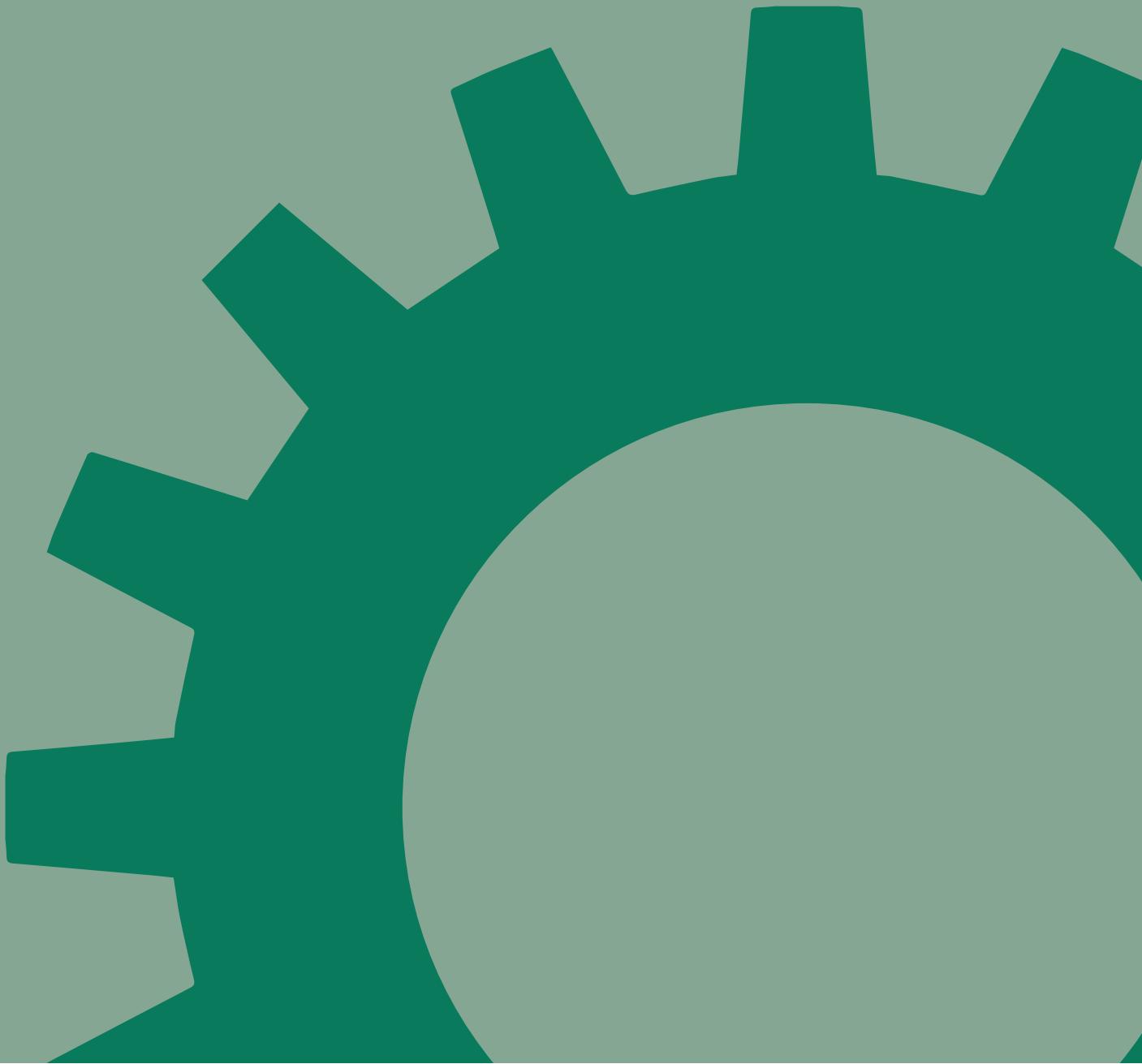


# BARGAINING INDICATORS 2017



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# *Bargaining Indicators 2017*

## A Collective Bargaining Omnibus

*South Africa and the Introduction of a  
National Minimum Wage*

VOLUME 17  
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## INTRODUCTION

The very first National Minimum Wage (NMW) for South Africa will be implemented on 1 May 2018. For the first time in the history of South Africa, employees will be covered by a minimum wage of either R 3 500 for a forty hour week or R20 an hour. While the NMW provides some reason for celebration there are, however, also some pressing concerns.

One of the concerns relates to who is actually considered an employee under the NMW. We know that workers in the Expanded Public Works Programme, for example, will be exempted from the NMW. This raises issues regarding overall compliance. An employer can easily argue that he/she does not have to adhere to the NMW if government can exempt itself. It could also allow for ways to abuse the scheme and actually evade the NMW. During a recent LRS Living Wage – Minimum Wage Conference hosted by the Labour Research Service (LRS) it was further noted that care workers, working for a stipend within the public sector, will also be exempted. Care workers currently work more than 40 hours a week but receive a stipend of R 2 500, which is well below the proposed NMW. As one participant noted: "Workers are in fact treated as slaves." A national minimum wage ought to provide blanket coverage across the economy, providing a minimum floor for wages.

As chapter two of this edition illustrates, the NMW will have the biggest impact on those currently covered by the sectoral determinations – the most vulnerable sectors of the workforce. Even so, phase in periods of implementation for domestic workers and farmworkers mean that they will not enjoy the full benefit of the national minimum wage immediately.

Implementing and monitoring the NMW is going to be a mammoth task. Labour will thus have to play a central role in ensuring implementation in their sectors through developing their own monitoring approaches. Much can be gained if workers' organisations in more organised sectors act in solidarity with more vulnerable sectors, such as domestic workers.

It is likely that some employers will attempt to circumvent the NMW and the ways in which they do this will only be revealed upon implementation of the NMW. Trade unionists have few illusions about this reality:

"Unions can make a big noise if a company is going against the constitution. We need to remember that is where our power lies. We have certain laws on our side – we need to understand NMW – how much does it mean for us? Can we use it or will it go against us? It is often a bit of both" (LRS Living wage – Minimum Wage Conference Participant, 2018).

The NMW creates a minimum standard to which employers will have to adhere. We must not be afraid to say that the NMW is a minimum and that we want to negotiate above. Organised labour must influence public discourses and convince employers that it is only a minimum.

The first chapter of this edition of Bargaining Indicators contextualises efforts to regulate the wage floor by analysing what is happening at the top of the wage hierarchy. We analyse directors' fees across fourteen sectors together with entry-level wages collected through Global Union Federations (GUFs) and their affiliates. This exercise reveals how a director in the retail sector is paid 1 763 times that of an entry-level worker. The retail sector provides evidence that employees are being underpaid across the continent. Seventeen entry-level wage submissions across ten countries and three retailers were reviewed to find that only three of the seventeen were paying above the proposed South African NMW. The NMW opens doors for further cross-border campaigns and information sharing between unions.

Chapter one shows that companies under-report on their employees. It is not possible to discern from company reporting what different categories of employees are being paid or what their conditions of employment are. Company reports tend to provide a single employment figure and do not differentiate between forms of employment. Such an approach does not recognise that all jobs are not equal. A full-time permanent position cannot be considered the equivalent of a part-time position. As an example, the majority of workers at Shoprite/Checkers are permanent part-timers. The company claims to employ about 137, 000 workers. As many as 90, 000 of those workers might be permanent part-timers who do not work a full working week. Chapter one advocates for more intelligent reporting on employees and work to better understand the socio-economic impact of job creation.

Chapter two shows that a big portion of the vulnerable workers to whom the NMW would make a difference, operate in sectors in which there are no reporting mechanisms in place. The NMW is going to have the greatest impact on those currently protected by the sectoral determinations, rather than centralised and decentralised bargaining processes in which companies play a prominent role. These are workers who have limited voices in the absence of unions and therein lies a responsibility to make the wage realities within these sectors public knowledge.

While chapter two focuses on the median minimum wage across given sectors it can still be seen that in most sectors of the economy there are some companies paying their workers below the proposed R 3 500. Only when these companies are grouped with others in their sector does the median minimum wage move higher. This suggests that the proposed NMW is going to have an impact across different sectors and that all unions will have to be prepared for the tactics employers might use to avoid the associated costs.

Where the first two chapters focus on actual wages and conditions of employment, the following three chapters introduce a gendered lens to analysing work and the work place. These chapters reflect on issues relating to gender based violence (GBV) on the one hand and progress made towards gender equality on the other. However, a minimum wage should not be seen as a panacea for addressing gender inequalities in the labour market. In the absence of adequate social protection, unpaid household and care work is increasingly being placed on the shoulders of women causing women's poverty rates to rise. It is important that a minimum wage complements the strengthening of social protection floors and poverty alleviation. Health care and education are identified in the ILO Social Protection Floors Recommendation, 2012 (No. 202) and an effective health and education system free of gender based violence (GBV) is essential for addressing gender inequalities in the labour market. Chapters three and four in this edition subsequently focus on reducing the levels of GBV in health institutions and schools. Chapter five looks at the broader context and provides a brief snapshot of the state-led interventions aimed at changing the situation of working women in South Africa. Some of the important developments that have taken place over the past few years and the challenges that continue to undermine women workers' right to decent work are discussed.

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## DEFINITIONS

**Bargaining Council:** These agreements are concluded between associations of employers and one or more trade union.

**Cash Wage or Nominal Wage:** This is the amount of money that an employer pays a worker, for example, if a worker earns R 3 500 per month then that is the worker's cash wage.

**Consumer Price Index:** Measures the change over time in the general price level of goods and services that households buy for the purpose of sustaining themselves (consumption). The Consumer Price Index (CPI) is used to measure the price level in the economy and is published by Statistics South Africa on a monthly basis. Putting it simply, it is a weighted average of the price of goods and services that households purchase.

**Median Wage:** A median wage is the boundary between what the highest 50% of workers are paid and what the lowest 50% of wage earners are paid. Thus, if the median wage in South Africa is R 3 033, this means that 50% of workers are earning above the median wage and 50% are paid below it.

**Minimum Wage:** This is the lowest wage (entry level) permitted by law or a negotiated collective agreement.

**Plant Level Agreements:** These are agreements that are concluded between a single employer and one or more trade unions. Bilateral agreements include large national companies with many plants or branches as well as small employers with only a single outlet.

**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.

**Sectoral Determination:** These are Agreements covering workers in designated/ specific industries.

## ACRONYMS

<b>AWARD</b>	Actual Wage Database
<b>BCEA</b>	Basic Conditions of Employment Act
<b>BETUZ</b>	Basic Education Teachers' Union of Zambia
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration
<b>CEO</b>	Chief Executive Officer
<b>DENOSA</b>	Democratic Nursing Organisation of South Africa
<b>DOL</b>	Department of Labour
<b>EI</b>	Education International
<b>ETA</b>	Ethiopian Teachers' Association
<b>FES-TUCC</b>	Friedrich Ebert Stiftung Trade Union Competence Centre for Sub-Saharan Africa
<b>G@W</b>	Gender at Work
<b>GBV</b>	Gender Based Violence
<b>GUF</b>	Global Union Federation
<b>HOSPERSA</b>	Health & Other Services Personnel Trade Union of South Africa
<b>HR</b>	Human Recourses
<b>ILO</b>	International Labour Organisation
<b>IOM</b>	International Organization for Migration
<b>ITUC</b>	International Trade Union Confederation
<b>KNUT</b>	Kenya National Union of Teachers
<b>KZN</b>	Kwazulu Natal
<b>LED</b>	Local Economic Development Network
<b>LRS</b>	Labour Research Service
<b>LTI</b>	Long-Term Incentives
<b>MEIBC</b>	Metal and Engineering Industry Bargaining Council
<b>MIBCO</b>	Motor Industry Bargaining Council

<b>MNC</b>	Multinational Corporation
<b>NAPTOSA</b>	National Professional Teachers' Organisation of South Africa
<b>NBCCI</b>	National Bargaining Council for the Chemical Industry
<b>NBCRFI</b>	National Bargaining Council Road Freight Logistical Industry
<b>NEHAWU</b>	National Health Education and Allied Workers Union
<b>NDP</b>	National Development Plan
<b>OHS</b>	Occupational Health and Safety
<b>OHSA</b>	Occupational Health and Safety Act
<b>PBT</b>	Profit before Tax
<b>PSA</b>	Public Servants Association of South Africa
<b>PSCBC</b>	Public Sector Coordinating Bargaining Council
<b>PSI</b>	Public Service International
<b>SAA</b>	South African Airways
<b>SADTU</b>	South African Democratic Teachers' Union
<b>SADC</b>	Southern African Development Community
<b>SDG</b>	Sustainable Development Goals
<b>SD7</b>	Sectoral Determination 7
<b>SALGA</b>	South African Local Government Association
<b>SARPBC</b>	South African Road Passenger Bargaining Council
<b>SRGBV</b>	School Related Gender Based Violence
<b>SOE</b>	State Owned Entity
<b>STI</b>	Short-Term Incentives
<b>UIA</b>	Unemployment Insurance Agency
<b>UIF</b>	Unemployment Insurance Fund
<b>UNATU</b>	Uganda National Teachers' Union

# South African Multinational Corporations in Africa – Directors' Fees Survey 2016

*Closing the Remuneration Gap*  
Marie Daniel  
Labour Research Service



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# [1] INTRODUCTION

Income inequality is a reality across the African continent and affects the ability of workers to maintain a decent standard of living for themselves and their families. Within this context the aim of the directors' fees survey is twofold. The first is to provide information that proves how remuneration structures within companies exacerbate income inequalities. This is viewed as information that could assist negotiators in bargaining processes. Companies will often use their financial position and decreasing revenue as motivations for why they cannot allow remuneration increases for workers. Through an analysis of director remuneration in 91 South African Multinational Corporations (MNCs) it is illustrated that such statements cannot be defended. Regardless of revenue and profit levels, directors are remunerated handsomely. As an example, even in a case where a certain company lost billions under a Chief Executive Officer (CEO), he received a remuneration package to the value of more than R84 million.

The second objective is to advocate for more intelligent reporting on employees with a view to closing the remuneration gap between directors and workers. It is argued that unless the remuneration gap is clearly visible, it cannot be crossed. Companies under-report on employees to an alarming extent. The fact that an Executive Director could earn as much as 1 763 times that of an entry-level worker is unacceptable and illustrates why companies would prefer to under-report on the remuneration structures of workers that are below the level of directors. It is further crucial to at all times remember and emphasise that "all jobs are not equal". A part-time position, for example, cannot be counted as the equivalent of a full-time position. It is thus argued that much still needs to be done towards bridging the remuneration gap and that unions and Global Union Federations (GUFs) play a key role in generating information on worker remuneration across borders. Such information makes it possible to identify the true remuneration gap that companies are encouraged to bridge.

## Format of the Chapter

The chapter analyses directors' fees according to 14 economic sectors. Section 2 touches on the financial performances of the sampled South African MNCs operating across the continent. A comparison is drawn between the changes in profit and revenue compared to directors' remuneration. It becomes apparent that there is little observable and comparable logic between the remuneration approaches of MNCs and their relevant profit margins. Section 3 provides a detailed overview of the remuneration of executives and non-executives. The analysis covers salaries, remuneration and elements of pay from various angles including percentage increases, and Rand-values. Section 4 then uses the retail sector to compare these figures with that of workers and reveal the true wage gap. As part of this section the under-reporting of companies with regards to employees is discussed. Before concluding on the findings of the survey, Section 5 moves beyond reporting on figures and provides practical steps on how the information provided might be used by negotiators in the bargaining process.

## Approach

The company information provided forms part of the Labour Research Service (LRS) online tool, the SA MNC Database. The database is annually populated with the company finances, operations, geographical spread and remuneration policies of 91 South African MNCs operating across the continent. While it is not a comprehensive sample, it does include a wide range of the top listed companies according to market capitalisation. For the purposes of the directors' fees survey, the company and remuneration figures of the 91 MNCs were extracted and grouped according to 14 economic sectors.

The LRS MNC Database can be found online – the information found in this chapter is available immediately for free download from the LRS and FES-TUCC websites at <http://www.lrs.org.za/mnc> and <http://www.lrs.org.za/mnc/?set=info&fes>

The table below identifies the relevant companies, including state owned enterprises (SOEs) according to the sectors in which they were analysed.

**Table 1: Companies analysed as part of the 2016 Directors' Fees Survey – grouped according to economic relevant sector**

Sector	Company Name	Financial Year End	Sector	Company Name	Financial Year End
<b>PRIMARY SECTOR</b>					
Mining	African Rainbow Minerals	6/30/2016	Transport	ACSA	3/31/2016
	Anglo American Platinum	12/31/2016		Cargo Carriers	2/29/2016
	Anglo American plc	12/31/2016		Grindrod	12/31/2016
	AngloGold Ashanti	12/31/2016		Imperial Holdings	6/30/2016
	Assore limited*	6/30/2016		South African Airways (SAA)	3/31/2016
	BHP Billiton	6/30/2016		Super Group	6/30/2016
	Exxaro	12/31/2016		Transnet	3/31/2016
	Glencore Xstrata	12/31/2016	<b>TERTIARY SECTOR</b>		
	Gold Fields	12/31/2016	Barclays Africa Group	12/31/2016	
	Harmony Gold	6/30/2016	Discovery	12/31/2016	
Construction	Impala Platinum	6/30/2016	Banking and Financial Services	FirstRand Bank	6/30/2016
	Kumba Iron Ore Limited	12/31/2016		Investec	3/31/2016
	Lonmin plc	9/30/2016		Liberty Holdings	12/31/2016
	Petra Diamonds	6/30/2016		Nedbank	12/31/2016
	Sibanye Gold	12/31/2016		RMB Holdings	6/30/2016
	Trans Hex	3/31/2016		Sanlam	12/31/2016
	Barloworld Limited			Standard Bank Group	12/31/2016
	Bidvest				
	Hosken Consolidated Investments				
	Remgro				
Food and Beverage	Seardel Investments		Diversified Holdings	Steinhoff International	9/30/2016
	WBHO	6/30/2016		Adcorp Holdings limited	2/29/2016
	Anglo-Vaal Industries	6/30/2016		Adcock Ingram	6/30/2016
	Astral Foods	9/30/2016		AfroCentric Investments Corporation	6/30/2016
	Clover Industries	6/30/2016		Aspen Holdings	6/30/2016
	Crookes Brothers	3/31/2016		Life Healthcare Group	9/30/2016
	Distell	6/30/2016		Mediclinic	3/31/2016
	Illvo	3/31/2016		Network Healthcare Holdings	9/30/2016
	Pioneer Foods	9/30/2016	Training and Health*	City Lodge Hotels	6/30/2016
	RCL Foods	6/30/2016		Sun International	6/30/2016
	SABMiller	3/31/2016		Tsogo Sun Holdings	3/31/2016
	Tiger Brands	9/30/2016		Caxton CTP	6/30/2016
	Tongaat Hulett	3/31/2016		Naspers	3/31/2016

Sector	Company Name	Financial Year End	Sector	Company Name	Financial Year End
Industrial	AECI	12/31/2016	Retail	Cashbuild	6/30/2016
	African Oxygen	12/31/2016		Foschini	3/31/2016
	Altron	2/29/2016		Massmart	12/25/2016
	ArcelorMittal SA	12/31/2016		Mr Price	3/31/2016
	Denel	3/31/2013		Pick n Pay Stores Ltd	2/28/2016
	Eskom Holdings Limited	3/31/2016		Shoprite	6/30/2016
	Invicta Holdings	3/31/2016		Spar	9/30/2016
	Reunert	9/30/2016		Truworths	6/26/2016
	Sasol	6/30/2016		Woolworths	6/26/2016
Paper and Packaging	Mondi Group	12/31/2016	Technology and Telecommunications	MTN Group	12/31/2016
	Nampak	9/30/2016		Telkom	3/31/2016
	Sappi	9/30/2016		Vodacom Group Limited	3/31/2016

\* The training sector and health sector are two separate sectors which were combined for the purposes of the research

\*\* The hospitality sector and media sector are two separate sectors which were combined for the purposes of the research

It must be noted that sector coverage is not uniform as there is a focus on those sectors and companies of most interest to unions. Different sectors have different pressures and outcomes; the survey, therefore, focuses on companies within their sectors as well as across sectors as it was felt this would be most useful to negotiators. This does result in companies of vastly varying sizes being grouped together which should also be borne in mind when considering remuneration packages.

The data has been extracted from the most recently published Annual Reports and Annual Financial Statements as of June 2017 and therefore includes year ends from the end of February 2016 to the end of December 2016. Likewise, with the year ends in February and March 2016, the pay packages disclosed in Section 4 would have been set over two years ago in February and March 2015. Though some companies do disclose the agreed salaries of executives for the coming year this remains a rare occurrence.

In some cases, company profit and directors' fees are not disclosed in South African Rand. In these cases, the annual average exchange rate for the financial year in question has been calculated from the currency converter website. These, of course, vary depending on the financial year-end.

## [2] REVENUE AND PROFITS WITHIN MNCS

A decrease in revenue or profits is often cited by companies as a reason why wage and labour related demands cannot be met. A company could, for example, state that in 2016 they experienced -5% decrease in revenue. While such a number might reflect as negative, it does not mean that there was an actual loss. It rather indicates that growth was slower than the previous years but that growth still took place. Understanding such financial increases and losses could assist unions in establishing to what extent claims of lowered revenue and profit are in fact true.

The SA MNC Database makes it possible to compare the changes in revenue and profit of companies compared to changes in directors' remuneration. These results grouped according to the 14 economic sectors are shown in Table 2-1.

**Table 2: Revenue and profit year-on-year growth rates compared to Executive Director Remuneration changes**

2015-2016	Year-on-year growth in Revenue	Year-on-year growth in Profit	Year-on-year growth in ED Salary	Year-on-year growth in ED Remuneration
Mining	3%	-83%	4%	22%
Construction	-14%	24%	-10%	14%
Food and Beverage	11%	8%	-6%	-11%
Industrial	2%	-35%	13%	25%
Paper and Packaging	3%	23%	22%	16%
Transport	19%	55%	-24%	-9%
Banking and Financial Services	22%	7%	15%	-4%
Diversified Holdings	8%	5%	-18%	-6%
Training and Health	11%	-9%	29%	-15%
Hospitality and Media	14%	-4%	33%	10%
Retail	15%	22%	2%	11%
Technology and Telecommunications	3%	-51%	21%	49%

*Source: 2017 SA MNC Database*

With the exception of the construction sector it becomes evident that revenue across the sectors increased between 2015 and 2016. Despite the negative year-on-year growth rate in the construction sector, revenue was still positive - the revenue in 2016 was 14% less than that accumulated in 2015. In sectors such as the food and beverages sector; banking and financial sector; training and health sector; and retail sector, both revenue and profit have been increasing positively with no companies experiencing any losses. In a sector such as mining which is subject to international commodity prices, there has been more volatility with regards to profits in particular. The case of Glencore Xstrata illustrates to what extent revenue and profit can deviate. While making more than R 2 trillion in revenue, Glencore made a R 7.8 billion loss in 2016. A negative gross profit margin occurs when costs exceed revenue. There are a few possible reasons why a company might experience a negative gross profit margin including raw material cost increases, technology disruption and macroeconomic shock. Negative gross profit margins can thus be improved on once the disruptions that took place ease away.

It can further be seen that the fortunes of the directors within the sample companies do not appear to be intimately tied to the fortunes of the companies they manage. Although the analysis identified above is done on a sectoral level, it clearly illustrates a lack of coherence. The mining sector and technology and telecommunications are two sectors, in particular, that prove there is no correlation between a decrease in year-on-year profits and director remuneration. Both have in fact resulted in an increase in the Executive Directors' remuneration packages. The industrial sector and the retail sector could be argued to be more balanced in terms of comparative increases but as the relevant table is based on aggregates it is not to say that all companies within the sector follow suit. Across the sectors the dominant projection lacks alignment between year-on-year growth in revenue and profit compared to remuneration. Those economists who reject the notion that there is any relation between the pay of a CEO and that of a general worker claim that CEO and executive remuneration should be linked to company performance (Gebhardt, 2013). However, even by this standard, much CEO pay seems to defy logic.

Across all the sectors and companies that form part of the survey an average annual year-on-year revenue growth rate of 7% was calculated between 2015 and 2016. The Profit before Tax (PBT) year-on-year growth rate was found to be -15%. While this number may appear negative, it still represents positive profit levels. No loss was experienced – growth only took place at a slower rate than the previous year.

The importance of the information presented in this section is to further analyse it in terms of director and worker remuneration as presented in the following section. This exercise reveals how despite decreased rates of growth in some years, directors are still being rewarded handsomely.

## [3] DIRECTORS' REMUNERATION

One of the key differences between the remuneration of directors and that of workers is that the largest component of the former's remuneration is located in additional benefits. Apart from benefits including medical aid, car allowances, pension contributions and other expenses, a large part of director remuneration is "performance pay". This covers both annual performance and short-term incentives (STIs), in the form of bonuses and also the paying out of long-term incentive plans (LTIs).

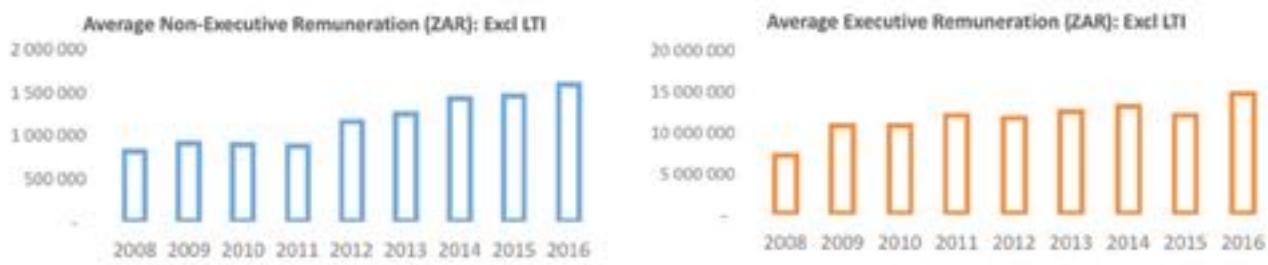
LTIs can constitute a large part of directors' remuneration packages. These are, most commonly, paid through share options, but increasingly also through other plan types like performance share plans and share matching plans. Bonuses too are increasingly being used as long-term retention plans where a portion of the bonus earned is deferred for three years and possibly also matched in value at that point with or without further performance conditions attached. While this may be true, such payments are not always clearly provided in the sections within Company Annual Reports that report on directors' remuneration. Such reporting approaches could prohibit members of the public and union members from accessing the full remuneration package of directors.

### Sectoral Overview: Director Remuneration<sup>1</sup>

The following fact sheets analyse director remuneration approaches according to the identified economic sectors.

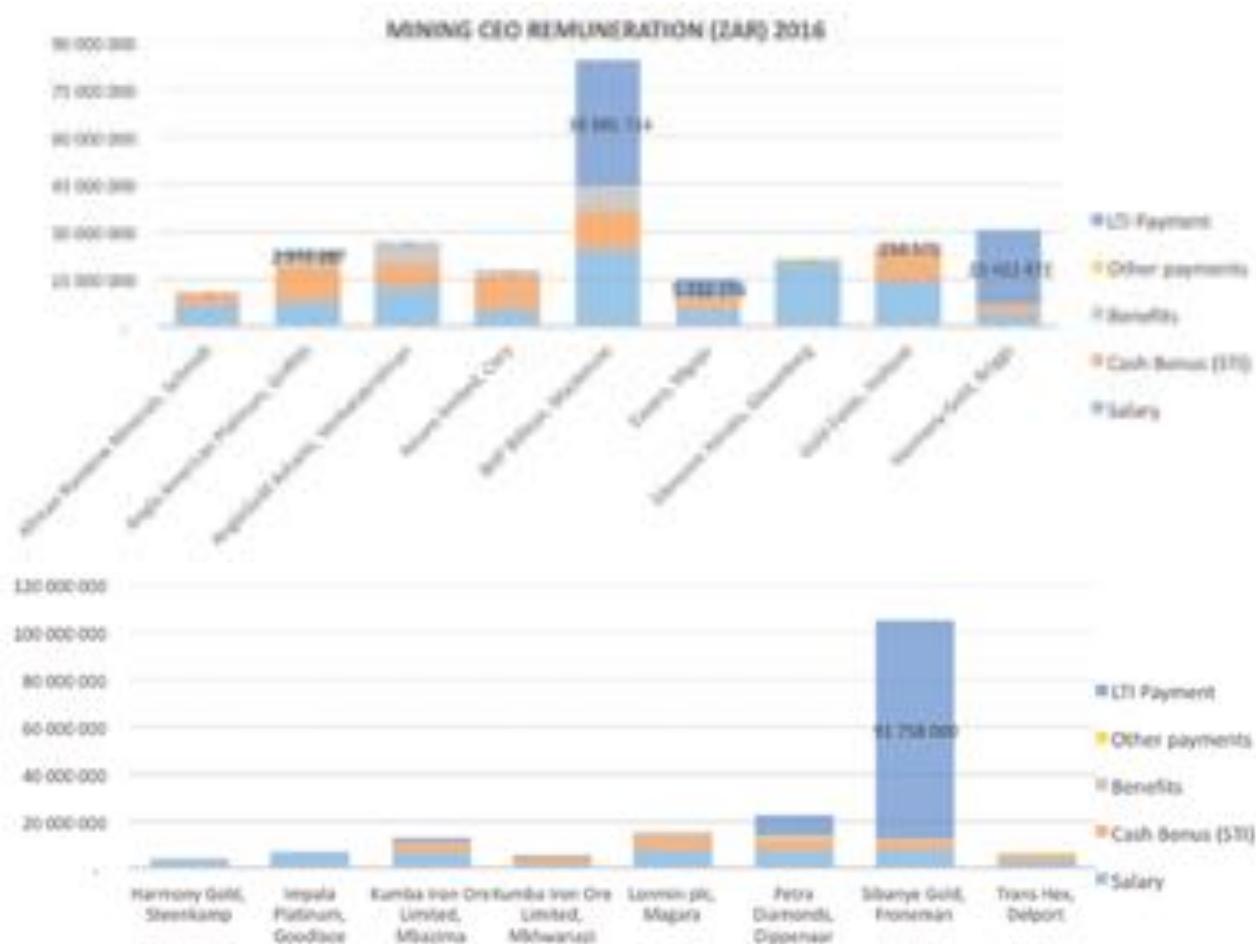
1. Within this survey, remuneration is considered including and excluding LTIs. This is done given the fact that LTIs are not exercised to the same extent in every year and could, therefore, distort the true nature of remuneration packages and trends.

## Fact Sheet 1: Director Remuneration – Mining Sector



Executive and Non-Executive Directors' remuneration has been increasing at **22%** and **9%** respectively between 2015 and 2016. The highest remuneration package (excluding LTIs) was awarded to the **BHP Billiton CEO, Ken Mackenzie** to the amount of **R 44, 500, 000**. In addition, he also received an LTI of nearly **R 40 million**. When further taking into consideration the LTI payments made in addition to remuneration packages it can be seen that the **Sibanye Gold CEO, Neal Froneman** was paid a **R 91, 758, 000** LTI. This brings his total payment to the highest within the sector at **R 104, 727, 000**. The research also found that despite dramatic losses made by a company such as Glencore Xstrata, their CEO was still paid a salary of more than **R 20, 000, 000**.

Both Kumba Iron Ore and Harmony Gold changed CEOs in the year under review. The companies within which LTI payments were not clearly stated and who need to improve their reporting methodologies are **African Rainbow Minerals, Assore Limited, Harmony Gold and Trans Hex**.



## Fact Sheet 2: Director Remuneration – Construction Sector

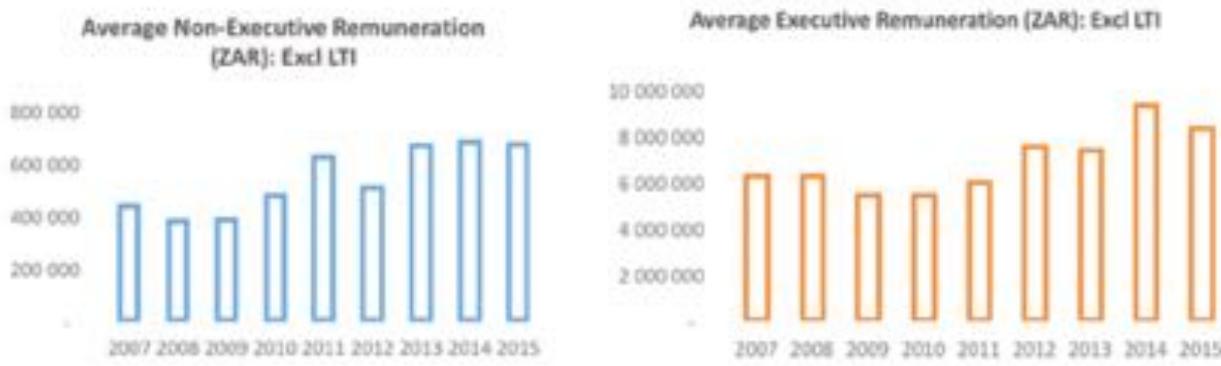


Construction sector Non-Executive Directors: **-6%** average decrease in year-on-year remuneration growth rate between 2015 and 2016.

Construction sector Executive Directors: **14%** average increase in year-on-year remuneration growth rate between 2015 and 2016.

All the CEOs reviewed as part of the construction sector served a full year in their positions. It can be seen that STI played a more apparent role than LTIs in the sector. The **WBHO CEO, Louwtjie Nel** received an **R 8,461,000** STI in 2016. The highest overall remuneration was rewarded to the **Murray and Roberts CEO, Henry Laas** and amounts to **R 14,679,992**.

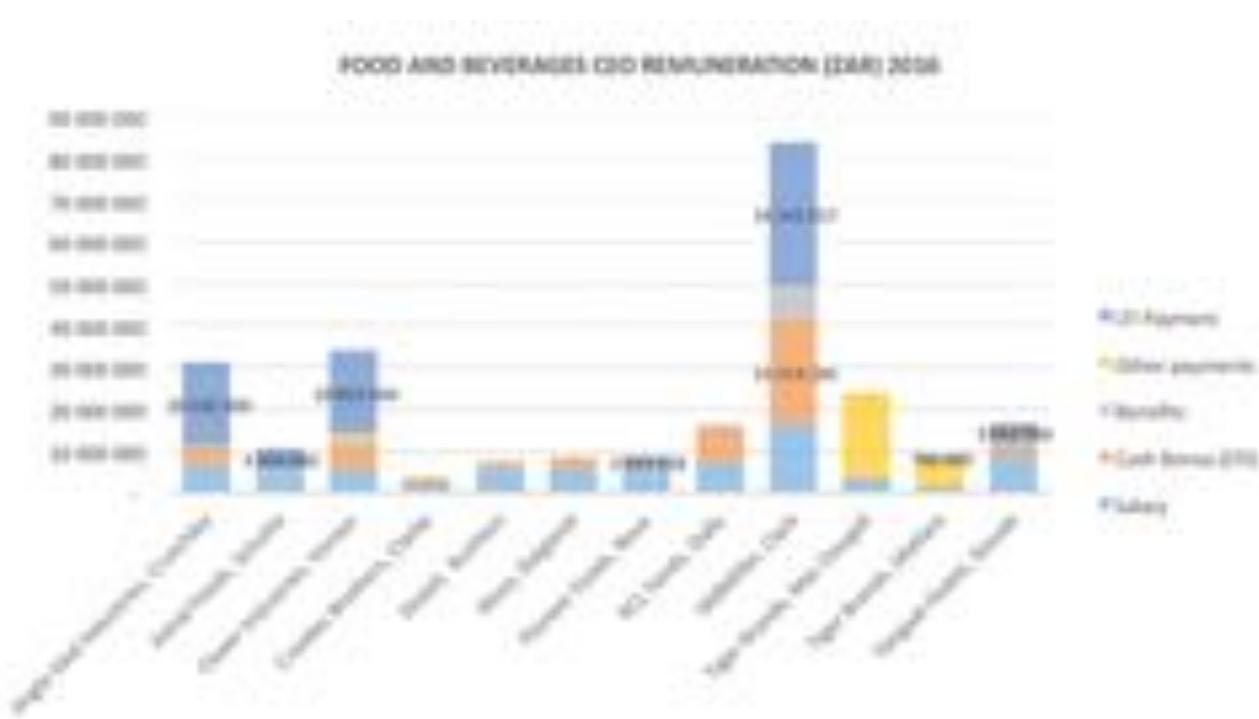
## Fact Sheet 3: Director Remuneration – Food and Beverage Sector



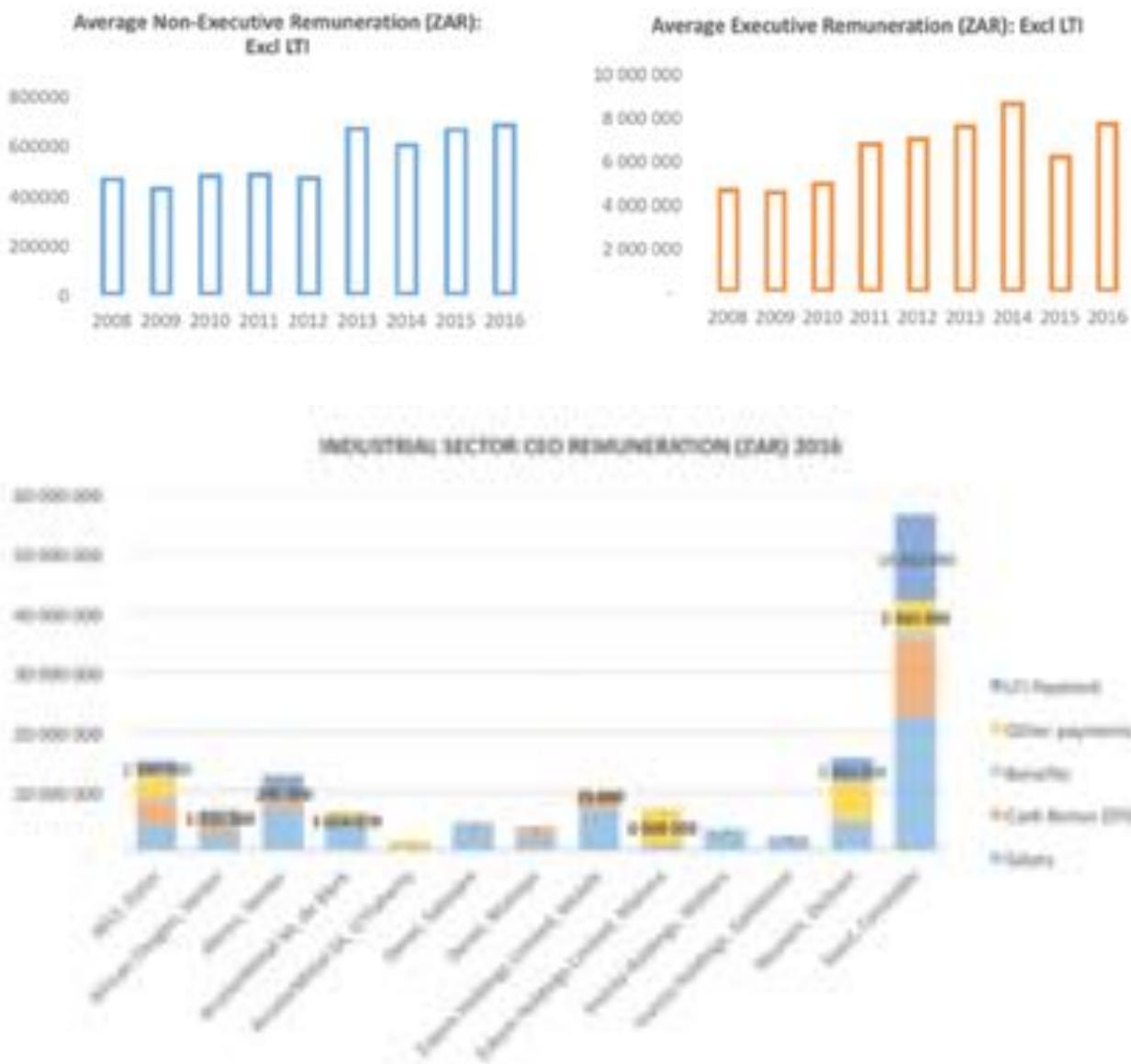
There was a slight decrease in the year-on-year average remuneration growth rate for Non-Executive (**-2%**) and Executive Directors (**-11%**).

Among the companies reviewed as part of the food and beverages sector, **Distell and Illovo** were identified as two MNCs that need to improve on their transparency regarding the total remuneration packages rewarded to their Executive Directors. It was further noted that Tiger Brands appointed a new CEO during 2016.

**SAB Miller CEO, Alan Clark**, received the highest remuneration package of **R 49, 557, 143** topped up by an LTI payment of **R 39, 342, 857**. As a result, he took home **R 83, 900, 000** in 2016.



## Fact Sheet 4: Director Remuneration – Industrial Sector

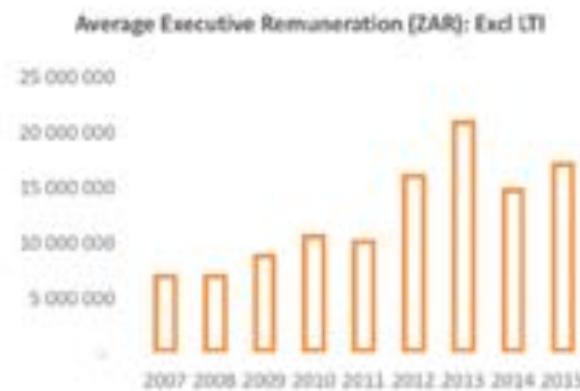


Executive and Non-Executive Directors' remuneration has been increasing at **25%** and **3%** respectively between 2015 and 2016. The highest remuneration package (excluding and including LTIs) was awarded to the **Sasol CEO, David Constable** to the amount of **R 84, 074, 000**. This includes an LTI payment of over **R 14 million**.

ArcelorMittal SA, Denel and Eskom Holdings Limited changed CEOs in the year under review.

**Invicta Holding** was identified as one of the MNCs in which LTI payments were not clearly stated and who will thus need to improve their reporting approach.

## Fact Sheet 5: Director Remuneration – Paper and Packaging Sector



Paper and packaging sector Non-Executive Directors: **4%** average decrease in year-on-year remuneration growth rate between 2015 and 2016.

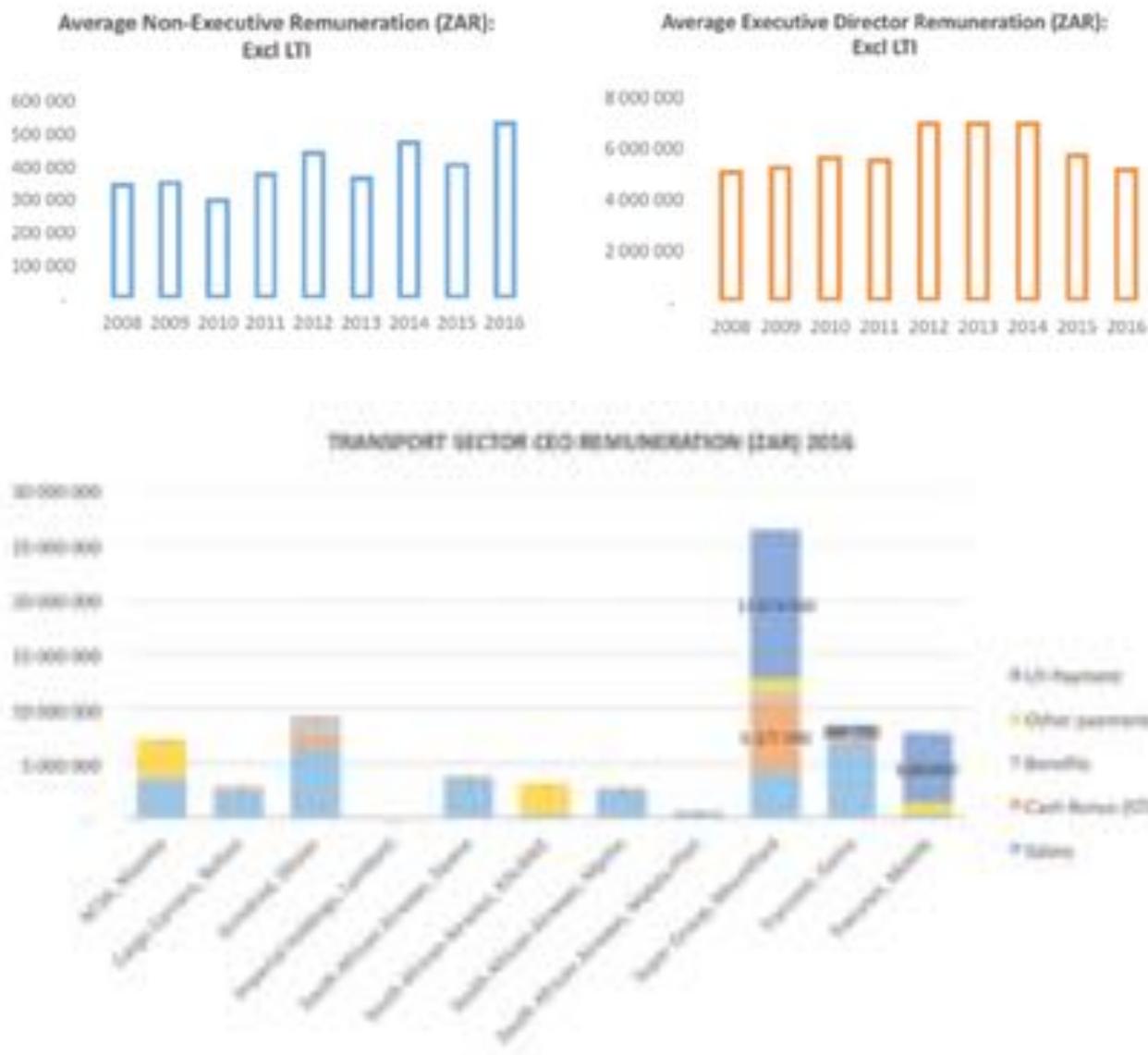
Paper and packaging sector Executive Directors: **16%** average increase in year-on-year remuneration growth rate between 2015 and 2016.

All the CEOs reviewed as part of the paper and packaging sector served a full year in their positions. The **Mondi Group CEO, David Hathorn** received a total remuneration package (including LTI) of **R 77, 522, 514** in 2016. As part of this, he received an LTI payment of **R 36, 166, 329**.

Among the companies reviewed as part of the paper and packaging sector, **Sappi** was identified as an MNC that need to improve on transparency on the total remuneration packages rewarded to their Executive Directors.



## Fact Sheet 6: Secondary Sector Director Remuneration – Transport Sector



On average, annual growth in Executive Director remuneration has been decreasing (-9%) since 2014 while Non-Executive Remuneration increased between 2015 and 2016 (32%). The highest remuneration package (including LTI) was awarded to the **Super Group CEO, Peter Mountford** to the amount of **R 26, 372, 463**. He also received the highest LTI payment of **R 13, 674, 000**.

In the case of Imperial Holdings, no remuneration was reported for the CEO, Mark Lamberti. SAA had four CEOs during 2016 and Transnet had two. It is thus difficult to compare the remuneration packages of these companies to that of the other MNCs in the sector.

The companies within which LTI payments were not clearly stated and who need to improve their reporting methodologies are **Cargo Carriers, SAA and Super Group**.

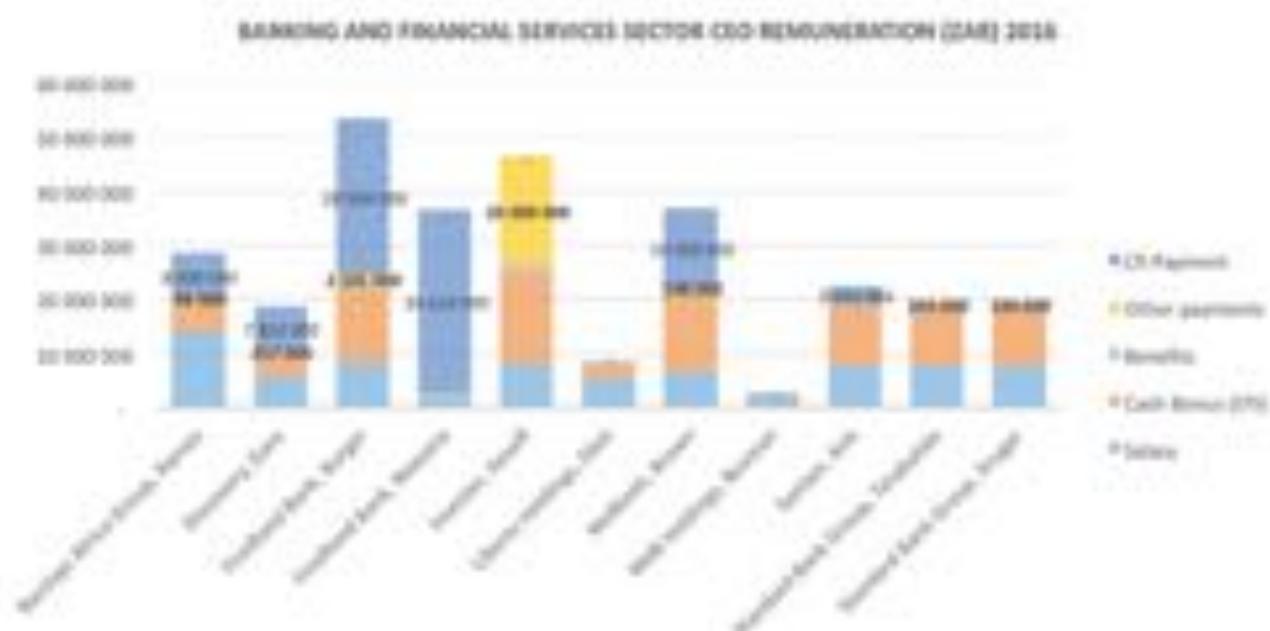
## Fact Sheet 7: Director Remuneration – Banking and Financial Services



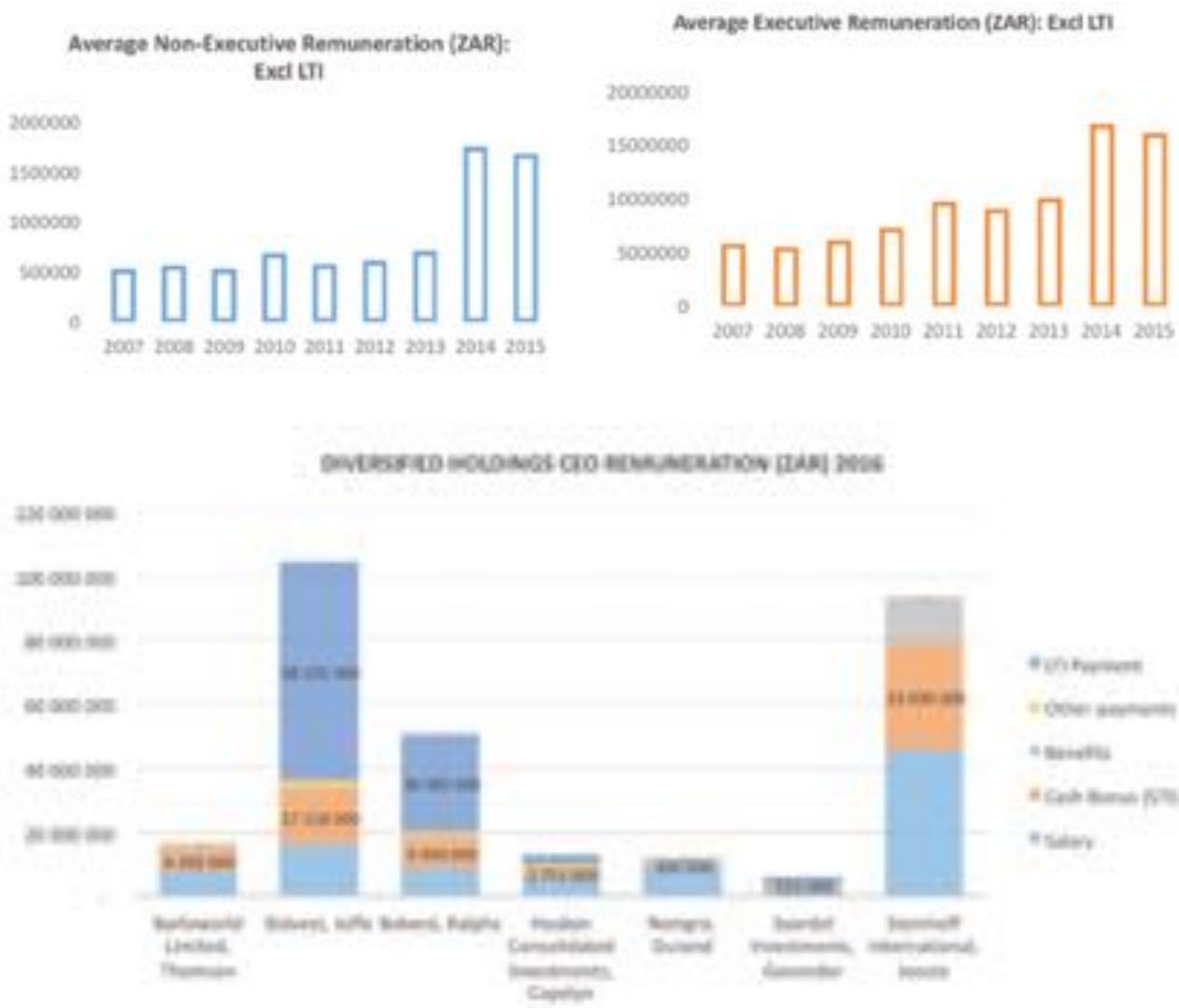
Banking and financial services sector Non-Executive Directors: **8%** increase in average year-on-year remuneration growth rate between 2015 and 2016.

Banking and financial services sector Executive Directors: **-4%** decrease in average year-on-year remuneration growth rate between 2015 and 2016.

FirstRand Bank changed their CEO during 2016 and it was noted that Standard Bank has two CEOs. It can be seen that STI played a more apparent role than LTIs in the sector. The highest remuneration package (excluding LTI) was paid to the **Investec CEO, Stephen Koseff** to the value of **R 46, 488, 000**. Despite only being in his position for nine months, the **FirstRand bank CEO, Johan Burger** received an **LTI of R 28, 504, 000** and total remuneration of **R 53, 387, 000** which is the highest within the sector. The previous **FirstRand bank CEO, Sizwe Nxasama** also received an LTI of R 34, 116, 000 for three months of work.



## Fact Sheet 8: Director Remuneration – Diversified Holdings



The companies within the diversified holdings sector where LTI payments were not clearly stated and who need to improve their reporting methodologies are **Steinhoff** and **Barloworld**.

The unbundling that took place in Bidvest during 2016 saw the previous **CEO, Brian Joffe** retire on 23 May 2016 and **Lindsay Peter Ralphs** appointed as new CEO. Brian Joffe received an LTI of **R 68, 231, 000** and Lindsay Peter Ralphs, who exercised the position for only a month, received an LTI of **R 30, 483, 000**. As a result, **Brian Joffe** had the highest overall remuneration in the sector with a **R 104, 389, 000 payment**. The **Steinhoff International CEO, Markus Jooste** attained the second highest remuneration package (excluding LTI) across the entire research. In total his remuneration package amounted to **R 93, 750, 000** which comprised of **a basic salary of R 45, 883, 333**.

The average annual growth rate of Executive and Non-Executive Directors' remuneration has been decreasing at **-6%** and **-4%** respectively between 2015 and 2016.

## Fact Sheet 9: Director Remuneration – Training and Health Sectors

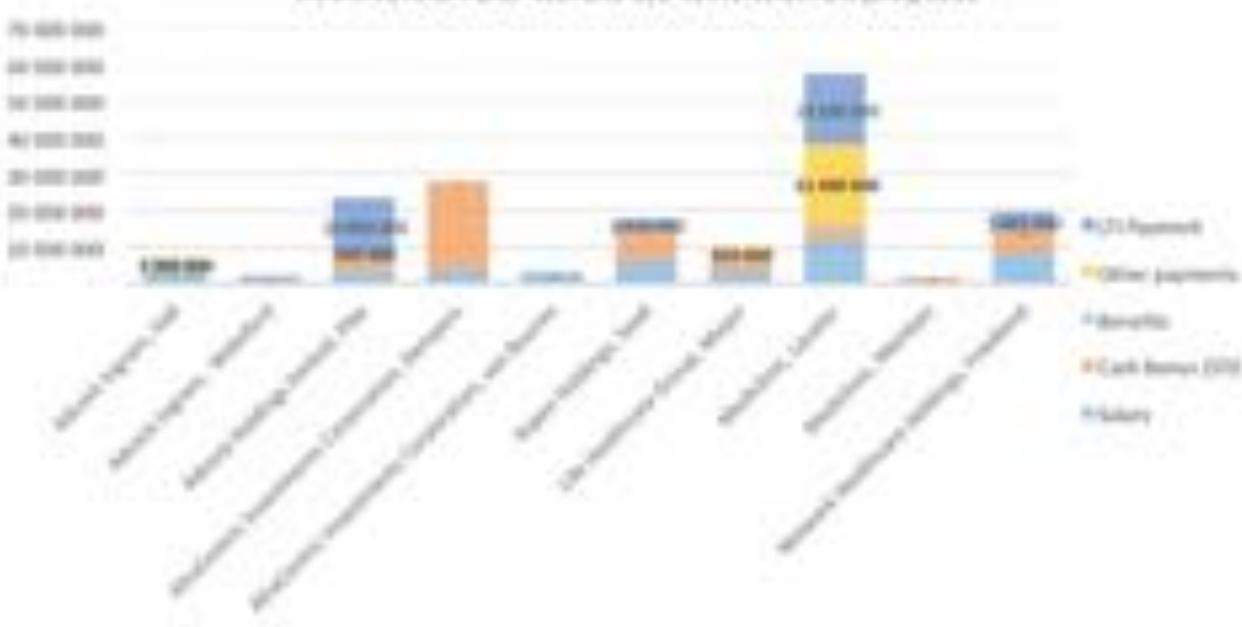
Average Non-Executive Remuneration (ZAR):  
Excl LTI



Average Executive Director Remuneration (ZAR):  
Excl LTI



TRAINING AND HEALTH SECTORS CEO REMUNERATION (ZAR) 2016



There was a slight decrease in the year-on-year average remuneration growth rate for Executive Directors (**-9%**) and an increase in that of Executive Directors (**32%**).

Among the companies reviewed as part of the training and health sectors, **AfroCentric Investments Corporation** was identified as an MNC in which there is room for improvement regarding executive remuneration transparency. It was further noted that AfroCentric Investments Corporation, Aspen Holdings, Life Healthcare Group and Mediclinic all appointed a new CEO during 2016.

**Mediclinic CEO, Ronald Lavater**, who resigned in February 2016, received the highest remuneration package (excluding LTI) of **R 38, 140, 000**. This was topped up by an LTI payment of **R 19, 200, 000**. As a result, he took home a total package of **R 57, 340, 000** in 2016.

## Fact Sheet 10: Director Remuneration – Hospitality and Media Sectors

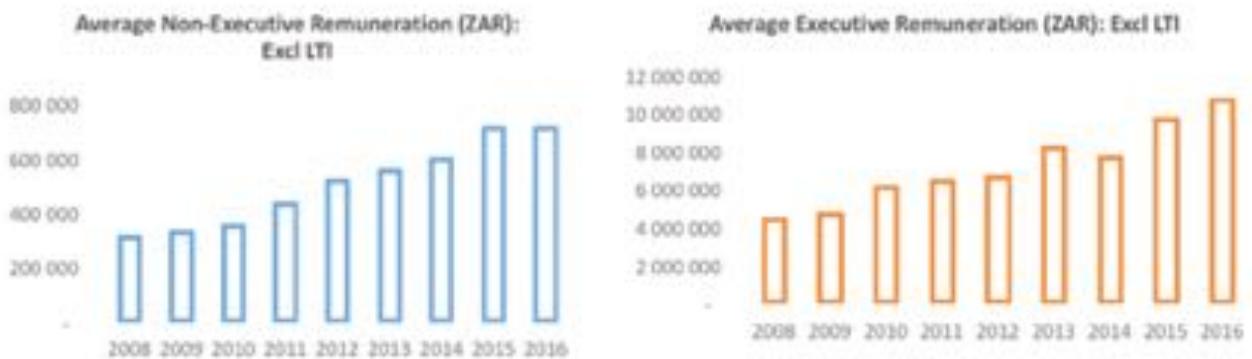


Hospitality and media sector Non-Executive Directors: **-1%** average decrease in year-on-year remuneration growth rate between 2015 and 2016.

Hospitality and media sector Executive Directors: **10%** average increase in year-on-year remuneration growth rate between 2015 and 2016.

In terms of remuneration packages awarded without an LTI, **Naspers CEO, Bob van Dijk**, received the highest at **R 23, 900, 000**. When adding LTI payments to the package, **Sun International CEO, Graeme Stephens** received a **R 14, 309, 055 LTI** which gives him the highest overall payment at **R 26, 286, 003**. It can be seen that no LTIs were clearly reported for **Naspers and Caxton CTP**. These two companies were also found to be companies that need to improve on their approach to executive remuneration.

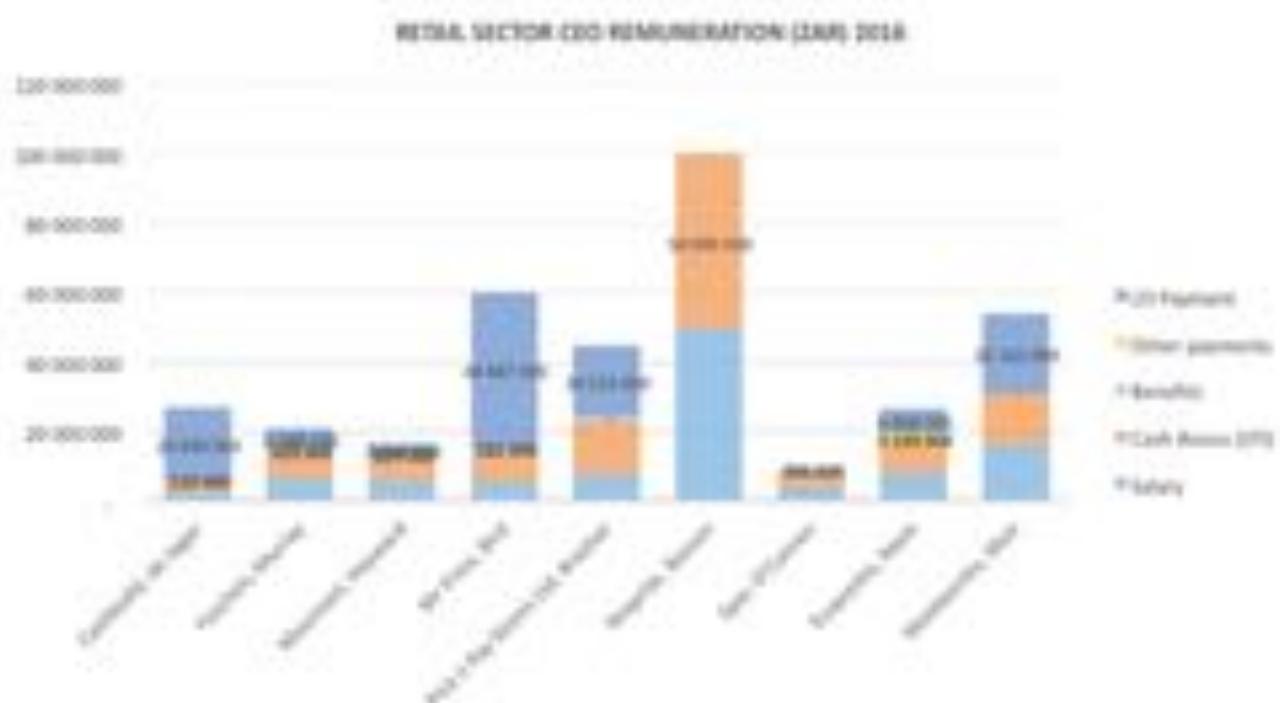
## Fact Sheet 11: Director Remuneration – Retail Sector



The highest executive remuneration (excluding LTI) across all sectors can be found in the retail sector. In 2016, the **Shoprite CEO, Whitey Basson**, received a remuneration package of **R 100, 082, 000**. This was based on a **R 50, 000,00** cash bonus in addition to his **R 49, 656, 000 basic salary**. Towards the end of 2016, it became apparent that Whitey Basson was, in fact, retiring from his position. Within the retail sector a substantial LTI payment was further made to the **Mr Price CEO, Stuart Bird**. His LTI payment for 2016 was nearly **R 45, 000, 000**. These two stores were also identified as two companies in which transparency can be improved.

Retail sector Non-Executive Directors: **0%** average increase in year-on-year remuneration growth rate between 2015 and 2016.

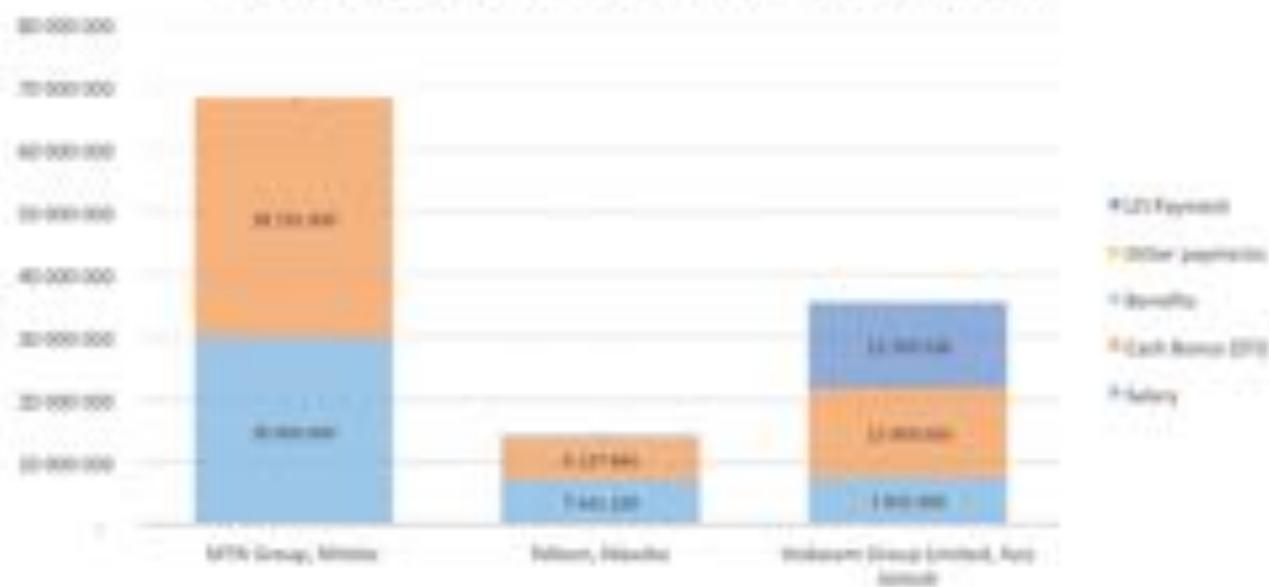
Retail sector Executive Directors: **11%** average increase in year-on-year remuneration growth rate between 2015 and 2016.



## Fact Sheet 12: Director Remuneration – Technology and Telecommunications



TECHNOLOGY AND TELECOMMUNICATIONS CEO REMUNERATION (ZAR) 2016



The companies within which LTI payments were not clearly stated and who need to improve their reporting methodologies were **Telkom** and **Vodacom**.

Non-Executive Directors: **9%** average increase in annual remuneration between 2015 and 2016.

Executive Directors: **49%** average increase in annual remuneration between 2015 and 2016.

All the CEOs reviewed as part of the technology and telecommunications sector served a full year in their positions. It can be seen that STI played a more apparent role than LTIs in the sector. The **MTN Group CEO, Phuthuma Nhleko** received a **R 38, 191, 000** STI in 2016. The highest overall remuneration was also rewarded to him and amounts to **R 68, 191, 000**.

## Summary of Findings

Table 3-1 provides a summary of the findings relating to the highest CEO remuneration packages.

**Table 3: Highest total remuneration overview**

	Highest Remuneration (excluding LTI)	Amount	Highest STI	Amount	Highest Total Remuneration (excluding LTI)	Amount	Highest Total Remuneration per a MNC Average
Mining	BHP Billiton, Johannesburg	R44 500 000	Sasol, South Africa	R51 074 000	Sasol, South Africa	R95 574 000	R 1 087%
Diversified Manufacturing	Steinhoff International, South Africa	R85 750 000					
Retail	Shoprite, South Africa	R36 282 000	Mr Price, South Africa	R44 947 000	Shoprite, South Africa	R81 229 000	R 1 085%
Financial Services	South African Breweries	R50 000 000	Standard Bank	R31 111 000	South African Breweries	R81 111 000	R 1 071%
Food and Beverage							
Paper and Printers	Gautengian Glass	R45 000 000	Gautengian Glass	R45 883 812	Gautengian Glass	R90 883 812	R 1 085%
Automotive and Transportation Services	Mondi Group, Northern Methane	R2 314 120	Mondi Group, Northern Methane	R2 366 338	Mondi Group, Northern Methane	R4 680 458	R 1 085%
Technology and Telecommunications	MTN Group, Johannesburg, Midrand, Gauteng	R41 280 000	MTN Group, Johannesburg, Gauteng	R41 280 000	MTN Group, Johannesburg, Gauteng	R82 560 000	R 1 079%
Finance and Investment Services	MetLife, Johannesburg, Midrand, Gauteng	R1 140 000	Afriqa Holdings Limited, Pietermaritzburg	R1 300 000	MetLife, Johannesburg, Midrand, Gauteng	R2 440 000	R 1 086%
Banking and Financial Services	Investec, Rosettenville, Johannesburg	R6 448 000	FNB, Johannesburg	R6 704 000	Investec, Johannesburg	R13 152 000	R 1 073%
Automotive	Steyn Group, Bloemfontein	R3 400 000	Steyn Group, Bloemfontein	R3 674 000	Steyn Group, Bloemfontein	R7 074 000	R 1 074%
Manufacturing and Processing							
Staplers, Cape Town	R25 000 000	Sasol, International, Bloemfontein	R46 905 012	Sasol, International, Bloemfontein	R91 905 012	R 1 075%	
Attorneys and Business Services	Murray & Roberts, Johannesburg	R2 400 000	Murray & Roberts, Johannesburg	R2 676 000	Murray & Roberts, Johannesburg	R5 076 000	R 1 086%

From the table above and the broader research findings, it can be concluded that there is little observable and comparable logic within the remuneration approaches of MNCs. A company such BHP Billiton which operated at a loss during 2016, paid their CEO the highest remuneration (excluding LTI) within the mining sector at R 44, 500, 000. In addition, the CEO also received an LTI of R 39, 885, 714. This illustrates how a loss of profit does not affect a director's remuneration.

The Steinhoff International CEO, Markus Jooste attained the second highest remuneration package (excluding LTI) across the entire research. In total his remuneration package amounted to R 93, 750, 000 which comprised of a basic salary of R 45, 883, 333. The only remuneration package (excluding LTI) higher than this was that of the Shoprite CEO, Whitey Basson. Basson, however, received an STI, whereas the majority of Markus Jooste's remuneration was located in a basic salary of R 45, 883, 333.

Sasol is another example of a company that showed a decrease in revenue between 2014 and 2016 as well as a sharp decrease in profits between 2015 and 2016. Despite this, the company awarded its CEO, David Constable a total remuneration package (including LTI) of R 84, 074, 000. This is despite media critique of him being "SA's worst CEO" for the billions the company lost under him (News24, 2016). He has since vacated the position.

Decreasing revenue is often used as a reason why companies cannot allow remuneration increases for workers. Such arguments cannot be defended when company behavior shows that regardless of revenue and profit levels, directors are remunerated handsomely. For example, in a case where a company was losing billions under a CEO, the CEO still received a remuneration package of more than R 84 million.

Within the construction sector, the lowest overall remuneration packages were reported. Companies such as Basil Read stated that they did not have any LTI plans in place during 2016. This being said, it was noted that STIs feature quite high within the remuneration packages of CEOs.

SABMiller managed to have the highest paying CEO in the food and beverages sector which amounts to the lowest percentage of revenue (0.03%) across the various sectors. Although Sun International (hospitality sector) had the second lowest overall remuneration package, they are the company that contributed the second highest percentages of their revenue (0.22%) to directors' remuneration. It was also noted that although Sun International operated at a loss during 2016, they paid the highest overall remuneration within the hospitality sector.

Another observable trend is that the exit and enter incentives for CEOs are very high. Despite only being in his position for nine months during 2016, the FirstRand bank CEO, Johan Burger received an LTI of R 28, 504, 000 and total remuneration (including LTI) of R 53, 387, 000 - which is the highest of the companies reviewed within the banking sector. The previous FirstRand bank CEO, Sizwe Nxasama also received an LTI of R 34, 116, 000 based on three months of work. The unbundling that took place in Bidvest during 2016 also saw the previous CEO, Brian Joffe retire on 23 May 2016 and Lindsay Peter Ralphs appointed as new CEO. Brian Joffe received an LTI of R 68, 231, 000 and Lindsay Peter Ralphs, who only exercised the position for a month, received an LTI of R 30, 483, 000. The R 50, 000, 000 cash bonus awarded to the Shoprite CEO was also paid the year before his retirement. In addition to such payments, it was also reported in 2017 that Shoprite bought back R 1.75 billion worth of shares from the former CEO (Cohen and Kew, 2017). Whitey Basson has thus entered his retirement more comfortable than most workers in Shoprite could ever dream of.

Disproportional director payments are especially evident in cases where CEOs are about to vacate their positions. It was even found that entering CEOs can be awarded high LTIs of more than R 30 million when only in a position for as long as a month. Such behaviour should be noted and questions need to be raised as to why similar benefits are not made available to employees below director level.

While the retail sector paid the third highest overall remuneration package it only amounts to 0.08% of Shoprite's revenue during 2016. The study found that the retail sector has been experiencing increased revenue and profit growths – to such an extent that a R 100 million remuneration package reflects a small percentage of the overall revenue compared to other sectors. The Mr Price CEO, Stuart Bird, also operating within the clothing sector, similarly received an LTI payment of R 45, 000, 000.

This section identified companies who pay their directors excessively high salaries, with the objective of advocating for more accountability within companies. It is apparent that there is little observable and comparable logic within the remuneration approaches of MNCs. Questions must be raised as to why the remuneration packages of CEOs are structured in the way that they are. Across companies minimum wages are located within a small wage bracket, whereas this is by no means the case with directors' remuneration – why does the same logic not apply at director level?

## [4] THE WAGE GAP - ADVOCATING FOR MORE INTELLIGENT REPORTING ON EMPLOYEES

While the previous section illustrated that despite a lack of transparency in some cases, companies do unpack director remuneration to a certain level of detail. The same, however, cannot be said for reporting on employee remuneration. This creates a situation where the actual wage gap between remuneration at the higher levels and those of workers cannot be identified. This section of the chapter thus advocates for more intelligent reporting on employees through identifying the complete lack of reporting and transparency with regards to employees.

### Reporting on Employees: Research Findings

During the research, it became evident that compared to the attention given to directors and their remuneration packages, employees receive very little attention. There is neither a standardised method used for categorising nor for counting workers in companies. This results in a profusion and confusion of labels which tell us very little about the actual people doing jobs that add to the company's value. The issue of labour brokers and outsourced workers is a key part of this problem as often these, the lowest paid workers with the worst conditions, are kept "off the books" of the company where they work and it becomes very difficult to determine if their employment is in keeping with good corporate governance and how their pay and conditions compare to fulltime employed workers, including management. It is difficult to even determine how many of them there are, and how these numbers change.

We argue that the number of workers in a company and their forms and locations of employment is vital company information, particularly in a country that is concerned with job creation, decent work, and a living wage. And yet this remains one of the most poorly reported on areas. There is very little information on forms of employment, worker numbers at different locations, and turnover in all of the categories mentioned earlier. Where this is disclosed, it is seldom done so for operations outside of South Africa. If jobs are decreasing is it because they are being increasingly outsourced and therefore worker numbers are being kept off the books, or are numbers literally being reduced and workers having to perform more and more distinct "jobs" in order to bring down wage costs and increase "productivity"? None of this can be calculated without accurate figures.

The existing reporting methodologies of companies are limited in the manner in which different groups of employees are reported on. In addition to this, remuneration of employees beyond director level is neglected to an alarming extent. Remuneration of employees is given as one lump sum in which no distinctions are made between different skills levels, gender groups etc.

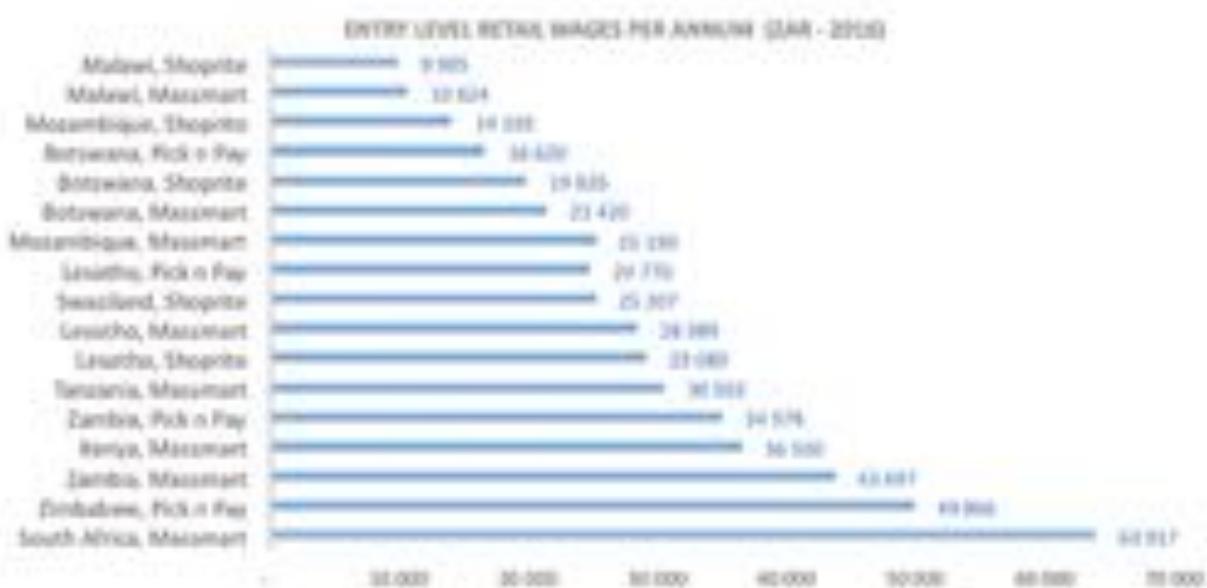
## The Wage Gap

The wage gap is the number of times the average CEO is paid an entry-level worker's wage. The wage gap figure is useful because it gives a real feel to the difference in income between high paid executives and workers. A director's remuneration figure may be high but perspective is gained on just how high it is when it is compared to the income of other employees - average workers - in the company. Then it becomes clear that the same principles of pay are not applied across the board and a person can begin to ask questions about how low wage increases are justified.

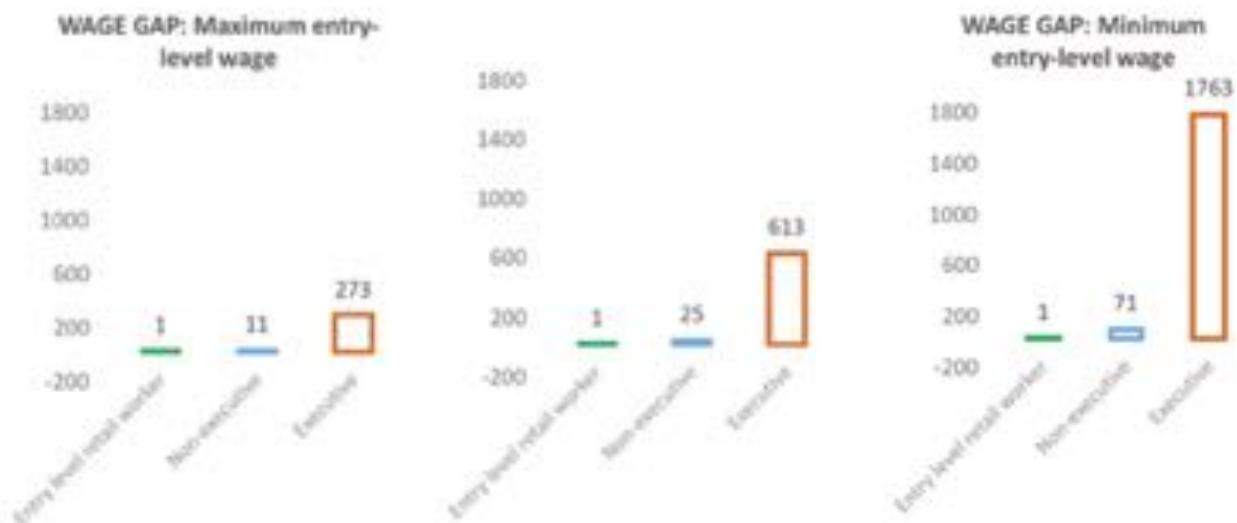
Given the limited reporting on employees by the MNCs under review, it becomes questionable how the wage gap will be closed if it cannot even be identified. It thus becomes necessary to collect information regarding minimum wages from alternative sources. In this regard, unions are well located as they have direct access to workers and company Human Resources (HR) departments. This section is based on information retrieved from the Country Reports submitted by unions during different UNI AFRICA Retail Shop Steward Alliance Meetings in 2017.

## Fact Sheet 13: Identifying the Wage Gap: Retail Example

The average annual income for an entry-level worker within the retail sector in Southern Africa accounts to **R 28 506**. This ranges from **R 9 905** in Malawi to in South Africa **R 63 917**.



The average annual income for a Non-Executive Director is **R 706, 019**. While an Executive Director in the retail sector will on average earn **R 17, 467, 403**. The latter is including LTIs.



Compared to the average minimum entry-level salary in the retail sector, a Non-Executive Director earns **25 times** that of a worker and an Executive Director **613 times**. It has been seen that wages outside of South Africa are lower than inside the country and therefore the average salary of an Executive Director can be as high as **1 763 times** that of an entry-level worker.

In the case of retail, the research shows that the largest wage gap exists outside of the home country of the MNC – as high as 1 763 times the salary of an entry-level worker. This emphasises the role of GUFs in revealing such cross-border labour disparities – for example, only through sharing information in a retail network was it possible to determine that the same company pays much lower wages in a different setting. However, this should not undermine the struggle of workers in the home country for improved wages and conditions, as a wage gap of 273 times is hardly acceptable. In South Africa unemployment and poverty has grown in the last 20 years while real wages remain stagnant in a context of declining job security. In other words, South African workers may have much in common with workers in the region, especially workers working for the same companies, and cooperation is needed to address these worsening conditions.

The fact that an Executive Director could earn as much as **1 763** times that of an entry-level worker's wage is a matter of great concern.

While the wage gap information in this section was only based on the retail sector it provides sufficient proof that companies hide great injustices through their under-reporting on employees. This chapter argues that not enough is being done to reveal the real wage gap within companies. Within unions and GUFs there is a need to collect accurate information on worker remuneration to continuously illuminate the remuneration gap and in the process advocate for more intelligent reporting on employees.

## [5] BARGAINING HINTS: UTILISING INDIVIDUAL COMPANY INFORMATION

Depending on how director fees have been structured in the year, different elements of directors' pay will be most useful in highlighting the variance between their pay and workers' wages. Negotiators need to look at all the angles before deciding which will best support their demands for more equitable wage structures. Guided by the information provided in this survey, the following steps could advise negotiators in preparation for and during the negotiation processes:

1. First look at the percentage increase in salary as salaries are the most comparable to workers' wages and most likely to see a steady rise year-on-year. If directors' salaries have increased by a greater percentage than that of workers that is a strong position to bargain from as it shows that the guaranteed pay of the directors is increasing at a higher rate.
2. If the salary is not showing a high increase look at the percentage increase in remuneration. That is the increase in a director's full annual package including salary, bonus, benefits and the like. A high increase here can be used in negotiations instead of the salary increase. It would also indicate that in the year the directors received substantial bonuses.
3. These bonuses can be interrogated further as shown in the research:
  - What percentage of salary do they represent? Do they double or even triple the director's annual income?
  - What are the limits on the amounts (as a percentage of salary) that directors can receive in bonuses and how different are these from the limits for workers?

- If directors can receive such high percentage bonuses then can workers not also receive substantial rewards for the year's work?
  - What were the performance criteria for those bonuses and how have the directors met those goals?
4. If both salary and remuneration increases for directors are high then both these figures can be used to highlight that not only are pay increases guaranteed for directors but that bonuses are following the same trend leading to substantial packages.
  5. Question how the increases for directors compare to the fortunes of the company. Company profits are often cited as a reason for restricting wages. Looking at company performance in the form of profits can give an indication of whether it has any impact on director remuneration: when company profits fail, can we expect to see the same in director bonuses in particular? Will director salaries be affected by a bad year? Do workers receive the benefits of company profits in a good year?
  6. If the company is showing a good profit for the year is this reflected in directors' bonuses? If so, why should it not also be reflected in workers' income? If the profit is down, have the directors still taken substantial rewards? If so, this should be explained, particularly if they are then arguing for lower worker wage increases.
  7. If both salary and remuneration increases for executives are low for the year then look at the actual Rand figures for those increases as these will show how much these increases mean in real terms even if the percentages are not high. A ten percent increase on a director's salary is a lot more money than a twelve percent increase on an average worker's wage.
  8. Although not considered annual income, the gains made by directors when exercising LTIs should be analysed. As shown above, these can be more than substantial and should be highlighted in negotiations if companies are arguing from a position that all employees including directors are taking a hit.

Looking beyond one year's figures can be a powerful negotiating tool. Profits may be down slightly in one year but if you look back over the trend of three to five years you will get a better idea of company performance. The same method can be applied to directors' salaries, bonuses and LTI payments. Salary plus bonus, benefits and other payments (excluding LTIs) indicate how much the company has spent on director positions in the year. This may vary from year to year. The totals may increase massively in one year on the back of a good bonus and then seem to decrease when bonuses are less generous. The negative percentages should be seen in this light and figures can be compared to earlier years as well as viewing the totals those percentages represent.

In this survey, we have analysed directors' fees for 2015/16 as these are the latest publicly available. This is useful in order to identify trends and to note bonus, benefit and LTI payment levels. However, to make the best comparison unions need to know the salary increases that directors will be getting for the same year for which they are negotiating - the year going forward. These are not published in the annual reports and should be requested well in advance of negotiations so that they can be properly analysed. If these cannot be obtained use the latest available figures. If the company states that these are out of date then note that more up to date figures were requested and denied.

## [6] CONCLUSION

Income inequality is a reality across the African continent and affects the ability of workers to maintain a decent standard of living for themselves and their families. The MNCs reviewed as part of this research are proof of how remuneration structures within companies exacerbate income inequalities. MNCs who pay their directors excessively high salaries were identified with the objective of advocating for more accountability within companies. It became apparent that there is little observable and comparable logic within the remuneration approaches of MNCs. Questions must be raised as to why the remuneration packages of CEOs are structured in the way that they are. Across companies minimum wages are located within a small wage bracket whereas this is by no means the case with directors' remuneration – why does the same logic not apply at director level?

The fact that an Executive Director could earn as much as 1 763 times that of an entry-level worker is unacceptable and illustrates why companies would prefer to under-report on the remuneration structures of workers below director level. Unions and GUFs, however, encourage information sharing and make it possible to generate information on worker remuneration across borders. Such information, in turn, makes it possible to identify the true remuneration gap that companies are encouraged to bridge. This chapter thus advocates for more intelligent reporting on employees through the availing of information and transparency regarding employees. All jobs are not equal and employees need to be considered and reported on according to the different employment types found within a company.

### LRS ONLINE TOOLS:

Online tools are instruments which provide information not just to those that can afford to pay for information, but for all. This, in turn, enables everyone involved in discussions focused on companies, economics and development to better share a level of knowledge which can lead to richer and more useful social dialogue. Unions are invited to make use of the Labour Research Service's online support services at <http://www.lrs.org.za/mnc/> and <http://www.lrs.org.za/agreed>.



The SA MNC Database includes the information discussed in this chapter as well as additional individual company information unions can utilise. The Agreed website is an additional online tool developed for the sharing of Agreements between unions.

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# Wage Bargaining Review in South Africa 2011-2016

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## HIGHLIGHTS

### Wage Outcomes of Collective Bargaining Agreements

In this chapter, the term inflation means a sustained increase in the general level of prices for goods and services. It is measured as an annual percentage increase.

The annual inflation rate as measured by Statistics South Africa's Consumer Price Index averaged 5% in 2011, and declined to 6.4% in 2016.

The lowest nominal median minimum wages was achieved in the agriculture industry at R1 836 per month in 2011 and increased to R2 829 per month in 2016.

The highest nominal median minimum wages was found in the electricity, gas and steam industry at R5 085 per month in 2011 and R8 081 in 2016.

### Wage Outcome of Sectoral Determination

The lowest minimum wage in the sectoral determination was found in domestic workers (who work 27 ordinary hours per week or less) Area B at R974 in 2011 and increased to R1 562 in 2016.

The highest minimum wage in the sectoral determination was found in the private security Area 1 at R2 411 in 2011 and increased to R3 792 in 2016.

### Different Level of Nominal Median Minimum Wages 2011-2016

The sectoral determination level recorded the lowest nominal median minimum wages of R1 942 in 2011 which increased to R2 959 in 2016.

The bargaining council nominal median minimum wage was R2 674 in 2011 and increased to R3 948 in 2016.

The decentralised level nominal median minimum wage was R3 369 in 2011 and increased to R4 144 in 2016.

## Bargaining Council and Sectoral Determination Median and Minimum Wage Table

The table below illustrates the median minimum nominal wages across the different bargaining councils. In addition the table also illustrates the lowest individual minimum wage found in the collective bargaining agreements for each sector.

Table 1: Bargaining Council and Sectoral Determination Median and Minimum Wage Table, 2016

SECTOR	2016 MEDIAN NOMINAL WAGE (R VALUE)	2016 LOWEST NOMINAL WAGE (R VALUE)
COLLECTIVE BARGAINING WAGE OUTCOMES		
Agriculture...	2,829.00	2,779.00
Community...	5,000.00	2,636.00
Construction	3,771.00	3,173.00
Electricity...	8,081.00	3,375.00
Financial...	3,500.00	2,700.00
Manufacturing	4,517.00	1,257.00
Mining...	6,977.00	3,500.00
Transport...	7,151.00	3,078.00
Wholesale...	3,191.00	2,105.00
Bargaining Council	3,948.00	1,257.00
Decentralised Collective Agreements	4,144.00	1,600.00
AVERAGE	4,828.09	2,805.36

The above table shows that the lowest individual minimum wage was found in the manufacturing sector at R1 257 per month in 2016. The median minimum wage shows that only the agricultural sector was paying below the suggested R 3500 minimum wage in 2016. What this table thus illustrates is that although most sectors are paying above the suggested minimum wage, individual agreements could still be far under. It also has to be noted that the table does not include the sectoral determinations.

## [1] INTRODUCTION

Currently in South Africa we have three different mechanisms for setting minimum wages: sectoral determination; bargaining councils; and plant or company level.

Sectoral determinations regulate the terms or conditions of employment for vulnerable employees in sectors where they are likely to be exploited, or where worker organisations and trade unions are absent (DPRU role of sectoral determination, 2010:15). The Employment Conditions Commission convenes public hearings in order to gather proposals from both employers and employees and then makes recommendations to the Minister of Labour. Once the Minister approves the recommendations, they are published in the Government Gazette as new wage rates or sectoral determinations (Basic Conditions of Employment Act, Act No. 75 of 1997 Section 51/62).

The second mechanism is through bargaining councils where trade union (s) and employers' organisations negotiate minimum wages and conditions of employment in their sectors. Section 31 of the Labour Relations Act (LRA) states that a collective bargaining agreement concluded in the bargaining council binds the parties in the bargaining council. The bargaining council (Section 32) can request the Minister in writing to extend a collective agreement agreed in the bargaining council to any non-parties to the collective agreement that are within their registered scope.

The third mechanism is through plant or company level where a trade union (s) and employer regulate a minimum wage and conditions of employment specifically for that company. The collective agreements only bind members/workers who work for the employer or who are union members in the company.

### What is a Minimum Wage and Why it is Important?

A minimum wage is the amount that employers can legally pay employees in a sector or industry. It is intended to reduce poverty and inequality by providing a minimum threshold of pay to help protect the most vulnerable of workers – those who are not part of a union or whose sectoral determination is too low or does not exist.

The National Minimum Wage Bill that is due to come into effect on 1 May 2018 will make provision for a minimum wage of R20 per hour which translates into a monthly wage of about R3 500 for a 40 hour week, and about R3 900 for those who work 45 hours a week.

There will, however, be a few exceptions to the national minimum wage:

- The minimum wage for farm workers will be 90% of R20 per hour (R18 per hour);
- The minimum wage for domestic workers will be 75% of R20 per hour (R15 per hour); and
- The minimum wage for workers on an expanded public works programme is R11 per hour.

### How does a Minimum Wage Relate to a Living Wage?

The minimum wage is an entry level wage, meaning that employers must not pay workers less than what has been agreed at the bargaining table or the legislated minimum wages by the Minister (sectoral determination), hence the living wage is the amount of pay considered sufficient for a worker and their family to cover basic costs of living in a given period. Trade union negotiators must start negotiating living wages instead of minimum wages because minimum wages don't lift workers from poverty (see median minimum wages graphs).

## Approach

The purpose of this chapter is to look at the outcomes of nominal and real median minimum wages in South Africa from 2011 to 2016. The Labour Research Service reviewed 719 collective agreements in 2011 and 577 collective agreements in 2016 which were negotiated at various bargaining councils as well as at a decentralised level (see Table 1) in different sectors with an estimated coverage of 2 661 938 workers in 2011 and 2 486 862 workers in 2016. The LRS also examined nine sectoral determinations that cover an estimated 5 075 109 unorganised workers (through legislated nominal minimum wages) (LRS, 2016). The LRS visited union offices, and used email, telephone and fax correspondence in order to communicate with trade union representatives in collecting these documents.

**Wage category:** The category of worker used is generally located at the minimum entry level wage or the lowest wage in the bargaining unit.

Table 2: Sample Size (Workers Covered by CBA) 2011-2016

Standard Industrial Classification Major Division (SIC)	Number of Wage Agreements 2011	Estimated number of workers 2011	Number of Wage Agreements 2016	Estimated number of workers 2016
Agriculture...	31	5 277	22	5 726
Community...	15	1 431 060	30	1 535 161
Construction	16	131 119	34	101 257
Electricity...	2	38 250	20	45 210
Financial...	70	102 797	47	49 520
Manufacturing	345	344 154	198	390 021
Mining...	80	173 039	66	92 506
Transport...	24	146 710	17	123 815
Wholesale...	135	289 532	139	143 646
<b>Total</b>	<b>719</b>	<b>2 661 938</b>	<b>577</b>	<b>2 486 862</b>

Source: Labour Research Service (Actual Wage Rates Database: 2017)

The process of analysing collective bargaining agreements offered some challenges due to the fact that there was uneven cooperation from regional offices in submitting the agreements to the LRS office. Some collective bargaining agreements also lacked pertinent information and therefore could not be included in this analysis.

The LRS AWARD Database can be found online – the information found in this chapter is available immediately for free download from the LRS website at <http://www.lrs.org.za/award/>

## Format of the Chapter

**Subsection two** of this chapter examines nominal median minimum wages as captured in collective bargaining agreements negotiated in various bargaining councils and plant level negotiations and adjusts these nominal median minimum wages by taking the average inflation rate into account to determine the real median minimum wages. The overall aim of the chapter is to develop an understanding of nominal wages, real wages, and inflation, in an endeavour to assist negotiators in future bargaining rounds.

**Subsection three** looks at the sectoral determination of nominal minimum wages that are legislated by the Minister of Labour and conditions of employment. It looks at nominal minimum wages and real minimum wages by different sectoral determination and adjusts these, taking the average inflation rate into account to determine the real minimum wages.

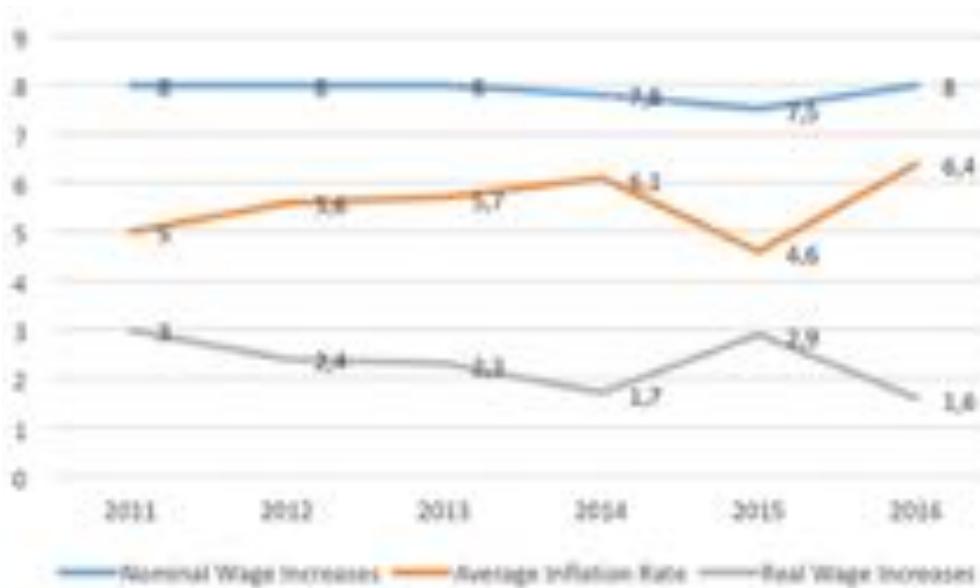
**Subsection four** provides a comparison between the sectoral determinations, bargaining councils and plant level minimum wages between 2011 and 2016.

**Subsection five** provides an overview of some of the key conditions of employment found in the agreements under review.

## [2] COLLECTIVE BARGAINING WAGE OUTCOMES

Figure 1 shows that the nominal median percentage wage increase was 7.9% from 2011 to 2016. If we take into account the average inflation rate of 5.6%, workers gained a real median wage of 2.3% for the period from 2011 to 2016. Thus, with an increase of 2.3%, we can conclude that real wage increases have stagnated over the period from 2011 to 2016.

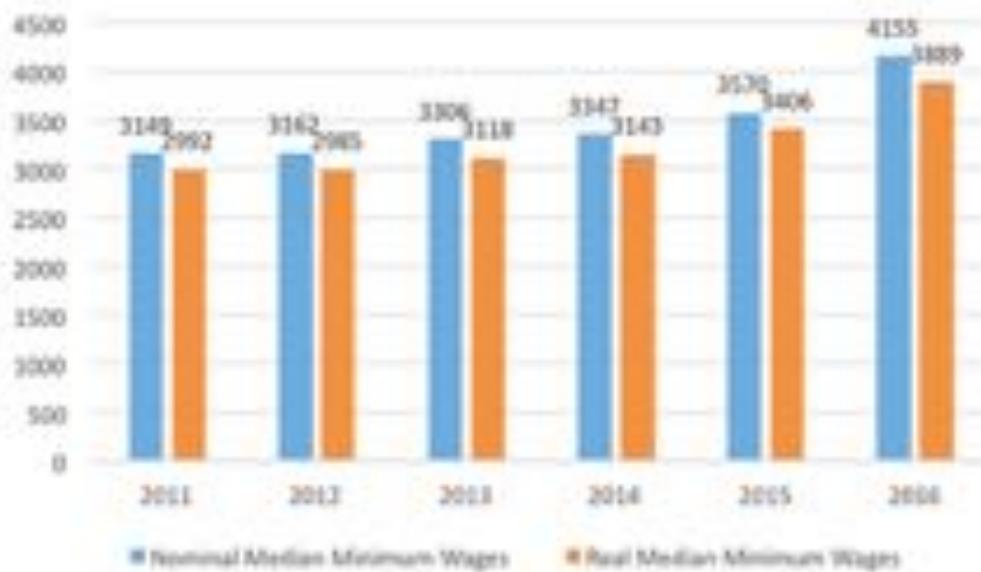
Figure 1: Nominal Median Wage Increase, Average Inflation Rate and Real Wage Increase by Industries 2011- 2016



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 2 shows that nominal median minimum wages in all industries increased from R3 149 in 2011 to R4 155 in 2016. Nominal median minimum wages have thus increased by R1 006 (31%) or R167 per year over a six year period. Real median minimum wages increased from R2 994 in 2011 to R3 889 in 2016. Thus, the real median minimum wage increased by R897 (29%) or R149 per year over a six year period.

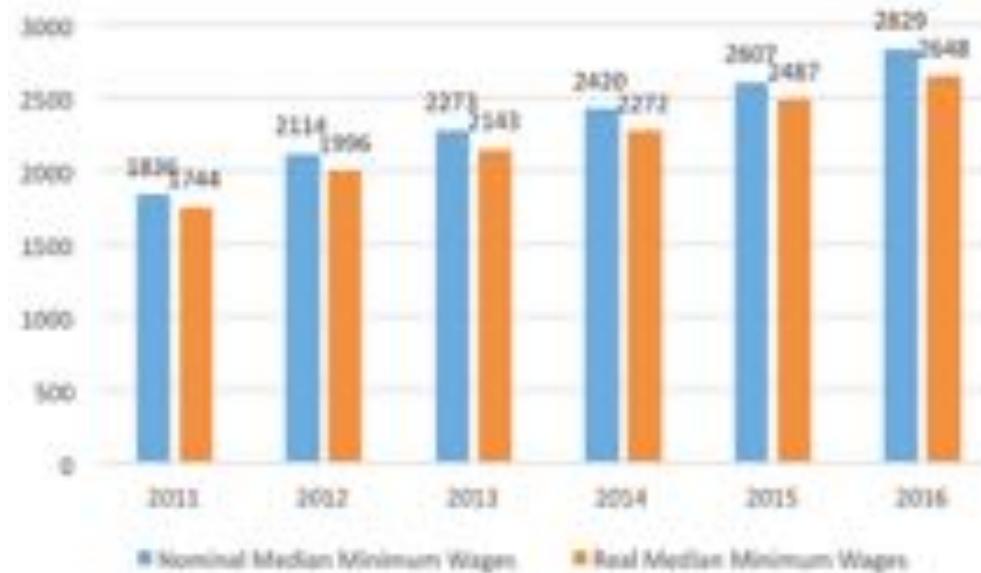
**Figure 2: Nominal and Real Median Minimum Wages by Industries, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 3 shows that nominal median minimum wages in the agriculture, hunting, forestry and fishing industry increased from R1 836 in 2011 to R2 829 in 2016. Nominal median minimum wages have thus increased by R993 (54%) or R165 per year over a six year period. Real median minimum wages increased from R1 744 in 2011 to R2 648 in 2016. Thus, the real median minimum wage increased by R904 (51%) or R150 per year over a six year period.

**Figure 3: Agriculture, Hunting Forestry & Fishing Nominal and Real Median Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 4 shows that nominal median minimum wages in community, social and personal services increased from R4 092 in 2011 to R5 000 in 2016. Nominal median minimum wages have thus increased by R908 (22%) or R151 per year over a six year period. Real median minimum wages increased from R3 887 in 2011 to R4 680 in 2016. Thus, the real median minimum wage increased by R793 (20%) or R132 per year over a six year period.

**Figure 4: Community, Social and Personal Service Nominal and Real Median Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 5 shows that nominal median minimum wages in construction increased from R2 543 in 2011 to R3 771 in 2016. Nominal median minimum wages have thus increased by R1 228 (48%) or R204 per year over a six year period. Real median minimum wages increased from R2 416 in 2011 to R3 530 in 2016. Thus, the real median minimum wage increased by R1 114 (46%) or R185 per year over a six year period.

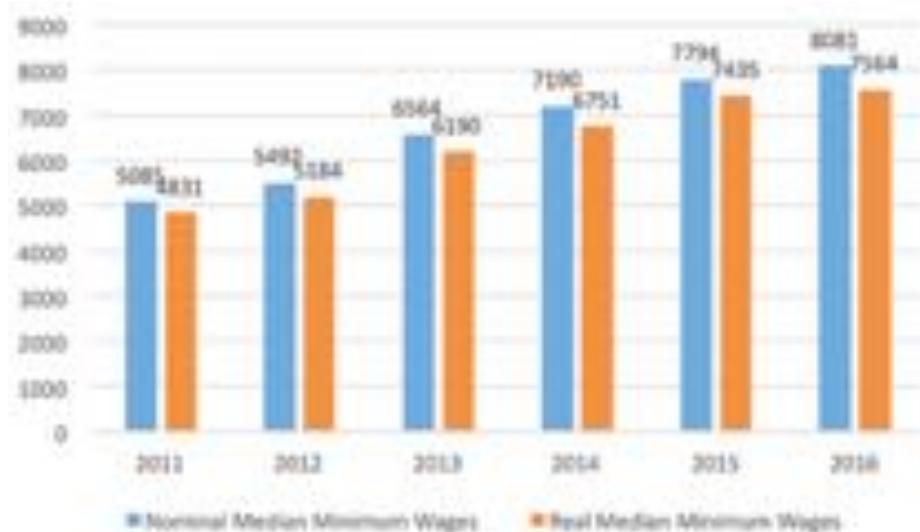
**Figure 5: Construction Nominal Median Wages and Real Median Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 6 shows that median nominal minimum wages in the electricity, gas and steam industry increased from R5 085 in 2011 to R8 081 in 2016. Median nominal minimum wages have thus increased by R2 996 (58%) or R499 per year over a six year period. Real median minimum wages increased from R4 831 in 2011 to R7 564 in 2016. Thus, the real median minimum wages increased by R2733 (56%) or R455 per year over a six year period.

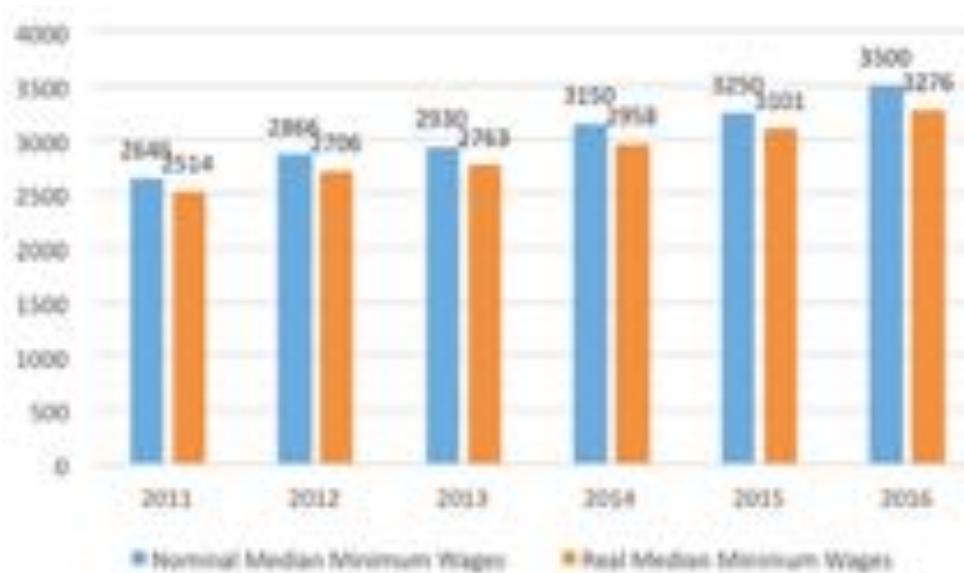
**Figure 6: Electricity, Gas and Steam Nominal Median Wages and Real Median Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 7 shows that median nominal minimum wages in the finance, insurance, real estate and business services industry increased from R2 646 in 2011 to R3 500 in 2016. Median nominal minimum wages have thus increased by R854 (32%) or R142 per year over a six year period. Real median minimum wages increased from R2 514 in 2011 to R3 276 in 2016. Thus, the real median minimum wages increased by R762 (30%) or R127 per year over a six year period.

**Figure 7: Finance, Insurance Real Estate and Business Service Nominal and Real Median Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 8 shows that median nominal minimum wages in manufacturing increased from R3 321 in 2011 to R4 517 in 2016. Median nominal minimum wages have thus increased by R1 196 (36%) or R199 per year over a six year period. Real median minimum wages increased from R3 155 in 2011 to R4 228 in 2016. Thus, the real median minimum wages increased by R1 073 (34%) or R178 a year over a six year period.

**Figure 8: Manufacturing Nominal and Real Median Minimum Wages, 2011-2016**

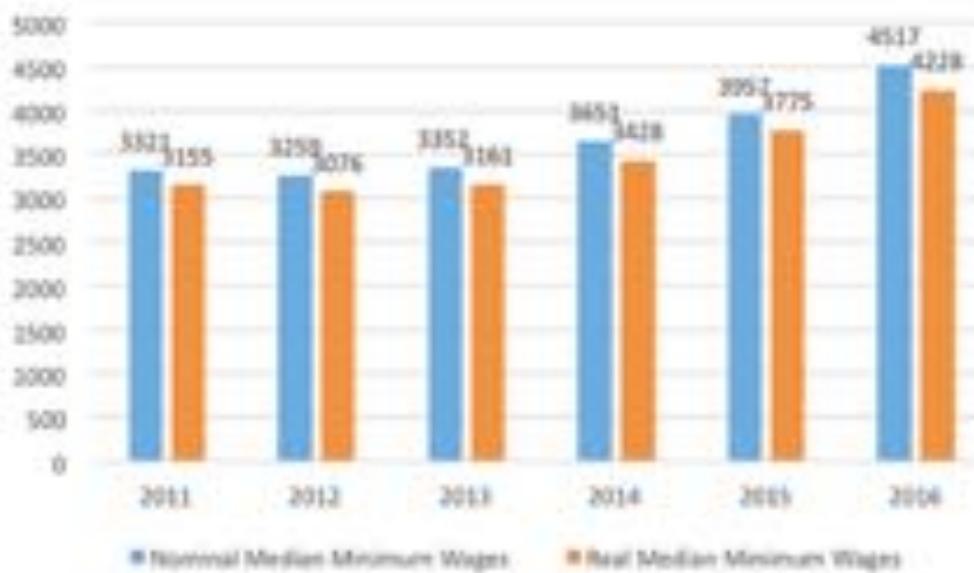
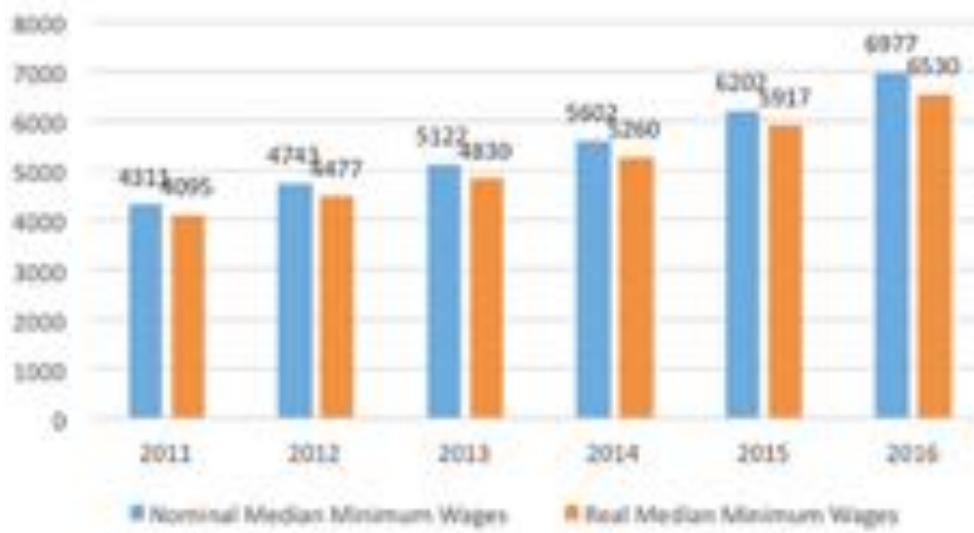


Figure 9 shows that median nominal minimum wages in mining and quarrying increased from R4 311 in 2011 to R6 977 in 2016. Median nominal minimum wages have thus increased by R2 666 (61%) or R44 per year over a six year period. Real median minimum wages increased from R4 095 in 2011 to R6 530 in 2016. Thus, the real median minimum wages increased by R2 435 (59%) or R405 per year over a six year period.

**Figure 9: Mining and Quarrying Nominal and Real Median Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 10 shows how median nominal minimum wages in the transport, storage and communication industry increased from R3 732 in 2011 to R 7151 in 2016. Median nominal minimum wages have thus increased by R3 419 (96%) or R569 per year over a six year period. Real median minimum wages increased from R3 545 in 2011 to R6 633 in 2016. Thus, the real median minimum wages increased by R3 088 (8 %) or R514 per year over a six year period.

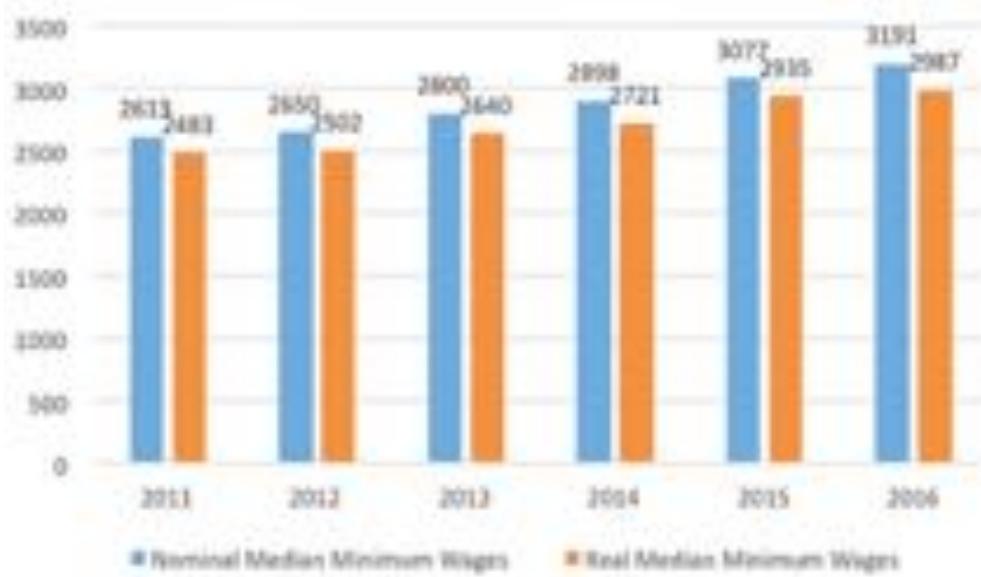
**Figure 10: Transport, Storage and Communication Nominal and Real Median Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 11 shows that nominal median minimum wages in the wholesale and retail trade, hotels and restaurants industry increased from R2 613 in 2011 to R3 191 in 2016. Median nominal minimum wages have thus increased by R578 (22%) or R96 per year over a six year period. Real median minimum wages increased from R2 483 in 2011 to R2 987 in 2016. Thus, the real median minimum wages increased by R504 (20%) or R84 per year over a six year period.

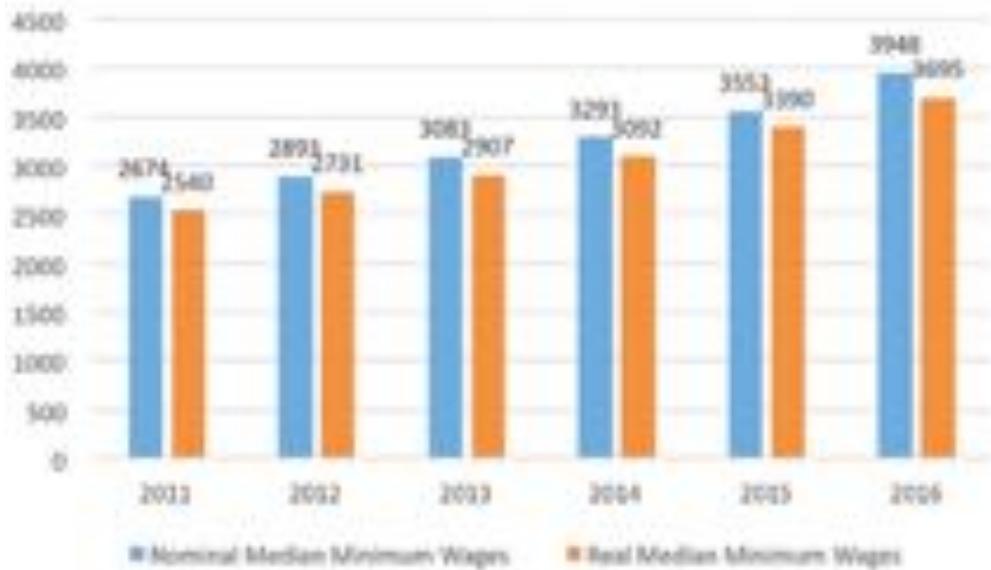
**Figure 11: Wholesale and Retail Trade Nominal and Real Median Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 12 shows that nominal median minimum wages by bargaining councils increased from R2 674 in 2011 to R3 948 in 2016. Nominal median minimum wages have thus increased by R1 274 (47%) or R192 per year over a six year period. Real median minimum wages increased from R2 540 in 2011 to R3 695 in 2016. Thus, the real median minimum wages increased by R1 155 (45%) or R192 per year over a six year period.

**Figure 12: Bargaining Council Collective Agreements Nominal and Real Median Minimum Wage, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 13 shows that nominal median minimum wages by decentralised (plant level) collective agreements increased from R3 369 in 2011 to R4 144 in 2016. Nominal median minimum wages have thus increased by R775 (23%) or R129 per year over a six year period. Real median minimum wages increased from R3 201 in 2011 to R3 879 in 2016. Thus, the real median minimum wages increased by R678 (21%) or R113 per year over a six year period.

**Figure 13: Decentralised Collective Agreements Nominal and Real Median Minimum Wages, 2011-2016**



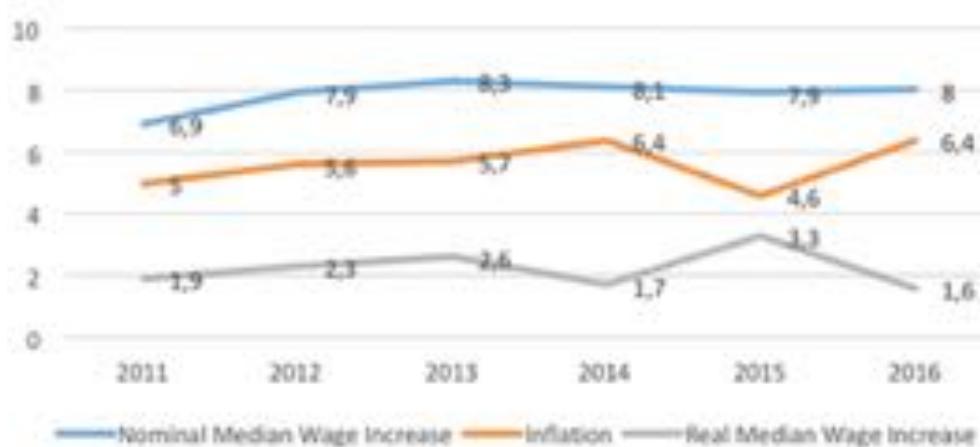
Source: Labour Research Service (Actual Wage Rates Database: 2017)

### [3] SECTORAL DETERMINATION MINIMUM WAGES, 2011-2016

We often come across percentages during wage negotiations and it is important for negotiators to remember that percentages show proportions and not actual amounts. This section focuses on the nominal and real wage increases across the sectoral determinations.

Figure 14 shows that the nominal median percentage wage increase was 8% from 2011 to 2016. If we take into account the average inflation rate of 5.6%, workers gained a real median wage increase of 2.1% for the period from 2011 to 2016. Thus, with an increase of 2.1%, we can conclude that real wage increases have stagnated over the period from 2011 to 2016.

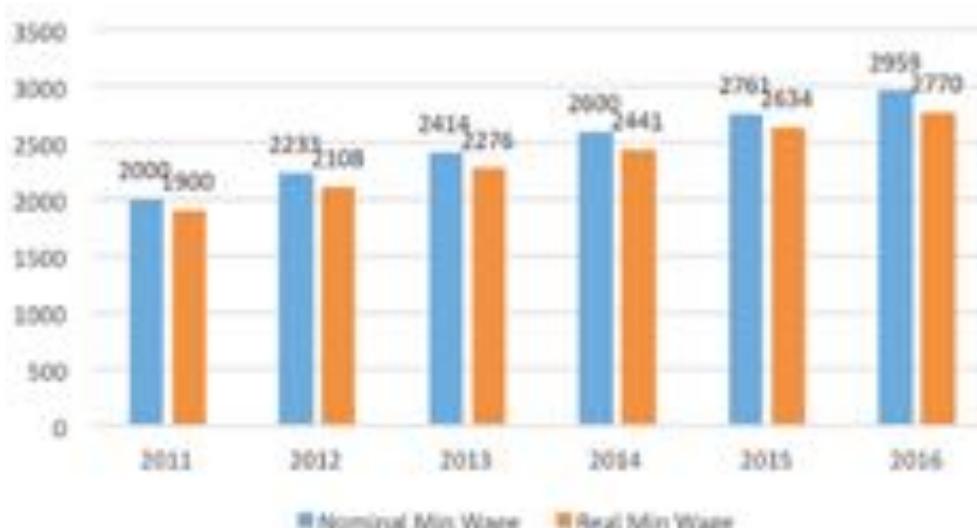
Figure 14: Nominal Median Wage Increase, Average Inflation rate and Real Wage Increase by Industries 2011 to 2016



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 15 shows that nominal median minimum wages for all sectoral determinations increased from R2 000 in 2011 to R2 959 in 2016. Nominal median minimum wages have thus increased by R959 (47%) or R159 per year over a six year period. Real median minimum wages increased from R1 900 in 2011 to R2 770 in 2016. Thus, the real median minimum wages increased by R870 (45%) or R145 per year over the six year period.

Figure 15: Nominal Minimum Wages and Real Median Minimum Wages by Sectoral Determinations: 2011-2016



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 16 shows that nominal minimum wages for the farm workers' sectoral determinations increased from R1 376 in 2011 to R2 779 in 2016. Nominal median minimum wages have thus increased by R1 403 (101%) or R233 per year over a six years period. Real minimum wages increased from R1 307 in 2011 to R2 601 in 2016. Thus, the real minimum wages increased by R1 294 (99%) or R215 per year over the six year period.

**Figure 16: Farm Workers Minimum Wages and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 17 shows that nominal minimum wages for the forestry workers' sectoral determinations increased from R1 276 in 2011 to R2 779 in 2016. Nominal minimum wages have thus increased by R1 503 (117%) or R250 per year over a six year period. Real minimum wages increased from R1 212 in 2011 to R2 601 in 2016. Thus, the real minimum wages increased by R1 389 (114%) or R231 per year over the six year period.

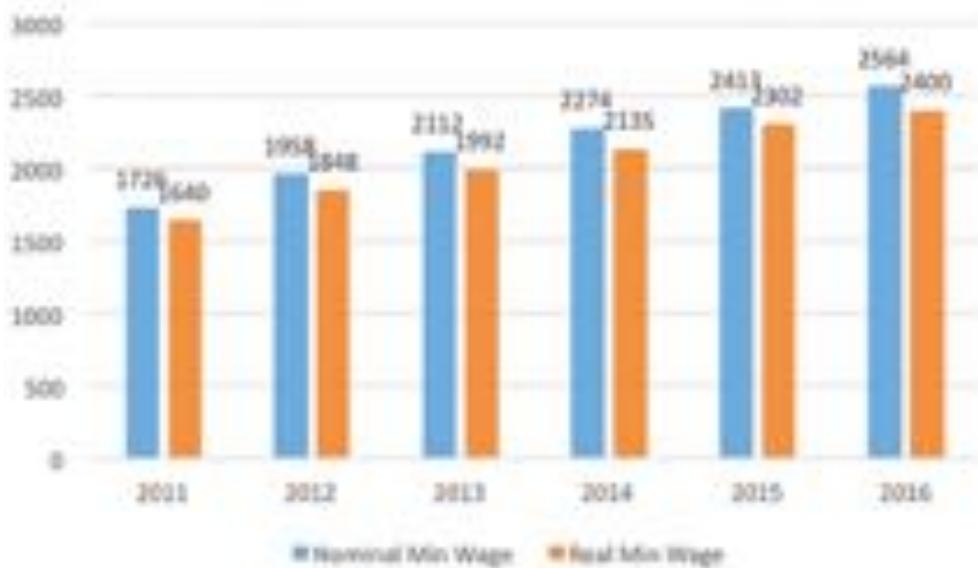
**Figure 17: Forestry Nominal Minimum Wages and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 18 shows that nominal minimum wages in taxi workers' sectoral determinations increased from R1 726 in 2011 to R2 564 in 2016. Nominal minimum wages have thus increased by R838 (48%) or R139 per year over a six years period. Real minimum wages increased from R1 640 in 2011 to R2 400 in 2016. Thus, the real minimum wages increased by R760 (46%) or R126 per year over a six year period.

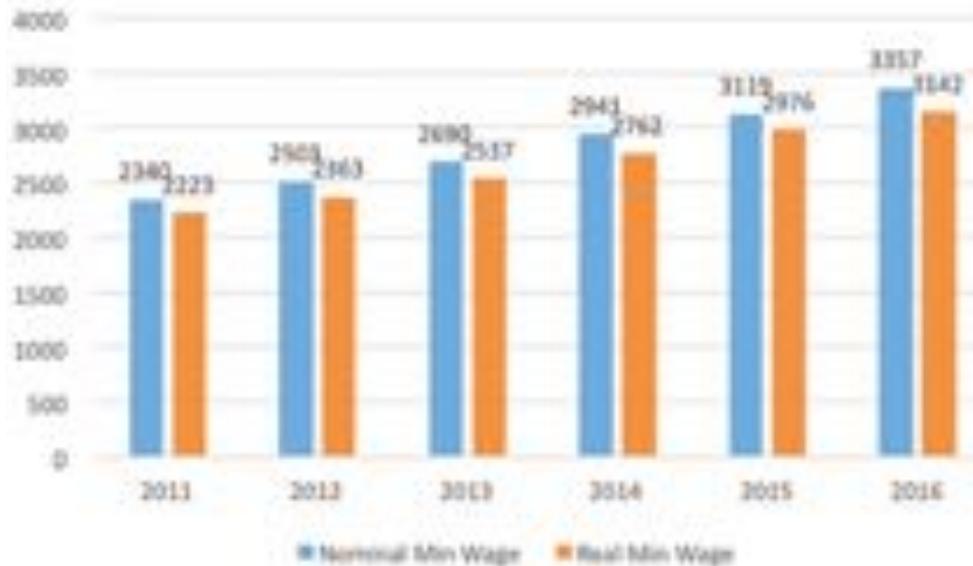
**Figure 18: Taxi Nominal Minimum Wages and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 19 shows that nominal minimum wages for contract cleaning Area A sectoral determinations increased from R2 340 in 2011 to R3 357 in 2016. Nominal minimum wages have thus increased by R1 017 (43%) or R169 per year over a six year period. Real minimum wages increased from R2 223 in 2011 to R3 142 in 2016. Thus, the real minimum wages increased by R919 (41%) or R153 over a six year period.

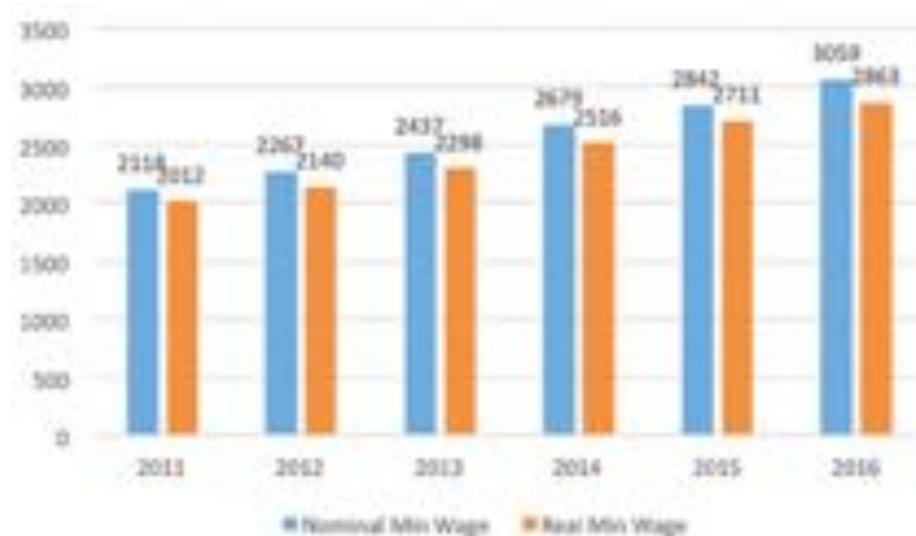
**Figure 19: Contract Cleaning Area A Nominal Minimum Wages and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 20 shows that nominal minimum wages for contract cleaning Area C in sectoral determinations increased from R2 118 in 2011 to R3 059 in 2016. Nominal minimum wages have thus increased by R941 (44%) or R156 per year over a six year period. Real minimum wages increased from R2 012 in 2011 to R2 863 in 2016. Thus, the real minimum wages increased by R851 (42%) or R141 per year over a six year period.

**Figure 20: Contract Cleaning Area C Nominal Minimum Wage and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 21 shows that nominal minimum wages for wholesale and retail trade Area A sectoral determinations increased from R2 150 in 2011 to R3 004 in 2016. Nominal minimum wages have thus increased by R854 (39%) or R142 per year over a six year period. Real minimum wages increased from R2 043 in 2011 to R2 812 in 2016. Thus, the real minimum wages increased by R769 (37%) or R128 per year over a six year period.

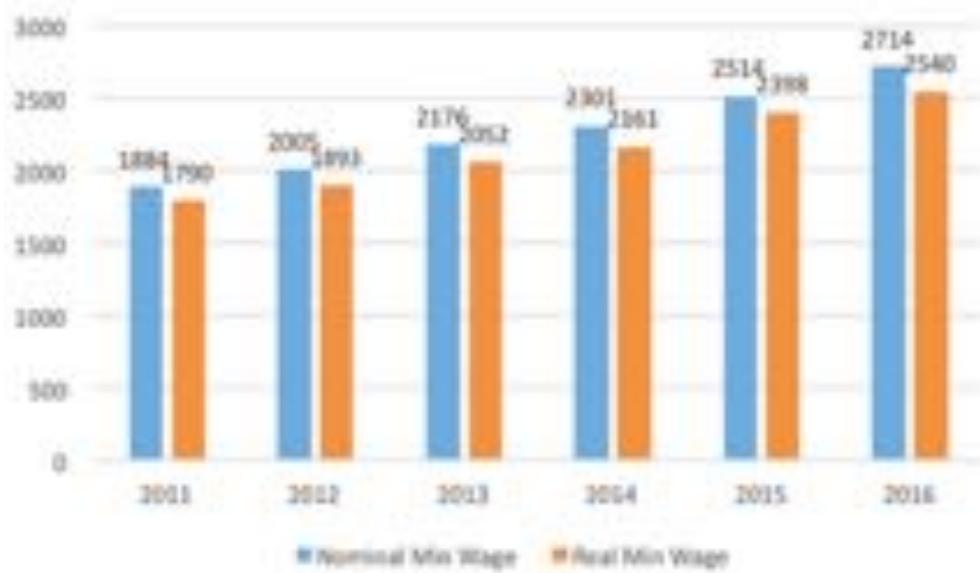
**Figure 21: Wholesale and Retail Trade Area A Nominal Minimum Wage and Real Minimum Wage, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 22 shows that nominal minimum wages for wholesale and retail trade Area B sectoral determinations increased from R1 884 in 2011 to R2 714 in 2016. Nominal minimum wages have thus increased by R830 (44%) or R138 per year over a six year period. Real minimum wages increased from R1 790 in 2011 to R2 540 in 2016. Thus, the real minimum wages increased by R750 (41%) or R125 per year over a six year period.

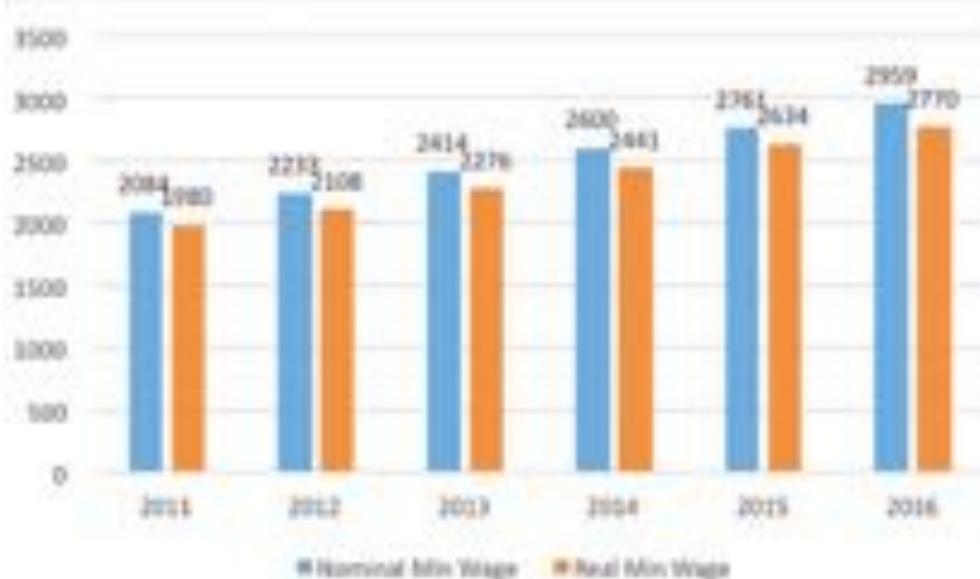
**Figure 22: Wholesale and Retail Trade Area B Nominal Minimum Wages and Real Minimum Wages 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 23 shows that nominal minimum wages for hospitality sectoral determinations (less than 10 employees) increased from R2 084 in 2011 to R2 959 in 2016. Nominal minimum wages have thus increased by R875 (41%) or R145 per year over a six year period. Real minimum wages increased from R1 980 in 2011 to R2 770 in 2016. Thus, the real minimum wages increased by R790 (39%) or R131 per year over a six year period.

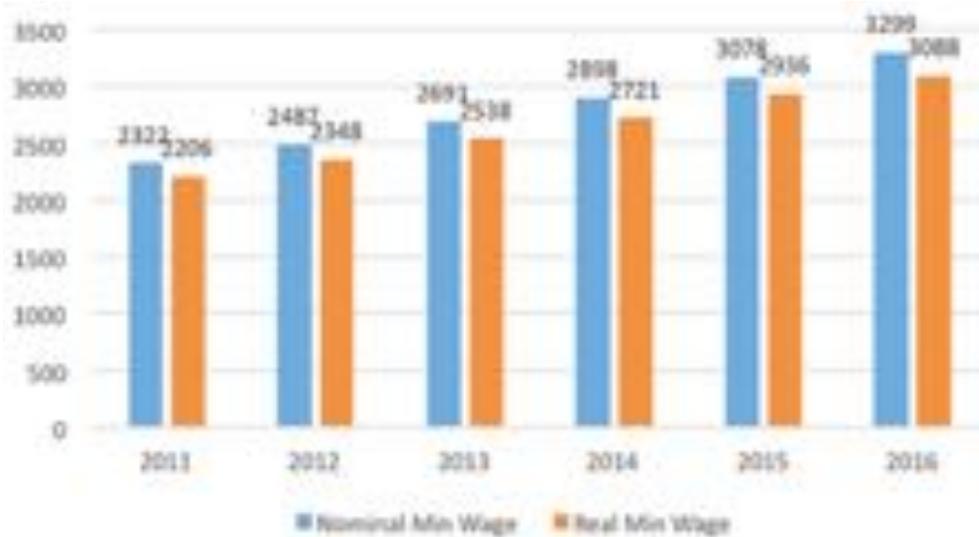
**Figure 23: Hospitality Sectoral Determination (less than 10 employees) Nominal and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 24 shows that nominal minimum wages for hospitality sectoral determinations (more than 10 employees) increased from R2 322 in 2011 to R3 299 in 2016. Nominal minimum wages have thus increased by R977 (42%) or R162 per year over a six year period. Real minimum wages increased from R2 206 in 2011 to R3 088 in 2016. Thus, the real minimum wages increased by R882 (39%) or R147 per year over a six year period.

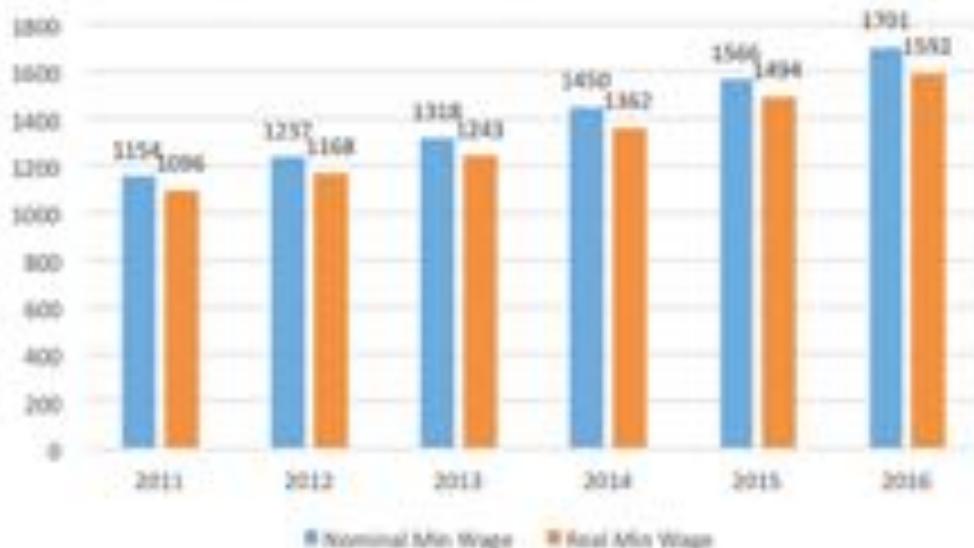
**Figure 24: Hospitality Sectoral Determination (more than 10 employees) Nominal and Real Minimum Wages, 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2016)

Figure 25 shows that nominal minimum wages for domestic workers contained in the sectoral determinations Area A (who work 27 ordinary hours per week or less) increased from R1 154 in 2011 to R1 701 in 2016. Nominal minimum wages have thus increased by R547 (47%) or R91 per year over a six year period. Real minimum wages increased from R1 096 in 2011 to R1 592 in 2016. Thus, the real minimum wages increased by R496 (45%) or R82 per year over a six year period.

**Figure 25: Domestic Worker (who work 27 ordinary hours per week or less) Area A Nominal and Real Minimum Wages 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 26 shows that nominal minimum wages for domestic workers contained in sectoral determinations Area B (who work 27 ordinary hours per week or less) increased from R974 in 2011 to R1 562 in 2016. Nominal minimum wages have thus increased by R588 (60%) or R98 per year over a six year period. Real minimum wages increased from R925 in 2011 to R1 462 in 2016. Thus, the real minimum wages increased by R537 (58%) or R89 per year over a six year period.

**Figure 26: Domestic Worker (who work 27 ordinary hours per week or less) Area B Nominal and Real Minimum Wages 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 27 shows that nominal minimum wages for domestic workers contained in the sectoral determinations Area A (who work more than 27 ordinary hours per week) increased from R1 625 in 2011 to R2 423 in 2016. Nominal minimum wages have thus increased by R798 (49%) or R133 per year over a six year period. Real minimum wages increased from R1 544 in 2011 to R2 268 in 2016. Thus, the real minimum wages increased by R724 (46%) or R120 per year over a six year period.

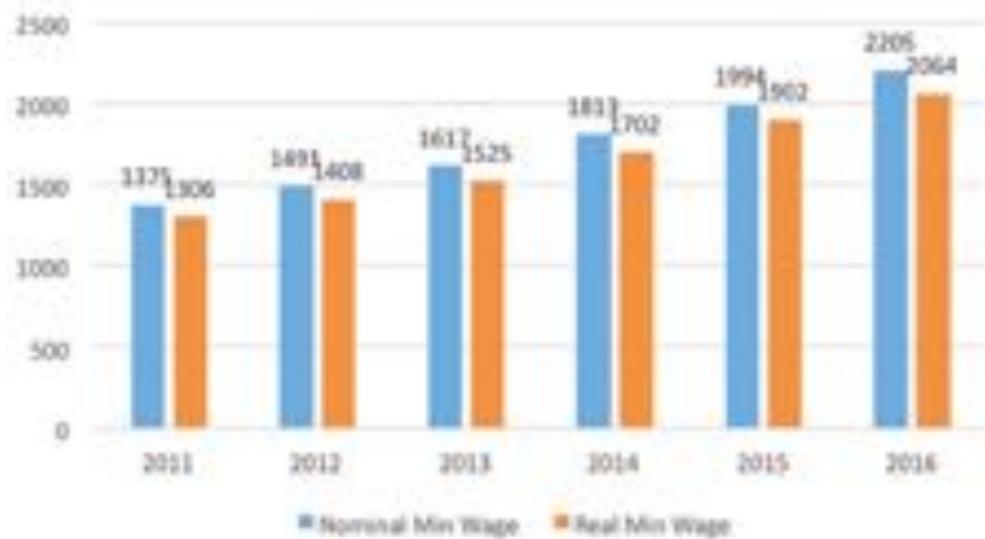
**Figure 27: Domestic Worker (who works more than 27 ordinary hours per week) Area A Nominal and Real Minimum Wage 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 28 shows that nominal minimum wages for domestic workers as contained in sectoral determinations Area B (who works more than 27 ordinary hours per week) increased from R1 375 in 2011 to R2 205 in 2016. Nominal minimum wages have thus increased by R830 (60%) or R138 per year over a six year period. Real minimum wages increased from R1 306 in 2011 to R2 064 in 2016. Thus, the real minimum wages increased by R758 (58%) or R126 per year over a six year period.

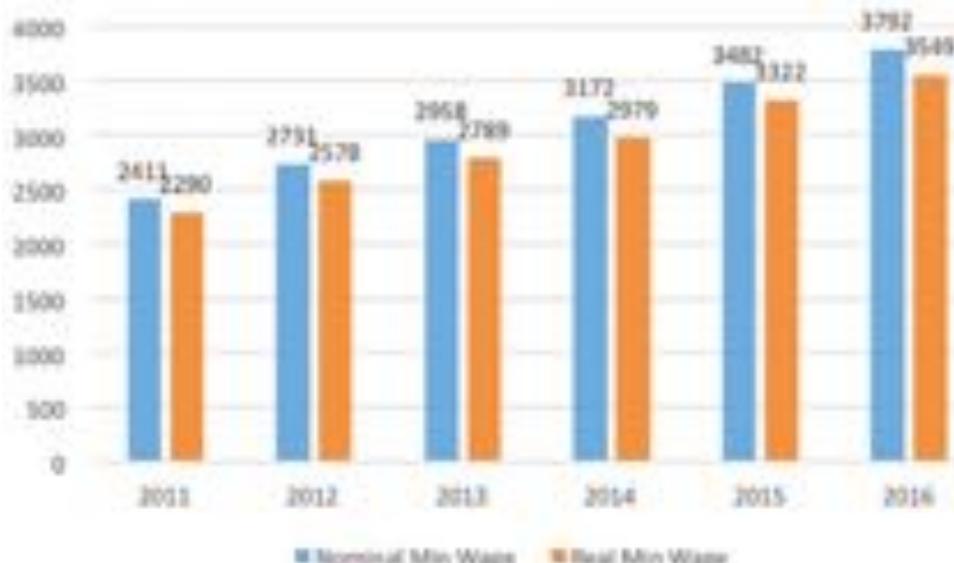
**Figure 28: Domestic Worker (who works more than 27 ordinary hours per week) Area B Nominal and Real Minimum Wage 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 29 shows that nominal minimum wages for private security Area 1 as contained in sectoral determinations increased from R2 411 in 2011 to R3 792 in 2016. Nominal minimum wages have thus increased by R1 381 (57%) or R230 per year over a six year period. Real minimum wages increased from R2 290 in 2011 to R3 549 in 2016. Thus, the real minimum wages increased by R1 259 (54 %) or R179 per year over a six year period.

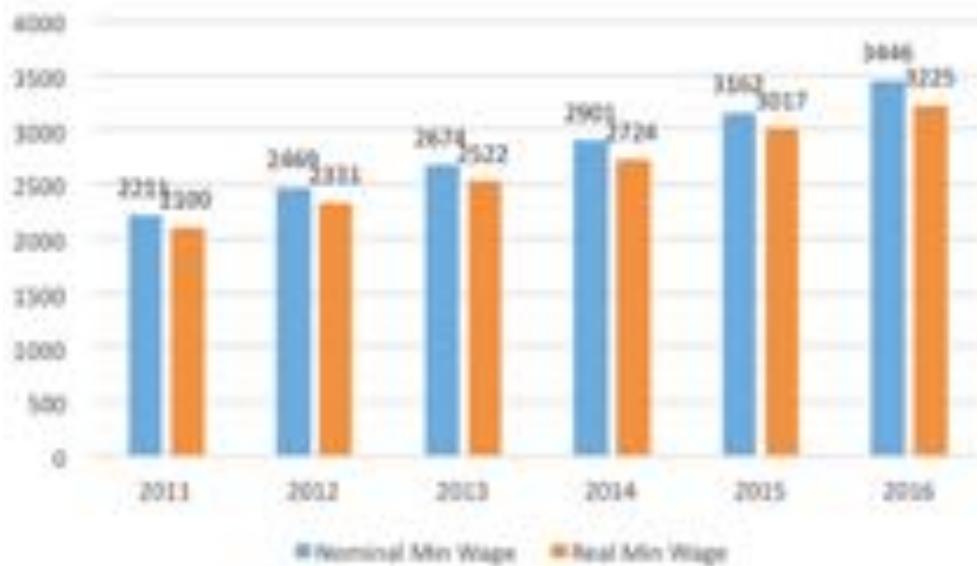
**Figure 29: Private Security Area 1 Nominal and Real Minimum Wage 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 30 shows that nominal minimum wages for private security Area 2 as contained in sectoral determinations increased from R2 211 in 2011 to R3 446 in 2016. Nominal minimum wages have thus increased by R1 235 (55%) or R205 per year over a six year period. Real minimum wages increased from R2 100 in 2011 to R3 225 in 2016. Thus, the real minimum wages increased by R1 125 (53%) or R187 per year over a six year period.

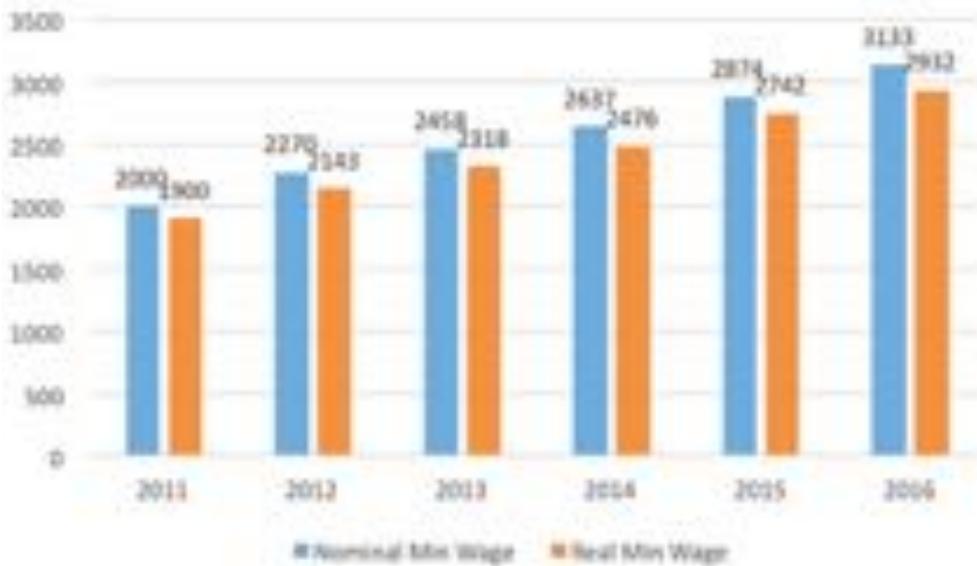
**Figure 30: Private Security Area 2 Nominal and Real Minimum Wage 2011-2016**



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 31 shows that nominal minimum wages for private security Area 3 as contained in the sectoral determinations increased from R2 000 in 2011 to R3 133 in 2016. Nominal minimum wages have thus increased by R1 133 (56%) or R188 per year over a six year period. Real minimum wages increased from R1 900 in 2011 to R2 932 in 2015. Thus, the real minimum wages increased by R1 032 (54%) or R172 per year over a six year period.

**Figure 31: Private Security Area 3 Nominal and Real Minimum Wage, 2011-2016**

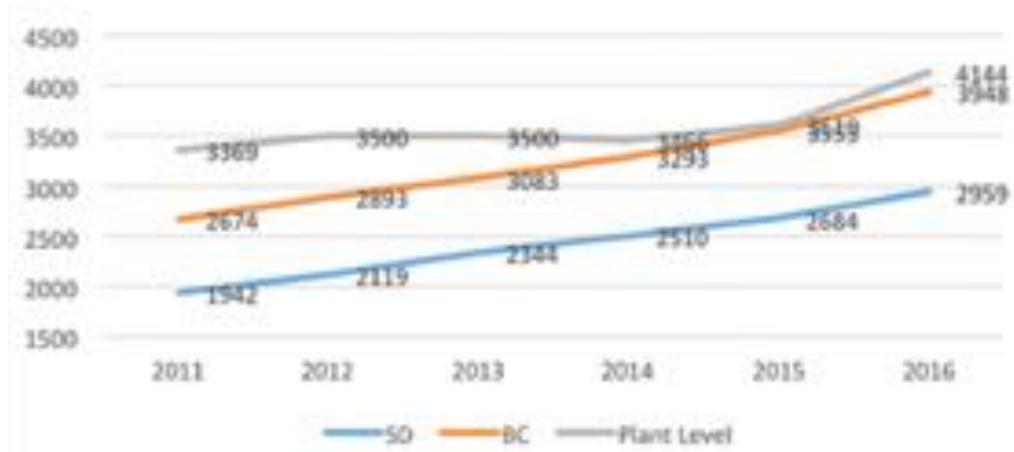


Source: Labour Research Service (Actual Wage Rates Database: 2017)

## [4] COMPARISON BETWEEN SECTORAL DETERMINATION, BARGAINING COUNCIL AND PLANT LEVEL MINIMUM WAGES 2011-2016

Figure 32 shows that, at plant level, the highest nominal median minimum wages attained were R3 369 in 2011 and R4 144 in 2016, while sectoral determinations showed the lowest nominal median minimum wages of R1 942 in 2011 and R2 959 in 2016. Bargaining councils attained nominal median minimum wages of R2 674 in 2011 and R3 948 in 2016, higher than the sectoral determinations but lower than the plant level agreements.

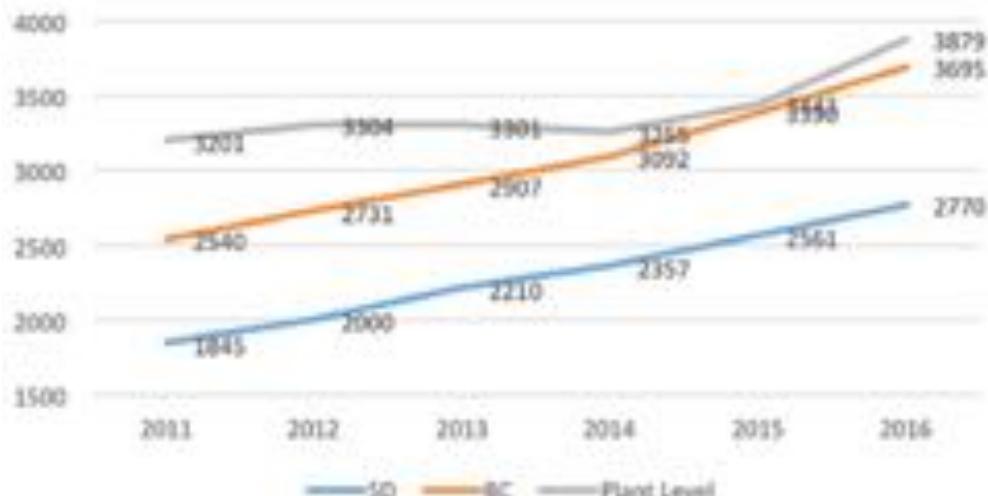
Figure 32: Nominal Median Minimum Wages by SD, BC and Plant Level 2011-2016



Source: Labour Research Service (Actual Wage Rates Database: 2017)

Figure 33 shows that, at plant level, the highest real median minimum wages attained was R3 201 in 2011 and R3 879 in 2016, while sectoral determinations showed the lowest real median minimum wages of R1 845 in 2011 and R2 770 in 2016. Bargaining councils attained real median minimum wages of R2 540 in 2011 and R3 695 in 2016, higher than the sectoral determinations but lower than plant level agreements.

Figure 33: Real Median Minimum Wages by Sectoral Determination, Bargaining Council and Plant Level 2011-2016



Source: Labour Research Service (Actual Wage Rates Database: 2017)

## [5] CONDITIONS OF EMPLOYMENT

Conditions of employment are imperative for both the employer and employee, as they regulate the framework of their roles in the organisation. The BCEA provides guidelines (minimum conditions) for employers and employees but it does not stop them from negotiating for better conditions than the ones stipulated in the BCEA.

This subsection reviews non-wage benefits outcomes from the 531 collective bargaining agreements (that reflected conditions of employment) and nine sectoral determinations in 2016 through analysing relevant conditions of employment.

This subsection illustrates some of the different dimensions of conditions of employment and describes the benchmark for each of these conditions. The benchmark shows what can be seen across all the different collective agreements. The benchmark is a mixture of the best and the worst and should be seen as an indicator of where the minimum for conditions of employment is situated.

### Benefits by Bargaining Level - Hours of Work Allowance and Leave

The table below provides an overview of conditions of employment relating to hours of work and leave.

Table 3: Benefits by bargaining level - hours of work allowance and leave

	Hours of Work	Night Shift allowance as % of basic wage	Transport allowance in Rands	Annual leave in working days p/a
Bilateral	45	11	295	15
Sectoral Determination	45	10	0	15
Bargaining Council	45	10	120	15
AWARD Benchmark (All CBA)	45	10	290	15

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

**Hour of work:** Section 9 of the Basic Conditions of Employment Act (BCEA) stipulates that an employer may not require or permit an employee to work more than 45 hours in any week. All agreements set forth 45 hours of work per week.

**Night Shift Allowance:** In terms of Section 17 of the Basic Conditions of Employment Act (BCEA), any work performed after 18:00 and before 06:00 the following day is considered night work. An agreement is required between the employer and employee in this regard. An agreement between an employer and an employee to generally work shifts would not meet the requirement of the BCEA unless such an agreement specifically makes mention of working night shifts and the employee is aware of such a requirement. Bilateral Agreements recorded a median of 11% night shift allowance followed by Sectoral Determination and Bargaining Council at 10%.

**Transport allowance in Rands:** Bilateral Agreements recorded an amount of R295 per month transport allowance followed by Bargaining Council at R120 per month. Sectoral Determination did not provide information on transport allowance except the taxi sectoral determination which provided R342 transport allowance per month.

**Annual leave:** Section 20 of the BCEA defines annual leave as "a cycle period of 12 months' employment with the same employer immediately following—  
 (a) An employee's commencement of employment; or  
 (b) The completion of that employee's prior leave cycle.

An employer must grant an employee at least—

- (a) 21 consecutive days' annual leave on full remuneration in respect of each annual leave cycle; or
- (b) By agreement, one day of annual leave on full remuneration for every 17 days on which the employee worked or was entitled to be paid.

All agreements provided a median of 15 days of annual leave per annum.

## Benefits by Bargaining Level – Job Security

The table below provides an overview of conditions of employment relating to job security.

**Table 4: Benefits by bargaining level – job security**

	Evidence of Provident Fund	Severance pay – number of weeks per year of service	Evidence of extension of normal benefits to fixed and short term employees	Evidence of policies on labour brokers
<b>Bilateral</b>	74%	<u>1</u>	7%	39%
<b>Sectoral Determination</b>	0%	<u>1</u>	0%	5%
<b>Bargaining Council</b>	32%	<u>1</u>	1%	16%
<b>AWARD Benchmark</b>	95%	<u>1</u>	8%	57%

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

**Provident Fund:** This is set up to provide an income for a member upon retirement or an income for their dependants if the member dies. Bilateral Agreements provided evidence of 74% provident fund which was higher when compared to Bargaining Council at 32%. Sectoral Determination provided no evidence of provident fund.

**Severance pay:** Operational requirements mean requirements based on the economic, technological, structural or similar needs of an employer. Section 41 (2) stipulates that an employer must pay an employee who is dismissed for reasons based on the employer's operational requirements or whose contract of employment terminates or is terminated in terms of Section 38 of the Insolvency Act, 1936 (Act No. 24 of 1936) severance pay equal to at least one week's remuneration for each completed year of continuous service with that employer, calculated in accordance with Section 35.

All collective agreements including Sectoral Determination recorded a median one week severance pay.

**Labour Broking:** The Department of Labour (DOL) proposed an amendment to the BCEA to address labour broking. The department wants employers to contribute equal or similar benefits for fixed term contract and permanent workers.

- Sectoral determinations may prohibit or regulate the placement of employees by temporary employment services, sub-contracting and contract work;
- The Minister may publish sectoral determinations covering employers and employees who are not covered by other determinations (DOL labour law amendments: Public Consultation presentation 2012).

Bilateral Agreements showed evidence of 8%, and Bargaining Council 6%. Sectoral Determination provided no evidence of extension of benefits to short term employees.

**Evidence of policies on labour brokers:** Bilateral Agreements provided evidence of 39%, Bargaining Council 16% and Sectoral Determination only provided 2%.

## Benefits by Bargaining Level – Maternity Leave

The table below provides an overview of conditions of employment relating to maternity leave.

**Table 5: Benefits by bargaining level – maternity leave**

	Duration of Maternity Leave in consecutive months	Maternity pay as a % of basic wage.	Evidence of provision or subsidisation of childcare facilities
Bilateral	<u>4</u>	<u>47.5</u>	0%
Sectoral Determination	<u>4</u>	<u>27</u>	0%
Bargaining Council	<u>4</u>	<u>33</u>	0%
AWARD Benchmark	<u>4</u>	<u>40</u>	0%

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

Pregnant women are entitled to four months of maternity leave which starts at one month before their due date (Section 25 of the BCEA). However, there are exceptions to this rule for some categories of work, including emergency work, workers in senior management and those who work less than 24 hours a month. Entitlements include at least four consecutive months of maternity leave. Workers may not go back to work within six weeks of giving birth unless this is agreed by the doctor or midwife. Mothers who are pregnant or nursing may not do work which is unsafe for their child. A median of four months maternity leave was found in all agreements for the period of 2016.

**Maternity pay as a percentage of basic wage:** It is not a requirement that employers pay workers during maternity leave; however, some companies may offer maternity benefit packages and it is possible to claim maternity benefits from the Unemployment Insurance Fund (UIF). Bargaining Council recorded a median of 33% while Sectoral Determination attained only 27%. Bilateral Agreements attained a median of 47.5%. All agreements analysed provided a median of 40%. No information of subsidisation of childcare facilities was provided in any of the agreements.

## Benefits by Bargaining Level –Family Responsibility

The table below provides an overview of conditions of employment relating to family responsibility leave.

**Table 6: Benefits by bargaining level –family responsibility leave**

	Duration of paid Family Responsibility leave in days p/a	Duration of paid Compassionate leave in days p/a	Duration of paid paternity leave in days p/a
<b>Bilateral</b>	<u>5</u>	<u>4</u>	<u>4</u>
<b>Sectoral Determination</b>	<u>3</u>	<u>0</u>	<u>0</u>
<b>Bargaining Council</b>	<u>4</u>	<u>5</u>	<u>3</u>
<b>AWARD Benchmark</b>	<u>4</u>	<u>5</u>	<u>3</u>

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

Paid family responsibility leave can be taken in the event of the death of an employee's spouse, parents, grandparent, child or siblings. The employer is required to give an employee three days of paid family responsibility leave during each annual leave cycle.

Sectoral Determination provided a median of three days paid family responsibility leave per occasion. This is in line with the BCEA stipulation. Bilateral Agreements recorded five days per annum and Bargaining Council paid leave was four days per annum.

Compassionate leave is part of family responsibility leave as stipulated in the BCEA. Some collective agreements showed a separation of compassionate leave from family responsibility leave. For example, Bilateral Agreements recorded four days paid compassionate leave per annum. Bargaining Council recorded five days paid compassionate leave per annum.

The BCEA makes provision for fathers to take paternity leave when their child is born. Subsection 2 under Section 27 states that 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. Both Bilateral Agreements and Bargaining Council recorded a median of four days paid paternity leave per annum.

## Benefits by Bargaining Level - Health

The table below provides an overview of conditions of employment relating to health.

**Table 7: Benefits by bargaining level –health**

	Evidence of employer provision of- or contribution to- medical/health cover.	Sick leave in days p/a	Evidence of Funeral assistance or benefits
<b>Bilateral</b>	80%	<u>10</u>	49%
<b>Sectoral Determination</b>	0%	<u>10</u>	0%
<b>Bargaining Council</b>	16%	<u>10</u>	9%
<b>AWARD Benchmark</b>	96%	<u>12</u>	58%

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

With regards to evidence of employer provision of - or contribution to - medical/health cover; Bilateral Agreements attained 80% and Bargaining Council attained 16%. Sectoral Determination provided no evidence of employer provision of contribution to medical aid. All agreements provided evidence of 96% of employer contribution to medical aid.

Based on legislation in the BCEA workers may take the number of days they would normally work in a six week period for sick leave on full pay in a three year period. However, during the first six months of employment, workers are only entitled to one day of paid sick leave for every 26 days worked. Sectoral Determination recorded a median of 16 days sick leave per annum. Bargaining Council and Bilateral Agreements attained a median of 10 days sick leave per annum. The median sick leave for all agreements was 10 days per annum.

When considering the evidence of funeral assistance or benefits, Bilateral Agreements attained 49% and Bargaining Council attained 9%. All agreements provided evidence of a 58% contribution to funeral benefits.

## Benefits by Bargaining Level - Housing

The table below provides an overview of conditions of employment relating to housing.

**Table 8: Benefits by bargaining level –housing**

Housing benefits in monthly ZAR		Living Out Allowance
Bilateral	<u>1738</u>	<u>1660</u>
Sectoral Determination	<u>0</u>	<u>0</u>
Bargaining Council	<u>950</u>	<u>0</u>
AWARD Benchmark (all CBA)	<u>1650</u>	<u>1660</u>

\*Underlined values are the average value of the benefit.

\*\*Values with a % symbol reflect the proportion of agreements which show evidence of a benefit.

Source: Labour Research Service (AWARD Database: 2017)

Bilateral Agreements recorded an amount of R1 738 per month housing benefits and R1 660 living out allowance. Bargaining Council only provided a median of R950 per month housing benefits. Sectoral Determination did not provide housing benefits information. In 2016, all agreements attained a median of R1 650 housing benefits and R1 660 per month living out allowance.

## [6] CONCLUSION

The report has tried to capture key results - in terms of nominal and real median minimum wages and wage increases, and conditions of employment - of the collective bargaining processes undertaken by trade unions for the period of 2011 to 2016 in different industries. The report shows that industries' median minimum wages have increased from 2011 to 2016. The highest median minimum wage increase was found in the electricity industry from 2011 to 2016 and lowest median minimum wage was recorded by the agriculture industry from 2011 to 2016.

Sectoral determination minimum wages are very low. This is where most vulnerable or unorganised workers are employed. We can therefore conclude that there is wage inequality between different sectors as indicated by different industries' graphs.

Unions are encouraged to use accurate and updated inflation and wage figures when preparing for and going into wage negotiations. Such information enables negotiators to negotiate wages that are above inflation and do not relate to an actual decrease in wages. Non-wage benefits play an important role in the employment relationship for many workers, yet when it comes to the bargaining table they are used as a trade-off chip to get higher wage increases. Conditions of employment tend to be in line with the BCEA. There's not much improvement except that unions are demanding housing allowances and benefits that affect their members directly.

## [7] GOING FORWARD

Collective bargaining has come under threat. Employers are developing or using different tactics in their anti-union campaigns to punish union activities. They have come up with tactics such as retrenchment, closing plants or factories, disciplinary action and sowing confusion among union members and non-union members. Despite these challenges, unions continue to try and raise the standard of living of their members and workers in the industries in which they organise or service. To respond to employers' threats, trade unions must develop strategies that will enhance their capacity to maintain members and recruit new members into the unions. In order to maintain workers' standards of living, trade unions must make sure that workers' wages grow as fast as prices rise. Otherwise, inflation eats away at workers' wages and they lose purchasing power. Trade union negotiators must start to negotiate living wages instead of minimum wages because minimum wages don't lift workers out of poverty.

Instead of using average inflation only, trade union negotiators must also look at other components that affect their members, such as transport and food inflation. According to STATS SA, there's a different inflation rate for different groups of quintiles. Inflation is higher in the very low quintile and lower or equal to inflation in the higher quintile. Thus the inflationary effect on lower income households is greater than that felt by households that earn high and very high incomes.

The LRS AWARD Database can be found online (<http://www.lrs.org.za/award/>). Unions are encouraged to utilise such online tools to collect current and relevant wage and negotiation information that could aid them in their bargaining processes and preparations.

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# Teacher Unions Take Actions to End School Related Gender Based Violence

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Gender based violence is rife in schools but largely goes unreported or unaddressed, with many teachers feeling ill-equipped to address the problem. Addressing a complex issue such as School Related Gender Based Violence (SRGBV) in a way that will bring about sustainable change requires collaborating with, and engaging key stakeholders in strategic partnerships.

This paper will focus on my learning experience as one of the Labour Research Service (LRS) facilitators forming part of a Gender at Work team who supported the four teachers' unions (South African Democratic Teachers' Union (SADTU), National Professional Teachers' Organisation of South Africa (NAPTOZA), Zambia National Union of Teachers (ZNUT) and Basic Education Teachers' Union of Zambia (BETUZ) ) in southern Africa that participated in an Education International (EI), UN Girls Education Initiative (UNGEI) and Gender at Work (G@W) initiative. This is a regional programme also taking place in East Africa and the following teachers' unions are participating: Ethiopian Teachers' Association (ETA), Kenya National Union of Teachers (KNUT) and Uganda National Teachers' Union (UNATU). The initiative is focusing on education unions and their members taking effective action to end SRGBV in schools.

This paper will also look at how teacher unions came together in a collaborative effort to share strategies, develop actions and design change experiments in their schools, communities and in their unions in order to prevent and eradicate SRGBV. Lastly, this paper will look at the key role unions can play in changing deep-seated structural gender inequalities as well as to ensure the integration of gender measures to address gender based violence into all collective agreements.

The Education Unions Take Action to Stop SRGBV is a new initiative supported by the Government of Canada, designed to enhance the capacities of the education union movement and their members to engage in the fight against school related gender based violence by systematically testing, replicating and disseminating innovative approaches at multiple levels within their respective contexts. UNICEF, through the UNGEI, and the targeted members of Education International have created frameworks to sustain the engagement by education unions in parts of sub-Saharan Africa and other regions with the ultimate goal of enhancing the safety and security of male and female children, youth and teachers in educational settings around the world. Seven unions in five countries (Ethiopia, Kenya, Uganda, South Africa and Zambia) have been testing an innovative approach that aims to empower union members to create and sustain schools as safe spaces for teaching and learning.

SRGBV can be defined as "acts of sexual, physical or psychological violence inflicted on children in and around schools because of stereotypes and roles or norms attributed to or expected of them because of their sex or gendered identity". It also refers to the differences between girls' and boys' experiences of and vulnerabilities to violence. SRGBV is complex and multifaceted. "The root causes do not lie in any one culture, tradition or institution, but in the wider structural issues, social norms and deep-rooted beliefs and behaviours and daily practices that shape gender and authority." It is therefore important for unions' change team members to develop innovative approaches to eradicate it (UNESCO discussion paper November, 2013).

SRGBV is a major barrier to education equality. It encompasses sexual, physical and psychological violence occurring at school and on the journey to and from school. It is violence that is perpetrated as a result of gender stereotyping, discriminatory practices and unequal gender relations. Corporal punishment and discipline in schools often manifest in highly gendered ways. Education has a central part to play in challenging the negative social norms that drive gender based violence. It is critical in empowering and transforming the lives of young people, as SRGBV is preventing millions of children, especially girls, from exercising their right to a safe and inclusive education of good quality (Blog -13 May 13 - Kate Jere, 2015).

It has been shown that SRGBV adversely impacts learning, school attendance and completion. Schools, colleges and unions have an important role to play in breaking down stereotypes. The four unions identified teachers as the most important education resource to drive this initiative. If teacher unions can take the lead in combatting SRGBV in schools, and in partnership with other stakeholders in the wider community, they will then be in a better position to ensure that gender is effectively integrated into union strategies, policies and representation.

Although teachers are the most important resource globally, female teachers are themselves vulnerable to violence, experiencing harassment and abuse at the hands of students, fellow teachers and school management. At the same time, teachers are frequently unable to speak out about violence, either against them or against students, for fear of retribution. So teachers are very much bound up in the problem but they can also be a huge part of the solution.

## **COLLABORATING PARTNERS**

The Education Unions Take Action to Stop SRGBV initiative draws on the collective expertise of four key partners: UNICEF, UNGEI, EI and affiliated education unions, and Gender at Work. Each partner brings significant experience and capacity in their respective area. Since 2004, Gender at Work has sought to bring together diverse theoretical and practical approaches to help organisations to understand and respond to gender power dynamics in their organisational practices and cultures. The key change strategy employed in the initiative is Gender Action Learning, a participatory approach rooted in principles of gender-transformative organisational change. Gender Action Learning uses experiential, peer based learning techniques to enable organisations to experiment with complex change processes designed to change gender power dynamics both internally and in their programmatic work. Furthermore the LRS as a partner to Gender at Work also utilises participatory Gender Action Learning methodologies already tested in similar contexts, particularly with several South African trade unions and community organisations.

## **WHAT ARE WE LEARNING ABOUT DEALING WITH VIOLENCE AND TRAUMA?**

National change teams were elected by each union consisting of the union national gender coordinator, an educator and two office bearers in the union. National change teams organised workshops for teachers and provincial change team members who were identified as change agents to lead change in their schools, unions and communities. The workshops uncovered three critical points which were then integrated by the national change team members into the unions' change plans. Each union designed a change plan to implement in their own union.

SADTU's workshop with life orientation educators uncovered the trauma that teachers have to deal with. When educators were asked to reflect on the impact of SRGBV on learners and how they dealt with it, most of them broke down and chose to speak of their own trauma. We discovered that they have never had an opportunity to process the trauma. Cultural factors also have an influence in this lack of processing, as does the fact that people have not had the community resources like Tai Chi (an ancient Chinese discipline involving a continuous series of controlled usually slow movements designed to improve physical and mental well-being) to deal with such trauma. "We had to create a space for teachers to open up about their pain and these are the very same teachers that are expected to deal with the trauma of others" (Veronica - SADTU 2017).

## CREATING SPACES TO TALK ABOUT PAIN

When facilitating a discussion on SRGBV, one needs to be prepared to deal with the trauma that will be triggered by the discussion. To prepare educators to drive this initiative it's important to train educators to create safe spaces in which participants can talk about their painful experiences. Processing involves acknowledging, expressing and reflecting.

Methodologies such as Tai Chi help create a safe space for participants to connect with the subject as well as feel supported to speak their truth. These tools also help facilitators to hold the space for difficult conversations, including learning to hold the silence. Teaching, practising and living these tools is key for change team members bearing in mind the complexity and the trauma of dealing with gender based violence. Teacher unions have a critical role to play in empowering all learners with transformative education that examines gender, social norms and power dynamics. Therefore, it is important for every teacher to understand how to create a safe, violence-free learning environment where boys and girls have equal opportunities (Bluidson - Peru Training the Teacher, 2015).

It was found that there is a limited knowledge of SRGBV. Most participants thought SRGBV only referred to educators having sexual relations with learners. Corporal punishment was not seen as SRGBV at all. It was seen as discipline. In an effort to address this, as facilitators, we asked participants to each tell a story of SRGBV that they have either experienced or know of that touched their hearts. The different stories shared identified different aspects of SRGBV and this made it easy for them to recognise, for themselves, the other forms of SRGBV. One of the stories shared focused on corporal punishment. This created a big debate in the room and led to discussion about positive discipline. Teachers now recognise that corporal punishment is violence. It was acknowledged that they need support and training on positive discipline, and change team members conducted relevant dialogues and training.

## WHAT ARE WE LEARNING ABOUT ORGANISING AND REPRESENTATION?

The most contentious issues for teacher unions centre around the duelling role and mandates of unions to both represent members and also support and foster a safe and productive learning environment for learners. This creates complexities for tackling SRGBV in schools. The key mandate of the union is to represent its members. A union has a legal obligation to represent its members because are paying subscriptions to the union. This places a duty on the shop steward to represent a member fairly and without discrimination. This essential mandate of the union is sometimes challenging because often the victim in a case is a child. Unions invest a lot of resources in training shop stewards to be excellent advocates because a union's strength is based on its ability to represent and defend its members. If the union wins cases it grows its profile and therefore attracts more members. "We need to shift the mind-set of our members, SRGBV is calling all of us to see and feel with our hearts. As unions we spend a lot of our energies and resources on training shop stewards to represent members" (Dorcas - SADTU, 2017).

The conflict between protecting the right of a child and the right of a union member has opened up a dialogue in the unions for members to speak about SRGBV as well as look at their practices. SRGBV is a new initiative and does not form part of union policies as yet. What is encouraging is that there is already a dialogue about factoring this issue in union constitutions and policies in order to protect and defend the rights and interests of a child. Before this initiative, unions never had the pressure to look at themselves and their practises. There is now a need for unions to work at building empathy and for teachers to treat learners as their own

children. One of the strategies used by change teams was to restructure the shop steward training to also include training on empathy, ethics and the constitutional right of a child. "School related gender based violence is a new issue on the teachers' union agenda. From now on it will feature in the review of our constitution, policies and ethics. This will influence how we operate as organisations" (Aubrey - NAPTOSA, 2017).

Safety and non-violence are critical requirements for the achievement of educational outcomes. However most schools have similar safety and security challenges. These include physical infrastructure and equipment; safety and security; management and governance; gangsterism and violence; drugs; and partnerships. These issues impact on the safety and security of teachers and learners. Most schools now have partnerships with police services aimed at linking schools with local police stations and the establishment of functional School Safety Committees. Unions need to take action to ensure that the working conditions of their members are decent and secured.

Teachers' unions and their members hold the key to preventing violence against learners but require more support from other stakeholders in the community. They can be allies in stopping this abuse. Schools are perfectly positioned to create an environment of non-violence, tolerance and gender equality. Teachers have a central role to play in this transformation, through their own actions and through the curriculum and the materials they teach. It is imperative that teachers must have respect and dignity in their work, and as such must have safe working conditions. No teacher should experience physical abuse in the workplace. It is important for the team to integrate this initiative with other ongoing projects at the school level.

## WHAT ARE WE LEARNING ABOUT KEEPING SRGBV ON THE UNION AGENDA?

The strategies used by the different unions to keep SRGBV on the union agenda were diverse and varied according to the context.

ZNUT amended their existing union gender policy in order to effect changes in the union itself and developed a union toolkit on SRGBV based on members' own experiences of addressing SRGBV. The aim of amending the policy was to ensure the sustainability of SRGBV work within the union by embedding it in the union policy and ensuring buy-in at national, provincial and district level. "The adoption of a gender policy was a big step forward – as with the gender policy there is now a focus on the engagement of women, on women's participation in the union, on women and men working together, on changing the mind-set of women and importantly there are now Women's Committees at national, provincial and district levels" (Leah - ZNUT, 2017). Having SRGBV in the policy offered the union an opportunity to create a more formal approach to dealing with the issue. It also outlined what kind of ideal schools they were trying to create. "With SRGBV in the gender policy we will not only be influencing the actions of the union but this will also be a way of putting the issue on the agenda of other role players for example government. We are able to influence government education policies" (Herbert -ZANUT, 2017).

ZNUT gender equality policy has been revised and now includes a reference to SRGBV, as do the union's training materials on gender inequality. Change teams have been established in all 10 provinces to carry out a baseline study on occurrence of SRGBV, and to coordinate the change project at pilot schools. 10 pilot schools were identified in all 10 provinces.

NAPTOZA is facilitating a ‘power hour’ focusing on SRGBV in branch meetings. This is a new innovative method that they are testing. The methodology allows a facilitator to work with a big group within an hour. It also encourages participants to learn, share ideas and experiences and identify actions. Participants actively participate instead of passively attending. “We had what we called a ‘power hour’ with 100 teachers speaking about GBV and what happens in schools. We challenged the idea that education equals experts and outsiders. We always invite ‘experts’ to do presentations while we are also experts in our own right. We had flipcharts all around the room with different questions and participants were asked to tick boxes and identify statements they agree with. They moved around the room, ticking and writing. They never had a chance to sit down like they were expecting” (Aubrey - NAPTOZA, 2017). Participants then engaged with some of the very specific statements and comments on the flipcharts. The feedback was very positive. At the end of the session there were requests for materials that could assist the principals and teachers take the discussion forward. “We are negotiating to have ‘power hours’ as part of the branch agenda”. (Aubrey - NAPTOZA, 2017).

## WHAT ARE WE LEARNING ABOUT UNION EDUCATION WORK IN RELATION TO SRGBV?

Incidents related to SRGBV have been reported in all countries and regions of the world. Yet we do not have evidence of the full extent of SRGBV worldwide. Three of the unions conducted surveys in order to understand the nature and prevalence of SRGBV in schools, and the impact it has on learners. The data will assist unions to come up with interventions that will tackle and prevent this problem.

### BETUZ

BETUZ carried out a baseline survey in schools that revealed that there were numerous cases of harassment including sexual, physical and mental. It also revealed that “teachers (our members) are the main perpetrators” (Angela - BETUZ, 2017). It showed that there is a culture of physical beating which has become a norm in society. Parents think that if you do not beat your children you are “spoiling them”. Teachers need to be trained and empowered to deal with SRGBV. Sensitisation programmes for teachers were conducted which focused on the rights of the child and the responsibility of the teacher to guide and protect. Sensitisation programmes also focused on how teachers related with each other. They also specifically looked at how male and female teachers related. SRGBV sensitisation meetings were held in more than 30 schools in four provinces (Victoria – BETUZ, 2017).

The idea of school clubs came out of the survey. This was not something the team originally planned to do. School clubs were established in order to create safe spaces where teachers and learners could develop strategies to reduce cases of SRGBV in schools. These clubs target the entire school community. “We do not walk into a school to start a club – but rather we focus on getting the whole school involved. We get teachers interested to start the club through the school sensitisation programme and also work with guidance teachers to support club champions as they are well equipped with counselling skills” (Bridget - BETUZ, 2017).

The school clubs are also learner centred. If children know SRGBV, they will be able to report incidents of SRGBV. It is important to hear children’s voices, advocating for safe schools and leading change in their schools and communities. The clubs encourage learners to be ambassadors for change. Learners are able to sensitise parents and others in their community about SRGBV.

The learners have also participated in community radio programs focusing on SRGBV and shared a platform with teachers, parents and traditional leaders. BETUZ produced radio programmes on SRGBV, including live phone-ins aired on Zambia National Broadcasting Corp (ZNBC) and Radio Mano.

## SADTU

By conducting a survey, SADTU was trying to understand the nature and extent of SRGBV in schools in South Africa, as well aiming to identify and develop strategies and interventions to root out SRGBV and create a safe and conducive learning environment. The results of the survey will be mainly used to develop strategies to make school premises and their surroundings free of SRGBV.

The survey was administered in two provinces, namely Mpumalanga and Kwazulu Natal (KZN). In KZN it was administered in two district municipalities (eShowe and Pietermaritzburg). The questionnaires were distributed in union meetings. The team said that initially the process of administering the survey was intimidating. Not all participants completed it. Some of the participants used the questionnaire to write their own notes. The team subsequently learnt how to do it better. When conducting the last survey the team asked organisers for a 30 minute slot to give background information and explain the process slowly in English and in the local language, before administering the survey. They had to assure participants that the process was confidential and that it would not incriminate them. After this presentation, teachers felt safe to complete the survey. They even asked questions. The survey results show that teachers admit to administering corporal punishment to learners. They also admit to verbal abuse. After the meeting participants had an opportunity to reflect on SRGBV and the process after completing the questionnaire. They said that they often resort to verbal abuse because they cannot administer corporal punishment. Most of them said they do not see this as harassment. "This is something that we also do to our children at home" (Khanyi - SADT, 2017).

## WHAT ARE WE LEARNING ABOUT HOW UNIONS ARE RESPONDING TO SRGBV?

Learners and school staff can be both victims and perpetrators of SRGBV. Exposure to and experience of SRGBV has far reaching impacts on children. Witnessing or experiencing violence as a child is linked to future use or acceptance of violence. Unions need to put in place practical actions for holistic responses to tackle SRGBV. Whole-school approaches are needed to make schools safer, more child-friendly and to have a better learning environment. Unions need to challenge the curriculum and put measures in place to prevent the scourge of SRGBV. Appropriate curriculum and teaching approaches are key to preventing SRGBV. The current interventions only address the symptoms not the root of the problem. For example, it is common practice to transfer members who are found guilty. If you transfer a member you transfer a problem. You are not addressing the problem. You are merely deploying it elsewhere.

We need a curriculum approach and education that encourages learners to question and challenge violence. Learners need to be able to recognise what constitutes violence and abuse and how to protect themselves from harm. Unions need to be at the forefront of advocating for the provision of safe, accessible and confidential procedures to report incidents of SRGBV, to assist victims and to refer cases to appropriate authorities. Addressing a complex issue such as SRGBV requires a comprehensive response in collaboration with many stakeholders. National action on SRGBV should be informed by research, data and ongoing monitoring of progress.

# WHAT ARE WE LEARNING ABOUT COLLECTIVE BARGAINING IN THE PUBLIC SECTOR WITH TEACHER UNIONS?

While teachers have a key role to play in stopping violence in schools, they cannot tackle violence alone. A safe learning environment is fundamental for teaching and learning. Unions need to work hard to protect this right. Numerous factors shape violence in schools. These include socioeconomic factors, a learner's home life and the external environment of the school.

Teachers' working conditions are students' learning conditions, so by addressing school and classroom issues, everyone gains. Where teachers, including support professionals, and their employers are allowed to collaborate on issues that go beyond the scope of salary, benefits, and working conditions, education unions routinely negotiate provisions to improve student learning. Topics such as class size, specifying time for teachers to share effective classroom practices, addressing school building health and safety issues, and ensuring teacher input into their own professional learning are key in addressing SRGBV.

Collective bargaining gives educators a voice in their workplace. It not only helps assure fair wages and benefits but also can improve teaching and learning conditions. That affects everyone connected to the school - students, teachers, education support.

Teachers' unions represent the collective of teachers as employees. As such, they have strong legitimacy among teachers and play a key role in setting the standards, codes of conduct and practice, and employment terms of teachers. They also play a key role in preventing and responding to SRGBV. Teacher unions can support their members to access appropriate training and support on SRGBV, raise awareness about SRGBV, develop codes of conduct and positive discipline practices and advocate at a national policy level. Teacher unions support each other as peers. They have space and opportunity to reflect on good practice, and to share insights. They have started working together and are developing joint action plans and a campaign to address SRGBV.

New issues are coming onto union agendas in areas such as gender based violence in the workplace, in public places and in the home. Unions have a critical role to play in confronting and eliminating gender based violence at work. They need to negotiate collective bargaining agreements that can include measures to identify and address gender based violence. Collective Bargaining Agreement clauses on gender based violence need to be developed.

In the absence of a specific standard on gender based violence, the International Labour Organisation (ILO) is currently discussing the introduction of a new international labour standard on gender based violence in the workplace in response to the need for a specific instrument to address this growing problem. A standard-setting item on "Violence against women and men in the world of work" has been placed on the agenda of the 107th Session of the ILO Conference (June 2018). This will be the beginning of a two-year process of formulating a (possible) new international standard to cover gender based violence in the world of work. This year trade unions used the UN Day for the Elimination of Violence against Women and Girls as a rallying point for a strong ILO Convention to tackle gender based violence at work. Sharan Burrow (2017), ITUC General Secretary, said: "Unions are leading the way in eradicating violence against women at work, and the support of a strong international legal instrument is essential." SRGBV sets the tone for teacher unions to champion violence-free workplaces.

This initiative has helped to highlight the urgency of teachers' unions and their members to respond quickly and energetically to the challenge of addressing SRGBV. SRGBV also offers a powerful entry point to rethinking gender relations within the unions, schools and communities where teachers work and live. The change teams have confronted very tangible expressions of exclusionary norms and practices when they've set about changing the way union members understand and respond to SRGBV. Union members have demonstrated courage and openness in questioning their own beliefs and behaviours in light of the new concepts and tools to which they have been exposed through the programme. Both male and female participants have described making shifts in the way they relate to their spouses, their own children and their students based on new understandings of themselves as gendered beings. Union leaders and change agents at all levels have reported changing the way they talk and interact with colleagues and learners to avoid reinforcing gender stereotypes and gender discrimination. Union Gender Officers have also reported feeling less isolated and more directly involved in union planning and budgeting than ever before. More women are running for elected office within union structures. SRGBV offers an extremely challenging yet potentially transformative arena for change.

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# **Addressing GBV in the Health Sector Trade Unions Lead the Way**

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## **GENDER BASED VIOLENCE IN THE HEALTH SECTOR**

Our health services play a crucial role in responding to gender based violence and protecting women's health and rights. For a survivor of gender based violence (GBV), the health care worker at a clinic or hospital is most likely to be one of her first points of contact. The expectation is that the health care worker will understand the symptoms of GBV, create a friendly and confidential environment and provide the appropriate medical and psychological support, yet more often than not the health system is described as failing survivors of GBV with reports of callous treatment at the hands of health care workers. Health care workers should be well positioned to raise awareness in communities as regards the long term health implications of gender based violence - physically, emotionally and psychologically.

Our challenge is that the health care worker in public health institutions, the majority of whom are women, might herself experience high levels of workplace violence. Conditions in health facilities, such as the stress related to staff shortages; physical infrastructural challenges like the lack of ventilation, and inadequate basic services like water and electricity; the lack of support programmes in dealing with stress and emotional and psychological trauma; the increasing risk of contracting communicable diseases; high levels of social instability in many communities and the impact this has on the safety and security of health care workers; and more generally the precarious, low-paid, low status of health care workers - all contribute to creating a working environment where health care workers report feeling violated, abused, undermined and devalued.

This sense of violation and abuse is often not recognised or acknowledged by the patient or broader society and the health care worker is expected to remain caring and sensitive to the needs of patients regardless of her working environment and conditions. More often than not a health care worker's experience of the public health system is highly gendered – entrenching the stereotype that care work is women's work and that women's work is less valued when compared with what is perceived as men's more "productive" work. Women remain the majority of the workforce in the health sector making the gender dimension of the challenge more evident.

# GENDER BASED VIOLENCE AS A WORKPLACE CHALLENGE

Currently a proposal is under discussion at the International Labour Organisation (ILO) in relation to the adoption of a Convention on gender based violence:

*'At least one in three women around the world is estimated to have been coerced into sex, physically beaten or otherwise abused in her lifetime, and for females aged 15 to 44 years such violence is a major cause of disability and death. Violence against women and girls is the most widespread and most tolerated violation of human rights. It occurs everywhere: at home, in schools, on the streets and at work. Only a few countries provide protection against gender based violence in the workplace. An ILO Convention would close this gap! (ITUC).*

The idea is that if governments ratify a Convention existing national laws would comply with the ILO standard and this could assist in setting minimum standards for collective agreements. Trade unions would play an important role in ensuring that employers adhere to the ILO standard. In 2016 the ILO convened a tripartite meeting on Violence against Women and Men in the World of Work in preparation for the discussions on the proposed Convention to take place at the ILO International Labour Conference in June 2018.

Working in an environment of extreme inequality, with poor resources and high levels of intimate, domestic and structural violence, health care workers in South Africa are at an increased risk of workplace violence. Violence in the health sector is not unique to South Africa and according to a 2016 PSI study on Gender Based Violence at Work, 25% of all workplace violence globally takes place in the health sector and more than half of the health care workforce is affected by verbal abuse (PSI, 2016). The study highlights the plight of nurses who are more likely to experience violence at the workplace than any other occupational groups in the sector. Referencing an ILO 2003 Fact Sheet on Workplace Violence in the Health Services, patients are identified as the main perpetrators of physical violence, while health care workers themselves, often suffering from post-traumatic stress are identified as the main perpetrators of psychological violence with psychological violence and particularly verbal abuse, and bullying, identified as more prevalent than physical violence.

Fearing for their own personal safety, stressed, under-resourced and without any psychological support, many health care workers in South African health institutions are perceived as responding to patients in abusive and psychologically violent ways.

This story from Baby Moipone Ntoula, a nurse clinician and Health & Other Services Personnel Trade Union of South Africa (HOSPERSA) shop steward at the Meadowlands Clinic in Soweto, Johannesburg illustrates the challenges faced by many health care workers.

*"We had this Wednesday group. We give people time to come – i.e. Monday to Friday. With this Wednesday group – when I knew that this group was coming I felt like not going to work and you won't believe – I am talking about elderly people, not peers, not young people!*

*These people from the Meadowlands community used to terrorise us. From the time that they came into the gate they started singing songs because they said our services were so poor and that we don't care for them. They said we take our own time, we go for lunch for three hours and leave them unattended. They said we go for tea for hours on end. When we come in they will be singing, you can not get a glass of water because the minute you leave your station they will start singing. They said we are going to burn this clinic down with you guys inside. This came from our mothers and fathers, not from our peers. Sometimes you forget to*

*be professional. If it is somebody younger than you, you will talk like a mother. If it is your peer you will just talk BUT if it is your mother, father, granny – it is another story. We did not take this lying down because if they say you are going to be burnt in the clinic and they have already done it somewhere, not at Meadowlands community but somewhere else, it is serious”.*

The broader health system, including the management and governing structures at health institutions, government officials and departments responsible for health provision, health care workers and their representative organisations like trade unions, and importantly patients and the broader community are all very directly affected by the high levels of violence taking place in our health institutions. The costs of this violence to the social, health, wellbeing, productivity and general morale of our society is high and impacts very directly on the government's aim of creating an efficient and effective primary health care system.

Responding to the high levels of workplace violence, and in particular the gendered nature of the violence in the health sector is a challenge that needs all stakeholders to be involved in ongoing dialogue and multiple actions at different levels that can feed into gender sensitive preventive measures.

## TRADE UNION LED RESPONSE TO GBV IN THE HEALTH SYSTEM

Guided by the experience of HOSPERSA as a trade union working in the health sector, the Labour Research Service (LRS) formed a partnership with Gender at Work and HOSPERSA and in 2015 initiated a pilot social action project at the Meadowlands Clinic in Soweto, Gauteng - with the intention of reducing the high levels of GBV in the Meadowlands Clinic. The social action project was an experiment in bringing different stakeholders together and through a process of social dialogue and reflection, actions to impact on the levels of GBV at the clinic were implemented and the lessons learnt through implementation were shared more broadly in the health sector.

The Meadowlands pilot is one example amongst a range of initiatives health sector trade unions all over the world are taking up to reduce the levels of GBV in the health sector. Examples of campaigns being led by Public Service International (PSI) affiliates include: *Health Care Workers Suffer from Psychological Abuse and Physical Violence (KHMU – Korea); The impact of domestic violence against women doesn't stop at home (PSAC, Canada); Violence against health workers unacceptable UNISON-UK and Action Arts - a focus on violence against women and girls by the NUGFW in Trinidad & Tobago.*<sup>1</sup>

In South Africa there are a number of campaigns focussed on addressing GBV but notwithstanding these campaigns HOSPERSA members continue to report a growing disillusionment at the increasing levels of workplace violence, while at the same time public media regularly expose incidents of patient abuse at the hands of health care workers. In our initial discussions with HOSPERSA officials and representatives from health institutions there was a sense of desperate urgency to find ways of addressing the high levels of violence in health institutions. Everyone agreed that the challenge was complex and that while stories of patient abuse at the hands of health care workers feature prominently in the media, very little is being said about the cycle of abuse between patient and health care worker. For the health care workers in the meeting there was a perception that their safety and security, sense of dignity and professional identity were being ignored, devalued and abused by both the

1. ibid

community they served as well as by the Department of Health. Yet, they also recognised that for the community they appeared uncaring and unwilling to address the needs of patients. Through the consultative process everyone recognised that there was no quick fix, no one organisation, no one policy or collective agreement or any single intervention that alone can reduce the levels of gender based violence in the health system.

As a trade union and affiliate of PSI, HOSPERSA has the benefit of accessing a range of training manuals and codes of good practice on combatting workplace violence and is well positioned to influence policies and collective agreements. From the initial consultative discussions between HOSPERSA members and the LRS and Gender at Work, union members felt that while these policies play an important role in guiding the work to reduce the levels of GBV, further steps should be taken to connect more directly to what members were thinking and feeling about GBV as in many instances there was what a HOSPERSA member described as a *dark silence* about the issue, and generally very little understanding of the causes, symptoms and effects of GBV on both patients and staff. Health care workers also seemed unaware of the role they at times play in re-victimising victims of GBV through ignoring or dismissing symptoms of GBV or through not recognising how an unfriendly and unwelcome reception at a health care institution can further traumatisate a victim.

The focus of the pilot project was on the union strengthening its role in social dialogue and acting as an influential and inspirational role player amongst other stakeholders in creating a common agenda for eliminating GBV in the health sector through a structured form of collaboration, while all through the process supporting and assisting their own members in becoming advocates for a GBV free health system. The idea was to work with the lived experience of all the stakeholders involved; so for example all the unions represented at the Meadowlands Clinic would be able to speak about the day to day experiences of health care workers, while listening to members of the clinic health committee or members of other community structures speak about their day to day experiences of visiting health care facilities. Representatives from state institutions like the police as well as from Department of Health governing structures would all be part of the dialogue, both sharing as well as listening to ideas for eliminating GBV in the health sector. The idea of the dialogue was to work towards a common agreed upon agenda. For the trade union movement social dialogue is not a new approach, and drawing on previous experience the union HOSPERSA understood that leading this process meant finding innovative ways that would keep all the stakeholders trusting each other and on board. There was an acknowledgement that all actions contributing to reducing the levels of GBV, both big and small, needed to be appreciated and valued. From the onset, HOSPERSA recognised the importance of treating the initiative as an ongoing learning and experimental process that would be shaped by the energy and enthusiasm of all role players.

## MEADOWLANDS PILOT PROJECT

The Meadowlands Clinic is a government primary health care facility with a community oriented primary health care programme that monitors and proactively works towards the improved health and wellbeing of families in the Meadowlands area. One of the services the clinic provides is counselling before referring survivors of abuse and rape for further assistance.

The HOSPERSA shop steward at the clinic took on the responsibility of inviting key stakeholders in the clinic to be part of initiating the pilot project.

*"For me the idea of the pilot project was a way to deal with all of the tension in the clinic - all the angry emotions and violent outbursts - but I knew that it would be a daunting task. Knowing that it was going to be a team effort helped. The first people I spoke to were the members*

of the Clinic Health Committee who were very interested in the pilot. I also approached the clinic manager. At first it was difficult explaining why this was a project dealing with gender based violence. As staff in the clinic we have the responsibility of supporting survivors of gender based violence but explaining that as staff we were also both perpetrators and victims of gender based violence was very difficult. I had to explain why the work we are doing as health workers puts us in a very vulnerable position where we are expected to care for everyone and suffer all forms of abuse but remain silent.

We started in February 2015 with a meeting of representatives from the four unions in the clinic i.e. HOSPERSA, Democratic Nursing Organisation of South Africa (DENOSA), National Health Education & Allied Workers Union (NEHAWU) and the Public Servants Association of South Africa (PSA) as well as the members of the Clinic Health Committee. As a nurse in the clinic my first challenge was to find the time to participate in the meetings – as this meant I would have to leave patients so as to be part of the discussions. It was also challenging to convince my fellow staff members of the benefits of the project but the members of the Clinic Committee played a key role in explaining how the project could begin to address some of the tension between staff and patients”.

Supported by the LRS and Gender at Work this team of trade union and clinic health committee members broadened out the consultation process to include district and regional health department representatives, the police services, local NGOs and church groups and civic structures concerned with the levels of violence at the clinic. Through this initial consultative process the framing question for the pilot project emerged: “*What will it take to create 0% GBV in the Meadowlands Clinic?*” The framing question focused on releasing a sense of creativity in taking up the challenge of reducing the levels of gender based violence in the clinic and was based on the assumption that every stakeholder and individual could contribute. Building trust was seen as an intentional effort and key to the process and spaces were created for honest reflection on the motivation, interest, concerns and leadership styles of the different stakeholders.

The discussions in the first dialogue space presented the baseline landscape, detailing the extent of the levels of violence in the clinic and identifying inadequate forms of communication at all levels of the health system and the imposition of rapidly changing policies, as two of the key factors fueling the levels of gender based violence in the Meadowlands Clinic and in the health system more generally.

Throughout the pilot project “breaking the culture of silence of the health care workers” was a preoccupation of the trade union representatives. Health care workers spoke of a perception in the health system that nurses needed to be silent and self-sacrificing Florence Nightingales, making it very difficult for them to feel free to raise how they felt about the conditions they were forced to work under. Social and cultural gender norms that perpetuated the notion that women need to be quiet and self-sacrificing also fed into the health care workers’ sense of powerlessness to change their situation – creating a culture of silence that needs to be broken for health care workers to become agents for eliminating GBV in the health system. Discussions amongst HOSPERSA members revealed that health care workers and particularly nurses very seldom reported cases of abuse, with many of the nurses expressing a sense of resignation and inability to prevent the abuse they experienced at the hands of the community and the lack of understanding and support from the Department of Health. This culture of silence was seen as feeding into the frustration and anger of health care workers, an anger that could explain why health care workers themselves turn from victims to perpetrators of abuse against patients.

Calling health care workers to meetings or workshops to discuss GBV did not seem to be a very viable option. The physical and emotional exhaustion of spending a long day at work as well as the thought of the long travel home and the second round of care giving responsibilities

when returning home, acted as a real deterrent to spending hours in long discussions. There was also then the fear of speaking one's mind in a space that would include a host of other stakeholders, including one's employer, the Department of Health. The Meadowlands planning team or core group discussed these challenges and chose to experiment with a more informal space, what they called "afternoon teas". The idea was to use an afternoon session that included the lunch break and invite all staff in the clinic to tea. The staff, which included nurses, management, security guards, cleaners etc. joined "discussion tables" where members of the Meadowlands core group<sup>2</sup> introduced different topics in an informal and conversational manner. The staff were encouraged to move around joining different conversations at the different tables while having tea and snacks. At first the staff wanted to drink the tea and rush off, but very soon became more engaged in the conversations, listening to examples of what constitutes GBV, how it unfolds at the clinic, and the role health care workers can play, and because all of this was done in a conversational and non-judgmental manner the staff started sharing their feelings and views about the tension and violence in the clinic. Issues which at the beginning might have seemed insignificant - like the importance of staff being identifiable through name tags - took on greater relevance as the staff started speaking about what it would take to improve relations between staff and patients. Safe and confidential spaces for victims of GBV to be supported by medical and non-medical experts was identified as a key issue to be raised with the Department of Health. Inspired by the discussions, staff identified the topic of GBV training and ongoing awareness raising in relation to routine health care work and particularly in relation to household visits being carried out by caregivers as an issue for management and the trade unions to pursue with the Department of Health.

For the trade unions, hearing how the physical infrastructure and state of the facility impacts on the sense of wellbeing and care both patients and health care workers experience was an example of an important learning emerging from the process. For staff, arriving at a facility that they are proud of and having access to tools essential for carrying out their work, plays a huge role in how they feel and act in the workplace. Patients entering a facility that is clean, tidy and where the security guards are friendly, are more likely to engage positively when being attended to by health care workers. Unions using their collective bargaining power to create safe and affirming environments for both patients and staff is an important tool in the struggle for reducing the levels of workplace violence in health institutions.

In the Meadowlands pilot process, unions were working in dialogue spaces, a space different from sitting across the bargaining table with the employer. In this space there was an opportunity to look at how all stakeholders would benefit from collectively reducing the level of GBV in the health system. Contributing to a health facility through improvements in resources and facilities, training, effective and implemented policy and protocols, challenging gender stereotypes of the way care work is valued through affirming and supporting health care workers, and individually reflecting on how one can change attitudes and behaviours were all seen as contributing to a health facility that could model what an effective primary health care system could look like.

2. A coordinating group that included stakeholders from the trade unions, clinic health committee, district health committee, NGOs, Church groups and civic structures

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# How far have we come in Promoting Working Women's Rights to Gender Equality and Decent Work?

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Devalued, invisible, exploited and undermined – these are often the terms used to describe the situation of working women. Over the past few years we have seen a number of state led interventions aimed at changing the situation of working women in South Africa. This chapter provides a brief snapshot of some of the important developments that have taken place over the past few years and the challenges that continue to undermine women workers' right to decent work.

## WOMEN AND ACCESS TO THE LABOUR MARKET

The 2015 Report on the Status of Women in the South African Economy indicates that even though women are overrepresented in the unemployed category with the unemployment rate for women estimated at 28.7% in 2015 compared to 24.4% for men, there are less discouraged women jobseekers when compared to men, signifying that more women than men are actively seeking employment (Republic of South Africa, 2015). There however remains a number of challenges women face in accessing the labour market including their historical disadvantage in relation to accessing skills, education and training, resources and networks. Anecdotal evidence from women involved in Labour Research Service (LRS) programmes points to the fact that employers continue to see childbearing as a negative interruption and are dissuaded from employing young women. Even though South Africa has labour laws protecting pregnant women, and the Labour Relations Act specifically mentions that an employer is not entitled to dismiss an employee due to her pregnancy, pregnant women still report cases of contracts being terminated.

Women also continue facing the consequences of gender norms and the unequal division of labour where women are primarily seen as caregivers within the family, while men are viewed as bread winners (Floro and Komatsu, 2011). In this caregiving role in the family women spend a disproportionate amount of time doing unpaid work as compared to men who spend more time in remunerative employment. According to the ILO (2016)<sup>1</sup> report in 2015 South African women work on average 3.1 hours of unpaid labour while for men it is 1.1 hours.

## SOUTH AFRICA ON THE POLICY STAGE

Internationally the South African Government has shown its commitment to achieving full gender equality by being part of the African countries who have adopted the African Union's Agenda 2063 and it is a signatory to the UN framework for Sustainable Development Goals (SDGs). Both frameworks commit to the achievement of full gender equality. As a signatory South Africa is obliged to implement appropriate programmes and interventions to achieve gender equality. The National Development Plan (NDP) finalised in 2012 serves as South Africa's vehicle for achieving the SDGs and identifies the active participation and empowerment of women as important in the transformation of the economy. The NDP makes the following recommendations:

- Public employment should have a specific focus on unemployed women
- The transformation of the economy should involve the active participation of women and the empowerment of women
- There should be support for women's leadership in all sectors of society
- Measures should be implemented for women to have access to basic services
- Women should have no fear of crime and should be protected by the law
- There should be nutrition intervention for pregnant women
- Women should have access to anti-retroviral treatment and effective routine micro-biocides

## THE SITUATION OF DOMESTIC WORKERS

In South Africa the Domestic Workers' Act sets out minimum wages for domestic workers and specifies working conditions such as hours of work, overtime pay, salary increases, deductions, annual and sick leave. The Report on the Status of Women in the South African Economy estimates the number of domestic workers at 1 million and as the largest employment sector for black women (Republic of South Africa, 2015). In South Africa we have also been at the forefront of ensuring that domestic workers are covered with most of the core protections required by international standards with the amendment to the Labour Relations Act to accommodate Sectoral Determination 7 (SD7).

South Africa has ratified ILO Convention 189 setting labour standards for domestic workers. The recognition of domestic workers as employees means that domestic workers can access employee-related benefits and have some level of social security like other formally employed persons. Yet in South Africa domestic work is still accounted for as informal work as it is work taking place in private households with employers not obliged to provide benefits like medical aid or pension. We find almost 70% of domestic workers without formal contracts; and similar to experiences internationally besides being a highly feminised occupation, domestic work is also highly 'migrantised' (Dinkelman, Ranchhod, and Hofmeyer, 2014 and ILO, 2013). Many domestic workers in South Africa leave their homes or arrive from neighboring countries with the hope of creating a better life for themselves and their children, often as undocumented migrants - increasing their vulnerability to extreme exploitation.

Notwithstanding the implementation of SD7 the 1 million domestic workers in South Africa still face a lack of compliance with the labour standards set out in the sectoral determination and the lack of effective enforcement of labour standards on the part of the Department of Labour. Many domestic workers therefore continue to remain subject to exploitation and poor working conditions. It would also seem that the threat of punitive measures alone continues to be insufficient when responding to employer indifference or resistance.

A 2009 International Organization for Migration (IOM) Regional Office for Southern Africa report highlights a very disturbing phenomenon of young women being recruited into domestic work by highly organised operations that involve trafficking for labour exploitative purposes (Gauer Bermudez, 2009). Adolescent girls and young women are the main targets. Many of these young women are subject to physical or sexual abuse at the hands of their employers and even if they are able to leave these unfavourable conditions as a domestic worker, they often do not have the resources to return home or are afraid to return without having earned any money; they are then befriended by pimps and groomed for sex work, demonstrating a link between the trafficking of persons for labour exploitation and commercial sexual exploitation.

## THE SITUATION OF WOMEN IN THE INFORMAL ECONOMY

According to the Quarterly Labor Force Survey in the first quarter of 2012 there were 2.1 million people in South Africa active in the informal economy (excluding the agricultural sector) (Statistics South Africa, 2012). Excluding domestic workers, of the 2.1 million, 1.2 million were men and just over 857,000 women. Informal economy workers include street vendors, taxi drivers, rubbish collectors and home-based care workers. Women occupy the low-income, low skills occupations largely in street trading, spaza shops, dressmaking, early childhood development centres and hairdressing (Mathebula and Motsoeneng, 2015).

The South African Local Economic Development Network (LED) identifies a lack of an appropriate legislative and regulatory framework in the informal economy where local governments treat informal economy participants largely on the basis of by-law formulation and marginalise the informal economy within official economic development. This lack of appropriate legal frameworks exposes women to all manner of abuses, particularly from law enforcement agencies and officials who show little or no concern for the very laws they are supposed to uphold. This is expressed in various ways including police brutality, corruption and double taxation (Njenga and Ng'ambi, 2012). Women in the informal economy also often raise issues of sexual harassment from both government and customs officials, but are unlikely to report the cases of sexual harassment for fear of being further victimised (*ibid.*).

Access to education, lifelong learning and skills development would go a long way in addressing the relatively low levels of formal education and business literacy among women in the informal economy, and would assist women in challenging the perception that they are a high-risk group for credit, making it difficult to raise capital for their businesses.

Many informal economy workers work under very unfavourable conditions with no proper infrastructure. Women in particular often bring their children along to work with them in conditions where there are no proper shelters, or where no proper toilets, water or garbage collection points exist. Addressing these unsafe and unhealthy working conditions is essential for decent work to prevail.

As informal economy workers, women's family responsibilities limit the types of activities and amount of time they can spend on their paid business activities and the provision of childcare facilities can play an essential role in expanding employment opportunities. The importance of childcare for workers with family responsibilities is clearly recognised in the ILO Workers with Family Responsibilities Convention, 1981 (No. 156), and Recommendation No. 165, which calls upon all member states to take measures to develop or promote community services, public or private, such as childcare and family services and facilities (Article 5). To address the gender dimension of informality, policy responses, programmes and projects need to recognise that providing childcare is a basic necessity for expanding women's employment opportunities and enabling them to shift from informal economy activity to formal economic activity (Cassirer and Addati, undated).

The difficulties of organising informal economy workers, including engaging in traditional social dialogue and collective bargaining, where employment relationships are unclear remains a challenge. Women in the informal economy might also see trade unions as dominated by men who are not prepared to engage with women workers or who are too preoccupied with the formal workforce.

## THE SITUATION OF WOMEN FARMWORKERS

In 2015 the ILO commissioned a detailed expert study of living and working conditions of farm workers in the country (Visser, 2015). The research highlighted how employers tend to pass on to farm workers the risk associated with the pressures they face, through increasing casualisation, externalisation and cost savings by employing off-farm workers. While farmworker employee sex disaggregated data is not readily available, international studies point to an increase in the number of women as seasonal, temporary and casual workers with no long term security, weak bargaining positions and little access to social security.

Using the 3<sup>rd</sup> Quarter 2014 statistics the ILO study on the working and living conditions of farmworkers highlights the abysmal levels of social protection farmworkers have with 5.6% of farmhands and labourers entitled to maternity benefits and 1.5% entitled to paternity leave. Only 20.6 per cent of farmhands and labourers received a contribution to pension or a retirement fund, 1.5% received contributions to medical or health insurance and approximately two-thirds (67.1%) had deductions for UIF.

## WHAT DOES THE MINIMUM WAGE MEAN FOR WORKING WOMEN?

In 2017 Cabinet approved the implementation of a national minimum wage which is to take effect in May 2018. At the end of a two year transition period the national minimum wage will come into full effect. The transition period makes provision for the ultra-low wage sectors of domestic work and agriculture to be included at lower tiers – 75% and 90% of the national level – for up to two years. In July 2019, these sectors will be included at the national level.

Many women workers are sole bread-winners and low wages keep both themselves and their families in poverty. What we will need to continue to assess is whether the present format of the national minimum wage will alleviate the increasing burden women experience in trying to keep themselves and their families out of poverty – this has particular relevance to women working in sectors like domestic work.

## **WOMEN AND OCCUPATIONAL HEALTH AND SAFETY**

The Occupational Health and Safety Act (OHSA) was instituted in 1994 in South Africa. The OHSA lists workers' rights in health and safety in the workplace. While we have extensive Occupational Health and Safety (OHS) regulations for the traditionally high risk industries, there continues to be very little focus on addressing the specific needs of working women. Call centre workers for example, the majority of whom are women, speak of the psychological stress of dealing with abusive customers. Health care workers report high levels of anxiety and depression as a result of feeling constantly under threat from patients. Young women in the hospitality sector are particularly vulnerable to unwanted sexual attention and sexual harassment. Domestic workers are particularly vulnerable to abuse as they are relatively isolated in the households where they work and find it hard to report abuse and are seldom able to call on witnesses.

## **WOMEN AND WORKPLACE DISCRIMINATION**

In South Africa there is a national political commitment to combat discrimination and promote equal treatment and opportunities at the workplace. Chapter 2 of the Employment Equity Act states that "no person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice, on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground" (Republic of South Africa, 1998). With the amendments to the Employment Equity Amendment Act (EE Act) coming into effect in 2014 the Commission for Conciliation, Mediation and Arbitration (CCMA) is now able to arbitrate in discrimination cases, replacing the more expensive Labour Court route. Soon after the amendments came into effect the CCMA director reported that in 2015 the number of discrimination cases being reported to the CCMA had doubled as compared to the previous year, and in most of the cases employees had won. Yet the percentage of discrimination cases being taken to the CCMA remains very low as many cases continue to go unreported because employees fear victimisation and potential loss of employment.

## **WOMEN'S ACCESS TO SOCIAL PROTECTION**

South Africa's social protection policies are aimed at reducing vulnerability and assisting women to stabilise incomes in the event of unemployment, employment injury, disability, sickness and maternity, and by ensuring that they have at least a basic level of income security.

The Amendments to the Unemployment Insurance Agency (UIA) signed into effect on 18 January 2017 state that a beneficiary for maternity payment is an employed person who has been employed for at least 13 weeks. Another significant amendment is the shift from a sliding scale to a fixed rate of 66% payment of the earnings of the beneficiary at the date of the application. While these amendments make the UIA compliant with the ILO Maternity Protection Convention 183 (2000), article 16(1) of the 2014 SADC Protocol on Employment and Labour, and the 2007 Code on Social Security in the Southern African Development Community (SADC), there still remains the challenge of providing women with an unrestricted entitlement to maternity benefits (Olivier and Govindjee, 2015).

The UIA introduces a shorter and what appears as a reasonable qualifying period of 13 weeks, but a woman can only claim the maternity payment based on her acquisition of contribution credits i.e. the benefit is based on the number of days of work. There is therefore no minimum period of payment benefits if a woman has not accumulated enough credits, restricting entitlement to the contribution of the individual woman and not as part of a social contribution of all employed men and women. All unemployed women, women working in atypical forms of employment or in situations where employers are not compliant with the UIA remain excluded from any form of maternity protection. For maternity benefits to be an unrestricted right, and the extension of the benefits to unemployed women, continues to be a challenge.

When contributory schemes like unemployment insurance or maternity payment are linked to formal employment, women are less likely to benefit from these forms of social protection. Women are over-represented in the low skill, low paid, casual, temporary forms of employment and over represented in sectors like services that tend to be prone to more precarious forms of employment (Statistics South Africa, 2011). As women bear the overwhelming responsibility for unpaid work such as domestic work and care work, their patterns of employment are irregular and they are less likely to be covered by contributory social insurance schemes as compared to men. Employed women on average earn less than employed men resulting in lower levels of benefits. In 2003 South Africa extended unemployment benefits to domestic workers but to date very few employers are in compliance with this legal obligation.

The Child Support Grant of R350 per child reaches over 12 million children with the large majority of the recipients being women living in female headed households. The women receiving the grants are responsible for the food, shelter, clothing, education, health and other aspects of the child's maintenance – all unpaid care work. So while the Child Support Grant provides for the dependent children of people who are unable to support the child, it does not provide for the adults carrying out this support, the vast majority of whom are women. This leaves the caregiver with no means to support themselves (Beth, 2014). There remains a perception by many that the child support cash transfer is a social protection entitlement that women benefit from, and particularly young women continue to face criticism that they are lazy and misusing the grant, entrenching the perception that care work should be the unpaid responsibility of women. The challenge of recognising care work as equivalent to paid employment and establishing effective and safe care facilities remains a challenge.

## A SMALL STEP FORWARD? HOW MANY MORE STEPS ARE NEEDED?

The challenges identified in the existing interventions are not easy to overcome and will require a consistent gendered analysis of the gaps in existing legislation and the challenges of enforcement. Overcoming the constraints women face in entering and participating in the labour market needs a concerted effort from all role players in challenging gender norms and power relations that continue to devalue women's contribution to society.

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