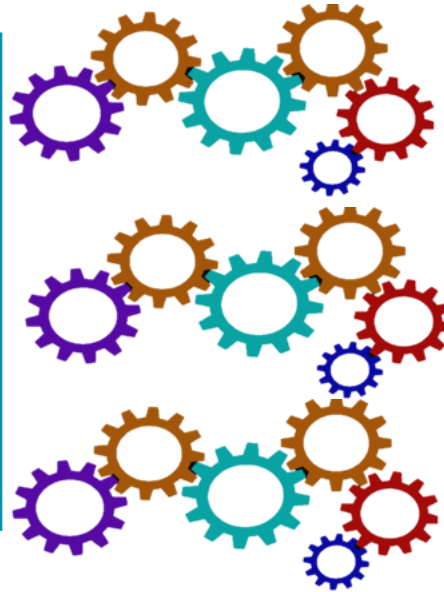
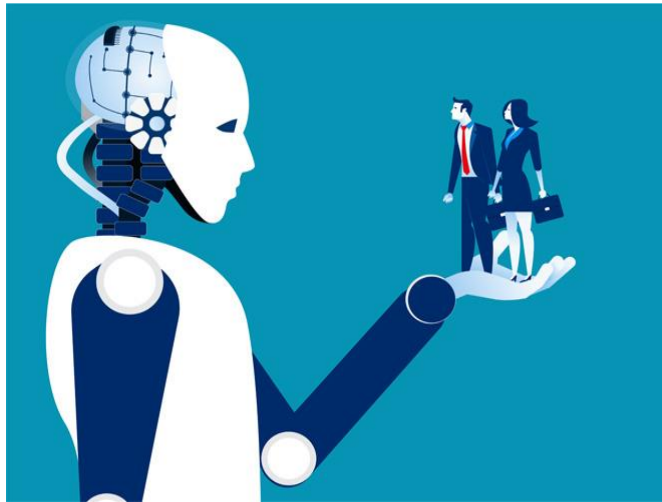




**PLENARY 2:
COLLECTIVE BARGAINING: WAGE TRENDS, COLLECTIVE
BARGAINING STRATEGIES AND TACTICS AND CONDITIONS OF
EMPLOYMENT
27 SEPTEMBER 2018**



**PRESENTER: MR GEORGE MTHETHWA
DESIGNATION: RESEARCHER AND EDUCATOR, LABOUR RESEARCH SERVICE**



PRESENTATION OUTLINE



1. Key considerations - 2017

2. Nominal median v real median wage increases - 2017

3. Conditions of employment

4. Bargaining strategies and tactics

KEY CONSIDERATIONS - 2017



- The median wage settlement level in 2017 across industries was 8%.
- Average Inflation was at the upper band (5,3%) of the inflation targeting framework of 3%-6%.
- **Median** is the number which found in the middle of a range of numbers. For example: if the Range of numbers is 2, 4, 6, 8, 10, 12, 14, 16, 18 then the median is **10**.
- **Cash Wage or Nominal Wage:** This is the amount of money that the employer pays the workers, for example, if a worker earns R3, 500 per month then that is the worker's cash wage.

KEY CONSIDERATIONS - 2017



Real Wages: This refers to the value of the wage in terms of what it can buy, that is, the purchasing power of the wage.

It is called a real wage because it has taken the effects of rising prices (inflation) on workers' wages into account.

If real wages rise more slowly than inflation, then your real wages - your purchasing power - has declined.

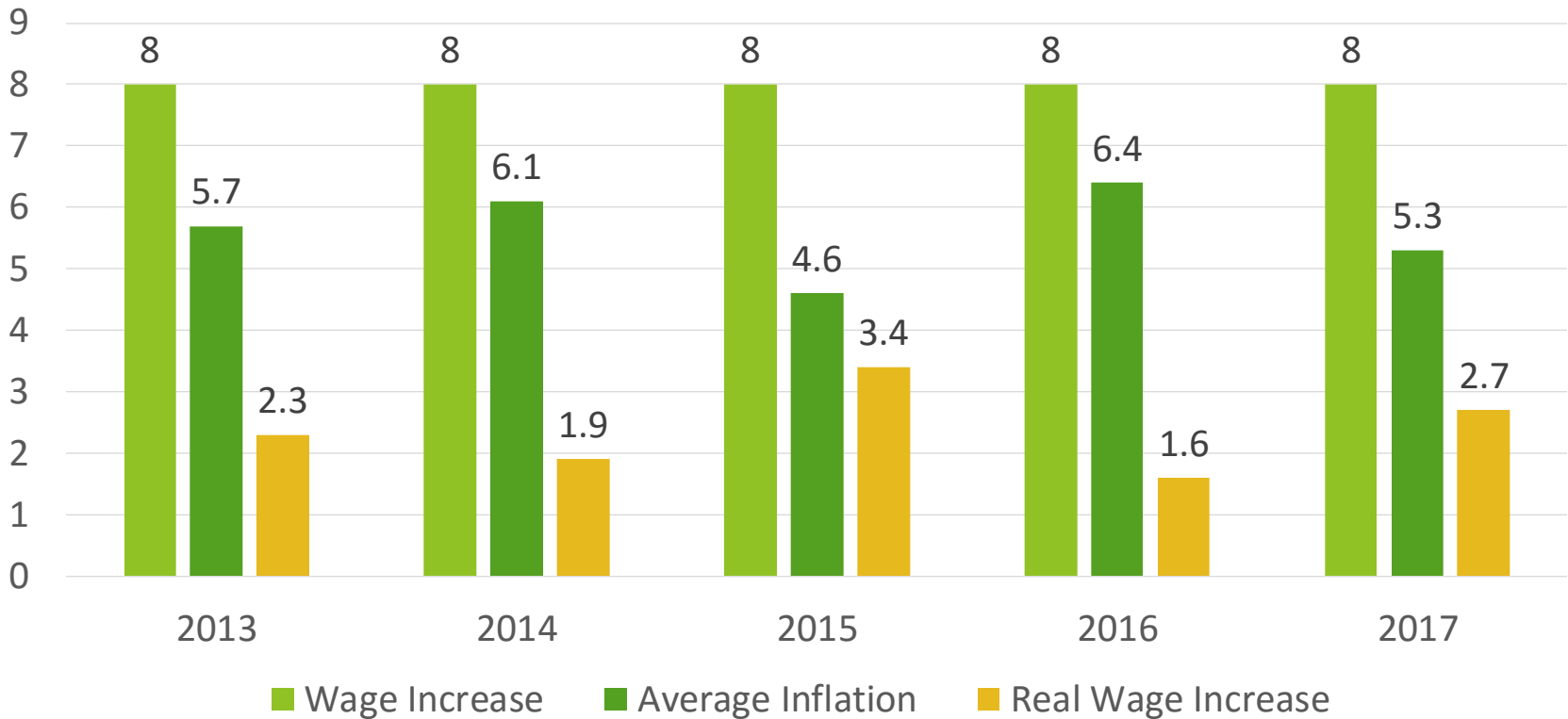
It's important for you to know your real wage to determine if an increase in your wage is actually increasing your wealth, simply keeping pace with rising costs, or worse, falling behind rising prices.

NOMINAL MEDIAN WAGE INCREASES v REAL MEDIAN WAGE INCREASES

ALL INDUSTRIES



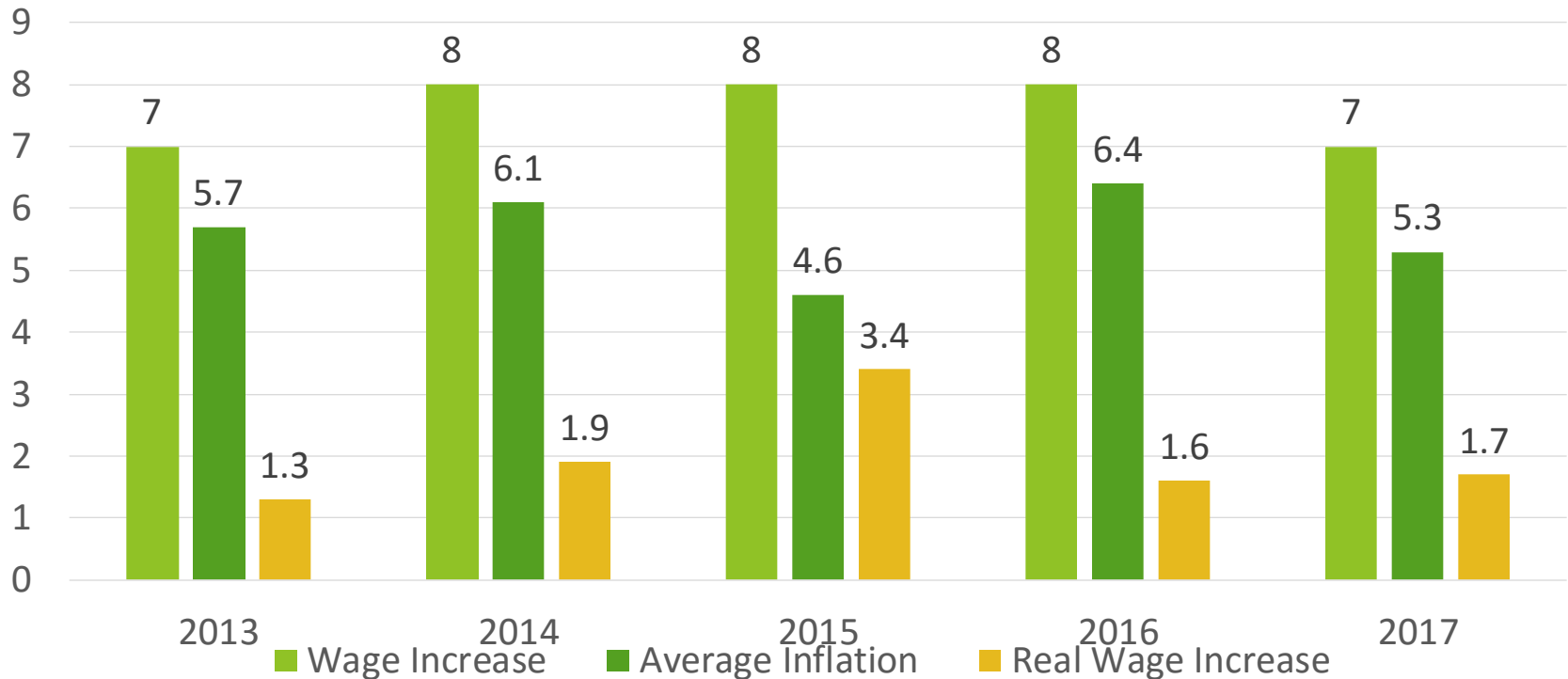
All industries show that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 2,7%.



AGRICULTURE, HUNTING AND FISHING



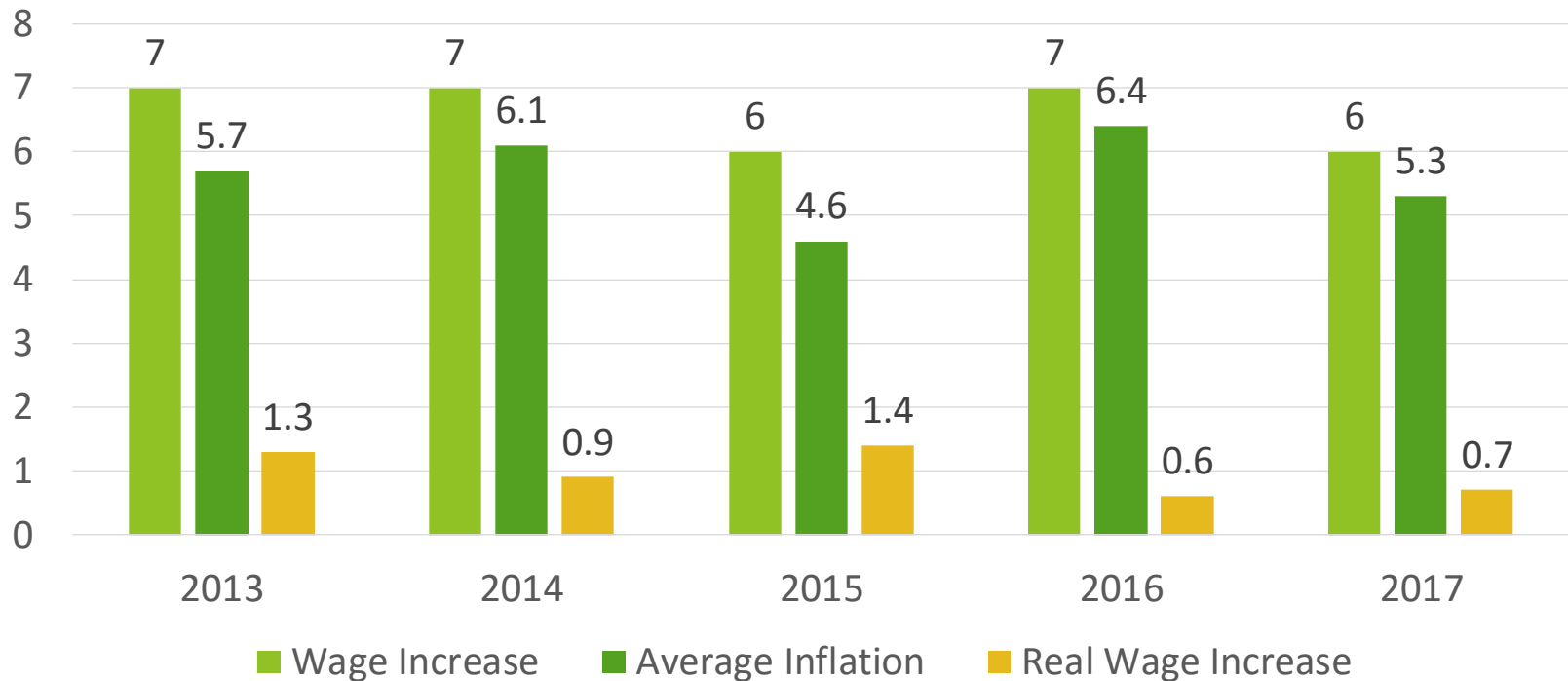
Agriculture, Hunting, Forestry and Fishing shows that the nominal median percentage wage increase was 7% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 1,7%.



COMMUNITY, SOCIAL AND PERSONAL SERVICES



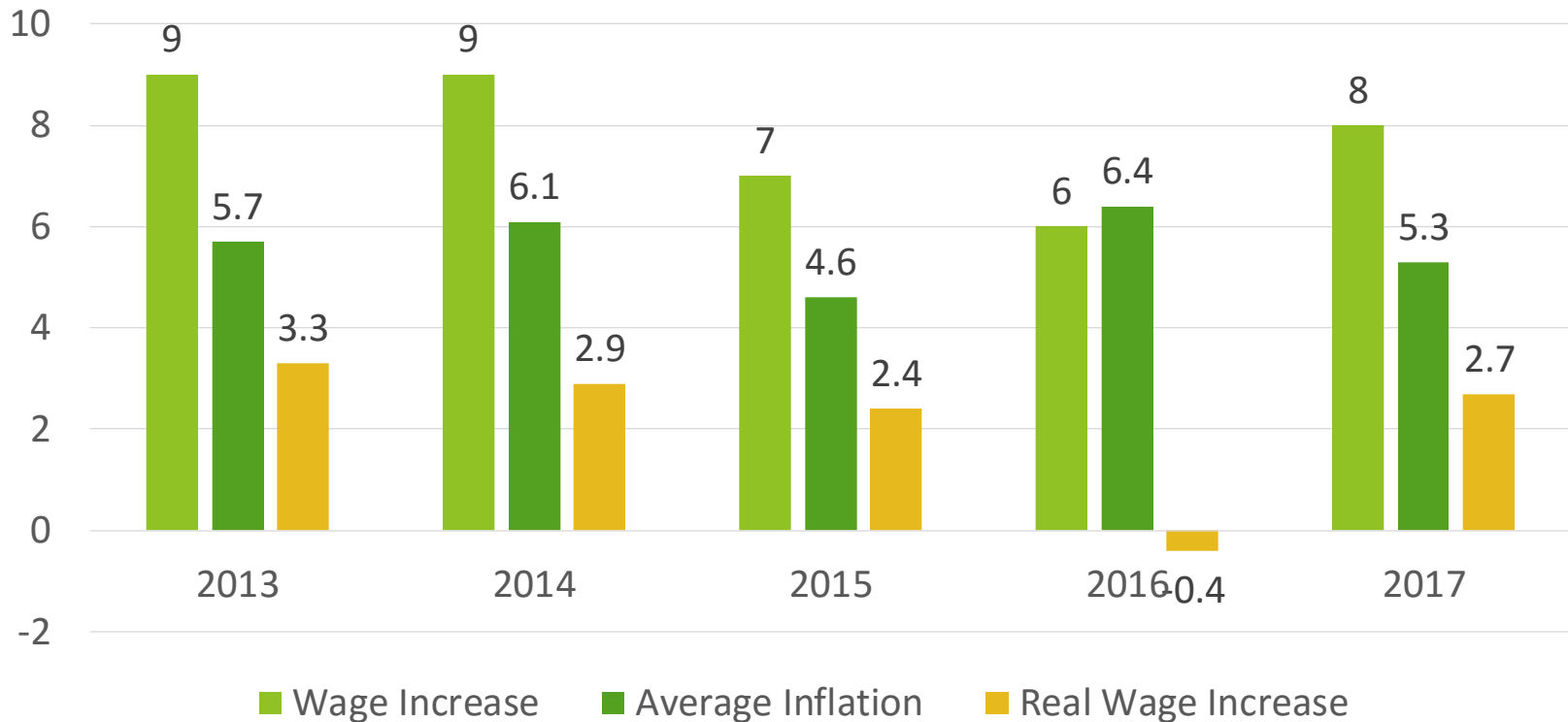
- Community, Social and Personal Services shows that the nominal median percentage wage increase was 6% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 0,7% .



CONSTRUCTION INDUSTRY



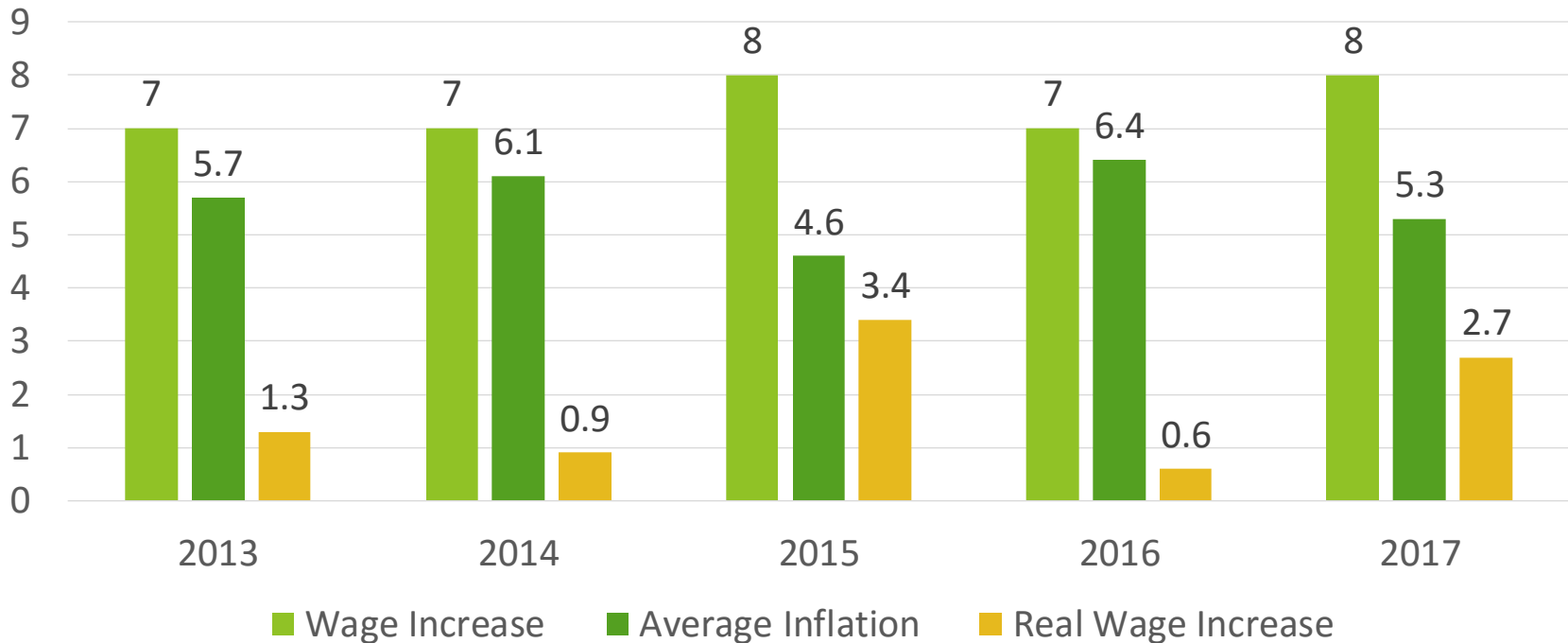
Construction shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 2,7%.



ELECTRICITY, GAS AND WATER INDUSTRIES



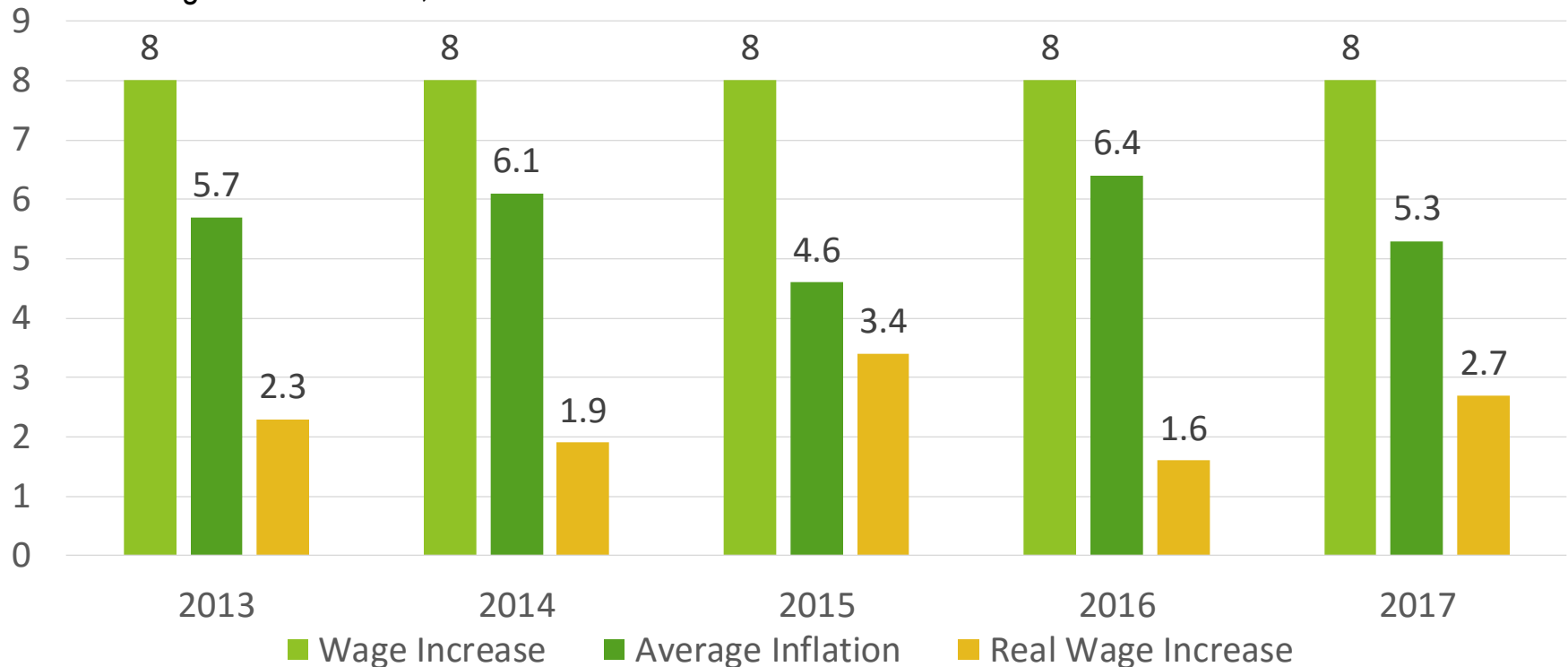
Electricity, Gas and Water shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 2.7%.



FINANCE, INSURANCE, REAL ESTATE AND BUSINESS SERVICES INDUSTRY



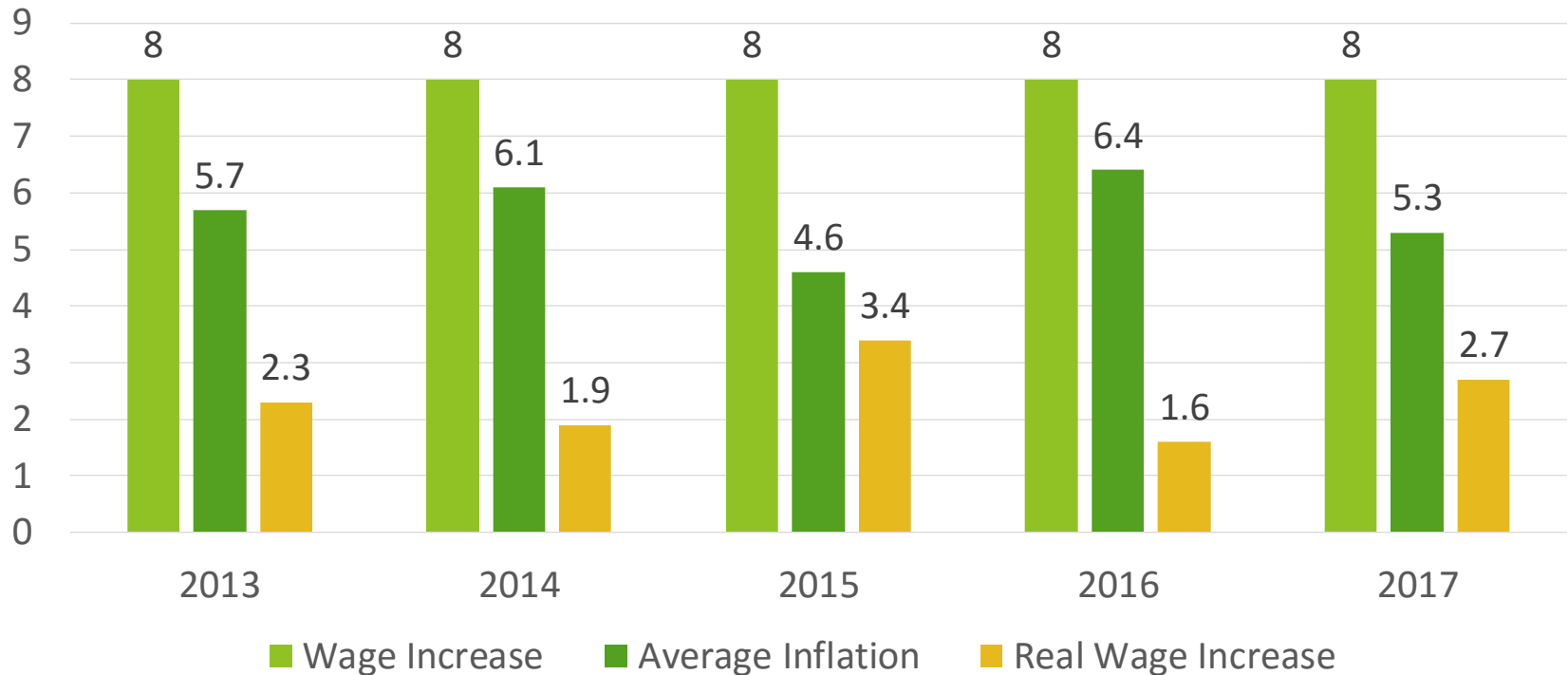
Finance, Insurance, Real Estate and Business Services shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wages increase of 2,7%



MANUFACTURING INDUSTRY



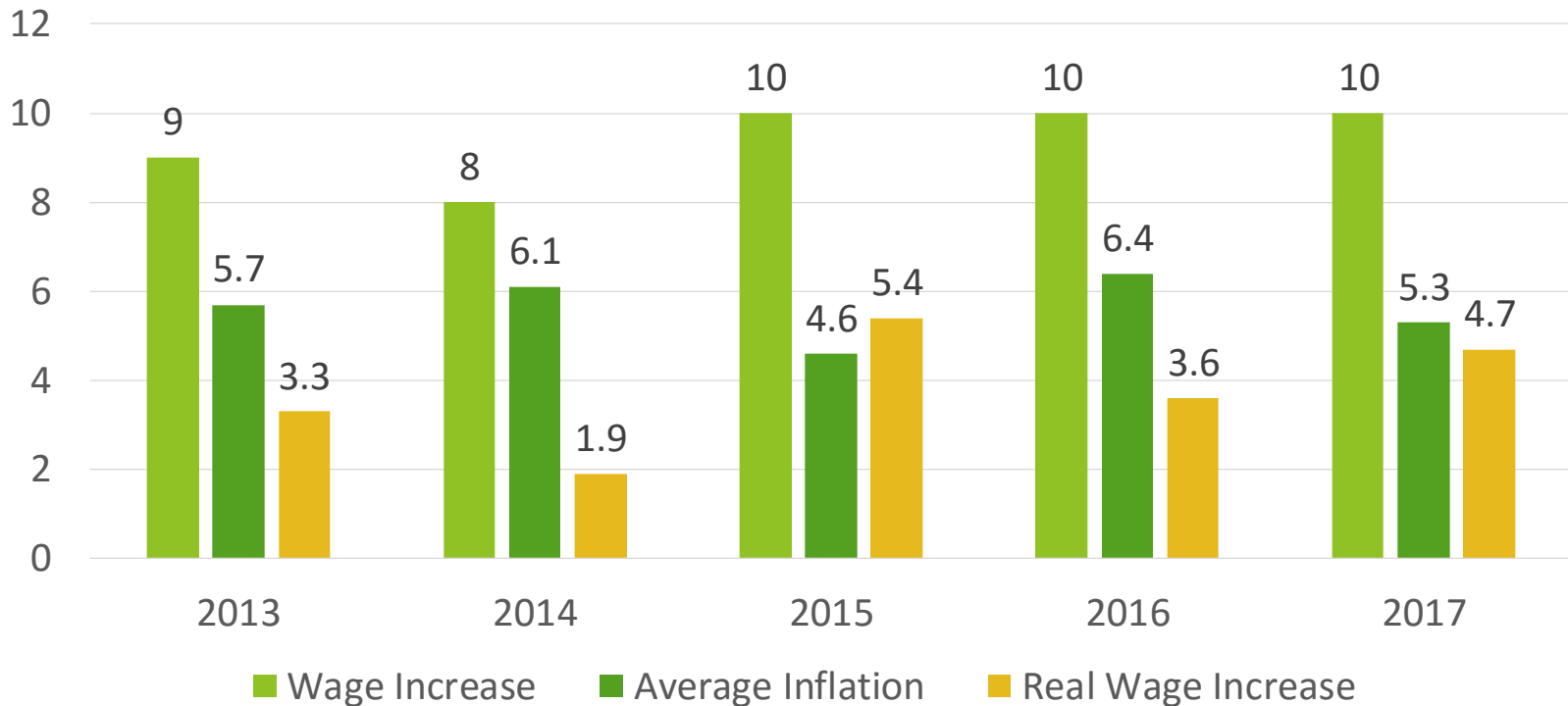
Manufacturing shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 2.7%.



MINING AND QUARRYING INDUSTRY



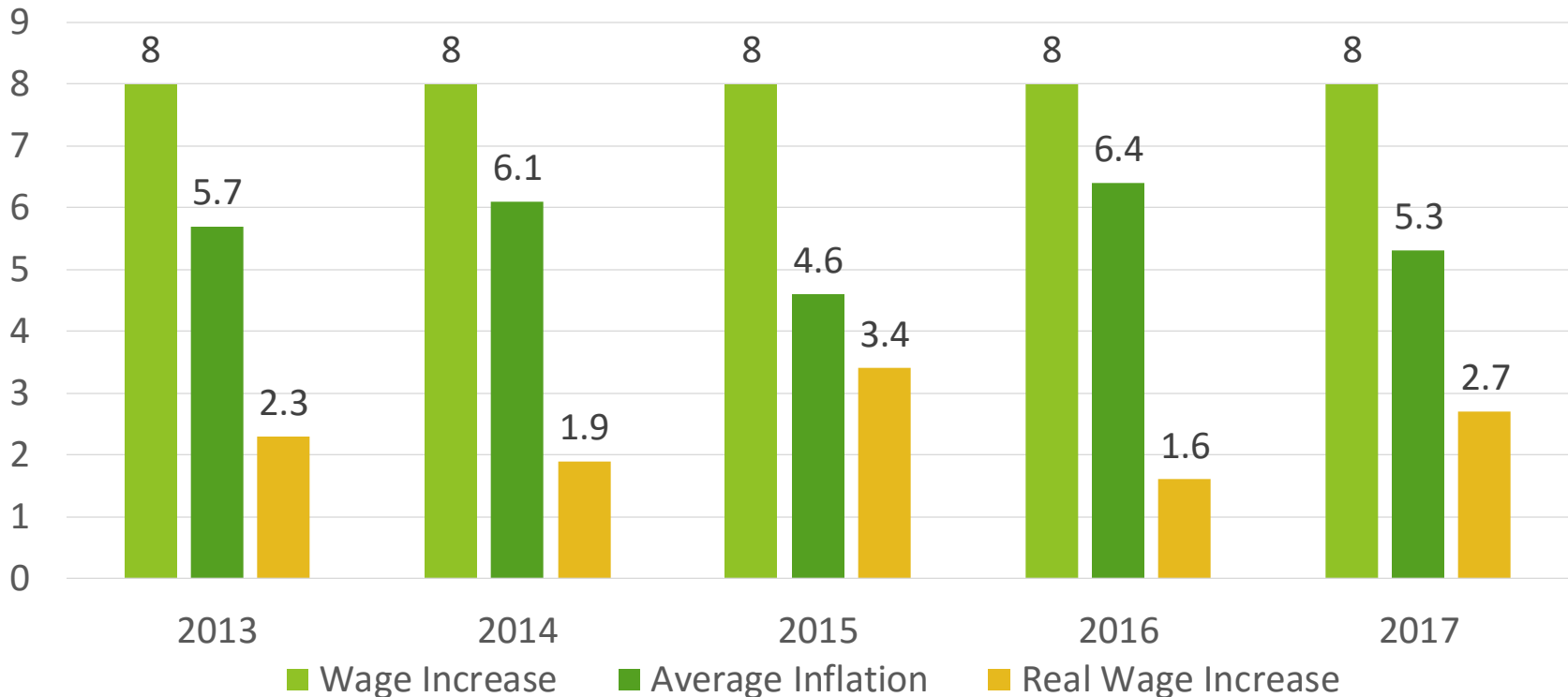
Mining and Quarrying shows that the nominal median percentage wage increase was 10% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 4,7%.



TRANSPORT, STORAGE AND COMMUNICATIONS INDUSTRIES



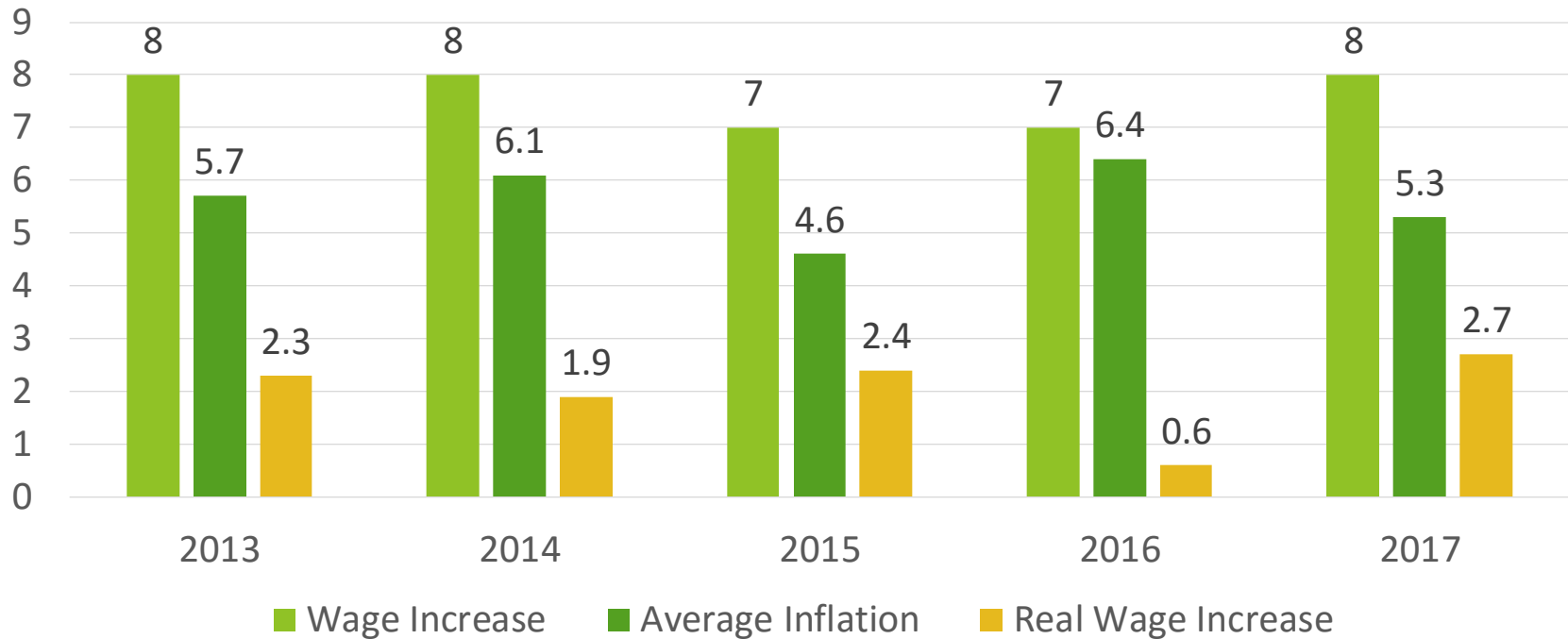
Transport, Storage and Communication shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a real median wage increase of 2.7%.



WHOLESALE AND RETAIL INDUSTRY



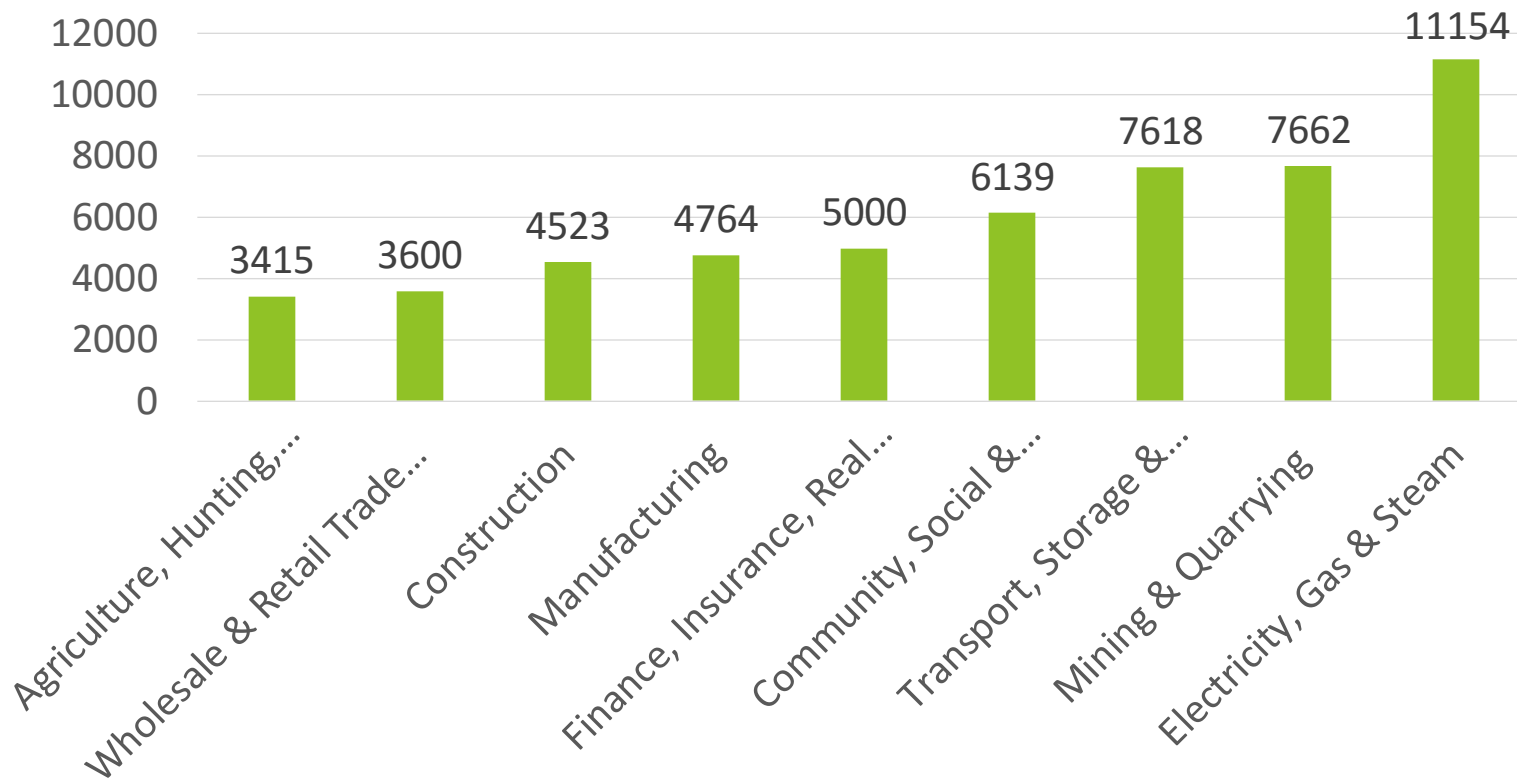
Wholesale & Retail Trade shows that the nominal median percentage wage increase was 8% in 2017. If we take into account the median inflation rate of 5.3%, workers gained a median real wage increase of 2.7%.



MEDIAN MINIMUM WAGES – VARIOUS INDUSTRIES 2017



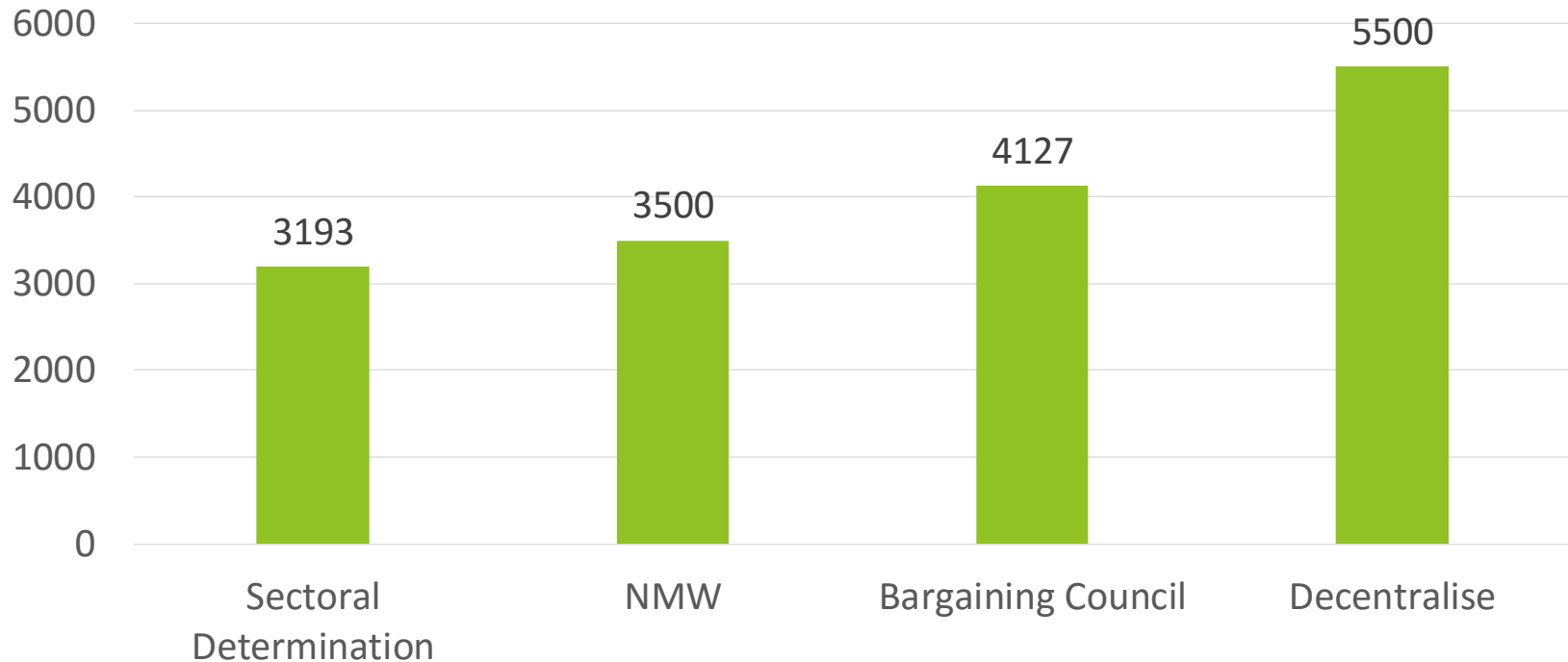
Median Minimum Wages by Various Industries 2017.



MEDIAN MINIMUM WAGES BY SECTORAL DETERMINATION, BARGAINING COUNCILS AND DECENTRALISE - 2017



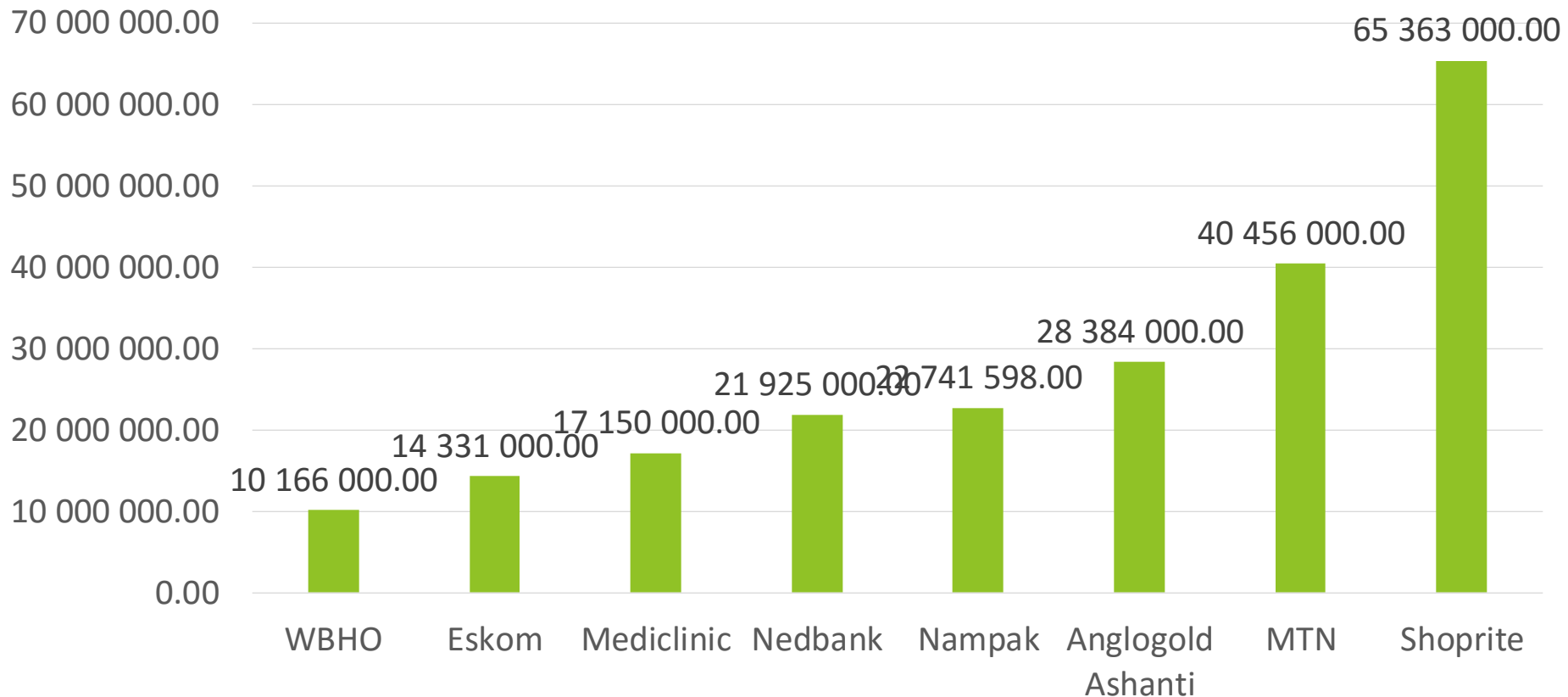
Median minimum wages by Sectoral Determination, Bargaining Councils & Decentralise 2017.



CHIEF EXECUTIVE OFFICER REMUNERATION 2017



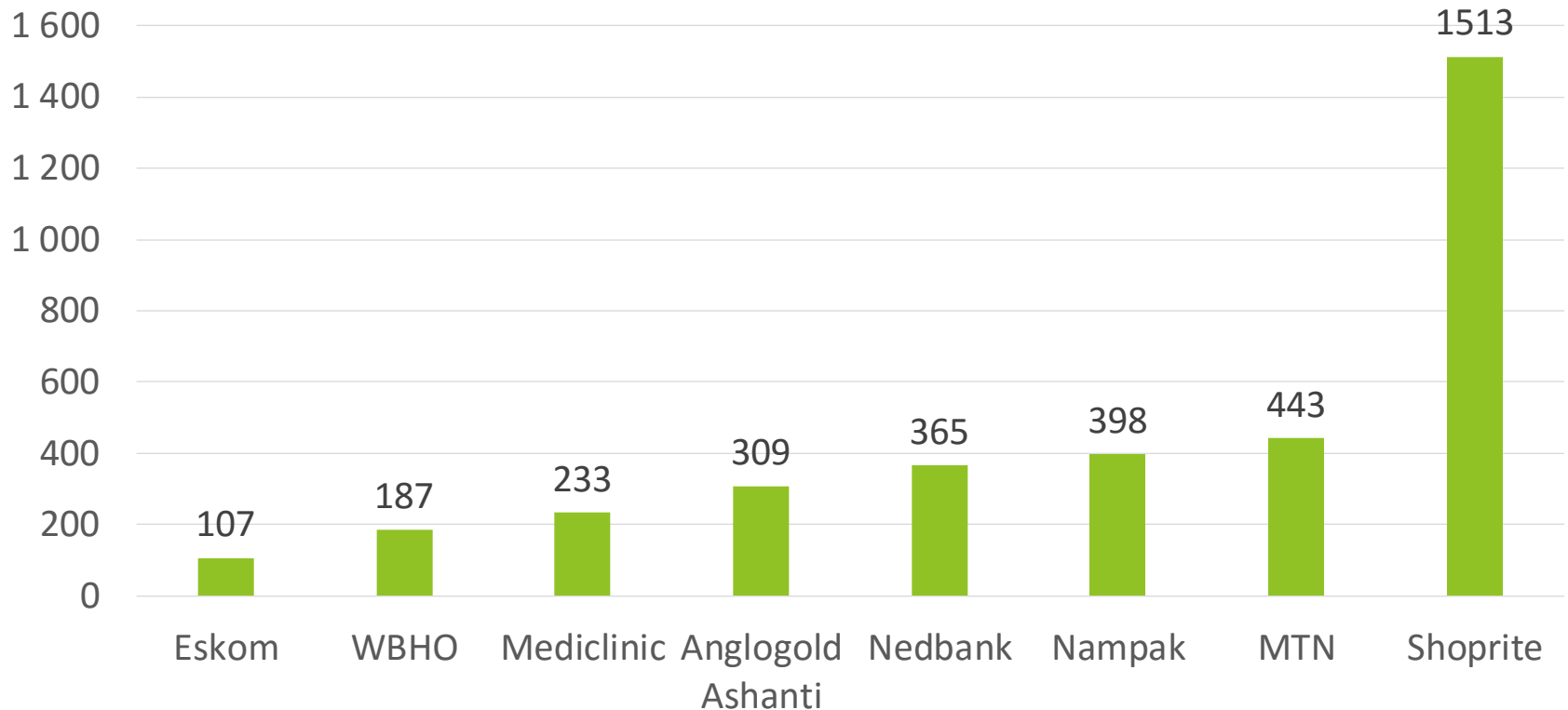
Chief Executive Officer Remuneration 2017



WAGE GAP: CEO v WORKERS



Wage gap Chief Executive Officer Remuneration vs Workers Median Minimum Wages



CONDITIONS OF EMPLOYMENT

CONDITIONS OF EMPLOYMENT



Leave

- Median Annual leave in working days p/a – 15
- Median Shop stewards leave in working p/a – 10
- Duration of Maternity Leave in consecutive months – 4 months
- Duration of paid Maternity Leave – 4 months
- Qualifying period for Maternity Leave – 12
- Maternity pay as a % of basic wage – 35%

CONDITIONS OF EMPLOYMENT (CONT'D)



Family Responsibility Leave

- Duration of Paid Family Responsibility leave in days p/a – 4
- Duration of paid Compassionate leave in days p/a - 5
- Duration of paid paternity leave in days p/a - 3
- Childcare leave in days p/a – 3

Skill Development

- Evidence of implementation of learnerships – 19%
- Other skill development initiative – 81%
- Study leave - 2
- Education & training allowance -

CONDITIONS OF EMPLOYMENT (CONT'D)



Response to HIV Aids in the workplace

- Evidence of practical measures to raise awareness - 82%
- Evidence of practical measures to provide VCT. (Voluntary Counselling and Testing) - 48%
- Evidence of practical measures to promote confidentiality - 50%
- Evidence of practical measures to provide access to treatment - 47%

CONDITIONS OF EMPLOYMENT (CONT'D)



Health-related provision

- Evidence of leave (other than sick leave) for the purposes of ante-natal and post-natal check-ups – 21%
- Evidence of time off and/or facilities for nursing mothers -
- Evidence of employer provision of- or contribution to- medical/health cover -
Yes
- Sick leave in days per annum (12 days)

Allowances

- Night shift allowance as % of basic wage- 12%
- Standby allowance- 8%
- Acting allowance-15%
- Long service (5 years service)- R900

CONDITIONS OF EMPLOYMENT (CONT'D)



Security

- Evidence of Provident Fund - employer contribution as % of basic wage – 50%.
- Severance pay: no. of weeks per year of service - 1 week.
- Evidence of extension of normal benefits to fixed and short term employees – 16%.
- Evidence of policies WRT labour brokers – 50%.

BARGAINING STRATEGY AND TACTICS

BARGAINING STRATEGY AND TACTICS



- First Principle-bargaining should start at inflation.
- Which inflation number do I compare to the wage increase?
- We are not all equal in the eyes of inflation.
- Non-wage outcomes of collective bargaining
- Link demands to trade union strategy (**Does this demand facilitate the union now and in the future? What type of workers does this demand speak to? Does this demand facilitate the organisation of new layers of workers?)**)

BARGAINING STRATEGY AND TACTICS



- Motivations and quantifications.
- For the labour movement, it is imperative that collective bargaining over wages is continually strengthened in order to improve the standard of living for its members. Negotiators need to be able to distinguish between nominal wages and real wages; this will inform how inflation has affected member's wage.

BARGAINING STRATEGIES AND TACTICS (CONT'D)



- Workers are interested not merely in their take home pay, but in the goods and services they can acquire with their wages. Therefore real wages need to be above the inflation rate.
- Trade union negotiators must not allow employers to come to the bargaining table with sub-inflation offers, their offer must start where inflation is situated at the time of negotiations.
- Trade unions need to develop clear and achievable objectives for collective bargaining: they need to educate members on the importance of both wage demands and conditions of employment.

BARGAINING STRATEGIES AND TACTICS (CONT'D)



- Trade Unions need to manage information and be able to provide feedback to members with immediate effect. This is to stop employers giving workers the wrong information which might cause conflict between negotiators, trade unions and their members.
- Wage analysis is a better tool to prepare for collective bargaining as it informs the negotiators and members what happened to their wages and what needs to be done going forward to improve their wages.

“KNOWLEDGE IS TOO IMPORTANT TO LEAVE IN THE HANDS OF THE BOSSES”



- www.lrs.org.za
- Inflation
- Recent Wage Settlement
- Company Information
- Bargaining Indicator
- Bargaining Monitor

THANK YOU



NGiyathokoza! ro livhuwa!
dankie! ke a leboga! **ENKOSI!**
 thank you! **udo livhuwa!**
inkomu!
 ke a leboga! **ngiyabonga!**
siyabonga!