

## NATIONAL UNION OF MINEWORKERS



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ESKOM 1989 NEGOTIATIONSFOURTH REPORT BACK

- 28 July 1989 -

General Workers

Sixty representatives from four unions attended a mammoth mediation session at the Eskom College on Thursday 27 July. The mediation lasted until 11.30 pm at night.

Eskom has given its final offer for increases for the General Workers in July 1989.

ESKOM 1989 FINAL OFFER FOR GENERAL WORKERS - 27 JULY

	<i>Present Eskom's offer</i>	<i>Guaranteed</i>		<i>%</i>	<i>%</i>
	<i>Minimum</i>	<i>for a new</i>	<i>Rand</i>	<i>increase</i>	<i>increase</i>
		<i>minimum</i>	<i>increase</i>	<i>on minimum</i>	<i>on maximum</i>
Grade 1	R664.50	R758.50	R104.00	15.9%	13.3%
Grade 2	R731.00	R808.50	R77.50	10.6%	7.6%
Grade 3	R783.50	R866.00	R82.50	10.5%	7.4%
Grade 4	R832.00	R922.00	R90.00	10.8%	6.6%
Grade 5	R979.50	R1,077.50	R98.00	10.0%	6.5%

[This is for non-shift workers. The shift workers increases are given in a separate sheet.]

If we accept this offer BEFORE THURSDAY AUGUST 3rd, then Eskom will implement it from July. If we reject the offer, we will have to go to arbitration. This will take many months to complete. Last year, Eskom implemented part of the wage offer unilaterally in July 1988. In 1989 they have not said what they

• will do.

The NUM and the other unions have moved down again from the previous demand. Our last demand is for increases from R125.50 to R163 per month for non-shift-workers. The full demands are as follows:

#### NUM 1989 WAGE DEMAND FOR GENERAL WORKERS - REVISED ON 27 JULY

	Present Minimum	REVISED NUM DEMAND for 1989	Guaranteed Rand increase	% increase on the minimum	% increase on the maximum
Grade 1	R654.50	R780.00	R125.50	19.2%	16.8%
Grade 2	R731.00	R858.00	R127.00	17.4%	14.7%
Grade 3	R783.50	R944.00	R160.50	20.5%	16.5%
Grade 4	R832.00	R995.00	R163.00	19.6%	14.1%
Grade 5	R979.50	R1,142.50	R163.00	16.6%	12.4%

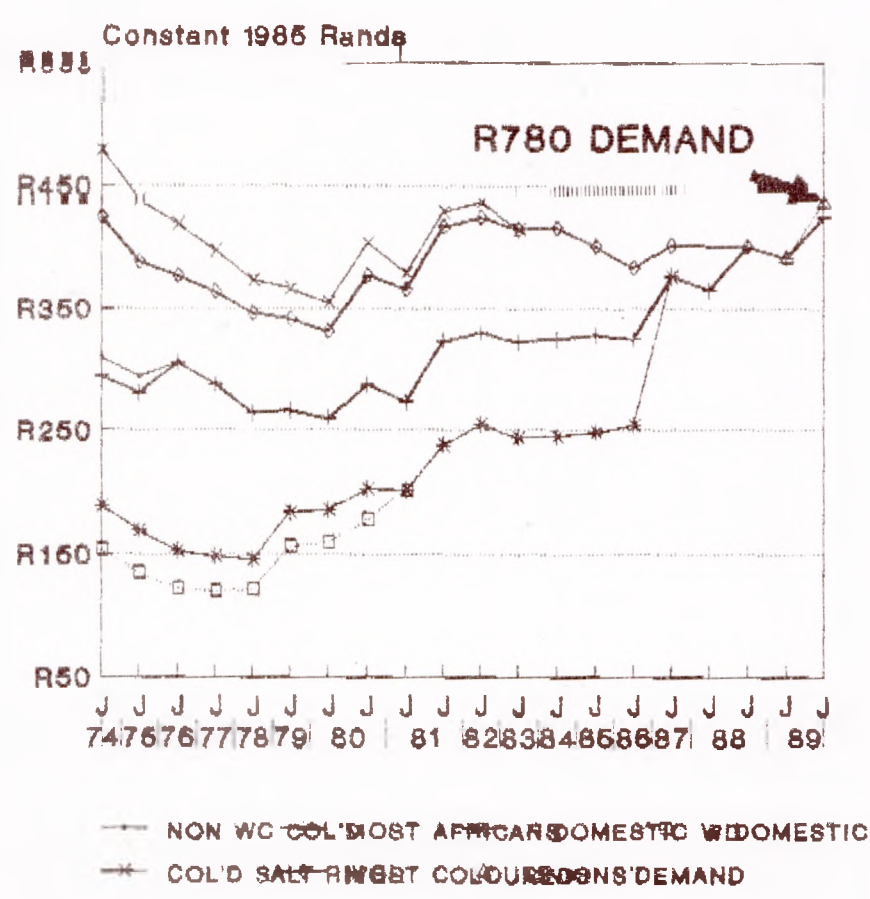
#### Assessing Eskom's offer

For Grade 1, the Eskom offer is quite good. Last year the arbitrators set a new, high "base point" for the 1989 wage negotiations. Eskom's offer will probably preserve the buying power of the base-point for the future. The 15.9% increase is just above the latest annual inflation rate.

The graph below shows that the union's demand and the Eskom offer are very close at Grade 1. The graph shows how the buying power of the minimum wage at Eskom has varied since 1974. The offer takes the buying power of the minimum wage to its highest point ever for all Eskom SBU's and Depots except those at Salt River in Cape Town.

# ESKOM WAGE HISTORY

## Lowest unskilled rates

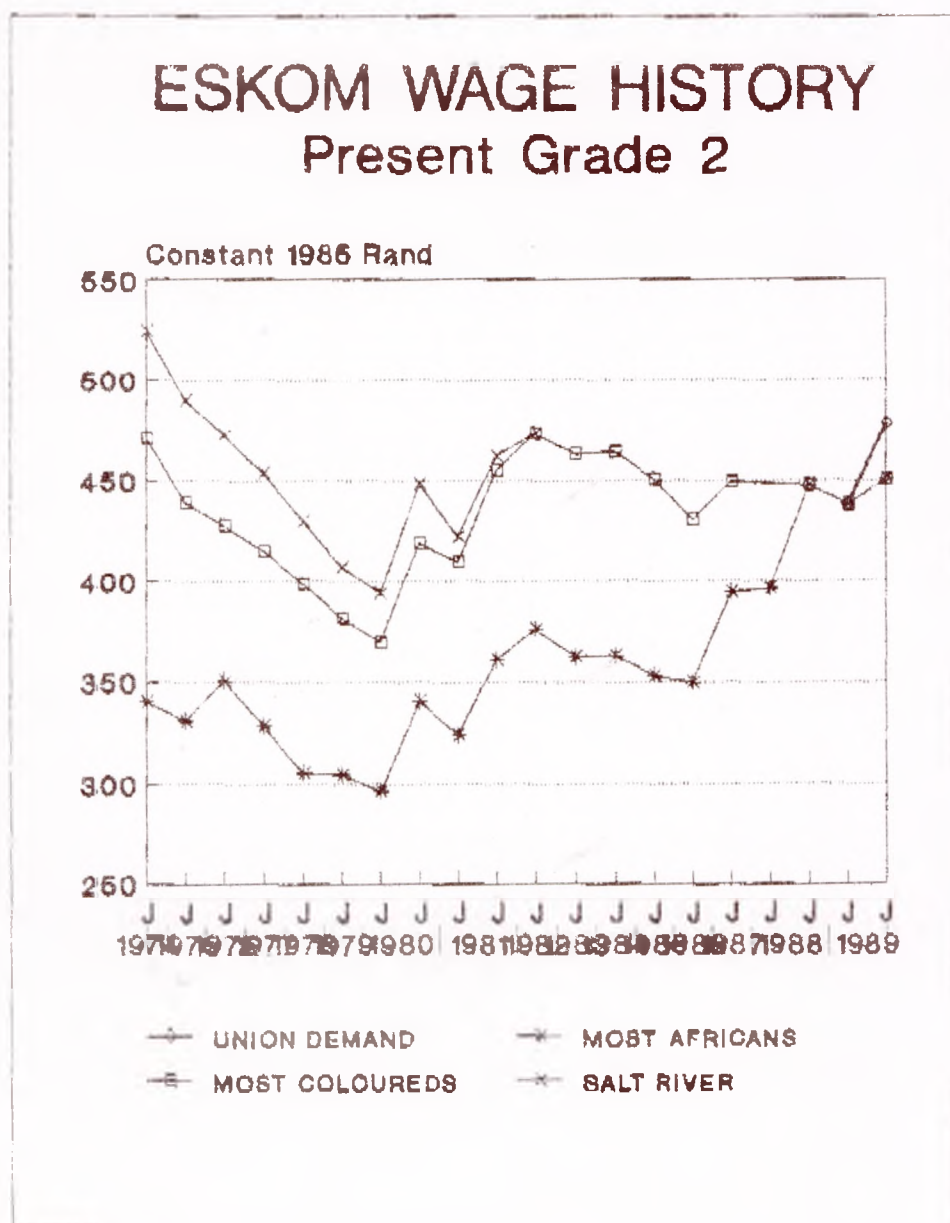




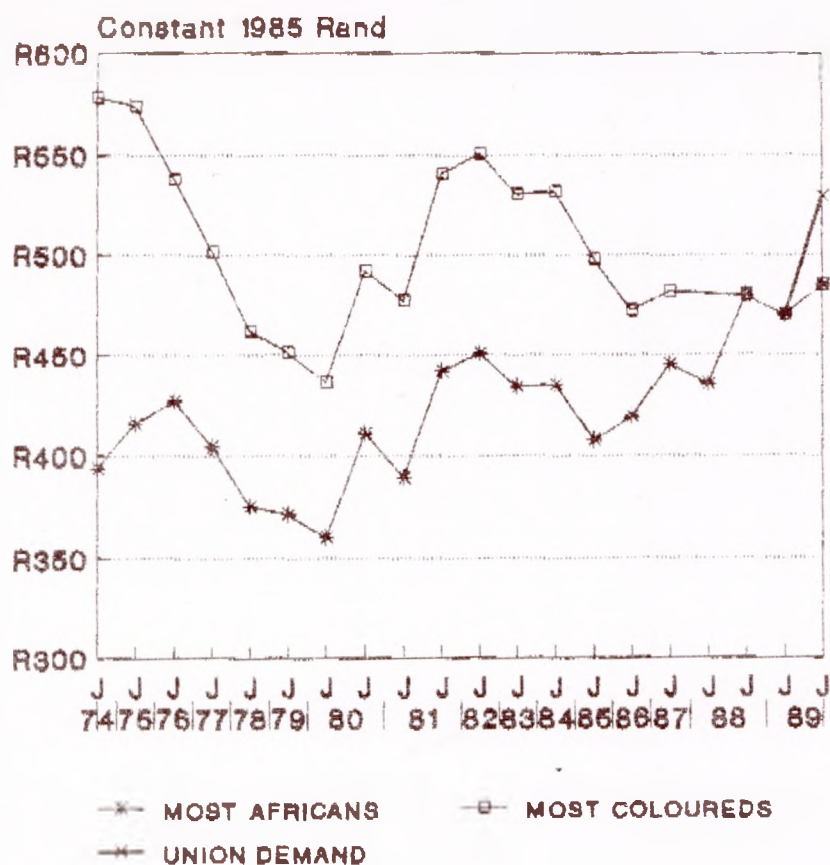
For Grades 2 and 3, in which the majority of members fall, the offer is not so good.

It does not maintain the value of the base-point set by the arbitrators. The buying power represented by the offer has a lower value than the minimum wages for workers in the western Cape in the mid-1970's and mid-1980's.

But it is the highest ever in terms of buying power for the majority of Eskom power stations and depots. The two graphs for grades 2 and 3 tell a similar story:



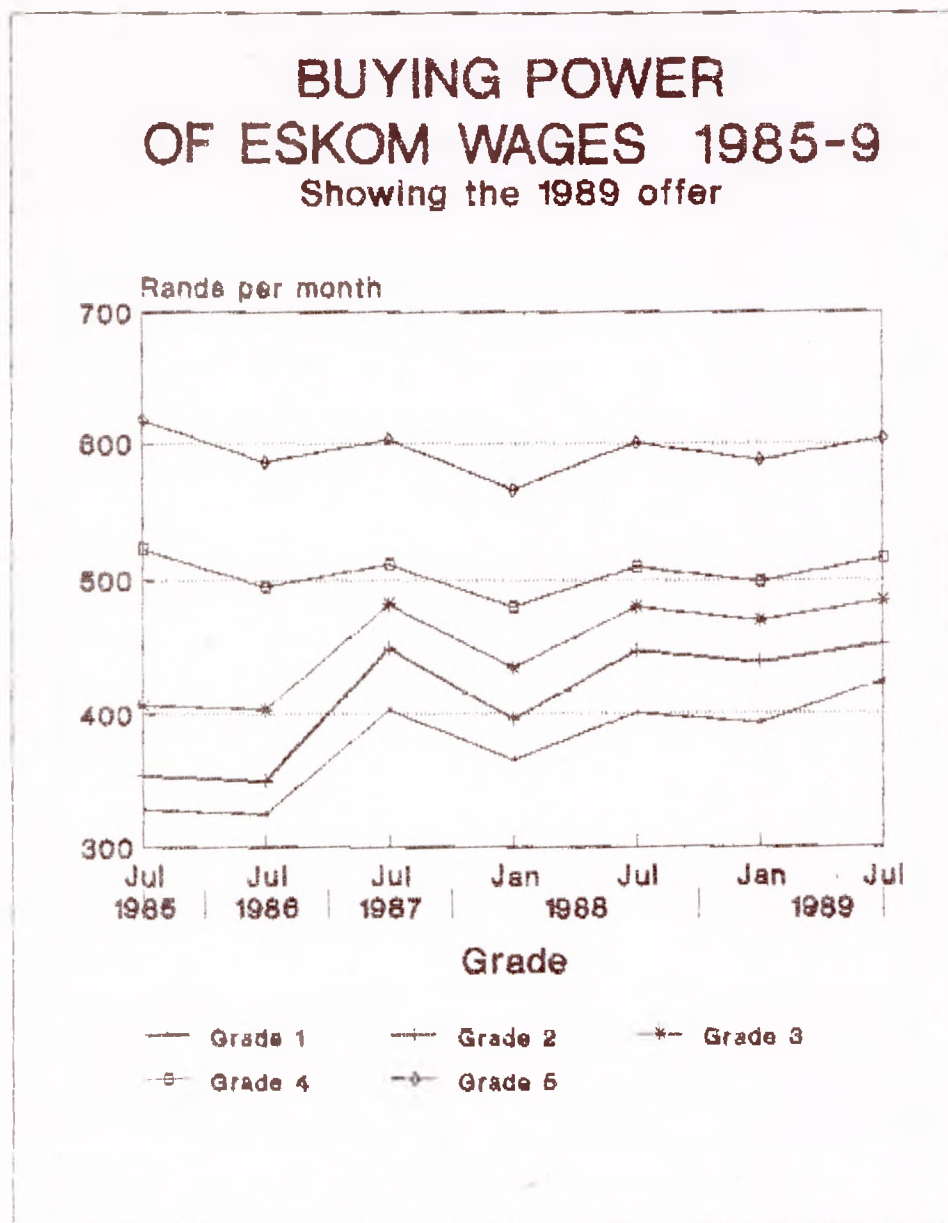
## ESKOM WAGE HISTORY Present Grade 3



Workers at the top end of the scale get an increase that is only about 7%. The offer is not at all good for these workers.

For grades 4 and 5 the picture is the similar as for grades 2 and 3.

If we ignore the arbitration award (like Eskom), we can show that the buying power of the minimum wage is higher now, with the new Eskom offer, than at any time since 1985.



We need an urgent response from our members

Every Eskom branch must seriously discuss this offer that Eskom has put forward.

We need to receive replies in the head office by Wednesday 2nd August at 10 am. All the unions will meet to decide our response



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**ESKOM'S FINAL OFFER**

The following constitutes Eskom's final offer at the mediation on 27 July 1989. The final offer is open for acceptance in writing until Thursday, 3 August 1989 at 09:00. Failing the above Eskom reserves the right to revert to the pre-mediation position. It would appear that the only alternative would be to refer the matter to arbitration should the trade unions not accept Eskom's final offer. If acceptance of the offer is received on or before the deadline Eskom undertakes to implement the final offer in the August payroll retrospective to 1 July 1989.

GRADE	PRESENT SCALE MINIMUM/MAXIMUM	R-VALUE (INCREASE PER MONTH)	PROPOSED MINIMUM/MAXIMUM
<b>NON-SHIFTWORKERS</b>	<b>R</b>	<b>R</b>	<b>R</b>
Grade 1	654,50 748,00	104,00	758,50 852,00
Grade 2	731,00 863,50	77,50	808,50 941,00
Grade 3	783,50 973,50	82,50	866,00 1 056,00
Grade 4	832,00 1 160,00	90,00	924,00 1 250,00
Grade 5	979,50 1 317,50	98,00	1 077,50 1 415,50

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GRADE	PRESENT SCALE MINIMUM/MAXIMUM	R-VALUE (INCREASE PER MONTH)	PROPOSED MINIMUM/MAXIMUM
SHIFTWORKERS			
Grade 1	713,50	113,50	827,00
	816,00		929,50
Grade 2	797,00	84,50	881,50
	941,00		1 025,50
Grade 3	854,50	90,00	944,50
	1 061,50		1 181,50
Grade 4	907,00	98,50	1 005,50
	1 265,50		1 364,00
Grade 5	1 069,00	107,00	1 176,00
	1 436,00		1 543,00