



ESKOM 1989 NEGOTIATIONS

REPORT BACK

- 12 June 1989 -

1. SALARIED STAFF - DISPUTE DECLARED

Eskom has paid wage increases to salaried staff backdated to 1 April 1989.

The NUM has NOT agreed with these increases because they are too low. We are not allowed to go on strike at Eskom - we have to get an arbitrator to decide if the increases must be bigger.

Eskom has decided to pay these increases to workers in each grade of the salaried staff bargaining forum:

ESKOM HAS IMPLEMENTED THESE WAGES

<i>Grade</i>	<i>Present Minimum</i>	<i>Increase for all workers in each grade</i>	<i>Eskom's new Minimum</i>
A3	R775.00	R97.50	R872.50
B1	R900.00	R112.50	R1,012.50
B2	R1,097.50	R137.50	R1,235.00
B3	R1,372.50	R173.50	R1,546.00
B4	R1,592.50	R200.00	R1,792.50

We say the increases must be more. Eskom's increases do not make up for the price rises in the last year. They mean a decrease in the buying power of workers' wages.

The NUM demands the following wage increases for salaried staff:

THE NUM DEMAND

<i>Grade</i>	<i>Present Minimum</i>	<i>Increase for all workers in each grade</i>	<i>Minimum demanded by NUM for 1989</i>
A3	R775.00	R225.00	R1,000.00
B1	R900.00	R264.00	R1,164.00
B2	R1,097.50	R257.50	R1,355.00
B3	R1,372.50	R206.00	R1,578.50
B4	R1,592.50	R239.00	R1,831.50

We in NUM, and the other 7 unions involved in the salaried staff bargaining forum (including all the white unions) declared a dispute with Eskom on 7 June 1989.

Now an arbitrator will be appointed to decide who is right.

Last year, with the General Workers arbitration, we had to wait six onths for the result. It might take as long this year with the salaried staff.

The PA system is unfair

Eskom has not paid increases to workers with a level 4 performance in the Performance Appraisal system. This is totally unacceptable to all the unions. The PA system is unfair to workers. It just depends on whether the supervisor likes you or not. We say ALL workers must get an increase.

The arbitrator will also decide on this issue.

2. MONTHLY PAID WORKERS' WAGES

The wage negotiations for Monthly Paid workers began at Megawatt Park on 7 June. Eskom has made the following "very generous offer":

<i>1989 ESKOM SECOND WAGE OFFER</i>			
<i>JOB DESCRIPTION</i>	<i>PRESENT MINIMUM Jul-88</i>	<i>RAND INCREASE FOR ALL IN EACH GRADE</i>	<i>PROPOSED NEW MINIMUM Jul-89</i>
Artisan sen. cabel jointer	R1,726.50	R216.00	R1,942.50
Senior artisan	R1,867.00	R233.50	R2,100.50
Plant op. Grade 2, Group I	R1,194.50	R149.50	R1,344.00
Plant op. Grade 2 Group II	R1,242.50	R155.50	R1,398.00
Plant op. Grade 2, Group III	R1,291.00	R161.50	R1,452.50
Sen. plant op. Group I	R1,363.00	R170.50	R1,533.50
Sen. plant op. Group II	R1,417.00	R177.50	R1,594.50
Sen. plant op. Group III	R1,443.99	R180.50	R1,624.49
Principal plant op. Group I	R1,507.00	R188.50	R1,695.50
Principal plant op. Group II	R1,567.50	R196.50	R1,764.00
Principal plant op. Group III	R1,773.50	R222.00	R1,995.50
Utilityman, Heavy Driver	R1,094.50	R137.00	R1,231.50
Sen Utilityman, Linesman Grd 1	R1,193.00	R149.50	R1,342.50
Linesman Grade 2, Heavy driver	R1,256.00	R157.00	R1,413.00
Senior linesman	R1,382.50	R173.00	R1,555.50
Senior Substation erector	R1,563.00	R195.50	R1,758.50
Maintenance man	R1,726.50	R216.00	R1,726.50
Plant op. Grade 1, Group I	R1,104.50	R138.50	R1,243.00
Plant op. Grade 1 Group II	R1,149.00	R144.00	R1,293.00
Plant op. Grade 1, Group III	R1,194.50	R149.50	R1,344.00
Light vehicle driver	R808.00	R101.00	R909.00
Cable jointer	R1,507.00	R188.50	R1,695.50

The NUM has rejected this offer.

Prices are rising very fast at the moment. According to government price statistics, a worker needs an extra R15 in 1989 for every R100 of the wages he got last year just to keep up with inflation (inflation = rising prices). We need a still bigger increase if we want our standard of living to rise.

Eskom's offer means only R12,50 increase for every R100. And this applies only to the minimum in each job category. Eskom wants to pay the same rand amount to all workers in each job category. So the average worker, who is several notches above the minimum, will get only R10,50 extra for every R100 he earned last year.

Eskom is a very wealthy company. It can easily afford to keep all workers' wages above inflation.

The NUM's demand is as follows:

Designation	PRESENT MINIMUM Jul-88	1989 UNION WAGE PROPOSAL (26,5%)		PROPOSED NEW MINIMUM Jul-89
		RAND INCREASES FOR 1989		
		ON MINIMUM	ON MAXIMUM	
Artisan sen. cable jointer	R1,726.50	R457.50	R552.00	R2,184.00
Senior artisan	R1,867.00	R495.00	R612.00	R2,362.00
Plant op. Grade 2, Group I	R1,194.50	R316.50	R394.00	R1,511.00
Plant op. Grade 2 Group II	R1,242.50	R329.50	R407.00	R1,572.00
Plant op. Grade 2, Group III	R1,291.00	R342.00	R420.50	R1,633.00
Sen. plant op. Group I	R1,363.00	R361.00	R433.00	R1,724.00
Sen. plant op. Group II	R1,417.00	R376.00	R447.50	R1,793.00
Sen. plant op. Group III	R1,444.00	R383.00	R464.50	R1,827.00
Principal plant op. Group I	R1,507.00	R399.00	R482.00	R1,906.00
Principal plant op. Group II	R1,567.50	R415.50	R498.00	R1,983.00
Principal plant op. Group III	R1,773.50	R469.50	R563.50	R2,243.00
Utilityman, Heavy Driver	R1,094.50	R290.50	R366.00	R1,385.00
Sen Utilityman, Linesman Gro 1	R1,193.00	R316.00	R393.50	R1,509.00
Linesman Grade 2, Heavy driver	R1,256.00	R333.00	R403.50	R1,589.00
Senior linesman	R1,382.50	R366.50	R448.00	R1,749.00
Senior Substation erector	R1,563.00	R414.00	R525.50	R1,977.00
Maintenance man	R1,726.50	R457.50		R2,184.00
Plant op. Grade 1, Group I	R1,104.50	R292.50	R340.50	R1,397.00
Plant op. Grade 1 Group II	R1,149.00	R304.00	R352.00	R1,453.00
Plant op. Grade 1, Group III	R1,194.50	R316.50	R364.50	R1,511.00
Light vehicle driver	R808.00	R214.00	R308.00	R1,022.00
Cable jointer	R1,507.00	R399.00	R488.50	R1,906.00

The next meeting is on 20 June. Monthly Paid workers in all Eskom branches must discuss the Eskom offer and our demands. The negotiating team needs to know the feeling of the workers - how should we reduce the demands to reach a settlement?

We need an answer by Monday 19 June.

3. GENERAL WORKERS' WAGES

Eskom played games with us at the start of the General Workers' wage negotiations on 7 June. They offered only a R49,50 increase for Grade 1 workers. The average they offered was R7 for every R100 workers now earn. This was a ridiculous and insulting offer to make and we told Eskom so.

On 9 June the negotiations went on until 7 o'clock at night. Then Eskom revised their offer. This is the offer that General Workers must discuss:

ESKOM'S SECOND OFFER FOR GENERAL WORKERS

	<i>Present Minimum</i>	<i>ESKOM'S PROPOSED INCREASE VARIES BETWEEN THESE TWO AMOUNTS</i>		<i>Eskom's offer for a new minimum</i>
		<i>Rand increase on minimum</i>	<i>Rand increase on maximum</i>	
Grade 1	R654.50	R104.50	R90.00	R759.00
Grade 2	R731.00	R73.50	R60.50	R804.50
Grade 3	R783.50	R78.50	R66.50	R862.00
Grade 4	R832.00	R62.50	R62.50	R894.50
Grade 5	R979.50	R73.50	R73.50	R1,053.00

There is a reasonable offer on the minimum wage - a R104.50 increase means R16 for every R100 now earned. But the offer for Grades 2 and 3 means about R10 for every R100 now earned. This is below the inflation rate. For Grades 4 and 5 the original offer stands - R7 for every R100 now earned.

The NUM's opening demand is this:

NUM 1989 WAGE DEMAND FOR GENERAL WORKERS

	<i>Present Minimum</i>	<i>NUM DEMAND for 1989</i>	<i>Guaranteed Rand increase</i>	<i>% increase</i>
Grade 1	R654.50	R850.00	R195.50	29.9%
Grade 2	R731.00	R945.00	R214.00	29.3%
Grade 3	R783.50	R1,050.00	R266.50	34.0%
Grade 4	R832.00	R1,167.00	R335.00	40.3%
Grade 5	R979.50	R1,297.00	R317.50	32.4%

We must reduce this demand to allow the negotiations to continue.

Please discuss this carefully as soon as possible. The next round of negotiations is at 9am on Tuesday 20 June and we need feedback from all the branches.

4. OTHER DEMANDS

<i>Union Demand</i>	<i>Eskom's Response</i>
<p><u>Hours of Work</u> Reduce to 40 hours per week with no loss of pay</p>	<p>Rejected. This can be considered only if pay is cut as well</p>
<p><u>Overtime</u> All overtime must be banned</p>	<p>Rejected. Overtime is limited as much as possible at present</p>
<p><u>Full-time Shop Stewards</u> The NUM wants one for every SBU with more than 500 members</p>	<p>Rejected. But NUM can make a detailed proposal to Eskom that will be negotiated when the recognition agreement is reviewed.</p>
<p><u>Paternity Leave</u> Eight days paid leave when each child is born</p>	<p>Rejected. Eskom gives enough annual leave days already. Workers can use this to take leave for paternity reasons if they want to.</p>
<p><u>Public Holidays</u> Workers must be allowed to swop another public holiday for June 16. This will mean workers can choose June 16 to be a paid holiday.</p>	<p>Rejected for 1989 as it is too late now. Workers must apply for leave if they want to take off June 16. Next year they can swop another paid public holiday for June 16.</p>
<p><u>Performance Appraisal</u> The PA system for monthly paid must be reviewed and there must be no PA system for general workers</p>	<p>Eskom will contact the unions in August 1989 to set dates to discuss present and proposed PA systems for monthly paid workers. Eskom wants to incorporate General Workers into the PA system and will negotiate this with the unions.</p>

Which of these demands should we take off the table?

5. ESKOM'S ARGUMENTS

Eskom says that compared with other employers it pays good wages. It says that it has a good position "in the market" and that the wage increases it offers allow it to maintain this position.

Eskom says it offers increases below the official inflation rate for two reasons:

- * First, it does not try to match the inflation rate. It wants to set wages in line with the market (what other employers pay). If wage increases in the market don't make up for inflation that is too bad.
- * Second, Eskom says the inflation rate for its employees is less than for other workers. This is because of all the fringe benefits enjoyed by Eskom workers. Housing and feeding are free or heavily subsidised. If you work for Eskom, you are protected against higher bond repayments if you are on the HOS, from higher food prices if you are in single accomodation, from higher water and electricity rates and higher rents if you live in an Eskom house. If you work at Megawatt Park your transport to work is free - it doesn't cost you more if the petrol price rises and busfares go up.

Eskom says that there are two parts to its "employment package" - one part is the cash wage that is set in the wage negotiations each year. The other part is the fringe benefits. The increased cost of fringe benefits is carried by Eskom so a large part of its employment package is protected against inflation.

6. NUM'S COMMENT

Eskom wages are higher than average, but they are not at the top. Many companies pay more than Eskom does. Right now there are 150 companies that have signed wage agreements with unions that set the minimum rate for general workers above Eskom. Eskom can only claim to be paying top wages in the market if it adds in what it believes to be the money value of the fringe benefits.

The argument is no good anyway because not all workers get the fringe benefits. And there is a dispute on what their proper value is. Very few general workers have housing loans. The hostel accomodation and food are not satisfactory and are being investigated at present. In any event, migrant workers cannot share the food they eat at Eskom or the hostel roof over their heads with their families. They rely on their cash wage to support their families and the cash wage is not enough.