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a collective bargaining omnibus

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A Collective Bargaining Omnibus

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There is little doubt of the importance of wage income to individuals, households and communities. There are a number of reasons to believe that bargaining over incomes and livelihoods remains a central drive to trade union organisation. Like its predecessors, this eleventh edition of *Bargaining Indicators* is intended to serve as an omnibus guide to collective bargaining. As in the past, *Bargaining Indicators* seeks to address some of the information asymmetries that exist in collective bargaining and to provide trade unions in particular with research and analysis that assists them in going about this core function.

The scope of *Bargaining Indicators 2007* shows signs of significant development. This edition tackles some deeper issues that must be confronted when reflecting on collective bargaining. We consider the organisational development of trade unions and establish gender as an important cross-cutting theme in collective bargaining and the workplace. This year the analysis of collective bargaining is extended to include the forms which collective bargaining takes in South Africa. So too, a review of the outcomes of collective bargaining goes beyond a traditional focus on wages and encompasses the fuller range of conditions of employment which govern the workplace.

In **chapter one** Sahra Ryklief presents development indicators for trade unions. There is a concerted effort here to balance a comprehensive framework for evaluation and reflection with the likely availability of information. This paper is itself part of the development process and it invites comment and engagement by trade unions which hold a desire to bring an increasingly systematic and strategic orientation to their organisations.

Chapter two is dedicated to collective bargaining. The *Collective Bargaining Update* is an examination of the different forms which collective bargaining in South Africa takes and ventures some thoughts about the future prospects for collective bargaining.

Shane Godfrey suggests that we have witnessed a consolidation and an extension of centralised bargaining in recent years. It is apparent that centralised bargaining is prevalent in industries and sub-sectors where trade unions have historically established a strong presence and where strong employer organisations have formed. It is also clear that relatively little is known about decentralised bargaining in South Africa.

Mainstreaming Gender Standards in Collective Bargaining tackles the artificial separation of gender from specific contexts such as collective bargaining and the workplace. The focus is on women in low wage employment in the formal economy.

It is argued that promoting economic participation and security for women in the workplace plays a role in challenging unequal power relations and can enable more equitable outcomes in society at large. It is in this light that Nina Benjamin considers the role of collective bargaining and the Basic Conditions of Employment Act in defining workplace standards. Trade unions intent on maintaining and growing membership in a changing economy, which includes the entry of women in record numbers in the post-apartheid era, would do well to engage with this report.

Outcomes of Collective Bargaining examines the quality of low wage employment in the formal economy in South Africa resulting from collective bargaining. The focus this year goes beyond wage outcomes and includes analysis of a wider range of conditions of employment. Building on the *Collective Bargaining Update*, Trenton Elsley argues that the substantive conditions of employment reflected in collective agreement provide further insight into the power and preferences of employers and trade unions. We note that a single instance of low wage employment is unlikely to meet the basic material needs of the average (low income household). We find that conditions of employment tend to mirror the Basic Conditions of Employment Act, although there is evidence of a modest upward variation of these terms. National priority areas such as skills development and HIV/AIDS are not addressed in collective agreement. This paper includes an assessment of how prevailing conditions of employment might influence the way women and men relate to work and suggests that there are mixed messages in this regard.

Following on from this assessment of the wage floor in the formal economy, the *Directors' Fees Report* sheds light on the wage ceiling by describing the basic salaries accruing to CEOs, Executive, and Non-Executive Directors of a sample of listed companies in 2006. Should a low wage worker have to work seven or eight lifetimes to earn what an executive earns in a single year? Is the average CEO really worth 273 workers?

Saliem Patel points out that this analysis excludes a number of other forms of remuneration such as share options, the exercise of which can result in staggering payoffs. A recent example is provided in *Business Day* (July 3, 2007) which reported that the dealings of a single director at Altron amounted to 329 million Rand.

Chapter three is an effort to make economic information more accessible to trade union representatives. The *Economic Review* provides insight into macro-economic indicators for collective bargaining. Saliem Patel suggests that a number of positive macro-economic outcomes in recent years have not translated into gains for workers generally and raises questions about the redistributive capacity of the South African economy. We are also warned that some of the shine is coming off South Africa's macro-economic fundamentals.

While inflation benchmarking has certainly dampened wage increases in recent years it remains a talking point in negotiations and it is important that trade union representatives are familiar with these benchmarks and are actively developing strategies to deal with inflation in collective bargaining. *Inflation Monitor* tracks price inflation in South Africa as of May 2007 and draws out recent trends in selected indices.

Chapter four introduces *Decent Work for Development* and is an examination of five projects that formed part of the Extended Public Works Programme (EPWP). Shane Godfrey concludes that by and large employment creation here stands up to a broad test for decent work, but that the developmental potential of these jobs is limited by their short duration and weak skills development components.

The Labour Research Service (LRS) wishes to thank the Rosa Luxemburg Foundation (RLS) for providing core funding for this publication. The LRS thanks FNV Mondiaal for project support which contributes to the development of collective bargaining resources in the region. We also thank the development arm of the German Protestant churches (EED), whose continued support has allowed us to develop an increasingly gender sensitive perspective of collective bargaining and the workplace. Finally we extend our appreciation to all those trade union representatives who continue to assist the LRS in its efforts to produce research and analysis that supports their work.

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TRADE UNION DEVELOPMENT INDICATORS

an analytical resource for South African trade unions

Sahra Ryklief, Labour Research Service

BACKGROUND

"Trade unions operate as we have done for years on end. There are no operational changes within unions, though 'noise' is made on this issue, nothing is being done about it..."¹

Organised labour in South Africa is at a watershed. Not only are the vibrant, formative years of the democratic labour movement behind us, but the hopes and expectations for rapid social transformation expedited by a democratically elected government are receding as well.

New strategic challenges for union organisation have emerged, not least of which has been that for more than a decade trade unions have been dealing with job losses in the formal sector and irreversible changes to the nature of work. These changes have resulted in the striation of the formal workforce into permanent, casual and contract workers, whilst unemployment figures remain far too high. The unemployed do not entirely drop off the radar of economic activity, but try to extract a livelihood wherever possible, creating what has globally become known as the informal economy. The workers who are fueling the growth of the informal economy bear little to no resemblance to wage earners in formal employment, neither in terms of their status, (having no fixed employer to speak of), nor in terms of their working conditions, and even less so in terms of their general standard of living.

Despite these challenges, overall figures for South African union membership have not declined in the past decade, but have actually increased. This numerical growth is not evenly distributed, and displays some significant changes to patterns of union membership. For example, membership in mining, construction and manufacturing unions has declined, either because the productive capacity of the industries has shrunk or because the workforce has been reconfigured through deregulation.²

Sector shrinkage has not automatically led to numerical shrinkage either. Trade union membership in the public services has grown, despite, or perhaps because of, employment cuts to this sector. Inversely, despite the commercial service sector recording the highest level of employment growth in relation to other sectors of the economy, growth of union membership in this sector is still slow, mostly because the nature of employment in this sector is flexible and non-standard, making unionisation more difficult.

¹ Senior union negotiator speaking at LRS Negotiator's Conference, 1st April 2005.

² See Buhlungu, S. & Webster, E. *Work restructuring and the future of labour in SA* in State of the Nation 2005 – 2006, HSRC, Cape Town, 2006.

These labour market changes are no longer new, but unions are still grappling with the organisational challenges these new forms of employment present. Unions bring workers together at the point where they encounter common problems. Labour market processes are undermining this, as different types of workers are encountering completely different, sometimes counter-positional problems.

It is not entirely accurate to say that unions have kept operating the same as before. The operational aspects of trade unions have also gone through significant changes over the same period, brought on by the legitimisation of social dialogue by the ANC government and the institutionalisation of industrial relations, especially collective bargaining.

Group discussions with negotiators and collective bargaining reviews conducted by the Labour Research Service (LRS) have demonstrated that centralised bargaining has led to a decrease of member involvement in the main activity of the union, amounting to a structural trend towards lesser member involvement in general. Member involvement is further reduced if long term agreements become the norm, as there is no need for even the minimum member participation through the required mandate setting and report back meetings at the workplaces every year. At best, member involvement is driven by the shop steward layer in the union, and there is infrequent member interaction with union operations, except for election processes and mandate setting meetings at the workplace level.

Many South African unions have responded to these challenges by embarking on recruitment drives and/or organisational renewal or revitalisation programmes, with the intent of improving their organisational performance as well as expanding union density in their sectors and industries. These attempts, although worthy in their intent and initiation, often do not lead to any significant results.

One reason for this might be that it is perhaps more easy to identify organisational weakness than to identify organisational strength. Within (and without) South African trade unions today, the most relied upon yardstick for measuring organisational strength is our comparison with the past. References to trade unions as they were in the 1980s, when the labour movement was in its formative stage and an integral component of a broad-based movement intent on bringing down an apartheid government, abound.

Twenty-odd years later, legal protections ensure that unions are integrated, to a greater or lesser degree, into a political and labour-relations dispensation legitimated through consultation with a democratically elected government. The largest federation in the labour movement (COSATU) expresses a special allegiance to this government through the tri-partite alliance. These are hardly similar environmental conditions for making political, organisational and operational comparisons to the 1980s.

The charting of an independent and unifying political identity for the South African labour movement, located within the current South African environment, remains an ongoing necessity. Without this, unions will find it

difficult to move from being reactive and survivalist to becoming consistently strategic and developmental. An equally significant challenge is the continuous necessity of building unions organisationally, and developing enabling benchmarks conforming to the current operational reality. It is this that this paper seeks to address, through exploring a new tool of analysis that the LRS is in the process of designing to aid trade union organisational development, and to compare it with similar design initiatives internationally.

INTRODUCTION

The initial needs assessment for these Trade Union Development Indicators (TRUDI) was established through surveys and discussions on trade union organisational requirements conducted at the LRS Negotiator's Conferences in 2004 and again in 2005³, attended by delegates from more than 15 unions, drawn from three federations and including some independent unions. These surveys and discussions elicited numerous comments pertaining to union organisational problems⁴:

- "There is a need to identify and appreciate what are generally accepted as the main activities of a trade union, and also whether our union actually measures up to these."
- "We need to understand the reasons behind the membership figures dropping. We need to identify who these members are and need to know our members better."
- "Members don't understand the constitution, or the rights of the unions themselves. It feels as if this knowledge is only held by office bearers, organisers and shop stewards and not the general membership."
- "Training is essential, but time after time shop stewards attend courses, yet no growth is apparent. Courses need to fit into an overall strategy, and the end use of this training needs to be understood in the union before the course is offered, and participants are selected."
- "In the past, there was a broader contact between the democratic movement and the community. This is no longer the case. It is important as a labour movement that we understand the issues of the community and relate this to the unions' concerns. We need to know which organisations are out there, what they are struggling for, and what we can do to assist one another's struggles."

These comments, and many others in a similar vein, outlined a need for some initiative to both stimulate and inform union change processes, so as to ensure that any change is oriented to respond to the challenges that unions are facing in the current environment.

With assistance from the LO-TCO in Sweden, the LRS convened two workshops⁵, in July 2005 and February 2006, to design a set of general organisational objectives applicable to South African trade unions. Thereafter, we formulated a preliminary set of indicators to assess these objectives, and interviewed union representatives to establish the viability of measuring these indicators.

³ For a list of trade unions represented, please see Appendix 1.

⁴ Report of 2005 LRS Negotiator's conference, Elijah Barayi Memorial Training Centre.

⁵ Reports of these workshops can be made available on request.

The indicators assembled through this process can be used to both shape the targets and/or results of initiatives towards union organisational development, as well as to give reliable feedback on how the union is performing. A pilot survey using these indicators was then conducted, the results of which will be discussed later in this paper.

Participating unions in the first workshop in August 2005 in Cape Town felt that the use of TRUDI would have a beneficial effect on the strategies and priorities of their unions. Participants were asked to envisage a successful union. Their response was that successful unions:

- Are effective in representing members and their interests (Characteristic: *Representation*).
- Function as democratic, worker-controlled organisations (Characteristic: *Internal Democracy*).
- Work together as unions in solidarity with one another (Characteristic: *Solidarity*).
- Are actively engaged with working class issues broader than those of the workplace (Characteristic: *Social Activism and Dialogue*).

After the workshop, the LRS developed indicator themes for each characteristic, which will be explored in some detail below. In the second workshop in February 2006, participants deliberated on whether their unions would actually be able to *measure* these indicator themes, whether they thought it was desirable/necessary to do so, as well as whether the information needed to verify the indicators was actually recorded and/or available.

Once this workshop had pronounced on the means of verification, the LRS consolidated the work into a set of 127 indicators. Also at the workshop, the differences between unions and federations were drawn out, specifically in relation to two of the four characteristics, viz. *representation* and *social activism and dialogue*. It was felt that unions are essentially more preoccupied with *representation*, relying on their federations to deal with many aspects of *social activism and dialogue*.

Individual interviews were conducted with union participants to verify the viability of both the themes and the indicators. Thereafter the LRS designed two preliminary questionnaires, one for unions and one for federations, and conducted a pilot study of selected COSATU affiliates in Mpumalanga in July 2006, to establish the applicability of the indicators, the outcomes of which will be discussed below.

METHODOLOGY

The Actual Wage Rates Database (AWARD) of the LRS enables trade unions to monitor their performance in relation to wage and conditions of service. The design of TRUDI is a similar initiative, intended to assist unions to monitor their organisational development outcomes. In order for such monitoring to encourage strategic reflection and analysis, the indicators in TRUDI have to match two qualifications. Firstly, they have to encompass those elements of trade union activity which union leadership and members believe to be quintessential to the existence of their organisation, and secondly, they must be credible and robust, so that they can be applied by different unions to measure progress.

TRUDI allows unions to:

- track basic demographics;
- systematise union preparation for bargaining and review results;
- provide evidence-based analysis on outcomes of social dialogue;
- record and assess the role of the union in campaigns for socio-economic and labour rights;
- record and assess the relationship with other trade unions during collective bargaining;
- record solidarity initiatives, including joint campaigns with social allies.

It is difficult to imagine any serious labour activist or analyst who would disagree that such structured information, readily available and tracked year on year by the unions themselves, will be an invaluable resource for empirically analysing trade union performance and progress over time. In order for such a resource to become a reality, a union should firstly establish that there is general consensus (involving leadership, staff and members) that it wants to approach its progress towards agreed objectives in a way which enables it to establish an empirical benchmark against which future performance can be measured. Secondly, a union should be prepared to make the necessary operational changes in order to gather the information required to track performance over time.

When selecting the actual indicators, one of the most important considerations became whether the information was available in the unions or not. Some of the intended indicators, such as the gender composition of union members and turnover of union membership, were set aside from the onset as not being measurable due to a lack of information. After two rounds of discussions and interviews we were left with a set of indicators which held a relatively good chance of being measured, and the pilot study conducted in July 2006 concerned itself almost exclusively with establishing whether the unions interviewed did have such data available or not.

The second consideration is whether TRUDI is used as an in-house activity which the union conducts to track its progress towards strategic objectives and evaluate its impact for its members, or whether it joins other unions and contributes towards establishing an Index. This would feature a set of credible standards relating to union organisational development, which could serve to benchmark and compare performance, identify best practise and share learnings and opportunities for improvements. Whichever choice is made, the development of TRUDI is intended predominantly as a resource for self-analysis for unions, although the LRS is prepared to assist if requested to do so in an advisory capacity, or as is currently the case with one union, by customising the indicators and applying them to suit a particularly critical need in a union.

Why indicators?

The project uses indicators to provide ways of measuring results against strategic objectives. Indicators allow trade unions to identify their strategic objectives and produce agreed ways of measuring them. As a Canadian statistician said, indicators “are measuring systems to assist societies and communities towards their desired course, to clarify key issues and challenges,

and to prioritise resources, especially spending. Indicators do not just monitor progress; they help make it happen.”⁶

The social indicator process is a consultative one, integrating design and reporting workshops with other consultative measures. This consultative nature tends to make the production of indicators a slow process. The ‘buy-in’ of those who will use the indicators is the determining factor in establishing whether the indicators join other research in an ever-expanding ‘data cemetery’ or whether they become living instruments of development and change. So it is worth spending the time. Friedman (1997) produces a useful definition of an indicator as:

“A measure, for which we have data, that helps quantify the achievement of a desired result. Indicators help answer the question: ‘How would we know a result if we achieved it?’⁷”

Trewin (2002)⁸ offers a list of qualities of a good social indicator which should:

- “be relevant to the characteristic it is intended to describe;
- be supported by reliable and timely data;
- be sensitive to the underlying phenomenon which it purports to measure;
- be intelligible and easily interpreted;
- preferably be available for several time periods including recent periods; and
- for the purposes of international comparison, preferably be available for other countries.”

Some social indicators measure inputs (the amount of resources committed to a focus area, such as budgetary allocation for shop steward training). Some measure outputs (what is produced by the focus area, such as the number of shop steward training courses conducted by the union), and others outcomes (the impact of the inputs and outputs, such as the ability of shop stewards to act independently as negotiators after receiving training).

The ease of data collection of these categories is generally in an inverse relationship to their usefulness. So inputs are the easiest to find data for, but generally the least useful as indicators, whilst outcomes are the most difficult to measure but the most useful.

Data can also be objective or subjective. Objective refers to data that is simply quantitative (e.g. the percentage of women to men in union office bearers); subjective refers to data which is qualitative - it solicits opinion and judgement (e.g. do women office bearers occupy positions of similar status and responsibility to male office bearers in the union?).

Some data is collected specifically for a particular set of indicators - reports, interviews and surveys being the common forms. In general, qualitative information is likely to fall into this category. Other data either already exists (in which case it is the context in which it is placed that gives it its new significance) or it is quantitative data which would need to be collected.

⁶ Reed, 2000, in Etkind, R, 2006.

⁷ Friedman, 1997, in Etkind, R, 2006.

⁸ Trewin, 2002, in Etkind, R, 2006.

In developing TRUDI, we favoured quantitative indicators, as we felt this would serve to encourage unions to begin developing reporting and documenting systems. However, it will not be possible to apply all of the 127 indicators without conducting sampled opinion surveys and interviews along with data gathering. A detailed analysis of instruments to measure the 127 indicators outlined below, and an assessment of their viability was conducted through interviews and workshop discussions in February 2006.⁹ For the purpose of this paper, which is intended to solicit discussion and responses from trade unionists, we will not go into that level of methodological detail, but rather focus on the indicators and the rationale for selecting them.

TRADE UNION DEVELOPMENT INDICATORS

Characteristic A: Representation

Trade unions are representative organisations, and need to find a systematic way of proving that they are representing the interests of their members as effectively and comprehensively as is possible. Representing members is never a static set of desired results, as changes to the political, social and industrial context influence unions' ability to make gains, and call upon the need for issues pertaining to representation to be reviewed from time to time. Notwithstanding this, unions can provide an evidence-based demonstration of their effectiveness in representation if they can show that they have:

1. negotiated good agreements with progressive outcomes;
2. protected the health and safety of their members;
3. retained and/or incrementally increased their membership;
4. resisted threats to their members;
5. mobilised for economic and workplace gains;
6. defended their members successfully in tribunals;
7. allocated resources to education and training of their representatives;
8. communicated with their members.

The above we have called indicator *themes*. We then looked at whether unions can actually demonstrate results in relation to these themes. Indicators to demonstrate results for the eight themes are outlined below. Any selection or group of these indicators can be prioritised by a union, and short, medium and long term achievement targets can be set. In general, data should be recorded annually, so that trends can be tracked over time.

1. NEGOTIATING GOOD AGREEMENTS WITH PROGRESSIVE OUTCOMES:

- 1.1 real (wage) increase;
- 1.2 lowest wage level;
- 1.3 gap between lowest and highest;
- 1.4 average hours of work;
- 1.5 number of paid maternity days;
- 1.6 conditions pertaining to HIV/AIDS prevention, care and/or treatment; health and social benefits;
- 1.7 number and/or proportion of workplaces in the sector covered by

⁹ A synthesis of these interviews and workshop findings can be made available on request by the LRS.

- recognition or collective agreements;
- 1.8. proportion of workplaces not covered;
- 1.9. number and/or proportion of workers in the sector directly covered by agreements;
- 1.10. proportion of workforce not covered.

2. PROTECTING HEALTH AND SAFETY:

- 2.1. number of workplaces with health and safety codes and targets;
- 2.2. number of workplaces with health and safety committees;
- 2.3. documentation of health and safety and environmental violations by companies for campaign purposes.

3. RETAINING AND INCREASING MEMBERSHIP:

- 3.1. union membership in proportion to workforce in the sector;
- 3.2. number of members who joined the union;
- 3.3. number of members who have left the union;
- 3.4. analysis of loss of membership (e.g. resignation; retrenchment; death);
- 3.5. proportion of workplaces with majority union membership;
- 3.6. number of workplaces in the sector with no union presence.

4. RESISTING THREATS TO MEMBERS:

- 4.1. incidences of timely responses/interventions to company violation of workers' rights;
- 4.2. incidences of jobs saved through union intervention;
- 4.3. proportion of membership who are contract workers;
- 4.4. proportion of membership who are casual workers;
- 4.5. proportion of casual workers who become permanent.

5. MOBILISED FOR ECONOMIC AND WORKPLACE GAINS:

- 5.1. number of industrial actions;
- 5.2. number and duration of strikes;
- 5.3. socio-economic campaign issues identified;
- 5.4. amount of resources allocated for industrial actions;
- 5.5. amount of resources allocated for campaigns;
- 5.6. assessment of gains/losses made through direct action, and suggestions for improvement.

6. ALLOCATING RESOURCES TO EDUCATION AND TRAINING OF UNION

REPRESENTATIVES:

- 6.1. proportion of annual union budget allocated to education and training;
- 6.2. proportion of education budget funded by donors;
- 6.3. actual annual expenditure on education and training;
- 6.4. number of union educators;
- 6.5. frequency of incidences of education and training days for shop stewards paid by employers;

- 6.6. existence of union database of shop stewards with training records;
- 6.7. number and location of education and training events held by union;
- 6.8. number of shop stewards attending union educational and training events;
- 6.9. number of shop stewards/officials attending training events conducted by service providers outside of the union.

7. DEFENDING MEMBERS SUCCESSFULLY IN TRIBUNALS:

- 7.1. number of factory-based disciplinary hearings held;
- 7.2. number of factory-based disciplinary hearings won by the union;
- 7.3. number of cases referred for legal advice;
- 7.4. number of cases serviced by union paralegals;
- 7.5. number of condonation applications for late filing at CCMA/
Bargaining Council;
- 7.6. ratio of cases won to total number of cases at CCMA/
Bargaining Council.

8. COMMUNICATING WITH MEMBERS:

- 8.1. frequency of general meetings for members on a branch, provincial and national level;
- 8.2. number of organisers as a proportion of the entire membership;
- 8.3. frequency of organiser visits to workplaces;
- 8.4. frequency of national office bearer visits to regions/provinces;
- 8.5. annual tally of union publications circulated to members;
- 8.6. number of shop stewards as a proportion of the entire membership;
- 8.7. proportion of agreements which give time-off to shop stewards.

Characteristic B: Internal Democracy

It has long been maintained by social and political analysts that levels of trade union freedoms and density are reliable indicators of a democratic society. This should not mean that trade unions should take comfort in their mere existence. In order to fulfill their role as harbingers of democracy, unions should be able to demonstrate conclusively that they maintain internal systems which are consistent with the democratic ideals they espouse in broader society. In South Africa, legislation provides a few guidelines, which ensure that unions maintain their integrity against influence by employers, and report on their finances and leadership. Further themes for internal democracy could be that unions are:

- 9. controlled by an accountable worker leadership;
- 10. conducting regular, participative election of leaders;
- 11. led by demographically representative office bearers;
- 12. sustaining acceptable levels of participation from their membership;
- 13. creating a home of lively and free debate;
- 14. fair and democratic employers.

Indicators to demonstrate results for these themes are outlined below.

9. CONTROLLED BY AN ACCOUNTABLE WORKER LEADERSHIP:

- 9.1 presence and proportion of office bearers at key decision making meetings;
- 9.2 presence of office bearers at key union events;
- 9.3 incidences of office bearers representing the union and reporting to members.

10. CONDUCTING REGULAR, PARTICIPATIVE ELECTION OF LEADERS:

- 10.1. frequency of elections from workplace to national levels of union;
- 10.2. provision of information on electoral procedures well before the time;
- 10.3. existence of criteria for election of leaders in the union;
- 10.4. freedom of members to stand as candidates with no ethnic, gender, ideological or political prohibitions;
- 10.5. freedom to nominate candidates of choice and to voice opinions on candidates;
- 10.6. existence of policy enabling recall of leadership if warranted;
- 10.7. percentage of eligible voters that voted.

11. LED BY DEMOGRAPHICALLY REPRESENTATIVE OFFICE BEARERS:

- 11.1. gender breakdowns of elected leaders at all levels compared to gender breakdown of membership;
- 11.2. gender profile of officials compared to gender profile of membership; ethnic profile of leadership at branch, regional and national level compared to ethnic profile of membership;
- 11.3. ethnic profile of officials compared to ethnic profile of membership;
- 11.4. average occupational level/grade of leadership at national and regional level compared to membership;
- 11.5. average age of leadership;
- 11.6. existence of youth recruitment or leadership development programme;
- 11.7. existence of women's recruitment or leadership development programme.

12. SUSTAINING ACCEPTABLE LEVELS OF PARTICIPATION FROM THEIR MEMBERSHIP:

- 12.1. existence and level of dissemination of year plan for constitutional meetings at national and regional level;
- 12.2. attendance levels at congress and executive meetings on a national and provincial level;
- 12.3. number of general meetings at branch and workplace level per region;
- 12.4. attendance levels of branch and workplace meetings;
- 12.5. amount of release time shop stewards get to prepare for collective bargaining;
- 12.6. number of shop stewards to participate in national and company bargaining teams vis a vis officials;
- 12.7. number of workplaces that took part in industrial action in support of collective bargaining demands.

13. CREATING A HOME OF LIVELY AND FREE DEBATE:

- 13.1. existence of formal union policy encouraging freedom of speech and association;
- 13.2. existence of preparatory processes, workshops and meetings in the run up to policy meetings and congresses;
- 13.3. assessment procedures constituted for ongoing self-evaluation of participation in formal meetings;
- 13.4. existence of formal union policy permitting members and officials freedom to participate in political organisations;
- 13.5. sampled opinions of members/shop stewards to improve practise in response to freedom of debate.

14. FAIR AND DEMOCRATIC EMPLOYER:

- 14.1. recruitment, induction and performance appraisal procedures in place;
- 14.2. negotiation/collective bargaining arrangements in place between the union and staff;
- 14.3. staff code of conduct, disciplinary and grievance procedures clearly defined;
- 14.4. resources provided to allow staff to meet and/or confer regularly;
- 14.5. staff salaries and conditions reviewed regularly and compared those to in other unions/federations.

Characteristic C: Solidarity

To improve its chances of making gains on a broader level, it is essential that a trade union acknowledges that there are certain battles that it cannot win on its own. This is one of the reasons why unions affiliate to national, regional and global federation structures, or caucus and reach agreements with rival unions at a workplace or sectoral level. A trade union can demonstrate that it practices solidarity if it:

15. participates actively in inter-union structures nationally, regionally and globally;
16. collaborates in collective bargaining activities with other unions;
17. takes up direct action in support of workers in other companies/unions/countries;
18. builds or shares resources with other unions.

Indicators to measure results for these themes are:

15. ACTIVE PARTICIPATION IN INTER-UNION STRUCTURES NATIONALLY, REGIONALLY AND GLOBALLY:

- 15.1. paid up membership of a national federation/centre;
- 15.2. paid up membership of a regional and/or global federation;
- 15.3. attendance of union delegates to regional and global meetings of global federation;
- 15.4. number of times that regional and global trade union issues appear of the union's National Executive Committee agenda;

- 15.5. union delegate/s hold office on regional or global structures;
- 15.6. incidences of support received from global trade union federation for union activities.

16. COLLABORATES IN COLLECTIVE BARGAINING ACTIVITIES WITH OTHER UNIONS:

- 16.1. participation in joint bargaining structures, e.g. bargaining and statutory councils and forums;
- 16.2. incidences of joint preparation sessions with other unions when developing a labour position in joint bargaining structures;
- 16.3. incidences of joint caucuses during collective bargaining;
- 16.4. incidences of common agreement on union demands in the sector;
- 16.5. incidences of joint direct action with other unions in the sector;
- 16.6. participation in multi-union forums or any multi-union activity.

17. TAKES UP DIRECT ACTION IN SUPPORT OF WORKERS IN OTHER COMPANIES/ UNIONS/COUNTRIES:

- 17.1. incidences of solidarity action within the union from one workplace or sector to another (demonstrations; donations; messages of support);
- 17.2. demonstrations held in support of workers who are not members of the union; resources donated to striking workers from other unions;
- 17.3. resolutions, press statements and/or messages of support for striking workers from other unions;
- 17.4. incidences of stay-away and strike action taken by members in solidarity with workers who are not members of the union;
- 17.5. percentage of members who heeded calls for stay-away action by federation, either regionally or nationally.

18. BUILDS OR SHARES RESOURCES WITH OTHER UNIONS:

- 18.1. incidences of support to under-resourced unions.
- 18.2. paid up affiliation to labour support NGOs;
- 18.3. union delegate holds office on labour support NGOs board;
- 18.4. collaborates with other unions on research projects/activities;
- 18.5. collaborates with other unions on education projects/activities.

Characteristic D: Social activism and dialogue

We assume as a starting point in this characteristic that union members and office bearers want their organisation to engage with the ruling power on social issues, and that the form of this engagement ranges from bi-partite or tri-partite dialogue, to broader advocacy on key policy issues, to campaigning, including direct action. We have therefore chosen to call this characterisation *social activism and dialogue* as a characteristic which encompasses as wide a definition as possible.

In order for a union to demonstrate results in this characteristic, it will:

- 19. adopt and disseminate policies on the major social issues affecting the working class;
- 20. engage in ongoing policy analysis, research and dialogue on these issues;

21. engage in political power mapping to identify strategic partners;
22. actively lobby social and political forces;
23. forge strategic alliances and campaign on social issues with organisations of the working class.

Indicators to measure results for these themes:

19. ADOPT AND DISSEMINATE POLICIES ON THE MAJOR SOCIAL ISSUES AFFECTING THE WORKING CLASS:

- 19.1. incidences of policy discussions at local, national, regional and global levels;
- 19.2. union resolutions on key social issues such as employment and livelihood issues, service delivery, privatisation, social security, transport, housing etc.

20. ENGAGE IN ONGOING POLICY ANALYSIS, RESEARCH AND DIALOGUE:

- 20.1. existence of union policy documents on social issues such as employment and livelihood issues, service delivery, privatisation, social security, transport, housing etc;
- 20.2. popular material developed and circulated to membership on these issues.

21. ENGAGE IN POLITICAL POWER MAPPING TO IDENTIFY STRATEGIC PARTNERS:

- 21.1. union workshops, seminars and/or conferences which weigh up social and political forces, interests and influences;
- 21.2. congress resolutions to direct leadership to increase political and social weight and influence;
- 21.3. evidence of ongoing participatory assessment of success or failure of existing political strategies.

22. ACTIVELY LOBBY SOCIAL AND POLITICAL FORCES:

- 22.1. presentations and interventions by union delegates at conferences, seminars and meetings of civil society organisations engaged in social and political struggles;
- 22.2. presentations and interventions by leading activists of civil society organisations at union meetings/conferences/workshops/congresses;
- 22.3. press releases and coverage of union social and political interventions;
- 22.4. incidences of lobbying local, provincial or national government on social issues;
- 22.5. incidences of lobbying employer organisations and forums at local, provincial or national levels;
- 22.6. number of submissions to parliament on proposed legislation;
- 22.7. interventions at National Economic Development and Labour Council or provincial forums on key social and political issues.

23. FORGING ALLIANCES AND CAMPAIGNS ON SOCIAL ISSUES OF THE WORKING CLASS:

- 23.1. incidences of formal union campaigns on non-workplace issues promoted by the union/federation;

- 23.2. number and duration of organized actions taken in support of union campaigns on social issues;
- 23.3. incidences of support from political parties or NGOs or CBOs or social movements for union campaigns;
- 23.4. incidences of union support for campaigns led by political parties or social movements/campaigning social organisations.

AVAILABILITY OF DATA

A handful of experienced trade unionists¹⁰ made themselves available for consultations and interviews, both on the desirability of these indicators, on which there was relatively easy agreement, as well as on the actual *viability* of measuring these indicators in their unions. Following these interviews and a focus group discussion with trade unionists in 2006, indicators were graded according to a data availability scale, as follows:

1. Immediately available at Head Office / Provincial Office of union: a researcher can phone or email for data which will be returned by email attachment in a common format;
2. Readily available at Head Office / Provincial Office / Branch Office of union: a researcher would have to visit the office and sit with the responsible staff member/s to identify the exact data requested; the data would be available (in electronic or paper form) by the end of the day;
3. Available at Head Office / Provincial Office / Branch Office: a researcher would have to visit the union office more than once; there is no central place where statistics are kept, so the data would need to be located in the particular department where it may be. This may require discussions with two or three departments (eg. admin, finance, personnel/human resources) - OR - the data is not easily available, but constant, tactful pressure over time results in the data being made available. Having done it once, the next time might not be quite so hard;
4. Can be accessed using a survey: to get this data it would be necessary to set up a research instrument, like a questionnaire, and apply it to a number of people;
5. Cannot realistically be accessed in the foreseeable future.

Indicators that scored 5 were eliminated, (such as the gender composition of union membership), regardless of the desirability. Out of the 127 indicators left, approximately 40% were scored between 3 – 4 by the trade union officials interviewed, which meant that obtaining the information necessary to apply the indicators would not be an easy or quick process.

It was clear from the onset that there would be a high degree of compromise between the selection of indicators and the availability of data. The exact nature of this compromise is best illustrated by a pilot survey that was conducted in July 2006, with the assistance of the COSATU Mpumalanga provincial office.

¹⁰ See Appendix 11 for list of trade union officials interviewed.

The decision to test the viability of the indicators on several unions in one province, rather than on a national union, was based on the assumption that the potential for provision and documentation of information in any union would succeed or fail based on how essential its provincial offices considered these exercises to be, as well as how capable and effective the provinces were in record keeping.

Two simple questionnaires¹¹ were drafted, one for the federations and one for trade union affiliates. Interviewees were provincial secretaries and/or provincial organisers.¹² Questions were posed to establish whether information or records existed for indicators that had scored 1 or 2 on the data availability scale, a total of 43 of the indicators, drawn from all four characteristics.

In general, the unions interviewed tested well on data availability, with the exception of employment statistics. Membership statistics are regularly updated and verified, but reasons for changeover in membership are generally not recorded. There is good record keeping of the number of workplaces organised, incidences of large-scale company retrenchments and all unions were able to provide information on workplaces where the union has a majority, but as yet no union interviewed kept records of the nature of employment (permanent/casual/contract) of their members at these workplaces. All interviewees felt it was necessary for the union to begin keeping such records, as well as to set targets for recruitment strategies and analyse results. Incidences of social activism and dialogue were mostly initiated or centralised through the COSATU provincial office, although some affiliates did engage in their own campaign activities, e.g. farm evictions and HIV/AIDS related issues.

Records for education and training events are easily accessible, if not in the original document form then in reports to union members from the Secretariat of the provincial office. The same applies to meeting records. Although interviewees volunteered demographic information good naturedly, they all expressed an opinion that ethnicity and ethnic representation was not really an issue in the province, and did not see the relevance of either recording nor analysing such information, so perhaps these indicators are province-specific. However, strategic targets and records for women leadership were viewed as necessary and important, as invariably if the province had a woman office bearer, she held the office of treasurer, a portfolio which on face value holds few responsibilities on a provincial level, as finances in most unions are highly centralised.

In conclusion, the pilot survey confirmed that TRUDI has real potential as an aid to both planning and review in unions, although it needs to be customised to suit the needs of the exercise. It must be emphasised that sufficient time must be allocated to either collect data if planning is the intention, as well as to gain access to the data before analysis becomes possible. The pilot revealed that those indicators that had been scored as 1 (immediately available), should really be scored 2-3.

¹¹ Questionnaires can be made available on request from the LRS.

¹² See list of interviewees in Appendix 11.

WHAT ELSE IS OUT THERE?

In the development phase of TRUDI during 2005 and 2006, the LRS made contact with other labour organisations that were theorising along similar lines.

LO-TCO Sweden: Analysis of trade union organisational development

The LO-TCO secretariat set up a reference group in 2006 consisting of people involved in development cooperation from the Swedish trade unions. This reference group has based their analytical model on TRUDI, as follows:

1. REPRESENT AND DEFEND MEMBERS EFFICIENTLY

A trade union organisation which represents and defends its members efficiently:

- is able to represent all members regardless of sex, ethnicity, age, sexual identity, disability;
- has a high level of union organisation;
- has many paying members;
- has the ability to secure good collective agreements;
- is independent of employers and the state, and is not controlled by political parties;
- has the capability to educate its members and elected representatives in relevant areas;
- is acknowledged by employers as the force which represents employees.

2. DEMOCRATIC VALUES AND STRONG INTERNAL DEMOCRACY

A trade union organisation which rests on democratic values and enjoys strong internal democracy:

- has a democratic ideology and a democratic approach;
- has leaders and elected representatives that are representative of the body of members (sex, ethnicity, age, sexual identity, disability);
- has knowledgeable and educated leaders;
- has a democratic structure and is transparent and open;
- has elected representatives in all work places;
- has good internal communication practices;
- has a good relationship with its employees;
- does not rely on outside funding.

3. GOOD COOPERATION WITH OTHER TRADE UNION ORGANISATIONS

A trade union organisation which has a good co-operation with other trade union organisations:

- is structured on the national level (not only on the enterprise level);
- is a member of federations and actively takes part in federation activities
 - on the national level (confederations)
 - on the regional level (regional GUF's)
 - on the international level (GUF);

- acts in solidarity with other trade union organisations;
- co-operates well with any other trade union organisations organised within the same industry;
- co-ordinates with other trade union organisations in collective bargaining processes.

4. RECOGNISED AND INFLUENTIAL ACTOR IN SOCIETY AND IN POLITICS

A trade union organisation which is a recognised and influential actor in society and politics:

- is capable of advancing its members' interests politically;
- has a fruitful cooperation with political parties and is able to influence them;
- is capable of forming relevant partnerships with other organisations in civil society;
- is acknowledged by employers and the state as the force which represents employees;
- gains impact for their issues in the media;
- takes on broad social responsibilities.

FNV-Mondiaal's Organisational Development Instruments for trade union self-diagnosis

An initiative bearing some similarity to TRUDI, in that it also encourages trade unions to analyse themselves, is that being developed by the FNV-Mondiaal in the Netherlands. Their results-based resource, developed in collaboration with their trade union partners in Latin America, is intended to assist unions to analyse their performance and outcomes.

The FNV-Mondiaal framework reviews trade unions through two dimensions, viz. *coherence*, which is essentially the manner in which the trade union utilises its resources, and *correspondence*, which is the effectiveness with which trade unions influence and are influenced by their environment. These dimensions each have their own "fields", and each of the fields has a number of variables as follows:

COHERENCE (Internal)

1. DEMOCRACY

- 1.1 degree of participation in decision making;
- 1.2 degree of spreading responsibilities;
- 1.3 degree of participation in evaluation;
- 1.4 degree of access to functions that imply a high degree of responsibility.

2. ECONOMIC STRENGTH

- 2.1 state of membership contribution;
- 2.2 degree of sufficiency with own resources;
- 2.3 degree of access towards complimentary outside resources;
- 2.4 cash reserves for support in case of labour conflicts.

3. ACCESS TO INFORMATION BY MEMBERS

- 3.1 degree of access to information on union activities;
- 3.2 degree of availability of sectoral information;
- 3.3 degree of transparency of financial information;
- 3.4 degree of access to internal organisational information.

4. COMPETENCE OF HUMAN RESOURCES

- 4.1 clarity of job function of leadership;
- 4.2 clarity of competencies required for staff positions;
- 4.3 correspondences between the actual and the desired competencies of staff;
- 4.4 degree of schooling and training of present leadership and staff.

5. STATE OF PLANNING AND MONITORING SYSTEMS

- 5.1 plans are used for preparing the operations of the union;
- 5.2 plans are feasible/achievable;
- 5.3 monitoring systems are used for the control of plans;
- 5.4 culture of the organisation permits the admission of mistakes.

6. EQUITY OF PARTICIPATION (ETHNIC AND GENDER)

- 6.1 interests of women and minority groups are incorporated into plans;
- 6.2 ethnic representation of leadership;
- 6.3 women's participation in the leadership;
- 6.4 youth's participation in the leadership.

7. INITIATIVE

- 7.1 capacity to formulate trade union proposals;
- 7.2 capacity to execute trade union proposals;
- 7.3 capacity to consolidate proposals;
- 7.4 capacity to secure long-term goals of the union.

8. FINANCIAL ADMINISTRATION, ACCOUNTING AND TREASURY

- 8.1 existence and application of financial plan;
- 8.2 correspondence of budget and actual expenditure;
- 8.3 employment of mechanisms of control;
- 8.4 employment of external auditing.

CORRESPONDENCE (interaction with the environment)

1. INSTITUTIONAL PROPOSAL (ENVIRONMENTAL ANALYSIS)

- 1.1 use of diagnosis and analysis of context;
- 1.2 degree of participation of allies or key actors of this context in the diagnosis;
- 1.3 degree of use of resolutions that go further than just the typical trade union themes;

1.4 extent to which chosen strategies are rethought and/or recalibrated.

2. INSTITUTIONAL POSITIONING AND ORGANISATIONAL COMPETENCIES

2.1 capacity to mobilise;

2.2 degree of correspondence between economic capacity and proposals;

2.3 degree of correspondence between image and proposals;

2.4 to what extent do mechanisms and strategies to call other actors for meetings work?

3. SOCIAL RECOGNITION

3.1 expectations generated by resolutions;

3.2 degree of participation of the trade union in initiatives of other civil society organisations;

3.3 reaction of other actors from other sectors to a call for meetings by the trade union;

3.4 interest of other actors raised by the initiatives of the trade union.

4. POLITICAL AUTONOMY

4.1 degree of correspondence between the actions and the values of the trade union;

4.2 degree of independence of the trade union from political parties;

4.3 degree of consolidation of trustworthy technical support;

4.4 degree of development of alliances with mutual respect and parity.

5. TRANSPARENCY AND TRUST

5.1 degree of distribution of information about the objectives and trade union actions among other agents;

5.2 employment of strategies for image management;

5.3 degree of fulfilment of offers and agreements;

5.4 coherence of conduct and attitude with trade union resolutions.

6. REPRESENTATIVENESS

6.1 what benefits do you get for your members?

6.2 level of voluntary participation of the members?

6.3 what percentage of the workers in the sector are affiliated to the union?

6.4 to what degree is the trade union considered by other social actors as the representative organisation to deal with economic and social issues?

7. INFLUENCE

7.1 number of actions employed that affect the situation of the workers;

7.2 degree of usage of communication channels with key powerbrokers;

7.3 are there alliances of the trade union organisation with actors and organisations that are socially or politically significant?

7.4 is the trade union organisation present in any other coordination, for instance, where labour related issues are discussed?

8. INNOVATION

- 8.1 to what degree have innovations been introduced in the trade union structure?
- 8.2 to what degree have there been innovations in the mechanisms to increase membership?
- 8.3 to what degree have there been innovations in the processes of trade union actions like campaigns, collective bargaining, denouncements, etc?
- 8.4 to what degree have there been innovations in the establishment of strategic alliances and/or co-ordinations with other institutional actors?

As can be inferred by the fields, trade unions/federations are intended to rank themselves according to the variables outlined above, with a score system as follows:

Almost always	=	5
Frequently	=	4
Sometimes	=	3
Hardly ever	=	2
Never	=	0

The Global Development Impact Initiative (GDII) of the Union Network International global union federation (UNI).

UNI's institutional development tools have been developed over the past four years using methodology conforming to the logical framework approach (LFA). UNI's indicators allow for comparative assessment, and the intent is that it be applied in order to rank UNI's partner unions so as to target those areas requiring development support initiatives and to measure progress in targeted capacity building objectives. The two-dimensional ranking tool means that some indicators are repeated in the six characteristics underlined below, as they are rated differently depending on which characteristic they are measuring.

SOCIAL IMPACT INDICATORS

1. Promotion of social dialogue.
2. Impact on national labour movement.
3. Representation of labour force within the sector and structure.
4. Recognition by other unions.
5. Recognition by employers.
6. Participation in civil society work (quality, scope and impact).
7. Vision of the future.
8. Presence at national and regional structures.
9. Solidarity (internal and external).
10. Sociability (level, number and quality of interactions).
11. Gender balance and integration (ratio, objectives, representation and interactions).
12. Growth potential (membership and organising capacities).
13. Youth (recruitment and integration).

14. Informal economy (recruitment and integration).
15. Education and training (Knowledge management).

INSTITUTIONAL DEVELOPMENT INDICATORS

1. Impact on national labour movement.
2. Recognition by government.
3. Institutional transparency (quality and amount of communications).
4. Institutional stability.
5. Applicability of the constitution.
6. Representation of labour force within related sector/s (and structure).
7. Recognition by other unions.
8. Visibility and unity.
9. Recognition by employers.
10. Participation in civil society work (quality, scope and impact).
11. Quality, scope and impact of international relations.

ORGANISATIONAL DEVELOPMENT INDICATORS

1. Leadership competence.
2. Management competence.
3. Staff commitment and satisfaction.
4. Communications with staff members.
5. Vision of the future.
6. Mission statement.
7. Strategic objectives.
8. Execution/implementation plan.
9. Execution capacity.
10. Regular planning and review.
11. Accountability.
12. Office organisation.
13. Presence at national and regional structures.

OPERATIONAL CAPACITY INDICATORS

1. Democracy (level of participatory decision making).
2. Organising (recruitment and retention).
3. Number of members.
4. Reactivity (speed and relevance).
5. Organised campaigns.
6. Membership participation.
7. Social dialogue (interaction with employers).
8. Number, scope and validity of agreements.
9. Service to members (diversity, adequacy and quality).
10. Communications (frequency, coverage and relevance of information).
11. Education programme (diversity, number and adequacy of educational activities).
12. Training materials (diversity, adequacy and quality).
13. Solidarity (internal and external).
14. Sociability (level, number and quality of interactions).
15. Website (accessibility, user-friendliness, interactivity and updating).

ECONOMIC INDICATORS

1. Union membership fee collection.
2. Promptness in paying UNI fees.
3. Economic capability (quality of financial management and expertise).
4. Infrastructure (offices, vehicles, equipment).
5. Financial resources (membership fees, return on investments, donations, projects).
6. Affiliation fee to UNI.

DEVELOPMENT INDICATORS

1. Education and training level of leaders and national staff.
2. Vision (forward planning).
3. Gender balance and integration (ratio, objectives, representation, interaction).
4. Growth potential (membership, organising capabilities).
5. Youth (recruitment and integration).
6. Informal economy (recruitment and integration).
7. Education and training (knowledge management).
8. Research and development.
9. Management tools (literature, software and training).

Building and Wood Workers' International's (BWI) Trade Union Development Framework Strategy

Like UNI, the BWI framework was developed to assist member trade unions in developing projects. They identify what they call the five key result areas of trade union strength to be:

1. ORGANISATION

- 1.1 quantity of membership (the larger the better);
- 1.2 quality of membership (dues paying);
- 1.3 functional democratic structure;
- 1.4 industry and geographic alliances (forging unity).

2. ADMINISTRATION AND FINANCE

- 2.1 reliable accounting system;
- 2.2 self-financing of core operations.

3. EDUCATION

- 3.1 programme;
- 3.2 use of external resources.

4. ADVOCACY/CAMPAIGNS

- 4.1 capacity to run campaigns;
- 4.2 political gains (recognition, concessions and power given);
- 4.3 alliance building.

5. IMPACT ON WORKERS

5.1 tangible gains to workers (wages, benefits, conditions of work);

5.2 indirect gains (policy and legislative protections).

Detailed targets/indicators are developed for each of these key result areas, and unions partnering BWI projects are expected to demonstrate tangible gains in all areas.

BWI also provides an incremental phasing of five levels of union development through project support. These phases are graded, with recommended timeframes to reach targets. Phase one (one to two years), is the formative and capacity building phase; followed by phase two (two to three years), the membership expansion and development phase; which leads to phase three (one to two years), the institutional building and sustainability phase. At the top of the BWI "ladder" is phase four (two to three years), the regional and global network building phase.

The pre-project phase preceding these developments consists of a checklist of indicators that a union has to demonstrate in order to qualify for project support. The checklist could be seen as a set of basic conditions of trade union functionality, viz:

- union leaders are democratically elected by union members;
- at least 1 000 dues paying members in a BWI industry;
- legal registration;
- up to date financial reporting;
- a basic accounting system in place;
- a sound analysis of its needs and potential for growth;
- capacity to contribute 10% of the costs of project activities.

CONCLUSION

All the initiatives outlined above have been designed within the last few years, and are still in their developmental stages. With the exception of TRUDI, these indicators and/or indices are designed to assist grant-making development agencies within large trade union structures to provide an evidence-based analysis of the impact of their work, through assisting the grant-receiving organisations in setting goals and then assessing their results.

TRUDI is slightly different in this respect, as the only leverage that the LRS has to ensure the application of the indicators is to trust that South African unions will find them useful. We will continue to develop and apply TRUDI with those unions who approach us for assistance or advice. We encourage South African unions to adopt a more results-driven and analytical approach to organisational development, and to dedicate more time and effort to collecting and documenting information that will lead to evidence-based analysis which in turn leads to improved strategy and eventually, concrete results. Through the development and maintenance of the Actual Wage Rates Database (AWARD), and the release of the annual Bargaining Indicators Omnibus, the LRS has been constantly advocating this approach with regard to the outcomes of collective bargaining for nearly two decades. The time has come to broaden this to other aspects of union activity as well.

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APPENDIX 1

SA TRADE UNIONS WHOSE DELEGATES PARTICIPATED IN TRUDI SEMINARS AT LRS NEGOTIATOR'S CONFERENCES AND TRUDI WORKSHOPS 2004 – 2006.

Building, Construction and Allied Workers Union (BCAWU)
Chemical, Paper, Print, Wood and Allied Workers Union (CEPPWAWU)
Congress of South African Trade Unions (COSATU) Mpumulanga provincial office
COSATU Western Cape provincial office
Democratic Nurses Organisation of South Africa (DENOSA)
Food and Allied Workers Union (FAWU)
General Industrial Workers Union of South Africa (GIWUSA)
Hotel and Liquor Union (HOTELICA)
Metal and Engineering Workers Union of South Africa (MEWUSA)
National Union of Mineworkers (NUM)
National Union of Metalworkers Union of South Africa (NUMSA)
Police and Prisons Civil Rights Union (POPCRU)
South African Democratic Teachers Union (SADTU)
South African Commercial, Catering and Allied Workers Union (SACCAWU)
South African Municipal Workers Union (SAMWU)
South African State and Allied Workers Union
South African Transport and Allied Workers Union (SATAWU)
SIKHULA SONKE
Transport and Omnibus Workers Union (TOWU)

APPENDIX 2

LIST OF TRADE UNION OFFICIALS/OFFICE BEARERS INTERVIEWED

Interviews to test the viability of indicator instruments:

Mike Louw	COSATU
Norman Mokoena	COSATU
M. Dlamini	FAWU
John Mawby	SAMWU
Jane Barret	SATAWU
Gary Wilson	TOWU

Interviews conducted in Mpumalanga:

Fidel Mlombo	COSATU
Simon Mabunela	FAWU
Thoko Mabuza	FAWU
Elvis Nkosi	NEHAWU
John Themba	NEHAWU
December Manana	NEHAWU
Paris Mashego	NUM
Wiseman Nobongwana	NUM
Eric Linda	NUMSA
Abraham Mathibela	NUMSA
Stephen Zitha	NUMSA
Themba Mahlangu	SATAWU
Jabu Mdebele	SATAWU
Kutlo Komane	SATAWU

COLLECTIVE BARGAINING UPDATE

forms of collective bargaining in South Africa and prospects

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INTRODUCTION

Since the 1970s collective bargaining in South Africa has been as much about structure as substance. The level at which bargaining takes place is therefore as important an issue as the topics for bargaining and the outcomes achieved. This has remained the case in recent years.

Despite COSATU's concerted effort at the time the new Labour Relations Act (LRA) was being negotiated to push for a comprehensive system of industry-level bargaining, the legislative framework for collective bargaining remained voluntarist. This has meant that collective bargaining, and the level at which bargaining takes place, is determined by the power and preferences of employers and unions. As a result, bargaining takes place at a great variety of levels: in big nation-wide bargaining councils; in small local bargaining councils; in statutory councils (albeit over a narrow range of issues); and in non-statutory bargaining forums situated at a variety of levels, from industry-wide forums to national-level bargaining for a single company to bargaining that covers only one plant. The issue of the level of bargaining remains a contested one. COSATU has not given up its demand for industry-level bargaining and continues to push for the establishment of bargaining councils, or the amalgamation of existing bargaining councils into national, industry-wide councils.

Employers do not have a uniform position on the issue of levels of bargaining. Many employers remain wedded to centralised bargaining in bargaining councils. This is particularly the case where there has been a long history of centralised bargaining in a sector. But many other employers are not in favour of bargaining councils. In some cases this is because of competitive conditions in the sector. For example, most of the major retailers are strongly opposed to the establishment of a bargaining council in the retail sector. The main reason they cite is that they operate in such a competitive environment that it would be impossible for them to sit down at the same bargaining table with firms they are competing against. Many small retailers, however, would oppose a bargaining council for different reasons. They would argue that they could not comply with wage rates and other employment conditions that the big retail groups would agree to.

In the piece that follows we examine the typology of the collective bargaining system and some of the changes currently taking place. We also note some of the features of collective agreements that have been negotiated within the various components of the system.

BARGAINING COUNCILS

The bargaining council system remains a site of struggle. At this point it is difficult to say which side is winning the battle. As the table below shows, the number of bargaining councils has declined steeply in recent years, but the number of workers covered by bargaining councils has increased. Much of the increase in coverage is because of the addition of the public sector councils after the new LRA. But even if one excludes the employees covered by the latter councils the total coverage of the remaining councils shows an increase on earlier years (in 2004 the number of employees covered by the private sector councils only was 1 282 043).

Table 1: Bargaining councils and employee coverage

Year	Number of councils	Total registered employees covered
1983	104	1 171 724
1992	87	735 533
1995	80	823 823
2004	48 ¹	2 358 012

(Du Toit et al, 2006: 43¹)

There are number of explanations for the steep drop in the number of bargaining councils. First, there have been a number of amalgamations of councils to form bigger councils. For example, the regional clothing councils and some related councils merged to form a single national clothing council. A similar process of amalgamations occurred in the textile and the local government sectors. These developments contributed to a decline in the number of bargaining councils but did not alter the number of workers covered. In other words, it is evidence of a strengthening of centralised bargaining. (Du Toit et al, 2006: 44)

Further evidence of a strengthening of centralised bargaining is the establishment of new bargaining councils. As noted above, after the introduction of the LRA five new councils were set up in the public sector. This added a huge number of workers to the total covered by the bargaining council system. However, a few new councils have also been established in the private sector (leaving aside the big national councils formed through the merger of existing councils). The new councils are in the chemical industry, the wood and paper sector, the fishing industry, and in the motor ferry industry. All are national councils but the latter two are quite small, in terms of the number of workers covered, while the chemical council and the wood and paper council have yet to extend their collective agreements.²

The establishment of new councils, however, has not off-set the sharp drop in the total number of councils. As noted above, part of this decline is explained by the amalgamation of councils. But the other part of the decline is because of the collapse of councils. Since the new LRA was introduced a number of councils have ceased to function and have been deregistered. In the building sector, for example, most of the councils have disappeared, notably the Gauteng Building Industry Bargaining Council. There are also a number of

¹ This figure excludes six bargaining councils that were in the process of being deregistered by the Department of Labour as well as two registered councils that were defunct. Two councils that have to all intents and purposes merged have been counted as one council.

² The wood and paper council does have an agreement in respect of a dispute resolution levy that has been extended by the Minister, but the collective agreements dealing with wages and other conditions that have been reached in its various chambers have not been extended and bind only the parties to the agreements.

councils that continue to exist but are on very shaky ground. The Southern and Eastern Cape Building Industry Bargaining Council is one of these. It survived an attempt by employers to have it wound up but continues to exist in something of a limbo; it no longer functions as a collective bargaining forum and now mainly performs dispute resolution functions and administers various benefit funds. It is probable that more councils will collapse in the years ahead, particularly smaller local councils.

So, the bargaining council system faces some serious challenges. One major threat is a consequence of the large number of employers and employees that do not join the employers' organisations and trade unions that participate on councils. This makes it difficult for bargaining councils to maintain the necessary level of representivity for them to have their agreements extended to non-parties (i.e. the firms and employees who are not members of party employers' organisation and unions). It is arguable that when a council does not have its agreement extended it is unlikely to last for very long; employers bound by the agreement through their membership of the party employers' organisation will be undercut by non-party competitors. This pressure will cause many to leave the organisation leading to the collapse of the council. (Du Toit et al, 2006: 44) In the past the Minister of Labour used the discretion he has in terms of the Act quite generously, extending agreements even where the parties were not representative (i.e. on the basis that they were nevertheless 'sufficiently representative'). But this appears to have changed in the last year or two. The Minister has become much stricter in this regard and has refused to extend a number of councils' agreements.

While this places huge pressure on the relevant councils, at least one has responded innovatively and is still managing to function effectively. The Cape Building Industry Bargaining Council failed to get its agreement extended at the end of 2005, mainly because of low union representivity. However, according to Henry Strydom, the Secretary of the council, the council has remained relatively stable because of a number of stratagems it has adopted. For the last couple of years the council has sought other means of getting compliance with its agreements. This started with a campaign that targeted the main sources of building work, i.e. the bodies that provide large-scale housing and the bodies that finance such building. The council obtained agreement from many of these bodies that they would not contract any builders that were not registered with the council. The council also introduced a clause into its agreement that prohibits sub-contracting to firms that are not registered.

Strydom says that whilst pursuing these strategies the council has also adopted a much more user-friendly approach to non-parties, assisting and explaining rather than punishing them. Backing up this new approach were services to attract employers to the council, including a payroll service for firms at a nominal fee and an employment bureau. The result was a steady increase in the number of employers, particularly small employers and sub-contractors, that registered with the council. The council believes that this new approach has meant that there is a high level of compliance even though their agreement has not been extended. It shows what can be done to shore up labour standards in a sector in which outsourcing to labour-only sub-contractors is a major phenomenon.

Another threat to the bargaining council system is from the growing informal economy. In terms of the council system this growth is represented by the increasing number of employers, particularly smaller employers, who don't register with councils and don't comply with their agreements. This process is fuelled by the trend to outsource functions to smaller sub-contractors (e.g. in the building industry), to homeworkers (e.g. in the clothing industry), and to independent contractors, most of which do not register with the relevant council. The problem is that as more and more firms operate outside the system, they begin to undercut those within the system, thereby creating a strong incentive to also opt out, or to increasingly hive off operations to small, non-compliant firms. (Du Toit et al, 2006: 44)

Some councils have responded in innovative ways to the latter threat. The Leather Industry Bargaining Council comprises three chambers: Tanning, General Goods, and Footwear; of which the footwear sector is the most important. With trade liberalisation and the huge influx of cheap shoes the local footwear industry was on the verge of collapse. As a consequence there was huge pressure on the bargaining council. The retrenchment of footwear workers saw an upsurge in informal shoe-making operations and homeworking, undermining the labour standards set by the council. Employers and unions then made a radical change to the footwear collective agreement. Footwear firms now fall into one of three categories: formal, semi-formal and informal. Eight criteria are used to classify the firms into these categories, with points being awarded in respect of each criterion.³ Firms categorised as formal pay 100% of the set wage rate and comply with the rest of the agreement (although negotiations at the company level can reduce the wage rate to 80%). Semi-formal firms comply with the agreement but are required to pay only 75% of the set wage rates (although negotiations at the company level can reduce the wage rate to 60%). Informal firms are excluded from the agreement entirely (but must still register with the council).

While the new arrangement can be criticised because workers at informal firms are not covered by the council's agreement, and get protection only from the Basic Conditions of Employment Act (BCEA), it could be argued that even if they were covered it is unlikely the bargaining council would have the capacity to enforce its standards at these firms. Informal operations are notoriously difficult to locate and bring to book. Furthermore, according to Gerald Naidoo, the Secretary of the council, the new arrangement has given more stability to centralised bargaining in the footwear sector.

So, while the bargaining council system faces some serious challenges, there is also evidence of some positive trends and some innovations. But how important is the system in collective bargaining terms? Do bargaining councils continue to be the main vehicles for setting wages and terms of conditions through collective bargaining? If one breaks the entire economy down into sectors (as defined by Statistics South Africa) and maps bargaining councils onto the sectors one gets an idea of the coverage of the system.

Table 2 shows that while the bargaining council system is important, it covers only about a third (33%) of all workers that would normally fall within a collective

³ The term 'sufficiently representative' is not defined in the Act, so it is not clear whether this sets a higher threshold than 30%, but it is very likely that this is the case.

Table 2: Bargaining councils and employee coverage by sector

Sector	Total employees (grades 4 – 9) ⁴	Number of councils	Employees covered by councils (grades 4 – 9)
Agriculture & fishing	688 620	2	10 522
Mining and quarrying	376 501	0	0
Manufacturing	1 230 177	18	569 441
Utilities	59 207	0	0
Construction	594 780	6	47 052
Trade	1 333 239	5	192 026
Transport & storage	397 669	4	286 116
Finance & business	671 601	1	10 543
Community services	1 890 157	13	1 285 568
Total	7 241 951	49⁵	2 401 268

(Godfrey et al, 2006: 22-23)

bargaining unit. Four of the nine major sectors of the economy do not have a bargaining council, or the councils that do exist are small and cover only a very small proportion of the workers in the sector, i.e. agriculture and fishing; mining and quarrying; utilities; and, finance and business. A number of bargaining councils are present in another two sectors but their coverage is very low (less than 15% in both cases), i.e. construction and trade. So, bargaining councils cover a significant proportion of employees in only three sectors, i.e. manufacturing; transport and storage; and, community services. The strength of the system in the latter two sectors is mainly because of the Transnet Bargaining Council and the five public sector councils respectively, while the manufacturing sector comprises quite a large number of councils across a number of industries.(Godfrey et al, 2006: 24)

Two important questions remain. First, what is the likelihood of new bargaining councils being established to fill some of the gaps identified in the above table? Secondly, how extensive is collective bargaining within and outside the sectors covered by bargaining councils? The first question can be answered by, on the one hand, looking at developments with regard to statutory councils and, on the other hand, examining initiatives to establish new bargaining councils from scratch. In the section below we will discuss progress with regard to the establishment of statutory councils.

STATUTORY COUNCILS

During the negotiations at Nedlac over the new LRA, business and labour were deadlocked over the issue of centralised bargaining. Business wanted the bargaining system to remain voluntarist, i.e. the level of bargaining would be determined by power-play between the parties. Labour, on the other hand, wanted the new Act to introduce greater compulsion with regard to centralised bargaining so that it could realise its vision of a comprehensive system of national bargaining councils. The compromise that eventually broke the deadlock was the statutory council.

In terms of the LRA a statutory council can be established on application by either a 'representative' trade union or employers' organisation. A 'representative' trade union is a registered union (or two or more acting jointly)

⁴ Grades 4 – 9 cover those occupations that would normally be included in the bargaining unit, i.e. clerks; service workers and shop and market sales workers; skilled agriculture and fishery workers; craft and related trades workers; plant and machine operators; and, elementary occupations.

⁵ This figure includes the Wood and Paper Bargaining Council that was registered in 2005

that has as its members at least 30% of the employees in the sector and area for which it wants the statutory council established. Similarly, the member firms of a 'representative' employers' organisation must employ at least 30% of the workers in the relevant sector or area. If an applicant union or employers' organisation is representative and complies with certain formalities, the Registrar of the Department of Labour must establish the statutory council. A process then follows to get other parties to participate on the council, either through agreement or appointment by the Minister, which then leads to registration of the council.

The important point to note about the establishment of a statutory council is that only one party unilaterally applies for it (e.g. a trade union); it does not need the agreement or cooperation of the other party (e.g. an employers' organisation). Furthermore, the threshold for establishing a statutory council is 30% on the part of the applicant (as indicated above), whereas the threshold for registering a bargaining council is that both parties (i.e. unions and employers) must be 'sufficiently representative'.⁶ So the statutory council model introduces a certain amount of compulsion and sets a lower representivity threshold. The drawback for a statutory council is that it has a limited bargaining agenda.

The clear intention of the LRA, however, is that unions should be able to more easily establish statutory councils. Once established, bargaining will take place over a limited range of issues, but over time this can be expanded (provision is made for this in the Act). Agreements over these issues can also be extended to the rest of employers and employees in the relevant sector and area. As the agenda becomes wider and issues such as conditions of employment and even wage rates begin to be bargained, the stage will be set for the statutory council to upgrade to a bargaining council. In other words, the statutory council model was envisaged as a stepping stone for the establishment of bargaining councils by making it easier for a union wanting centralised bargaining to get its foot in the door.

The question is, how successful has this legislative innovation been in practice? Unfortunately, the statutory council model has not done very well. To date only two statutory councils have been registered, while another has been established but appears to be a long way from getting registered. The two registered statutory councils, both of which were initiated by trade unions, are in the printing, newspaper and packaging industry (covering about 80 000 workers) and in the water services sector (covering about 6 600 workers), while the unregistered council is in the squid fishing industry (it was initiated by an employers' organisation). A number of other statutory councils were established – for the blood transfusion service, in the home textile industry, and in the Western Cape private security sector – but for various reasons none of these were able to become functional to the extent that they could be registered. (Du Toit et al, 2006: 45)

Neither of the two registered statutory councils has got very far in terms of expanding their bargaining agendas to include issues such as wages and

⁶ The term 'sufficiently representative' is not defined in the Act, so it is not clear whether this sets a higher threshold than 30%, but it is very likely that this is the case.

standard conditions of employment. Nor have they made a lot of progress towards transformation to a bargaining council. The statutory council in the printing, newspaper and packaging industry has put a system into place to collect levies from party employers and is also accredited to perform dispute resolution functions (i.e. conciliations and arbitrations) for the sector, but is yet to produce a collective agreement. The council in the water services sector has concluded a collective agreement regarding organisational rights as well as agreements regarding the collection of levies and dispute resolution. However, unions on both statutory councils believe that the councils have been relatively successful. Roger Ronnie, the national official at the South African Municipal Workers' Union (SAMWU) responsible for collective bargaining, states that the council has recently expanded its bargaining agenda to include developing an HIV/AIDS policy, a health and safety policy, and an employment equity policy. The union is also exploring the way forward for the council; it could either push for it to be turned into a bargaining council or it could be incorporated into the SA Local Government Bargaining Council.

Developments towards bargaining over wages also appear to be emerging in the printing, newspaper and packaging council. According to Martin Deysel, the General Secretary of the South African Typographical Union (SATU), major employers in the paper packaging sub-sector are in favour of a bargaining council, although in other sub-sectors there is opposition to a bargaining council. This throws up a number of possibilities, which the parties are currently debating. One route would be to divide the sub-sectors into chambers within the council, one of which (i.e. the paper packaging chamber) would conduct bargaining over wages and other conditions of employment. Another option would be to set up a bargaining council with a chamber for each sub-sector, but with only the paper packaging chamber (at least initially) conducting collective bargaining over wages and conditions of employment. SATU's position is that whichever way they go the objective would be to eventually have collective agreements over wages and conditions in all the chambers, i.e. to have a bargaining council.

It is not clear why unions have not set up more statutory councils. One reason could be that the process to register the council, once it has been established, appears to be quite complex, particularly if employers are not willing to cooperate. Another reason could be that in some sectors unions are simply not representative enough to meet the 30% threshold. This is particularly the case in sectors in which it is difficult to organise workers, such as retail, contract cleaning and security. However, whatever the reason, the statutory council model has not gone very far in filling some of the gaps in the bargaining council system as outlined above.

INITIATIVES TO ESTABLISH NEW BARGAINING COUNCILS

An initiative of the National Union of Mineworkers (NUM) to form a bargaining council in the mining industry could see a major change in the bargaining council landscape. NUM started the process during the 2003 wage negotiations with the Chamber of Mines. The discussions led to an agreement regarding terms of reference for a joint investigation of all the bargaining options available to the parties, although from NUM's side it was clear that

the first prize was a bargaining council. The investigation culminated in a one-day conference in March 2005 at which various pieces of research were presented and workshops conducted in respect of three key issues that would face a bargaining council: collective bargaining, small miners and contractors, and dispute resolution. At the conclusion of the conference a team of experts was established (comprising employer representatives from the four mining sectors and union representatives) and tasked with developing founding principles for the establishment of a bargaining council.⁷

It should be noted that there has always been a relatively high degree of centralised bargaining in the mining industry: the Chamber of Mines has for many years bargained centrally with various unions for the gold and coal mining sectors. However, agreements reached with the Chamber cover only its members, i.e. the forum does not have the power to extend its agreements. This means that there are a number of important (non-member) mining companies that are not covered by the centralised bargaining. Furthermore, bargaining in the platinum and diamond sectors is not centralised and is therefore carried on at the company or mine level (although the major firms in both sectors are members of the Chamber of Mines). A strong employers' organisation such as the Chamber, and a history of centralised bargaining in some mining sectors, nevertheless provides a good basis for NUM's push for a bargaining council.

Progress with establishing the council has been somewhat slow, although it is clear that a lot of work is being done. The Chamber has held meetings with employer representatives of the four mining sectors to develop a common position and with the Department of Labour to get clarity on certain key issues. There have also been further meetings between the Chamber and NUM and the other unions in the sector. At a meeting in September 2006 the Chamber was tasked with preparing a document that would identify the critical issues around which agreement would need to be reached for the establishment of the council. The Chamber was also asked to prepare a timetable for establishing the council.

The Chamber identified the following critical issues:

- the scope of a council
- recognition criteria for membership of the council for unions and for employers' organisations
- levels of bargaining, and what topics would be negotiated at which level
- the definitions of small and medium employers, and how their interests would be protected
- how contractors will be covered
- the dispute resolution function of the council
- the appointment of an inspectorate to monitor and enforce compliance by non-parties
- the extension of council agreements to non-parties
- the exemption body, and the procedure for exemptions from council agreements.

⁷ This section draws on articles in the Labour Policy Digest (March, 2005; July, 2006; November, 2006; and, March, 2007).

It is clear from the nature of the above issues that there is still a lot of work that must be done by the parties. Many of them will require difficult negotiation. For example, while it is probable that employers in the gold and coal sectors do not have major objections to the proposed council, it is likely that employers in the diamond and platinum sector, who are used to bargaining at company level, will be less enthusiastic about the prospect. At the time of writing the parties were starting discussions. In February 2007 the unions submitted their response to the Chamber's position on the above issues, and the parties met in early March to get down to brass tacks. The stakes are high. A council for the mining sector would be a huge boost for the bargaining council system as a whole. Even if the council were just to cover the gold and coal sectors this would add about 250 000 employees to the total covered by bargaining councils. In the meantime centralised bargaining continues in the gold and coal mining sectors – three year agreements for each sector were negotiated in 2005 – and decentralised bargaining takes place in the diamond and platinum sectors.

In a way NUM is lucky. At the time of its formation there was already centralised bargaining in the mining industry. Its objective is to take this to another level. The situation is more challenging in other sectors that have no history of centralised bargaining. Nevertheless some progress is being made towards centralised bargaining arrangements in some of these sectors. One of these is the contract cleaning sector.

Currently collective bargaining in the contract cleaning sector takes place in two separate forums. A bargaining council was established for the sector in KwaZulu-Natal some years back at which collective bargaining takes place for the province. In the rest of the country collective bargaining takes place in a forum constituted in terms of the draft constitution of a yet to be established bargaining council. While there is only one employers' organisation in the KZN bargaining council and five trade unions, in the bargaining forum for the rest of the country there are two employers' organisations and sixteen trade unions. Of the unions, only the South African Transport and Allied Workers' Union (SATAWU) and the Health and Other Service Personnel Trade Union of South Africa (Hospersa) have a national presence. Because the latter forum is not a bargaining council it cannot forward its collective agreement to the Minister of Labour for publication and extension. So it has adopted an alternative approach. When the bargaining forum reaches an agreement the practice has been to ask the Minister to issue a sectoral determination giving effect to its terms. However, in 2006 this procedure did not work because the forum was unable to reach an agreement. The Minister, however, nevertheless went ahead and issued a determination. The main employers' organisation in the forum is challenging the Minister's action in the courts.

In the security sector, collective bargaining also takes place in a forum constituted in terms of the draft constitution of a yet to be established bargaining council. The reason a bargaining council has not been established is that the unions organising in the sector do not represent anything close to a majority. While there is a lot of support for a bargaining council from many employers, they are insistent that a bargaining council would only be viable if its agreement

will be extended to non-parties. The employers see little chance of this happening if unions do not represent a majority of the workers in the industry. In 2006 a total of nineteen unions participated in the acrimonious negotiations that took place in the forum, of which only SATAWU had a national presence. There were seven employer associations, of whom two represent the majority of organised employers. As in the case of contract cleaning, the practice has been to ask the Minister to issue a sectoral determination giving effect to the terms of any agreement reached at the bargaining forum.

NON-STATUTORY CENTRALISED BARGAINING

We have outlined above some of the initiatives to establish statutory councils and new or embryonic bargaining councils. However, what of collective bargaining outside of the statutory system? Generally, such bargaining takes place at the company or plant level. But there is one very important non-statutory centralised bargaining forum, i.e. the National Bargaining Forum for the Automobile Manufacturing Industry. The forum was established over a decade ago as a result of the muscle-power of the National Union of Metalworkers of South Africa (NUMSA). On the forum are all the automobile manufacturers in the country (i.e. Toyota, Volkswagen, General Motors, Nissan, BMW, Ford, and Daimler Chrysler). Negotiations at the forum cover about 30 000 workers, the vast majority of which are NUMSA members.

Herman Ntlaleng, NUMSA's National Sector Co-ordinator for Auto and Tyre, believes that the union has gained two major achievements in the forum. First, they have managed to significantly raise the wages paid to workers in the lowest grades. Second, they have got agreements that workers would be paid for skills acquired rather than only for skills used. This means that workers can, by undergoing training and enhancing their skills, move up grades and get the higher wages attached to those grades, even though their jobs remain the same. It should also be noted that the automobile industry has one of the best training schemes in the country, and that NUMSA played a large part in the design and establishment of this scheme.

There is agreement in the forum that NUMSA cannot compel firms to bargain at plant level over issues covered in the centralised agreement during its period of operation. However, the central agreement does allow for the negotiation of variations at plant level within parameters set out in the agreement. The negotiation of productivity incentive schemes, seen as essential for competitive advantage, is also left to the plant level.

While it is clear that the main reason for the stability of the forum is the organised strength of NUMSA, the fact that there are only seven employers in the industry is also critical. This is also why the forum has not become a bargaining council. The main benefit that would accrue to the forum from registering as a bargaining council would be the ability to have its agreements extended to non-parties. Given that there are no non-parties this is not a factor. However, according to Ntlaleng, NUMSA has a long-term vision to set up a 'mega-council' that would combine the centralised bargaining arrangements in the four sectors that it is involved in. This would

see the national automobile forum, the Metal and Engineering Bargaining Council, the Motor Industry Bargaining Council, and the New Tyre Bargaining Council all brought under one umbrella. The proposed council would not collapse negotiations for the four sectors into one forum. Each would have its own chamber and would continue to negotiate sector-specific issues as they currently do, but there would be a higher forum that would negotiate issues affecting all four sectors. Whether NUMSA can achieve this ambitious plan remains to be seen.

DECENTRALISED BARGAINING

The unions that emerged in the wake of the 1973 strike wave in and around Durban pioneered a strategy of plant and company level bargaining. Even when labour legislation was amended in 1979, thereby allowing these unions to register and participate on industrial councils (the precursors to bargaining councils), they continued to bargain at plant and company level. This strategy started changing in the early 1980s and by the time of the formation of COSATU in 1985 most unions were pushing hard for centralised bargaining in one form or another.

Initially many of the unions would participate in industrial councils and other centralised bargaining structures only if they could continue to bargain at plant level. The idea was to set minimum wage rates at the industrial council and then bargain 'actual' wage rates and conditions at the company or plant level. But by the mid-1990s the locus of bargaining had shifted firmly to the central level and the demand to bargain at two levels was heard less and less often. In fact, at a number of the bigger bargaining councils unions have explicitly agreed to forego the option of bargaining over 'actual' wages and other conditions at plant level. They have done so via provisions in bargaining council agreements that prohibit bargaining over all issues covered in the council agreement during its period of operation. In place of plant level bargaining unions on these councils now negotiate 'actual' wages, i.e. the wage increases are on the wage rates actually being paid rather than on the minimum rates.

It seems, then, that within the jurisdiction of some major bargaining councils collective bargaining is virtually non-existent, or takes place only with regard to fairly basic workplace issues. According to the scheme of the LRA this space should have been filled by workplace forums. But Cosatu has rejected workplace forums and to date very few have been established. In fact, according to the latest data kept by the Commission for Conciliation, Mediation and Arbitration (CCMA), there have been only 97 applications for workplace forums and only 40 actually resulted in the establishment of a workplace forum. Workplace forums have therefore made virtually no impact at the company level. (Du Toit et al, 2006: 45)

What then is the state of collective bargaining outside the scope of bargaining and statutory councils and the few non-statutory centralised forums such as in the automobile manufacturing sector? Unfortunately we do not at this point have an answer to this question. No large-scale, systematic research has been done on collective bargaining at company and plant level for many years. This means that we know very little about what is happening with regard

to collective bargaining in those sectors where no bargaining council exists. However, some recent research can help to shed some light on collective bargaining in one of these sectors, namely retail.

The retail sector is a major employer of almost two million people. It is also one of the few sectors that has shown significant employment growth in the last decade, although it should be stressed that many of the jobs that have been created are either non-standard or are in the informal part of the sector. Organising workers in the sector is particularly difficult. A substantial proportion of firms in the sector are very small, and many of the larger retail groups have employees spread across stores throughout the country. Furthermore, the high number of non-standard workers employed in the sector poses a major challenge for union organisation.

The South African Commercial, Catering and Allied Workers Union (SACCAWU) is the major union in the sector. However, Lee Modiga, the National Collective Bargaining Co-ordinator, estimates that the union probably represents only about 10% of all the workers employed in the sector. It has for a number of years been pushing for a centralised bargaining forum for the sector, without any success. Most of the major retailers remain strongly opposed to centralised bargaining. According to Modiga, the union's low level of representivity means that even a statutory council is not an option for SACCAWU. Even if it were to act jointly with all the other unions in the sector (all of which are very small), they would not have enough members to reach the threshold set for a statutory council. The union is therefore restricted to company level bargaining, although in some cases this takes place at a national level.

SACCAWU bargains for about 1 50 000 workers in the retail sector (including hospitality). These workers are employed in about 430 firms, which SACCAWU splits into three categories. The first category comprises the large national retail groups (e.g. Pick 'n Pay, Shoprite Checkers, Clicks, Mass Discounters, etc.); the union is bargaining at 32 of these groups. In almost all cases bargaining is done at the national level for the entire company, including the stores, the distribution centres and the head office. However, the bargaining generally does not cover franchise stores, which is a major new trend in the retail sector that is causing headaches for SACCAWU. The second category comprises medium-sized companies. There are about 250 such firms. The third category is made up of about 150 small firms (although this number can fluctuate from year to year).

Given the nature of the sector it is not surprising that SACCAWU are trying to establish a bargaining council. This would be one way of ensuring that franchise stores, the many small independent retailers and the huge number of non-standard employees in the sector are covered by collective bargaining. The main obstacles are SACCAWU's low representivity and the fact that there is not a proper employers' organisation in the retail sector. As it stands at present, most workers in the sector are relying on the protection of the sectoral determination that was introduced a few years ago. Modiga believes that the latter should form the basis for establishing a bargaining council and that government should play a more active role in this regard.

The union's argument goes that when the sectoral determination is being reviewed submissions are invited from unions and employers. Such submissions can be equated with collective bargaining demands. According to Modiga, the government should take the process a step further and bring the parties together to negotiate those submissions (or demands). In effect, one would then have centralised industry-wide bargaining.

As in the security and contract cleaning sectors, the above argument of SACCAWU's displays an innovative way of using the sectoral determination procedure to assist in establishing centralised bargaining. The question is whether the Department of Labour will buy into the union's approach. In addition, the major retailers have indicated that they are not interested in centralised bargaining.

DISPUTE RESOLUTION

The CCMA plays a critical role in dispute resolution in the industrial relations system promoted by the new LRA. Since its establishment it has been under immense strain because of the size of the case load with which it has had to deal. For example, in its first year of operation it was anticipated that it would have to handle 33 100 disputes; in fact, it dealt with 45 515 cases in this period. The case load increased by a further 35% in 1998. The overload has impacted negatively on the efficiency with which the CCMA manages cases and with the quality of its services, which in turn had given rise to negative perceptions amongst users.(Du Toit et al, 2006: 46)

The problems being experienced by the CCMA explain the attention it was given in the 2002 amendments to the LRA. These amendments introduced pre-dismissal arbitration and the so-called con-arb process in order to expedite the resolution of disputes and lower the number of cases. However, the changes have had mixed results. The pre-dismissal arbitration has had very little impact. In 2003 only 99 such arbitrations took place. In 2004 this number had dropped to 84 and in 2005 declined further to 63. According to the CCMA National Office, pre-dismissal arbitration has not been popular because it is perceived as too expensive, the process is too long, and employers do not know who they will get as an arbitrator.(Du Toit et al, 2006: 47; CCMA Annual Report 2005/2006: 13)

The con-arb process has been used much more. Over the 2004/2005 period 51% of all referrals to the CCMA were dealt with by the con-arb process, which constituted a 14% increase on 2003. In 2005/2006 out of a total of 82 464 conciliations, 41.9% were conducted using the con-arb process. This amounts to 34 552 con-arbs over the year. It is clear that this is having a major impact on the CCMA's efficiency: of the latter con-arbs about 78% were finalised in one day (44% were settled and 30% resulted in awards).(Du Toit et al, 2006: 47; CCMA Annual Report 2005/2006: 13) However, according to the CCMA National Office there is unfortunately a fairly high proportion of objections to con-arbs and not all con-arbs are finalised in one process, which defeats the object of the process.

Another factor that has assisted the CCMA to reduce its case load is the

accreditation of bargaining councils to perform dispute resolution functions (either conciliations only or conciliations and arbitrations). In 2004/2005 there were 50 bargaining councils that were accredited by the CCMA, of which 34 were accredited for both conciliation and arbitration. According to the Tokiso Review, these councils covered 28% of all employees, and it estimated that they deal with between 25 000 to 35 000 disputes each year (i.e. excluding disputes in respect of the enforcement of their own agreements). This is clearly considerably reducing the burden on the CCMA.(Du Toit et al, 2006: 47; and, Tokiso Review 2006/6: 17-18)

There is, however, one problem with the current system. Bargaining councils are paid a subsidy for performing the dispute resolution functions. By all accounts the subsidy falls well short of the actual cost to the council of performing the service. This is therefore placing a financial burden on councils. Although most councils are keen to conduct dispute resolution, there are indications that some have opted out because they simply cannot afford it. In other cases councils have confined themselves to just applying for accreditation for conciliations. It is possible that this is a factor behind the fall in the number of bargaining councils accredited in 2005/2006 to 33, but this decline could also be explained by the amalgamation of a number of bargaining councils. (CCMA Annual Report 2005/2006: 19)

Despite the above factors that have assisted the CCMA with regard to its case load, the number of cases it deals with continues to rise each year. In 2004/2005 the CCMA conciliated 77 934 disputes. In 2005/2006 there was a 6% increase, bringing the total number of conciliations to 82 464. This amounts to 327 conciliations every working day. Arbitrations show a similar pattern of growth. In 2004/2005 the CCMA conducted 40 889 arbitrations, a 3% rise on the previous year. In 2005/2006 the number of arbitrations rose a further 17% to 47 863.(Du Toit et al, 2006: 48; and, CCMA Annual Report 2005/2006: 13)

There are two ways of looking at this rising case load. It could be seen in a positive light. In other words, the number of cases is increasing because of the accessibility and effectiveness of the CCMA, not to mention that fact that it is free. But the rising case load is also an indication of poor relations and bad practices in workplaces. Given that in 2005/2006 employees were successful in 63% of all arbitrations it is also an indication that many employers are ignorant of the basics of fair disciplinary action.(CCMA Annual Report 2005/2006: 13)

INDUSTRIAL ACTION

The essence of collective bargaining is the exercise of power by the parties. When negotiations break down the power-play manifests as industrial action, usually in the form of a strike. During the 1980s and early 1990s strikes were a very common feature of the industrial landscape: in the early 1990s an average of four million working days were lost per year to strike action. But with the political transition to democracy and the introduction of the new LRA, which excluded striking over rights disputes, industrial action declined markedly. By 1997 the number of days lost to strikes had dropped to 650 000.(Du Toit et al, 2006: 50)

Table 3: Working days lost to strikes: 1998 - 2005

Year	Working days lost	Number of strikes
1998	3 833 000	527
1999	2 627 000	107
2000	1 670 000	80
2001	954 000	83
2002	616 000	47
2003	920 000	62
2004	1 286 000	49
2005	2 628 000	102

(Du Toit et al, 2006: 50-51; and, Department of Labour, Industrial Action 2005)

One might have expected strike action to remain around the level reached in 1997. But this has not been the case. Instead, there has been considerable fluctuation in strike action, as Table 3 shows.

1998 therefore saw a very steep rise in the number of strikes and number of working days lost to strikes compared to 1997. Thereafter working days lost to strikes declined steadily, reaching a low point of 616 000 days lost in 2002. But from 2003 the trend was reversed, with the number of working days lost to strikes rising steeply. It is possible that the rise in strike action after 2003 represents a longer-term trend. Certainly, the bitter and violent strike in the security industry would tend to support this view. However, data is not yet available for industrial action in 2006; this could have provided further confirmation of the trend.

Disputes over wages, bonuses and other forms of compensation are far and away the main causes of strikes. In 2004 strikes over wages accounted for 1 112 984 workdays lost, i.e. 86% of the total number of workdays lost. In 2005 such strikes resulted in 1 747 816 workdays lost, i.e. 67% of all workdays lost. The main reason why there was a lower proportion of workdays lost to wage disputes in the latter years was because of the substantial increase in the workdays lost to protest action called by COSATU over socio-economic conditions and job losses. Strikes do still occur over disciplinary matters, other types of grievances and retrenchments, but these now make up a very small proportion of total workdays lost.(Department of Labour, 2005: 19)

A number of relatively new features characterise strike action in recent years. First, strikes have become much bigger, i.e. a handful of very big strikes now account for the vast bulk of the working days lost in a year. For example, in 2005 eleven strikes resulted in the loss of 2 009 226 working days, i.e. 76% of the total number of days lost to strike action in that year. This is not surprising given that collective bargaining is relatively centralised in South Africa. Second, strikes are increasingly involving more than one union acting together. In 2005 major strikes in the municipal sector, at X-Strata Alloys, and at Electrical Cable saw cooperation between unions.(Department of Labour, 2005: vi)

On the employer side, it seems that there is a growing use of replacement or scab labour during strikes. Whereas in 2003 the use of replacement labour was at 36%, by 2005 this had risen to 50%. It also seems that there is an increasing resort to lock-outs by employers: in 2001 five employers were

reported to have locked out workers and in 2005 this number had risen to 16. Although the numbers are not large, the trend shows a steady increase across all the years between 2001 and 2005. (Department of Labour, 2005: vii)

It is not easy to pinpoint exactly what is causing the rising number of workdays lost to strikes. What is significant is that this trend has emerged in a period of economic growth. In fact, Hilary Joffe, writing in *Business Day*, coined the term “the strikes of good times” to describe this phenomenon.⁸ One explanation is that the downward trend in the rate of inflation has heightened the potential for industrial conflict. Unions, so the argument goes, have become used to increases of a certain order linked to the inflation rate. But, as the inflation rate has dropped unions have been reluctant to lower their wage expectations. However, it is also noted that salary increases of top management have continued well above the inflation rate. It is therefore not surprising that unions are rejecting the argument that they should drop their wage demands in line with the lower inflation rate, when they see the gap in earnings between workers and top managers growing wider and wider each year. Workers, understandably, are wanting to have a bigger share of the “good times”. (Department of Labour, 2005: 1-2)

CONCLUSION

Collective bargaining is the key form of engagement between workers and managements in South Africa. The level at which this engagement takes place remains a very contentious issue. It is difficult to predict how this issue is going to be resolved in the years ahead. In some sectors unions are making major gains. But these are generally sectors with a history of centralised bargaining and strong employers’ organisations. Unions in sectors that do not have these characteristics are struggling to make headway. Government, in line with the voluntarist approach adopted in the LRA, is keeping its distance. It does not even seem to be prepared to revisit the statutory council model, which clearly has not been a success, in order to facilitate the establishment of centralised bargaining arrangements.

The stakes for unions are high. The increasing number of small firms and the rapid growth of the informal economy are a threat to collective bargaining, as are the trends to externalise and casualise employment. Bargaining councils offer a solution to these problems through the extension of their agreements. But to access this mechanism unions and employers must maintain a relatively high level of representivity. All the indications are that the Department of Labour is becoming more and more strict with regard to this requirement. Much therefore depends on whether unions can strengthen and expand organisation of workers. In a voluntarist system it is ultimately power that will decide whether and at what level collective bargaining will take place.

⁸ Hilary Joffe, *Business Day*, 16 August 2005; quoted in Department of Labour, *Industrial Action 2005*: 1.

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MAINSTREAMING GENDER STANDARDS IN COLLECTIVE BARGAINING

raising gender standards for
low wage women workers

Nina Benjamin, Labour Research Service

INTRODUCTION

The workplace is an important site of human development. Many women and men act out a significant proportion of their lives in the workplace and the conditions of employment that women and men face at work have a strong influence on the quality of work and life that they experience.

It is our contention that for gender equality we need to challenge existing power relations. Promoting economic participation and security for women in the workplace plays a role in challenging unequal power relations in one sphere and can enable more equitable outcomes in society at large. Access to work and equality in work can promote a sense of individual and collective autonomy and foster women's independence. A growth in self esteem, autonomy and independence has the potential to provide women with some protection and stimulate resistance against other forms of marginalisation and abuse in society more generally. The workplace involves both the practical and strategic gender needs of women. Equal access to employment and gender sensitive terms and conditions associated with employment are practical needs. This in turn enables the realisation of an engendered workplace which meets strategic gender needs – the equitable repositioning of women in society.

We are concerned with the contribution that each of the main actors, capital, labour and state, may make to realising greater gender equality. We take as our area of focus the contested terrain that is collective bargaining. Proceeding from a view that collective bargaining agreements provide concrete evidence of approaches to gender equality (and responses to gender inequality) in the workplace, this report assesses the gender sensitivity of a range of collective bargaining agreements in South Africa.

We explore the gendered outcomes of collective bargaining, including the provisions of the Basic Conditions of Employment Act (BCEA) (which was subject to tripartite negotiations at a national level prior to its promulgation). We examine a range of bargaining council agreements (centralised bargaining) and supplement these with selected enterprise level (decentralised) collective agreements.

This report does not set out to map developments in gender theory and analysis, although aspects of contemporary discourse in this regard are utilised in order to frame an analysis of existing conditions of employment and to construct model clauses that further the interests of women in the workplace.

The primary research questions are:

- To what extent is the BCEA gender sensitive, and more specifically, to what extent does the BCEA address the needs of women workers in particular?
- How do the terms of collective agreements compare with the provisions of the BCEA?
- To what extent is gender mainstreamed in the workplace?
- What do our findings suggest as strategies for mainstreaming gender in the workplace?

The report culminates in a set of recommendations intended to serve as a resource for trade union negotiators – to assist them in conceptualising, designing and motivating demands that promote increasingly gender sensitive outcomes of collective bargaining.

The inequality of women and men in South Africa emerges from a long history of patriarchy and apartheid-capitalism. The legacy of this past is that black African women constitute a particularly disadvantaged group today, most vulnerable to exploitation, poverty, violence and HIV/Aids. Amongst the poor, black African women have less income, are more likely to be unemployed, less likely to be educated and the least likely to have access to facilities and services than any other group. Nearly half of all employed African women earn less than R500-00 per month.¹

The Labour Force Survey, March 2006, P0210, Statistics South Africa highlights the following:

*"Female unemployment rates have been higher than male rates in every period (2001-2005) and a similar pattern is evident in absorption and labour force participation rates."*²

Simply put, when we consider men and women in isolation we find that women are less likely to enter the labour market in the first place, less likely to be employed subsequently and more likely to be unemployed.

About half (49.6%) of women between the age of 15 and 65 are counted as part of the labour force, while the figure is about 63% for men. As of March 2006, about a third (30.3%) of women were unemployed as opposed to about a fifth (21.6%) of men.

The formal and informal economies (excluding agriculture) accounted for about 65% and 18% respectively of total employment. Almost 11% of workers are employed in agriculture, while a further 7% are involved in domestic work.

The wholesale and retail trade and the services industry account for about

¹ Albertyn C; Goldblatt B; Hassim S; Mbatha L; and Meintjies S, Engendering the political agenda (1999)

² P0210, Labour Force Survey, September 2006 on iv.

half of all employment in the formal economy. About half of the total employment in the informal economy is in the wholesale and retail trade alone.

Black African and white women are more likely to be unemployed than their male counterparts, compared to women classified as coloured or Indian/Asian. *"In March 2006 almost two out of every three discouraged work-seekers (62,4%) were female as against one in every three (37,6%) that were male."*³

7.3% of these discouraged workers cited pregnancy or family considerations/ childcare as the reasons for exiting the labour market. The single biggest reason given (after "no jobs available in the area" – 55.3%) was "lack of money to pay for transport to look for work" – 17.1%.

Educational attainment also appears to have a lesser employment effect for women than for men. The percentage of economically active but unemployed individuals with a Standard 7 or Grade 9 education and above is higher for women than for men.

The statistics above highlight the marginalised position of women and more particularly black women in the economy. Yet in the past 10 years a number of opportunities for women to participate in the economic and political fields have been opened if one uses as an indicator the increase in the professional, managerial and parliamentary positions held by women. What is striking is the gap between the process of formal empowerment in the political and in a few cases managerial spheres of the economy as compared with the worsening economic position of the majority of women. It is clear that even though a number of formal rights exist for women, real gender equality will need changes in the economic and social positions of the majority of women.

TERMS AND DEFINITIONS⁴

- **Gender** - refers to the roles of what it means to be male or female and what is masculine and feminine
- **Sex** - refers to the real or physical and biological differences between men and women
- **Gender sensitivity** – awareness of the issues around gender and the need to keep these issues in mind in our actions and reactions
- **Gender equality** – equal treatment for both sexes
- **Gender equity** – fair treatment for both sexes. Different people or groups should be given access to the means such as education, training and funding that will help them advance
- **Patriarchy** – a community where the people in authority are male, making the decisions for women and children
- **Sexual rights** – includes the human right of women to have control over and decide freely and responsibly on matters related to their sexuality, including sexual and reproductive health, free of coercion, discrimination and violence
- **Sexual orientation** – the way you feel or express your sexuality whether you are attracted to men or women or both men and women

² Albertyn C; Goldblatt B; Hassim S; Mbatsha L; and Meintjies S, Engendering the political agenda (1999)

³ P0210, Labour Force Survey, September 2006 on iv.

⁴Key concepts summarised from " Making Women's Rights Real", a resource manual on women, gender, human rights and the law.

- **Sexual harassment** – unwanted attention of a sexual nature whether verbal, non-verbal or physical conduct or treating people on the basis of sexual favouritism
- **Sexual violence** – the use of sex as a weapon to hurt or gain power over a victim
- **Sexual health** – the enhancement of life and personal relations and not merely related to reproduction and sexually transmitted diseases
- **Termination of pregnancy (TOP)** – to end a pregnancy by abortion
- **Reproductive rights** – certain human rights recognised in national and international legal and human rights including the right to make decisions concerning reproduction free of discrimination, coercion and violence
- **Reproductive health** – the constellation of methods, techniques and services that contribute to reproductive health and well being by preventing and solving reproductive health problems. People should be able to have a safe and satisfying sex life and have the capability to reproduce and the freedom to decide if, when and how often to do so.

Other terms

- **Bargaining council** – a body made up of employer and employee organisations (trade unions) where they work towards collective agreements and resolving disputes in their industry
- **Collective agreement** – an agreement made through collective bargaining between employers and trade unions in the industry
- **Sectoral determinations** – agreements that apply to industries that tend to be unregulated, with very low wages and poor conditions of employment, where workers are most vulnerable to exploitation
- **Bilateral collective bargaining agreements** – concluded between a single employer and one or more trade unions.

RESEARCH ACTIVITIES

Survey at LRS Negotiators Conference (March 2005)

We conducted a survey of trade union representatives at a negotiator's conference in March of 2005. Participants at the conference were predominantly male and this was viewed as an important variable when the results of the survey were analysed. The survey was nevertheless instructive in unpacking some of the gender issues in collective bargaining.

A large proportion of respondents indicated that certain broader rights had been won in the workplace – issues like maternity leave, job security for pregnant women and protection against discrimination.

Concept Workshop (June 2005)

A concept workshop in June of 2005 brought together representatives from 17 trade unions and sought to bring out some of the central issues as they relate to gender, collective bargaining and the workplace. The participants were asked to complete a short survey prior to the workshop. The participants were predominantly (90%) women, and three quarters of the participants (74%) indicated that they were on a negotiating team. The summary findings provided a point of departure for the workshop itself.

- Job security and benefits (health, safety and remuneration) in relation to maternity emerged as a priority for the participants and were also reported

to be issues most often raised by women workers themselves.

- Sixty percent (60%) of participants indicated that their union had a formal gender structure while 40% indicated the opposite.

When compared with the March survey the June survey elicited similar responses from female respondents – job security for pregnant women, equal pay for equal work and wages during maternity leave being the most common. This is perhaps unsurprising in that these kinds of rights are echoed in the BCEA, Unemployment Insurance Act (UIA) the Bill of Rights and the Constitution.

It is interesting to note that even when a broader right was indicated as in place (that it had been won in the workplace), a relatively high proportion of respondents indicated that they had handled grievances relating to these same issues. This highlights the difference between rights in principle and rights in practice.

In both the March and June surveys responses to issues like reproductive healthcare, leave for prenatal checkups, extension of maternity rights to adoptive mothers, equality in benefits and access to health benefits - rights that would give more substance to the rights already won - were mentioned by only a small proportion of the respondents.

This preliminary research, while useful in drawing out themes and issues around the gender dimension of collective bargaining, was heavily dependent on the perceptions, attitudes, understanding and honesty of the respondents. By contrast, the bulk of this research paper utilises formal collective agreements as its primary indicator of the gendered conditions of employment in the workplace. While this does not fully address possible divergence between rights in principle and rights in practice it provides an empirical rather than anecdotal base for further analysis.

Analysis of Collective Agreements

We approached trade union representatives and officials and bargaining officials to provide us with copies of collective agreements. The sample includes evidence from 31 bargaining council agreements and 361 enterprise level agreements, along with seven sectoral determinations. More than 20 different unions are party to the agreements in the sample.

Workshop to discuss Draft Report (December 2006)

On 4-5 December 2006 a workshop to discuss the draft report brought together gender role players from labour and new forms of organisation. Attendance at the December workshop was 95% female.

Some of the conclusions from the participants were that:

- In the BCEA there is a weak balance between work and care giving. The BCEA focuses on finite issues like birth and death with very little attention to the process of care. There is also little prospect of distributing unpaid labour reinforcing the limited role of men in parenting.
- The union and the workplace environment are often not conducive to

- raising gender standards and the promotion of gender equality.
- Women are not adequately represented in the process of collective bargaining. Women have difficulty gaining access to skills, capacity and influence in the processes of collective bargaining. Not enough women are employed as organisers in unions.
- Central to the development of a gender standards campaign is the establishment of general principles. General principles are useful in contextualising demands and opening up spaces to argue for the extension of rights over time. SACCAWU Parental Rights model agreement⁵ was identified as an example of an agreement identifying general principles.

1. WHAT DO ACTS AND CODES THAT REGULATE THE WORKPLACE SAY ABOUT GENDER RELATIONS?

The Constitution of South Africa; Basic Conditions of Employment Act (BCEA); Labour Relations Act (LRA); Occupational Health and Safety Act; Unemployment Insurance Act and the Compensation for Occupational Injuries and Diseases Act all have sections that attempt to address inequalities in the workplace.

Existing legislation like the BCEA provides a reminder and guarantee of some of the fundamental principles and rights that workers have in the workplace and establishes processes through which these principles and rights can be implemented and enforced. Yet in the process of conducting this research it is very apparent that there are a number of shortcomings in the existing legislation. Also, there is often a lack of adherence to the existing legislation.

1.1 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (1996)⁶

In the apartheid Constitution all laws or statutes referred to the masculine “he” only. The 1996 Constitution of the Republic of South Africa uses the words “she” and “he” throughout the Constitution and this sets an example for all other laws. A number of rights in the Constitution speak directly to the issue of gender. For the purposes of this report we will highlight the rights most relevant in the struggle for the transformation of gender relations in the workplace and society more generally. The Constitution:

- Protects any person from being discriminated against on the grounds of marital status, sexual orientation, gender, sex, pregnancy, age, disability, ethnic or social origin, language, culture and religion, conscience and belief
- Protects affirmative action and states that people who have been discriminated against in the past should receive special treatment or opportunities to right previous wrongs

⁵ Key principles in SACCAWU Parental Rights Agreement:

- Elimination of discrimination based on sex and gender
- Working parents must be able to fully exercise their parental responsibilities
- Women and men have the right to hold a job, lead a normal life, to work under healthy and safe conditions and to give their children the necessary care and attention
- Company profits from the labour of workers must contribute directly towards the making of the next generation of workers
- Women and men must have equal opportunity to combine gainful employment with family life.

⁶ Key issues in relation to the Constitution have been drawn from “Making Women’s Rights Real”, a resource manual on women, gender, human rights and the law.

- Protects women's right to freedom and security including the right to decide what they want to do with their bodies
- Ensures freedom from slavery, servitude and forced labour. This right is important in for example protecting women who work on farms or domestic workers.

1.2 THE EMPLOYMENT EQUITY ACT (1998)

The Act is an attempt to address the imbalances of the past. It sets out regulations on affirmative action and discrimination in the workplace to establish equal opportunities for all employees and job applicants. Some of the key features of the Act are the following:

- Designated employers⁷ must develop and implement measures to achieve a workforce broadly representative of the South African population
- Employers must take affirmative action to correct wrongs and imbalances in the workplace to ensure these inequalities do not continue. When using a policy of affirmative action employers must concentrate on the specific problems of women as a previously disadvantaged group. This would include increasing promotion opportunities for part-time female employees, allowing time off for antenatal care, improving maternity and child care facilities and recognising that both women and men have parental responsibilities
- Any form of harassment based on race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, color, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth is regarded as a form of discrimination.

1.3 BASIC CONDITIONS OF EMPLOYMENT ACT (1997 AND AMENDED IN 2005)

The primary purpose of the BCEA is to regulate and enforce basic conditions of employment in South Africa. The Act advances economic development and social justice by fulfilling the primary objectives of:

- a) giving effect to and regulating the right to fair labour practices conferred by section 23(1) of the Constitution i) by establishing and enforcing basic conditions of employment; and ii) by regulating the variation of basic conditions of employment
- b) giving effect to obligations incurred by the Republic as a member state of the International Labour Organisation (ILO)⁸.

The BCEA applies to all employees and employers except:

- a) members of the National Defence Force, the National Intelligence Agency and the South African Secret Service; and
- b) unpaid volunteers working for an organisation serving a charitable purpose
- c) the Act applies to a person undergoing vocational training except to the extent that any term or condition of their employment is regulated by the provisions of any other law
- d) this Act, except section 41, does not apply to persons employed on vessels at sea in respect of which the Merchant Shipping Act, 1951 (act no.57 of 1951), applies except to the extent provided for in a sectoral determination.

⁷ A designated employer is a person who employs 50 or more employees or who has a prescribed minimal turnover.

⁸ The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. ILO considers gender equality as a key element in its vision of Decent Work for All Women and Men.

The Act sets out:

- Working time i.e. how many hours per day, overtime, Sunday and public holiday work, meal breaks, rest allocations
- Remuneration i.e. payment for normal work hours, overtime, Sunday and public holidays
- Annual, sick, maternity and family responsibility leave
- Notice periods
- Contracts.

Key features of the BCEA:

a) Maternity Leave (ML)

The BCEA regulates the period and the manner in which maternity leave is to be taken. The BCEA states that every employee has the right to four consecutive months of unpaid maternity leave. Maternity leave is considered as a core right that can not be varied by a bargaining council agreement. An employee who has a miscarriage during the third trimester of pregnancy or bears a stillborn child is entitled to maternity leave for six weeks after the miscarriage or stillbirth, whether or not the employee had commenced maternity leave at the time of the miscarriage or stillbirth.

- **Commencement and qualifications for maternity leave:** An employee may commence maternity leave: i) at any time from four weeks before the expected date of birth, unless otherwise agreed; or ii) on a date from which a medical practitioner or a midwife certifies that it is necessary for the employee's health or that of her unborn child. No employee may work for six weeks after the birth of her child, unless a medical practitioner or midwife certifies that she is fit to do so.
- **Payment when on maternity leave:** BCEA does not provide for maternity leave payment. The payment of maternity benefits will be determined by the Minister subject to the provisions of the Unemployment Insurance Act, 1966 (Act No. 30 of 1966).
- **Maternity notification:** An employee must notify an employer in writing, unless the employee is unable to do so, of the date on which the employee intends to: i) commence maternity leave; and ii) return to work after maternity leave. Notification must be given: i) at least four weeks before the employee intends to commence maternity leave; or ii) if it is not reasonably practicable to do so, as soon as is reasonably practicable.
- **Maternity exclusions:** The Act explicitly states that provisions of leave do not apply to employees who work less than 24 hours a month for an employee.
- **Support for nursing mothers:** BCEA Code of Good Practice contains guidelines on the protection of pregnant and breast-feeding mothers. It is aimed at providing support for breast-feeding/relieving breaks. Two 30 minute breaks can be taken twice a day for breast-feeding or expressing milk every day for the first six months of the child's life. Note that the BCEA states that no mother can return to work less than six weeks after the birth of the child, so she will effectively be at work, during the first six months of the child's life, for four and a half months.
- **Protection of employees before and after birth of a child:** No employer may require or permit a pregnant employee or an employee who is nursing her child to perform work that is hazardous to her health or the health of

her child. During an employee's pregnancy, and for a period of six months after the birth of her child, her employer must offer her suitable, alternative employment on terms and conditions that are no less favourable than her ordinary terms and conditions of employment, if the employee is required to perform night work or her work poses a danger to her health or safety or that of her child and it is practicable for the employer to do so.

b) Family Responsibility Leave (FRL)

An employer must grant an employee, during each annual leave cycle, at the request of the employee, three days' paid leave. An employer must pay an employee for a day's family responsibility leave what the employee would ordinarily have received for work on that day and on the employee's usual pay day. An employee may take family responsibility leave in respect of the whole or a part of a day. Before paying an employee for leave in terms of this section, an employer may require reasonable proof of an event for which the leave was required. An employee is entitled to family responsibility leave when the employee's child is born, when the employee's child is sick, or in the event of the death of the employee's spouse or life partner; or the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling. Same sex partners and fathers of new born babies are entitled to three days leave. An employee's unused entitlement to leave in terms of this section lapses at the end of the annual leave cycle in which it accrues. A collective agreement may vary the number of days and the circumstances under which leave is to be granted in terms of this section.

- **Qualification for family responsibility leave:** This section applies to an employee who has been in employment with an employer for longer than four months; and who works for at least four days a week for that employer.

c) Sick Leave

The "sick leave cycle" means the period of 36 months' employment with the same employer immediately following an employee's commencement of employment or the completion of that employee's prior sick leave cycle. During every sick leave cycle, an employee is entitled to an amount of paid sick leave equal to the number of days the employee would normally work during a period of six weeks. During the first six months of employment, an employee is entitled to one day's paid sick leave for every 26 days worked. Subject to proof of incapacity, an employer must pay an employee for a day's sick leave the wage the employee would ordinarily have received for work on that day; and on the employee's usual pay day. An employer is not required to pay an employee in terms of Section 22 if the employee has been absent from work for more than two consecutive days or on more than two occasions during an eight-week period and, on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury. The medical certificate must be issued and signed by a medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professional council established by an Act of Parliament.

d) Night work

In this section, "night work" means work performed after 18:00 and before 06:00 the next day. An employer may only require or permit an employee

to perform night work, if so agreed, and if the employee is compensated by the payment of an allowance, which may be a shift allowance, or by a reduction of working hours, and if transportation is available between the employee's place of residence and the workplace at the commencement and conclusion of the employee's shift. An employer who requires an employee to perform work on a regular basis after 23:00 and before 06:00 the next day must inform the employee in writing, or orally if the employee is not able to understand a written communication, in a language that the employee understands of any health and safety hazards associated with the work that the employee is required to perform. The employee has the right to request a medical examination.

e) Regulation of working time

Every employer must regulate the working time of each employee in accordance with the provisions of any Act governing occupational health and safety with due regard to the health and safety of employees and with due regard to the Code of Good Practice on the Regulation of Working Time.

f) Issues not covered in the BCEA

Antenatal, postnatal, maternity benefits, compassionate leave, flexible working hours, HIV/Aids and provision of anti-retrovirals and child care are not mentioned in the Act.

1.4 CODE OF GOOD PRACTICE ON THE PROTECTION OF EMPLOYEES DURING PREGNANCY AND AFTER THE BIRTH OF A CHILD

This code was issued in terms of section 87(l)(b) of the Basic Conditions of Employment Act (BCEA) 75 of 1997. The objective of this code is to provide guidelines for employers and employees concerning the protection of the health of women against potential hazards in their work environment during pregnancy, after the birth of a child and while breast-feeding. The Code of Good Practice must be taken into account when applying the BCEA.

The Code stipulates that employers and employees need to take into account some of the following common aspects of pregnancy that may affect work:

- Employers are prohibited from requiring or permitting a pregnant employee or an employee who is breast-feeding to perform work that is hazardous to the health of the employee or the health of her child. This requires employers who employ women of childbearing age to assess and control risks to the health of pregnant or breast-feeding employees and that of the foetus or child.
- As a result of morning sickness employees may be unable to perform early shift work. Exposure to nauseating smells may also aggravate morning sickness.
- Backache and varicose veins may result from work involving prolonged standing or sitting. Backache may also result from work involving manual handling.
- More frequent visits to the toilet will require reasonable access to toilet facilities and consideration of the employee's position if leaving the work she performs unattended poses difficulties.
- The employee's increasing size and discomfort may require changes of protective clothing, changes to work in confined spaces and changes to

her work where manual handling is involved. Her increasing size may also impair dexterity, agility, co-ordination, speed of movement and reach.

- The employee's balance may be affected making work on slippery or wet surfaces difficult.
- Tiredness associated with pregnancy may affect the employee's ability to work overtime and to perform evening work. The employer may have to consider granting rest periods.
- Arrangements should be made for pregnant and breast-feeding employees to be able to attend antenatal and postnatal clinics as required during pregnancy and after birth.
- Arrangements should be made for employees who are breast-feeding to have breaks of 30 minutes twice per day for breast-feeding or expressing milk each working day for the first six months of the child's life.

1.5 THE UNEMPLOYMENT INSURANCE ACT (1966, AMENDMENT ACT No. 63 OF 2001: AS AMENDED BY AMENDMENT ACT, No 32 OF 2003)

The Unemployment Insurance Act and the Unemployment Insurance Contributions Act apply to all employers and workers, but not to workers working less than 24 hours a month for an employer; learners; public servants; foreigners working on contract; workers who get a monthly state (old age) pension; or workers who only earn commission. Five types of benefits are provided by the Fund: unemployment; illness; maternity; adoption; and dependents benefits.

aj) Maternity Leave

For purposes of this section the maximum period of maternity leave is 17 weeks. A contributor who has a miscarriage during the third trimester or bears a still-born child is entitled to a maximum maternity benefit of six weeks (42 days) after the miscarriage or stillbirth. Maternity benefits are separate from ordinary UIF benefits.

- **Commencement and qualifications for maternity leave:** When taking into account any maternity leave paid to the contributor in terms of any other law or any collective agreement or contract of employment, the maternity benefit may not be more than the remuneration the contributor would have received if the contributor had not been on maternity leave. The Director-General must pay the maternity benefits to the contributor at the employment office at which the application was made or any other employment office determined by the applicant at the time of application.
- **Payment when on maternity leave:** An application for maternity benefits must be made in the prescribed form at an employment office at least eight weeks before childbirth. The Commissioner may on good cause shown accept an application after the period of eight weeks referred and extend the period of submission of the application up to a period of six months after the date of childbirth. The claims officer must investigate the application and, if necessary, request further information. If the application complies with the provisions of this Chapter, the claims officer must approve the application and determine the amount of the benefits for purposes of the benefits the applicant is entitled to and stipulate how the benefits are to be paid. If the application does not comply with the provisions of this Chapter, the claims officer must advise the applicant in

writing that the application is defective and of the reasons why it is defective.

- **Maternity Notification:** Employees must apply for UIF benefits at least eight weeks before childbirth. The commissioner does have discretion on this part however. The application is to be submitted at an employment office. Applications that are incorrect must be returned to the employee with an explanation as to why it is incorrect. Successful applications go through and payment of benefits is to be made at the same employment office.

b) Adoption benefits

Only one contributor of the adopting parties is entitled to the adoption benefits in respect of each adopted child and only if the child has been adopted in terms of the Child Care Act, 1983 (Act No. 74 of 1983). The other criteria for adoption benefits are the following: a) that the period that the contributor was not working was spent caring for the child and the adopted child is below the age of two years old. When taking into account any leave paid to the contributor in terms of any other law or any collective agreement or contract of employment, the benefit may not be more than the remuneration the employer would have paid the contributor if the contributor had been at work.

- **Application for adoption benefits:** An application for adoption benefits must be made in the prescribed form at an employment office. The application must be made within six months after the date of the order for adoption, but the Commissioner may accept an application after the six-month period on good cause shown. If the application does not comply with the prescribed provisions the claims officer must advise the applicant in writing that the application is defective and the reasons why it is defective.
- **Payment of adoption benefits:** The Director-General must pay the adoption benefits to the contributor at the employment office at which the application was made or any other employment office determined by the applicant at the time of application. Benefits are not subject to taxation.

1.6 LABOUR RELATIONS ACT (1995)

The LRA regulates the relationship between the employee and employer. It prohibits unfair discrimination and protects workers from unjust dismissal. This Act was adopted after extensive negotiations with labour, management and the State and recognises collective bargaining as a way of solving labour disputes.

a) Job security

The dismissal of a worker on account of her pregnancy, intended pregnancy, or any reason related to her pregnancy, is automatically unfair. The definition of dismissal includes the refusal to allow a worker to resume work after she has taken maternity leave in terms of any law, collective agreement or her contract.

1.7 OCCUPATIONAL HEALTH AND SAFETY ACT (1993)

This law ensures that certain minimum safety standards are carried out by the employer to ensure a safe environment to work in. The regulations are vast and cover issues of safety equipment and safety hazards such as noise

levels, ventilation, drinking water, toilets, first aid, temperature, machinery, etc. Management must establish safety committees and have trained safety representatives in the workplace to enforce the regulations.

2. WHAT DO COLLECTIVE AGREEMENTS TELL US ABOUT THE TRANSFORMATION OF GENDER RELATIONS IN THE WORKPLACE?

This study draws on a range of bargaining council agreements, sectoral determinations and enterprise level agreements. In analysing the agreements four themes are used:

- The promotion of equity and equality in the workplace
- Job security and the creation of safe conditions in the workplace
- Family Rights
- Reproductive, Sexual and Health Rights.

This study works from a premise that gendered collective bargaining agreements can play an important role in:

- Shaping the consciousness of the workers participating in the collective bargaining process in understanding their existing rights and their role in changing gender relations in the workplace and society more generally
- Impacting on the workplace by assisting in the transformation of gender relations
- Shaping legislation that creates a legal environment conducive to the transformation of gender relations.

Collective bargaining in South Africa occurs on a sectoral, company and workplace level, involving multiple representation of trade unions (workplace) and unions and employers (sectoral). The current framework of collective bargaining always includes, inter alia trade union representation rights and access; wages, hours of work, rest periods, overtime, work shifts, occupational health and safety etc. Annually, or in two or three year cycles trade unions and employers in a workplace, sector or company negotiate and sign collective agreements to set the minimum acceptable conditions. Most of these conditions are "gender neutral", representing a distillation of the most immediate and general interests of all workers in the sector.

2.1 Equity and equality in the workplace

The majority of economically active women continue to work in elementary or unskilled jobs and other low-status jobs (Statistics South Africa, 1998). These jobs are characterised by low pay, job insecurity, very little legal protection, casualisation, and low levels of unionisation (Orr, 2004). Women also tend to benefit less than men from training, skills development and promotion, and even when they do similar jobs to men they often receive lower rates of pay.

Women, particularly black women, also have less access to resources which could help them get ahead such as: a) assets like land, buildings, tools, low interest loans etc.; b) skills, as there is a shortage of education and skills training opportunities for women; c) time, as in addition to working a full day women

also have to take care of children and households; d) promotions, as in addition to opportunities, skills and education, women find it difficult to get into management that is often regarded as “men’s” territory and e) child care, especially in the context where most single parent households are headed by women and where child care is expensive and often unavailable.

The Employment Equity Act is an attempt to redress some of these imbalances and create fair treatment for both sexes, leveling the playing fields so as to create conditions of equality in the workplace. The Employment Equity Act provides a framework for creating equity through setting out regulations on affirmative action and discrimination in the workplace.

WHAT DO THE COLLECTIVE BARGAINING AGREEMENTS TELL US ABOUT EQUITY AND EQUALITY IN THE WORKPLACE?

a) Equity through fair promotions:

Only one of the agreements surveyed addresses the issue of fair promotions as a means of promoting equity in the workplace.

- Tearoom, Restaurant and Catering Trade, Pretoria (Community, Social and Personal Services Bargaining Council) states that all employees shall receive a rate for job performance with no discrimination on grounds of race, colour, sex or religion. All employees shall be entitled to be promoted from within (subject to the inherent requirements of a position) with no discrimination on grounds of race, gender, colour or disablement.

b) Equity through narrowing the wage gap:

The gender wage gap exists universally and in the past few years women workers are generally found to be in the lowest paid jobs further widening the gap. In South Africa much has been written about the racial wage gap but very little is known about the gender wage gap. It is important to note that only two (0,3%) of the agreements surveyed discuss the wage gap, and this is raised as a general concern not specifically in relation to the gender wage gap.

- The Bargaining Council for the Grain Industry /Die Werkgewersorganisasie vir die Graanbedryf commits itself to dealing with wage gaps and states that trade unions must assist in identifying the wage disparities at employer level.
- The Employers’ Association for the Pulp and Paper Industry identifies employment equity as an issue and states that closing the wage gap will be negotiated in line with the constitution of the bargaining council.

c) Equity through skills development:

The availability of skills is an important factor impacting on attaining employment equity and gender equality. Unfortunately many companies continue to view skills development requirements as merely a new tax. Levy paying participation rates are around 65.5%, with only 10.4% of levy paying firms participating in the levy grant system for skills training. Training tends to be used for upgrading the skills base of existing employees in their current occupations and workplaces, or for routine or technical requirements, and is generally not seen as part of promoting equity and creating gender equality in the workplace. (Umrabulo Number 27 November 2006).

For organised labour the enactment of the Skills Development Act and the Employment Equity Act was a turning point in developing a system that would recognise the skills and experience that workers have already acquired and provide workers with access to education and training. Yet only two (0,3%) of the agreements surveyed make any reference to skills development and only one refers specifically to training for women.

- Finewood Veneers (Pty) Ltd has agreed to continue the consultation processes in respect of skills development and employment equity.
- The Safety and Security Sectoral Bargaining Council (SSSBC) has a transformatory fund with measures for training female police officials occupying operational posts.

d) HIV/Aids and discrimination:

Discrimination against people with HIV threatens fundamental principles and rights at work. South African law protects workers against discrimination and collective bargaining agreements should practically reflect how this protection is enacted within different sectors and industries. Yet only the National Bargaining Council for the Road Freight Industry Agreement speaks directly to the issue of HIV/Aids and discrimination.

- The National Bargaining Council for the Road Freight Industry's HIV/AIDS and STD policy guidelines 1999 is very important in addressing the issue of discrimination on the basis of HIV/Aids. The Agreement states that in all matters relating to HIV/AIDS, the role players will deal fairly and justly with employees with HIV/AIDS, in accordance with constitutional, legislative and employment equity principles, and accepted standards of international law and human rights principles. The role players will not unfairly discriminate against any employees, or applicants for jobs, on the basis of their actual or suspended HIV status, or that of their relatives. Any employees with HIV/AIDS will receive the same consideration in the working environment while symptom-free, as any other able-bodied employee. Once the person becomes HIV-ill, the employee will receive the same consideration as any employee with any other illness or incapacity. Employees who contract HIV whilst in employment will continue in such employment until medically unfit to work. No employee shall be dismissed solely on the basis of HIV. As with other severe life limiting or life threatening conditions and permanent disability, employment may only be terminated as a result of HIV/AIDS if and when an employee is unable to carry out their normal work function, or if the employee is unable to attend the required number of working days (provided all the sick leave and other appropriate leave is fully utilised). Incapacity to do the job will be the major criterion for boarding employees or dismissal. This will be dealt with in accordance with the schedules to the LRA regarding incapacity (e.g. finding suitable alternative employment). HIV will not be a reason for unilateral medical boarding and the HIV status of an employee shall not play a role in retrenchment procedures.

e) Creating a gendered culture:

Creating a culture that firstly recognises that inequalities exist between men and women and secondly attempts to address these inequalities is key to dealing with inequalities in the workplace. The language used both formally

and informally plays an important role in shaping a culture. Two (0,3%) of the agreements surveyed make specific reference to the use of language.

- National Bargaining Council of the Leather Industry of South Africa - General Goods and Handbags: Words importing the masculine gender shall include the female; and further, unless inconsistent with the context.
- Hairdressing and Cosmetology Bargaining Council, Kwazulu-Natal: Any reference to an act shall include any amendments of such act and, unless the contrary intention appears, words importing the masculine gender shall include the feminine and neuter genders, and words importing the singular shall include the plural, and vice-versa; and further, unless inconsistent with the context.

f) Religious Freedom:

Workers in South Africa practice many different religions and South African law gives all citizens the right to practice their religion. For women, religious holidays and celebrations are often occasions for increased family and community responsibilities. The workplace needs to take into account the religious practices of workers and also recognise the role that religion plays in the lives of women workers. In the agreements surveyed the Bargaining Council for the Furniture Manufacturing Industry of the Western Cape is an example of how an agreement can give life to the existing right to religious freedom.

- Bargaining Council for the Furniture Manufacturing Industry of the Western Cape - Recognition and Swapping of a Religious Holiday: a) The parties recognize that the workers in the furniture industry belong to numerous different religious groups. b) The one religious holiday within the December shut down period, being Christmas day 25 December, may be swapped out for another religion's religious holiday.

2.2 Job security and creating safe conditions in the workplace

Gender inequality persists in both opportunity as well as in treatment in the world of work. This situation has been exacerbated by increasing global competition, labour market flexibility and privatisation which in turn has seen an increase in economic, political and social marginalisation of vulnerable groups like women. In the workplace it is women who are the most vulnerable to precarious forms of employment, deterioration in security and safety, deterioration in the quality of employment, increased intensity of work, instability and insecurity of income especially when on maternity leave and a reduction in all forms of social security. Women are also experiencing increased cases of violence and sexual harassment, increased health and safety risks and increased disregard for the family responsibilities women have.

WHAT DO THE COLLECTIVE BARGAINING AGREEMENTS TELL US ABOUT SAFETY AND SECURITY IN THE WORKPLACE?

a) Casual and temporary workers:

The use of casual and contract labour and outsourcing to unregulated workplaces is on the increase and more and more women are moving into this kind of employment. Many employers are deliberately using these

methods to avoid organisation, undermine collective bargaining processes and informalise labour relations.

Many casual and temporary workers are left without any real job security and protection. The BCEA only applies to employees who work more than 24 hours a month for an employer. In the agreements surveyed there are broadly three kinds of responses:

i) a commitment where possible to revert temporary/casual to permanent employment.

Examples of Agreements:

- Paper Merchants Chamber of the National Council for the Wood and Paper Sector: The Association agrees to take a view over a period on reverting temporary/ casual workers to permanent employment taking into consideration costs, flexibility, seasonality, customer demands, economic environment and feasibility.
- Bargaining Council for the Grain Industry/Die Werkgewersorganisasie vir die Graanbedryf - Casual / contract employees: No employer shall employ a person for more than six months in a permanent position as a casual/ contract worker.
- Paper Packaging Employers Association - Permanent Employment: The parties agree that there are some bad practices in place in operations in respect of contract workers e.g. fixed terms contracts that are rolled over indefinitely in the same position. Employers agree to investigate and rectify the matter. Existing permanent positions will be filled by permanent appointments and not contract workers.
- Rainbow Farms - Casualisation: In the Code of Good Practice, the company has identified permanent jobs within each region that are filled by casuals. The company hereby agrees to implement the principle of permanent jobs to be filled by permanent employees in such identified positions in a fair and reasonable manner in each region. Employees who were previously retrenched are to be considered first subject to normal recruitment procedure.

ii) a commitment to conduct an investigation into the incidences of contract work and the implications thereof.

Examples of Agreements:

- National Bargaining Council for the Clothing Manufacturing Industry: (1) A survey shall be conducted under the auspices of the Council into the incidence of contract work in the industry with the intention of making any agreement reached as a result of the survey effective from 1 July 2004. (2) Every employer shall complete a questionnaire as approved by the Council.(3) All employers shall be required to cooperate with the survey.
- Employer Association for the Sawmilling Industry - Conditions of Employment: The Employers Association and the union agreed to set up a task team under the auspices of the bargaining council to investigate the standardisation of conditions of employment in the sawmilling industry within nine months from the registration of the bargaining council. Permanent Employment: Employers agreed to continue to apply the relevant legislation regarding temporary and casual employees. The parties agreed to continue to discuss the issue of temporary and casual

employees at plant level in order to minimise such employment where it is economically and practically possible.

iii) a commitment to ensure that temporary workers enjoy certain benefits.

Examples of agreements:

- National Bargaining Council for the Road Freight Industry: A temporary employee of a temporary employment service who works overtime while employed in two or more job categories during a pay week shall be paid overtime at the rate of one and a half times his hourly rate in respect of the total number of hours so worked in each category, provided that a fraction of an hour shall be rounded up or down to the nearest full half-hour. If a temporary employee of a temporary employment service is required to work on a Sunday or paid holiday he shall be paid at not less than double the hourly rate prescribed for his class for each hour so worked.

b) Payment while on maternity leave:

South Africa is one of the few countries in the world where the employer is under no obligation to pay the employee during maternity leave. The employer's only obligation is to reserve the women's position in the company. A woman may, if she has contributed to the Unemployment Insurance Fund (UIF) for more than four months, claim from the fund. Section 12(3)(b) of the Act states that the scale of benefits may vary between a maximum rate of 60% of remuneration for lower income contributors and a lower rate for higher income contributors.

The problem for most women is that the longer maternity leave they take the more dire are the financial implications. Maternity in South Africa impoverishes and disempowers women. Most women are worse off for having children. The women hardest hit are those in the informal sector, unemployed women, women who work for small businesses and women who do seasonal work. More often than not these women are completely reliant on their partners for financial support during maternity. This creates a situation where most women return to work as soon as possible after giving birth, placing women under enormous strain which can affect their health and their relationship with their child.

When analysing the agreements the following five key themes can be identified, all of which have a direct bearing on the security of employment for women workers:

i) agreements that comply only with the BCEA and provide no payments over and above the UIF benefits

All the sectoral determinations and the majority of bargaining council and enterprise level agreements surveyed provide no payments over and above the UIF. The sectoral determinations for the domestic and taxi sectors states this explicitly:

- In the domestic workers and taxi sectoral determinations the employer is not obliged to pay the domestic worker for the period for which she is off work due to her pregnancy.

ii) maternity pay over and above UIF

Of the agreements surveyed only five (0,8%) provide 100% payment or close to 100%:

- South African Local Government Bargaining Council (SALGBC): An employee shall be entitled to receive three months paid maternity leave.
- Public Service Co-Ordinating Bargaining Council (PSCBC): An employee shall receive four months paid maternity leave for each confinement.
- Rand Water: For each period of absence a female, when proceeding on maternity leave, will have an election to either receive 100% of her normal monthly earnings for a period of three months, or receive 75% of her normal monthly earnings for a period of four months.
- National Bargaining Forum (NBF) in the Automobile Manufacturing Industry: Eight weeks will be paid at 100% (inclusive of UIF benefits) of the employee's personal hourly wage rate (of which four weeks paid maternity leave may be taken before the expected date of confinement and 14 weeks paid maternity leave after this date).
- PG Bison: Provides 78% for eight months maternity leave.

About 4,9% of the Bargaining Council Agreements and 3% of enterprise level agreements provide on average between 25% and 33% of payment towards maternity leave. There are variations in the number of monthly payments:

- The National Bargaining Council for the Road Freight Industry, Motor Ferry Industry Bargaining Council of South Africa, National Bargaining Council for the Road Passenger Transport Industry - South African Road Passenger Bargaining Council (SARPBAC), Bargaining Council for the Entertainment Industry: All provide 33% of the normal remuneration over a four month period.
- National Bargaining Council for the Clothing Manufacturing Industry - National Main Collective Agreement - Part B: Provisions for the Free State and Northern Cape Region (a): An employee shall be entitled to six consecutive months' maternity leave, of which five months shall be unpaid and one month paid.
- Ceres Fruits Growers Ltd: 30% of wage during maternity leave. Seasonal workers with four months plus service in the year, but less than six months are entitled to eight weeks maternity leave at 30% of wage.
- Parmalat SA: 25% of basic salary over six months, alternatively 1.5 months full salary paid for maternity leave.

iii) conditions placed on awarding maternity payment

0,7% of the enterprise level agreements surveyed provide maternity payment over and above the UIF but with defined conditions. The Tearoom, Restaurant and Catering Trade, Pretoria is an example of such an agreement:

- Tearoom, Restaurant and Catering Trade, Pretoria: An employee shall be entitled to at least four consecutive month's unpaid maternity leave. This employee shall further be entitled to one month's maternity pay after she has returned to work, which she is to be paid after she has worked one full month.

Some agreements place a one-year condition of service for female employees to access maternity payment. The Motor Ferry Industry Bargaining Council and Enterprise Foods Pty Ltd are examples of bargaining council and enterprise level agreements that have such conditions:

- Motor Ferry Industry Bargaining Council of South Africa: After completion of one year's uninterrupted service with an employer, employees shall

be entitled to up to six month's maternity leave, of which three months will be paid at one third the employee's basic wage and three months unpaid.

- Enterprise Foods (Pty) Ltd: Employees with more than one year's service will be granted three month's unpaid maternity leave and one month's paid maternity leave. Employees with less service will be unpaid.

iv) assistance with UIF

Claiming for maternity leave payment from the UIF can be an onerous and time-consuming activity for pregnant women. Assistance from employers in claiming from the UIF can play an important role in easing this burden. Only 3,3% of bargaining council agreements and 2,5% of enterprise level agreements indicate a preparedness on the part of the employer to assist the pregnant employee:

- McCain Foods (SA) (PTY) Ltd: The company undertakes to assist employees where possible in the claiming of UIF benefits.
- National Bargaining Forum (NBF) in the Automobile Manufacturing Industry: The employer shall, as far as is practicable, assist the employee with her application for maternity benefits through the UIF.

v) maternity benefits

4,9% of bargaining council agreements and 1,8% of enterprise level agreements surveyed make provision for maternity benefits that include maintaining full bonuses, pension and provident funds while the employee is on maternity leave. In the case of the Public Service Co-ordinating Bargaining Council (PSCBC), this includes the extension of funeral benefits:

- Public Service Co-ordinating Bargaining Council (PSCBC): The extension of the funeral benefits ... is to include stillborn babies by providing for a payment of R3000 per stillborn on condition that a stillborn, as defined by the Births and Deaths Registration Act 51 of 1992, is the natural child of a member or pensioner who became entitled to a gratuity and annuity on or after 1 Dec 2002. Any termination of pregnancy as determined in the Choice on Termination of Pregnancy Act, 92 of 1996, or any termination of pregnancy that is self-inflicted is specifically excluded.
- National Bargaining Council for the Chemical Industry - Fast Moving Consumer Goods: Maternity leave will not impact on the annual bonus (13th cheque). Employees will be entitled to a full bonus in the year(s) maternity leave is taken.
- National Bargaining Forum (NBF) in the Automobile Manufacturing Industry: Membership and benefits of the medical and pension/provident schemes will continue and the employer will contribute to the two schemes on her behalf during the period of paid maternity leave for a maximum period of 26 weeks. The employee will be liable in full for such contributions during any period of unpaid maternity leave.
- Finewood Veneers (Pty) Ltd: Company contributions to the worker's medical aid and retirement benefits fund contributions, where applicable, will continue whilst the worker is on maternity leave.
- Albany and Sasko Bakeries: The company's contributions towards benefits will continue during maternity leave.
- McCain Foods (SA) (PTY) Ltd: The period of up to 14 weeks will be regarded as continuous service for the purpose of the accrual of standard benefits.

Two of the agreements surveyed have a contradictory approach to unbroken service. While claiming that on returning to work employees will be treated as having unbroken service, the agreements shift from the notion of unbroken service by claiming that leave and leave pay will not accrue while the employee is on maternity leave:

- Metal and Engineering Industries Bargaining Council (MEIBC): On returning to work the employee shall be treated as having unbroken service, except that the period of absence shall not be counted as service for the purpose of leave pay and leave enhancement pay calculation in the leave cycle.
- Protea Hotel Group (PTY) Limited: The period of maternity leave shall be regarded as continuous service but accrual of annual leave shall cease for the duration of the period of maternity leave.

c) Sexual Harassment:

Sexual harassment in the workplace is a violation of women's human rights and a prohibited form of violence against women. Sexual harassment causes a great deal of psychological and physical harm to its victims and serves to reinforce the subordination of women to men in the workplace

The Code of Good Practice on the Handling of Sexual Harassment Cases produced by the National Economic, Development and Labour Council under the Labour Relations Act 1995, sets out procedures to deal with sexual harassment. It also suggests policies and procedures that will lead to the creation of workplaces that are free of sexual harassment. The code defines and gives examples of sexual harassment and emphasises the need for sensitivity and confidentiality when handling complaints.

In discussions with trade union members it would seem that many companies have sexual harassment policies, but these policies are not a result of negotiations between the company and the unions. Only one of the agreements surveyed makes specific reference to measures dealing with sexual harassment in the workplace i.e. the Safety and Security Bargaining Council (SSSBC):

- Safety and Security Sectoral Bargaining Council (SSSBC) - Transformatory Fund/Measures: Sexual harassment training, including sensitivity awareness training as well as training in the reporting, investigating and conducting of sexual harassment departmental hearing.

d) Subsidised transport:

The BCEA states that for shift work as defined from 18.00 – 06.00 transportation must be available between the employee's place of residence and the workplace at the commencement and conclusion of the employee's shift. This provision is particularly important for the safety of women in the context of a very poor public transport system in South Africa.

- The sectoral determinations of the farmworker, forestry and contract cleaning, taxi, domestic worker, wholesale and retail sectors agreements all adhere to the requirements in the BCEA.

Some agreements have made variations on the time described as night work in the BCEA and some companies pay allowances in lieu of providing transport.

- Tearoom, Restaurant and Catering Trade: An employer shall provide transport for employees working later than 21:00 on any day of the week or pay employees an amount of R130.00 per month in lieu of transport.

- Motor Ferry Industry Bargaining Council of South Africa: Subsistence and Traveling (S&T) allowance: An employee who is required to be out of town between 23h00 and 04h00 shall be paid R59.50 (night allowance and meal allowance).
- City Lodge Hotel: The transport allowances shall be increased to R24.00 per shift. All conditions pertaining to the transport allowance remain.

2.3 Family Rights

Family Rights take into account the life of the worker outside of the workplace. While important labour legislation exists there are no real explicit policies providing adequate social support for workers with family responsibilities.

Where any kind of law or policy exists e.g. family responsibility leave, it is very limited and tends to narrow the definition of a family to the nuclear family i.e. spouse/partner, biological or adopted children, mother, father, brother and sister.

The existing laws make very little provision for adequate social infrastructural support including the provision of child care facilities, parental and paternal leave, and family-friendly workplaces, which would free women to realise consistently their full potential as workers. In the home there is also an unequal sharing of family responsibilities between men and women, further impeding the reconciliation of work and family responsibilities. Women workers still have to juggle numerous roles with considerable difficulty and stress.

WHAT DO THE COLLECTIVE BARGAINING AGREEMENTS TELL US ABOUT FAMILY RIGHTS?

a) Family Responsibility Leave:

While the provision of family responsibility leave in the BCEA and collective agreements often precludes the use of terms like “paternity leave” and “compassionate leave”, both are subsumed under the concept of family responsibility leave. If either paternity leave or compassionate leave is mentioned directly they are discussed as items under family responsibility leave.

According to Section 27 of the Basic Conditions of Employment Act of 1997 an employer must grant an employee, during each annual leave cycle, at the request of the employee, three days’ paid leave, which the employee is entitled to take:

- when the employee’s child is born;
- when the employee’s child is sick; or
- in the event of the death of:
 - a) the employee’s spouse or life partner; or
 - b) the employee’s parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.

This is referred to as family responsibility leave and applies to ‘employees’ (i) who have been in employment with an employer for longer than four months; and (ii) who work for at least four days a week for that employer.

The BCEA recognizes life partners but only in relation to death and only in

relation to their partners, not in relation to their role as a de-facto co-parent if their partner has children.

ij) the agreements surveyed generally follow the BCEA guidelines as regards family responsibility leave.

- Domestic workers are entitled to five days paid family responsibility leave, while others (contract cleaning, farmworkers, forestry, workers in the wholesale and retail trade, learnerships and the taxi sector) are entitled to only three. Apart from this exception, sectoral determinations consistently follow the BCEA in respect of this kind of leave.
- The Farm Worker Sectoral Determination states that an employer must grant a farm worker, during each 12 months of employment, at the request of the farm worker, three days' paid family responsibility leave. This can limit the number of family responsibility leave days available to a farmworker as 12 months of employment could easily be spread over two or three years.

It is interesting to note that the public sector has more far reaching agreements:

- The Public Service Co-Ordinating Bargaining Council (PSCBC) refers to family responsibility leave under the heading of "parental leave". The agreement allows for three days paid leave in the event of the birth of a child or if the employee's spouse/life partner or child is sick. The agreement also allows for five days paid leave per annual leave cycle in the event of the death of the employee's spouse/life partner or a member of their immediate family. However, the employee may not utilise more than five days leave per annum in total in terms of both of these sub-clauses. It is unclear why the birth of a child and/or caring for a sick child or partner should require less time than attending to their death.
- The agreement also allows employees who have used up all their family responsibility leave to utilise their remaining vacation leave or up to 84 days of unpaid leave. This last provision is important insofar as it recognises that employees might well need more than three days to attend to these matters.
- The South African Local Government Bargaining Council (SALGBC) stipulates five days paid family responsibility leave per annum.

ij) Upward variations

Some of the agreements provide family responsibility leave with some upward variations e.g. the Chemical Industry. There is also no consistency in the chemical industry with different amounts of leave time being awarded etc.

- The National Bargaining Council for the Chemical Industry (Glass Sector) allows three days paid and a further two days unpaid paternity and/or childcare leave. There is also provision for three days paid compassionate leave with the addition of two days (one paid and one unpaid) if the funeral is more than 250km away.
- The Petroleum Sector however conceptualises these leave types under family responsibility leave and allows a total of eight days leave (six paid and two unpaid) for compassionate, special, paternity and child care leave. There is some flexibility as to how the employee may utilise the total days available. For example they may add the three days of paternity-related leave to the

- five days of leave designated as compassionate leave.
- The National Bargaining Council for the Chemical Industry (Pharmaceutical Sector) establishes a minimum provision of five days paid paternity leave as well as five days paid compassionate leave. There is no mention of family responsibility leave.

There are examples of agreements e.g. the agreement for the Furniture, Bedding, Upholstery and Curtain Manufacturing Industry where employees are required to have four months continuous service before qualifying for family responsibility leave. No qualifying period exists in the BCEA.

The provision of leave entitlements that offer women (and men) the possibility of balancing caregiving responsibilities and employment recognise that women undertake the majority of unpaid work in society, especially in relation to caring for children. This should, in theory, provide greater impetus and opportunity for women to enter into employment and improve their prospects of remaining in employment over time.

However, this kind of leave entitlement may only circumvent the unequal distribution of caregiving between men and women and leave the allocation of these kinds of responsibilities wholly untransformed. Such a criticism is made possible by the complexity of addressing gender inequalities, but is also useful in drawing out a complementary approach- that of equal opportunity. Parental-type leave is recognised, along with the provision of child care facilities, as an important socio-economic policy determinant of equal opportunity⁹.

b) Child care:

Parental leave, which family responsibility leave intersects, is directly linked to the question of child care. As important and valuable as the direct care of a child by its parent is, the value of access to child care facilities should not be ignored. The need to care for children remains most urgent at least until they are of school-going age, although it does not stop there. Given the disproportionate amount of child care work undertaken by women it is argued that access to child care facilities gives substance to the right of women to participate freely in the economy, on the basis of equal opportunity and with the prospect of balancing work and life. Without access to child care facilities such rights ring somewhat hollow. The BCEA makes no reference to the question of access to child care facilities.

Only 1,6% of bargaining council agreements and 0,8 of enterprise level agreements surveyed refer to child care. The Metal and Engineering Industries Bargaining Council (MEIBC) and the Chamber of Mines Colliers are two examples of Agreements that refer to child care:

- Metal and Engineering Industries Bargaining Council (MEIBC) - Child care: The bargaining council will manage an investigation into the possible implementation of a joint pilot project involving interested employers and trade unions in the industry)to investigate and formulate possible strategies and recommendations on means of assisting in the development of child care facilities in an identified area.
- Chamber of Mines Colliers: Provides child care facilities.

2.4 Reproductive, Sexual and Health Rights

Sexual and reproductive rights is a term that refers to the right of women and men to decide freely and responsibly on matters related to their sexuality and reproductive health. Reproductive rights also include the right to decide on the number and spacing of one's children, and to have the resources to do so; the right to the highest standards of health care; and, the right to make decisions concerning reproduction free from discrimination, coercion and violence.

Health and safety policies in the workplace are often defined in male-dominated sectors and occupations and fail to take into account many of the health issues like hypertension, diabetes, depression and obesity that affect both men and women.

WHAT DO THE COLLECTIVE BARGAINING AGREEMENTS TELL US ABOUT REPRODUCTIVE, SEXUAL AND HEALTH RIGHTS?

a) Reproductive Health:

i) maternity leave

Biological imperative and social norms predetermine the role that women play in the initial stages of any child's development, specifically, during pregnancy and breast-feeding, hence maternity leave is designed to help women enter the labour market and not have to choose between having a baby and a career. For this reason, it is important to ascertain how pregnant women are catered for in the workplace and review whether her core rights to fair labour practices are in fact fair.

Maternity leave is considered one of the core rights in the BCEA and differs from paternity and family responsibility leave in the sense that its main concern is with the welfare of the woman during pregnancy and thereafter the nurturing of the child during its first few months, for instance, breast-feeding duties.

Section 25 of the BCEA, 1997 (amendments 2005) regulates the period and the manner in which maternity leave is to be taken. It stipulates that "an employee is entitled to at least four consecutive month's maternity leave and an employee who has a miscarriage during the third trimester of pregnancy or bears a stillborn child is entitled to maternity leave for six weeks after the miscarriage or stillbirth, whether or not the employee had commenced maternity leave at the time of the miscarriage or stillbirth". These clauses are aimed at introducing compulsory maternity leave for all women workers.

When demands are taken up for women workers by trade unions, such as maternity rights, these are usually the first to be compromised. However, maternity rights do not only affect women but impact on society as a whole.

From the agreements surveyed, most have the same provisions as provided for by the BCEA. (There are some agreements which make provision for a longer leave period – refer to the section on maternity leave pay.)

There are a significant number of agreements that extend maternity leave but

place qualifying periods. The BCEA makes no provision for qualifying periods:

- Protea Hotel Group (PTY) Limited: The maximum period of maternity leave is six months on condition that the employee has completed 10 months or more of continuous service.
- McCain Foods (SA) (PTY) Ltd: Provides six months maternity leave to female employees who have 12 months or more of continuous service.
- Ashton Canning Co (PTY) Ltd, RFF Foods (PTY) Ltd, Cirio Del Monte South Africa (Pty) Ltd, Tiger Food Brands Ltd: Grants a female worker maternity leave for a maximum period of six months, provided that she has been in regular employment for at least 18 consecutive months.

ii) antenatal and postnatal care – medical check-ups related to pregnancy. These check-ups are essential for monitoring the reproductive health of women. Antenatal and postnatal care is not mentioned in the BCEA and only 3% of bargaining council and 2% of enterprise level agreements mention ante- and postnatal care.

Examples of agreements that make provision for antenatal and postnatal care:

- McCain Foods (SA) (PTY) Ltd: Employees shall have the right to attend clinics and medical practitioners of their own choice. They are however encouraged to use the company facilities which are free. Pregnant women shall have the right to visit antenatal clinics when recommended. Recommended visits are usually on the following basis: 1-30 weeks: once per month; 31-36 weeks: once every two weeks; 37-40 weeks: once per week. These visits will be on an unpaid basis and time lost will not be deducted from sick leave entitlements.
- Distell Ltd: The company shall grant female employees paid leave of absence for the purposes of attending pre- and postnatal clinics, provided that attendance is at clinics for examination by a registered medical practitioner, or by any registered association health service practitioner registered in terms of any law.
- Enterprise Foods (Pty) Ltd: The company will grant six days paid leave for pregnant employees for visits to antenatal clinics.
- National Bargaining Council of the Leather Industry of South Africa - General Goods and Handbags - Paid leave to attend Prenatal Clinics: Female employees shall be entitled to three half days paid leave of absence during the last three months of their pregnancy to attend prenatal clinics.
- National Bargaining Council of the Leather Industry of South Africa - Footwear Section: A female employee shall be granted five occasions of 4.2 hours paid leave for the duration of her pregnancy for the purpose of attending prenatal clinics.

iii) protection against workplace hazards

Thousands of hazardous chemicals are produced and used in a wide variety of workplaces, all over the world. Some of these substances can have negative effects on the reproductive health of both male and female workers who are exposed to them. There are also a variety of physical and biological agents (such as radiation and bacteria) used in many workplaces that expose workers to additional reproductive hazards. Additionally, there are many work situations (such as work which is highly stressful, or shift work) that may have

negative effects on the reproductive systems of male and female workers.

Many workers are exposed to such hazards every day at work. Working with particular substances or under certain work situations may cause some workers to experience abnormalities in their sexual or reproductive health. Many workers may not know that such problems can be related to occupational exposures.

Some workplace exposures can prevent conception. Exposure to certain substances or combinations of substances can cause changes in the sex drive of either men or women, damage to the eggs or sperm, changes in the genetic material carried by the eggs and sperm, or cancer or other diseases in the reproductive organs of men or women.

Occupational exposures can harm a developing child even after it is born. Babies and children are particularly vulnerable to the effects of workplace hazards which may be brought into the home on clothing, shoes, skin and hair.

The BCEA states the following: Protection of employees before and after birth of a child, (Section 26): (1) No employer may require or permit a pregnant employee or an employee who is nursing her child to perform work that is hazardous to her health or the health of her child. Footnotes states: The Minister must issue a Code of Good Practice on the Protection of Employees during Pregnancy and after the Birth of a Child in terms of section 87(1)(b)(2).

During an employee's pregnancy, and for a period of six months after the birth of her child, her employer must offer her suitable, alternative employment on terms and conditions that are no less favourable than her ordinary terms and conditions of employment, if: i) the employee is required to perform night work, as defined in section 17(1) or her work poses a danger to her health or safety or that of her child; and ii) it is practicable for the employer to do so.

Where health and safety clauses exist, the agreements all adhere to the BCEA.

b) Sexual Health:

Sexual health refers to the enhancement of life and personal relations, including but not limited to sexually transmitted diseases.

i) sexually transmitted diseases infections and prevention of HIV/AIDS

HIV/AIDS and the provision of Anti Retroviral Treatment are not mentioned in the BCEA and only 1,6% of bargaining council agreements and 1% of enterprise level agreements show practical measures to provide access to treatment.

Women are particularly vulnerable to transmission of HIV due to biological, social and economic factors. Biologically as a result of the substantial mucosal exposure to seminal fluids, socially as a result of the high prevalence of non-consensual sex and sexual violence, and economically as a result of many women being financially dependent on men.

Women suffer from the same complications of AIDS that afflict men but also suffer gender-specific manifestations of the HIV disease, such as recurrent vaginal yeast infections, severe pelvic inflammatory disease (PID), and increased rates of cervical cancer.

Frequently, women with HIV infection have great difficulty accessing health

care and carry a heavy burden of caring for children and other family members who may also be HIV-infected. They often lack social support and face other challenges that may interfere with their ability to obtain or adhere to treatment.

Where HIV/Aids is mentioned in the Agreements the focus is on awareness-raising or the development of an HIV/AIDS fund:

- Public Service Co-Ordinating Bargaining Council Policy on HIV/AIDS: A joint task team of employer and employee parties shall be established to investigate: a) the development of an HIV/AIDS policy, b) the elimination of discrimination against people living with HIV/AIDS; and c) the development of appropriate training and materials for people who work with those affected by HIV/AIDS, d) counselling systems for employees who care for people who are HIV positive and those living with AIDS.
- National Bargaining Council for the Clothing Manufacturing Industry - National Main Collective Agreement - Part B: Provisions for the Free State & Northern Cape Region
SACTWU HIV/AIDS Project: There is hereby established an HIV/AIDS Project, known as the SACTWU HIV/AIDS Project. Every employer to whom this part of the agreement applies shall each week for each employee in his employ contribute an amount of 10 cents to the SACTWU HIV/AIDS Project.

Only the Anglo American Platinum Ltd and Chamber of Mines Colliers Agreements refer to the provision of Anti Retroviral Treatment.

ii) prevention of cancer related to sexual and reproductive systems

Pap smears are checks for changes in the cells of the cervix. The Pap test can tell whether a woman has an infection, abnormal (unhealthy) cervical cells, or cervical cancer.

The prostate gland is found in men. Prostate testing helps to detect prostate cancer which can be treated most successfully when it is found early. If the cancer is allowed to develop beyond a certain point, however, treatment becomes more difficult.

Two (0,3%) agreements make provision for Pap smears for women and one of the agreements makes provision for prostate testing:

- New Tyre Employer's Association - Pap Smear: It is agreed that on request the companies shall provide an employee with two free Pap smears in a twelve-month cycle.
- National Bargaining Forum (NBF) in the Automobile Manufacturing Industry - Health Matters: Pap smears and prostate testing: The employers agree to make Pap smears and prostate testing available to employees through the Department of Health or through their respective medical aid plans and/or medical activities.

c) General Health:

The workplace can pose health problems for workers and often men and women face different kinds of problems. In the workplace women are often confronted with spaces and equipment that have been designed for a traditionally male workforce both physically and in relation to the work

environment e.g. the kind of chairs that are used or poorly designed workstations for jobs which are predominantly populated by women. If there is a poor match between the worker's specific body dimensions and the work environment, the result can be injury and/or disability.

The risks that women face, however, are not always physical; they can also be psychosocial with women often experiencing high levels of stress in their attempt to juggle work, family and community roles.

ij) physical environment

Two of the agreements surveyed make specific reference to dealing with the physical environment of the workplace:

- National Bargaining Council for the Clothing Manufacturing Industry - Western Cape Region – Knitting - Seating Accommodation: Seats with suitable back rests, approved of by the Regional Chamber, shall be provided for all female employees.
- Albany Bakeries - Heat Allowance: An amount of R25-00 per week will be granted to all bakeries in the bargaining unit, who by definition, work in high temperature areas, i.e. manually feed in or unload bread or confectionary ovens. (NB: This agreement provides financial compensation without providing any indication of the health measures that needs to be put in place.)

ii) assistance with dealing with tuberculosis

Two agreements also make specific reference to assistance with tuberculosis:

- National Bargaining Council for the Clothing Manufacturing Industry - National Main Collective Agreement - Part A: Provisions for the Eastern Cape Region – Employee Benefits - Supplementary Benefits Fund: An employee who has been a member of the fund for 13 weeks, shall be entitled to financial assistance by way of tuberculosis pay at the rate of 50% of his actual wage for a consecutive period of not more than eight weeks commencing on the day the employee, certified to be suffering from tuberculosis by a medical practitioner, ceased work on the instructions of such medical practitioner, or for such lesser period as the medical practitioner may deem it necessary for the employee to remain absent from his place of work due to his contraction of tuberculosis.
- National Bargaining Council of the Leather Industry of South Africa - Footwear Section - Other leave of absence: An employee is entitled to three hours paid leave per year, with prior consent of an employer, for the purpose of undergoing X-rays relating to tuberculosis detection.

iii) acceptance of a range of different medical practices

The Paper Packaging Employers Association Agreement on traditional healers is important in accepting that workers believe in and consult a range of different medical practices:

- Paper Packaging Employers Association: Employers will accept medical certificates issued and signed by traditional healers registered through an association which has been formally approved by the National Health Department. Employers reserve the right to get a second opinion in consultation with the employee and his/her representative.

3. CONCLUSION

To what extent is gender mainstreamed in the workplace? This report has attempted to reflect on this question through an analysis of a range of collective bargaining agreements and the legislation that acts as a framework for these agreements. The following is a summary of our key findings:

3.1 Equity and Equality in the workplace

The affirmative action policies in the Employment Equity Act (EEA) cannot operate in isolation, and education and training programmes need to operate alongside the EEA. The agreements say very little about education and training in general and only one agreement speaks about training for women.

From the discussions in the workshops we conducted, from reflection on the agreements, and from discussions with workers it is clear that workplaces are generally not gender-sensitive places. How work is organised, the physical environment of the workplace, the hierarchical nature of decision making and even the union culture all bear testimony to the lack of gender sensitivity and in some cases patriarchal nature of the workplace. Two of the agreements raise the issue of language and gender; this limited response is the only response to the lack of gender sensitivity in the workplace.

3.2 Job security and the creation of safe conditions in the workplace

The BCEA definition of an employee excludes a number of employment arrangements known to be in operation in the workplace and these arrangements are generally accepted to be on the rise. As such, the definition of an employee contained in the BCEA amounts to a disregard for certain labour market realities and this definition of employee is likely to exclude disproportionately high numbers of women workers.

Very few of the agreements make any reference to casuals and temporary workers. In a context of the growing informalisation of work this is a surprising omission, one that has a direct bearing on women who are very directly affected by this informalisation.

Security for pregnant women in the workplace is a right seriously undermined by the BCEA as well as the majority of the agreements. Without the provision of full pay and benefits women are seriously disadvantaged when going on maternity leave. Ironically, without full pay and benefits, longer maternity leave can entrench this disadvantage.

The Code of Good Practice on Sexual Harassment is an example of how legislative frameworks can be toothless if not made real in specific contexts. Only one agreement refers to sexual harassment, implying that employees and labour are not developing practices to deal with the form of sexual harassment in their workplaces, thus missing the opportunity to raise consciousness and to put in place measures to deal with this violation of women's rights.

3.3 Family Rights

The BCEA would appear to exert a strong influence on the shape of family responsibility leave and related clauses in collective agreements. There are however a number of limitations with family responsibility leave as it presently exists. Family responsibility leave:

- Is very limited in terms of shifting the gendered role of parenting and redistributing the unpaid labour of child care e.g. paternity leave is only three days.
- Reinforces the role of women as unpaid care givers by not making any provisions for child care.
- Focuses on finite issues like birth and death with no focus on processes like care.
- Is not clear on what criteria is used to decide on three days for a variety of responsibilities.
- Is blatantly unfair in not allowing leave to accrue.
- Is not a core right, which reinforces the relatively weak entitlement of male employee's leave for the purposes of child care. In other words it may be varied by collective agreement or by the Minister.

So while family responsibility leave is a broader category of leave allowing for wider access by employees, it is consequently also a more compressed leave category and it may be argued that this conflation of leave types has resulted in a net reduction in the amount of leave an employee may access in terms of birth, childcare and death in the family.

The BCEA makes no reference to the provision of child care facilities. The lack of provision of child care impacts directly on the right of women to participate freely in the economy.

3.4 Reproductive, Sexual and Health Rights

The BCEA prescribes the form maternity leave should take and the majority of the agreements reviewed reflect no upward variation on the BCEA.

The BCEA does not mention antenatal and postnatal care and very few agreements reflect this, showing little regard for the reproductive health of women.

The BCEA and none of the agreements surveyed mention any form of leave for miscarriages in the first trimester. This is an important omission as the majority of miscarriages take place in the first trimester and can be a very emotionally stressful time for a woman.

The BCEA and the collective and bilateral agreements' lack of response to the HIV/AIDS pandemic and the provision of Anti Retrovirals has serious implications, particularly for women workers.

4. RECOMMENDATIONS

We envisage a strategy that should include a supportive legislative environment which would guarantee quality working conditions for women, gender-sensitive labour-market policies, training and skills development for women and girls,

appropriate social security and social protection, adequate arrangements for workers with family responsibilities, and measures to improve mobilisation of women to articulate their concerns and elevate their representation and participation at decision-making levels of work-related groupings.

This report culminates in some proposals intended to serve as a resource for trade union negotiators – to assist in conceptualising, designing and motivating demands that promote increasingly gender-sensitive outcomes of collective bargaining. The proposals draw on existing agreements as well as highlight issues that should be considered.

4.1 Equity and Equality in the workplace

- More discussion and research into the gender wage gap.
- Education and training policies and programmes that not only take into consideration gender but also set clear targets for the education and training of women.
- Analysing and developing recommendations on all aspects of the gender insensitive environment of the workplace. The National Bargaining Council of the Leather Industry of South Africa General Goods and Handbags Agreement can be used as a model for provisions on gender and language: *National Bargaining Council of the Leather Industry of South Africa - General Goods and Handbags: Words importing the masculine gender shall include the female; further, unless inconsistent with the context.*
- Developing practical measures in dealing with discrimination and creating tolerance. The Agreement by the Bargaining Council for the Furniture Manufacturing Industry of the Western Cape is important in highlighting a practical measure in dealing with discrimination and creating tolerance: *Bargaining Council for the Furniture Manufacturing Industry of the Western Cape - Recognition and Swapping of a Religious Holiday: a) The Parties recognise that the workers in the furniture industry belong to numerous different religious groups. b) The one religious holiday within the December shut down period, being Christmas day 25 December, may be swapped out for another religious holiday.*

4.2 Job security and the creation of safe conditions in the workplace

- Developing policies and practices that will provide job security and protection for casual and temporary workers. A few agreements make provisions for dealing with casual and temporary workers, the strongest of which is the enterprise level agreement by Rainbow Farms Ltd: *The company has identified permanent jobs within each region that are filled by casuals. The company hereby agrees to implement the principle of permanent jobs to be filled by permanent employees in such identified positions in a fair and reasonable manner in each region. Employees who were previously retrenched are to be considered first subject to normal recruitment procedure.*
- Provision of full pay and benefits for women on maternity leave. The Public Service Co-ordinating Bargaining Council (PSCBC) provides an important model for maternity leave pay: *An employee shall receive four months*

paid maternity leave for each confinement. Some might question whether four months is sufficient; the SACCAWU Model Agreement proposes twelve months paid leave at 100% salary, for example. It is important though to consider that it could be disadvantageous for women to be removed from the work environment for long periods of time as this could entrench the role of women as primary care givers, remove women from public life and impact on career and professional choices.

- Bargaining council and company level agreements make real the Code of Good Practice on Sexual Harassment at a company level.

4.3 Family Rights

- An increase in family responsibility leave days with no restrictions on each sub-type (e.g. birth, death, sickness), especially in the context of strengthening the claim of male care givers against leave to attend to the health and education of a child. There are examples of agreements where there is an upward variation on family responsibility leave days. The Petroleum Sector however conceptualises these leave types under family responsibility leave and allows a total of eight days leave (six paid and two unpaid) for compassionate, special, paternity and child care leave. There is some flexibility as to how the employee may utilise the total days available. For example, they may add the three days of paternity-related leave to the five days of leave designated as compassionate leave.
- Freedom to utilise available vacation and sick leave for the purposes of attending to family responsibilities. There may be an argument for keeping some days of sick leave in reserve up to a certain point in the year. The PSCBC, for example, allows employees who have used up all their family responsibility leave to utilise their remaining vacation leave or up to 84 days of unpaid leave.
- Make explicit the right of life partners to access family responsibility leave in terms of their partner's child.
- As a minimum - a pro-rata entitlement to family responsibility leave for employees who do not work full time.
- The provision of child care facilities. (To explore a concrete example refer to the Chamber of Mines Colliers.)
- Adoptive parents, surrogate birth mothers and guardians to receive six weeks parental leave for children aged six years or under.

4.4 Reproductive, Sexual and Health Rights

- Establish general principles (as in the SACCAWU Parental Rights model agreement) that are useful in contextualising demands of this kind and open up space to argue for the extension of such rights over time without having to re-motivate demands.
- BCEA to be listed as 17 weeks maternity leave, not four months, to make the leave entitlement consistent throughout the year.
- Comprehensive information in all agreements stating all aspects of maternity leave outlined in the BCEA.
- A minimum number of day's leave for all female workers who undergo a legal abortion or miscarriage before the third trimester of pregnancy, with the option to take sick leave and/or family responsibility leave and/or unpaid

leave thereafter up to a maximum of six weeks.

- No constriction on the number of pregnancies or the time frame between pregnancies.
- The BCEA makes provision for ante- and postnatal care. There are a few examples of agreements that make some limited provision for ante- and postnatal care e.g. Enterprise Foods (Pty) Ltd grants six days paid leave for pregnant employees for visits to antenatal clinics. This can be used as a starting point when organizing for ante- and postnatal provision.

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OUTCOMES OF COLLECTIVE BARGAINING IN SOUTH AFRICA:

the quality of low wage employment in the
formal economy in South Africa

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INTRODUCTION

There is little doubt of the importance of wage income to individuals, households and communities. There are a number of reasons to believe that bargaining over incomes and livelihoods remains a central drive to trade union organisation. This paper is part of an ongoing effort to address some of the information asymmetries that exist in collective bargaining and to provide trade unions in particular with research and analysis that assists them in going about this core function.

This paper examines the quality of low wage employment in the formal economy in South Africa resulting from collective bargaining. The focus this year goes beyond wage outcomes and includes analysis of a wider range of conditions of employment.

This research is intended to have several applications. It should assist trade unions in formulating and harmonising demands. The research is intended to assist in going beyond a simple headcount of employment and to answer related questions - "What is the quality of low wage employment in the formal economy?" and "What is the likely quality of similar jobs that might be created in the formal economy?" It should also assist in answering a question like "What are the dimensions of the standard employment relationship that is being eroded by processes of externalisation?"

If indeed the levels at which collective bargaining takes place have been determined in large part by the power and preferences of employers and trade unions, it follows that the outcomes of collective bargaining should provide further insight into these dynamics. In a similar way, the absence of an issue from a collective agreement may also provide some indication of the power and preferences of employers and trade unions.

The first section is dedicated to the wage outcomes of collective bargaining. We examine the level at which minimum wages are pitched and look at trends in settlement levels for selected industries.

This year we expand our traditional wage focus and section two considers the non-wage outcomes of collective bargaining, while section three develops this line of enquiry further with a focus on those conditions of employment which influence the way women and men relate to work.

Section four provides a snapshot of responses to HIV/AIDS in collective agreement and section five asks questions around skills development.

This focus on substantive issues excludes the procedural dynamics of collective bargaining and neglects at least two other important outcomes of collective bargaining. The first is implicit in the notion of collective bargaining and centres on the fact that the structures and processes of collective bargaining provide for the *representation* of the interests of groups of workers in the workplace. The second gives substance to the notion of representation - *participation*. Progressive trade union structures involved in collective bargaining allow for the participation of ordinary workers in matters that relate to their union and their interests in the workplace, even if the mode of participation and the degree of influence exercised by rank and file members varies from union to union.

Participation and representation are themselves valuable social, if not socio-economic, outcomes of collective bargaining quite apart from the more substantive issues that are addressed in collective agreement.

METHODOLOGY

The sample includes coverage of 31 bargaining councils out of an estimated 49 functioning bargaining councils in South Africa. The sample includes each of the distinctive chambers of the bargaining council for the chemical industry (chemicals, fast moving consumer goods, glass, petroleum, wood and paper sub-sectors). In some instances bargaining councils set different wage rates for different geographical areas. The sample includes a number of these variations.

The sample is comprised of 361 unique bargaining units that could be characterised as engaging in decentralised bargaining (bargaining outside of bargaining council structures), typically involving a single employer and one or more trade unions.

Response rates do differ for some of the variables and we generally refrain from reporting on variables with response rates of less than 10% of the total sample.

Time series data are drawn from the LRS collective bargaining database (AWARD). We do not report on industries where the sample drops below 100 agreements for the year.

Data collection

Trade unions were the main source of collective agreements. The types of agreements we received varied in their scope from a comprehensive consolidated agreement to a more limited substantive agreement containing only a handful of clauses to wage-only agreements. We wish to extend our thanks to all the unions and their representatives who continue to assist us in this regard.

Interpreting the data

What explains this variety of forms in which we received collective agreements? There is evidence that the scope of collective bargaining in any particular

year varies between bargaining units. It may involve a range of conditions of employment and it may involve only a wage increment. It may be that collective bargaining varies less in its content than we suppose.

A further possibility is that trade unions in particular struggle to manage the information that flows from collective bargaining processes and that representatives might not always have access to a comprehensive and consolidated agreement that describes the full range of conditions of employment in the workplace.

It may be that there is some truth in both of these statements. The range of issues recorded in collective bargaining agreement year on year is relatively narrow, but also this range varies between bargaining units. Trade unions struggle to manage all this information and this might result in an incomplete picture of the overall outcomes of collective bargaining at the level of the company and/or sector. Some of the information that we received was limited to wage schedules and this does not preclude the existence of a broader agreement which includes a wider range of conditions of employment. On the other hand, the majority of the agreements in the sample could have been expected to reflect more than wage adjustments.

What does it mean if an issue is absent from a collective agreement? It does not necessarily mean that issue is not addressed at all in the workplace in question. But this is not to say that the absence of an issue from collective agreement is insignificant. Many issues related to wages and conditions of employment are traditionally addressed in collective agreement. The national profile of other issues, such as HIV/AIDS and skills development, creates an expectation that they will appear in collective agreement.

1. WAGE OUTCOMES OF COLLECTIVE BARGAINING

The average minimum wage or the average wage for the lowest paying occupations reflected in collective bargaining agreements in 2006 was about R2380 per month. The median¹ minimum was a slightly larger amount of R2400. This amount of R2400 is 20% less than an estimate of the monthly expenditure required by the average household of five to maintain a modest low-level standard of living.

We use the 2004 money estimate provided by the Bureau of Market Research at the University of South Africa² and adjust this by CPIX to make it current at March 2007. An adjustment of average wages by current CPIX of 6.3% (at April 2007) would still leave this amount well short of this living level.

¹ The median is an alternative to the average (or mean) and describes the number in the middle of a range of numbers. Put another way, half of the numbers in the range will be equal to or less than the median, while half will be equal to or greater than the median. The mean is less influenced by uncommonly large or small numbers in the range of numbers.

² This survey is fraught with methodological and conceptual concerns, but is one of very few benchmarks in this regard.

Table 4: Minimum Wages in Collective Agreement & Living Levels

	Monthly Wage 2006 (ZAR)	Living Level April 2007 (ZAR)	Wage as a proportion of Living Wage
Average	2379	3008	79%
Median	2400		80%

In short, even if one member of the average household is covered by this average monthly wage, the household must have multiple livelihood strategies in order to achieve even a modest low-level standard of living that meets basic material needs, to say nothing of investments in health, education and other critical areas.

While low wage employment has historically been set at very low wage levels in South Africa it is nonetheless concerning that so-called formal employment, arguably a more stable and regulated type of employment, is unable to support a household.

Such findings are mirrored in other research which suggests that very nearly half (47%) of all workers in the formal economy earned less than R2500 per month in 2004 (Valodia, Lebani, Skinner & Devey, *Low-Waged and Informal Employment in South Africa*, in *Transformation*, No.60 of 2006, p100). There is no indication that this phenomenon is changing and the Labour Force Survey of September 2006 estimates that about 43% of workers in the formal sector earn R2500 per month or less.

There is considerable variation between industries with respect to the levels at which low wage employment is pitched.

It is fair to say that a range of industry-specific dynamics translates into a very particular set of wages and conditions of employment and that a broad analysis of the economy will miss significant variations at this level. The table below describes trends in low wage employment by industry for the period 1998 to 2005.

Table 5: Average Monthly Minimum Wages by Industry

	Manufacturing	Wholesale & Retail	Mining	Community Services
1998	1658		1234	1524
1999	1758		1316	1667
2000	1884	1377	1416	1806
2001	1940	1425	1554	1923
2002	2031	1498	1784	2065
2003	2174	1576	2000	2265
2004	2291	1637	2325	2464
2005	2420	1736	2494	2680

Manufacturing, which has a number of very distinct sub-sectors, demonstrates this variation below the major-industry level well. Average minimum wages for wood and wood products (including furniture) were less than R2000 per month in 2006, while they were over R3000 on average when it came to the manufacture of metal and metal products.

1.1. Settlement Levels in Collective Bargaining

The average increase in minimum wages in 2006 was 6.9%, while the median was a slightly lower value of 6.5 percent. A median settlement level of 6.5% means that half of the agreements reflected a wage increase of equal to or less than 6.5 percent.

These settlement levels were about two percentage points better than CPI or CPIX inflation though roughly equal to average food price inflation for the same year (2006).

Wages set by sectoral determination increased by a slightly higher amount of 7.4% on average in 2006 while the median increase of 6.8% was closer to that for collective bargaining.

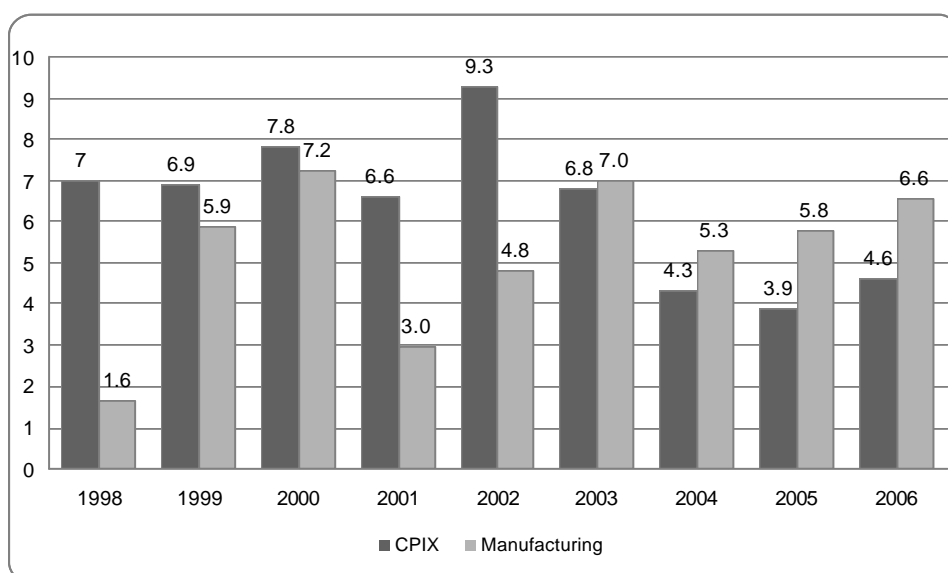
Table 6: Wage Increases & Inflation

	Low Wage Increases 2006	Average CPI 2006	Average CPIX 2006	Average Food Inflation 2006	Wage Increases in Sectoral Determinations
Average	6.9%	4.7%	4.6%	6.7%	7.4%
Median	6.5%				6.8%

Again we see significant differences across industries with respect to average settlement levels in any particular year and also in respect of the trajectories of these wage increases.

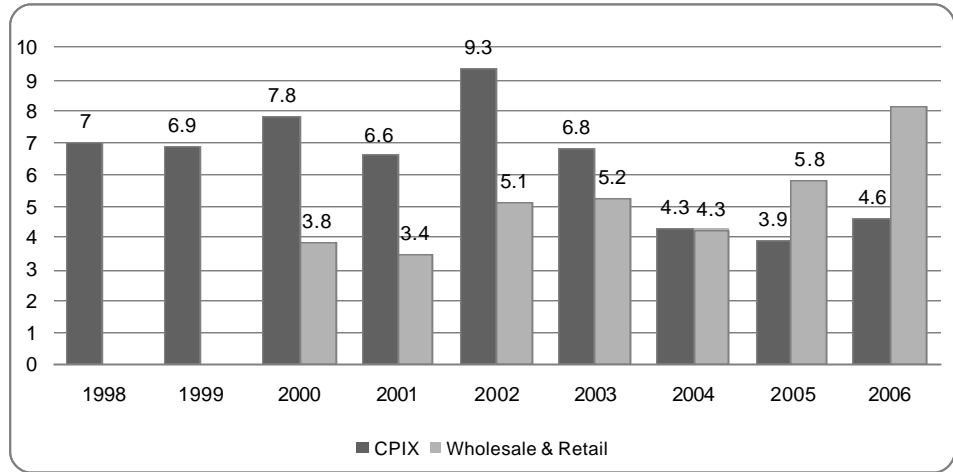
Average settlement levels in the manufacturing industry consistently trail the annualised rate of CPIX inflation between 1998 and 2002. After matching inflation in 2003 we see average settlement levels come in at 1 or 2% above inflation over the last three years.

Figure 1: Average Settlement Levels in Manufacturing (%)



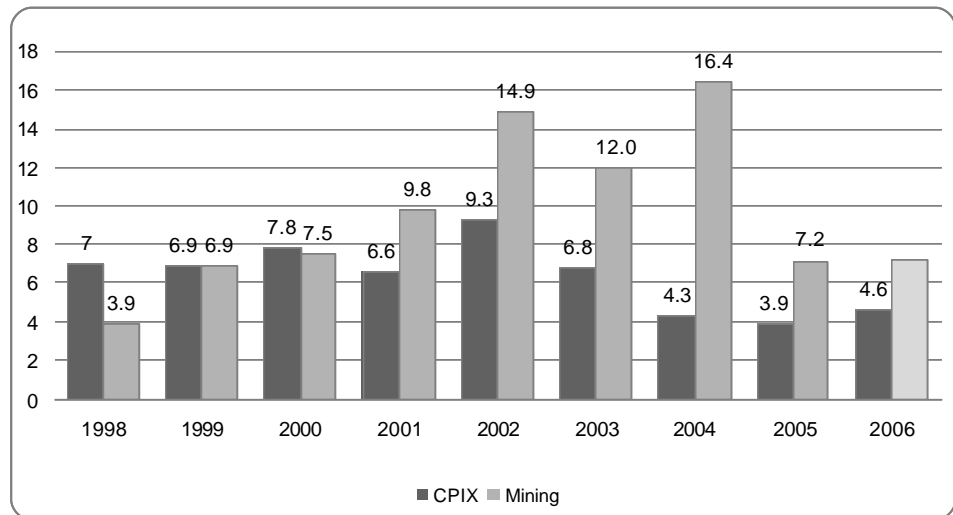
Average settlement in the wholesale & retail trade also lag behind inflation for a number of the years under review. It is only from 2004 that wage increases match or better inflation.

Figure 2: Average Annual Increases in Minimum Wages: Wholesale & Retail (%)



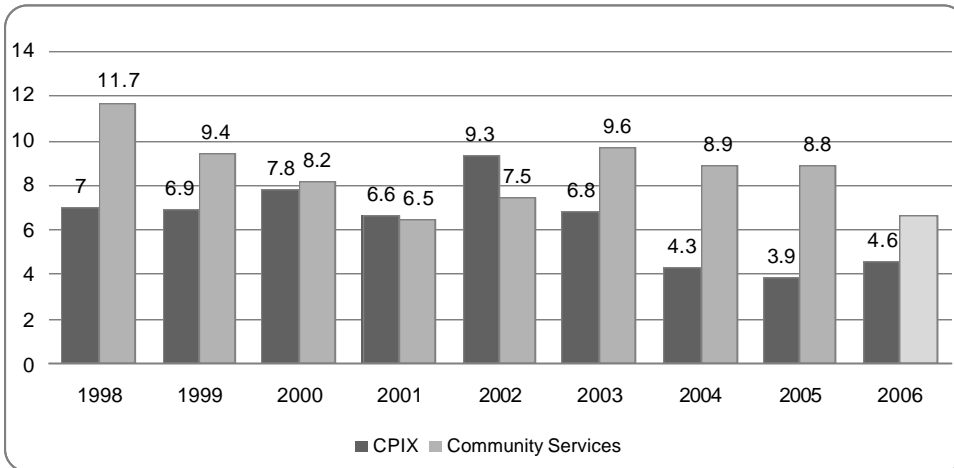
Average settlement levels in mining increase quite consistently between 1998 and 2004 and outperform inflation by solid margins from 2001 onwards. This coincides with marked recoveries in the price of precious metals. The mining industry is also striking in that it is the only industry where settlement levels for 2002 exceed CPIX inflation. This was the last time inflation spiked to a significant degree. Settlement levels in other industries were well below average inflation for the year. This supports the idea that industry-specific dynamics are an important factor in determining outcomes at the level of the industry.

Figure 3: Average Annual Increases in Minimum Wages: Mining (%)



Our data for community services suggests quite a different picture. Settlement levels decline through the late nineties before approximating inflation levels in 2000 and 2001. This subset is dominated by increases awarded to workers at municipalities.

Figure 4: Average Annual Increases in Minimum Wages: Community Services (%)



The tension in using retrospective inflation data for the purposes of setting forward-looking wage increments is apparent in all of the preceding figures except mining. Sudden increases in the rate of inflation appear to have a delayed effect on collective bargaining and to result in catch-up in subsequent years. In this scenario wage increases appear to be 'sticky' on the upside.

The figure below restates average low wage increases in manufacturing against CPI and CPIX inflation and serves to illustrate this trend. After falling well behind the rate of inflation in 2001 and 2002, average wage increases in manufacturing consistently outperform inflation thereafter.

Settlement rates tend to lag behind sudden increases in inflation, but once this information feeds into collective bargaining, settlement levels in subsequent years tend to ride ahead of the inflation indices.

Figure 5: CPIX Inflation and Wage Increases in Manufacturing (%)

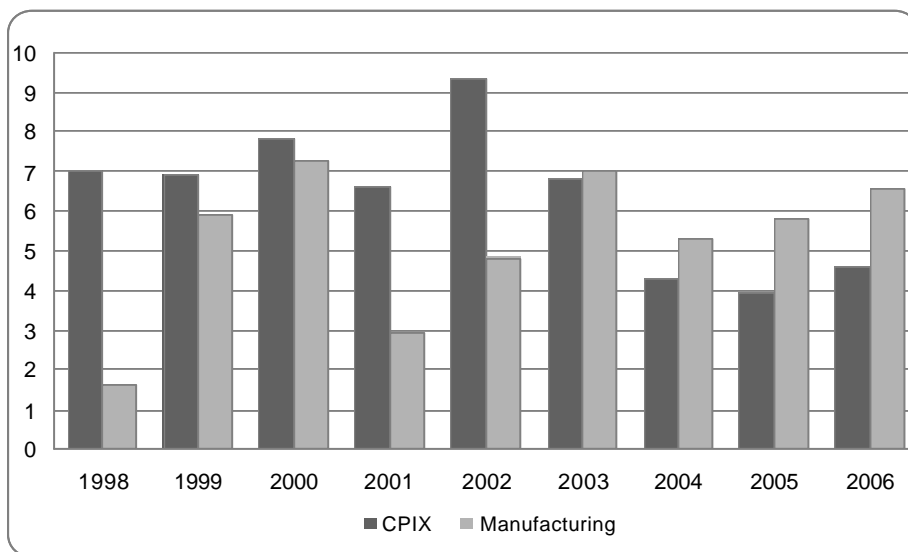
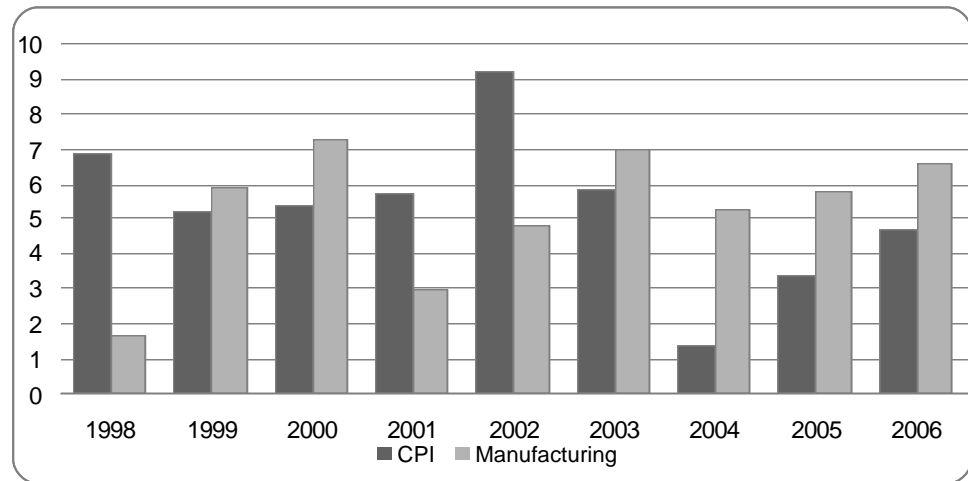


Figure 6: CPI Inflation and Wage Increases in Manufacturing (%)



The majority of wage increases appear to have been of the across-the-board type, which means that the same percentage increase applies to all the wage levels represented in the bargaining unit.

This finding was a little surprising and one could criticise this approach in that it will widen the gaps between wage levels over time. Having said that, trade unions are acknowledged to have contributed to narrowing wage gaps in South Africa and perhaps this finding reflects a shift in the level at which the closing of the wage gap is focused. Perhaps trade unions are concerning themselves more with wage disparities across broader occupational levels rather than policing wage gaps in a narrow occupational band. The *Directors Fees Report* provides a sense of the distance between the wage floor and the wage ceiling in South African companies.

The average ordinary hours worked per week in collective agreement in 2006 was 43 hours, though the median was the somewhat higher value of 44. This suggests that at least half of the workers in our sample are working close to or more than the maximum 45 hours per week set forth in the Basic Conditions of Employment Act.

Table 7: Ordinary Hours of Work in 2006

Ordinary hours of work per week	
Average	43
Median	44

There is a hint that the organisation of work also impacts on approaches to normal time, overtime and remuneration for time worked generally. Collective agreement in the mining industry commonly contains variations on normal time and overtime along with complex clauses relating to remuneration for time worked in a variety of configurations.

There is a fair amount of variation in shift rates as a percentage of basic wages, although only a fraction of the agreements in our sample provided evidence of shift rates. A handful of agreements explicitly linked wage increases to shift rates. For some workers shift-related allowances make a significant contribution to their monthly wages. The median night shift

allowance was 12.5% of basic wages, while the median shift allowance was 10% of basic. Some agreements referred to the percentage increase in rates and the median response here was an increase of 6.5% in wage rates.

Table 8: Shift allowances in Collective Agreements

	Night shift allowance as % of basic wage	Shift allowance as % of basic wage
Average	14.1	10.9
Median	12.5	10

2. NON-WAGE OUTCOMES OF COLLECTIVE BARGAINING

This characterisation of outcomes other than basic (money) wages as non-wage outcomes is perhaps a little misleading. Almost all conditions of employment have a monetary value attached to them. A day of paid leave costs an employer more than a day of paid work, even if the reason for leave is based on accepted norms and values.

Quite often the value of so-called non-wage benefits far outweighs the value of a wage increment. Of course some benefits are deferred payments (such as pension, medical and funeral cover) and are not experienced as cash-in-hand by workers.

The Basic Conditions of Employment Act (BCEA) allows for 21 consecutive days' annual leave in each annual leave cycle. Annual leave entitlements in collective agreement tend to mirror these terms. Collective agreements sometimes express annual leave in working days and sometimes in consecutive days. The average amount of annual leave available to workers under collective agreement was 16 working days. This amounts to about 22 consecutive days. The extent of annual leave in consecutive days was on average 23 days, which translates into about 17 working days.

Table 9: Annual Leave Entitlements in Collective Agreements

	Annual leave in working days per annum	Annual leave in consecutive days per annum
Average	16.4 days	23.1 days
Median	15 days	21 days

If paid leave is a feature of the standard employment relationship then it is worth mentioning that the Labour Force Survey (September, 2006) estimate of the number of workers in permanent employment is about one million more than the estimate of workers that have access to paid leave. This might indicate a deterioration of the quality of work that is represented by 'permanent' employment.

The following section continues to examine non-wage outcomes, but from a more gender sensitive perspective.

3. OUTCOMES THAT INFLUENCE THE WAY MEN AND WOMEN RELATE TO WORK

The *Gender Dimension of Collective Bargaining* provides a deeper analysis of gender and collective bargaining. This section examines those outcomes of collective bargaining that might be considered to influence the way in which men and women relate to the workplace. We look at specific conditions

of employment, but we are asking broader questions. Are women in particular disincentivised to work? Are employers disincentivised to employ women? What do the outcomes of collective bargaining suggest to us in this regard?

Two central observations underpin an analysis of women, gender and work.

- i. There is a strong link between gender in/equality and the distribution of unpaid work.
- ii. There is a strong link between unpaid work and care-giving generally and child care in particular.

Both observations involve a reconceptualisation of many activities undertaken by women as unpaid work in an effort to assign value to functions that are otherwise devalued or entirely ignored in social, economic and political discourse.

The first identifies the distribution of unpaid work between men and women as an integral source of gender inequality, and speaks directly to the construction of gender roles in society. Of critical concern here is that women generally undertake the vast majority of unpaid work performed in society. The second observation identifies child-caring activities in particular as a dominant theme in unpaid work.

It follows that conditions of employment which allow for the equitable sharing of generally accepted caring responsibilities are an important socio-economic policy determinant of equal opportunity for women³.

In other words, the provision of conditions of employment that offer women (and men) an opportunity to balance care-giving responsibilities and employment should provide greater opportunity for women to enter into employment and improve their prospects of remaining in employment over time.

For the purposes of this exploration we consider three main categories of conditions of employment commonly found in collective agreement, namely maternity, health and family responsibility.

3.1. Maternity

Amongst the most basic of considerations is the extent of maternity leave available to women and the level of remuneration provided for women who access maternity leave. A survey of women representatives in trade unions indicated that maternity was a central issue for women workers and that the focus was on job security and remuneration during maternity, flexible hours for new mothers and health benefits.

In terms of the BCEA female employees are entitled to four consecutive months of maternity leave subject to notifying their employer of the date

³ Plantenga & Hansen, 2001.

they intend to take leave and the date on which they plan to return to work. This is a core right within the BCEA and as such may not be varied downwards by any instrument.

Dismissal that is linked in any way to pregnancy is automatically unfair. Women involved in work that is hazardous to their health or that of their child are perhaps a little vulnerable in that their guarantee of suitable alternative employment (for a period of six months following the birth of the child) is subject to it being “practicable” for their employer.

The duration of maternity leave in collective agreements mirrors the four consecutive months stipulated in the BCEA. About 7% of agreements specifically provided for additional unpaid maternity leave of about two months.

Table 10: Maternity Leave provisions in Collective Agreements

	Months: Duration	Months: Duration of paid	Months: Duration of unpaid
Average	4.8	3.8	2.5
Median	4.0	4.0	2

Payment during maternity leave of 33 % of basic wages mirrored the general provisions of the Unemployment Insurance Fund (UIF) Act. Less than 4% of agreements indicated that the employer supplemented this amount.

It appears that remuneration during maternity leave is generally not a direct cost to employers. It is also true that a woman who accesses maternity leave will earn as little as a third of what she would ordinarily earn.

Less than 4% of agreements indicated a commitment by the employer to pay an employee prior to maternity leave. Only a handful of agreements (1%) provide evidence of efforts to assist women in claiming maternity benefits from the UIF.

Only about 2.5% of agreements provided evidence that maternity leave is treated as continuous service. This has potential implications for leave accrual, bonuses, benefit contributions and seniority to name a few areas of concern.

Table 11: Evidence of Provisions Regarding Maternity and Pay

Maternity pay beyond BCEA	Pay first, claim later	Assist in claiming from UIF	Maternity leave treated as continuous service
YES 4.5%	1.3%	3.3%	5.8%

3.2. Health

Next we consider conditions that are associated with health as it relates to maternity, but also more generally. Less than 2% of agreements provided for leave for antenatal and postnatal checkups. There was no evidence of the provision of either time-off or facilities for nursing mothers. There was almost no evidence of practical measures that promote reproductive or sexual health.

Sick leave entitlements in collective agreement amounted to 12 days per annum and along with annual leave is the only available avenue for time-off to attend to the range of issues that have been raised already.

About 6.5% of agreements provided evidence of employer provision of- or contribution to- medical or health cover. The Labour Force Survey (September 2006) estimates that about 7% of workers have personal medical coverage, while about 18% have coverage that includes their dependants. The Community, Social and Personal Services industry (read public sector) accounts for 30% and 45% of workers with medical cover respectively.

It is interesting that an estimated 450 000 workers have access to medical cover but are not using it (LFS, September, 2006). It may reflect that some workers consider the cost of medical cover too expensive even if subsidised by the employer. A high rate of low wage employment supports the idea that medical cover might not be attractive to some employees even if partially subsidised.

Table 12: Health-Related Provisions in Collective Agreements

	Leave for antenatal and postnatal checkups.	Evidence of time and/or facilities for nursing mothers.	Evidence of employer provision of- or contribution to- medical/ health cover.	Evidence of practical measures that promote reproductive and/ or sexual health.
YES	2.0%	0%	8.0%	0.3%

3.3. Family Responsibility

It was argued earlier that the vast majority of care-giving in society is provided by women rather than men, and that the care of children is a dominant theme within care-giving. We are therefore interested in any conditions of employment which establish the possibility of the redistribution of care-giving responsibilities.

There is literally no evidence at all in collective agreements of either the provision or subsidisation of child care facilities to employees.

Table 13: Child Care Provisions in Collective Agreement

	Evidence of provision of child care facilities.	Evidence of subsidisation of child care facilities
YES	0.5%	0.8%

The BCEA conflates a number of traditionally accepted leave entitlements in a single category called family responsibility leave. Family responsibility leave includes compassionate leave, paternity leave and leave to care for a sick child. The annual entitlement is three days. While this leave category allows for fairly broad access it is evident from the three days available that it is a highly compressed leave entitlement.

Family responsibility leave as expressed in the BCEA also expresses a definite view on how men relate to the birth of a child. The extent of a man's participation around the birth of his child is three days, after which time he likely incurs financial penalties for time off to be involved.

Collective agreements provide four days family responsibility leave on average, about three and a half days paternity leave and five days compassionate leave. Collective agreements do not approach these leave categories in a uniform way. Some provide a pool of family responsibility leave with limitations on how many days can be taken in respect of say paternity or compassionate leave, while some treat paternity and

compassionate leave quite independently. The latter arrangement would appear to benefit workers more.

Table 14: Family Responsibility Leave in Collective Agreement

	days p/a	days p/a	days p/a
	Duration of paid family responsibility leave	Duration of paid paternity leave	Duration of paid compassionate leave
Average	4.1	3.6	5.1
Median	4	3	5

There was also no evidence in the sample of collective agreements of practical measures to train or promote women in particular.

Some conclusions

The majority of collective bargaining agreements did not reflect many of the conditions of employment that we designate as important indicators of gender equity and equality in the workplace.

The BCEA is quite firm in protecting women from dismissal that is in any way related to their pregnancy and allows for a minimum leave entitlement. On the other hand a working woman is likely to experience a substantial reduction in income (up to 66%) during maternity leave.

The BCEA establishes a few basic rights in relation to pregnancy, but does not address a range of issues that would give further substance to these basic rights and act as a supportive environment for the exercise of those rights. Issues here include time-off and facilities for nursing, and leave for pre- and postnatal checkups that promote the health of mother and child.

There is evidence that the relationship between rights in practice in the workplace is such that rights must be continuously affirmed. In a survey of trade union representatives no less than a third of respondents indicated that they had handled a grievance on the very same women’s right or entitlement which they listed as being recognised in the workplace.

There are a number of disincentives to women to remain in employment following pregnancy - limited opportunity to redistribute child care responsibilities being one of the most powerful. The fact that no provision for child care exists in collective agreement or any other social policy leaves women with limited opportunities to balance work and child care. The fact that the BCEA and collective agreements appear to favour finite events like birth and death over ongoing social processes such as child care only reinforces this.

Insofar as the direct cost of the employee’s remuneration while on maternity leave does not appear to be carried by the employer to any great degree, there is no disincentive to employ women on this basis.

The BCEA seeks to protect women workers from some discrimination-in-employment, but the extent of pre-employment discrimination is hard to gauge. Do employers perceive there to be other costs to maternity leave – the costs of sourcing and inducting a temporary replacement along with the temporary loss of job-specific skills? Does the potential for a four month break in continuity feed a perception that women employees are less productive in the short to medium term?

4. RESPONSES TO HIV/AIDS IN COLLECTIVE AGREEMENT

We asked four simple questions of the collective agreements before us:

1. Is there evidence of practical measures to raise awareness?
2. Is there evidence of practical measures to provide voluntary counselling and testing (VCT)?
3. Is there evidence of practical measures to promote confidentiality?
4. Is there evidence of practical measures to provide access to treatment?

Table 15: Responses to HIV/AIDS in the Workplace

	Q1: Awareness	Q2: Voluntary Counselling and Testing	Q3: Confidentiality	Q4: Treatment
YES	4.5%	0.8%	0.5%	1%

The responses are summarised below as the percentage of agreements that provided the answer, "yes" to these questions.

Workplace responses to HIV/AIDS in the workplace were stubbornly absent from the collective agreements in our sample. There was very little evidence of workplace responses to HIV/AIDS. It appears that at least one of the parties to collective bargaining is reluctant to engage with the issue, if not both. There are exceptions. The road freight and clothing industries have relatively advanced policies in respect of HIV/AIDS, as do some larger employers involved in decentralised bargaining.

Responses that constitute practical measures to raise awareness were more common than those that constitute practical measures to provide VCT or provide access to treatment.

Practical measures that promote the raising of awareness of HIV/AIDS are arguably the cheapest. At least they are most predictable. An employer can easily estimate the cost of attempting to reach all or part of the workforce through print or presentation.

The likely cost of VCT can also be calculated relatively easily, but is likely to be far more expensive given that testing requires that each member of the workforce is engaged individually.

There is an interesting tension between responses involving access to VCT and responses involving treatment. On the one hand access to treatment is likely to be expensive at the individual level, but the total expense depends on the number of employees who test HIV-positive. In most cases this number will be a fraction of the total. So it is entirely possible that the cost of measures that promote access to treatment turn out to be far smaller than the cost of providing VCT. As a result it might be cheaper for an employer to introduce a policy around access to treatment without a commitment to a VCT programme rather than commit to a VCT programme alone.

Practical measures that promote confidentiality, a cross-cutting theme in HIV/AIDS which recognises stigma as a significant obstacle to any HIV/AIDS intervention, are almost completely absent from collective agreement. Both

employers and trade unions might be at a loss as to how to address this relatively difficult issue rather than being reluctant to engage per se. The fact is that the issue of confidentiality is linked to other interventions and any weakness in tackling this particular aspect is likely to undermine other measures.

Finally, as callous as it may sound, HIV/AIDS is competing with other issues on the collective bargaining agenda, especially if it involves money. Trade unions might be reluctant to leverage demands around HIV/AIDS against more traditional demands. It is also true that the collective bargaining mandate for progressive trade unions is determined in large part by members themselves. If members are not motivated to address the issue then this is likely to impact on the collective bargaining agenda even if trade unions are sensitised to the issue through other channels.

5. SKILLS DEVELOPMENT IN COLLECTIVE AGREEMENT

Again we asked four questions of the collective agreements before us:

1. Is there evidence of the implementation of learnerships?
2. Is there evidence of the implementation of other skills development initiatives?
3. Is there evidence of study leave in days per annum?
4. Is there evidence of an education and training allowance?

Learnerships (Q1) represent the pinnacle of skills development initiatives insofar as they are longer term processes that result in formal qualification. Question two allows for any other skills development initiative in the workplace. Questions three and four ask about measures that might encourage employees to initiate personal skills development themselves.

For a subject that is such a hot topic, skills development receives very limited attention in collective agreement. The number of agreements that provide evidence of skills development initiatives is closer to zero than anything else.

Table 16: Skills Development in Collective Agreement

	Q1: Learnerships	Q2: Other skills development	Q4: Allowance
YES	0.8%	4.3%	1.5%

As much as a process of attempting to zero-in on skills development through the establishment and operation of sector education and training authorities (SETA) might have pushed the issue up the agenda and perhaps into collective agreement, it may also have created institutions and processes that promote the exclusion of the same issue from collective agreement.

While both employers and unions are reasonably expected to be positive on the issue of skills development, albeit sometimes for different reasons, it is perhaps employers who are least likely to want to commit to the process in a formal agreement. The company's interest is likely to be narrower than that of the trade union in terms of who gets trained and in what. Skills development is also more likely to cost employers than trade unions.

Table 17: Study leave in collective agreement

Q3: Study leave in days p/a	
Average	5.6
Median	3

IN CLOSING

Here are a series of observations drawn from the research regarding the outcomes of collective bargaining. The reader is encouraged to make their own assessment of the strategic implications of these findings.

Participation and representation are themselves valuable social, if not socio-economic, outcomes of collective bargaining quite apart from the more substantive issues that are addressed in collective agreement.

Collective bargaining and collective agreements regulate a range of conditions of employment and directly affect upwards of a third of the employed.

Trade unions struggle to manage the volume of information required in preparation for collective bargaining and the volume of information generated by collective bargaining. This can result in trade union representatives involved in collective bargaining not having access to a complete picture of the overall outcomes at the level of the company and/or sector.

Even if one member of the average household is engaged in low wage employment in the formal economy, the household must have multiple livelihood strategies in order to achieve even a modest low-level standard of living that meets basic material needs, to say nothing of investments in health, education and other critical areas.

There is considerable variation between industries with respect to the wage levels at which low wage employment is pitched.

Settlement levels were approximately two percentage points better than average CPI or CPIX inflation in 2006 though roughly equal to average food price inflation for the same year.

Settlement rates tend to lag behind sudden increases in inflation, but once this information feeds into collective bargaining, settlement levels in subsequent years tend to ride ahead of the inflation indices.

The majority of wage increases appear to have been of the across-the-board type, which means that the same percentage increase applies to all the wage levels represented in the bargaining unit.

At least half of the workers in our sample are working close to or more than the maximum 45 hours per week set forth in the Basic Conditions of Employment Act (BCEA).

The range of issues recorded in collective bargaining agreements year on

year is relatively narrow, although the content of collective agreements varies between bargaining units.

The BCEA appears to exert a great deal of influence on the terms of collective agreements rather than simply setting a floor or minimum. Many agreements make reference to the BCEA and some restate certain conditions verbatim.

Generally speaking collective agreements show a modest upward variation of the terms of the BCEA.

The majority of collective bargaining agreements did not reflect the conditions of employment that we designate as indicators of gender equity and equality in the workplace.

The relationship between rights and practice in the workplace is such that rights must be continuously affirmed.

It appears that remuneration during maternity leave is generally not a direct cost to employers. It is also true that a woman who accesses maternity leave will earn as little as a third of what she would ordinarily earn.

The BCEA is quite firm in protecting women from dismissal that is in any way related to their pregnancy and allows for a minimum leave entitlement. On the other hand a working woman is likely to experience a substantial reduction in income (up to 66%) during maternity leave.

The BCEA establishes some basic rights in relation to pregnancy, but does not address a range of issues that would give further substance to these basic rights and act as a supportive environment for the exercise of those rights. Issues here include the facilitation of payment in regard to maternity leave, time-off and facilities for nursing, and leave for pre- and postnatal checkups that promote the health of mother and child.

There are a number of disincentives to women to remain in employment following pregnancy - limited opportunity to redistribute child care responsibilities being one of the most powerful. The fact that no provision for child care exists in collective agreement or any other social policy leaves women with limited opportunity to balance work and child care. The fact that the BCEA and collective agreements appear to favour finite events like birth and death over ongoing social processes such as child care only reinforces this.

Insofar as the direct cost of an employee's remuneration while on maternity leave does not appear to be carried by the employer to any great degree, there is no disincentive to employ women on this basis.

The BCEA seeks to protect women workers from some discrimination-in-employment, but the extent of pre-employment discrimination is hard to gauge. Do employers perceive there to be other costs to maternity leave – the costs of sourcing and inducting a temporary replacement along with the temporary loss of job-specific skills? Does the potential for a four month break

in continuity feed a perception that women employees are less productive in the short to medium term?

Workplace responses to HIV/AIDS in the workplace were stubbornly absent from the collective agreements in our sample. Measures to promote awareness were a little more common than measures for voluntary counselling and testing, confidentiality and access to treatment. Measures that promoted sexual health were similarly rare.

For a subject that is such a hot topic, skills development receives very limited attention in collective agreement. The number of agreements that provide evidence of skills development initiatives is closer to zero than anything else.

Any discussion of conditions of employment warrants mention of the changing nature of employment relationships, a process which involves the stripping away of traditional work-linked entitlements and services from an increasing number of workers. This phenomenon has profound implications for social equity especially in light of the fact that much of labour law and social policy and protection are premised on the notion of the standard employment relationship.

A continuing trend to 'externalise' indicates that employers are actively working around the existing regulatory framework and labour market institutions by reframing their relationship with certain employees in a way that allows them to shed many of the traditional responsibilities and costs of employment including levels of remuneration, administration and human resource management.

In some respects the BCEA is becoming increasingly irrelevant for some workers (and employers) in that it does not properly recognise these new employment relationships, which have the effect of hollowing out the protective clauses of the BCEA. If externalisation was initially demand driven (by businesses) it will become increasingly supply driven as the providers of outsourcing solutions become more experienced, more organised and market themselves more aggressively to employers.

Externalisation generally targets low skill occupations, although it is not limited to these areas. As such it poses significant threats to the base of trade union organisation in South Africa. The challenge of organising in a changing economy remains key to labour's representivity and relevance in the future and it is perhaps here that the strategic reflections and efforts of unions are best expended.

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APPENDIX 3: Snapshot of median conditions of low wage employment in the formal economy in 2006.

Monthly wage (in Rands)	2400
Supplementary amount required to support the basic needs of an average household	20%
There is considerable variation between industries with respect to the levels at which low wage employment is pitched.	
Inflationary pressures	YES
Ordinary hours of work per week	44 hours
Night shift allowance as % of basic wage	12.5%
Shift allowance as % of basic wage	10%
Annual leave in working days per annum	15 days
Duration of maternity leave	4 months
Duration of paid maternity leave	4 months
Maternity pay	33% of basic
Supplements to maternity pay	in 4.5% of agreements
Facilitating maternity pay	in 3.3% of agreements
Maternity leave treated as continuous service	in 5.8% of agreements
Leave for ante- and post natal checkups	in 2% of agreements
Time-off and facilities for nursing	ZERO
Sick leave in days per annum	12 days
Access to medical cover	in 8% of agreements
Promoting reproductive & sexual health	In 0.3% of agreements
Child care facilities	ZERO
Duration of paid family responsibility leave	4 days
Duration of paid paternity leave	3 days
Duration of paid compassionate leave	5 days
Responses to HIV/AIDS	VERY LOW
Raising awareness	in 4.5% of agreements
Voluntary counselling & testing	in 0.75% of agreements
Promoting confidentiality	in 0.5% of agreements
Treatment	in 1% of agreements
Education & Training	VERY LOW
Learnerships	in 0.8% of agreements
Other skills development	in 4.3% of agreements
Study leave	3 days
Related allowances	in 1.5% of agreements

DIRECTORS' FEES REPORT 2007

a view of the top

Saliem Patel, Labour Research Service

INTRODUCTION

This annual survey analyses directors' remuneration and compares it to the average worker's wage as well as to company performance. There is also a comparison between directors' fees in five sectors: Construction, Food & Beverages, Mining, Retail and Transport. The results show the high levels of inequality in South Africa with the average worker having to work 273 years to earn what an average Chief Executive Officer (CEO) is paid annually by a company. The fact that the 238 Executive Directors in our survey collectively earned over a billion rand in basic salaries in 2006 reveals the high concentration of wealth in the hands of a few people in South Africa. This report concludes that the labour movement and civil society need to develop and lobby for concrete tax proposals to curb the excessive growth of remuneration of directors by the companies they run.

The capitalist system prides itself and is based on the freedom of individuals to accumulate wealth privately. Yet this system provides no means for gaining an empirical picture of an individual's wealth – especially those individuals who are very wealthy. Robin McGregor, writing about the "The Super Rich" in the 2006 edition of *Who Owns Whom*, states that it is not possible to calculate the total wealth of individuals and that ownership of shares on stock markets provides only an *indication* of how rich certain people are:

"It is always difficult to measure any aspect of wealth and, of course, impossible to measure total wealth, as access to ownership of all assets and their evaluation is not possible. We have therefore simply used beneficial ownership of shares on the Johannesburg Securities Exchange (JSE) as some indication of who might be South Africa's richest people" (2006: 73)

The richest people on McGregor's list include familiar family names associated with longstanding South African companies - N.F. Oppenheimer, J.P. Rupert, R.D. Ackerman, C. Wiese, L.L. Diepenaar, G. Ferreira and B.E. Steinhoff among others. Newer names include L.N. Mittal, an Indian national, whose ownership of Mittal Steel South Africa (previously Iscor) makes him the richest man on the list. Other recognisable names like P. Motsepe, T.M.G. Sexwale and J.A. Copelyn are also featured.

McGregor estimates the wealth of individuals by extracting their share holdings and calculating the Rand value (at market price) as well as dividends received within a certain time period. So, for example, in 2005 N.Oppenheimer had R9.28 billion in shares of Anglo Plc and received a dividend of R227.8 million. The 2007 edition of *Who Owns Whom* shows that in one year the value of his shares went up to R14.09 billion – a 51% increase just for owning wealth (2007: 94-98). This makes him the second wealthiest individual on McGregor's list.

But while McGregor's method provides an indication of the wealth that individuals are able to accumulate on the JSE, it is not able to calculate all the wealth they have and how it increases (or not) annually. It excludes their shares in companies on international stock exchanges, their ownership of unlisted companies, the property they own and rental income, cash accumulated in banks and the interest they are receiving on this and, of course, the income they receive through holding directorships.

This report focuses on the last of these: directors' fees. It is also merely an indicator of wealth (rather than actual wealth), but it is also an indicator of how the rich get richer, of how rewards are unequally distributed, and of the inconsistencies prevalent in corporate governance philosophies and practices.

In agreement with the Business Intelligence Unit of the *Economist*, Jonathan **Lewis, in the 2006 edition of *Who Owns Whom***, identifies executive pay as the next "volatile frontier" in the governance area, especially given the magnitude of pay increases (2006: 89). He points to research that showed that the average CEO salary in 1982 was 42 times that of the average worker, but had risen to 531 times that of the average worker by the year 2000. He also points out that since disclosure became compulsory for JSE-listed companies in 2002, executive salaries increased seven-fold and that:

"The total annual remuneration of the top 37 Chief Executives in South Africa for the last financial year (2005) amounted to R445 million, an average of R1 million per CE per month." (2006: 90)

This survey looks at directors' increases in 2006 and includes both Executive Directors and Non-Executive Directors as it has done since this annual survey was released in 1996. Last year CEO remuneration was included in the report for the first time and it is included in this report again. Last year the directors' fees in four sectors were compared. This year it is done for five sectors.

METHODOLOGY

This survey is based on data collected from 55 company Annual Reports released in 2006. These companies are top companies in their sectors if not in the economy as a whole. It is a gruelling task to extract data on directors' remuneration as these Annual Reports are in different formats and disclose information in different ways. Remuneration is captured to the best of our ability, *excluding* gains on share options but including salaries and bonuses for the years 2005 and 2006.

The focus of the survey is on the amount companies pay directors. To this end, what is noted is not the individual amount that each director gets from the various companies in which they hold directorships. What is captured is the average that each of these companies pay their directors – both Executive and Non-Executive. From this a collective average is then obtained from the companies. This is because it is often the case that there are individuals who hold multi-directorships. Someone may be an Executive Director in one company and a Non-Executive Director in another, or a person may be a Non-Executive Director in numerous companies. For example, Danisa Baloyi, who was embroiled in the recent Fidentia scandal, sat on 81 boards.

New listing requirements and conformance by companies of disclosure norms has led companies to disclose the exercise of share options of their directors. Given that share options are exercised by directors in different years and in different proportions (i.e. they exercise different percentages of their share options in a particular year) we continue to exclude it. There is, however, information in appendix four on CEOs who exercised share options in the 2005-6 financial year.

In addition, company performance, measured by the Net Profit Before Tax (NPBT), is also captured for these companies so as to compare it with the pay increases of directors. As noted before, this is not due to an assumption of the correspondence of pay with company performance – the data shows the contrary in most cases.

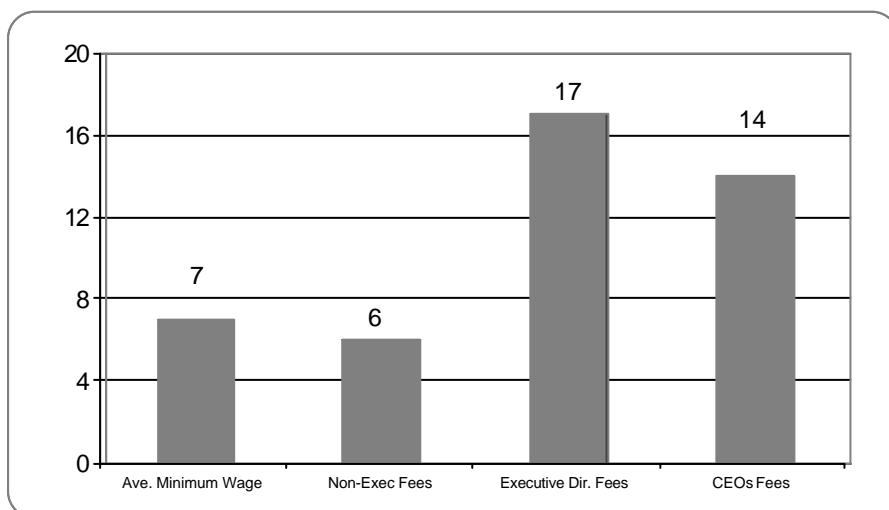
As some Annual Reports provide values in US Dollars or British Pounds the following Rand exchange rates, obtained from the South African Reserve Bank Quarterly Bulletin (March 2007) which provides the annual average Rand exchange rate for these currencies in 2005 and 2006 respectively, were used. In 2005 and 2006 the annual average exchange rate was R6.40 and R6.77 to the US Dollar for these respective years, and R11.57 and R12.50 to the British Pound for the same respective years.

The average minimum wage and the percentage increase is taken from the Labour Research Service’s Average Wage Rate Database (AWARD).

GENERAL OVERVIEW

In 2006 the average remuneration of Executive Directors increased by 17%, Non-Executive Directors by 6% and CEOs by 14%. These increases were higher than inflation but lower than the 25% improvement of the average performance of the companies in our sample. The average minimum wage increased by 7% in 2006. This is slightly higher than the percentage increase for Non-Executive Directors, but only half the percentage increase for CEOs and even less when compared to the increase of Executive Directors’ fees.

Figure 7: Percentage Increases: Minimum Wages and Remuneration of Non-Executives, Executive Directors and CEOs



In 2006 the average annual remuneration of an Executive Director was R4 574 402, while it was R309 269 for a Non-Executive Director and R8 157 983 for a

CEO. The average minimum wage was R29 861. This means that the average worker will have to work 10 years, 153 years and 273 years to earn what an average Non-Executive Director, an average Executive Director, and an average CEO respectively are paid in just one year. No wonder the Gini-coefficient (index for measuring inequality) for South Africa is among the highest in the world.

The 55 CEOs in our sample collectively earned R448 689 092 in 2006 while the 228 Executive Directors of the 55 companies collectively earned R1 088 707 704. The 490 Non-Executive Directors collectively earned R151 541 937 in the same year. These amounts, although very high, exclude gains from share options and dividends earned by these company directors and reflect the high concentration of wealth in few hands.

EXECUTIVE DIRECTORS' REMUNERATION

In 2006 Executive Directors earned annually on average R4 574 402 compared to R3 917 037 in 2005. This is a R657 365 or 17% increase. While there are companies that showed a decline in Executive Directors' pay, most showed increases and some were very high. The five companies with the highest percentage increase as well as the five companies paying the highest average Executive Directors' remunerations are shown below. The company paying the highest average Executive Directors' fees is SAB Miller at an average of R22 110 750 after receiving a 59% increase. The company paying the second highest is Coronation, the company with the highest percentage increase of 273%. For Executive Directors' fees and increases of all the companies in our survey see Appendix One.

Table 18: Companies with the Highest % increase of Executive Directors' Remuneration

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
Coronation Fund Managers	FINANCIAL	4,343,000	16,195,000	273	11,852,000	24
AfroxOxygen	INDUS/CHEMICALS	3,696,000	13,746,500	272	10,050,500	- 43
Denel	INDUS/CHEMICALS	1,463,500	3,934,333	169	2,470,833	NetLoss
Hudaco	INDUS/CHEMICALS	1,837,500	3,553,667	93	1,716,167	24
Sekunjalo Investment Limited	DIVERSIFIED HOLDINGS	798,571	1,542,143	93	743,571	155

Table 19: Companies with the Highest Executive Directors' Remuneration – 2006

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
SAB Miller	FOOD & BEVERAGE	13,934,104	22,110,750	59	8,176,647	2
Coronation Fund Managers	FINANCIAL	4,343,000	16,195,000	273	11,852,000	24
AfroxOxygen	INDUS/CHEMICALS	3,696,000	13,746,500	272	10,050,500	- 43
Lonminplc	MINING	11,692,858	11,679,383	0	-13,475	111
Sappi	PAPER & PACKAGING	6,266,341	10,327,972	65	4,061,631	Net Loss

SAB Miller also paid the highest average Executive Directors' fees in 2005. The four other companies in the top five listings for 2006 are different from the top five in 2005. There is no company from the Retail sector in 2006; however, in 2005 Shoprite appeared because of a high average Executive Directors' fee of R67 450 000 for that year.

Table 20: Companies with the Highest Executive Directors' Remuneration – 2005

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
SAB Miller	FOOD & BEVERAGE	13,934,104	22,110,750	59	8,176,647	2
Shoprite Holdings	RETAIL	13,508,000	3,691,857	- 73	-9,816,143	43
Lonminplc	MINING	11,692,858	11,679,383	0	-13,475	111
Firststrand Banking Group	BANKS	9,850,000	7,037,333	-29	-2,812,667	22
Sanlam	FINANCIAL	7,577,500	5,394,000	-29	-2,183,500	- 25

NON-EXECUTIVE DIRECTORS

Non-Executive Directors received a lower increase of 6% in 2006. Our survey in 2005 indicated that the average annual increase of a Non-Executive Director was 34.3%. In actual Rands the annual average Non-Executive Directors' fee was R291 016 in 2005 and went up to R309 269 in 2006 – an annual increase of R18 253.

The company that paid the highest average Non-Executive Director remuneration in 2006 was Lonmin – R1 173 104. It also paid the highest in 2005 – R1 115 006. This is an increase of 5% while company performance increased by a huge 111%. The company that increased the average Non-Executive Directors' pay the most in our survey was Telkom – an increase of 183% was received by Non-Executive Directors, while the company's performance improved by a much lower 40%.

Table 21: Companies with the Highest % increase of Non-Executive Directors' Remuneration in 2006

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
Telkom	INFORMATION & TELECOMS	95,502	269,923	183	174,421	40
Consol	GLASS	69,200	192,000	177	122,800	4
Super Group	TRANSPORT	133,350	280,277	110	146,927	24
Pick 'n Pay Stores	RETAIL	193,214	391,429	103	198,214	11
Seardel Limited	DIVERSIFIED HOLDINGS	83,000	164,667	98	81,667	45

Table 22: Companies with the Highest Non-Executive Directors' Remuneration in 2006

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
Lonminplc	MINING	1,115,006	1,173,104	5	58,099	111
Investec Bank	BANKS	994,471	1,134,893	14	140,422	183
SAB Miller	FOOD AND BEVERAGE	696,301	723,258	4	26,957	2
Sappi	PAPER AND PACKAGING	640,867	557,710	-13	-83,157	Loss
African Rainbow Minerals	MINING	672,545	247,182	-63	-425,364	-21

The three companies paying the highest Non-Executive Directors' remuneration were the same for 2006 and for 2005 – Lonmin, Investec and SAB Miller. African Rainbow moved from 5th place in 2005 to 4th place in 2006. This is after its Non-Executive Directors took a salary cut of 63% while the company's performance declined by 21%.

Table 23: Companies with the Highest Non-Executive Directors' Remuneration in 2005

Company	Sector	Ave.2005	Ave.2006	% Incr.	Rand Increase	Company Perform.
Lonminplc	MINING	1,115,006	1,173,104	5	58,099	111
Investec Bank	BANKS	994,471	1,134,893	14	140,422	183
SAB Miller	FOOD AND BEVERAGE	696,301	723,258	4	26,957	2
African Rainbow Minerals	MINING	672,545	247,182	-63	-425,364	-21
Sappi	PAPER AND PACKAGING	640,867	557,710	-13	-83,157	Loss

CHIEF EXECUTIVE OFFICERS

CEOs received an average annual increase of 14% in 2006, making the average annual remuneration R8 157 983, up from R7 161 555 in 2005. This is an increase just short of a million rand for the year. Collectively the 55 companies in our survey paid their Executive Officers R448 689 092 in 2006.

The company paying the highest CEO remuneration in 2006 was Investec – R31 127 475. This was after an increase of 88% on the 2005 remuneration of R16 533 842. Accordingly, the company moved to the top position after occupying 4th place in 2005.

The company that gave the highest percentage increase to a CEO was Coronation – an increase of 407%, even though company performance increased by a much lower 24%. Denel and Trans-Hex increased the remuneration of their CEOs by 270% and 135% respectively even though both companies showed a net loss. Afrox and Network Healthcare increased their CEO remuneration by 286% and 140% respectively even though these companies' performances declined by 43% and 93% respectively.

Table 24: Companies with the Highest % increase of Chief Executive Officer Remuneration in 2006

Company	Sector	CEO (Name)	2005	2006	% Incr.	Rand Increase	Company Perform.
Coronation Fund Managers	FINANCIAL	Thys Du Toit	4,008,000	20,329,000	407	16,321,000	24
AfroxOxygen	INDUSTRIAL/CHEMICALS	RL Hodgen	5,239,000	20,200,000	286	14,961,000	-43
Denel	INDUSTRIAL/CHEMICALS	S Liebenberg(06)					
		Moche(05)	1,691,000	6,254,000	270	4,563,000	Loss
Network Healthcare Holdings	HEALTH	RH Friedland	2,981,000	7,150,000	140	4,169,000	-93
Trans-Hex	MINING	Llewelyn Delpoit	1,063,000	2,502,000	135	1,439,000	Loss

Table 25: Companies with the Highest Chief Executive Officer Remuneration in 2006

Company	Sector	CEO (Name)	2005	2006	% Incr.	Rand Increase	Company Perform.
Investec Bank	BANKS	S Koseff	16,533,842	31,127,475	88	14,593,633	183
SAB Miller	FOOD AND BEVERAGE	EAG Mackay	17,949,293	29,462,263	64	11,512,970	2
Coronation Fund Managers	FINANCIAL	Thys Du Toit	4,008,000	20,329,000	407	16,321,000	24
AfroxOxygen	INDUSTRIAL/CHEMICALS	RL Hodgen	5,239,000	20,200,000	286	14,961,000	-43
Lonminplc	MINING	Brad Mills	24,573,940	19,767,713	-20	-4,806,227	111

Investec, Lonmin and SABMiller remained on the list of the top five companies paying the highest CEO remuneration. Shoprite fell off the list in 2006 after the CEO remuneration fell from R59 582 000 in 2005 to R10 899 000 in 2006 – a decrease of 82% while the company's performance improved by 43%. Liberty also fell off the list as its CEO took a 57% cut when the company improved its performance by 63%. Afrox increased its CEO remuneration from R5 239 000 in 2005 to R19 767 713 in 2006 – a 286% increase even though the company's performance declined by 43%.

Table 26: Companies with the Highest Chief Executive Officer Remuneration in 2005

Company	Sector	CEO (Name)	2005	2006	% Incr.	Rand Increase	Company Perform.
Shoprite Holdings	RETAIL	JW Basson	59,582,000	10,899,000	-82	-48,683,000	43
Lonminplc	MINING	Brad Mills	24,573,940	19,767,713	-20	-4,806,227	111
SAB Miller	FOOD AND BEVERAGE	EAG Mackay	17,949,293	29,462,263	64	11,512,970	2
Investec Bank	BANKS	S Koseff	16,533,842	31,127,475	88	14,593,633	183
Liberty Life	FINANCIAL	JB Hemphill(2006)					
		MJD Ruck(2005)	11,658,000	4,971,000	-57	-6,687,000	63

Appendix Four shows that a large part of the CEO remuneration is given as a bonus. There were 50 companies out of our survey of 55 that gave their CEOs bonuses and from these 50 companies it can be seen that, on average, bonuses account for 75% of their CEOs' initial remuneration. So for example Telkom CEO, LRR Molotsane, received a bonus of R3 442 573 after receiving an initial salary of R2 160 422 thereby increasing his salary by 159% to make a total of R5 969 000.

Table 27: Companies with highest CEO Bonus as % of Remuneration

Company	Sector	CEO (Name)	Pay 2006 (without bonus)	Bonus 2006	Pay 2006 (incl. bonus)	Bonus as % of Pay
Investec Bank	BANKS	S Koseff	8,002,475	23,125,000	31,127,475	289
RMB Holdings	DIVERSIFIED HOLDINGS	P Cooper	2,168,000	4,000,000	6,168,000	185
Firststrand Banking Group	BANKS	SE Nxasana	2,000,000	3,250,000	5,250,000	163
Telkom Limited	INFORM. & TELECOMS	LRR Molotsane	2,160,422	3,442,573	5,602,995	159
Group Five	CONSTRUCTION	MH Lomas	2,344,000	3,625,000	5,969,000	155

SECTOR OVERVIEW

The five sectors for which average directors' remuneration was analysed showed average improvements in company performance. Mining companies showed an especially high improvement of 114% while Food & Beverage was lowest of the five at 10%.

While Executive Directors in Construction received the highest percentage increase (44%) and Retail Executive Directors reduced their remuneration, the highest paying sector for Executive Directors in 2006 was Food & Beverage – an average of R4 879 938.

For Non-Executive Directors, the Transport sector paid the highest percentage increases – they received an average increase of 49% - while those in the Mining sector had to take a cut of 18% or R67 210. Despite this cut, Non-Executive Directors in the Mining sector still got the highest average annual remuneration in 2006 out of the five sectors – R315 056.

From these five sectors, CEOs in the Retail sector received the highest remuneration in 2006 – R9 964767 – even though they also took a heavy 42% pay cut. CEOs in the Food & Beverage sector received on average a 45% increase, pushing their remuneration to slightly under at R9 827 711. The Construction sector paid the lowest average CEO remuneration of R4 339 400.

Table 28: Annual Average, Rand Increase, % Increase by sector 2005 - 2006

		Construction	Food & Bev	Mining	Retail	Transport
Exec Dir.	Average 2006	3,480,952	4,879,938	4,400,347	4,745,231	4,074,607
	Increase (R)	1,071,692	810,928	203,022	-2,155,932	756,354
	Increase (%)	44	20	5	-31	23
Non- Exec Dir.	Average 2006	210,257	264,376	315,056	243,939	225,726
	Increase (R)	24,522	-11,026	-67,210	40,322	74,397
	Increase (%)	13	-4	-18	20	49
CEOs	Average 2006	4,339,400	9,827,711	8,208,237	9,964,767	5,229,739
	Increase (R)	619,800	3,067,828	200,663	-7,268,233	779,009
	Increase (%)	17	45	3	-42	18
Company Performance (%)		34	10	114	24	14

CONCLUSION

The data from this survey show once again that there is no correlation between company performance and directors' increases. The same goes for inflation. The salaries of directors are extremely high when compared to those of ordinary workers. Furthermore, these directors' earnings are totally out of sync with the country's developmental challenges of reducing poverty and increasing access to basic services. If anything they contribute to higher levels of inequality while diverting resources that could be used for social development into the hands of a select few.

These very directors that accuse trade union members of becoming an elite have in fact become a super elite. However, trade unions have taken up the challenge of exposing directors' remuneration during collective bargaining and should continue to do so with the data available here. The real challenge, however, is to develop mechanisms that ensure equitable distribution. Unless appropriate tax proposals are developed that penalise the companies that pay exorbitant salaries to their directors, as well as the directors themselves who receive such lucrative salaries (and other numerable forms of income), the wage gap will continue to grow.

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APPENDIX 4: Executive Directors' Fees

Company	Sector	No. 2005	No. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Incr.
African Bank Investments	BANKS	8	8	27,240,000	24,072,000	3,405,000	3,009,000	-12
Firststrand Banking Group	BANKS	2	3	19,700,000	21,112,000	9,850,000	7,037,333	-29
Investec Bank	BANKS	4	4	5,296,063	9,032,050	1,324,016	2,258,013	71
Aveng	CONSTRUCTION	6	5	14,881,000	21,565,000	2,480,167	4,313,000	74
Cashbuild	CONSTRUCTION	4	4	5,614,000	6,154,000	1,403,500	1,538,500	10
Group Five	CONSTRUCTION	2	2	7,842,000	9,142,000	3,921,000	4,571,000	17
Murray & Roberts	CONSTRUCTION	5	5	16,642,000	23,326,000	3,328,400	4,665,200	40
PPC	CONSTRUCTION	6	5	10,434,000	12,913,000	1,739,000	2,582,600	49
Barloworld Limited	DIVERSIFIED HOLDINGS	10	10	46,640,000	52,434,000	4,664,000	5,243,400	12
Hosken Consolidated Invest.	DIVERSIFIED HOLDINGS	3	3	8,334,000	9,589,000	2,778,000	3,196,333	15
Remgro	DIVERSIFIED HOLDINGS	5	5	12,830,000	13,822,000	2,566,000	2,764,400	8
RMB Holdings	DIVERSIFIED HOLDINGS	1	1	5,384,000	6,168,000	5,384,000	6,168,000	15
Searcel Limited	DIVERSIFIED HOLDINGS	3	3	8,643,000	10,015,000	2,881,000	3,338,333	16
Sekunjalo Investment Limited	DIVERSIFIED HOLDINGS	7	7	5,590,000	10,795,000	798,571	1,542,143	93
Coronation Fund Managers	FINANCIAL	2	2	8,686,000	32,390,000	4,343,000	16,195,000	273
Liberty Life	FINANCIAL	2	4	13,848,000	15,990,000	6,924,000	3,997,500	-42
Sanlam	FINANCIAL	2	3	15,155,000	16,182,000	7,577,500	5,394,000	-29
Anglo-Vaal Industries	FOOD & BEVERAGE	4	5	11,355,000	10,601,000	2,838,750	2,120,200	-25
Crookes Brothers Limited	FOOD & BEVERAGE	1	1	2,046,000	2,370,000	2,046,000	2,370,000	16
Distell	FOOD & BEVERAGE	3	3	4,734,000	6,682,000	1,578,000	2,227,333	41
Illovo Sugar	FOOD & BEVERAGE	6	7	12,242,000	22,923,000	2,040,333	3,274,714	60
SAB Miller	FOOD & BEVERAGE	2	2	27,868,207	44,221,500	13,934,104	22,110,750	59
Tiger Brands	FOOD & BEVERAGE	6	6	31,273,000	30,321,000	5,212,167	5,053,500	-3
Consol	GLASS	2	2	4,459,000	4,902,000	2,229,500	2,451,000	10
Aspen	HEALTH	4	3	11,692,000	14,211,000	2,923,000	4,737,000	62
Discovery Health	HEALTH	6	6	15,553,000	17,564,000	2,592,167	2,927,333	13
Medi-Clinic	HEALTH	5	5	9,287,000	16,941,000	1,857,400	3,388,200	82
Network Healthcare Holdings	HEALTH	10	6	22,534,000	25,072,000	2,253,400	4,178,667	85
Afrox Oxygen	INDUS/CHEMICALS	2	2	7,392,000	27,493,000	3,696,000	13,746,500	272
Denel	INDUS/CHEMICALS	2	3	2,927,000	11,803,000	1,463,500	3,934,333	169
Hudaco	INDUS/CHEMICALS	4	3	7,350,000	10,661,000	1,837,500	3,553,667	93
Invicta Holdings Limited	INDUS/CHEMICALS	2	3	8,050,000	2,854,000	4,025,000	951,333	-76
Reunert	INDUS/CHEMICALS	4	4	24,949,000	35,512,000	6,237,250	8,878,000	42
Sasol	INDUS/CHEMICALS	4	6	18,926,000	24,613,000	4,731,500	4,102,167	-13
Didata	INFO & TELECOMS	5	5	27,920,400	32,353,830	5,584,080	6,470,766	16
Telkom Limited	INFO & TELECOMS	1	2	6,971,568	12,247,587	6,971,568	6,123,794	-12
African Rainbow Minerals	MINING	5	7	14,343,000	14,627,000	2,868,600	2,089,571	-27
AngloGold_Ashanti	MINING	8	5	34,574,000	31,278,000	4,321,750	6,255,600	45
Angloplatinum	MINING	9	10	25,283,162	33,012,699	2,809,240	3,301,270	18
Gold Fields Group	MINING	2	2	10,312,316	12,458,295	5,156,158	6,229,148	21
Impala Platinum	MINING	4	5	16,882,000	22,223,000	4,220,500	4,444,600	5
Lonmin plc	MINING	3	3	35,078,574	35,038,150	11,692,858	11,679,383	0
Trans-Hex	MINING	3	3	6,236,000	5,375,000	2,078,667	1,791,667	-14
Nampak	PAPER & PACKAGING	5	4	18,697,089	23,887,233	3,739,418	5,971,808	60
Sappi	PAPER & PACKAGING	4	6	25,065,364	61,967,834	6,266,341	10,327,972	65
Edcon	RETAIL	6	6	38,401,000	27,301,000	6,400,167	4,550,167	-29
Foschini	RETAIL	2	2	11,538,600	12,722,100	5,769,300	6,361,050	10
Pick 'n Pay Stores	RETAIL	5	5	24,532,300	25,171,900	4,906,460	5,034,380	3
Shoprite Holdings	RETAIL	5	7	67,540,000	25,843,000	13,508,000	3,691,857	-73
Truworths	RETAIL	3	3	14,872,000	15,888,000	4,957,333	5,296,000	7
Woolworths Holdings	RETAIL	3	3	8,744,000	16,450,000	2,914,667	5,483,333	88
Cargo Carriers	TRANSPORT	2	2	2,450,000	2,577,000	1,225,000	1,288,500	5
Imperial Holdings	TRANSPORT	7	7	29,901,000	35,473,000	4,271,571	5,067,571	19
Super Group	TRANSPORT	7	6	22,224,047	22,518,526	3,174,864	3,753,088	18
Unitrans	TRANSPORT	4	4	11,790,000	16,849,000	2,947,500	4,212,250	43
Average % Increase		232	238	908,752,690	1,088,707,704	3,917,037	4,574,402	17
Average Annual Increase (Rands)						3,917,037	4,574,402	657,365
Average Monthly Increase (Rands)						326,420	381,200	54,780

APPENDIX 5: Non Executive Directors' Fees

Company	Sector	No. 2005	No. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Inc.
African Bank Investments	BANKS	11	11	2,156,000	2,752,000	196,000	250,182	28
First Rand Banking Group	BANKS	15	16	6,156,000	9,427,000	410,400	589,188	44
Investec Bank	BANKS	12	13	11,933,657	14,753,613	994,471	1,134,893	14
Aveng	CONSTRUCTION	8	8	1,802,000	1,921,000	225,250	240,125	7
Cashbuild	CONSTRUCTION	4	4	1,088,000	1,025,000	272,000	256,250	-6
Group Five	CONSTRUCTION	4	6	760,000	1,382,000	190,000	230,333	21
Murray & Roberts	CONSTRUCTION	11	10	1,896,000	2,135,000	172,364	213,500	24
PPC	CONSTRUCTION	7	7	769,000	896,000	109,857	128,000	17
Barloworld Ltd	DIVERSIFIED HOLDINGS	9	10	5,007,000	6,193,000	556,333	619,300	11
Hosken Consolidated Investmets	DIVERSIFIED HOLDINGS	4	5	410,000	513,000	102,500	102,600	0
Remgro	DIVERSIFIED HOLDINGS	11	11	5,079,000	4,252,000	461,727	386,545	-16
RMB Holdings	DIVERSIFIED HOLDINGS	7	7	2,058,000	708,000	294,000	101,143	-66
Searadel Limited	DIVERSIFIED HOLDINGS	5	3	415,000	494,000	83,000	164,667	98
Sekunjalo Investment Ltd	DIVERSIFIED HOLDINGS	7	7	760,000	1,120,000	108,571	160,000	47
Coronation Fund Managers	FINANCIAL	3	3	325,000	395,000	108,333	131,667	22
Liberty Life	FINANCIAL	8	9	3,535,000	2,879,000	441,875	319,889	-28
Sanlam	FINANCIAL	16	19	7,763,000	7,865,000	485,188	413,947	-15
Anglo-Vaal Industries	FOOD AND BEVERAGE	10	11	1,576,000	1,443,000	157,600	131,182	-17
Crookes Brothers Ltd	FOOD AND BEVERAGE	6	6	535,000	465,000	89,167	77,500	-13
Distell	FOOD AND BEVERAGE	11	13	927,000	1,238,000	84,273	95,231	13
Illovo Sugar	FOOD AND BEVERAGE	7	8	2,074,000	2,269,000	296,286	283,625	-4
SAB Miller	FOOD AND BEVERAGE	9	10	6,266,705	7,232,575	696,301	723,258	4
Tiger Brands	FOOD AND BEVERAGE	11	12	3,493,000	3,215,000	317,545	267,917	-16
Consol	GLASS	5	5	346,000	960,000	69,200	192,000	177
Aspen	HEALTH	8	10	993,000	1,368,000	124,125	136,800	10
Discovery Health	HEALTH	7	9	778,000	1,564,000	111,143	173,778	56
Medi-Clinic	HEALTH	7	10	547,000	1,525,000	78,143	152,500	95
Network Healthcare Holdings	HEALTH	6	9	1,028,000	1,565,000	171,333	173,889	1
Afrox Oxygen	INDUSTRIAL/CHEMICALS	5	7	453,000	724,000	90,600	103,429	14
Denel	INDUSTRIAL/CHEMICALS	15	9	863,000	848,000	57,533	94,222	64
Hudaco	INDUSTRIAL/CHEMICALS	4	4	369,000	382,000	92,250	95,500	4
Invicta Holdings Limited	INDUSTRIAL/CHEMICALS	2	4	750,000	871,000	375,000	217,750	-42
Reunert	INDUSTRIAL/CHEMICALS	8	7	1,020,000	1,125,000	127,500	160,714	26
Sasol	INDUSTRIAL/CHEMICALS	12	12	7,616,000	8,397,000	634,667	699,750	10
Didata	INFORMATION & TELECOMS	7	7	2,168,760	2,741,850	391,693	391,693	0
Telkom	INFORMATION & TELECOMS	16	11	1,528,037	2,969,158	95,502	269,923	183
African Rainbow Minerals	MINING	11	11	7,398,000	2,719,000	672,545	247,182	-63
AngloGold_Ashanti	MINING	12	15	3,690,000	4,053,000	307,500	270,200	-12
Angloplatinum	MINING	13	17	2,656,169	3,260,785	204,321	191,811	-6
Gold Fields	MINING	11	16	4,887,250	5,573,276	444,295	348,330	-22
Impala Platinum	MINING	12	8	3,085,000	2,975,000	257,083	371,875	45
Lonmin plc	MINING	5	6	5,575,028	7,038,625	1,115,006	1,173,104	5
Trans-Hex	MINING	9	10	614,000	530,000	68,222	53,000	-22
Nampak	PAPER AND PACKAGING	9	10	2,410,333	2,419,534	267,815	241,953	-10
Sappi	PAPER AND PACKAGING	10	11	6,408,667	6,134,805	640,867	557,710	-13
Edcon	RETAIL	7	7	1,112,000	2,040,000	158,857	291,429	83
Foschini	RETAIL	8	8	1,173,800	1,392,500	146,725	174,063	19
Pick 'n Pay Stores	RETAIL	7	7	1,352,500	2,740,000	193,214	391,429	103
Shoprite	RETAIL	6	6	1,983,000	658,000	330,500	109,667	-67
Truworths	RETAIL	5	5	552,000	768,000	110,400	153,600	39
Woolworths Holdings	RETAIL	8	8	2,175,000	2,403,000	271,875	300,375	10
Cargo Carriers	TRANSPORT	4	4	369,000	390,000	92,250	97,500	6
Imperial Holdings	TRANSPORT	10	12	2,659,000	3,386,000	265,900	282,167	6
Super Group	TRANSPORT	10	8	1,333,500	2,242,217	133,350	280,277	110
Unitrans	TRANSPORT	11	8	935,000	1,205,000	85,000	150,625	77
Average		466	490	135,613,405	151,541,937	291,016	309,269	6
Average Annual Increase (Rands)						291,016	309,269	18,253
Average Monthly Increase (Rands)						24,251	25,772	1,521

APPENDIX 6: Chief Executive Officers' Fees

Company	Sector	CEO (Name)	2005	2006	% Incr.
African Bank Investments	BANKS	Leon Kirkinis	4,580,000	5,185,000	13
Firstrand Banking Group	BANKS	SE Nxasana(2006)PK Harris(2005)	9,850,000	5,250,000	-47
Investec Bank	BANKS	S Koseff	16,533,842	31,127,475	88
Aveng	CONSTRUCTION	Carl Grim	3,212,000	4,717,000	47
Cashbuild	CONSTRUCTION	Pat Goldrick	3,025,000	1,775,000	-41
Group Five	CONSTRUCTION	MH Lomas	5,585,000	5,969,000	7
Murray & Roberts	CONSTRUCTION	BC Bruce	5,273,000	7,385,000	40
PPC	CONSTRUCTION	JE Gomersall	1,503,000	1,851,000	23
Barloworld Limited	DIVERSIFIED HOLDINGS	AJ Phillips	7,387,000	8,603,000	16
Hosken Consolidated Investmets	DIVERSIFIED HOLDINGS	JA Copelyn	3,942,000	4,125,000	5
Remgro	DIVERSIFIED HOLDINGS	MH Visser	6,211,000	6,604,000	6
RMB Holdings	DIVERSIFIED HOLDINGS	P Cooper	5,384,000	6,168,000	15
Searidel Limited	DIVERSIFIED HOLDINGS	A Searill	4,096,000	5,627,000	37
Sekunjalo Investment Limited	DIVERSIFIED HOLDINGS	Iqbal Survé	3,347,000	6,088,000	82
Coronation Fund Managers	FINANCIAL	Thys Du Toit	4,008,000	20,329,000	407
Liberty Life	FINANCIAL	JB Hemphill(2006) MJD Ruck(2005)	11,658,000	4,971,000	-57
Sanlam	FINANCIAL	J van Zyl	9,512,000	10,384,000	9
Anglo-Vaal Industries	FOOD AND BEVERAGE	SL Crutchley	3,497,000	5,459,000	56
Crookes Brothers Limited	FOOD AND BEVERAGE	DJ Crookes	2,046,000	2,730,000	33
Distell	FOOD AND BEVERAGE	JJ Scannell	2,621,000	3,465,000	32
Illovo Sugar	FOOD AND BEVERAGE	DG MacLeod	3,356,000	6,746,000	101
SAB Miller	FOOD AND BEVERAGE	EAG Mackay	17,949,293	29,462,263	64
Tiger Brands	FOOD AND BEVERAGE	Nick Dennis	11,090,000	11,104,000	0
Consol	GLASS	M Arnold	3,098,000	3,452,000	11
Aspen	HEALTH	Stephen Saad	5,581,000	6,404,000	15
Discovery Health	HEALTH	A Gore	2,737,000	3,300,000	21
Medi-Clinic	HEALTH	E da la H Hertzog	2,286,000	4,790,000	110
Network Healthcare Holdings	HEALTH	RH Friedland	2,981,000	7,150,000	140
Afrox Oxygen	INDUSTRIAL/CHEMICALS	RL Hodgen	5,239,000	20,200,000	286
Denel	INDUSTRIAL/CHEMICALS	S Liebenberg(2006) Moche(2005)	1,691,000	6,254,000	270
Hudaco	INDUSTRIAL/CHEMICALS	SJ Connelly	3,470,000	5,119,000	48
Invicta Holdings Limited	INDUSTRIAL/CHEMICALS	A Goldstone	1,331,000	1,115,000	-16
Reunert	INDUSTRIAL/CHEMICALS	G Pretorius	7,688,000	15,583,000	103
Sasol	INDUSTRIAL/CHEMICALS	LPA Davies	4,640,000	7,808,000	68
Didata	INFORMATION & TELECOMS	Brett Dawson	8,376,120	9,775,880	17
Telkom Limited	INFORMATION & TELECOMS	LRR Molotsane(2006) SE Nxasana(2005)	6,971,568	5,602,995	-20
African Rainbow Minerals	MINING	AJ Wilkens	3,063,000	2,903,000	-5
AngloGold_Ashanti	MINING	RM Godsell	9,359,000	9,732,000	4
Angloplatinum	MINING	Ralph Havenstein	5,333,999	7,012,302	31
Gold Fields	MINING	ID Cockerill	6,180,085	7,364,647	19
Impala Platinum	MINING	KC Rumble	6,480,000	8,176,000	26
Lonmin plc	MINING	Brad Mills	24,573,940	19,767,713	-20
Trans-Hex	MINING	Llewellyn Delpoit	1,063,000	2,502,000	135
Nampak	PAPER AND PACKAGING	GE Bortolan	4,967,740	7,852,570	58
Sappi	PAPER AND PACKAGING	E van As	9,908,030	10,992,694	11
Edcon	RETAIL	SM Ross	11,337,000	10,651,000	-6
Foschini	RETAIL	DM Polak	6,949,900	7,586,500	9
Pick 'n Pay Stores	RETAIL	Sean Summers	11,238,100	11,578,100	3
Shoprite Holdings	RETAIL	JW Basson	59,582,000	10,899,000	-82
Truworths	RETAIL	Michael Mark	10,238,000	10,868,000	6
Woolworths Holdings	RETAIL	Simon Susman	4,053,000	8,206,000	102
Cargo Carriers	TRANSPORT	Murray Bolton & Garth Bolton (=1)	2,081,000	2,187,000	5
Imperial Holdings	TRANSPORT	WG Lynch	4,199,000	4,779,000	14
Super Group	TRANSPORT	Larry Lipschitz	7,532,920	7,914,954	5
Unitrans	TRANSPORT	KJ Grove	3,990,000	6,038,000	51
% Average Increase (55 CEOs)			393,885,537	448,689,092	14
Average Annual Increase (Rands)			7,161,555	8,157,983	996,428
Average Monthly Increase (Rands)			596,796	679,832	83,036

APPENDIX 7: CEO Bonuses & Share Options

		CEO (Name) (incl. bonus)	Pay 2006 (without bonus)	Bonus 2006	Pay 2006	Bonus as % of Pay
African Bank Investments	BANKS	Leon Kirkinis	5,185,000	2,500,000	2,685,000	93
Fisstrand Banking Group	BANKS	SE Nxasana	5,250,000	3,250,000	2,000,000	163
Investec Bank	BANKS	S Koseff	31,127,475	23,125,000	8,002,475	289
Aveng	CONSTRUCTION	Carl Grim	4,717,000	1,467,000	3,250,000	45
Group Five	CONSTRUCTION	MH Lomas	5,969,000	3,625,000	2,344,000	155
Murray & Roberts	CONSTRUCTION	BC Bruce	7,385,000	4,000,000	3,385,000	118
PPC	CONSTRUCTION	JE Gomersall	1,851,000	1,000,000	851,000	118
Barlorld Limited	DIVERSIFIED HOLDINGS	AJ Phillips	8,603,000	3,908,000	4,695,000	83
Hosken Consolidated Investmets	DIVERSIFIED HOLDINGS	JA Copelyn	4,125,000	2,331,000	1,794,000	130
RMB Holdings	DIVERSIFIED HOLDINGS	P Cooper	6,168,000	4,000,000	2,168,000	185
Searidel Limited	DIVERSIFIED HOLDINGS	A Searil	5,627,000	2,962,000	2,665,000	111
Coronation Fund Managers	FINANCIAL	Thys Du Toit	20,329,000	4,842,000	15,487,000	31
Liberty Life	FINANCIAL	JB Hemphill(2006) MJD Ruck(2005)	4,971,000	2,917,000	2,054,000	142
Sanlam	FINANCIAL	J van Zyl	10,384,000	6,100,000	4,284,000	142
Anglo-Vaal Industries	FOOD AND BEVERAGE	SL Crutchley	5,459,000	1,002,000	4,457,000	22
Crookes Brothers Limited	FOOD AND BEVERAGE	DJ Crookes	2,730,000	620,000	2,110,000	29
Distell	FOOD AND BEVERAGE	JJ Scannell	3,465,000	707,000	2,758,000	26
Illovo Sugar	FOOD AND BEVERAGE	DG MacLeod	6,746,000	3,461,000	3,285,000	105
SAB Miller	FOOD AND BEVERAGE	EAG Mackay	29,462,263	17,187,500	12,274,763	140
Tiger Brands	FOOD AND BEVERAGE	Nick Dennis	11,104,000	4,869,000	6,235,000	78
Consol	GLASS	M Arnold	3,452,000	507,000	2,945,000	17
Aspen	HEALTH	Stephen Saad	6,404,000	3,167,000	3,237,000	98
Discovery Health	HEALTH	A Gore	3,300,000	1,300,000	2,000,000	65
Medi-Clinic	HEALTH	E da la H Hertzog	4,790,000	2,362,000	2,428,000	97
Network Healthcare Holdings	HEALTH	RH Friedland	7,150,000	3,458,000	3,692,000	94
Afrox Oxygen	INDUSTRIAL/CHEMICALS	RL Hodgen	20,200,000	1,381,000	18,819,000	7
Denel	INDUSTRIAL/CHEMICALS	S Liebenberg(2006) Moche(2005)	6,254,000	3,125,000	3,129,000	100
Hudaco	INDUSTRIAL/CHEMICALS	SJ Connelly	5,119,000	2,174,000	2,945,000	74
Invicta Holdings Limited	INDUSTRIAL/CHEMICALS	A Goldstone	1,115,000	106,000	1,009,000	11
Reunert	INDUSTRIAL/CHEMICALS	G Pretorius	15,583,000	2,696,000	12,887,000	21
Sasol	INDUSTRIAL/CHEMICALS	LPA Davies	7,808,000	2,085,000	5,723,000	36
Didata	INFORMATION & TELECOMS	Brett Dawson	9,775,880	5,476,930	4,298,950	127
Telkom Limited	INFORMATION & TELECOMS	LRR Molotsane	5,602,995	3,442,573	2,160,422	159
African Rainbow Minerals	MINING	AJ Wilkens	2,903,000	417,000	2,486,000	17
AngloGold_Ashanti	MINING	RM Godsell	9,732,000	2,400,000	7,332,000	33
Angloplatinum	MINING	Ralph Havenstein	7,012,302	2,198,562	4,813,740	46
Gold Fields	MINING	ID Cockerill	7,364,647	2,600,000	4,764,647	55
Impala Platinum	MINING	KC Rumble	8,176,000	1,754,000	6,422,000	27
Lonmin plc	MINING	Brad Mills	19,767,713	6,630,963	13,136,750	50
Trans-Hex	MINING	Llewellyn Delport	2,502,000	993,000	1,509,000	66
Nampak	PAPER AND PACKAGING	GE Bortolan	7,852,570	4,031,558	3,821,012	106
Edcon	RETAIL	SM Ross	10,651,000	3,721,000	6,930,000	54
Foschini	RETAIL	DM Polak	7,586,500	4,099,400	3,487,100	118
Pick 'n Pay Stores	RETAIL	Sean Summers	11,578,100	6,000,000	5,578,100	108
Truworths	RETAIL	Michael Mark	10,868,000	5,600,000	5,268,000	106
Woolworths Holdings	RETAIL	Simon Susman	8,206,000	3,426,000	4,780,000	72
Cargo Carriers	TRANSPORT	Murray Bolton & Garth Bolton (=1)	2,187,000	136,000	2,051,000	7
Imperial Holdings	TRANSPORT	WG Lynch	4,779,000	1,500,000	3,279,000	46
Super Group	TRANSPORT	Larry Lipschitz	7,914,954	3,205,000	4,709,954	68
Unitrans	TRANSPORT	KJ Grove	6,038,000	3,491,000	2,547,000	137
Average % Bonus (for 50 CEOs that received Bonuses)			412,330,399	177,357,486	234,972,913	75

Company	Sector	CEO (Name)	Pay 2006 (including bonus)	Exercised	Share Options 2006 (not included in Pay)
Investec Bank	BANKS	S Koseff	31,127,475		923,670
Barlworld Limited	DIVERSIFIED HOLDINGS	Aj Phillips	8,603,000		3,015,000
Aspen	HEALTH	Stephen Saad	6,404,000		70,000
Network Healthcare Holdings	HEALTH	RH Friedland	7,150,000		992,000
Reunert	INDUSTRIAL/CHEMICALS	G Pretorius	15,583,000		33,400,000
AngloGold Ashanti	MINING	RM Godsell	9,732,000		2,197,000
Angloplatinum	MINING	Ralph Havenstein	7,012,302		14,794,471
Gold Fields	MINING	ID Cockerill	7,364,647		24,500,000
Impala Platinum	MINING	KC Rumble	8,176,000		3,072,000
Nampak	PAPER AND PACKAGING	GE Bortolan	7,852,570		447,000
Imperial Holdings	TRANSPORT	WG Lynch	4,779,000		21,520,000

APPENDIX 8: Company Performance in 2006

Company	Sector	2005	2006	% Increase
African Bank Investments	BANKS	1,559,000,000	1,829,000,000	17
Firstrand Banking Group	BANKS	4,147,000,000	5,060,000,000	22
Investec Bank	BANKS	1,948,399,570	5,512,300,000	183
Nedbank Group	BANKS	5,437,000,000	6,717,000,000	24
Aveng	CONSTRUCTION	402,400,000	787,100,000	96
Cashbuild	CONSTRUCTION	126,710,000	135,413,000	7
Group Five	CONSTRUCTION	133,796,000	231,973,000	73
Murray & Roberts	CONSTRUCTION	615,600,000	736,400,000	20
PPC	CONSTRUCTION	1,536,000,000	1,876,000,000	22
Barloworld Limited	DIVERSIFIED HOLDINGS	3,130,000,000	4,156,000,000	33
Hosken Consolodated Inv.	DIVERSIFIED HOLDINGS	502,716,000	487,371,000	-3
Remgro	DIVERSIFIED HOLDINGS	3,600,000,000	5,103,000,000	42
RMB Holdings	DIVERSIFIED HOLDINGS	3,593,600,000	3,563,600,000	-1
Searcel Limited	DIVERSIFIED HOLDINGS	73,180,000	106,165,000	45
Sekunjalo Investment Limited	DIVERSIFIED HOLDINGS	35,127,000	89,432,000	155
Coronation Fund Managers	FINANCIAL	271,908,000	337,661,000	24
Liberty Life	FINANCIAL	3,361,000,000	5,413,000,000	61
Sanlam	FINANCIAL	14,894,000,000	11,166,000,000	-25
Anglo-Vaal Industries	FOOD AND BEVERAGE	438,600,000	473,200,000	8
Crookes Brothers Limited	FOOD AND BEVERAGE	9,107,000	40,341,000	343
Distell	FOOD AND BEVERAGE	679,762,000	806,144,000	19
Illovo Sugar	FOOD AND BEVERAGE	190,600,000	654,100,000	243
SAB Miller	FOOD AND BEVERAGE	16,230,720,000	16,606,810,000	2
Tiger Brands	FOOD AND BEVERAGE	2,135,100,000	3,053,100,000	43
Consol	GLASS	507,500,000	527,900,000	4
Aspen	HEALTH	393,986,000	854,675,000	117
Discovery Health	HEALTH	853,000,000	1,076,000,000	26
Medi-Clinic	HEALTH	824,000,000	860,000,000	4
Network Healthcare Holdings	HEALTH	11,114,800,000	771,500,000	-93
Afrox Oxygen	INDUSTRIAL/CHEMICALS	2,069,000,000	1,181,000,000	-43
Denel	INDUSTRIAL/CHEMICALS	-1,403,000,000	-1,308,000,000	
Hudaco	INDUSTRIAL/CHEMICALS	187,696,000	232,011,000	24
Invicta Holdings Limited	INDUSTRIAL/CHEMICALS	225,209,000	178,687,000	-21
Reunert	INDUSTRIAL/CHEMICALS	9,713,000,000	13,392,000,000	38
Sasol	INDUSTRIAL/CHEMICALS	14,247,000,000	20,728,000,000	45
Didata	INFO & TELECOMS	286,969,600	442,893,400	54
Telkom Limited	INFO & TELECOMS	9,916,000,000	13,841,000,000	40
African Rainbow Minerals	MINING	1,443,000,000	1,141,000,000	-21
AngloGold Ashanti	MINING	-1,106,000,000	859,000,000	
Angloplatinum	MINING	5,942,400,000	16,713,900,000	181
Gold Fields Group	MINING	357,700,000	2,554,900,000	614
Impala Platinum	MINING	6,334,300,000	7,001,300,000	11
Lonmin plc	MINING	2,028,840,000	4,285,410,000	111
Trans-Hex	MINING	176,232,000	-130,603,000	
Nampak	PAPER AND PACKAGING	1,174,500,000	1,420,000,000	21
Sappi	PAPER AND PACKAGING	-1,179,000,000	-33,000,000	
Edcon	RETAIL	1,733,000,000	2,074,000,000	20
Foschini	RETAIL	1,146,400,000	1,488,200,000	30
Pick 'n Pay Stores	RETAIL	980,300,000	1,087,600,000	11
Shoprite Holdings	RETAIL	1,002,931,000	1,434,575,000	43
Truworths	RETAIL	979,000,000	1,244,000,000	27
Woolworths Holdings	RETAIL	1,078,600,000	1,246,400,000	16
Cargo Carriers	TRANSPORT	29,655,000	41,416,000	40
Imperial Holdings	TRANSPORT	3,366,000,000	3,719,000,000	10
Super Group	TRANSPORT	434,965,000	541,667,000	25
Unitrans	TRANSPORT	363,265,000	495,258,000	36
Total Net Profit for 55 Companies		140,272,574,170	174,902,799,400	25
Average Net Profit		2,550,410,439	3,180,050,898	25

Notes:

Blanks indicate that in either one or both years the company experienced a loss and therefore the % increase of profit could not be calculated. Negative percentages indicate that the company performance did make a net profit before tax in 2006, however, the profit was less than in 2005 by the percentage given.

APPENDIX 9: Construction Sector

CEO

Company	CEO (Name)	2005 Remuneration	2006 Remuneration	% Increase	Bonus 2006 (Included in Pay)
Aveng	Carl Grim	3,212,000	4,717,000	47	1,467,000
Cashbuild	Pat Goldrick	3,025,000	1,775,000	-41	0
Group Five	MH Lomas	5,585,000	5,969,000	7	3,625,000
Murray & Roberts	BC Bruce	5,273,000	7,385,000	40	4,000,000
PPC	JE Gomersall	1,503,000	1,851,000	23	1,000,000
Average % Increase		18,598,000	21,697,000	17	
Average Annual Increase (Rands)		3,719,600	4,339,400	619,800	
Average Monthly Increase (Rands)		309,967	361,617	51,650	

Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Incr.
Aveng	6	5	14,881,000	21,565,000	2,480,167	4,313,000	74
Cashbuild	4	4	5,614,000	6,154,000	1,403,500	1,538,500	10
Group Five	2	2	7,842,000	9,142,000	3,921,000	4,571,000	17
Murray & Roberts	5	5	16,642,000	23,326,000	3,328,400	4,665,200	40
PPC	6	5	10,434,000	12,913,000	1,739,000	2,582,600	49
Average % Increase	23	21	55,413,000	73,100,000	2,409,261	3,480,952	44
Average Annual Increase (Rands)					2,409,261	3,480,952	1,071,692
Average Monthly Increase (Rands)					200,772	290,079	89,308

Non Executive Directors

Company	Non Exec. 2005	Non Exec. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Inc.
Aveng	8	8	1,802,000	1,921,000	225,250	240,125	7
Cashbuild	4	4	1,088,000	1,025,000	272,000	256,250	-6
Group Five	4	6	760,000	1,382,000	190,000	230,333	21
Murray & Roberts	11	10	1,896,000	2,135,000	172,364	213,500	24
PPC	7	7	769,000	896,000	109,857	128,000	17
Average % Increase	34	35	6,315,000	7,359,000	185,735	210,257	13
Average Annual Increase (Rands)					185,735	210,257	24,522
Average Monthly Increase (Rands)					15,478	17,521	2,043

Company Performance

Company	NPBT 2005	NPBT 2006	% Increase
Aveng	402,400,000	787,100,000	96
Cashbuild	126,710,000	135,413,000	7
Group Five	133,796,000	231,973,000	73
Murray & Roberts	615,600,000	736,400,000	20
PPC	1,536,000,000	1,876,000,000	22
Company Performance (%)	2,814,506,000	3,766,886,000	34

APPENDIX 10: Food & Beverage Sector

CEO

Company	CEO (Name)	2005 Remuneration	2006 Remuneration	% Increase	Bonus 2006 (Included in Pay)
Anglo-Vaal Industries	SL Crutchley	3,497,000	5,459,000	56	1,002,000
Crookes Brothers Limited	DJ Crookes	2,046,000	2,730,000	33	620,000
Distell	JJ Scannell	2,621,000	3,465,000	32	707,000
Illovo Sugar	DG MacLeod	3,356,000	6,746,000	101	3,461,000
SAB Miller	EAG Mackay	17,949,293	29,462,263	64	17,187,500
Tiger Brands	Nick Dennis	11,090,000	11,104,000	0	4,869,000
Average % Increase		40,559,293	58,966,263	45	
Average Annual Increase (Rands)		6,759,882	9,827,711	3,067,828	
Average Monthly Increase (Rands)		563,324	818,976	255,652	

Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Incr.
Anglo-Vaal Industries	4	5	11,355,000	10,601,000	2,838,750	2,120,200	-25
Crookes Brothers Limited	1	1	2,046,000	2,370,000	2,046,000	2,370,000	16
Distell	3	3	4,734,000	6,682,000	1,578,000	2,227,333	41
Illovo Sugar	6	7	12,242,000	22,923,000	2,040,333	3,274,714	60
SAB Miller	2	2	27,868,207	44,221,500	13,934,104	22,110,750	59
Tiger Brands	6	6	31,273,000	30,321,000	5,212,167	5,053,500	-3
Average % Increase	22	24	89,518,207	117,118,500	4,069,009	4,879,938	20
Average Annual Increase (Rands)					4,069,009	4,879,938	810,928
Average Monthly Increase (Rands)					339,084	406,661	67,577

Non Executive Director

Company	Non Exec. 2005	Non Exec. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Inc.
Anglo-Vaal Industries	10	11	1,576,000	1,443,000	157,600	131,182	-17
Crookes Brothers Ltd	6	6	535,000	465,000	89,167	77,500	-13
Distell	11	13	927,000	1,238,000	84,273	95,231	13
Illovo Sugar	7	8	2,074,000	2,269,000	296,286	283,625	-4
SAB Miller	9	10	6,266,705	7,232,575	696,301	723,258	4
Tiger Brands	11	12	3,493,000	3,215,000	317,545	267,917	-16
Average % Increase	54	60	14,871,705	15,862,575	275,402	264,376	-4
Average Annual Increase (Rands)					275,402	264,376	-11,026
Average Monthly Increase (Rands)					22,950	22,031	-919

Company Performance

Company	NPBT 2005	NPBT 2006	% Increase
Anglo-Vaal Industries	438,600,000	473,200,000	8
Crookes Brothers Limited	9,107,000	40,341,000	343
Distell	679,762,000	806,144,000	19
Illovo Sugar	190,600,000	654,100,000	243
SAB Miller	16,230,720,000	16,606,810,000	2
Tiger Brands	2,135,100,000	3,053,100,000	43
Company Performance (%)	19,683,889,000	21,633,695,000	10

APPENDIX 11: Mining Sector

CEO

Company	CEO (Name)	2005 Remuneration	2006 Remuneration	% Increase	Bonus 2006 (Included in Pay)	Exercised Share Options 2006 (not included in Pay)
African Rainbow Minerals	AJ Wilkens	3,063,000	2,903,000	-5	417,000	
AngloGold_Ashanti	RM Godsell	9,359,000	9,732,000	4	1,891,000	2,197,000
Angloplatinum	Ralph Havenstein	5,333,999	7,012,302	31	2,198,562	14,794,471
Gold Fields	ID Cockerill	6,180,085	7,364,647	19	2,600,000	24,500,000
Impala Platinum	KC Rumble	6,480,000	8,176,000	26	1,754,000	3,072,000
Lonmin plc	Brad Mills	24,573,940	19,767,713	-20	6,630,963	
Trans-Hex	Llewellyn Delpont	1,063,000	2,502,000	135	993,000	
Average % increase		56,053,024	57,457,662	3		
Average Annual increase (Rands)		8,007,575	8,208,237	200,663		
Average Monthly Increase (Rands)		667,298	684,020	16,722		

Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave. 2005	Ave. 2006	% Incr.
African Rainbow Minerals	5	7	14,343,000	14,627,000	2,868,600	2,089,571	-27
AngloGold_Ashanti	8	5	34,574,000	31,278,000	4,321,750	6,255,600	45
Angloplatinum	9	10	25,283,162	33,012,699	2,809,240	3,301,270	18
Gold Fields Group	2	2	10,312,316	12,458,295	5,156,158	6,229,148	21
Impala Platinum	4	5	16,882,000	22,223,000	4,220,500	4,444,600	5
Lonmin plc	3	3	35,078,574	35,038,150	11,692,858	11,679,383	0
Trans-Hex	3	3	6,236,000	5,375,000	2,078,667	1,791,667	-14
Average % Increase	34	35	142,709,052	154,012,144	4,197,325	4,400,347	5
Average Annual Increase (Rands)					4,197,325	4,400,347	203,022
Average Monthly Increase (Rands)					349,777	366,696	16,918

Non-Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave. 2005	Ave. 2006	% Incr.
Company	Non Exec. 2005	Non Exec. 2006	Total 2005	Total 2006	Ave. 2005	Ave. 2006	% Incr.
African Rainbow Minerals	11	11	7,398,000	2,719,000	672,545	247,182	-63
AngloGold_Ashanti	12	15	3,690,000	4,053,000	307,500	270,200	-12
Angloplatinum	13	17	2,656,169	3,260,785	204,321	191,811	-6
Gold Fields	11	16	4,887,250	5,573,276	444,295	348,330	-22
Impala Platinum	12	8	3,085,000	2,975,000	257,083	371,875	45
Lonmin plc	5	6	5,575,028	7,038,625	1,115,006	1,173,104	5
Trans-Hex	9	10	614,000	530,000	68,222	53,000	-22
Average % Increase	73	83	27,905,447	26,149,686	382,266	315,056	-18
Average Annual Increase (Rands)					382,266	315,056	-67,210
Average Monthly Increase (Rands)					31,856	26,255	-5,601

Company Performance

Company	NPBT 2005	NPBT 2006	% Increase
African Rainbow Minerals	1,443,000,000	1,141,000,000	-21
AngloGold_Ashanti	-1,106,000,000	859,000,000	
Angloplatinum	5,942,400,000	16,713,900,000	181
Gold Fields Group	357,700,000	2,554,900,000	614
Impala Platinum	6,334,300,000	7,001,300,000	11
Lonmin plc	2,028,840,000	4,285,410,000	111
Trans-Hex	176,232,000	-130,603,000	
Average % Increase	15,176,472,000	32,424,907,000	114

APPENDIX 12: Retail Sector

CEO

Company	CEO (Name)	2005 Remuneration	2006 Remuneration	% Increase	Bonus 2006 (Included in Pay)
Edcon	SM Ross	11,337,000	10,651,000	-6	3,721,000
Foschini	DM Polak	6,949,900	7,586,500	9	4,099,400
Pick 'n Pay Stores	Sean Summers	11,238,100	11,578,100	3	6,000,000
Shoprite Holdings	JW Basson	59,582,000	10,899,000	-82	0
Truworths	Michael Mark	10,238,000	10,868,000	6	5,600,000
Woolworths Holdings	Simon Susman	4,053,000	8,206,000	102	3,426,000
Average % Increase		103,398,000	59,788,600	-42	
Average Annual Increase (Rands)		17,233,000	9,964,767	-7,268,233	
Average Monthly Increase (Rands)		1,436,083	830,397	-605,686	

Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Incr.
Edcon	6	6	38,401,000	27,301,000	6,400,167	4,550,167	-29
Foschini	2	2	11,538,600	12,722,100	5,769,300	6,361,050	10
Pick 'n Pay Stores	5	5	24,532,300	25,171,900	4,906,460	5,034,380	3
Shoprite Holdings	5	7	67,540,000	25,843,000	13,508,000	3,691,857	-73
Truworths	3	3	14,872,000	15,888,000	4,957,333	5,296,000	7
Woolworths Holdings	3	3	8,744,000	16,450,000	2,914,667	5,483,333	88
Average % Increase	24	26	165,627,900	123,376,000	6,901,163	4,745,231	-31
Average Annual Increase (Rands)					6,901,163	4,745,231	-2,155,932
Average Monthly Increase (Rands)					575,097	395,436	-179,661

Non-Executive Directors

Company	Non Exec. 2005	Non Exec. 2006	Total 2005	Total 2006	Ave.2005	Ave.2006	% Inc.
Edcon	7	7	1,112,000	2,040,000	158,857	291,429	83
Foschini	8	8	1,173,800	1,392,500	146,725	174,063	19
Pick 'n Pay Stores	7	7	1,352,500	2,740,000	193,214	391,429	103
Shoprite	6	6	1,983,000	658,000	330,500	109,667	-67
Truworths	5	5	552,000	768,000	110,400	153,600	39
Woolworths Holdings	8	8	2,175,000	2,403,000	271,875	300,375	10
Average % Increase	41	41	8,348,300	10,001,500	203,617	243,939	20
Average Annual Increase (Rands)					203,617	243,939	40,322
Average Monthly Increase (Rands)					16,968	20,328	3,360

Company Performance

Company	NPBT 2005	NPBT 2006	% Increase
Edcon	1,733,000,000	2,074,000,000	20
Foschini	1,146,400,000	1,488,200,000	30
Pick 'n Pay Stores	980,300,000	1,087,600,000	11
Shoprite Holdings	1,002,931,000	1,434,575,000	43
Truworths	979,000,000	1,244,000,000	27
Woolworths Holdings	1,078,600,000	1,246,400,000	16
Company Performance (%)	6,920,231,000	8,574,775,000	24

Appendix 13: Transport Sector

CEO

Company	CEO (Name)	2005 Remuneration	2006 Remuneration	% Increase	Bonus 2006 (Included in Pay)	Exercised Share Options 2006 (not included in Pay)
Cargo Carriers	M. Bolton & G Bolton (counted as one)	2,081,000	2,187,000	5	136,000	
Imperial Holdings	WG Lynch	4,199,000	4,779,000	14	1,500,000	21,520,000
Super Group	Larry Lipschitz	7,532,920	7,914,954	5	3,205,000	
Unitrans	KJ Grove	3,990,000	6,038,000	51	3,491,000	
Average % Increase		17,802,920	20,918,954	18		
Average Annual Increase (Rands)		4,450,730	5,229,739	779,009		
Average Monthly Increase (Rands)		370,894	435,812	64,917		

Executive Directors

Company	Exec Dir. 2005	Exec Dir. 2006	Total 2005	Total 2006	Ave. 2005	Ave. 2006	% Incr.
Cargo Carriers	2	2	2,450,000	2,577,000	1,225,000	1,288,500	5
Imperial Holdings	7	7	29,901,000	35,473,000	4,271,571	5,067,571	19
Super Group	7	6	22,224,047	22,518,526	3,174,864	3,753,088	18
Unitrans	4	4	11,790,000	16,849,000	2,947,500	4,212,250	43
Average % Increase	20	19	66,365,047	77,417,526	3,318,252	4,074,607	23
Average Annual Increase (Rands)					3,318,252	4,074,607	756,354
Average Monthly Increase (Rands)					276,521	339,551	63,030

Non-Executive Directors

Company	Non Exec. 2005	Non Exec. 2006	Total 2005	Total 2006	Ave. 2005	Ave. 2006	% Inc.
Cargo Carriers	4	4	369,000	390,000	92,250	97,500	6
Imperial Holdings	10	12	2,659,000	3,386,000	265,900	282,167	6
Super Group	10	8	1,333,500	2,242,217	133,350	280,277	110
Unitrans	11	8	935,000	1,205,000	85,000	150,625	77
Average % Increase	35	32	5,296,500	7,223,217	151,329	225,726	49
Average Annual Increase (Rands)					151,329	225,726	74,397
Average Monthly Increase (Rands)					12,611	18,810	6,200

Company Performance

Company	NPBT 2005	NPBT 2006	% Increase
Cargo Carriers	29,655,000	41,416,000	40
Imperial Holdings	3,366,000,000	3,719,000,000	10
Super Group	434,965,000	541,667,000	25
Unitrans	363,265,000	495,258,000	36
Company Performance (%)	4,193,885,000	4,797,341,000	14

ECONOMIC REVIEW 2007

macro-economic indicators for collective bargaining

Saliem Patel, Labour Research Service

INTRODUCTION

This economic review is meant to provide trade unions with the basic economic information necessary for developing a collective bargaining strategy. This is in line with the motto of the Labour Research Service (LRS): "Knowledge is too important to be left in the hands of the bosses". While information on economic indicators does not automatically generate an approach or a strategy, it is important to have such information at the outset.

A broad view of current economic indicators shows that cracks are appearing in the South African economy after consistent growth since 1994 and relative stability over the same period. Growth continues and the economy remains stable, but the fast-growing deficit on the trade account (imports are growing faster than exports), rising inflation and escalating levels of household debt are causes for concern. Together with a number of earlier worrying trends – a low savings rate, unstable currency exchange rates and increasing oil prices – this has resulted in economists raising questions about South Africa's economic sustainability.

Chief economist of Absa, Christo Luus, is said to believe that the economy is becoming dysfunctional.¹ His view is that the capacity problems in the economy are "exacerbating the large deficit on the current account of the balance of payments". The lack of capacity represented by poor infrastructure and shortages in the supply of goods and services is linked to the current paradox of the South African economy. In essence, "millions of unskilled people are unemployed, but there are acute shortages of skilled people at the same time". The structure of the labour market is a critical factor inhibiting the increase of exports and preventing unsustainable levels of imports, according to Luus. He therefore recommends deregulating the labour market as well as the capital and the currency markets. Other proposals include lowering tax and compliance burdens on companies.

If this is all the leading economists in the business sector can come up with then workers are in a lot of trouble. Despite the extended period of economic growth workers' wages have barely kept up with inflation, with many having to rely on increasing levels of credit to make ends meet as shown by the increase in household debt. Although the economy has reached a point where it is no longer losing jobs, high and increasing levels of casualisation of the labour force has resulted in job insecurity with many workers having bad or no non-wage benefits. Decent work and a decent life is a far-off dream for the majority of workers that have contributed much to the growth of the economy while receiving so little.

¹ "SA Economy Battling With Capacity Problems – Absa", Business Day, 14 June 2007. Accessed online. [www.businessday.co.za]

Structural unemployment is not a problem for business at all. The only problem they have is that there are insufficient workers with the kind of skills business requires because this has the effect of pushing up labour costs for business.

The Accelerated and Shared Growth Initiative of the South African government, called *Asgisa*, has led to more government spending on infrastructure. This has contributed marginally to economic growth and employment creation. However, as with proposals put forward by business, *Asgisa* comes nowhere near getting the economy off the track of de-industrialisation, growing trade deficits, higher levels of debt and, most importantly, the grotesquely inequitable distribution of wealth. Cosatu general secretary, Zwelinzima Vavi, said in February last year already: "The *Asgisa* framework identifies the important problem which is slow and inequitable growth, and points to some key reasons rooted in the inherited economic structure. While many of the proposed solutions have considerable merit, they do not adequately reflect the overall aim of inclusive, shared growth. Taken together, they seem inadequate to achieve the desired aims."²

Structural unemployment, low wages and poverty will continue to be the lot of working people if there is no concerted and collective intervention by them in reforming the economy to meet their needs. While tripartite institutions and collective bargaining structures exist through which trade unions are able to voice concerns, no real changes favourable to workers' interests and needs have been made. The growth in the number of disputes that led to industrial action over the past three years indicates that workers are re-entering the terrain of collective bargaining in an active, even if still very defensive, manner. While this is invigorating the unions, it is only the pressure of offensive and collective action that will bring about meaningful economic gains for the millions of union members and the communities from which they come.

ECONOMIC GROWTH

The economy has been growing at relatively high levels for the past three years. The Gross Domestic Product (GDP) grew by 4.9% in 2004, 5.1% in 2005 and 5% in 2006. This growth is uneven and a look at the table below shows that while the primary sector declined during 2006, the secondary sector did better and the tertiary sector grew fastest – -4.4%, 5.7% and 6% respectively.

The Financial Intermediation, Insurance, Real Estate, and Business Services sector performed well with growth averaging 8.3%, and the Construction sector grew even faster at 13.3% in 2006. Agriculture performed dismally and declined by 13.1% in 2006.

The national accounts also reveal that growth is skewed in favour of companies. The figure below shows net operating surpluses or company profits increasing at higher percentages and at a faster rate than compensation to employees since 2004.

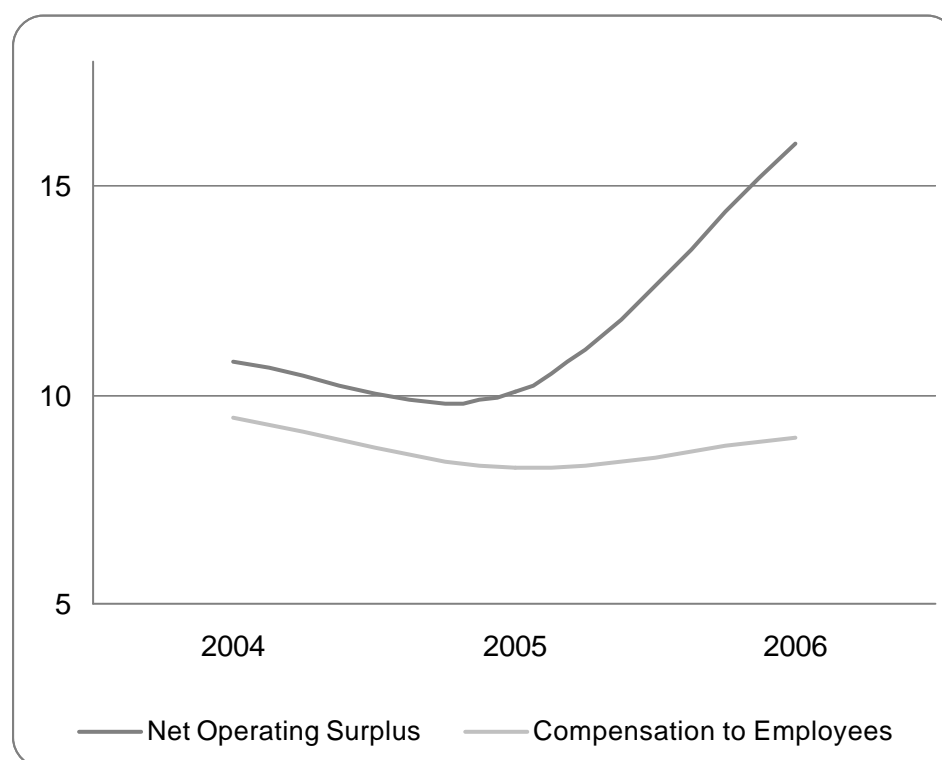
²"Cosatu blasts *Asgisa* proposals: *Unfair, slow growth a big problem for union giant*", Irene Louw, City Press, February 19, 2006. [<http://amadlandawonye.wikispaces.com/Cosatu+blasts+Asgisa+proposals,+Irene+Louw,+City+Press>]

Table 29: Gross Value Added by Kind of Economic Activity

Sector	2005(Rm)	2006 (Rm)	%
Primary Total	98,219.0	93,926.0	-4.4
Agriculture, Forestry, Fishing	29,232.0	25,390.0	-13.1
Mining and Quarrying	68,987.0	68,536.0	-0.7
Secondary Total	238,511.0	252,121.0	5.7
Manufacturing	182,917.0	191,630.0	4.8
Electricity, Gas and Water	24,460.0	25,207.0	3.1
Construction	31,134.0	35,284.0	13.3
Tertiary Total	680,020.0	720,581.0	6.0
Wholesale, Retail, Catering and Accommodation	153,497.0	163,754.0	6.7
Transport, Storage, Communication	109,165.0	115,088.0	5.4
Financial Intermediation, Insurance, Real Estate, Business Services	212,885.0	230,514.0	8.3
Community, Social, Personal Services	204,473.0	211,225.0	3.3
General Government Services	144,232.0	148,783.0	3.2
Other	60,241.0	62,442.0	3.7
Gross Value Added (Const 2000 prices)	1,016,750.0	1,066,628.0	4.9

Source: SARB, March 2007, S-105

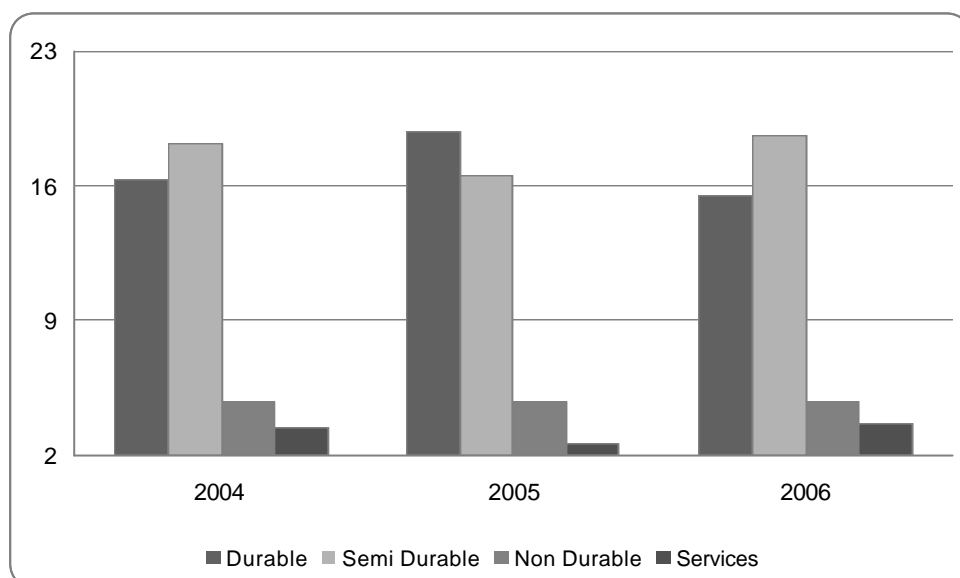
Figure 8: Net Operating Surplus and Compensation to Employees (% Increase): 2004-2006



Source: SARB, March 2007, calculated from data on page S-104.

Expenditure of households that has underpinned economic growth over the past few years continued to grow in 2006. The figure below shows that households consumed higher levels of semi durable goods and services while consumption of durable goods and non durable goods grew at a slower pace last year.

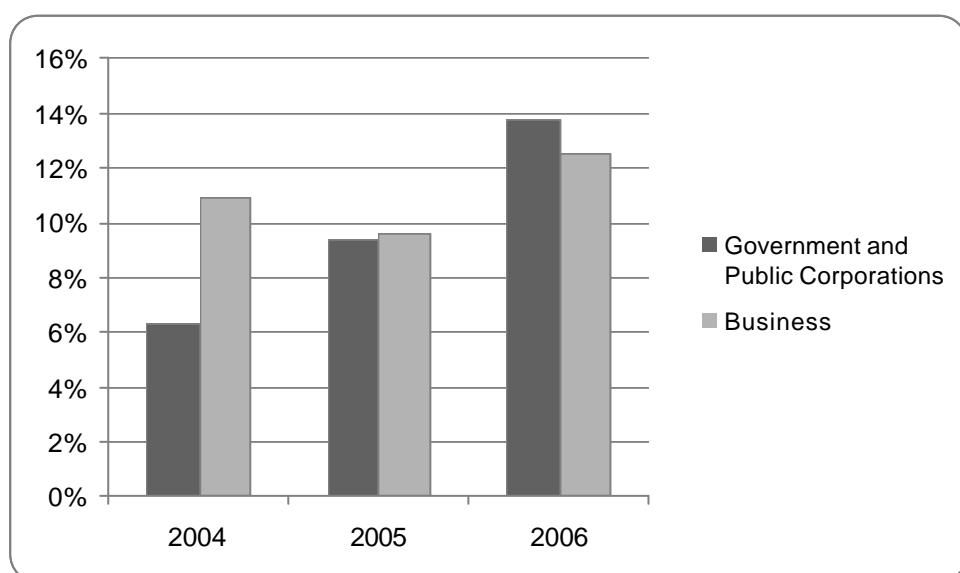
Figure 9: Household Consumption of Durable Goods, Semi Durable Goods, Non Durable Goods and Services (% increase): 2004-6



Source: SARB, March 2007, calculated data on page S-111.

Investment by government and business also boosted economic growth. Government investment in economic and social infrastructure together with investment in economic services grew by 6.3% in 2004, 9.4% in 2005 and a higher 13.8% in 2006. Private business also increased investment by 10.9% in 2004, 9.6% in 2005 and 12.5% last year (see figure below). Gross fixed capital formation increased from R196 382 million in 2005 to R221 583 million in 2006, an increase of almost 13%.

Figure 10: Gross Fixed Capital Formation by Government (including Public Corporations) and by Private Business (% increase): 2004-6

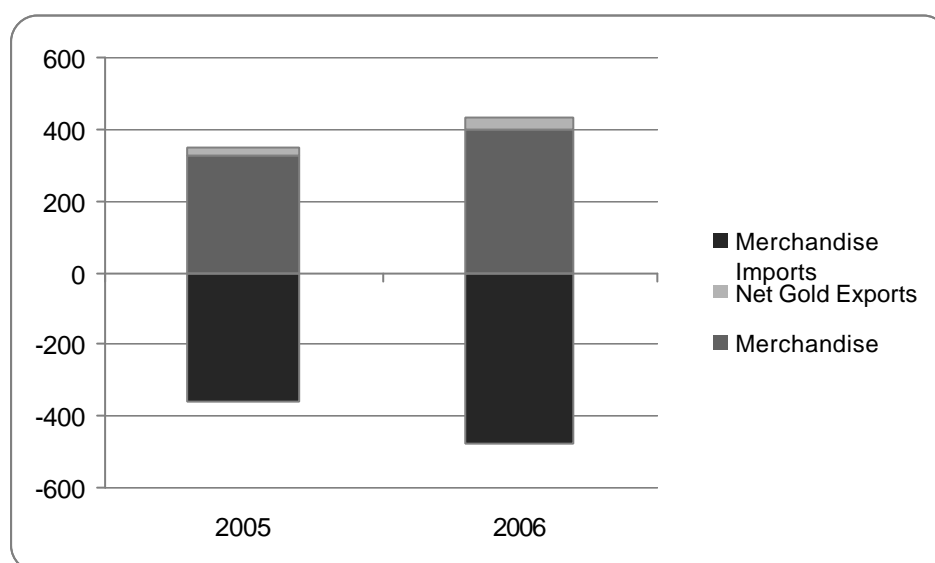


Source: SARB, March 2007, calculated from data on page S-115

TRADE AND FOREIGN INVESTMENT

There is no doubt that the South African economy is highly integrated in the global economy if one takes trade as an indicator. The ratio of the export of goods and services to GDP increased from 26.7 in 2004, 27.5 in 2005 and was at 29.8 in 2006. The ratio of the imports of goods and services to GDP increased faster over the same period: it was 27 in 2004, 28.4 in 2005 and 33.2 last year.³ This faster growth of imports led to a deficit on the trade account in 2005 of R7.7 billion and this increased to an even higher deficit of R42.5 billion in 2006.

Figure 11: Contribution to Trade Balance (in billions of Rands)



The negative balance on the current account as a whole grew as a percentage of GDP from 3.8% in 2005 to 6.4% in 2006 (see table below).

Table 30: Balance of Payments on Current Account:

(R billions seasonally adjusted and annualised)	2005	2006
Merchandise Exports	325.1	398.5
Net Gold Exports	27	35.5
Merchandise Imports	-359.8	-476.5
Trade Balance	-7.7	-42.5
Net Services, Income and Current Transfer Payments	-50.7	-68.6
Balance on Current Account	-58.4	-111.1
Percentage of GDP	-3.8	-6.4

Source: SARB, March 2007, p20.

While it can be argued that this deficit is not detrimental to the economy if foreign investment more than compensates for the financial outflows due to the deficit in the trade account, the kind of investment South Africa attracts continues to be largely speculative investment or investment that can easily and unexpectedly be withdrawn. The table below shows that in 2006 the major source of investment was Portfolio Investment while, in fact, Direct Investment declined by R2.1 billion.

³ SARB, March 2007, p S-146.

Figure 12: Contribution to Balance on Current Account (in billions of Rands)

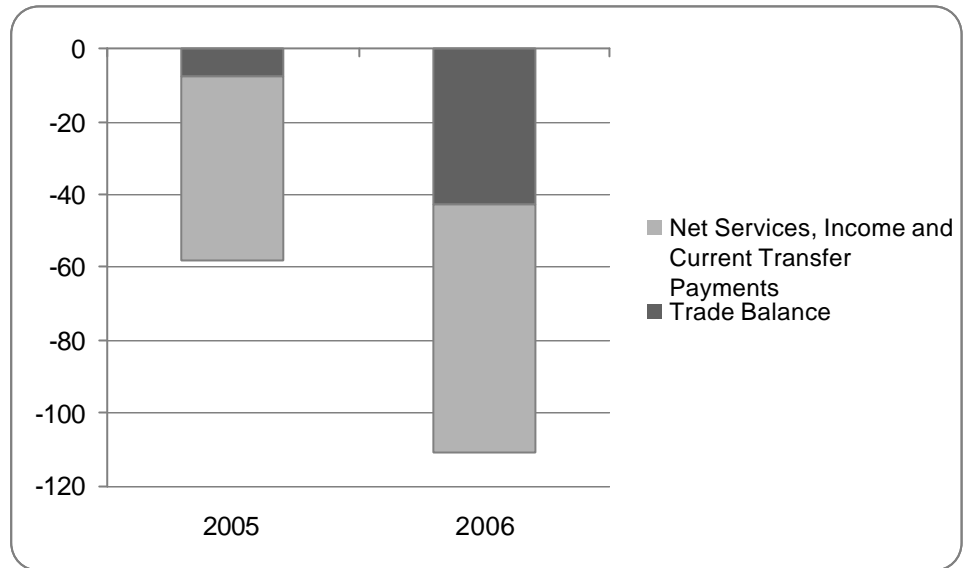


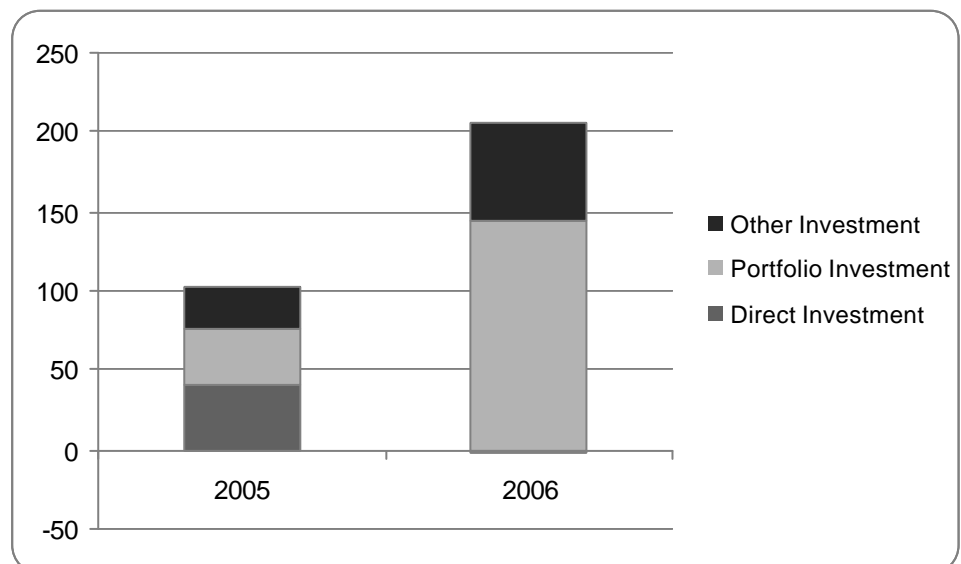
Table 31: Foreign Investment Inflows and Outflows*: 2005-2006

(R billions)	2005	2006
Change in Liabilities	102.9	203.3
Direct Investment	39.9	-2.1
Portfolio Investment	36.1	144.3
Other Investment	26.9	61.1
Change in Assets	-34.0	-102.0
Direct Investment	-6.0	-45.2
Portfolio Investment	-6.0	-13.7
Other Investment	-22.0	-43.1
Unrecorded transactions	23.7	39.5
Total Financial Transaction	92.6	140.8

* Inflows are recorded as liabilities and outflows as assets
Source: SARB, March 2007, p23

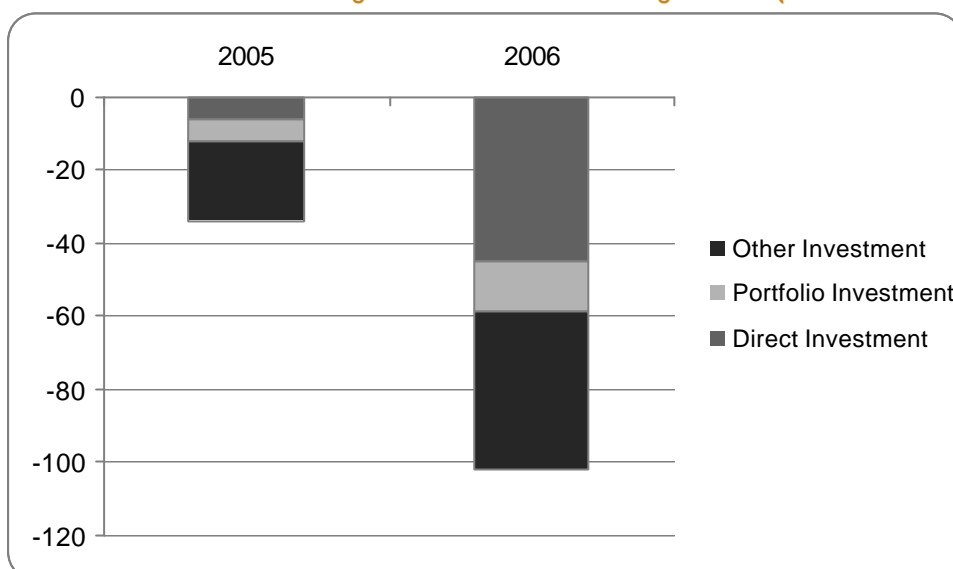
The table also shows that there has been an increase in investment abroad by South Africans from R34 billion in 2005 to R102 billion in 2006 (almost equivalent to the deficit on the current account) of which a major part is Direct Investment and can not necessarily be brought back in the short term.

Figure 13: Contribution to Change in Liabilities (in billions of Rands)



⁴ SARB, March 2007, p S-150

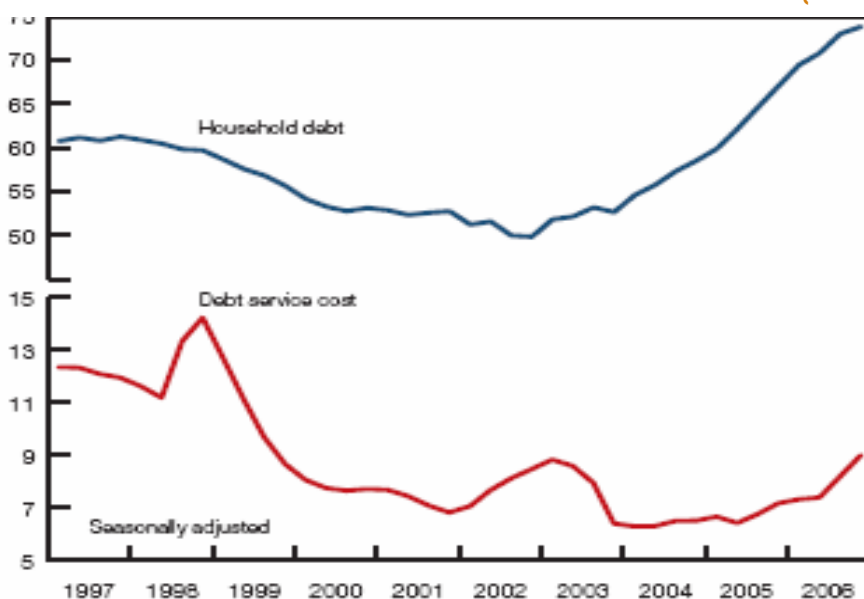
Figure 14: Contribution to Change in Assets (in billions of Rands)



DEBT

Debt is not necessarily a bad instrument for financing development as long as it leads to rising and sustainable standards of living and working conditions. The debt levels of South Africans have grown in the last few years and have risen as a percentage of household income from 56.6% in 2004 to 63.5% in 2005 and an even higher 71.8% by the end of 2006.⁴ A major part of household incomes now goes towards debt servicing. Debt servicing was up to 9% of disposable income by the end of last year.⁵ The rising interest rate increases the burden – in 2006 the Reserve Bank increased the repo rate (which then affects the bank rate) by 2% to 9% and although it did not go up earlier in this year, the Monetary Policy Committee raised it by another 0.5% in June 2007 to 9.5%. Indications are that it will rise further if inflation and the trade deficit don't come down.⁶

Figure 15: Household Debt and Debt Servicing Cost as percentage of Disposable Income (1997-2006)



Source: SARB, March 2007, p12.

⁵ SARB, March 2007, p12

⁶ Business Day, "Mboweni smiles as credit slows", <http://www.businessday.co.za/Articles/TarkArticle.aspx?ID=2868478>

South Africa's foreign debt has also increased from US\$38 142 million in 2004, US\$43 635 million in 2005 and US\$46 157 million in 2006. However, this appears not to be too much of a concern as the ratio of foreign debt to GDP and to total export earnings has declined steadily over the three years.⁷ Also the exchange rate, although forever fluctuating and unstable, has not deteriorated much against major currencies. The Rand fell from R8.01 to the Euro in 2004 to R8.51. It fell from R6.44 to the US\$ in 2004 to R6.76 in 2006.⁸

INCOMES AND EMPLOYMENT

GDP per capita has grown from R22 729 in 2004 to R23 564 in 2005 to R 24 421 in 2006. The percentage growth for these respective years was 3.4%, 3.7% and 3.6%. However, GDP per capita conceals the huge income inequalities in South Africa where a few have very high incomes and the majority very low incomes.

Productivity has increased by 2.7%, 4% and 2.4% in 2004, 2005 and 2006 respectively. Higher productivity "exceeded remuneration growth" and resulted in lower labour costs according to the Reserve Bank.⁹ But are lower labour costs more important than sharing productivity gains among workers?

Employment has grown steadily even if still at a very low rate and much lower than the GDP growth rate. The table below shows that employment has been growing in both the public and private sector with a total percentage growth of 3% in 2006. At this rate of employment creation, which is barely keeping up with population growth, structural unemployment will continue to be the order of the day and South Africa will be unable to meet the millennium development goal of halving unemployment by 2014.

Table 32: Employment in the Non-Agricultural Sectors (% change): 2004-2006

	Public Sector	Private Sector	Total
2004	1.0	2.4	2.1
2005	2.8	0.6	1.1
2006	2.8	3.0	3.0

Source: SARB, June 2007, p S-152

INFLATION

Inflation has been on a downward trend since the early 1990s and in 2005 the Consumer Price Index shows a record low 3.9% increase for the year. However it registered a 4.6% increase in 2006 and has been going up every month since then (see table below).

Year	Index	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Ave.
2004	Index	127,4	128,1	128,9	129,3	129,4	129,7	130,1	129,9	130,3	130,9	131,7	131,4	129,8
	%	+4,2	+4,8	+4,4	+4,4	+4,4	+5,0	+4,2	+3,7	+3,7	+4,2	+4,6	+4,3	+4,3
2005	Index	132,0	132,1	133,5	134,2	134,5	134,2	135,6	136,1	136,4	136,7	136,6	136,7	134,9
	%	+3,6	+3,1	+3,6	+3,8	+3,9	+3,5	+4,2	+4,8	+4,7	+4,4	+3,7	+4,0	+3,9
2006	Index	137,7	138,0	138,6	139,2	140,0	140,7	142,2	142,9	143,3	143,5	143,4	143,5	141,1
	%	+4,3	+4,5	+3,8	+3,7	+4,1	+4,8	+4,9	+5,0	+5,1	+5,0	+5,0	+5,0	+4,6
2007	Index	145,0	144,8	146,2	148,0									
	%	+5,3	+4,9	+5,5	+6,3									

⁷ SARB, March 2007, p S-98,99.

⁸ SARB, March 2007, p S-102

⁹ SARB, March 2007, p 14.

However, inflation affects different income groups differently. For example, if a large part of an income is spent on food (which applies to poorer income groups) then food inflation will have a larger effect than if food is only a small part of overall expenditure. In the table below it can be seen that while inflation was 6.9% for all income groups between May 2006 and May 2007; inflation was actually 7.8% for the very low income group, 7.4% for the low income group, 7% for the middle income group, 6.7% for the high income group and 7% for the very high income group. The food index for the same period was 8.7%, almost 2% higher than the CPI of 6.9%.

Table 33: Expenditure Group and Area Indices for the CPI

Product/expenditure group		Index (2000=100)			Percentage change between	
		May 2006	Apr 2007	May 2007	Apr 2007 and May 2007	May 2006 and May 2007
Expenditure group	Very low	141,0	151,0	152,0	+0,7	+7,8
	Low	140,5	149,9	150,9	+0,7	+7,4
	Middle	137,2	145,9	146,8	+0,6	+7,0
	High	138,2	146,5	147,4	+0,6	+6,7
	Very high	130,4	136,7	139,5	+0,6	+7,0
All expenditure groups		132,6	141,0	141,8	+0,6	+6,9
CPI excluding interest rates on mortgage bonds (CPIX)		140,7	148,4	149,3	+0,6	+6,1
Core index		138,7	145,9	147,0	+0,8	+6,0
Food index		146,3	157,7	159,1	+0,9	+8,7
CPI excluding food		129,3	136,9	137,7	+0,6	+6,5
CPI for administered prices		149,7	159,7	162,4	+1,7	+8,5
CPI for regulated prices		142,5	152,1	155,9	+2,5	+9,4
CPI for administered prices that are not regulated		166,8	177,6	177,6	0,0	+6,5
CPIX for administered prices		149,6	159,5	162,2	+1,7	+8,4
CPIX for regulated prices		142,4	152,0	155,8	+2,5	+9,4
CPIX for administered prices that are not regulated		166,7	177,5	177,5	0,0	+6,5
CPI excluding VAT [1]		132,6	141,0	141,8	+0,6	+6,9

Source: StatsSA, Consumer Price Index, May 2007. <http://www.statssa.gov.za/publications/P0141/P0141May2007.pdf>

It appears that high prices of imports are being passed on to consumers and that while productivity gains are not shared among workers, higher prices are. What is worse is that price increases affects those that are poorest the most.

CONCLUSION

The International Labour Organisation (ILO) and the international trade union movement have been at the forefront of arguing that decent work is at the heart of development. As shown earlier, corporate economists in South Africa disagree – they argue for greater labour flexibility and the reduction of labour costs to improve international competitiveness. They hope to continue making huge profits at the expense of workers instead of dealing with the structural problems that hinder equitable and sustainable development.

The optimism in the South African economy is beginning to wane and this review has highlighted the cracks appearing that have resulted in renewed debates about economic development and policy. It is an opportune time for unions to again enter this debate, putting forward redistributive policy positions on the one hand and actively mobilising for them on the other. A first step in the struggle for equitable redistribution for unions is ensuring a living wage for workers.

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Business Day

City Press

INFLATION MONITOR

price inflation in South Africa

Trenton Elsley, Labour Research Service

Whatever your opinion of the proper relationship between inflation and wage negotiations, it remains important that negotiators are familiar with key aspects of inflation and have a strategy for dealing with this issue. Inflation benchmarking may be seen as a tool for formulating a bottom-line wage demand or a demand that seeks to protect real incomes.

This article provides the latest inflation figures (at the time of publication), draws out some trends and puts forward a few guidelines for using inflation in the context of collective bargaining.

CURRENT INFLATION¹

Table 34: May 2006 to May 2007

CPI	6.9%
CPIX	6.4%
Food	8.7%
Transport	7.1%
Core	6%

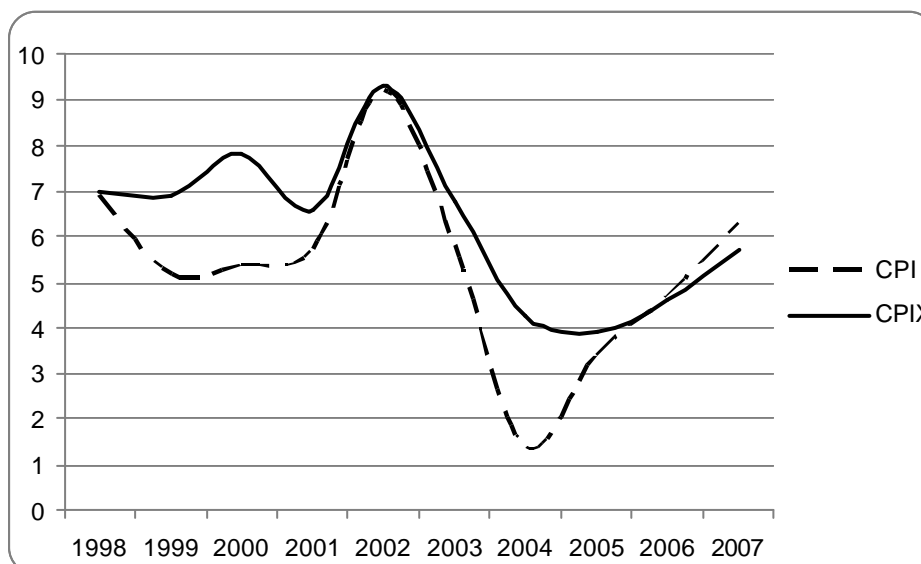
SOME TRENDS

It is well known that CPIX inflation is central to the Reserve Bank's monetary policy. The Reserve Bank holds an aggressive commitment to holding CPIX within a band of 3-6% and tends to raise interest rates in response to rising inflation.

Inflation figures (as at May 2007) remain in an up-cycle. Food, transport and housing costs lead these measures.

As the figure below suggests, CPIX is generally a higher value than CPI. A recent trend for CPI to exceed CPIX is linked to a series of upward adjustments

Figure 16: Average annual (annualised) increase in inflation (%): 1998-2007



¹ Inflation data is sourced from Statistics South Africa, publication P0141 and is available at www.statssa.gov.za

of the interest rate by the Reserve Bank in recent times. CPIX inflation specifically excludes the inflationary effect of interest rates.

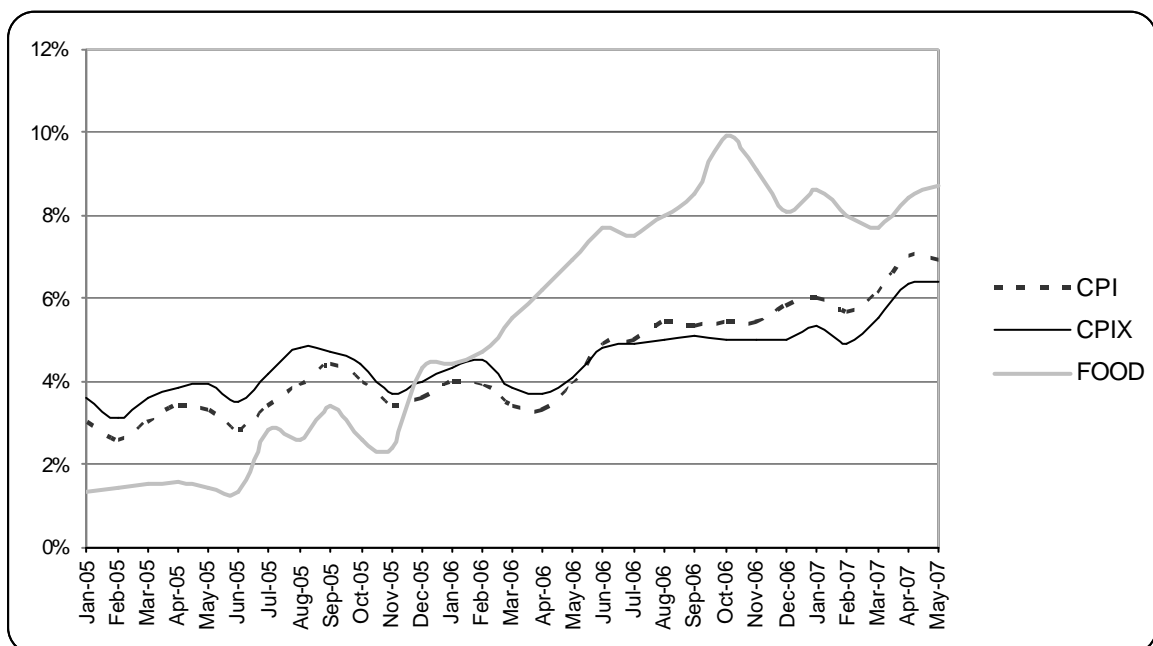
The figure below introduces average annual food price inflation. It is evident that average food price inflation tended to shadow the movement of CPIX between 1998 and 2002 but at a lower level. This changes in 2003 and food price inflation begins to diverge from CPIX to a far greater degree.

Figure 17: Average annual (annualised) increase in inflation (%): 1998-2007



The annual averages do hide some month on month variation though. The figure below shows month by month increases in these (annualised) inflation indices in more recent years.

Figure 18: Annualised monthly inflation: January 2005 to the present



We note that annualised monthly CPI has been higher than CPIX since June 2006 and that food inflation began to exceed overall inflation from December 2005.

Currently food price inflation is the highest benchmark of inflation. The cost of food increased by 8.7% between May 2006 to May 2007, while overall CPI increased by a lesser figure of 6.9% and CPIX by 6.4 percent.

Food inflation is a part of CPI and CPIX and accounts for roughly 50% of expenditure (spending) by households in the lower expenditure groups. The rate of food price inflation has been higher than average inflation since December 2005. The inflationary effect on low expenditure households is amplified in that they spend a greater proportion of their income on food items than do higher expenditure groups.

In other words, low expenditure households are likely to have experienced a higher overall rate of price increases than average CPI or CPIX figures after December 2005 would suggest.

In summary, CPIX remains the better protection against price inflation on average, although heightened levels of food price inflation suggest that lower expenditure groups (and perhaps low income earners) will experience a rate of inflation that is higher than average CPIX in any month. A related conclusion is that a reading of more than one inflation index provides a better assessment of the actual inflation risk to wage incomes.

SOME THOUGHTS ON NEGOTIATING INFLATION

Looking Back

As an example we use an annual wage increase to be implemented in May. At the end of June Statistics South Africa publishes inflation data for May (one month later). The increase in average CPIX between May 2006 and May 2007 was 6.4%.

If the last wage increase (May 2006) was less than the rate of inflation over the following 12 months, then the real value of wages has fallen. The difference should be added to the new wage demand to address this shortfall. If the wage increase in May 2006 was 5% then an extra 1.4% in the current wage demand (May 2007) would go some way to restoring buying power.

The reader may assess the real value of a wage increase by using the inflation tables included at the end of this chapter.

Low income households

The increase in CPIX was measured to be 6.4% between May 2006 and May 2007. The corresponding figure for CPI was reported to be 6.9%. These figures are released monthly by Statistics South Africa and are subsequently picked up by the media, employers and trade unions. These figures are averages and neglect the fact that Stats SA actually calculates inflation for five different expenditure groups.

Households spending different amounts experience different rates of inflation. Below are the most recent inflation rates for the different expenditure groups. It shows how households in the lowest expenditure group tend to experience

Table 35: CPIX Inflation by Expenditure Group: May 2007

Expenditure Group	Expenditure ²	% increase in annualised inflation
Average CPIX	-	+6.4%
Very low	up to R1023 per month	+8.1%
Low	up to R1554 per month	+7.5%
Middle	up to R3087 per month	+7%
High	up to R6989 per month	+6.3%
Very high	R6990 per month and more	+6.2%

the highest rate of inflation and that this rate declines as one moves to the higher expenditure groups.

It appears that households spending less than about R3100 per month are experiencing significantly higher rates of inflation than the average. The results of the 2005 Income & Expenditure Survey are due this year (2007) and will be used to recalculate these expenditure groups.

Living Wage

Using R3000 per month as a conservative money-only estimate of a living wage, any wage below this level is not sufficient by itself to support a household and the same households are hardest hit by current inflation patterns.

This living level is a very modest estimate of the expenditure required to meet 'the most basic material needs' of a household of five. It does not provide for the advancement of the household through savings or investments in education and healthcare, nor does it consider social needs.

It is noteworthy that the Treasury has initiated the development of a poverty datum line as one of a series of instruments to better measure poverty in the future.

Looking Forward

A wage increase is generally operational for the coming year and so it is important to have an informed opinion of what inflation might do in the near future.

Current evidence suggests that inflation remains in an up-cycle. It would not be unreasonable to forecast a 1-2% increase in inflation over the next 12 months.

Multi-Year Agreements

The longer the time period the more difficult it is to forecast inflation trends. There is the possibility that inflation rates depart from the level of predetermined wage increases over a three year period.

Wage formulas based on CPIX plus an agreed percentage protect wage income from subsequent increases in inflation. There are a number of multi-

² The expenditure groups provided by Statistics South Africa date back to the year 2000. We adjusted the upper limit of each group by CPIX to make them current at May 2007 prices.

year agreements which include clauses that allow for annual wage increases to be renegotiated if inflation goes beyond agreed levels during the lifespan of the agreement.

Wages & Remuneration

The extent to which wage increases are linked to other components of remuneration will determine the degree to which the value of the total package keeps up with inflation. As an example, contributions to benefits such as medical or provident that are set as a percentage of wages (e.g. 6%) will maintain their value insofar as wage increases are keeping up with inflation. Contributions that are set as money amounts (e.g. R1 20 per month) will devalue over time unless they too are adjusted by inflation.

Appendix 14:

A History of Selected Inflation Indices

Here is a short description of three inflation indices and a history of their movements since January 2000.

The Consumer Price Index (CPI)

The Consumer Price Index (CPI) for metropolitan areas is known as the Headline Inflation Rate and is also referred to as the 'official inflation rate'. The month to month prices of over a thousand goods and services go into the calculation of CPI. CPI measures the full 'basket' of goods.

Table i : Consumer Price Index (CPI) and the annual inflation rate on a monthly basis for the historical metropolitan areas

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2000	+2,6%	+2.3%	+3.4%	+4.5%	+5.1%	+5.2%	+6.0%	+6.9%	+6.9%	+7.0%	+7.0%	+7.0%	+5,2%
2001	+7.1%	+7,8%	+7.4%	+6.5%	+6.4%	+6.3%	+5.3%	+4.6%	+4.4%	+4.0%	+4.3%	+4.6%	+5,7%
2002	+5.0%	+5.9%	+6.2%	+7.4%	+7.8%	+8%	+9.6%	+10.4%	+11.2%	+13.0%	+12.9%	+12.4%	+9,2%
2003	+11.6	+10.3%	+10.2	+8.8%	+7.8%	+6.7%	+5.2%	+5.1%	+3.7%	+1.5%	+0.4%	+0.3%	+5,8%
2004	+0.2%	+0.7%	+0.4%	+0.2%	+0.6%	+1.2%	+1.6%	+1%	+1.3%	+2.4%	+3.7%	+3.4%	+1,4%
2005	+3%	+2.6%	+3.0%	+3.4%	+3.3%	+2.8%	+3.4%	+3.9%	+4.4%	+4%	+3.4%	+3.6%	+3,4%
2006	+4%	+3.9%	+3.4%	+3.3%	+3.9%	+4.9%	+5%	+5.4%	+5.3%	+5.4%	+5.4%	+5.8%	+4,7%
2007	+6%	+5.7%	+6.1%	+7%	+6.9%								

The Consumer Price Index excluding Interest Rates on Mortgage Bonds (CPIX)

The Consumer Price Index excluding interest rates (CPIX) is used as a gauge of monetary policy by the Reserve Bank. The Reserve Bank uses CPIX as one means of evaluating the impact of inflation targeting policy. Since CPI is influenced by interest rate hikes it cannot be used as a measure of the effect of interest rate hikes.

Table ii: CPIX: Consumer Price Index excluding interest rates on mortgage bonds and the annual inflation rate on a monthly basis for the historical metropolitan and other urban areas.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2001	+7.7%	+7.7%	+7.5%	+6.7%	+6.5%	+6.4%	+6.4%	+6.0%	+5.8%	+5.9%	+6.3%	+6.5%	+6,6%
2002	+7.1%	+7.4%	+7.7%	+8.3%	+8.6%	+9.2%	+9.1%	+9.9%	+10.8	+11.3	+11.3	+10.8	+9,3%
2003	+10%	+9.3%	+9.3%	+8.5%	+7.7%	+6.4%	+6.6%	+6.3%	+5.4%	+4.4%	+4.1%	+4.0%	+6,8%
2004	+4.2%	+4.8%	+4.4%	+4.4%	+4.4%	+5.0%	+4.2%	+3.7%	+3.7%	+4.2%	+4.6%	+4.3%	+4,3%
2005	+3.6%	+3.1%	+3.6%	+3.8%	+3.9%	+3.5%	+4.2%	+4.8%	+4.7%	+4.4%	+3.7%	+4.0%	+3,9%
2006	+4.3%	+4.5%	+3.8%	+3.7%	+4.1%	+4.8%	+4.9%	+5%	+5.1%	+5%	+5%	+5%	+4,6%
2007	+5.3%	+4.9%	+5.5%	+6.3%	+6.4%								

The Food Price index

The Food Price Index provides an indication of the increase in the price level of food products only.

Table iii: Food inflation for the historically metropolitan areas

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2001	+5.0%	+5.3%	+4.6%	+4.0%	+3.9%	+3.2%	+3.7%	+4.0%	+4.6%	+6.3%	+8.5%	+11.4	+5,4%
2002	+12.3	+12.7	+13.0	+14.2	+14.0	+15.9	+16.8	+18.1	+19.1	+19.8	+18.4	+16.1	+15,7%
2003	+15.5	+14.2%	+12.4	+11.1	+11.0	+8.6%	+7.3%	+6.2%	+4.2%	+2.8%	+3.2%	+2.6%	+8,1%
2004	+2.7%	+3.3%	+3.1%	+2.7%	+2.3%	+2.7%	+2.0%	+1.6%	+1.6%	+1.9%	+1.9%	+1.5%	+2,3 %
2005	+1.3%	+1.4%	+1.5%	+1.6%	+1.4%	+1.3%	+2.8%	+2.6%	+3.4%	+2.6%	+2.4%	+4.3%	+2,2%
2006	+4.4%	+4.7%	+5.5%	+6.2%	+6.9%	+7.7%	+7.5%	+8%	+8.5%	+9.9%	+9.1%	+8.1%	+7,2%
2007	+8.6%	+8%	+7.7%	+8.4%	+8.7%								

DECENT WORK FOR DEVELOPMENT

The Expanded Public Works Programme (EPWP) - Lessons from five projects in the Western Cape, South Africa

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INTRODUCTION

The Expanded Public Works Programme (EPWP) is an initiative by government to make an impact on unemployment and poverty in the short to medium term. The first five-year phase of the EPWP was launched at the beginning of 2004.

The EPWP has a number of inter-related objectives. It aims to create short-term employment (i.e. 'work opportunities') for unemployed or under-employed people and at the same time train those people so that thereafter they are able to obtain or create sustainable income-generating work. It also aims to stimulate labour-intensive employment and produce public goods that will directly or indirectly benefit communities. It seeks to achieve these objectives in consultation with communities and on the basis of gender equity and compliance with relevant labour legislation.

The objective of this study is to examine the EPWP with a view to evaluating how it measures up to the concept of Decent Work and also in what way it will contribute to achieving the Millennium Development Goals (MDGs).

Two research methods were used. First, secondary sources were consulted to provide a broad outline of the EPWP. The second research method was interviews with managers and workers involved in the EPWP in the Western Cape province. The main focus of the research was to get an in-depth, bottom-up perspective on the EPWP.

Five projects within the infrastructure and social sectors of the EPWP were therefore selected and 17 in-depth interviews conducted with participants in the projects. The projects were a Community Access Road project (road and drainage construction), a Zenzelele project (road maintenance), a Saamstaan project (school maintenance), the Home/Community Based Care Project (training in homecare) and the Safer Trains Project (security guarding).

In 1994 the first democratically elected government in South Africa's history inherited a range of problems rooted in the country's apartheid past. Topping the list were widespread poverty, very high unemployment, extreme inequality and stagnant economic growth. At the same time, the emergence from economic isolation into a liberalised global trading environment created other problems as well as policy constraints. In the years that have followed the government has had mixed success in addressing these socio-economic

conditions (in section 1.3 we briefly discuss the main policies and focus on some key indicators to show the main trends in the post-apartheid period).

One of the government's policy responses to these problems has been public works programmes. Such programmes started in a fairly small way in the closing days of apartheid. In 1993 the National Economic Forum¹ established a task team to develop a proposal for a National Public Works Programme (NPWP) that would be implemented by the new government after the 1994 elections. The guiding principles for the task team were *participatory* and *sustainable* development. The NPWP was established in the Department of Public Works in 1994 and had two major components. The first focussed on the creation of jobs through labour-intensive construction methods in public-sector financed civil engineering projects. The second component recognised that the first component would not reach many people in rural regions that were in desperate need of employment and income. It comprised a short-term job creation programme, the Community-Based Public Works Programme, that would target such people.(Adato, 1999: 1-2)

At the same time that the NPWP was getting off the ground a number of other initiatives were launched by government departments and related bodies that met the definition of labour-intensive public works as per the international literature. Some of those in the Western Cape were the Community Employment Programme (administered by the Independent Development Trust), the Pilot Projects (Department of Public Works and the provincial Department of Transport and Public Works), the Clean and Green Campaign (Department of Public Works and the provincial Department of Transport and Public Works), the Working for Water Programme (Department of Water Affairs and Forestry), and the Public Works Programme – Transport (Department of Transport and provincial Department of Transport and Public Works).(Adato et al, 1999: 4-5)

The scale of the unemployment and poverty problem, however, demanded a more extensive job creation strategy on the part of government. The idea therefore developed to 'massively expand' the existing Community-Based Public Works Programme.(McCord, 2004: 6-7) The result was the Expanded Public Works Programme (EPWP), which was announced by President Mbeki in his 2003 State of the Nation Address and agreed to by the social partners at the Growth and Development Summit in June 2003. A framework for the EPWP was approved by the Cabinet a few months later and the first five-year phase of the EPWP was launched at the beginning of 2004.

RESEARCH QUESTIONS

The objective of this study is to examine the EPWP with a view to evaluating how it measures up to the concept of Decent Work and also in what way it will contribute to achieving the Millennium Development Goals (MDGs). Decent Work is currently the main strategic objective of the International Labour Organisation (ILO). It arose out of the ILO's move to re-position itself in an era

¹ The National Economic Forum was a tripartite body that was formally established in October 1992. Its objective was to negotiate economic and social policy. It was incorporated into the National Economic Development and Labour Council (NEDLAC) in 1994. Labour, business, government and the community are represented in NEDLAC.

of global transition, which saw a large number of its programmes being condensed into four core objectives: fundamental principles and rights at work; employment; social protection; and social dialogue. Together, these objectives make up the Decent Work concept:

The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.(ILO, 1999: 3)

The particular aspects of the Decent Work concept that are pertinent for this study are as follows:

- Employment creation
- Rights at work (as defined by the ILO Core Labour Standards)
- Equality between men and women
- Social protection
- Social dialogue.

An additional aspect is access to quality public services, which has been proposed as a Decent Work requirement.

The specific MDGs that are relevant from the perspective of the EPWP are:

- Goal 1: Eradicate extreme poverty and hunger.
 - Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day (at the current exchange rate, this equates to R7 a day).
 - Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.
- Goal 3: Promote gender equality and empower women.
 - Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.
- Goal 7: Ensure environmental sustainability.
 - Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.
 - Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.
 - Target 11: Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.

The EPWP, like similar public works programmes, has a number of inter-related objectives. It aims to create 'work opportunities' (as distinct from jobs, which would imply a long term employment relationship) for unemployed or under-employed people. In the process, it also aims to empower those people, by imparting skills which enable them to obtain or create sustainable income-generating work. At the same time it seeks to stimulate labour-intensive employment, and to produce public goods that will directly or indirectly benefit communities. It further seeks to achieve these objectives on the basis of a number of principles, i.e. consultation with communities, gender equity, and compliance with relevant labour legislation.

It is evident from the above that the objectives and principles of the EPWP correspond closely with the key Decent Work requirements as well as to a number of the MDGs. The main focus for our research is thus the implementation of the EPWP, and our research questions relate to whether the EPWP is in fact being implemented in accordance with its core principles and whether it is meeting its stated objectives. It should be emphasised that the research is exploratory and is driven by the above broad research questions rather than by a testable hypothesis.

The broad questions mentioned above can be broken down into the following more specific research questions:

- Is the EPWP targeting for employment those people most in need of work? In other words, is the EPWP maximising its impact on poverty alleviation through the people it employs?
- Is the EPWP consulting with communities regarding projects and the people it will employ on projects?
- Are men and women being given equal opportunities for selection to EPWP projects?
- Are project managers complying with the required employment conditions in respect of employees on EPWP projects?
- Are the wages earned by EPWP employees having an impact on poverty?
- Is there on-going dialogue between project managers and employees regarding problems that may arise with respect to the latter's work and conditions?
- Are the periods for which EPWP workers are employed sufficient to impact on poverty?
- What training is being provided to workers on EPWP projects and is this training sufficient to give workers the skills necessary to get other employment or engage in their own income-generating activities?
- Are workers that exit the EPWP getting other employment or creating their own viable income-generating activity?

It must be stressed that the research is examining the above questions primarily through a very small number of interviews with employees and ex-employees of EPWP projects. The number of interviewees does not provide a representative sample of EPWP employees and one cannot therefore generalise on the basis of our findings with regard to the EPWP as a whole. As mentioned below, the EPWP is a large programme that has already employed about 300 000 people and intends to have employed one million by the end of its first five-year phase. The findings of our research must therefore be treated in accordance with its methodological limitations.

METHODOLOGY

This study uses two research methods. First, we have used secondary sources to establish the nature of the unemployment and poverty challenges facing South Africa and to provide a broad outline of the EPWP. Sources that critically examined the earlier versions of the EPWP, for example the Community-Based Public Works Programme, were also consulted.

The second research method was interviews with managers and workers involved in the EPWP in one of the nine provinces, namely the Western Cape. These interviews started at the top. An interview was done with the manager

of the EPWP in the Western Cape and five further interviews were done with project managers and co-ordinators in the infrastructure and social sectors. The purpose of these interviews was to gather information about the EPWP and its implementation in the Western Cape, as well as to identify and get information on the projects that would be examined in more detail. The officials that were interviewed were very informative and provided a great deal of assistance in identifying projects and making the necessary arrangements for us to visit them and conduct interviews.

As we discuss below, the EPWP is divided nationally into four sectors: infrastructure, social, environment and culture, and economic. Within each of these sectors there are a number of major projects, some of which are national and some of which are specific to a particular province, which are then implemented at numerous sites nationally or provincially. Given the limited number of interviews required by this study – its focus being an in-depth, bottom-up perspective – it was clear that we could not cover all the sectors and a representative number of projects. We therefore selected – drawing on the advice of the management interviewees – five projects within the infrastructure and social sectors that would provide us with the right spread of interviewees and experiences.

The study therefore focussed on three infrastructure projects and two social projects. This spread of projects was intended to provide examples of successful and less successful initiatives. It was also intended to provide examples of different forms of training provided on different kinds of projects. In this regard the researchers were given to understand that a distinction is drawn between what is termed a skills project, in which short-term certificated training is provided, and a so-called learnership project, in which accredited training is provided that forms part of a learnership.

The object was to interview three participants at each project: one male and two female; two of which were currently working on the project and one who had completed the work contract. However the researchers were compelled to rely on the management of the EPWP to make contact with participants of the project, via their contacts in the community. As it turned out it was not possible to comply with this scheme precisely. In all a total of 17 interviews were conducted with workers. Of these, 10 interviewees were currently still involved in the EPWP and the remainder were formerly participants; and ten were women and seven were men. The interviews were comprehensive and in-depth (see Interview Schedule Two in Appendix A).

The research was conducted from late July 2006 to the end of August 2006. The interviews were all conducted during August 2006.

SOCIO-ECONOMIC CONTEXT OF THE EPWP

It was noted above that the government has had mixed success with regard to addressing the socio-economic legacy of apartheid, particularly with regard to unemployment and poverty. In this section we illustrate this point by briefly outlining the policy initiatives taken by government and some of the main trends that have emerged in the period since 1994.

The starting point was the Reconstruction and Development Programme (RDP), which provided a broad framework for policy formulation by the new government that had a strong redistributive emphasis. However, within a few years the RDP was sidelined by the Growth, Employment and Redistribution (Gear) macroeconomic strategy. Gear had a neo-liberal orientation that placed a priority on growth, with redistribution being envisaged as flowing from growth (or, according to some commentators, 'trickling down' to the poor).

The basis for economic growth, as conceived by Gear, would be provided by stabilising certain 'economic fundamentals'. This would be achieved by conservative fiscal and monetary policies. At the same time, trade and financial liberalisation and privatisation would create a more efficient economy. In many respects Gear therefore mirrored an orthodox structural adjustment programme.(McCord, 2003(b): 34) The broad thrust of Gear translated into a number of more specific objectives: to reduce the budget deficit, to lower and control inflation, to encourage new investment, to reduce tariffs and expand trade, to promote flexibility in the labour market, to accelerate delivery of social infrastructure, and to reform the budget in order to give it a more redistributive orientation.(McCord, 2003(b): 35)

In many respects Gear achieved its specific objectives. However, this has not produced the levels of investment and economic growth that policy-makers anticipated. The result has been that unemployment and poverty have worsened. In part the failure to have an impact on these problems is rooted in the design of Gear, with its emphasis on conservative fiscal and monetary policies. But low levels of foreign direct investment and low domestic savings are also important factors that explain Gear's lack of success with regard to employment creation, while ineffective service delivery has also undermined the impact of economic growth on poverty.

In 2006 Gear was supplanted by the Accelerated and Shared Growth Initiative of South Africa (Asgisa) which is aimed at boosting the country onto a higher growth path (6% annual growth is the key target). It is too early to say what the effect of Asgisa has been. In the section that follows we briefly describe some of the main economic trends under the Gear strategy.

GDP GROWTH

In the post-apartheid period GDP has shown reasonable growth compared to the steep decline in the growth rate in the 1980s and early 1990s: it rose by almost 15% in the six years from 1996 to give an average annual increase of 2.5%.(McCord, 2003(b): 39) A higher GDP growth rate in subsequent years has pushed the annual rate up to 3% for the period 1995 to 2005.(Oosthuizen, 2006: 2-4)

INFLATION RATE

Despite high interest rates (averaging 11% between 1996 and 2000) aimed at bringing down the inflation rate (CPIX), it averaged over 7% in the period from 1996/97 to 2001/02. This was consistently above Gear's target range of 3% to 6% in each year. Importantly, the food basket inflation rate was significantly higher.(McCord, 2003(b): 39-40)

SAVING AND INVESTMENT

A key objective of Gear was to attract foreign direct investment (FDI). Between 1994 and 2000, however, FDI averaged less than 1% of GDP, which together with low levels of domestic investment, has meant an average investment rate of only 15% of GDP over the period. This has created something of a vicious circle, with the contractionary macroeconomic policy causing low levels of investment, which in turn is constraining economic growth, which then impacts on the investment level. On the other hand, the tight fiscal policy had reduced government borrowing to negligible levels by 2001. (McCord, 2003(b): 43-44)

TRADE

South Africa's political transition led to its economic re-integration into the world economy at about the same time that the concept of trade liberalisation achieved global dominance through the World Trade Organisation (which South Africa joined in 1994). The result was a period (1990-1996) of rapid trade liberalisation that saw the rationalisation and reduction of tariffs and duties, in the course of which the number of tariff lines dropped from 12 500 to 8 250, the maximum tariff fell from 1 389% to 61%, and the number of tariff bands were reduced from 200 to 55. (McCord, 2003(b): 44&61)

The process of trade liberalisation was given further momentum when South Africa entered into free trade agreements with the European Union and with the Southern African Development Community (SADC). Both agreements are asymmetrical, recognising the greater economic power of respectively the European Union vis-à-vis South Africa and South Africa vis-à-vis the other member states of the SADC. The United States' African Growth and Opportunities Act also gives South Africa (and other African countries) preferential access to the US market until September 2008. (Altman and Mayer, 2003: 70)

The net effect of re-integration into the global economy and trade liberalisation has been a steady increase in exports. Exports grew at an average of 5.5% per year in the period 1991 to 2000; growth that was driven entirely by an increase in manufacturing and service sector exports (there was a decline in primary sector exports over the period). (Altman and Mayer, 2003: 71) There has, however, also been a steady increase in imports. By the beginning of 2004 the rate of increase in imports had exceeded the rate of increase in exports, with the result that there has been a growing current account deficit. (www.dti.gov.za) In the first quarter of 2006 the deficit stood at 6.4% of gross domestic product, which was placing pressure on the South African currency and threatening to increase inflation.²

Altman and Mayer sum up the effects of trade liberalisation on labour demand as follows:

... trade liberalisation has altered the structure of South Africa's economy, as evidenced by a contraction of exports emanating from the primary sector, and buoyant growth of exports emanating from the manufacturing and services sector. This has, in turn, altered the

² 'Warning for consumers on spending rates', Business Day, 08.09.2006.

nature of the demand for labour and exacerbated high levels of unemployment. One implication for human resources development policy is clear: unless the pool of skilled labour increases rapidly, further growth of manufacturing exports will be constrained by skill shortages.(2003: 75)

The quote focuses mainly on the effect of export growth on labour demand. However, when considering both export and import growth, trade liberalisation has had the effect of creating winners and losers at both the sector and firm level. In broad terms, it is the labour-intensive sectors that have been the losers, which has fuelled unemployment, particularly of less skilled workers.

UNEMPLOYMENT AND EMPLOYMENT

Unemployment was one of the most serious problems facing the new government in 1994. It has, unfortunately, worsened since then. Between 1995 and 2004 the number of unemployed individuals (using the expanded definition of unemployment)³ rose from 4.2 million to 8.1 million (90.7%). Using the narrow or official definition of unemployment gives a rise from 2 million to 4.1 million over the same period. The respective unemployment rates in 2004 were 41% and 26.2%, up from 30.8% and 17.6% in 1995.(Oosthuizen, 2006: 2-4)

All population groups and both men and women experienced a rise in unemployment over the 1995 to 2004 period, but females and Africans were the hardest hit. Using the broad definition of unemployment, the rate of female unemployment rose from 39.9% in 1995 to 48.6% in 2004. Over the same period, the rate of unemployment amongst Africans rose from 37.8% to 47.8%. Not surprisingly, given the abovementioned figures, the unemployment rate for African females rose the highest, from 47.6% in 1995 to a remarkable 55.9% in 2004. By contrast, unemployment amongst whites rose from 5.8% to 8.3% over this period.(Oosthuizen, 2006: 38)

Unemployment in rural areas is higher than in urban areas. In 2002 the unemployment rate in rural areas was almost 50% as against an urban rate of 37%. This gap had widened since 1995. The differing urban and rural rates of unemployment are reflected in differing rates across provinces, with a larger rural population impacting negatively on provincial unemployment levels. Another factor that contributes to higher provincial unemployment rates is whether provinces include areas that under apartheid were designated as 'homelands' or 'independent states'. Such areas continue to display very high rates of unemployment.(Oosthuizen, 2006: 38-39)

Unemployment in South Africa also shows a strong skills bias. This is being worsened by the structural shifts in the economy which are resulting in rising demand for skilled workers and slackening demand for unskilled workers. Using education levels as a proxy for skills, one finds that higher than average levels of unemployment were experienced in all education categories below matriculation level in both 1995 and 2004. By 2004 just over 50% of those people in the labour force with incomplete secondary education was unemployed.(Oosthuizen, 2006: 40-41)

³ The expanded definition of unemployment includes so-called discouraged work-seekers; the narrow or official definition excludes this category and hence gives a lower figure for the unemployed.

There is a general perception in South Africa that the country has experienced 'jobless growth'. Oosthuizen (2006), and McCord and Borat (2003) contend that this is incorrect: employment has increased since 1995, growing from about 9.5 million to almost 11.6 million employees (22.4%) in 2004. (Oosthuizen, 2006: 4) However, employment growth has not kept pace with the increase in the economically active population, so it has gone along with rising unemployment. Employment has, furthermore, grown at quite different rates if one disaggregates the data into formal and informal employment.

The measurement of informal employment is fraught with problems. However, the data on formal and informal employment growth probably gives one a reasonably accurate picture of the trends if not of the actual numbers. McCord and Borat (2003) find that between 1994 and 1997 employment was almost stagnant, with only 20 000 jobs being created. This was the result of a decline in formal jobs and the addition of about 100 000 informal jobs. However, they also examine data for the period 1995 to 1999, and find that total employment increased by about 1.1 million jobs, with the major proportion of this growth being in informal employment. The trend is therefore growth in employment, increasing towards the end of the 1990s, with informal employment growth driving the overall trend (they estimate that informal employment grew by almost a million jobs between 1996 and 1999). (McCord and Borat, 2003:117)

The statistical evidence suggests that informal employment started to stabilise at just under 2 million from about 2000 onwards. (McCord and Borat, 2003: 117) Oosthuizen's data points to informal employment having actually declined somewhat since 2000, but his figures (2.9 million in 2000 and 2.4 million in 2004) are very different from the approximately 1.9 million cited by McCord and Borat. (2006: 34) While this difference highlights the problems with measuring informal employment and the caution with which one must proceed with respect to the data, it is probably safe to say that there has been some moderating of informal employment growth after 2000. If this is because of a process of formalisation, in which the formal economy draws in employment from the informal economy, then it is a positive trend. If, however, it is the case of the economy simply not being able to create more informal jobs, then the situation is very dire for many unemployed people.

POVERTY

Given slow economic growth, the rise in unemployment, and the predominance of informal employment in the new jobs that have been created, it is not surprising that poverty has increased in the post-apartheid period. Using a \$2 a day poverty line one finds that the headcount index rose nationally from 32% to 34% in the period 1995 to 2000 (or, using a different data set, from 26% to 28% between 1996 and 2001).

There is still a racial dimension to poverty in South Africa. Between 1995 and 2000 absolute and relative poverty levels amongst African-headed households increased, while for all other households the poverty level stayed the same or declined. The 1996-2001 Census data provides a different finding. It also shows an overall increase in the poverty level but finds that there were absolute and relative poverty level increases for African, coloured and (at a

higher poverty line) Asian households. (Bhorat and Kanbur, 2005: 4) The growth in income inequality discussed below is therefore mirrored in increased poverty being differentially experienced by different population groups.

INEQUALITY AND ACCESS TO PUBLIC SERVICES

In 1994 the new government inherited a deeply unequal society. In terms of income inequality the country has become even more unequal. Between 1995 and 2000 the Gini coefficient rose from 0.565 to 0.577 (or, comparing for the 1996 to 2001 period, the rise was from 0.68 to 0.73). Inequality has risen across all race groups, and urban and rural inequality has also increased. Importantly, between-race group inequality has declined and is being replaced by growing within-group inequality. Bhorat and Kanbur note that “the overall driver of income inequality in post-apartheid South Africa continues to be the rising inequality amongst African households”.(2005: 6)

A glib interpretation of the above trend would be that Gear has created a significant proportion of winners amongst the African population in the post-apartheid period. This would, however, be overlooking the broader gains made in terms of fiscal re-distribution and access to public services. As Bhorat and Kanbur state, “the post-1994 era is notable for the rapid reallocation of resources through the fiscus, from rich, white households to poor, African households”.(2005: 7) So, by the late 1990s 80% of total social spending was assigned to the African population and less than 10% to whites. The impact of this shift in terms of access to public services has been big. The share of households with access to piped water increased from 80% to 85% between 1996 and 2001. Access to related sanitation services had a similar gain over the period. Furthermore, the share of African households with access to electricity for lighting increased from 44% to 62%.(Bhorat and Kanbur, 2005: 7)

The emphasis that Gear placed on growth through the containment of certain ‘economic fundamentals’ was therefore not at the expense of redistribution. The key platform of the new government has been redistribution. However, Gear envisages redistribution as flowing from economic growth rather than economic growth flowing from increased redistribution. This, very crudely, is what distinguishes Gear from the RDP. Asgisa appears to be trying to steer a course back towards the RDP. The role of the EPWP in this process is discussed below.

THE EPWP: CREATING DECENT WORK?

The EPWP has been designed as a short- to medium-term programme that is part of a broad government strategy to alleviate poverty and reduce unemployment. It will continue to be implemented until the medium- to long-term programmes – directed at economic growth, raising education and skills levels, and improving the enabling environment for business – are successful in reducing unemployment. It is a national programme that utilises public sector budgets – involving all spheres of government as well as state-owned enterprises – to achieve its objective, namely to provide employment opportunities and training to at least one million targeted unemployed people in its first five years.

The structure of the entire EPWP is quite complex. The programme has been divided into four sectors: the infrastructure sector; the social sector; the economic sector; and the environment and cultural sector; and also has three layers: national, provincial and municipal. The Department of Public Works (DPW) is responsible for the overall co-ordination of the programme at the national level and is also the lead department in the infrastructure sector. In the social sector the lead department is the Department of Social Development (DSD), while the Department of Environmental Affairs and Tourism (DEAT) drives implementation in the environment and culture sector, and the Department of Trade and Industry (DTI) is responsible for implementation in the economic sector.

Each sector, however, involves a number of other government departments in order to draw on their financial and human resources. For example, the infrastructure sector comprises, in addition to the Department of Public Works, the following departments and parastatals: Department of Transport; Department of Housing; Department of Provincial and Local Government; Department of Water Affairs and Forestry; Department of Public Enterprises; Department of Education; Eskom; and the Independent Development Trust.

A National EPWP Co-ordinating Forum has been established comprising all the lead sector departments (i.e. DPW, DSD, DEAT and DTI) as well as representatives of the National Treasury, The Presidency, the Department of Labour, the Department of Provincial and Local Government, the South African Local Government Association, the Development Bank of South Africa and the Independent Development Trust. Each sector also has a National Sector Co-ordinating Committee, which consists of representatives from each of the departments and parastatals involved in that sector. A provincial EPWP steering committee has also been established in each province, which appoints a provincial sector co-ordinator for each of the four sectors. The latter co-ordinators attend the National EPWP Co-ordinating Forum in order to facilitate communication and co-ordination between the national sector lead departments and the provinces.

Within this elaborate superstructure, the day-to-day co-ordination of the EPWP is the responsibility of the EPWP Unit in the national Department of Public Works. Indications are that the EPWP Unit is under-staffed and it is envisaged that its capacity will be beefed up in the near future.⁴ Furthermore, the role of the Department of Public Works is likely to change from coordinating the EPWP to actively driving the programme. It will be given additional money and personnel to facilitate this shift.⁵ It is unclear at this point how this change will impact on the existing governance structure of the EPWP.

Provinces and municipalities are the main implementing bodies for the EPWP. The national structure of four sectors (i.e. infrastructure, social, economic, and environment and culture) is replicated at the provincial level and it is within the sectors at this level that most of the EPWP projects are devised and implemented. There are however also major national programmes that cut across all provinces. The best known is the Working for Water programme (in

⁴ See 'Public works to centre stage', Mail & Guardian 4-10 August 2006.

⁵ Ibid.

the environment and cultural sector), which is responsible for clearing alien vegetation in rivers and catchment areas.

Training, which is a critical component of the EPWP, is supposed to be co-ordinated by the Department of Labour and the relevant Sector Education and Training Authorities (SETAs) (the key institutions in the new skills development system). Much of the training comprises short certificated courses but within certain projects there is the scope for workers to do learnerships. The latter qualifications are the main training vehicles of the new skills development dispensation. All learnerships are registered within the National Qualifications Framework (NQF) by the South African Qualification Authority. Each learnership will be located on one of the eight NQF skills levels and provides a qualification that will be recognised throughout the country.

The Department of Public Works does not have a dedicated fund for funding EPWP projects. Instead, funds for projects are allocated to national departments, provinces and municipalities through the normal budgeting process. The departments, etc. access these funds by utilising their budgets in such a way that they draw the unemployed into productive work in line with the requirements of the EPWP.

The EPWP in the Western Cape

There are significant differences between provinces as to how they structure the co-ordination and implementation of the EPWP, as well as differences that may be ascribed to the capacity of the different provincial governments. Given that unemployment is highest in rural areas, it is unfortunate but probably inevitable that the provinces that have manifested the greatest capacity to implement the programme seem to be the most urbanised: namely Gauteng, Kwazulu-Natal and the Western Cape.

We shall briefly outline the organisation of the infrastructure sector and social sector in the Western Cape province, as this is the focus of our case studies. The infrastructure sector is driven by the Provincial Department of Transport and Public Works, which has created a dedicated branch (the Community-Based Public Works Programme Branch) to implement and monitor projects. The specific programmes developed by the Branch are as follows: Community Access Roads Programme (CARP); Zenzelele Road Maintenance programme; and Saamstaan Building Maintenance. The former two programmes are both related to the construction of roads. The last mentioned programme is related to the maintenance of public buildings, which was later narrowed down to school buildings.

For the purpose of managing the infrastructure projects, the Western Cape is divided into two regions, each of which has a manager and social facilitator. The function of the social facilitator is to liaise with communities in which EPWP projects are located, or are to be located. This entails making contact, in the first instance, with the relevant local authority, and thereafter with any community organisations or other role players in the community. There is also a technical facilitator, who serves both regions. Supposedly the location of specific projects in the Western Cape is determined by Statistics SA data on unemployment in

the province, and targeted at local authorities where unemployment is highest.

The lead department for the social sector is the Department of Social Welfare. There is a range of projects that fall within the social sector, some of which are complete and some of which are about to start. The five main projects are as follows: assistance for HIV/AIDS sufferers through home-based care and establishing food gardens; training for early childhood development practitioners and assistants; the creation of work opportunities in Home/Community Based Care; increased security at schools and on railway stations; and a project to train sports coaches and physical education instructors. These projects involve, in addition to the Department of Social Welfare, the departments of Health, Education, Community Safety, and Arts and Culture. Because some of these projects have yet to start, while others were finished some time ago, it was decided to focus on two projects that are currently in process, i.e. the Safer Trains Project (STP), run by the Department of Community Safety, and the Department of Health's Home/Community Based Care Project (HCBC project).

The latter projects are structured and managed in quite different ways. In the STP the participants are employed by the Department of Community Safety for two-year periods, being paid a stipend for the work they do. They are managed by a project manager based in the Department via four area co-ordinators. The HCBC project, on the other hand, offers training to employees of NGOs and provides funding to pay a stipend to relief workers that fill the places of the employees while they are in training. Job creation therefore takes place only via the employment of the relief workers by the NGOs, while the training is for home-carers who are already in employment.

THE EPWP AND ITS IMPACT ON DECENT WORK

Almost all employees in South Africa are covered by the main labour statutes, i.e. the Labour Relations Act 66 of 1995 (LRA), the Basic Conditions of Employment Act 75 of 1997 (BCEA), the Employment Equity Act 55 of 1998 (EEA), the Skills Development Act 97 of 1998 (SDA), the Occupational Health and Safety Act 85 of 1993 (OHS Act), the Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA), and the Unemployment Insurance Act 63 of 2001 (UIA). However in the case of employees of the EPWP, in terms of the Basic Conditions of Employment Act (BCEA), special provision has been made for 'Special Public Works Programmes' via Ministerial Determination No. 3,⁶ which effectively 'customises' the rights of employees for the EPWP. This customisation generally reduces the rights of workers on the EPWP.

The Ministerial Determination explicitly avoids the notion of employment by making itself applicable to 'workers' on a Special Public Works Programme. 'Workers' are defined as 'any person working in an elementary occupation', while an 'elementary occupation' is defined as 'any occupation involving unskilled or semi-skilled work'. In terms of the Determination such 'workers' are employed on a temporary basis, and cannot be employed for longer than 24 months in any five-year cycle.⁷

⁶ Government Gazette No. 23045 dated 25 January 2002.

⁷ Having said this, it seems that on some projects employment contracts have been renewed beyond the 24 month limit stated by the EPWP.

Workers employed on EPWP projects are entitled to protection in respect of weekly and daily hours of work, meal breaks, a daily and weekly rest period, Sunday work and work on a public holiday, maternity leave, and family responsibility leave on broadly equivalent terms to those in the BCEA. As in the BCEA, there is no minimum wage set for 'Special Public Works Programmes'.

However, the Ministerial Determination reduces the rights of workers in a number of respects. First, provision is made in the Determination for task-based payment, i.e. a worker is paid a fixed rate for performing a particular task (the latter is defined as a fixed quantity of work) rather than for working for a specified period. This means that work beyond a particular period to complete a task will not attract an overtime premium. Furthermore, workers employed on the EPWP have reduced rights vis-à-vis the BCEA in the following respects:

- they do not receive annual leave or annual leave pay
- they are entitled to sick leave only if they work four or more days per week
- the contract of employment is automatically terminated if a worker is absent from work for longer than three consecutive days without informing the employer of an intention to return to work
- the contract of employment is automatically terminated if a worker does not attend required training events without good reason
- they are not entitled to notice pay on termination
- they are not entitled to severance pay in the case of retrenchment.

There is also a Code of Good Practice for employment and conditions of work for Special Public Works Programmes that provides recommended guidelines in respect of working conditions, payment and rates of pay, and disciplinary and grievance procedures. The Code suggests that wherever possible workers should be paid on a task basis. It recommends that the rate of pay "should take into account wages paid for comparable unskilled work in the local area per sector". Such rate should not be more than the average local rate to ensure that workers are not recruited away from other employment. Furthermore, men, women, disabled persons and the aged must receive the same pay for work of equal value.

Training is a key component of the EPWP. The Code stipulates that every public works programme must have a clear training programme in place that ensures:

- a minimum of two days training is provided for every 22 days worked
- a minimum of 2% of the project budget is allocated to funding the training programme (this funding can be sourced from the project budget, the National Skills Fund or donors)
- a minimum of 30% of the training provided is accredited
- there is a balance between quality of life, functional and entrepreneurship training
- there is a balance of formal training with structured workplace learning
- that possible career paths are identified for workers exiting the programme.

The Code, furthermore, provides that workers will be paid a training allowance when they are required to attend training programmes. This payment will be equal to 75% of the daily task rate or daily rate. All costs associated with the training, e.g. travel, materials, etc., will be covered by the EPWP.

The Code sets out a recommended disciplinary and grievance procedure, which does not derogate from the rights of workers in terms of the Labour Relations Act other than to include (1) regular absenteeism and (2) non-attendance of required training programmes as reasons for which a dismissal may be fair.

Workers on EPWP projects are specifically excluded from qualifying as contributors for the purposes of the Unemployment Insurance Act 30 of 1966⁸ and therefore cannot claim unemployment insurance benefits once their contracts come to an end. For the rest workers are covered by all the other statutes listed above. So, workers have the protections in respect of freedom of association, organisational rights, collective bargaining and industrial action contained in the LRA; they are protected against unfair discrimination as provided for in the EEA; employing contractors must comply with the occupational health and safety requirements of OHSA; and workers are able to claim compensation for work-related injuries and diseases in terms of COIDA.

Workers in the EPWP therefore have significant rights, albeit less than the full gamut of rights most other employees are supposed to enjoy. Even so, in Decent Work terms, workers in the EPWP fare relatively well, except with regard to social protection (given their exclusion from qualifying for unemployment insurance benefits). But two questions need to be answered. Firstly, do the reduced rights of workers on EPWP projects undermine the rights and conditions of workers, particularly wage levels, outside of EPWP projects? The second question is to what extent there is compliance on EPWP projects with the regulations protecting workers? We deal with these questions in the sections that follow.

PERSPECTIVES ON THE EPWP FROM BELOW

The infrastructure sector: Interviews with nine participants in three projects

The three infrastructure projects where workers were interviewed who were participating, or had participated in the EPWP, covered all three programmes of the provincial government. Thus they included a CARP project, a Zenzelele project and a Saamstaan project. The duration of these projects is supposed to be different. In the case of CARP, projects are typically for four to five months. In the case of Zenzelele, projects are not supposed to exceed one year. Saamstaan projects are supposed to be for a maximum of six months.

In each case, the projects had been initiated on the basis of a perceived problem of unemployment in the area, in accordance with the targeted approach outlined above, and after visits by the provincial government's social facilitator. In the course of these visits, as well as making contact with the local authority and others, a skills audit would be conducted in the communities concerned, and there would be an assessment of their potential impact. The researchers depended on the social facilitators for the selection of projects. Inevitably this meant that projects were selected that the social facilitators considered reasonably successful, or because there were persons

⁸ This statute was subsequently replaced by the Unemployment Insurance Act 63 of 2001.

connected with each project whom the researchers could contact, through the agency of the social facilitator.

The fact that the social facilitator was in contact with persons in the community could be an indicator of a sound relationship between the facilitator concerned and that community. In this regard it must be noted that the same social facilitator was involved in all the infrastructure projects where interviews were conducted, and that interviewees generally seemed to have a positive view of him. Clearly the social facilitator plays an important role in setting up projects, and the calibre of the facilitator is thus a factor in the success or otherwise of a project, whether perceived from the perspective of government or participants. However the question arises as to whether there are communities, possibly further afield, with whom there was not such a sound relationship.

COMMUNITY ACCESS ROAD PROJECT (CARP)

Droeheuwel is a township developed in about 2000, in terms of the government's Reconstruction and Development Programme (RDP). It is adjacent to the traditionally coloured area of Robertson, and the majority of its residents were previously living in backyard dwellings or rooms there, in many cases as single mothers with children. But there are also families from Nonqubela, Robertson's traditionally African township, living in Droeheuwel. The other residents are people displaced from farms in the area.⁹

In 2003 there was serious flooding in the township. One of the causes of the flooding, so far as the community was concerned, was an absence of storm-water drains. They had previously raised this problem with the local authority, together with the community's problem regarding dust, as a consequence of there being no tarred roads. However the local authority had not responded. So when a MEC from the provincial government visited the town the following year **Kendry Meyer** raised these problems with her, on behalf of the community.

Kendry is a community activist and chairperson, living in the same type of RDP house as the other residents of Droeheuwel: a two-roomed cement block structure with running water in it, a flush toilet and electricity. These houses are supposed to belong to the residents, but in fact they have not yet received the papers confirming transfer. As a consequence the local authority charges an administration fee of about R19 a month, over and above charges for electricity and water.

In response to the community's approach, the provincial government established a road-building project under the auspices of CARP and appointed Kendry as its Community Liaison Officer (CLO). Before work on the project started, a meeting was convened with the community to explain what it encompassed. There was to be a tarred road through Droeheuwel, with a pavement. Its proposed route was explained. There would also be

⁹ Notwithstanding government legislation to protect the security of tenure of farmworkers living on white-owned farms, large numbers of workers have in fact been relocated to the towns. In the Robertson area it appears that farmers have encouraged workers to apply for a 'RDP house' (so named after the government's Reconstruction and Development Programme) from the local authority with the aim of converting farm workers' cottages into week-end accommodation for urban dwellers and tourists.

storm water drains and pipes installed, to carry off the water. At a later stage it was decided to construct a bridge over the river bed into which the storm water would flow. The community was told there would be a further meeting for those who wished to apply for work on the project. It would be held during the day, to ensure that only those who were really without work attended.

This meeting was convened by a representative of the provincial government, and attended by a large number of unemployed men and women who filled in application forms. The provincial government later compiled a list on which persons were prioritised according to need, from the information provided on these forms. As jobs became available, persons were appointed in accordance with this list.

A company with an empowerment profile from nearby Worcester was appointed to undertake the construction work, and a number of tasks were also sub-contracted to local persons. For example, a person living in Droehuwel who owns a truck was engaged to deliver sand and other materials used in constructing the road. Others were appointed to undertake the laying of curbs and building of storm-water drains.

The rate paid to the workers was determined by the Sectoral Determination for the Civil Engineering Industry. It appears this was due to a misconception, in that this Determination did not strictly speaking apply. All workers were paid at the same rate, which amounted to R700 a fortnight for a forty-hour week, the equivalent of R350 per week. Workers engaged by the sub-contractors were also expected to be paid these rates, and Kendry's responsibilities as the CLO included ensuring that they were. Kendry himself was paid R2000 for the duration of the project, which was completed in December 2005.

Pieter Beukman is a 39 year old man who worked on the project. In the fifteen years since he completed school with a matriculation certificate he has had only one standard job, at the nearby lime works, where he was employed for seven years. For the remainder of the time he has only had casual work, such as working on building sites, where the going rate is R60 a day (the equivalent of about R300 per week). He is currently unemployed. Pieter is married with three children. His wife is employed at a local take-away store, where she earns R800 per month. Apart from his casual earnings, the only other source of income is in the form of government child support grants.

Sarita Jagers is a 35 year old female, who finished school with a Grade 9, and in the sixteen years since has only ever had seasonal work, in the canning factory in Ashton. The fruit canning season lasts about four months, and the going rate for a seamer operator last season was R600 per week. Her husband is diabetic and unemployed, and the couple have two children. Apart from her seasonal earnings, the family's only income is government grants, totalling R960 per month: a disability grant in the case of the husband, and a child support grant for the child.

Lennie Arendse is a 35 year old female who has also only ever had seasonal work in the fourteen years since she completed Grade 11. Like Sarita she works in the canning factory during the deciduous fruit season. Out of the

deciduous fruit season she works at Unipak, a citrus pack-store. This operation provides work for about five months, but does not itself employ any workers. Instead the workers are provided by a temporary employment agency evidently set up especially for this purpose. The agency pays wages of about R500 per fortnight, the equivalent of R250 a week. Lennie is a single mother with one child.

Pieter was employed on the road building project for about a year. Sarita was employed for about six months and Lennie somewhat less. Each of them did a variety of tasks, and there was no distinction drawn between male and female in terms of the work they did. "It was nice for me to work together with men," Sarita said. Indeed in a traditionally patriarchal, rural society, the experience of men and women working together seems to have been both novel and enjoyable. At the same time it was also important for them that they were members of a community working together on a project that would benefit the community.

Each of them was unequivocally positive about the project. The manner in which participants were selected was seen to be fair. There were no disputes of any kind, and where there were issues that needed to be taken up with the contractor, workers could approach Kendry. They regarded the wages as fair and even though the work was temporary they felt it had had a positive impact on unemployment in the town. As Sarita put it: "It relieved my conditions a little, and I learned something as well." Despite the fact that none of them had in fact been able to secure more than casual or seasonal employment since completing the project, each of them said they thought they would be more able to get other work as a result of what they had learned.

Pieter, Sarita and Lennie were asked about the formal part of what they had learned. At first Pieter had no recollection of being on any training course at all, and had to be prompted by the other two. It then transpired that Pieter and Lennie had been on two courses, both provided by an external service provider, totalling 14 days, while Sarita had been on one. The courses related to the practical skills the participants would need in constructing the road. Clearly these are skills with limited if any application in a context other than road construction. Even so, there is ample scope for road construction in the community. Kendry estimated that if there was the political will to sponsor further projects of this kind, there could be work for the next ten years on road construction. The project also had its own political impact in the community. The old local authority's lack of enthusiasm for the project was patent. When local authority elections were held in 2004, a new local authority was elected.

ZENZELE PROJECT

Zolani is the traditionally African township of Ashton, which is about fifteen kilometres from Robertson and the base of the fruit and vegetable canning industry in the area, as well as of the local authority. In keeping with the apartheid objective of maintaining racial divisions not only between black and white, but between coloured and African, it is located a few kilometres outside the town, and at the furthest remove from the traditionally coloured area. For many years it was the policy of one of the two canning factories in Ashton to employ only coloured workers.

Conditions in Zolani township have improved considerably since the apartheid years and the gap in living standards between traditionally coloured and African areas has closed considerably, though a wide gap between blacks and whites remains. Many residents now stay in RDP houses of the same description as Droehuewel, and have access to the same services. As in Robertson's Nonqubela, there are more corrugated iron shacks to be seen than in the coloured areas, but this may be ascribed to cultural difference: as Kendry put it, in the coloured areas you will find eleven people staying in a small house, because it is not considered socially acceptable to live in a shack, whereas there is no such stigma in African areas.

Like Droehuewel, Zolani is located on a hill and is susceptible to winter rains. Untarred roads are quickly eroded, while the tarred roads are full of potholes. It is also crowded, and filled with litter. The Zolani Zenzelele project was started in 2005 to address some of these problems.

Solonzi Ntageni is a 35 year old man who lives in a RDP house with his common law wife and three children. All three children receive child support grants, but Solonzi also supports nine other persons, being his siblings and cousins, all of whom are currently unemployed. In the fourteen years since Solonzi left school, having completed Grade 11, he has been employed more often than not, including a spell of eight years at a paper mill in Paarl, more than an hour's drive from Zolani. He is also currently employed, although still on probation, as an assistant electrician with the local authority. However, at the time the Zenzelele project was initiated he was unemployed, and was appointed team leader of the project.

It does not seem Solonzi's employment history is at all typical in Zolani. **Simpfiwe Hlabati**, for example, is a 23 year old man who was employed on the project. In the six years since he left school, having completed Grade 10, he has only ever had casual or seasonal work. He lives with his mother and two of his three children, whom he supports, in one of the houses that in the apartheid era were let out by the local authority, but which residents have since acquired. There is no other source of income in the household.

Richard Morris, a 32 year old man, matriculated eight years ago. Apart from the period he was employed on the project he has had only one job, lasting four years. When the interviewer arrived at his home, he was sitting outside in the sun with half a dozen other young men, a fairly typical scene in winter, when the canning factories are not in production and there is no work on the farms. Richard lives with his three children, whom he supports, and also regards his two sisters as dependent on him. There is no other source of income in the household, even from child support grants.

Bethwell Mhlomi is a 45 year old man with five children, who live with him in his RDP house. He also supports his two sisters and one of his sister's children. Only one of the children receive a child support grant. Solonzi, Simpfiwe, Richard and Bethwell were interviewed together. When he was asked why only one of his children got a grant, Bethwell replied, "It is very difficult to get a grant if you are not working." When the interviewer suggested it was precisely the persons that were not working who were most in need of a grant, Richard

clarified the problem: it was very difficult to get a grant when the children were from different mothers.

All four of them were employed for three days a week, five hours a day, for about a year. One of the tasks they performed was to sweep roads and clear up refuse and litter. This, one would have thought, was the responsibility of the local authority. Road maintenance was another task they undertook that could be regarded as a local authority responsibility: filling pot-holes in the road, paving the sides of the road and the like.

The workers were paid a wage of R230 per week, and R330 in the case of Solonzi, as the team leader. They thought it was a fair wage, given that they were working only fifteen hours. (In fact this wage was significantly more than the going rate for casual work. On farms in the area casual workers earned between R30 and R40 a day). "We would have preferred to work a full week," said Solonzi. "We were also not able to complete the job because of time limits." In fact the nature of the work was such that it would never be completed. Solonzi pointed out a number of places where gravel roads were being eroded, and litter was accumulating, to underline how much there still was to do.

Everyone received the same training, a course lasting two weeks provided by a Knysna-based service provider, the School of Technology. The training included an HIV/AIDS component, environmental awareness and health and safety procedures, as well as more practical skills such as how to work with concrete, constructing drains, reinstating road surfaces and traffic management. All considered the training useful, and they had certificates to show for it. The workers were also given an opportunity to put what practical skills they had learned into practice.

In the opinion of all of them, the project had benefited the community, and the community appreciated what they had done. However, they also said the community was very disappointed when the project came to an end. Given the number of adults standing around in the streets in the middle of the day, it was obvious why. Apart from the deciduous canning industry and the farms, all of whom employ mainly in summer, the only employer of significance is the local authority. "The local authority needs to give us work to do what we were trained to do," commented Bethwell.

SAAMSTAAN PROJECT

Kayamandi is the traditionally African township of Stellenbosch, a relatively affluent town less than an hour from the centre of Cape Town. Four workers engaged on Saamstaan project were interviewed at Ikhaya Primary School, Kayamandi, where they were currently working. The same four workers were also part of a team that was working at Cloeteville High School, in the traditionally coloured area of Stellenbosch. Before that they had worked at a school in Mbekweni township, in the nearby town of Paarl.

The object of Saamstaan is school maintenance. What distinguishes it from the two other infrastructure projects discussed is that the workers are all parents with children at the school where the project is operating. Accordingly the way in which participants are selected is different. School children bring home

forms from school for their parents to complete. The selection is then done with the involvement of teachers and the school's governing body.

Sandra Le Roux is a 41 year old unmarried woman from Cloetesville, where she lives with her three children in a so-called Wendy house in someone's back-yard. For this she pays a rental of R500 a month. She finished school after Grade 5, and in the more than twenty years since has had only one standard job, at an old age home in Cloetesville where she worked as a cleaner for twelve years. After being retrenched she was unemployed. Before joining the project she had no means of support other than the grant she receives in respect of one of her children.

Mandisa Kabane is a 52 year old unmarried woman from Mbekweni, who together with her three children lives with her mother and two others in a RDP house. Like Sandra, with whom she is clearly on good terms, she also finished her schooling more than twenty years ago, and has only ever had one standard job. This was as a machinist in the Berg River Textiles factory, which has since closed down. Apart from what she earns on the project, her household has no other source of income.

Moses Isaacs is a 43 year old married man with five children. They live in their own house in Cloetesville with his stepmother, who works at Stellenpak, where she earns R400 per week. This represents the household's only source of income apart from what he now earns on the project. There is some irony in his now being engaged in a project to maintain schools, because the most significant job Moses has had in the 26 years since leaving school, after completing Grade 7, was for the Department of Education. He worked for them as a security guard for eighteen years. He also worked for five years at a timber processing firm.

Mzobiso Toyi is a 32 year old man living in Kayamandi, in a house he rents from a private person for R450 per month. He completed Grade 11 nineteen years ago, and was employed for nine years at Distiller's Corporation, where he seems to have worked as an operator for as long as six years without being permanently appointed. He also worked for an upholstery firm. He is married with two children, and also supports a niece. His wife receives a child support grant in respect of the children. Apart from this and what he earns on the project there is no other source of income for the household.

The project started on 30 August 2005, and was supposed to be for six months, but was extended. At the time of the interview it was expected to end shortly. The work Sandra and Mandisa did was primarily painting. Moses and Mzobiso did plumbing work. They proudly pointed out taps they had installed, and a urinal in the boy's toilets. The theft of tap fittings appears to be a recurrent problem, and there was still work they had to do.

The team they were on worked a 40-hour week, and were paid R500 per fortnight. When asked whether the wage they were paid was fair, Sandra said, "Ek kry dit so." (I found it like that). The others were less ambivalent. They did not think it right they were paid so little. Nevertheless, if they were offered the opportunity to work for longer on the same project, they would do so. They would even work for less money. As Moses said, "If it puts food on my

table then I would accept.” However, the women were noticeably less ambivalent at the prospect.

Although all the workers seemed to agree that the training the workers had received was useful, and that it would help them find alternative work, initially the two women were unsure they had received training at all, since they had joined the project after its inception. The men were clearer. They had been trained in painting, glazing and plumbing. The women (it was eventually agreed) had been trained in plumbing and brick-laying. If there was a more general component to their training, no-one could recall what it was. They could also not recall who provided it, and it did not seem they had received a certificate confirming their attendance.

Moses asked the interviewer to give the provincial authorities a message on behalf of the workers: “They must extend the project until at least December...it is difficult to find work at this time of the year.”

The social sector: Interviews with six participants in two projects

As indicated above, the social sector in the Western Cape comprises five projects. The lead projects are the Home/Community Based Care Project and the Early Childhood Development Project. We chose to focus on the Home/Community Based Care Project and the Safer Trains Project.

The Western Cape Department of Community Safety established the Bambanani Project as part of the EPWP. It comprises two programmes, the Safer Trains Project (STP) and the Safer Schools Project (SSP). The objective of the STP is to make rail commuting safer by increasing policing on station platforms and the access routes to train stations in the greater Cape Town area and its surrounds. The project therefore deploys and trains security guards to do the policing of platforms. It is implemented at 43 of the 118 train stations in the greater Cape Town area. The 43 stations are divided into four areas, each of which has an area co-ordinator that reports to the project manager at the Department of Community Safety.

The project started in October 2004 and provides employment for a period of two years (the maximum period of employment in a five-year cycle allowed by the Special Public Works Sectoral Determination). The first phase of the project is due to end in September 2006. The project has been deemed a success, both in terms of the EPWP goals and the objective of crime prevention, so it is likely that there will be a second phase. However, funding for it still has to be found within the departmental budget. The current project has cost R7 million per year.

The Home/Community Based Care Project (HCBC project) is the responsibility of the Provincial Department of Health. The Department has historically commissioned NGOs to deliver certain services, one of which is homecare. The reasoning is that the NGOs are community-based and therefore closer to people on the ground. The objective of the project is to provide training to the home-carers currently employed by the NGOs. While these people are on the

training courses the Department pays a stipend of R500 per month to the relief workers employed by the NGOs. The project therefore does not fit the standard conception of the EPWP, in that the trainees are in employment and the relief workers who obtain temporary employment do not get any training.

The training that is being delivered as part of the project is in NQF levels 1, 2, 3 and 4. Three training providers have been employed by the Department to deliver the training: Nascence Education, Elgin Learning Foundation, and Adult Learning Network. The training is taking place at various sites in the Western Cape.

The budget for the HCBC project provides for the training of 1 430 home-carers. However, the NGOs that the Department of Health commissions to provide this service does not employ this number: at present there are just over 1 000 carers in the programme (almost all of these are women). This means that there is a ceiling on the project. Once all the home-carers have been trained up to NQF level 4 there is no more need for relief workers. One solution would be for the home-carers to move out of the NGOs into hospitals and clinics. Their positions could then be taken by the relief workers, who would receive training, and so on. The barrier to this is that the level 4 homecare qualification is not recognised by the nursing profession. Negotiations are currently underway to overcome this problem and allow qualified home-carers to enter a one-year enrolled nursing assistant course that would provide a career path for them into hospitals and similar institutions.

Despite the existing limitations on the breadth of the programme and its sustainability, the budget for the project is due to double next year. It is unclear at this point whether this expansion is justified or feasible.

SAFER TRAINS PROJECT

The STP is the responsibility of the Department of Community Safety but also involves collaboration with Metro Rail (the railway parastatal) and the South African Police Service (SAPS). The project was identified to fill the vacuum left some years ago when the Railway Police stopped functioning. Since then greater safety on trains and railway stations has become a major community demand.

The STP began as a pilot in 2003 at five train stations in Khayelitsha, a huge traditionally African township on the edge of Cape Town that is plagued by a very high crime rate. The pilot was then rolled out as a full EPWP programme in October 2004, employing 692 people at 43 of the 118 train stations in greater Cape Town. Each of the 43 train stations has two teams of security guards assigned to it. The teams comprise between four to 12 guards, depending on the size of the station. The teams work eight-hour shifts that are split to encompass the peak commuting periods, i.e. 06.00 to 10.00 and 14.00 to 18.00. The teams work for two-week periods, i.e. a team works for two weeks and is then off for two weeks (while the other team works). The team members are paid R50 per day.

The stations included in the project were chosen by the Department of Community Safety in consultation with Metro Rail and SAPS. Recruitment for

the project was done through the Community Police Forums (CPF) located in the areas surrounding the train stations that were selected for the project. The targets for recruitment were unemployed youth, women and single-parents. Of the 692 people that were employed on the project, all were previously unemployed. About 70% are classified as youth and about 60% are women.

The starting point for the employment of the teams was a five-day training course that taught participants the basics of providing security. Subjects included in the course were self defence, first aid, crowd control, conflict resolution, and customer service. This qualified the participants as Level E Security Guards (a qualification specific to the security industry accredited by the South African Qualifications Authority). The training was conducted by Metro Rail and two accredited training organisations. Once people had been through the course they were deployed on the selected railway stations.

The participants on the project are employed by the Department of Community Safety on two-year contracts (which are due to end at the end of September 2006). Their conditions of employment are governed by the Sectoral Determination for Special Public Works. As noted above, the sectoral determination does not set a minimum wage. The daily stipend of R50 was settled on by the Department of Community Safety after some research was done (although it is unclear what this research entailed). The objective, it seems, was to pitch the daily wage at a level that would encourage employees on the project to look for higher-paying jobs. It has been fairly successful in this regard because it was reported that about 150 participants left to take up other jobs during the course of the project.

The remaining participants are about to complete their contracts and will therefore soon again be unemployed. This has caused considerable dissatisfaction because it seems that many participants had an expectation that their employment would be for longer than two years, or indefinite. A number of protests were held in this regard, with participants claiming that they had been promised permanent jobs by the MEC for Community Safety. Meetings were subsequently held with participants to explain the EPWP to them and its conditions regarding employment, i.e. a maximum of two years in a five-year period.

An exit strategy is also being devised. This comprises three components. First, and most important, is the provision of a further five-day training course that will lead to the Level D Security Guard qualification. This should assist participants to get employment in the security industry. The Department of Community Safety will, as the second component of the exit strategy, engage with Metro Rail and its service providers with a view to employing participants at the end of their contracts. Third, the Department is in consultation with the Department of Public Works and Department of Labour with a view to assisting groups of the workers to set up their own security firms. It is unclear at this point how far the latter two processes are or how successful they will be.

Three employees of the STP were interviewed. All are women. Two of the interviewees, **Vuyiseka Madidla** and **Nomfusi Zoya**, are deployed at the Langa Station, which serves the historically African township of Langa. The other interviewee, **Elizabeth Thomas**, works at Tygerberg Station,

which is adjacent to areas in which predominantly coloured working class people reside.

All of the interviewees came into the STP via their voluntary work with their local Neighbourhood Watch. This voluntary work brought them into contact with the CPF in their area, which advertised the Bambanani Project and assisted in the recruitment of employees. All the interviewees continue to do the voluntary Neighbourhood Watch work in their communities.

Elizabeth Thomas is a 26 year old single female who lives in a house that her mother rents in Elsie's River. The home is brick with electricity, running water and a flush toilet, and is in an established suburb that has facilities such as a clinic (although open only two days per week), schools and access to public transport. Elizabeth left school in 1998 after passing Grade 11. After leaving school she worked for a contract cleaning company for two years, during which time she received some training. She was retrenched when the contract on which she worked was completed. Thereafter she was unemployed for about two years. During this time she began working voluntarily for the Neighbourhood Watch in her community.

A total of six people live in Elizabeth's household, of which four (including Elizabeth) are earning an income. But the household income is very low and erratic: her mother's salary and her own income amounts to R1 800 per month, while her father and brother's income fluctuates (particularly in winter) because they work in the building industry. Their financial position will worsen within a month – by R500 per month - when Elizabeth's contract with the STP ends.

Nomfusi Zoya is a 30 year old single female who lives in a shack (informal home) she rents in a backyard in Langa. The shack is a step up for her from her previous informal home, in that it has electricity, running water and a flush toilet.¹⁰ Langa is an established residential area so Nomfusi's home is close to a clinic, a childcare facility, a primary school and public transport. She left school in 2002 after passing Grade 10 and has been unemployed since, but she has worked voluntarily for the community's Neighbourhood Watch.

A total of 10 people live in the shack with Nomfusi. There are only three sources of household income: the R500 per month earned by Nomfusi, and a further R2 000 made up of her father's pension and a sister's salary. The total monthly income to the household currently is therefore R2 500.

Vuyiseka Madlala is a 31 year old single female who lives in a shack she rents in a backyard in Langa. As with Nomfusi, the shack she currently lives in is an improvement on her previous home in that it has electricity, running water and a flush toilet. She is also close to amenities such as public transport, a clinic, etc. Vuyiseka has for some time worked voluntarily for the Neighbourhood Watch in her community.

Four people live in the shack with Vuyiseka, all of whom are dependant on

¹⁰ Nomfusi previously lived in a shack in an informal settlement. The move to a backyard shack in an established residential area such as Langa has meant access to electricity, running water, etc.

her income. Currently Vuyiseka earns R500 per month from the STP and a variable amount from the Department of Health, for assisting in a TB programme (she earns a stipend of R30 per person she assists). On the completion of her contract on the STP the household will depend entirely on this stipend.

As indicated, the interviewees heard about the STP via their Neighbourhood Watch, which brought them into contact with the CPF. However it seems that the extent of community involvement in selection varied between different areas. Elizabeth states that it was left entirely up to them to apply for positions, which she did at her local police station. There she was interviewed, and a check was done to see whether she had a criminal record. Nomfusi and Vuyiseka say that their names were put forward by the CPF, i.e. they were selected by the community. Thereafter they followed much the same process as Elizabeth.

The job done by the three interviewees as part of the STP is crime prevention on railway stations and the immediate access routes to stations. Their main task is therefore to identify and stop any unlawful activity in these areas. In addition, they will assist train commuters where necessary, and check that train doors are properly closed. They perform these tasks in two-week shifts of five days per week and work in teams of four to 12 guards, depending on the size of the station and volume of commuters. It seems that some teams have become understaffed over time as people have either left for other jobs or dropped out of the project and not been replaced.

The three interviewees enjoyed the work and were generally satisfied with their working conditions. Elizabeth found the work fulfilling because she enjoys working with and helping people. She did not identify any negative aspects of the work. Nomfusi and Vuyiseka also enjoyed their work, finding fulfilment in the fact that they had contributed to a significant lowering of the crime rate on railway stations. However one of the less enjoyable aspect of their jobs was having to handle "difficult" people. Their training had helped in this regard, by teaching self-restraint and how to manage difficult situations.

There were three areas of dissatisfaction regarding the STP. One was the length of the project. All the respondents were facing unemployment in the near future, and had not been able to find alternative jobs (although the project manager reported that some 150 people had found other employment in the course of the project). They were understandably concerned about the impending termination of their contracts. The situation had been made worse by the fact that many employees claimed not to have understood that their contracts were temporary. This had led to protests by employees and a march on the department's offices.

Secondly, the respondents were not happy with the amount of the stipend and the fact that they worked only two weeks in a month. All would have preferred to work full-time and earn a higher salary for doing so. Thirdly, there had been delays on certain occasions with regard to the payment of salaries. It seems that this was purely an administrative problem, and had been sorted out. It nevertheless caused considerable dissatisfaction. The latter problem was taken up through the management structure for the STP (briefly outlined

below). Because none of the respondents was a member of a union this problem and other areas of dissatisfaction had been taken up with management by the workers themselves. None of the respondents knew of any fellow workers that were union members.

It should be stressed that besides the above problems, there were no complaints on the part of the interviewees with regard to conditions and the management of the project. In particular, they stated that men and women had been treated equally and did the same work. For their part, the management of the project stated that they had experienced only minor problems around issues such as discipline and absenteeism. The volume of these problems was not more than they would have expected.

There is a fairly simple management structure for the STP. Each team has a team leader.¹¹ The team leader is responsible for the team and reports to the area co-ordinator, who will visit each station in her/his area at least once per day. However, additional supervision on an ongoing basis is provided by the Metro Rail supervisors on the railway stations. The area co-ordinators will report to the project manager at the Department of Community Safety. The various levels of management will become involved according to the importance of a problem. Team leaders will therefore deal with minor problems at the level of the team and will refer more difficult problems up to the area co-ordinator. If the area co-ordinator cannot resolve the problem, he/she will refer it to the project manager.

The respondents were appreciative of the training that they had received (to qualify as Grade E security guards), although they were all a bit vague about exactly what the training had entailed. The training, however, was not seen as sufficient to get other employment. For this reason they were all looking forward to the Grade D training that they were due to undergo before completion of the project. The respondents believed that this more advanced training would give them a much better chance of getting employment in a security company.

The jobs obtained through the STP had an important impact on the material well-being of the respondents. In the case of Nomfusi and Vuyiseka the income from the jobs was instrumental in them being able to move from shacks in an informal settlement to shacks in the backyard of established homes in Langa. These shacks had access to electricity, running water and a flush toilet. It was, however, difficult to get much clarity on additional benefits they had derived from the income from the STP. All the respondents lived in poor households. The income from the STP was not sufficient to make a major impact on their circumstances. What it appeared to do was allow the respondents to buy a few more basic necessities, i.e. groceries and clothing. It did not allow for any luxuries.

HOME/COMMUNITY BASED CARE PROJECT

The second project at which interviews were done was the HCBC project run by the Department of Health. Three interviews were done with participants in the project, all of whom were women. Two of the women were home-carers and one was a counsellor.

¹¹ None of the interviewees was a team leader.

Hazel Marco is a 38 year old married female with a Grade 9 education. She lives in her own brick home in Retreat, an established suburb of Cape Town. Since leaving school she has been employed as a sewing machinist (for about 12 years) and as a home-carer by a nursing agency (about three years). She has also been unemployed at various points (amounting to about three years). Hazel currently works as a home-carer at a NGO, Compassion in Action. There are six people in Hazel's household, four of whom are dependants. There are two sources of income, including her own salary, that together total about R2 500.

Laura Abrahams is a 46 year old widow with a Grade 12 education. She lives in her own brick home in Westlake, a suburb on the southern outskirts of Cape Town. After leaving school Laura had tertiary education as a teacher, and then taught at a primary school for two years. She left the teaching profession and worked for 18 years at a large retail store as a data capturer and receiving clerk. She then spent a year at a data company as a data capturer before joining the Westlake United Church Trust where she has been employed for about a year as a home-carer. Laura's household comprises three people and she has three dependants. The household has two sources of income, which total R1 800.

Tabisa Gqurangu is a 36 year old single woman with a Grade 12 education. She lives in her own informal home in Phillipi, a suburb on the Cape Flats. She has been involved in community and care work since leaving school and she has received considerable training at various points along the way. She was first employed in child care at a children's home for eight years, thereafter becoming a community worker in a children's project. While at the latter project she got experience in homecare and also received training in HIV/AIDS counselling. For the last five years she has been in employment at the Living Hope Community Centre as a lay counsellor.

All the respondents are currently in employment, although only one is in full-time employment. Hazel and Laura work for 4.5 hours per day, five days a week, while Tabisa works an eight-hour day and a forty-hour week. Their participation in the HCBC project therefore involves training only. The training is in respect of home-based care for the sick and terminally ill (which includes AIDS sufferers). It is a two-year course that involves two weeks of classroom training and two weeks practical training each month. Completion of the course will give them an NQF Level 1 qualification. The women have found the training very useful. At times it has been challenging but they have gained valuable experience and developed new skills.

Obtaining employment is not the immediate objective of the training because all the women are in employment. However, all saw the training as a stepping stone to better things, although not in the near future. According to all the respondents, the current qualification would do little to enhance their career prospects in the short-term. It was, however, the basis for getting further training and moving up the NQF ladder, which would allow them to advance their careers. For two of the respondents their goal was to become enrolled professional nurses. The longer-term stakes would be quite high for these

two women because at present both have only part-time employment and earn low salaries, R730 and R850 per month respectively. The respondent working as a counsellor was aiming at a management position in a government department promoting health. The stakes would also be high for her; such a position would be a huge step up from her current salary of R2 400 per month.

None of the respondents therefore envisaged any material gain from the training in the short-term. All, however, believed that the training was a starting point that would advance them in future. Not surprisingly they were interested to know what the longer-term prospects were for the project (which suggests that the plan for the project, and where it could take the trainees, had not been communicated to them). This might be a reflection of the uncertainty amongst the project managers at the Department of Health as to how the project could be made sustainable.

LESSONS LEARNT AND POLICY RECOMMENDATIONS

It must be emphasised when drawing conclusions from the above 17 interviews that they comprise a very small window into the EPWP. To put this into perspective: by the end of 2005 at least 297 880 jobs had been created as part of the EPWP. It is, furthermore, not possible within the scope of this research project to assess to what extent the projects selected were representative of EPWP within the province, or nationally. Probably they represented amongst the better projects since the co-ordinators were unlikely to refer us to less successful projects, although they were asked not to exclude this possibility.

In the first section of this report we briefly outlined the dimensions of the unemployment and poverty crisis in South Africa, how this had worsened over the last ten years, and the role that the EPWP was expected to play in this regard. We also noted that the principles of EPWP and its objectives correspond closely with the key Decent Work requirements as well as to a number of the MDGs. We showed that workers in the projects that fall within the EPWP have significant employment rights: they are protected by all the major labour statutes (with variations on the BCEA), except the Unemployment Insurance Act. In formal terms, therefore, the EPWP fares well vis-à-vis the concept of Decent Work and the MDGs. In the light of the above, our research sought to establish whether in its implementation the EPWP was keeping to its principles and objectives, and was compliant with the labour statutes and the Ministerial Determination for 'Special Public Works Programmes'. In other words, does the EPWP in practice correspond as closely to the Decent Work concept and the MDGs as it does in theory? We deal with our findings in respect of this question below.

Creating employment and eradicating poverty and hunger via the EPWP

The main objective of the EPWP is to create work. In this regard it formally meets the first requirement of Decent Work (i.e. employment creation) and the first MDG (i.e. to eradicate extreme poverty and hunger). The questions are whether the work created by the EPWP is sustainable and targets those

most in need, and will therefore impact in the medium to long-term on poverty and hunger.

In most of the projects researched it appears that the people employed on the projects were in great need of work and income (the exception being the Home/Community Based Case Project). However, the selection of people did not always appear to be according to particular criteria or some systematic process, so it is not clear that the EPWPs were targeting those people most in need of work. Furthermore, the wages paid were in some instances higher than the prevailing rates in the area.

Supposedly by fixing low wages public works programmes target those most in need, i.e. if the wage is set at a sufficiently low level it will attract only those most desperate for work and nobody else. The risk, however, is that such wages put downward pressure on other wage levels prevailing in the area. But in the case of the EPWP projects the wages were set at levels that meant there was very little likelihood that they had the effect of lowering standards. It was also unclear to what extent the length of contracts was directed at rationing jobs. In most cases the lengths of contracts were related to the time needed to complete a project, rather than to spread work out amongst as many people as possible. But, given the desperate straits of most of the interviewees, the above comments are probably overly critical.

The sustainability of work is a more problematic issue. Of the seven interviewees that had completed their employment in the EPWP, six were unemployed at the time of the interviews. Some of these people had an expectation of seasonal work at some point in the future (because they had done this work in the past). But no-one appeared to have gained any additional advantage or insight with regard to work opportunities from their employment in the EPWP projects. In addition, none of the three interviewees in the Safer Trains Project had jobs lined up, although the end of their contracts was imminent. It therefore appears that the EPWP's expectation that work experience plus training would lead to employment or viable self-employment is not realistic. Indeed, the dissatisfaction of many of the interviewees regarding the short-term nature of their involvement in the EPWP was a clear indication that they saw such work as the only viable option in the near future.

The above strongly suggests that the training component of the EPWP, while probably worthwhile in its own terms, was not always fulfilling its objective of setting people up with the skills that would make them employable in the near future or allow them to generate income on their own. This is particularly the case for the infrastructure projects. Workers on the infrastructure projects were vague about what the training was about. The training that they recalled most clearly was functional to what they were expected to do on the specific project. This training will only have application if they are again employed in similar work. Furthermore, in most cases the training provided seems to have been of shorter duration than the minimum of two days for every 22 days worked (the equivalent of 24 days training in a period of twelve months) specified in the Code of Good Practice. While the interviewees were generally quite appreciative of the training it appeared not to have made any difference to their work prospects.

The social sector projects were somewhat different, with the Home/Community Based Care Project being the obvious exception. Although the interviewees in the Safer Trains Project did not have employment lined up for themselves, they were all confident that the additional training they were still to receive would give them a definite chance of obtaining work in the security industry. However, as with the infrastructure projects, the total training will amount to ten days, well below the period recommended by the Code of Good Practice (taking into account that teams worked two weeks in a month). The training received in the Home/Community Based Care Project was also not seen as making much difference to the immediate career prospects of the interviewees. Rather it was seen by all as a stepping stone to further training.

Clearly, this is an area that requires much more research. The importance of training within the EPWP model makes it essential that the training is effective, i.e. it must support employment and self-employment creation. One needs to know a lot more about the type of training being provided, the duration of training, and the quality of the training in order to draw more general conclusions about this aspect of the EPWP. One also needs to have a lot more information about the work circumstances of all those people who have completed EPWP projects. While it is likely that the training has been beneficial to some extent, the EPWP requires that training is much more than just "a good thing in itself".

We are not able to say from the limited data at our disposal whether the wages workers earned, or the period for which they were employed, was sufficient to have had an impact on poverty. However in general the interviewees perceived they did. Their primary concerns were that the impact was short-lived. In other words, the limited duration of projects restricted the impact on poverty.

Worker rights in the EPWP

The second requirement of Decent Work is rights at work. We have seen above that workers employed in EPWP projects are not excluded from the range of labour statutes covering all workers, save for partial exclusions from the BCEA via the Ministerial Determination for 'Special Public Works Programmes' and exclusion from the Unemployment Insurance Act. Our finding was that project managers did comply with the provisions of the ministerial determination. Furthermore, wage levels generally compared quite favourably with the wages paid in the particular area or industry.

It was, furthermore, evident in both a rural and urban context, and in both infrastructure and social projects, that given the level of economic desperation in these communities there was no risk that employment on EPWPs would result in a lowering of labour standards. However there is an important caveat: in the case of the Community Access Road Project at Droeheuwel work was subcontracted. There were no interviews with workers who were or had worked for contractors, and it is in this situation where the disregard for labour standards is most likely to manifest.

Where there was deviation from the recommended standards was with regard

to the duration of training (see above). This is important because the justification for the variations provided by the ministerial determination was that workers would be getting training as part of the package. This would compensate for the reduction of rights in other areas. So, any shortfall in training provision throws out the balance that was meant to be achieved, besides also derogating from the skills development of participants.

The EPWP and gender equality

The third requirement of Decent Work (i.e. equality between men and women) corresponds with the third of the MDGs (i.e. to promote gender equality and empower women). The EPWP performs very well against this criterion at the projects we researched. Even in Zolani, where the interviewees were all male, interviewees said that there was equal participation of male and female on the project, without any suggestion it should be otherwise, and that males and females were equally treated. Furthermore, the emphasis on giving men and women an equal opportunity in selection, and also the utilisation of women in traditionally male occupations such as construction, maintenance and policing, must contribute to dismantling gendered notions of work in both rural and urban communities. So the effects should go wider than the projects themselves.

The EPWP's contribution to social protection

Social protection is the fourth requirement of Decent Work. Social protection covers the range of transfers and programmes that give support to people who are unemployed or unable to work.

A comprehensive social security system does not exist in South Africa. Certain grants are provided to specified categories of people (e.g. old age, disability and child support grants) and there is also short-term assistance to the unemployed under the UIA (for a maximum period of six months). To some extent, the EPWP itself is part of the efforts of government to extend the system of social protection.¹² In this sense it therefore does contribute to social protection. However, the contribution is temporary only. The contracts of workers are for a maximum of two years, and in most cases people are employed for much shorter periods. Furthermore, the EPWP specifically excludes the UIA, so workers who finish their contracts cannot claim unemployment insurance benefits. Given that our research showed that the EPWP is not having much impact on the employment prospects of participants, the social protection offered by the EPWP is at best temporary and limited.

Social dialogue and the EPWP

Decent Work also requires social dialogue. In this regard there is clearly an effort on the part of sector co-ordinators and project managers to consult with and involve communities. But there does not appear to be a set method of doing so, mainly because the nature of the different projects requires different forms of engagement with communities. Also, the different

¹² This aspect of the EPWP is controversial. Many would argue, particularly the exponents of the basic income grant, that the money spent on the EPWP would be much better spent (i.e. would have a bigger impact on alleviating poverty) in providing a comprehensive system of direct transfers to the poor.

government departments involved in the projects have their own way of going about things that makes for different levels of community engagement. So, while the Community Access Road Project at Droeheuwel was actually initiated at the behest of the community and had a great deal of community involvement, the Safer Trains Project had a wider scope and a narrower community involvement via Community Police Forums (and there were variations in community involvement across different areas).

Importantly, however, community involvement did not appear to include trade unions. Trade unions were not involved in the selection and design of projects. They were also not involved in the selection of people for employment, although it may not be desirable for them to be involved in this aspect. Interviewees of the infrastructure project were happy that the selection was done in Cape Town, by government officials with no contact in the community, on the basis of a list. Trade unions also appear not to have been involved in the setting of wages and conditions of employment for the projects.

Furthermore, none of the interviewees were members of a trade union and there appears to have been no attempts by unions to organise at any of the projects or engage with project managers on behalf of workers. It does not seem that this lack of trade union involvement was a result of deliberate efforts on the part of project managers to exclude them. Further research therefore needs to be done to establish why unions appear to have turned a blind eye to the EPWP.

The EPWP and the environment

The seventh MDG is environmental sustainability. This was not a focus of our research but it is clear that this is a major area of concern for the EPWP because one of the four main sectors deals with the environment; and probably the biggest single project of the EPWP, the Working for Water programme, is concerned primarily with environmental sustainability.

Lessons and recommendations

In general terms all indications are that the EPWP projects were well-received in the communities in which they were located and that the projects had a number of positive impacts in these communities. However, this may be in part a measure of the level of desperation in these communities, where any programmes to alleviate poverty, no matter how inappropriate or ill-conceived, are likely to be well-received. Positive responses and some benefits are therefore not very good indicators that the EPWP is the most effective instrument for creating work and alleviating poverty, nor that it is the most cost effective.

Government, however, is strongly committed to the EPWP and appears intent on scaling it up even further. Given its certain continuation as the primary short to medium-term job creation and poverty alleviation programme, what lessons can one learn regarding the Decent Work aspect of the EPWP and what recommendations can one make?

First, there are a number of issues around the management of the EPWP

broadly. This was not a focus of our research but we did gain insights that are confirmed by other research. The EPWP marks a shift from the earlier public works programmes in that it seeks to become integrated into the work of government departments rather than run in parallel. It is not clear that it has been successful in this regard. There is also a lack of clarity around the conditions that qualify a project for the EPWP, and we could not establish how contractors on individual projects were monitored for compliance with those conditions. These are all areas for further research. Our own research was too narrow to allow us to make any recommendations in this regard.

Second, our research indicates that the EPWP is not creating sustainable employment. Probably the main reason lies with the training component, which does not appear to be sufficient to develop the levels of skills people need to get jobs or make self-employment viable. Another reason is that the contracts of workers might be too short. In other words, they need longer contracts to gain more work experience (and also to do more training). Two recommendations stem from these findings. Firstly, the training component of the EPWP needs to be re-examined. Second, the planners of the EPWP need to reconsider the length of contracts.

The latter is a complex issue. One argument for having relatively short contracts is that this allows jobs to be spread across a broad base, thereby expanding the impact of the EPWP. To simply extend contracts of those who get appointed could mean that a relatively small proportion of the poor will be privileged by the EPWP. Our research was not broad enough to establish whether rationing is taking place. But within the projects that we studied this did not appear to be a factor determining the length of contracts. Rather it seems that it was the nature of the projects and budgetary constraints that determined their duration.

This is clearly an important issues and one that requires more research. If rationing is not taking place then there appears little reason to limit contracts of employment, particularly where other forms of social protection are fragmented and inadequate. Where possible, contracts should therefore be extended. If this means that a relatively narrow group of people are benefiting from the EPWP then the whole programme needs to be broadened so that other groups of people can be targeted.

Third, trade unions seem to be absent from the EPWP. It is unclear why, having given their endorsement to the EPWP concept at the Growth and Development Summit in 2003, unions do not appear to have given it much more attention. Unions need to be engaging with communities and government departments to ensure that the EPWP is extended to those areas and groups most in need and that the EPWP is impacting optimally on poverty without lowering labour standards. Furthermore, unions need to be engaging with the EPWP around the critical area of training. They are well placed to do so, being represented on SETAs, bodies that should be playing a bigger role in the EPWP.

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Like its predecessors, this eleventh edition of *Bargaining Indicators* is intended to serve as an omnibus guide to collective bargaining. As in the past, *Bargaining Indicators* seeks to address some of the information asymmetries that exist in collective bargaining and to provide trade unions in particular with research and analysis that assists them in going about this core function.

The scope of *Bargaining Indicators 2007* shows signs of significant development. This edition tackles some deeper issues that must be confronted when reflecting on collective bargaining. We consider the organisational development of trade unions.

Chapter two is dedicated to collective bargaining and includes an examination of the forms which collective bargaining takes in South Africa. We establish gender as an important cross-cutting theme in collective bargaining and the workplace. The review of the outcomes of collective bargaining goes beyond a narrow focus on wages and encompasses the fuller range of conditions of employment which govern the workplace. Following on from an assessment of the wage floor in the formal economy, the annual survey of directors' fees sheds light on the wage ceiling by describing the basic salaries accruing to executive and non-executive directors of a sample of listed companies in 2006.

Chapter three seeks to make economic information more accessible to trade union representatives and describes macroeconomic indicators for collective bargaining along with a dedicated article on inflation.

This edition closes with an exploration of the intersection between decent work and development by way of an examination of 5 projects that formed part of the Extended Public Works Programme.

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