

BARGAINING

MONITOR

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INFLATION MONITOR



The annualised inflation at May 2010 was slightly down on the previous month. Average CPI inflation was 4.6% at May, down from 4.8 % in April.

	Jan '10	Feb '10	Mar '10	April '10	May '10
CPI (AVERAGE)	6.2%	5.7%	5.1%	4.8%	4.6%
FOOD	1.6%	1.0%	0.5%	0.3%	0.1%
TRANSPORT	6.2%	5.1%	4.2%	4.0%	3.5%
PUBLIC TRANSPORT	0.5%	1.2%	2.2%	3.4%	2.8%
ADMINISTERED PRICES	14.5%	12.9%	11.2%	11.6%	12.1%

This fall in month on month annualised inflation hides strong increases in administered prices throughout this year. While average inflation has been declining this means that the rate of increase in prices is slower. It does not mean that goods and services are cheaper, only that their prices are increasing more slowly.

Prediction of the inflation rate over the next 12 months:

- LOW ROAD – 6%
- MIDDLE ROAD – 7.5%
- HIGH ROAD – 9%

Average CPI Inflation By Province

Province	Annual rate of inflation May 2010
Western Cape	+ 5.3%
Eastern Cape	+ 3.9%
Northern Cape	+ 4.0%
Free State	+ 4.3%
Kwazulu-Natal	+ 3.4%
North West	+ 3.9%
Gauteng	+ 4.6%
Mpumalanga	+ 4.0%
Limpopo	+ 3.1%

Western Cape experienced the highest inflation rate of 5.3% at May 2010, while inflation in Limpopo was the lowest at 3.1%.

How to Read Inflation Rates

The inflation rate is generally presented as an annualised rate. This means that it records the change in prices over a period of 12 months. So when we say that the inflation rate in May 2010 was 4.6%, we mean that prices increased by 4.6% from May 2009 to May 2010.

Inflation rates tell you what has happened to prices already. They are not forecasts of future inflation. Having said that, looking at past inflation trends together with an understanding of what is happening to prices now can assist in making short term predictions.

The June 2010 inflation figures will be released on the 28th of July 2010

All information available at www.statssa.gov.za

For more information please contact:
021 447 1677
www.lrs.org.za
www.lrs.org.za/mobi

Selected Annualised Inflation Indices 2007-2010

The Consumer Price Index (CPI)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2007	6%	5.7%	6.1%	7%	6.9%	7%	7%	6.7%	7.2%	7.9%	8.4%	9%	7.1%
2008	9.3%	9.8%	10.6%	11.1%	11.7%	12.2%	13.4%	13.7%	13.1%	12.1%	11.8%	9.5%	11.5%
2009	8.1%	8.6%	8.5%	8.4%	8.0%	6.9%	6.7%	6.4%	6.1%	5.9%	5.8%	6.3%	7.1%
2010	6.2%	5.7%	5.1%	4.8%	4.6%								

Statistics South Africa

The consumer Price Index 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.

The Food Price Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2007	8.3%	7.9%	7.8%	8.7%	9.1%	9.4%	10.2%	11.3%	12.0%	12.4%	13.3%	13.9%	10.4%
2008	13.6%	14.4%	15.6%	15.8%	16.9%	18.2%	18.5%	19.2%	17.9%	17.2%	16.9%	16.8%	16.7%
2009	16.1%	15.8%	14.9%	13.6%	12.1%	9.8%	7.6%	6.1%	4.9%	4.9%	4.0%	2.7%	9.3%
2010	1.6%	1.0%	0.5%	0.3%	0.1%								

Statistics South Africa

The food price index shows the increase in the price level of food products only, on a monthly basis. This rate is incorporated in the overall CPI inflation rate (CPI).

The Transport Price Index

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2007	4.5%	2.1%	4.3%	7.4%	7.1%	6.3%	4.2%	1.4%	3.1%	6.6%	8.1%	11.4%	5.5%
2008	10.7%	13.2%	16.1%	15.6%	16.7%	18.8%	23.5%	22.7%	20%	17.5%	14.5%	2.2%	15.9%
2009	0.1%	1.5%	0.9%	0.9%	0.5%	2.1%	3.4%	2.7%	-1.3%	-1.8%	0.6%	3.4%	1.6%
2010	6.2%	5.1%	4.2%	4.0%	3.5%								

Statistics South Africa

The transport price index provides an indication of the increase in then price level of transport items in the basket of goods and services that make up the inflation index. This rate is incorporated in the overall CPI inflation rate.

The Administered Price Index

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2008	12.7%	15.0%	16.6%	16.0%	16.7%	16%	21.3%	22%	20%	19.8%	17.4%	8.0%	16.7%
2009	1.4%	2.8%	2.8%	1.7%	0.0%	-1.2%	-0.4%	+0.2%	+3.2%	+2.7%	4.0%	9.9%	2.5%
2010	14.5%	12.9%	11.2%	11.6%	12.1%								

Statistics South Africa

An administered price is defined as the price of a product, which is set consciously by an individual producer or group of producers and/or any price, which can be determined or influenced by government, either directly or through one or other government agencies/institution without reference to market forces. For example, school fees, telephone fees, electricity, trains petrol/paraffin, cell calls and public transport. This rate is incorporated into the overall CPI inflation rate.

Owner's Equivalent Rent

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2009	8.2%	8.9%	9.1%	8.8%	8.3%	7.1%	6.9%	6.6%	6.4%	6.0%	5.9%	6.5%	7.3%
2010	6.5%	5.8%	5.2%	4.9%	4.7%								

Statistics South Africa

Owners' equivalent rent is measured by tracking actual rentals paid for dwelling. This rate is incorporated into the overall CPI inflation rate.

TRAN-SPORT

FIFA SATAWU FIFA



The strikes in the rail freight and rail passenger sectors on the eve of the 2010 World Cup highlighted the tensions between working class interests and an image conscious host country of the 2010 World Cup, the tension between established industrial rights and the 'special' context of hosting a sporting mega-event. We interviewed SATAWU about the recent disputes in the passenger and freight rail sectors.

Why did SATAWU choose the eve of the 2010 World Cup to come out on strike?

Deputy President of SATAWU, Robert Mashego said that "It is not a question of the World Cup. The timing of the strike had nothing to do with the World Cup. SATAWU began negotiating in February this year." Johnson Gamede, Collective Bargaining Officer, echoed this sentiment saying that this is the time for negotiations every year and pointed out that the union acted on a mandate from its members, they decided to strike or not to strike, they decided on the movement during the negotiations.

Both unionists supported the idea that employers themselves are using the World Cup to pressure unions to settle and in the process attempting to paint the union as unpatriotic, anti-World Cup, anti-passenger and unreasonable.

Did the strike build unity in the sector and what are the challenges for deepening unity in the future?

Mashego suggested that the strike was historic in that it was the first time the two unions, SATAWU and UTATU, with different political traditions and to some extent different membership bases, came out on strike together. He believes that this could be the beginning of something, a growing common interest. Gamede pointed out the unions come together in the labour caucus in preparation for negotiations in an effort to consolidate their demands and he suggested that their efforts at working together should not end there. He feels that the unions should really attempt to maintain collective action throughout negotiations.

The existence of two unions of similar sizes at a large employer like Transnet presents something of a stalemate for the unions and it could be argued that merger talks or at least a strategic alliance are unavoidable in future if the unions are to advance worker interests. Neither union is likely to gain an overwhelming majority in the workplace. The even balance between the two unions also hands management the advantage. As we saw recently, management settled with one party and this allowed them to restore operations to some degree at least and the partial settlement clearly encouraged them to resist SATAWU's demands for longer. Perhaps this is why SATAWU is also said to be moving towards a time when it calls out all the sectors in which it organises in support of strike action.

What was the settlement and what are the outstanding issues from this round?

The summary of the settlements below shows that the dispute was about more than just wages. SATAWU themselves note a few of management's tactics. The ex gratia payments are a way of keeping increases 'off the books'. It is a once off payment that does not actually increase the basic wage of the worker. The fact that Transnet has taken away the housing benefit from future employees is consistent with a strategy of reducing long term labour costs and unions are likely to encounter more and more of this 'benefit-stripping' by management in future.

The TRANSNET Settlement

In terms of the settlement agreement, all workers will receive an additional 1% pay. This will be paid as a once off payment in June. The payment will be calculated as 1% of annual salary. While the additional 1% will not be built into the salary, and the baseline wage will therefore not change, it is nevertheless in money terms the equivalent of 12%.

The highlights of the final settlement are as follows:

1. An 11% increase on basic wage plus the 1% agreed as above.
2. A R1000 ex gratia payment to all employees.
3. Medical aid subsidy to be extended to workers belonging to medical schemes other than Transmed (additional accredited schemes still to be agreed by the parties).
4. Medical allowance to be paid to workers who do not currently belong to any medical aid scheme.
5. One thousand contract workers to be employed on a permanent basis by October. An agreed process for the placement of remaining contract workers, including the nature of their employment contracts.
6. The lifting of the minimum wage from R38,000 pa to R50,000.

No agreement on:

1. The reinstatement of the housing allowance as a condition of employment for all workers, current and future.
2. An improvement in paid maternity leave.

The PRASA Agreement

1. Wage increase - 10% across the board backdated to 01 April 2010.
2. Implementation of rotational shift system (also referred to as three shift system).
3. Agreement to finalise conditions of service negotiations by 30 June 2010 and to implement new conditions of service 01 August 2010.
4. Agreement that upon implementation of new conditions of service, the following allowances will no longer exist:

- i) Standby Allowance;
- ii) Track Tool Technical Allowance;
- iii) Inconvenience Allowance.

There will be a once off compensation for workers affected by these changes to be negotiated by 30 June 2010.

- 5. Housing and medical aid will be calculated in accordance with the current formulas and minimum and maximum thresholds will apply. There is also an agreement to investigate and resolve the alleged disparities, if any, on minimum and maximum thresholds as well as the appropriateness of the applicable formulas.
- 6. Female employees entitled to four months maternity leave on full pay as of 01 July 2010

Further agreement between SATAWU and PRASA

- 7. Employees in Shosholoza Meyl earning less than R60 000 per annum will be paid an additional increase of 2.5% on their pensionable salaries with effect from 1st April 2010.
- 8. Employees in Metrorail earning less than R70000 per annum will be paid an additional 2% on their pensionable salaries with effect from 1st April 2010.
- 9. All employees falling within the Bargaining Unit will be paid an ex-gratia payment of R1000.

WAGE SETTLEMENTS IN 2010

A snapshot of wage settlements to date

COMPANY	% INCREASE	INDUSTRY
Telkom	7.5	Communication
Soillab Western Cape	10	Construction
Manuel Gouveia Construction	12	Construction
Colliery Training College	9.5	Education
Peermont Global t/a Emperors Palace	8	Entertainment
Entertainment Employers	8.5	Entertainment
Tsogo Sun/Sun International	8.75	Hospitality
Schultz Brick Sorting	8	Manufacturing
Idwala Industrial Minerals	9	Manufacturing
Raumix Aggregates-Queenstown Quarries	9	Manufacturing
Lafarge Aggregates (Cement Business Unit)	9.5	Manufacturing
Lafarge Aggregates & Concrete Business	8.5	Manufacturing
Blitz Concrete RSA	8	Manufacturing
Cape Feldspar Minerals	11	Manufacturing
Monier Roofing SA	8	Manufacturing
Raumix Aggregates	15.5	Manufacturing
Kulu Crete South Coast Concrete Products	12	Manufacturing
NPC-Aggregates & Concrete	8.5	Manufacturing
Sinosteel	9	Manufacturing
Murray & Roberts Cementation	8	Manufacturing
Hours Kooperasie Beperk	6.75	Manufacturing
Curzon Production	7.5	Manufacturing
Metal & Engineering Industry Bargaining Council (MEIBC)	8.1	Manufacturing
ABI	7.8	Manufacturing
Knysna Leisure Industries	10.5	Manufacturing
Diamond Cutting Industry	10	Manufacturing
Anglo Platinum	8	Mining
Phalaborwa Mining Company	9	Mining
Tlhabologo Investment Company	8.5	Mining
Barberton Mines	7.5	Mining
Gold One Africa Limited	7.1	Mining
Bronx Mining & Investments (Salaries)	6	Mining
Bronx Mining & Investments (Wages)	8	Mining
Klipbank Mining	9	Mining

E+PC Operations (Emalahleni Water Reclamation Plant (Anglo Coal))	10	Mining
D.K Mining Services CC (New Denmark Colliery)	8	Mining
Lonmin Platinum (Western & Eastern Platinum)	7.9	Mining
Blyvooruitzicht Gold Mining Company	8	Mining
SamQuarz	8	Mining
Lyttelton Dolomite	8	Mining
Crown Gold Recoveries	8	Mining
Chamber of Coal	7.5	Mining
Chamber of Gold	7.5	Mining
De Beers Consolidated Mines (DBCM)	10	Mining
Trans Hex Operations	10	Mining
Inspectorate M & L	8	Other Business Services
BDM Management	10.5	Other Business Services
WG Wearne	5.1	Other Business Services
ALS Human Resource Solutions	8	Other Business Services
Caxton Printers A Division Of CTP	7	Printing
Caxton Newspapers A Division Of CTP	7	Publishing
Truworths	9.2	Retail Trade
Local Government	8.4	Social Services
Road Freight Industry	7.5	Transport
Transnet Bargaining Council	11	Transport
Passenger Rail	12	Transport
Median Settlement Level	8.1	

BARGAINING

Strategies for 2010

This framework for bargaining is a summary of proceedings at the LRS Negotiators' Conference 2010. This annual event brings men and women in South African trade unions together to reflect on issues and experiences in collective bargaining and to develop strategies.



A Framework Document for Collective Bargaining in 2010/2011 and beyond

Wage Demands

- Take a multi-year view of real wages. An increase of 12.3% is required this year just to maintain real average minimum wages at 2007 levels of purchasing power.¹ Do the calculations for wages that are more specific to your industries and sectors.
- Don't lose sight of the Rands and Cents behind the percentages. The average minimum wage in 2009 was R2960 per month. Some wages need to be shifted towards this minimum benchmark before percentage increments are considered.
- Begin to push for agreement on the principle of automatic cost of living increases which could be implemented retrospectively against an agreed inflation benchmark, thereby taking inflation off the table and freeing the union to pursue other issues in collective bargaining.

Non Wage Demands

- Push demands which talk to young workers, women workers and workers in precarious employment in particular. Find out what is important to members. Examples here might include:
 - Maternity pay and the broader category of parental leave and subsidising further education (leave and pay).
 - Disincentivising precarious employment by equalising conditions and pay. The principle here would be to bring workers in non-standard employment relationships closer to the bargaining unit.

1. This assumes that CPI inflation is 7% from mid 2010 to mid 2011

Organisational Demands

- Formulate demands which build organisation and the capacity to organise. Examples of these kinds of demands would include:
 - The establishment of shop stewards
 - More time off for shop stewards for union business
 - Office facilities and dedicated spaces for meetings in the workplace along with basic infrastructure like computers and telephone and fax.

Preparation

- Know your members – What is the composition of membership in terms of age, sex, income brackets, duration of union membership and their living circumstances. This will begin to suggest what kinds of demands will talk directly to the needs of workers.
- Know your organisation – Are your demands addressing your weaknesses and moving you to towards your objectives.
- Know your company/employer - Annual company reports can help provide insight into company performance, state of product markets, suppliers, prospects for the company going forward, as well as company goals and strategy. What links exist between your company and others in terms of ownership structures?
- Know the bargaining arrangements and procedures which govern industrial relations in your sector.
- Know your sector – Where is your sector situated in the economy, how is it affected by factors like exchange rates, interest rates and other broad economic indicators?

General Hints

- Consider company profits over the last few years (multi-year view).
- Consider benchmarking wage demands against remuneration to directors over the last few years (multi-year view). Look at the amount that directors are paid and the percentage increase that they were awarded.
- Consider a campaign approach to bargaining. Focus on a shortlist of demands in consultation with members, rather than a shopping list. Develop complementing plans for mobilising members on key issues over time. Develop a communications plan which keeps members informed before, during and after negotiations as well shaping public attitudes towards worker demands. Make the links between bargaining, organising and education.
- Anticipate employers cutting up the settlement under the cost-to-company approach.
 - Multi-year agreements are very attractive to employers. If you are considering going into multi-year agreement or if you are staying in multi-year agreement then get something in return.
 - Be conscious of the dangers of multi-year agreements which include a structural decline in levels of contact and participation with membership, and limiting the ability of the union to respond to emergent issues during the term of an agreement.
 - Consider dropping an issue rather than referring it to a commission. This frees the union to take up the issue before the end of the agreement term.

Minimum Wages

The next two tables provide a snapshot of minimum wages by listing the top twenty and the bottom twenty employers and the minimum wages which they pay. This analysis was made in April 2010 and you can look forward to an updated analysis in the forthcoming 2010 edition of Bargaining Indicators. The third table shows minimum wages as set forth in sectoral determinations.

MINIMUM WAGE EMPLOYMENT 2009

– The Top Twenty

UNION	COMPANY	INDUSTRY	SECTOR	OCCUPATION	MONTHLY WAGE
FAWU	British American Tobacco, South Africa	Manufacturing	Tobacco	General Worker	6,411
FAWU	ABI	Manufacturing	Beverages	General Worker	6,360
FAWU	Cadbury	Manufacturing	Sweets & Chocolates	General Worker	5,809
FAWU	Dickson Hall Foods	Manufacturing	Food Products	General Worker	5,408
NUM	Lafarge Cement	Manufacturing	Cement Products	General Worker	5,375
CEPPWAWU	Wood & Paper NBC (Pulp and Paper)	Manufacturing	Paper	Labourer	5,070
CEPPWAWU	Chemical Industry NBC (Petroleum)	Manufacturing	Petroleum	Labourer	4,928
FAWU	Nola A Division Of FoodCorp	Manufacturing	Food Products	General Worker	4,862
NUM	Everite Building Products	Mining & Quarrying	Quarrying	General Worker	4,858
SACCAWU	The Blenders Company Pty Ltd	Wholesale & Retail Trade	Retail Trade	General Worker	4,780
NUM	Black Mountain Mining	Mining & Quarrying	Copper	General Worker	4,741
FAWU	Distell	Manufacturing	Wine & Spirits	General Worker	4,735
FAWU	McCain Foods	Manufacturing	Food	General Worker	4,710
NUM	Trichardt Crushers	Mining & Quarrying	Quarrying	General Worker	4,676
FAWU	Sasko Bakeries Category 4	Manufacturing	Bakery	General Worker	4,563
CEPPWAWU	Chemical Industry NBC (Pharmaceutical)	Manufacturing	Pharmaceuticals	Labourer	4,560
NUM	Infraset -Rossway Factory	Manufacturing	Bricks	General Worker	4,513
CEPPWAWU	Coastal Papers Converters	Manufacturing	Paper	General Worker	4,500
CEPPWAWU	Britepak			General Worker	4,486
NUM	Anglo Platinum Underground	Mining & Quarrying	Platinum	General Worker	4,400

MINIMUM WAGE EMPLOYMENT 2009

- The Bottom Twenty

UNION	COMPANY	INDUSTRY	SECTOR	OCCUPATION	MONTHLY WAGE
SACCAWU	Speciality Food	Manufacturing	Food	Labourer	1,321
NUM	Building Industry BC - Gordinia	Construction	Building	General Worker	1,346
NUM	Kalkpoort Soutwerke Kantoor	Mining & Quarrying	Quarrying	Cleaner	1,429
NUM	Building Industry BC - Kimberly	Construction	Building	General Worker	1,434
NUM	Electrical Industry NBC	Construction	Electrical Installation	General Workers	1,465
FAWU	Eggbert Eggs	Manufacturing	Food Products	General Worker	1,500
CEPPWAWU	Wood & Paper NBC (Sawmilling)	Manufacturing	Wood	Labourer	1,505
SACCAWU	Restaurant, Catering and Allied Trades BC	Wholesale & Retail Trade	Restaurants, Catering and Allied Trade	General Assistant	1,553
NUM	Magogong Steengroef	Mining & Quarrying		General Worker	1,554
SACCAWU	Quipsell Trading 1027 Pty Ltd t/a Mustang Spur	Wholesale & Retail Trade	Restaurants & Other Eating/ Drinking Places	Cleaner/General Worker	1,559
NUM	Kalkpoort Soutwerke Pyn Plant Fyn Verpakking	Mining & Quarrying		General Worker	1,619
NUM	Contract Opencast Mining	Mining & Quarrying		General Worker	1,620
CEPPWAWU	Furniture Manufacturing Bargaining Council Industry	Manufacturing	Curtaining	General Worker	1,635
MDAWUSA	Meat Trade Gauteng Bargaining Council	Wholesale & Retail Trade	Retail Trade	Cleaner	1,646
NUMSA	Motor Industry BC (MIBCO) Sector (4,5 & 7) Area A	Wholesale & Retail Trade	Retail Trade	Forecourt Attendant (Diesel Outlets Only)	1,660
NUM	Kalkpoort Soutwerke Growwe Plant	Mining & Quarrying	Mining	General Worker	1,667
NUM	Eskom			General Worker	1,684
SATAWU	Contract Cleaning BC (KZN)	Business Services	Cleaning	Cleaner	1,707
SACCAWU	Daytona Spur & Silver Spear Spur	Wholesale & Retail Trade	Restaurants & Other Eating/ Drinking Places	Cleaner/General Worker	1,726
SACCAWU	Inkanyezi Wholesalers	Wholesale & Retail Trade	Retail Trade	General Worker	1,750

MINIMUM WAGE

in Sectoral Determinations: 2009

SECTOR	AREA	OCCUPATION	MONTHLY WAGE
Forestry Sectoral Determination	National	General Worker	1081
Farming Sectoral Determination	Area A	General Worker	1232
Farming Sectoral Determination	Area B	General Worker	1232
Domestic Workers Sectoral Determination	National	Cleaner	1443
Taxi Industry Sectoral Determination	National	Rank Marshal	1513
Wholesale & Retail Trade Sectoral Determination	C	General Assistant	1584
Wholesale & Retail Trade Sectoral Determination	B	General Assistant	1625
Private Security Sectoral Determination	Area 4	Security Officer Grade E	1641
Private Security Sectoral Determination	Area 3	Security Officer Grade E	1743
Wholesale & Retail Trade Sectoral Determination	C	Merchandiser	1787
Wholesale & Retail Trade Sectoral Determination	B	Merchandiser	1833
Hospitality Sectoral Determination	Less than 10 employees	Minimum	1842
Wholesale & Retail Trade Sectoral Determination	A	General Assistant	1888
Taxi Industry Sectoral Determination	National	Driver	1891
Wholesale & Retail Trade Sectoral Determination	C	Cashier	1904
Private Security Sectoral Determination	Area 2	Security Officer Grade E	1928
Wholesale & Retail Trade Sectoral Determination	B	Cashier	1953
Hospitality Sectoral Determination	More than 10 employees	Minimum	2054
Private Security Sectoral Determination	Area 1	Security Officer Grade E	2101
Wholesale & Retail Trade Sectoral Determination	A	Merchandiser	2274
Wholesale & Retail Trade Sectoral Determination	A	Cashier	2423
		Median	1833
		Average	1760
		% increase in the average 08/09	10.54

DECENT WORK AND DECENT LIFE

For Domestic Workers

A review of wages of domestic workers in South Africa shows just how cheap the cheap labour system can get. The Sectoral Determination for Domestic Workers sets two geographical categories for the prescribed minimum wage: Area A is composed of the major metropolitan towns in South Africa and Area B is the rest of the country. The minimum wage in Area A is higher than in Area B.

Real Wages for Full time Domestic Workers in Area A:

Year/s	RAND Monthly Wage	RAND Wage Increase	% Increase	% Inflation	% Real Increase	RAND Real Wage	RAND Increase/Decrease
2002	800			9.1			
2003	862	62	7.74	5.8	1.94	816	16
2004	930	68	7.92	1.4	6.52	918	56
2005	997	67	7.19	3.4	3.79	965	35
2006	1,067	70	7.00	4.6	2.40	1,021	24
2007	1,142	75	7.00	7.2	-0.20	1,065	-2
2008	1,341	199	17.47	11.5	5.97	1,210	68
2009	1,443	102	7.60	7.1	0.50	1,348	7
2002-2009		643	80.36	48.54	31.81	1,055	255

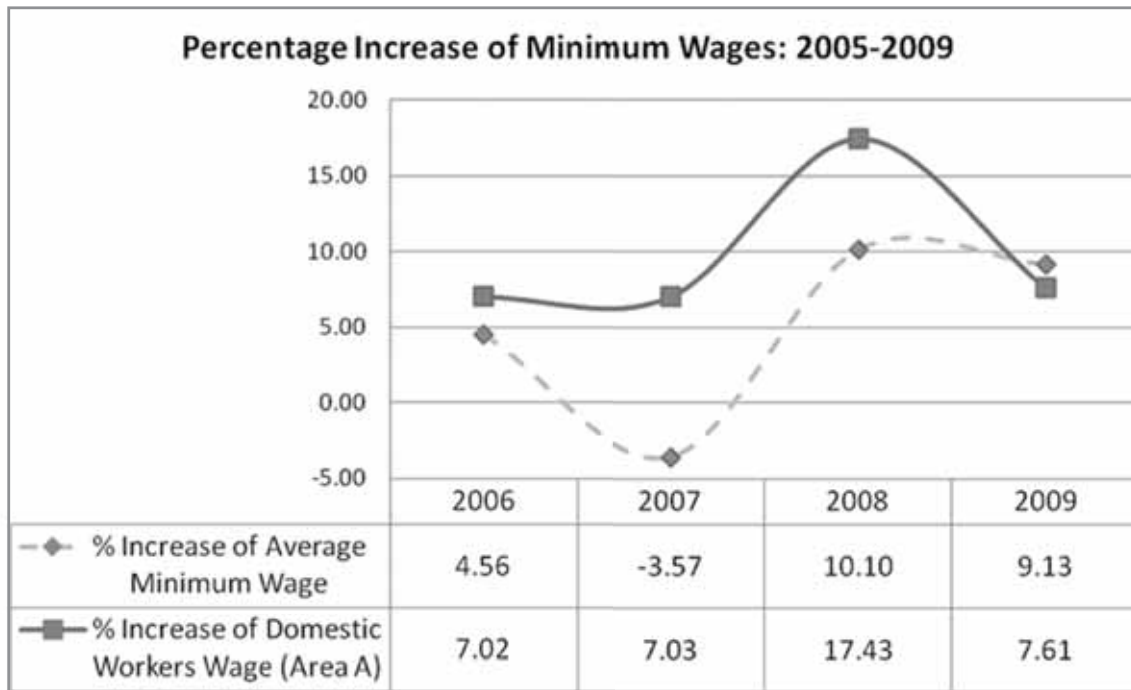
Real Wages For Full Time Domestic Workers In Area B:

Year/s	RAND Monthly Wage	RAND Wage Increase	% Increase	% Inflation	% Real Increase	RAND Real Wage	RAND Increase/Decrease
2002	650			9.1			
2003	700	50	7.70	5.3	2.40	666	16
2004	755	55	7.80	1.4	6.40	745	45
2005	809	54	7.19	3.4	3.79	783	29
2006	866	57	7.00	4.6	2.40	828	19
2007	926	61	7.00	7.2	-0.20	864	-2
2008	1,097	171	18.49	11.5	6.99	991	65
2009	1,192	94	8.60	7.1	1.50	1,114	16
2005 -2009		1,192	83.35	48.5	34.81	876	226

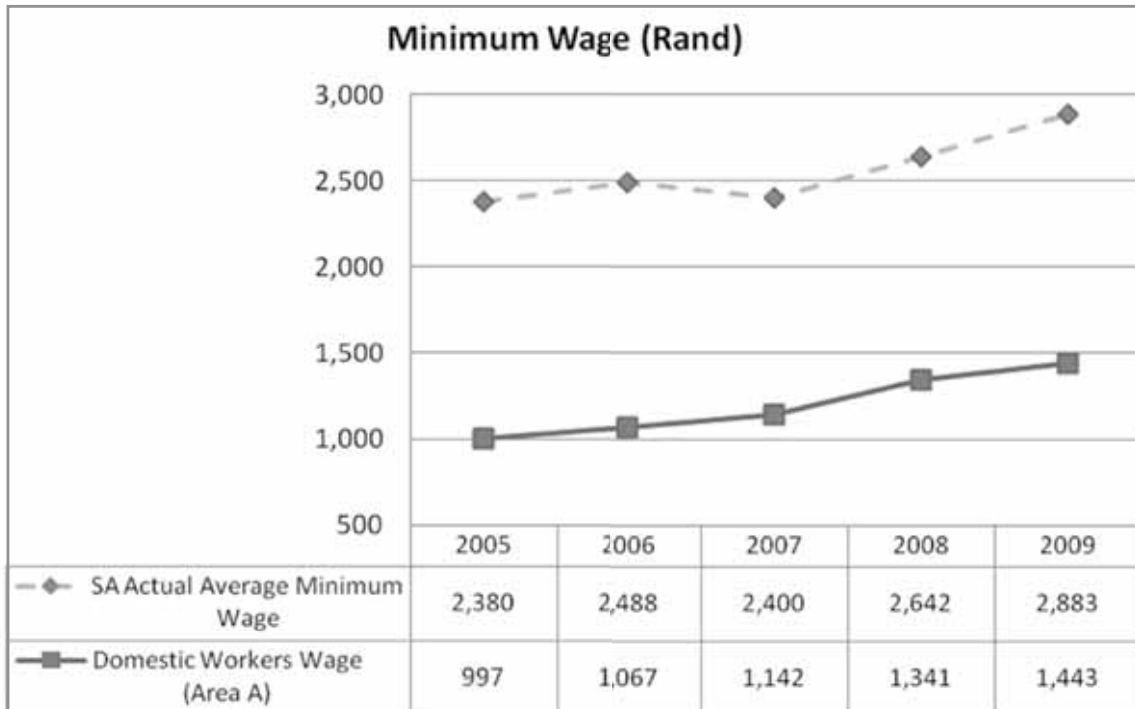
Minimum wages for domestic workers have increased faster than inflation for most years between 2002 and 2009. It was only in 2007 that it was a fraction below. However, the increases are off a low base showing that despite an increase of over 80% between 2002 and 2009 the minimum wage since 2009 for full time domestic workers in Area A is a low R1, 443 and for Area B is a lower R1, 192. This amounts to an annual average increase between 2002 and 2009 of R36.43 and R32.29 for domestic workers in Area A and Area B respectively.

Now the actual minimum wage in South Africa is very low based on historical circumstances that have not been confronted significantly since the democratic transition in the country. According to the LRS Actual Wage Rates Database (AWARD) the average minimum wage in South Africa was R2, 883 a month in 2009, which is up by R503 from 2005 when it was R2, 380. This amounts to an annual average increase of R125.75

The percentage increase of the domestic workers' wages over this period is higher than the average actual minimum wage in the country. It is important to note that in 2009, however, the percentage increase of domestic workers' wages was less than the percentage increase of the average minimum wage in South Africa.



As can be seen in the graph below, the gap between domestic workers' wages and the average actual minimum wage rate in the country remains constant in Rand terms. This is because the higher percentage increase of the lower wage of domestic workers is more or less equal to the lower percentage increase of the higher average actual minimum wage rate in the country. If domestic workers' wages start increasing at a lower or similar percentage as the average, as



it did in 2009, then the Rand gap will definitely begin to grow and is a grave concern given the very low wages of domestic workers and the very high percentage that domestic workers make up of the total workforce in South Africa. At the end of December 2009, according to the latest Labour Force Survey, there were 898 thousand domestic workers which constitute 7% of the total workforce of 12.97 million in South Africa.

From Awareness to Organisation to Social Mobilisation for a Domestic Workers Convention

Domestic work has become an international issue over the past year as the International Labour Organisation (ILO) began a process of canvassing countries throughout the world about the adoption of an ILO convention on domestic work. It has been agreed in June 2010, at the International Labour Conference, that there will be both a Convention and a Recommendation, however, the content of these instruments are still in the making.

The process has invigorated numerous campaigns for improving the rights and conditions of domestic workers in various parts of the world. The Global Network – which has been building alliances between NGOs and trade unions towards the realization of “decent work and decent life for all” – has supported the campaign for an ILO convention on domestic work over the past year. It has been active in Africa, Latin America, Asia and the Middle East in developing alliances and supporting domestic workers’ organisations to organise and lobby for “decent work for domestic workers”. (www.theglobalnetwork.net)



Board members at the SADSAWU anniversary, May 2010

The research conducted by the Global Network in Africa has shown that while there are similarities between the rights and conditions of domestic workers within Africa and indeed worldwide there are also differences – especially when it comes to government regulations and access to social security. It pointed out that domestic workers are subject to extreme exploitation due to the isolated nature of the job and there are numerous difficulties to organise domestic workers. The key characteristics of domestic workers are: Job insecurity; Low wages; Long and highly flexible hours of work; Unfair Treatment and Abuse of workers; Lack of access to services (education, health, housing, electricity, transport) especially with low levels of social protection in African countries. The research also confirmed the obvious: domestic workers are mainly women and migrants who have low levels of education and come from poor backgrounds.

Domestic work in South Africa, although being recognised and regulated legally as a job, continues to be treated within a colonial master-slave paradigm in practice where the domestic worker is made dependent on the employer while never being good enough and the employer being able to dictate the terms of employment as well as the nature and intensity of the work in the “private dwelling”. While this is one of the main reasons to ensure that domestic workers become organised it is also the biggest difficulty faced by unions to organise domestic workers. No doubt, for domestic workers to overcome oppression and exploitation it requires broad social alliances for further government intervention and especially improving access to social protection for the poor.

COMPANY PROFILE



GOLD FIELDS - "on a retrenchment drive"?



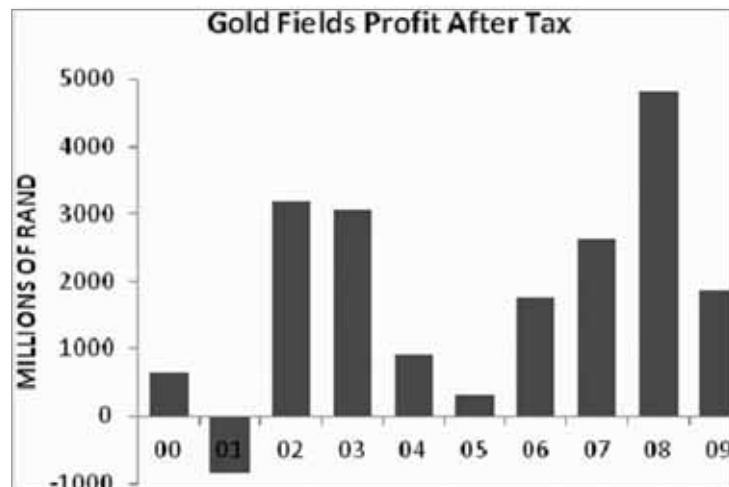
NICHOLAS HOLLAND
CEO OF GOLD FIELDS
SINCE MAY 2008

Nicholas Holland earned a salary of R6, 402,897 in 2009 and, when bonus and benefits are added his annual remuneration reaches R11, 735,340. This is 268 times more than that of a Category 3 underground worker at their Beatrix mine whose annual wage is around R43, 758 in 2009. In other words, that worker would have to work for 268 years to earn what the CEO received in just one.

Industry

Gold Fields is one of the world's largest unhedged producers of gold from nine operating mines in South Africa, Ghana, Australia and Peru. They also have over 30 exploration drill rigs operating in eleven countries: Australia, Ghana, Peru, Mali, Chile, Democratic Republic of Congo (DRC), Dominican Republic, China, USA, Indonesia and Kyrgyzstan.

Globally the company employs 49, 715 people and 16, 109 contract workers. Over 41, 000 of these are in South Africa. Competitors include AngloGold Ashanti Limited (a subsidiary of Anglo American plc, UK), Barrick Gold Corporation (Canada) and Newmont Mining Corporation (USA).

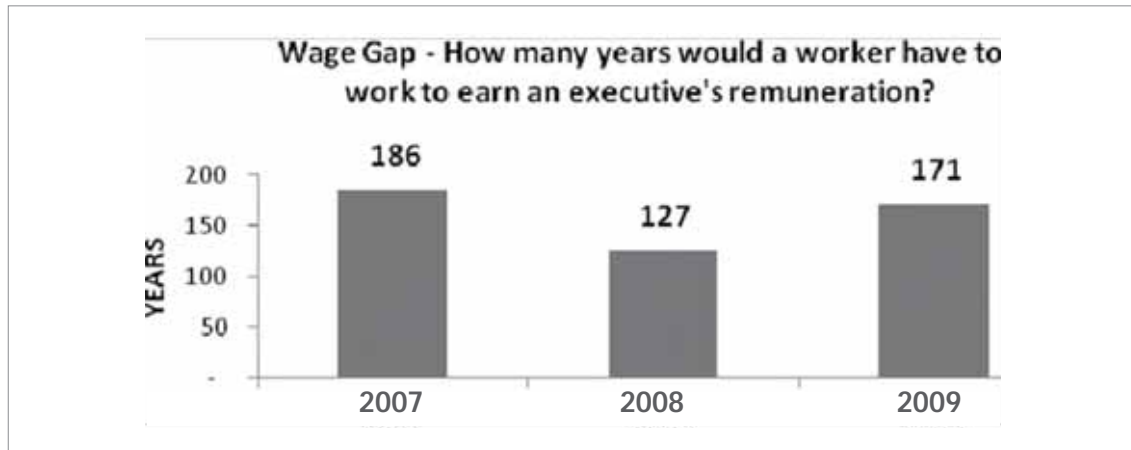


Profits

Profits in the 2009 financial year were down on the previous five years, an indication of the impact of the economic crisis on the minerals sector. Despite this, profit after tax for the year stood at R1, 854, 100, 000. One way of looking at profit after tax is that if you consider that once Gold Fields has paid all its wages and costs, all its tax and dividends, it still had nearly two billion rand left in cash. If that were equally distributed amongst all the 65, 824 employees and contractors at Gold Fields each could receive a monthly increase of R2, 347. This would represent an almost 65% increase to a Category 3 underground worker at one of Gold Fields mines.

Directors' Fees

During the year ended June 2009 there were 14 board members at Gold Fields, two executive members and 12 non-executive members. Between them they earned R21, 291,901. For the position of CEO the increase on 2008's remuneration is a marked 82% with his bonus alone valued at nearly R4, 000, 000. This certainly does not square with any argument that might be made for restraint by workers in the face of falling profits.



POSITION	AVERAGE REMUNERATION (ZAR)		
	2007	2008	2009
Chief Executive	8, 255, 000	6, 427, 000	11, 735, 340
Executive Directors	6, 698, 000	5, 017, 000	7, 500, 936
Non-executive directors	382, 000	421, 000	524, 169

The average executive director remuneration is now almost 200 times that of an underground worker (around R43, 758 per annum) at a Gold Fields mine. In a single year therefore, a Gold Fields director earns more than an underground worker at one of their mines will earn in three lifetimes.

Latest News:

"Gold Fields wants longer work week to save jobs" - reported in The Times on 4 February 2010
Gold Fields says it is in talks with representative trade unions over the introduction of a six day work week to avoid retrenchments. "Discussions have commenced with unions, associations and the Department of Mineral Resources regarding the introduction of a six day work week to ameliorate the effects of the Christmas and Easter breaks, and lost shifts due to safety and other stoppages," said Gold Fields CEO Nick Holland.

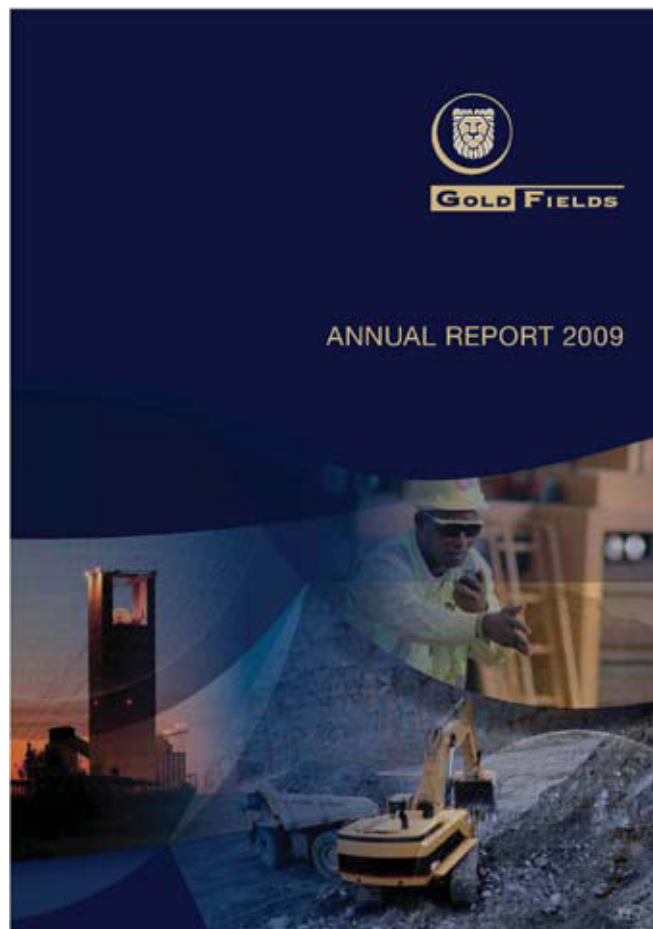
It is reported that about 10,000 workers at Gold Fields have to make adjustments to their job schedules or face the axe. Business Times reported that blue-collar jobs were said to be on the line as a result of Eskom's proposed 35% electricity price hike, coupled with the frequent work stoppages linked to Section 54 of the South African Mine Health and Safety Act. The Act compels mining companies to halt operations for a varying number of days after an accident has occurred at a mine. According to the report, Gold Fields has indicated that failure to introduce the six-day working week would result in retrenchments.

Response from NUM – reported in The Times 30 January 2010

The National Union of Mineworkers has questioned whether the proposal was in compliance with the Basic Conditions of Employment Act. Union leadership also expressed concerns that the proposed extension would compromise safety as workers faced greater fatigue, and added that the risks of rock falls would escalate as a result of increased underground blasting. According to sources, Holland said that if Eskom succeeded in implementing its price increase, the company would pay R1-billion more for electricity in three years' time. The insider also noted that Pillay had estimated the company had lost 76 days of production as a result of Section 54 closures. According to a document presented to the union, Gold Fields admitted that its South African operations could not manage a 35% electricity increase, which formed 17% of its mining costs. But NUM spokesman Lesiba Seshoka said the company was using "codes" to "confuse" workers. "It is clear; we understand them to be saying they want to retrench 10000 workers on top of the 5200 they retrenched last year, thus it must be noted that Gold Fields is on a retrenchment drive," he said. Seshoka said the mining company was "frustrated" because it didn't record many fatal accidents last year as that was the "modern form of retrenchments".

LRS Comment:

While profits may be somewhat down on the previous year, we question whether a six-day week is the only way that workers can hold on to their jobs. Work stoppages due to fatal accidents are blamed for under production. Why should workers' pay for the safety failures of the management? Particularly in the face of high director fees, it seems disingenuous to ask workers to sacrifice more in order to increase profits.





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