoring this may have the effect of wiping out all industries within those areas.

The over-concentration of the industries in the four major urban areas - Cape Peninsula, Port Elizabeth/Uitenhage, Durban/Pinetown and the PWV area - will not disappear overnight. The removal of subsidies or the industrial decentralisation package as a whole would lead to more unemployment in rural areas.

* A post-apartheid economy would have to adopt policies to eradicate poverty and to stimulate growth. A NMW would force some industries to raise the price of their goods, making them less competitive in export markets. Without exports it would be difficult for the economy to develop.

The manufacturing sector would have to develop the internal market by producing goods which people need, such as cheap and good quality clothing and cheap processed food.

Sactwu believes employers should be forced to come together and negotiate the SMW with unions - otherwise the unions would just go ahead and set it without them.

SMW legislation would oblige employers to disclose their financial positions and they would have to meet respective unions at least once every year to determine their minimum sectoral wage.

Black salaries are lagging far behind

DESPITE the pace of political reform, the average black employee is almost six years behind his white counterpart in salary.

Black Jobs MD Dalene Stiff says over the past two years her company has monitored salaries paid in Johannesburg in several categories.

"Based on a portfolio of more than 10 000 black job applications, we have found blacks are earning the equivalent of what white workers with similar qualifications and experience were being paid during 1984," Stiff says.

"This is particularly true in small to medium-sized companies and in posts such as administration clerks, telephonists and general office secretaries.

"The major corporations are an exception, upholding their claim of equal pay for equal work and equal opportunity regardless of race, sex or creed."

No option

A company can often save up to 50% on a salary be employing a qualified and experienced black person.

At the same time, economics dictate that many black people have no option but to take the job at a below-average salary.

"The gap can be attributed to a perceived supply and demand situation," Stiff says.

"The perception is that there is a shortage of skilled staff — and if an employer insists a white person be recruited, the employee could be in a position to demand remuneration at an inflated level.

"On the other hand, the oversupply of black job-seekers ensures black employees accept what they can get because the alternative is no job at all."

Other factors also put the employer into a strong bargaining position when recruiting a black employee, she says.

For example, few blacks below senior management level are recruited through traditional channels, such as recruitment agencies.

This is partly because many agencies prefer not to devote their resources to job categores that pay less than R1 500 a month.

B/Day 26/9/90

Explosive

As a result, black people in these fields are recruited by word of mouth, by answering classified advertisements and by knocking on doors.

"The salary gap between white and black staff is a potentially explosive issue that could become important in the SA of tomorrow," Stiff says.

"Political parties to the left are already calling for the redistribution of wealth and accelerated black advancement.

"Pressure from the political quarter to redress salary imbalances will be led by trade unions."

The personnel recruitment industry, she says, has a part to play in defusing this situation.

"By bringing together black office staff and employers, the industry can play a mediating role.

"The opportunity is there to help close the salary gap, ease unemployment and help employers discover the skills shortage is not as drastic as many would have us believe," she says.

A powerful weapon of struggle

South 27/9 - 3/10/90

By MARTIN NICOL

THE article published in SOUTH (Sept 13 to 19) on the national minimum wage debate in Cosatu is not fair to the Living Wage Committee or to the service groups whose advice we use.

The anonymous author says it is "reformist" to demand a national minimum wage. In fact, it would be a powerful weapon of struggle.

The debate on the national minimum wage is part of an effort to transform the ideas contained in the Freedom Charter into concrete policies for which we can fight.

The demand for a national minimum wage is one of the key demands of the charter — but it only makes sense to call for it if the amount is stipulated in rands.

The Living Wage Committee is open to all Cosatu affiliates. It meets every two weeks. The committee was asked by a Cosatu conference to do research into the minimum wage issue and we asked several service organisations to respond to certain questions we formulated.

We found that 74 percent of black households earn less than R700 a month.

We found that the wage gaps between black workers are growing at an alarming rate.

The working class is being divided by economic forces so that workers who do the same kind of jobs earn different pay. A cleaner in the chemical industry can earn R1 200 a month. In some municipalities, cleaners get only R108 a month.

The idea of a national minimum wage is to set a lower limit to wages. This reduces wage gaps by raising low wages — not by reducing high wages. And it can build solidarity between high- and low-paid sectors.

The national minimum wage can be used to set a floor to wages in the economy. In some sectors (like mining and the public sector) it will be a goal. In other sectors it will be a safety net to stop employers exploiting more vulnerable workers.

The debate in Cosatu is partly about the level we should set for a national minimum wage and partly about whether it should be set on a sectoral basis.

The demand for a national minimum wage is already supported by demands for better UIF benefits, welfare payments, shorter hours and centralised collective bargaining on wages.

It has never been seen as the basis for an independent campaign. In fact, it is seen as one of the legs of the campaign for a living wage.

You can't end poverty if you don't end low pay. That is the main message in the demand for a national minimum wage.

Stepping stone

No worker should get paid less than the National Minimum Wage. As long as capitalism rules, minimum wage legislation is the only way to root out super-exploitation. Unions can build on the base it provides.

The national minimum wage is a firm stepping stone towards a living wage.

(Martin Nicol is a National Union of Mineworkers representative on the Cosatu Living Wage Committee. He writes in his personal capacity.)

● The article referred to above was an edited version of a discussion paper which, although anonymous, was widely circulated in labour circles.

A previous article in SOUTH presented the case for a national minimum wage, and earlier this month SOUTH published an article which argued that a national minimum wage is a "reformist" concept.

In two additional contributions to the debate, the South African Clothing and Textile Workers' Union (Sactwu) presents the case for a sectorally-based minimum wage and a member of Cosatu's Living Wage Committee responds to the "reformist" critique.

Society at large must gain from living wage

South 27/9 - 3/10/90

MINIMUM wage resolutions should be implemented in such a way that they will benefit all workers and society at large.

The best way to implement the policy is not by forcing employers of every industry to implement the same minimum wage.

Instead, legislation should be introduced to compel all employers within a particular industrial sector to set a floor on wages for all workers who work within the sector — a national minimum determined sectorally.

A government-backed national minimum wage — a wage which will cover all workers, irrespective of the sector they work in — could have dramatic effects on the viability of every industrial sector.

If we set an across-the-board minimum wage without considering several unique factors which have an impact on every industry, we may adversely affect the future of many of these industries.

We may completely wipe out some industries which will be vital for the social and economic reconstruction of a post-apartheid society.

Some sectors of our economy can pay better wages than others because different factors affect industrial sectors differently.

That some industries retrench when others are employing new workers shows clearly that there are differences between industries.

A minimum wage determined according to the cost structures of each industry would be better able to look after the interest of that sector and the interests of the workers employed there.

A key objective of wage fixing is to protect vulnerable groups of workers who are in a weak position in the labour market.

The sectorally-based minimum wage approach argues that these workers could best be protected if the policy addresses itself to the low-wage industries separate from the relatively higher-paid industries.

If the introduction of a minimum wage does not take the cost structure of each industry into account, the result will be disastrous: Employers may be forced out of business if we demand that the government introduces a minimum wage of R700.

Profits in the clothing industry are not as high as in the chemical industry. The cost structures of the agricultural and domestics sectors would mean that hundreds of thousands of workers would lose their jobs.

Farmers would buy more tractors, white madams would buy dishwashers.

Sectors in which the objective is efficiency, not profit — like the municipal, post and telecommunications and other state sectors — may be seriously affected.

One of the main crises facing South Africa today is the high rate of unemployment. A nationally effective minimum wage might discourage entrepreneurs from establishing new businesses, while others will use more machinery or move their businesses to neighbouring states.

There is no indication that a future government will have the financial resources to create jobs which will pay the minimum wage.

Thus legislation designed to help the majority of the population could have the inverse effect.

After the liberation war in Zimbabwe, the government introduced minimum wage legislation. The effect was a massive rise in the number of unemployed as thousands of workers were retrenched between 1982 and 1984.

Only legislation that allows each sector to set its own minimum wage will be able to address these problems. The people most familiar with the cost structure and other characteristics of the industry could set an appropriate wage, looking to the short, medium- and long-term viability of the industry.

While most sectors fall below the R700 minimum, there are some industrial sectors in which workers are earning a higher wage than the proposed minimum.

A generalised national minimum wage could undermine the campaign for a living wage in these industries.

In Zimbabwe, unionists found that the government's intervention to fix wages undercut their ability to bargain for higher wages for their members.

A minimum wage should also take regional disparities into account.

A policy which does not take into account the fact that rural area employers pay lower wages may have the effect of wiping out all industries in the rural areas.

The sectorally-determined wages could have built into them a commitment to closing the gap between rural and urban areas.

Central to the minimum wage debate are debates concerning the South African economy.

We are inheriting a troubled economy which has seen decades of apartheid maladministration; an economy characterised by low wages, high unemployment and high inflation, leading to poverty.

We will have to adopt policies to ensure poverty goes and the economy grows.

Economists suggest that part of the answer is for South Africa's industry and commerce to become more competitive in the export market.

An across-the-board minimum wage will mean that some industries might have to raise the price of the goods produced to stay in business.

This will make South African goods more expensive than those of other countries. It is difficult to see how our society can develop without exports.

A sectorally-based minimum wage will have a much better chance of ensuring our goods compete effectively on the world market and provide much-needed foreign currency.

We need not only a sound mining sector, a healthy agricultural sector, an efficient services sector, an industrious construction sector but a vibrant manufacturing sector.

This sector must provide goods people need.

We envisage that the government should legislate that each of the 13 broad industrial sectors identified by Cosatu should have its own minimum wage.

The government should compel employers and trade unions in each sector to determine the wage.

A system of centralised bargaining — a goal of all Cosatu affiliates — would emerge quickly in this process.

The government would have to pass legislation for employers to disclose their financial position.

Once a floor has been set in each industry, the federation's affiliates could attempt to create a single national minimum wage. In this sense the sectorally-determined minimum wage can be viewed as an interim step towards a single national minimum wage.

(This is an edited version of a paper submitted to Cosatu's Living Wage Working Group by Sactwu's Collective Bargaining and Research Unit)

'A key objective of wage fixing is to protect vulnerable groups of workers who are in a weak position in the labour market..'

Strike toll rising despite trade-union moderation

S/Times 4/11/90

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CONSULTANTS expect that 4-million mandays will be lost through strikes this year — a 33% increase on last year.

In 1989, 3-million mandays were lost. By the end of the third quarter this year the figure had already been exceeded, Levy Piron Associates calculating a total of 3,5-million.

But this year's projection of 4-million lost days will be less than half the all-time high of 1987 when the figure was 9-million. It was the year when the largest and costliest action in SA's history occured — the three-week miners' strike over wages. The year was also marked by the three-month Sats strike, triggered by a dismissal.

In 1988, mandays lost declined to 1,6-million, but rose last year to 3-million. This year's 4-million projection is cause for concern.

Economists and cabinet ministers continuously stress the harmful effects of strikes on the economy.

Stellenbosch University's Bureau for Economic Research (BER) warns: "Labour unrest, if left uncontrolled, could surpass sanctions as the greatest destroyer of the South African economy, particularly as it affects multi-nationals whose perceptions of the host country's internal social, political and economic stability are of the utmost importance.

"Until labour disruptions have been curbed, further attempts at economic development will continue to be inhibited."

Consultant FSA Contact believes that the recent agreement between the Manpower Department, the National Manpower Commission, Cosatu, Nactu and Saccola over the Labour Relations Act (LRA) will defuse tensions in industrial relations. But demands for higher wages are unlikely to be reduced.

Manpower Minister Eli Louw says economic education on the shopfloor is crucial for labour relations. He believes that the low industrial action rate in Germany can be ascribed to the high level of economic education there.

Mr Louw is particularly impressed by the economic awareness of German trade unionists.

Cosatu's decision to "postpone for further discussion" the setting of a statutory national minimum wage rate perhaps reflects a more realistic economic approach.

The postponement was made after opposition from the SA Clothing and Textile Workers Union (SACTWU), one of its larger affiliates. The threat to job security of those earning less than the proposed minimum wage was one of the major reasons for the postponement decision.

Many trade unionists still surprisingly refuse to accept that unrealistically high wages can cost jobs.

Wage issues are responsible for most of the mandays lost in strikes. Trade unionists often seek wage increases of well above the inflation rate.

By all accounts, negotiations have been tough this year. The average pay increase for the year is 17,4% — the same as last year — in spite of a worsening economic climate.

Levy Piron Associates reports that industrial action occurred in 64% of negotiations conducted between July and October this year — the highest ever. Last year's figure was 56% and it was 36% in 1988.

Between July and October the overtime ban was the most common form of action (30%), followed by strikes (26%) and the go-slows (22%).

Disputes were declared in 58% of these negotiations. Most were resolved without intervention by a third party. Only 37% of the disputes went to mediation, and 5% to conciliation boards.

There was a sharp drop in the average opening level of pay claims. It declined from 90% last year to 51% for 1990. This is not seen as a modification of expectations but merely as a shift to a new bargaining approach.

It is based on accepting reality. Trade unions are able to avoid making huge changes in their bargaining positions and thus losing credibility with their members.

This year the Chamber of Mines and the National Union of Mineworkers reached agreement without a strike. This is ascribed to the particularly harsh climate in the industry, marked by large-scale retrenchment.

SA needs to overcome its 'lazy syndrome' — Maree

B Day 8/11/90 LESLEY LAMBERT (345)

CAPE TOWN — South Africans needed to develop a work ethic similar to that which brought economic success to the western powers and the Pacific Rim countries, Eskom chairman John Maree said yesterday.

Speaking at the general meeting of Wesgro, the organisation which promotes economic growth in the Western Cape, Maree said the productivity of large numbers of SA's workforce was "dangerously low" due to a lack of education and scorn for the work ethic.

"We can only build an economic future if there is an acceptance that a full day's wage must be earned by a full day's work," he said.

SA faced a challenge similar to that of the Eastern European countries. "Too many East Europeans have lost the energy and the drive that supports the work ethic on which free enterprise has built such a powerful economic system. They do not know how to work hard. They lack what has built the western powers and the Pacific Rim countries — competence."

While no single policy or formula guaranteed economic development, its foundations were education and competence — and South Africans were lacking in both.

"The fact is that there is an alarming mismatch between what our schools and colleges produce and what commerce and industry need. If we cannot bridge this gap, we will not get the economic growth we need in SA."

Job numbers down, wages up — figures

(345)

B/Day 9/11/90.

GERALD REILLY

PRETORIA — Employment in the manufacturing, electricity, mining and quarrying sectors declined between August 1985 and August this year, while construction jobs rose only marginally, latest Central Statistical Service figures show.

The figures illustrate the extent of stagnation in the SA economy in the 1980s.

The swift escalation of wages and salaries in the four sectors, much of it unaccompanied by higher productivity, was a major factor in keeping inflation at a high level in the past decade, economists said.

Mining and quarrying were worst hit.

Between August 1985 and August this year, the sector's work force decreased by 52 120 to 682 001.

However, total wage earnings for August this year increased by R486,418m to R903,195m compared with August 1985.

In the manufacturing industry, employment in the six years decreased by 8 000 to 1,4-million.

Employment in the construction industry in the period increased marginally by 5 100 to 413 900.

And for August this year compared with August 1985, the total payout was up by R193,7m to R453,8m.

In electricity, the numbers employed fell sharply by 15 900 to 50 900 reflecting Eskom's rationalisation efforts.

However, pay for August this year increased by R47,8m to R141,3m compared with August 1985.

Figures figures show a dramatic fall of 31 000 to 1,4-million in employment in the manfucturing industry between May this year and August.

Stellenbosch Bureau for Economic Research chief Ockie Stuart said the figures reflected a virtual economic standstill over the six years in the major employment sectors.

Stuart said they also showed that many companies had been compelled to expand their degree of mechanisation because of the huge and often crippling burden of wage and salary increases in the eighties.

Also disturbing, he said, was that in those six years up to 1,4-million new workers entered the labour market.

Tractor sales slide towards 'record lows'

Industrial action during pay talks at highest level

W/Mail 26/10 — 1/11/90

By DREW FORREST

INDUSTRIAL action as a tactic during pay talks has reached the highest levels recorded, reports labour consultancy Levy, Piron and Associates.

The consultancy's latest *Bargainer's Bulletin* reports that 63,3 percent of negotiations surveyed between July and October this year climaxed in strikes or other forms of action. Last year's figure was 56 percent and the previous year's, 35,9 percent.

At the same time, there has been a dramatic drop in unions' opening pay demands — from 86,3 percent last year to 50,9 percent — which the bulletin suggests may be a factor in industrial unrest. "Unions now feel their demands are more realistic and therefore more likely to be conceded," it comments.

The consultancy's Pat Stone said the shift signalled a more mature bargaining approach. "In the mid-Eighties unions used high claims as an organising tool. Now they're entering the bargaining tunnel sooner."

"Parachute bargaining" undermined negotiators' credibility with constituents and management, Stone added.

He also stressed that the predominance of economic strikes — the wage trigger has accounted for 72 percent of lost man-days this year — was a healthy advance on the mid-Eighties, when alleged unfair labour practices sparked much unrest. Disputes on issues such as dismissals were now often referred to arbitration.

However, the bulletin stresses that the bargaining environment remains extremely tough, with this year's settlements averaging the same as last year: 17,4 percent of payroll.

Other bargaining trends included:

- Negotiated rises in minimum wages have dropped below 19 percent for the first time — to 18,6 percent. Minimum pay was now less of a union priority, the bulletin suggests, as most Cosatu members earn above the minimum proposed by the Living Wage Committee
- Non-wage issues such as parental rights and job security are increasingly prominent in negotiations
- The go-slow is an increasingly important union tactic, comprising 21,8 percent of industrial action between July and October this year. Strikes made up 26 percent and overtime bans 30,4 percent.

Wage hikes place strain on economy

B/Day 14/12/90 (345)

GRETA STEYN

THE Reserve Bank says wages pressures are a major contributor to unfavourable conditions facing the economy as SA goes into 1991.

Wage increases, together with inflationary expectations, went a long way towards explaining inflation in SA, the Bank said in its December Quarterly Bulletin. It was one of the reasons why consumption spending had remained remarkably strong in the face of high interest rates and a recession.

Wages per worker rose at a year-on-year rate of just over 17% in the second quarter of 1990 from about 14% in the first quarter. These increases had occurred in the face of somewhat slacker economic conditions, declining private sector employment and increases in registered unemployment.

In the past, similar wage patterns could be explained by gold "booms" and profit surges — but no ready explanation presented itself for the current phenomenon.

"Autonomous cost-push pressures on the general price level are being exerted by the stepped-up level of trade union activity and militancy in the currently prevailing business situation. Unofficial survey results indicate that trade unions in the first half of 1990 succeeded in negotiating annual nominal wage increases for their members which on average amounted to more than 20%," the Bulletin said. It noted that, to the extent that wage claims seek to provide protection against expected inflation, projections fall well short of 20%.

While unit labour cost rose by close to 4% in real terms in the second quarter of this year, labour productivity declined by 1% in the same quarter.

Among other negative factors for the economy, the Bank noted the effects of the Middle East crisis on inflation and poor growth prospects for 1991.

However, the Bank predicted the reacceleration of inflation would not last long. "By the end of 1991, the twelve-month rate of inflation in consumer prices may well have returned to levels lower than before Iraq's annexation of Kuwait."

The Bank also noted that real gross domestic expenditure was up by 3,5% in real terms between the second and third quarters of this year (seasonally adjusted and annualised) — fuelled mainly by the "forging ahead" of real private consumption expenditure. By contrast, spending on fixed investment continued to decline.

Among factors fuelling consumption spending the Bank notes the failure to meet rent, services and mortgage payments.

Bargaining gains dividends

(345)

Sowetan 17/12/90

THE past year witnessed tough but increasingly mature wage bargaining with trade unions sustaining average payroll increases of 17,4 percent and 19,5 per cent on minimum rates, according to a leading industrial relations consultancy.

Wage disputes accounted for nearly 66 percent of all strikes in 1990, demonstrating union resolve to press home pay demands, said the 1990/1 draft report of consultants Andrew Levy, Johan Piron and Associaties.

Wage demands tabled in 1990 had, on average, fallen "dramatically" when compared with previous years since 1985.

This did not imply reduced expected settlement levels, but indicated an increasing maturity among unions in the bargaining process.

The University of Stellenbosch Bureau for Economic Research - assuming an inflation rate of 13,5 percent - predicted average, "somewhat optimistic", wage increases of 13,8 percent in 1991.

Average

The report said it took, on average, 80 days to settle wage disputes between the date of the initial demands being tabled and final agreement.

As a result, businesses were subjected to the uncertainty of disruption for nearly a quarter of the trading year.

Nearly 64 percent of all wage negotiations in 1990 were affected by some sort of industrial action.

Cosatu, having defined its "living wage" monetary terms, placed it in the region of R1 500 a month, arguing that the minimum acceptable level is R700 a month, R160 a week and R3,60 an hour.

Facet

A critical facet of the wage bargaining process was being played out in the public sector, where unions had started playing an increasingly more active role, the report said.

Public sector workers' expectations had been raised by union intervention, but dashed by the official pay policy of curtailed expenditure - "a fact that has been reflected in the high levels of labour unrest recorded in the public sector this year."

"Failure to restrain (inflation and public sector wages) will lead to higher levels of unemployment and still less investment in labour intensive sectors of the economy," the report concluded. - *Sapa.*

Scrooge-style pay increases next year

S/Times 23/12/90

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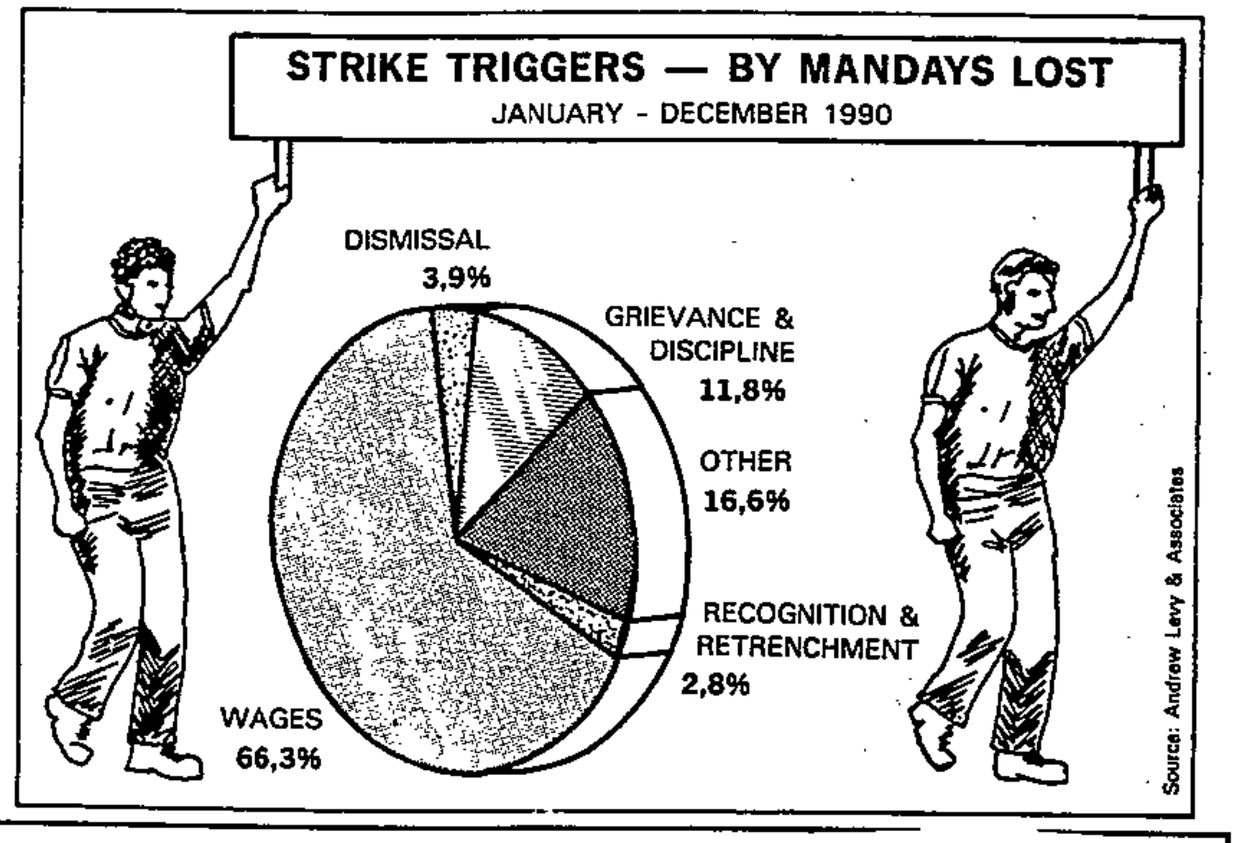


WAGE and salary increases for workers and their bosses will shrink next year.

Pay rises even close to this year's inflation rate of 15% are likely to be be confined to the "lucky few" who are promoted or are skilled in specialist areas.

As the recession bites, business leaders are faced with the choice of maintaining employment by limiting pay increases or adding to the huge pool of jobless. Business leaders warn that the problems experienced in 1990 will worsen next year.

By CHARMAIN NAIDOO

Although they are reluctant to anticipate negotiations with trade unions by guessing at percentages, most predict increases equal to or below official inflation.

The Reserve Bank says high pay increases are a major contributor to rising inflation. Earlier this year the bank appealed to the private sector to pull out all stops to contain inflation.

The bank says wages increased at a year-on-year rate of more than 17% in the second quarter of 1990. The rate of increase was 14% in the first quarter.

Marginal

The increases were awarded in spite of recession, retrenchment and a rise in unemployment, says the bank's December quarterly bulletin.

The mining sector, hit by weak gold prices, rising costs and a steady rand, has retrenched more than 100 000 employees in the past two years.

No improvement is expected in 1991. Genmin gold division managing director Gary Maude says the unions should be looking at ways to save jobs.

"Any increase in costs at marginal mines will mean a corresponding reduction of staff numbers. The larger the

tant at industrial relations company Andrew Levy & Associates, asks: "If salaries in 1990 had been 15% to 20% lower, would there have been fewer retrenchments? I don't think so.

"Retrenchments come from overstaffing, not from not being able to afford to pay."

Mr Allen believes that executive salaries, and those which are not negotiated, will not keep pace with inflation.

"Negotiated salaries should not be too far below inflation."

He has found that unions acknowledge that business is going through tough times.

"But their approach is that members are also suffering. A total of 72% of all strikes and industrial action this year was related to wages."

Four-million mandays were lost to strikes this year compared with 3,09-million in 1989.

Chamber of Mines senior general manager Johann Liebenberg says the industry expects "extremely difficult" conditions next year.

"This will cause us to be cautious about wages we negotiate with employees."

Mr Liebenberg says that affordability is only one of several factors examined

JOHANN LIEBENBERG: The cake isn't growing

when deciding on pay increases.

"If that was not the case there would have been years when we wouldn't have granted any increases. We look at other factors, such as what pay increases will mean for the economy in general.

"The chamber, which employs 5 000 people, shed 870 jobs this year. Salary increases coming out of a cake that isn't growing mean more money for fewer people. Tight financial discipline for all is the key to survival."

Executives will not receive salary increases exceeding those given to general staff members, he says.

"Prudence dicates that salary increases be below the consumer price index. People should not expect the sort of increases they got last year."

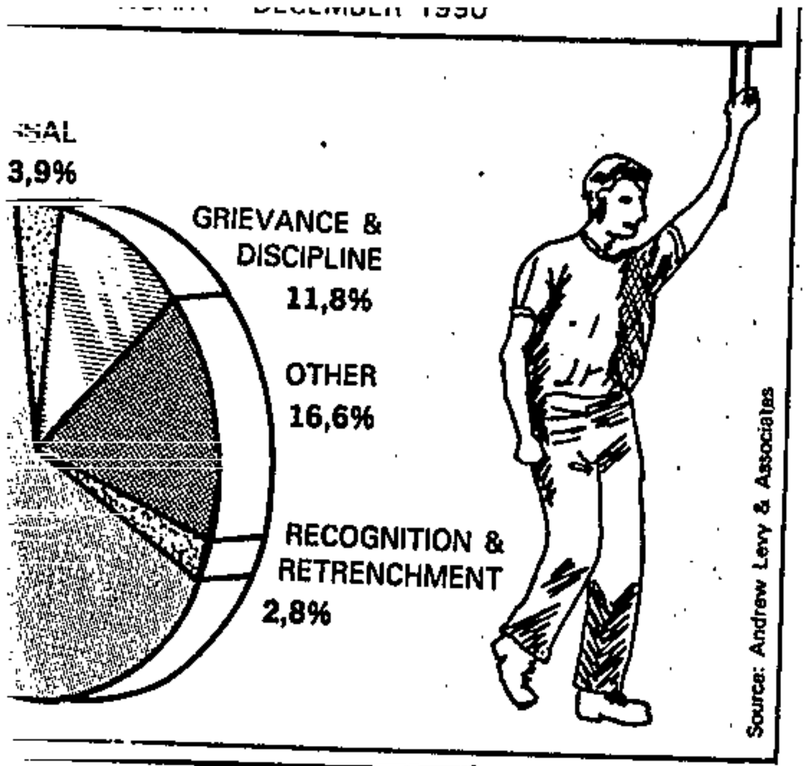
Ability

Kevin Stacey, senior consultant at Old Mutual Consulting Services says: "Salaries will go up, but below the rate of inflation.

"Executive salaries, in keeping with the trend, are lagging behind."

Genmin's Mr Maude says: "There will be a lot more emphasis on worth and ability in the executive sector than in the past."

● Central Statistical Service figures show that the actual wage rate index for all workers for the quarter ended November increased by 20,8% over the same time in 1989.



S/Times 23/12/90 (345)

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"Any increase in costs at marginal mines will mean a corresponding reduction of staff numbers. The larger the wage bill, the fewer the jobs."

Anglo American spokesman Shelagh Blackman says: "The economy has moved into a strong recessionary phase.

"It is imperative that we break the stranglehold of inflation and ensure that it returns to levels comparable with those of our major trading partners.

Intensive

"To survive in business and to save as many jobs as possible from being axed, companies will have to consider increases below those granted previously."

Unions say they will seek above-inflation-rate increases. They claim that their members receive a low wage and large percentage increases are needed.

Press officer at the National Union of Mineworkers (NUM) Jerry Majatladi says: "Retrenchment is a serious problem. The mining industry has been labour intensive until now. To keep productivity high — having failed to train black labourers — it is resorting to mechanisation; hence the retrenchments.

"High on the agenda at our congress next year is formulation of a policy to fight retrenchment."

Mr Majatladi says workers cannot be blamed for the poor state of the economy.

"They cannot be asked to accept below-inflation-rate increases."

Not everyone agrees that an increased salary bill will mean more sackings.

Brian Allen, senior consultant at industrial relations company Andrew Levy & Associates, asks: "If salaries in 1990 had been 15% to 20% lower, would there have been fewer retrenchments? I don't think so.

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Comment on impact of Acts sought

Staff Reporter STAR 24/12/90

National Manpower Commission (NMC) acting chairman Dr Frans Barker has invited submissions regarding applications of the Labour Relations Act (LRA) and the Wage Act to farm workers.

This follows instructions by Manpower Minister Eli Louw to the NMC in June to investigate, report on and make recommendations in regard to expediency of the LRA and Wage Act as applicable to farm employees.

The NMC should report to the Minister before the end of April, Dr Barker said.

Farm workers are at present excluded from collective-bargaining structures and the dispute-settling mechanisims of the LRA.

This implies that the industrial court has no jurisdiction over farm workers and that the term "unfair labour practice" does not apply to them.

In addition, farm workers may not strike legally.

Dr Barker said the NMC had not yet formulated a point of view regarding the Acts, and the invitation for submissions was to guide the NMC in this regard.

"The NMC has already made certain recommendations to the Minister regarding the Basic Conditions of Employment Act of 1983, the Unemployment Insurance Act of 1966, and agri-industries. The Department of Manpower is publishing these recommendations simultaneously for comment," he said.

The NMC had constituted, as part of its investigation, a farm workers' committee that represented employer and employee organisations involved in agriculture as well as various legal representatives, he added.

Dr Barker said the committee had compiled a working document that contained background information and alternative approaches regarding the possible application of these Acts to the agricultural sector.

Unions settle for job security

Recession puts brakes on pay deals

B/Day 4/1/93

(345)

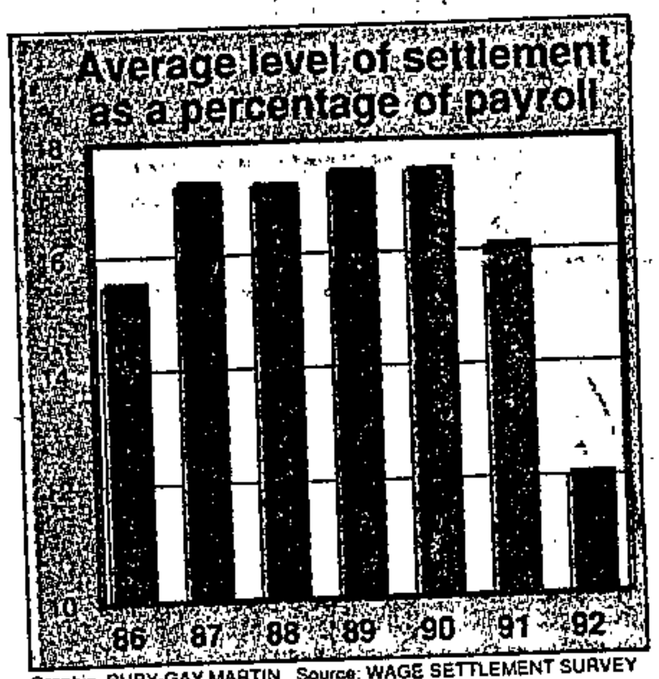
ROBERT WICKS

THE average rate of wage increases fell by an unprecedented four percentage points in the past year as recession and dismal economic expectations took their toll on pay settlements, according to a report by labour consultants Andrew Levy and Associates.

The average level of settlement as a percentage of payroll fell to 12%. In 1989 and 1990 the figure was 17,4% and dropped slightly to 16,1% in 1991.

The report said wage negotiations had been conducted against a backdrop of continuing recession with limited expectations of significant economic recovery.

"Trade unions have been forced to revise their strategy away from a living wage campaign to one where job security became predominant. Industrial action related to wage claims showed a downward trend throughout the year."



Graphic. RUBY-GAY MARTIN Source: WAGE SETTLEMENT SURVEY

According to the report, only 23% of wage bargains involved industrial action, compared with 52,6% in 1991. Strikes accounted for 35,6% of wage-related industrial action as opposed to 37,4% in 1991. Work stoppages took place in only 7,2% of the wage bargainings, compared with last year's figure of 9%.

The report said these trends would seem to indicate unions favoured procedural methods in applying pressure on employers, particularly when job security was such an issue.

Go-slows amounted to 29% of the industrial action monitored. Last year the figure was 21,9%.

The report said go-slows remained a popular tactic initiated by unions to apply pressure during wage negotiations.

One of the most significant trends in 1992 was the increasing acceptance by organised labour of the link between productivity and job security, the report said.

In a major development, Numsa and the motor manufacturers agreed to establish a fund aimed at contributing towards work security, employment creation and human resource development.

Employers will contribute 10c an hour for each employee and will not be required to make any additional financial contribution during the period of agreement.

The report said the fund represented a landmark in employer/trade union co-operation regarding job security within an industry.

Wage demands will take backseat to having a job

STAR 5/1/93

Few South Africans will look back on 1992 with any sense of fulfilment or satisfaction. For most it has been both a tough and harsh year.

Tough in the sense that we have had to endure a protracted economic recession, now sufficiently severe to qualify as a depression.

Harsh in the sense that everyone of us is kept constantly and uncomfortably aware of our horrendous levels of crime and violence.

A general aura of lawlessness now pervades virtually every level of society.

The depression has been manifest in extremely high unemployment, which is now estimated at 25 percent of the potentially economically active group.

Continuing retrenchments threaten to add to this. This, coupled with the current political impasse, provides more than sufficient stimulus for continued lawlessness.

Working South Africans, while obviously better off than the unemployed, have experienced a real decline in living standards for the past two years. Many companies have frozen salaries and wages for extended periods in the interest of job preservation.

Where increases have been awarded, the past year has seen average increases of no more than 13 percent, a few percentage points below inflation, as measured by the consumer price index.

Better off

It is small consolation to realise that we remain better off then many employees in Europe — some of whom have already endured wage cuts of up to 50 percent.

Salary increases traditionally lead inflation in times of relative economic prosperity and lag the consumer price index when the economy is in recession.

In practice this is no more than a reflection of labour supply and demand economics.

Prospects for salary and wages in 1993 should thus be seen in conjunction with economic prospects.

Business confidence remains low and neither confidence nor economic reality is likely to improve until a political constitution has been agreed to, an interim government of national unity installed and new investment begins to flow.

Martin Westcott, managing director of P-E Corporate Services SA, reviews prospects for salaries and wages and forecasts a watershed year for many companies.

Outlook '93

Companies considering executive pay increases now find themselves in a classic Catch 22 situation.

The chronic shortage of management has traditionally resulted in strong upward pressure on salaries as companies compete for scarce management talent in a limited market pool.

But poor or at best defensive corporate performances in a tight economy have forced organisations to cut back on pay.

The result has been a strong focus on gearing salary increases to improved performance, with top executives receiving an increasingly greater proportion of their packages contingent on achieving financial results and strategic objectives.

Thus pay increases have been given in the form of performance bonuses geared, in turn, to profit and turnover figures.

It is not uncommon for a senior executive nearing, say, R200 000 to R300 000 a year to receive 20 to 30 percent of this package contingent on the performance of the business unit under his control.

In this way companies are able to control cost increases should performance decline. Thus while companies are not anticipating more than a 10 to 13 percent addition to the salary bill in 1993 — performance gearing can, at least, ensure that this is open ended.

The issue of salary and wage increases has become a politically sensitive issue with trade unions monitoring increases awarded at different levels in the organisation.

Survival

During the past three years trade unions have had to accept that low increases and retrenchments have been essential to survival in many organisations.

The counter-reaction, however, has been to focus on issues such as increases awarded at different levels in the organisation, job equality and the wage gap.

Although 70 percent of South African companies have equal employment opportunity policies, few companies have had sufficient cash to continue to reduce the black—white wage gap over the past year.

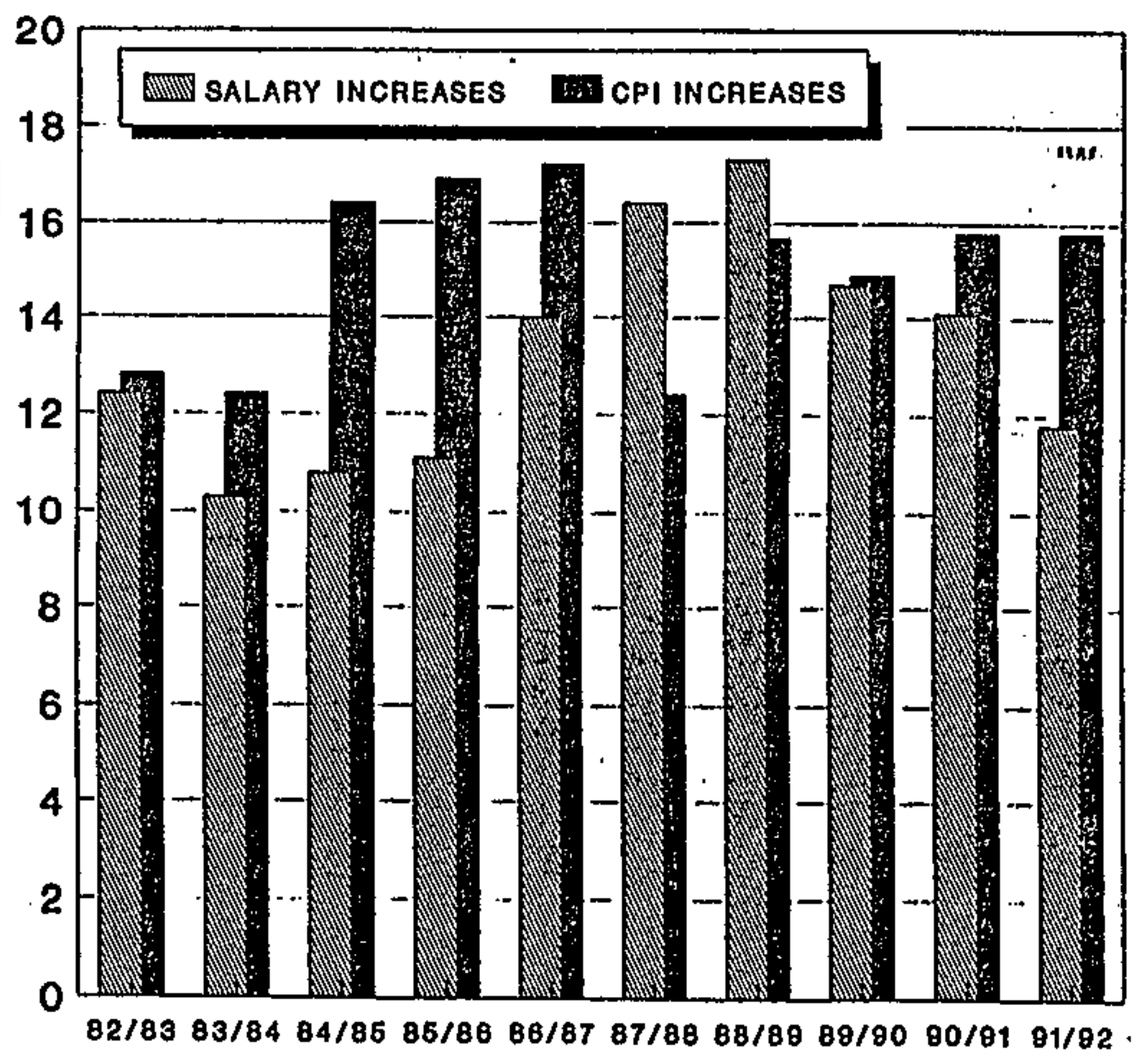
Unskilled whites continue to earn 15 percent on average and skilled whites 10 percent on average than black staff in comparable positions.

Expect this pressure from trade unions to continue in 1993, particularly with pending governmental change.

1993 is likely to be a watershed year for many companies. Economic improvement will not be in the short term and will be painful. Being employed is likely to remain more important than calculating salary increases.

One challenge facing companies will be how to deal organisationally with the side effects of zero turnover.

Rising stars will have fewer opportunities for upward mobility. The organisational challenge provides an opportunity for new, creative solutions, to an old problem.



Percentage salary increases between July 1982 and July 1992 are compared with increases in the consumer price index in the same period. Only in the years 1987-88 and 1988-89 did average salary increases exceed the rise in inflation.

Economist forecasts little joy for consumers

B/Day 29/1/93.

(345)

LINDA ENSOR

CAPE TOWN — Consumers would see no improvement in their financial position in the coming year and the sluggish trend in private consumer spending would continue, Sanlam chief economist Johan Louw forecast in Sanlam's latest economic review.

Louw predicted that wages and salaries would trail the inflation rate, the direct and indirect tax burden on individuals would remain heavy, and the expected decline in real house values could adversely affect the financial position of households.

On the brighter side, he pointed to further declines in interest rates which would reduce the financing costs of bonds and credit purchases and a milder rise in the cost of living, with increases in food prices in particular slowing down.

"The debt level of individuals is high and an improvement in cash flow owing to any reduction in the cost of credit will probably first be applied to redeem debt. This together with the lack of job security will continue to have a detrimental effect on the purchasing of durable goods such as furniture and household appliances."

The immediate prospects for a meaningful economic recovery before the second half of this year were not good in spite of the decline in inflation, lower interest rates and a deceleration in the rate of decline in retail sales.

"In fact, it seems that 1993 will be the fourth consecutive year of weak growth," Louw said.

Negative factors cited were sluggish world economic growth, the weak financial position of consumers, the drought, the lack of local and foreign investor confidence, ongoing violence and the halting progress in negotiations. Of concern was the fact that real spending on fixed investment as a percentage of GDP was now at its lowest level since 1946.

Louw said the trend towards a lower inflation rate could be checked by increases in indirect taxation and a higher fuel levy in the March Budget. An average inflation rate of about 10,5% (14%) for 1993 was forecast, but the CPI would be higher if the VAT rate was increased to more than 13% in the Budget.

Further declines in short term interest rates were expected in the first half of 1993 because of sluggish economic conditions. Bank rate should fall to 13% by March or April, while the corresponding prime overdraft rate of banks should slip to 16,25%.

Louw noted the sustained net outflow of foreign capital had meant a deterioration in the balance of payments position.

"It is therefore important significant progress be made with the process of political reform so foreign financing assistance can be obtained. Otherwise the balance of payments could be a serious inhibiting factor in the process of economic recovery," he said.

Stals wants lid on pay to help beat inflation

B/Day 5/2/93

(345)

DIRK HARTFORD

INFLATION could be tackled decisively only by a permanent depression of wages and salaries, Reserve Bank Governor Chris Stals said yesterday.

He told delegates at the national economic forum that this would lead to greater productivity and higher earnings.

Cosatu delegate Jayendra Naidoo challenged Stals's argument, saying wage increases were only one of the factors affecting inflation — with which Stals agreed.

The governor then agreed to take up the debate at Cosatu's "campaigns conference" in March, where he will address the subject of the Bank's monetary policy.

Stals said the Bank would be announcing a package deal on monetary policy in the next couple of days. This would include money supply targets for the year as well as a possible cut in Bank rate.

TIM MARSLAND reports that banking spokesmen said yesterday major banks could cut home loan interest rates today, but would probably wait for the Reserve Bank to make the first move.

First National Bank senior GM Viv Bartlett said the market would probably wait for Stals to take action. The banking community would prefer to see a cut in Bank rate first as previous anticipatory cuts had not always correctly read the timing of the official move. Current money market liquidity did not encourage a repeat of this, he said.

A Standard Bank spokesman said banks were unlikely to cut home loan rates before the end of February, unless the Bank moved first. Previously when banks had cut their rates before the Bank rate cut, the cost of money had declined. This time, banks would be reluctant to take the step as their margins would be affected.

An Absa spokesman said Absa was monitoring the situation, while Nedbank divisional director Mike Leeming said his bank would take its lead from the Reserve Bank.

753 people earn more than R0,5m

(345) Political Staff

CAPE TOWN — There were 753 individuals earning R500 000 a year or more in taxable income in the 1991/92 financial year, Finance Minister Derek Keys said yesterday. B/DAY 17/2/93.

These top income earners constituted 0,8% of the people paying income tax, he said in reply to a question tabled in Parliament by Ken Andrew (DP Gardens). Effectively, they earned nearly R1 400 a day in taxable income.

Keys also said that 922 700 taxpayers had assessed tax totalling R11,375bn during 1991/92. They comprised 56,03% of the total registered taxpayers. Statistics for taxpayers who earned less than the Site limit were not available and were therefore not included in these figures.

Keys said 245 people — 0,3% of the total — earned between R450 000 and R500 000 a year.

At the other end of the scale, 105 537 people — 11,44% — had a net loss in taxable income, while 27 700 earned less than R5 000 in taxable income.

The largest taxable income group comprised earners between R50 000 and R60 000 a year, 14,81% of the total.

unions discuss violence in SA ● Companies pressed

Few pay rises this year

Sowetan 18/2/93 (345)

By Ike Motsapi

■ Trade unions leaders battle to convince employers:

THE continuing recession is making it difficult for trade unions to convince employers to accede to the demands of workers for better pay.

Ms Harriet Webster and Mr David Neate of FSA-Contact Human Resources Consultants said many organisations were adopting alternatives to annual salary increases.

They said some organisations were deferring increases for a time while others were "freezing" salaries and were not granting increases.

Projected increases for 1993 were going to be significantly lower than those granted in 1992.

"Our research has shown that just over half, about 51 percent, of the participating organisations are expecting some sort of decrease in the overall numbers of their workforce as compared with 42 percent in 1992.

"The majority of companies are attributing this to retrenchments and redundancies.

"Employers are also having to re-evaluate strategies in the light of the above conditions, particularly with regard to pay increases."

'Resist temptation'

(345)

By DON ROBERTSON

STRONG support for Reserve Bank Governor Chris Stals's recent call for salary restraint is not only desirable but critical to the survival of many SA companies.

Many companies have barely survived the four-year recession. Their reserves have been plundered in the interest of survival, with the result that businesses are financially troubled, says Martin Westcott, managing director of P-E Corporate Services.

"Substantial salary and wage increases could, in many cases, make the difference between survival or failure."

The falling inflation rate represents a temptation for employees and unions to press for inflationary based salary increases on the assumption that the economy is recovering. This would be the wrong approach, as any recovery will be slow and difficult, he says.

Many companies now find themselves in a similar position to that of the government, which has insufficient funds to kick-start the economy without serious damage to the balance of payments.

On this point, Mr Westcott criticises the government for its speculated plan to pay out substantial sums in gratuities and pensions to public servants which, he says, are considerably larger than would have been the case in the private sector.

S/Times 13/2/83

tor Danie Hough yesterday.

R520m Post Office loss

BUSINESS Day incorrectly reported yesterday the Post Office suffered a loss of R30m more than budgeted for. In fact, the utility incurred a loss of R520m, compared to an expected R570m loss. Business Day regrets the error.

B/DAY 4/3/93

Japan steel exports up

JAPAN's steel exports in January rose 3,9% from the same month a year ago to 1,24-million tons, marking the ninth consecutive month of year-on-year gain, the Japan Iron and Steel Federation reported in Tokyo yesterday. A spokesman said sharp increases in exports to China helped offset plunging exports to the US in the wake of anti-dumping duties on carbon steel imports.

REPORTS: Sapa, Business Day Reporters, AP-DJ.

as much labour as technically possi- tion.

China spends R9m on office block

B/DAY 4/3/93.

TRACY SCHNEIDER

THE Great Wall Group, a trading company founded by the mainland Chinese government, has bought a R9m office block in Bedfordview to start its business venture in SA.

The office will be opened officially at a function this evening..

China's trade with SA previously was conducted discreetly through Hong Kong until political changes in SA prompted it to introduce direct trading links last year.

Exhibitions are now planned in both countries, starting in Johannesburg in April with a trade expo organised by the China Council for the Promotion of International Trade.

The Great Wall Group will be involved in an exhibition in SA in September, when 100 corporations will display a variety of goods including textile, industrial, chemical and hardware products. SA businessmen will be invited to exhibit in Beijing in March 1994.

"We came here with the express purpose of facilitating trade and economic co-operation with SA," said the group's business manager Qingguo Jiang. "Apart from the Bedfordview offices, we have R2m in other assets and are looking into other real estate opportunities and joint investments with local businessmen. We also are hoping to invest in factory and manufacturing plants."

And China and SA Trading GM Chenxiong Liu said: "About 200 Chinese businessmen will come to SA to meet their counterparts and discuss business."

'Tax hike will slow economy'

B/DAY 4/3/93.

GERALD REILLY

PRETORIA — The tax hike to be imposed in the March 17 Budget will slow down an almost static economy further and stagnation will continue into 1994, economists say.

Stellenbosch Bureau for Economic Research economist Nils de Jager said yesterday consumer confidence was at a low ebb anyway and would be depressed further as disposable incomes shrank.

Sales would decline further, spare industrial capacity, now at about 20%, was likely to increase, as would unemployment and crime.

The conventional Keynesian medicine for a rundown economy, De Jager said, was to increase state spending directed at creating jobs and to reduce taxation. However, in government's present Catch 22 situation, this was impossible.

It could be said taxation was being raised to pay interest on government's massive debt which had reached 9% or nearly R30bn.

Interest on the debt was the largest single Budget item, even exceeding the education vote.

De Jager said the debt problem had been aggravated by government writing off R3,6bn in drought aid in the coming financial year instead of over three years as first intended.

But, De Jager added, perhaps the most worrying consequence of higher taxation was the impetus it would give to greater unemployment.

Absa senior economist Adam Jacobs said tax hikes would contract the economy further and could result in government's tax take from companies and individuals actually decreasing in spite of the hikes.

"We are caught in a vicious circle with company profits and taxpayers' incomes threatened by declining consumer demand and growing unemployment," he said.

Jacobs said another serious consequence would be a further shrinking of personal savings.

De Klerk rejects mine loss claim

B/DAY 4/3/93

CAPE TOWN — Government was not liable for losses suffered by SA company Swissborough Diamond Mines, President F W de Klerk said in Parliament yesterday.

Replying to a question by Llewellyn Landers (LP Durban Suburbs), he said government had told Swissborough director Josias van Zyl there were no acceptable grounds for the appointment of an independent inquiry into the alleged confiscation of the company's interests when the Lesotho government revoked its mining leases as part of the Lesotho highlands water scheme.

Van Zyl had been told to direct any claims to the Lesotho authorities. The Swissborough issue is pending before the Lesotho high court.

The question had been why government had not intervened after SA nationals had suffered a R1bn loss. De Klerk said it had to establish if the loss had been suffered, and then if intervention was required. — Sapa.

Chamber call for wage restraints

(345)

MARIANNE MERTEN

THE Northern Transvaal Chamber of Industries had urged that wage restraints be included in Finance Minister Derek Keys' model for economic restructuring, it said in a statement yesterday.

B/DAY 4/3/93

The Keys model, due to be published next week, is thought to address economic restructuring to promote the productivity of resources.

Wages had risen over the past three years despite negative growth to such an extent that it had increased the unit cost of production, a chamber spokesman said.

Wage increases had created a structural ecomomic problem which could not be addressed by only looking at wage restraints, but other factors such as export incentives and government control needed to be examined.

Protest against high tax on married women

ERICA JANKOWITZ

COSATU is to stage a lunch-time picket today outside the Receiver of Revenue offices in Johannesburg to protest against high tax rates for married women.

This is one of the Cosatu events to mark International Women's Day today.

Cosatu gender co-ordinator Dorothy Mokgalo said a charter of women's rights would also be launched.

The charter contains demands on maternity rights including 12 months' fully paid maternity leave, job security, an end to victimisation for pregnancy, removal of sex, race and age discrimination and women's representation on employment committees. It also covers domestic and sexual violence, sexual harassment at work, education and training and the establishment of child care centres.

Mokgalo said the lack of child care facilities at union meetings and congresses prevented women workers from participating fully in these events. Cosatu is tackling this problem as well as rescheduling meetings to accommodate women.

A march on John Vorster Square will be held this afternoon to deliver a memorandum on women and violence.

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PRELIMINARY PROFIT ANNOUNCEMENT 1992 AND DECLARATION OF DIVIDEND

GROUP FINANCIAL STATEMENTS

INCOME STATEMENT

	Year ended 31 December 1992 (Unaudited) R'000	Year ended 31 December 1991 (Audited) R'000
Turnover	12 830	15 364
Operating income	4 402	5 953
Interest paid	97	21
Net Income before Taxation	4 305	5 932
Taxation	484	487
Net Income	3 821	5 445
Dividends	1 598	2 350
Retained income for the year	2 223	3 095
Retained income brought forward	10 240	7 145
	12 463	10 240

'Critical days' ahead for labour in era of change

ERICA JANKOWITZ

THIS will be a "make or break" year for labour, says SA Labour Bulletin editor Karl von Holdt.

Following a dismal 1992, unions will have to reassess their willingness to strike for "insignificant extra gains", says Von Holdt.

Wage restraint might be offered in exchange for training facilities, increased "social wages" and negotiated industry restructuring. Job security and retraining of retrenched workers would appear to be overtaking wage bargaining as the core of union activity.

Writing in the latest issue of the bimonthly journal, Von Holdt says five key influences will drive industrial relations in the year ahead: wages; macro-economic policy and industry restructuring; workplace reform; organisational reform; and less political activity.

It is on the issue of macro-economic policy that Cosatu stands to gain substantially if it can avoid the pitfall of being co-opted by government and business into accepting their proposals, he says.

It is also in this arena that union leadership and membership are apparently growing further apart, as monetary and fiscal policy is difficult to sell to constituents.

As a result, the easier options of job creation, VAT, food prices and social wage issues were likely to remain in focus.

On the workplace reform front, von Holdt suggests both management and labour are moving closer to establishing a "global approach to shopfloor change".

This will consist of training and skills development linked to productivity, increased worker autonomy and participation in decision-making mechanisms. Productivity gains will have to be shared with workers in the form of production bonuses, profit sharing or even share options.

He says organisational renewal will probably take most of Cosatu's time and energy as a drop of more than 75 000 members since 1991 has had a major effect.

Recruitment in new areas and sectors, redefinition of bargaining units to incorporate higher grade workers and strengthening of shopfloor structures are the likely basis of this drive.

Mergers of unions within the same sector and agency shop arrangements to solve the "free rider" problem will also be considered.

As negotiations between major political groupings are back on track, Cosatu is likely to play a lesser role on this front.

It will, however, be involved in mobilising for elections and the establishment of a reconstruction pact with the ANC aimed at ensuring labour rights in a future constitution and resting on "four pillars": job creation; development of social services and the social wage; human resource development; and expansion of citizenship rights.

On industrial action, von Holdt suggests there will be fewer days lost to strike activity in 1993 as unions have realised this is an expensive and often fruitless form of forcing employers' hands. He says a stayaway is unlikely to be called, for the first time since 1984.

Other significant collective bargaining issues are the restructured NMC; a further push for centralised bargaining; a major recruitment drive in the public sector; gender issues; and extension of legislation to cover farm workers.

Star 18/3/93

Some glad tidings for the retrenched taxpayer

By Leigh Hassall

The Budget offers a glimmer of good news to those taxpayers who have lost their jobs through the vagaries of the recession in the past year.

In a proposal retrospective to March 1 1992, taxpayers will be allowed the first R30 000 of any lump sum payment from their employer as a taxfree amount.

This could turn into a saving of as much as R10 000, depending on the taxpayer's income level.

Previously, this deduction was limited to male taxpayers aged 55 years and over and female taxpayers aged 50 years and over.

In terms of the relevant section of the Income Tax Act, a taxpayer is only entitled to this taxfree amount if he or she receives the lump sum through the loss of office — usually retrenchment or the liquidation of the employer.

Beric Croome of accountants Kessel Feinstein says the proposed amendment is to be welcomed because it will provide relief to the many employees who have lost their jobs in the current recession.

He adds that the move is significant because it is indicative of the Minister taking heed of the representations made to him.

Croome says that taxpayers will be able to get a refund of taxes already paid on lump sums through the rendering of their annual returns.

Site taxpayers, who are not required to render returns, will have to await word from the Receiver.

Gerald Lambert of accountants Deloitte & Touche sa[illegible] that accrued leave [illegible] uses from the employer may be included in the taxfree portion of the lump sum.

NEWS IN BRIEF

Mayekiso joins picket

SANCO president Moses Mayekiso joined a UK anti-apartheid picket at FNB-owned Henry Ansbacher Merchant Bank in London yesterday.

The picket had been organised by the End Loans to SA group and was aimed at raising consciousness about "socially irresponsible" banking in SA, Sanco said.

Mayekiso will address the Local Authorities Against Apartheid conference in Sheffield today.

Tough anti-poaching law

BOPHUTHATSWANA this week amended its Nature Conservation Act and introduced tougher anti-poaching measures following official concern about an increase in regional poaching.

Water quotas loom

FREE State farmers would have their irrigation quotas halved on May 1 unless water reserves in the province's dams improved, Water Affairs Minister Japie van Wyk said yesterday.

The recent good rainfalls had not brought relief to Free State wheat farmers who have had almost total crop failure this year. B/DAY 25/3/93

The rain had also not been sufficient to boost dam levels.

Van Wyk said farmers would still have time to complete harvesting because the intention was "to pull current crops through without restrictions".

Hippo evades capture

THE Dullstroom hippo, "Mighty Maas", trapped in an eastern Transvaal dam, has continued to frustrate TPA nature conservation efforts to capture it.

TPA nature and environmental department chief director Pieter Mulder said this week the hippo would not leave the dam while people moved around the area. He appealed to the public and media to avoid the dam.

REPORTS: Business Day Reporters.

Industrial action at lowest in five years

B/DAY 25/3/93.

ERICA JANKOWITZ

THE dramatic decrease in strike activity for the first quarter of 1993 — at its lowest in more than five years — is largely attributed to a reluctance by unions to initiate industrial action in light of the economic climate.

According to Andrew Levy & Associates' latest strike report only 65 000 man days were lost in the first three months of this year compared with 135 000 in 1992 and 180 000 in 1991. The report suggested, however, strike activity would increase in the second half of this year as wage rounds began in earnest.

The most likely sector to be affected by strikes was the public service, which was expected to oppose the 5% wage ceiling imposed by government.

To date the protracted dispute by the SA Democratic Teachers' Union over wages and retrenchment was alone responsible for more than half the man days lost.

The main trigger factor this year was discipline and dismissal. This triggered 37,5% of strikes followed by grievances and wages (25% each) and retrenchment (12,5%).

"Given high levels of unemployment and continuing retrenchments affecting all sectors of the economy, unions are adopting a cautious approach and not resorting to strike action as readily as they have in the past," the report said.

Traditionally wages accounted for a far greater proportion of strike action from the second quarter of a year. This year was unlikely to be an exception given the economic constraints companies were facing.

Realistic opening demands, such as the one tabled by Numsa, also made settlement more difficult as unions showed their determination to stand their ground.

Postal workers in wildcat strike

ERICA JANKOWITZ

ABOUT 2 000 SA Post Office and Telkom workers in Natal and Cape Town have embarked on wildcat strike action over a looming wage dispute.

Yesterday Posts and Telecommunications Workers' Association (Potwa) president Khabisi Mosunkutu said the action stemmed from a belief that wage talks were "shifting towards deadlock".

Management had offered increases of less than 5% whereas Potwa's demands ranged between 14% and 30%, he said.

Potwa officials had tried to intervene and were desperately trying to resolve the matter. However,if management adopted a "high-handed" attitude this would "simply escalate the situation", he added.

National strike action could not be ruled out unless management moved substantially on the present offer. Talks are scheduled to resume next week, he said.

B/DAY 25/3/93

A Telkom spokesman said the Cape Town strike action had been limited to Post Office employees and details from Telkom Natal were sketchy.

Meanwhile, 155 Telkom workers based at the Phillipi Technical Services Centre were dismissed yesterday.

Telkom said their dismissals followed a series of work stoppages which did not concern wages. During the course of mediation yesterday workers refused to return to work and they were sacked.

Negotiations on the set of demands submitted in November would continue, Telkom said.

'Tag wage, price increases at 5%'

(345) CT 1/4/93

AHI bid to retain volumes

From TIM MARSLAND

JOHANNESBURG. — Organised commerce and industry has asked its members to hold wage and price increases to 5% or lower for the next two years in line with the declining trend in money supply growth and inflation.

Afrikaanse Handelsinstituut (AHI) chief economist Nick Barnardt said yesterday his organisation had taken the decision in line with its support of Reserve Bank policies to combat inflation. The move was also to try prevent further declines in business volumes.

"The AHI general management accepted a motion at its six-monthly meeting to encourage members to hold price and wage increases to below 5%. The message of discipline should be communicated to members and the broader business sector," he said.

Inflation would peak close to 11% as a result of the VAT, fuel price, and other increases included in the Budget, Barnardt said.

However, he saw it falling sharply after that, possibly to 5% in 1994.

He said any temptation to raise interest rates to protect the balance of payments should be resisted in light of the decline in inflation and money supply growth as well as the deepening recession.

The pressure on the balance of payments should rather be managed by mainly continuing the fluid exchange rate policy and the "overall laudable monetary policy flexibility" of the past six months.

In the current recession, a moderate real depreciation of the rand would have a minimal negative effect on inflation, but would actively encourage exports.

He said the AHI continued to support the Reserve Bank's focus on disciplined monetary expansion, which implied that interest and exchange rates were largely determined by the markets.

Once the balance of payments stabilised, he expected a further cut in interest rates in response to low credit demand.

This would partially offset negative effects the hike in VAT and other taxes would have on the business cycle and could help prevent a further deepening of the recession, he said.

British companies raise pay of black SA workers

ARG 2/4/93

(345)

The Argus Foreign Service

LONDON. — Nearly 99 percent of black people employed by British companies in South Africa earn more than the European Community's recommended minimum, according to the Department of Trade and Industry here.

And, in contrast to previous years, only two companies have not returned the full report required by a European directive.

The Department's seventh annual Analysis and Summary of a revised code of conduct adopted in November 1985 shows a further fall in the number of black employees being paid below the recommended minimum.

The level of British companies' involvement with trade unions representing black interests was also maintained, with most companies reporting formal links.

"Many companies have taken steps to alleviate the particular hardships experienced by their migrant workers," the report said.

"As in previous years, all companies provided on-the-job training and many provided additional training facilities.

"Companies continued to report impressive levels of involvement in projects benefiting not only their employees and their families but also the wider communities from which their workforces were drawn.

"Companies also continued to encourage the growth of black business."

The period covered by the report has seen the deepening of the recession in South Africa, with unemployment steadily increasing and progress on the political front slower than expected, according to a statement from the DTI.

"However, positive steps have been taken toward the achievement of a new democratic constitution and we hope that this will be taken forward when multi-party talks resume."

The British government has reprimanded the two companies that failed to report, reminding them of the existence of the code and the importance attached to it.

It also urged the remaining 98 subsidiaries in South Africa to continue providing reports, maintain their performance and comply fully with the code.

Cost of being Russia to build

In SA it's more pay, less work

S/Times 4/4/93 [BUSS]

(345)

From SIMON BARBER in Washington

HOPES that American investors will flood back to create new employment opportunities in SA when the ANC announces an end to sanctions need to be tempered by the following grim fact.

The South African labour force is among the most costly and least productive in the developing world — at least when it is employed by affiliates of US companies.

This emerges from data gathered by the US Commerce Department for a benchmark survey of foreign direct investment by American firms published late last year.

The survey is based on detailed financial statements US parent companies were legally required to submit to the department. It provides an unusually comprehensive, country-by-country picture of how US overseas investment performed in 1989.

Not all the news is bad.

Calculations based on the data show that the 92 US parents which still held a majority interest in South African operations achieved a relatively decent 8,3% pre-tax return on assets then worth $1,6-billion.

This compares with average returns of 6,5% on assets in Latin America, 5,5% in Asian and Pacific countries and 4,9% in Western Europe.

In other respects, however, the picture was less rosy for South African subsidiaries. Net income as a fraction of sales was at the low end of the scale: 6% compared with a 12,1% average in Latin America.

Among developing nations on the Pacific Rim, sales-to-income ratios ranged from 7% for Malaysia to a whopping 20,8% in Indonesia.

Startling

But the most troubling signs are on the labour front.

The average South African worker in a US manufacturing affiliate was paid $4,47 an hour in 1989, $1,23 more than his or her average counterpart in Latin America.

In Asian and Pacific countries, excluding Japan, Australia and New Zealand, only the Taiwanese and Koreans were paid more. The remainder averaged $2,13, less than half the South African figure.

Even more startling are comparisons of net return generated per worker.

During the survey year, non-bank, majority-owned affiliates in SA produced a pre-tax return on direct US investment of $134-million. They did this with just under 23 000 employees. Return per worker was $5 800.

The same calculation for Latin America gives a figure of $9 500; for Asia and the Pacific $10 400; and Western Europe, where US subsidiaries employed 2,3-million highly paid (but also highly skilled) workers, $12 500.

The survey data suggests one other reason not to be optimistic about major infusions of US investment — at least until SA can demonstrate that it has a healthy and growing market for products made by American affiliates.

The great majority of sales by US subsidiaries the world over are within the country where the subsidiaries are operating. This is particularly the case in SA, from which only 10% of US affiliates' products were exported in 1989.

Isolation

Parent firms clearly did not see the country as a springboard to other markets, and though this may have reflected political considerations, geographical isolation and the poverty of the surrounding continent appears to have had a lot to do with it.

But even in Asia and Latin America, local markets (accounting for 71% and 64% of sales respectively) are where US subsidiaries did the bulk of their business.

And note this statistic: for the survey year, sales by US affiliates in all of Africa ($11,5-billion) only just managed to top those of American subsidiaries in Ireland.

Survey of African employee benefits

B/DAY 28/4/93 (345)

LINDA ENSOR

CAPE TOWN — Old Mutual has prepared itself for the move by SA corporates into Africa by undertaking a major comparative survey of employee benefit schemes in 11 countries.

Old Mutual assistant GM Henk Beets said the aim of the survey was to enable the life assurer to provide a consultancy service for companies planning to set up operations in other African countries.

The completed survey — which covers Botswana, Egypt, Lesotho, Nigeria, Kenya, Swaziland, Zimbabwe, Malawi, Zambia, Namibia and SA — would be expanded to incorporate other African, and possibly European countries, and would be updated every two months to take account of new developments.

Beets said business decisions demanded a careful analysis of local conditions and arrangements, and the employment environment.

"In the case of employee benefits, it is crucial to have a thorough understanding of relevant legislation, employment practices, the investment environment and foreign exchange regulations. Only then can an effective and coherent employee benefits strategy be developed."

He said the survey would prove an invaluable guide to companies poised to expand into Africa, adding that SA could learn valuable lessons from Africa in terms of social security, health care and housing systems. Systems specific to Third World conditions where the average income per capita was low had to be found.

Beets said it was more feasible to extend employee benefits in the context of an AIDS epidemic, as unlike individual life assurance products, rates were reassessed on an annual basis to reflect the claims experience.

Comparing the social security schemes in Kenya, Egypt and SA, the researchers found that in Kenya and Egypt national social security funds were funded by employers and employees whereas in SA the social old age pensions were funded from tax revenues. The benefits offered in Egypt and Kenya were far more comprehensive than in SA.

More emphasis was given in these African countries to private sector funding for social service benefits.

Beets said the advantage of a compulsory national contributory scheme was that it was a more explicit form of taxation than income tax and led to a greater sense of ownership and responsibility on the part of the contributor.