

FACT PAPER ON EMPLOYER AND EMPLOYEE RELATIONSHIPS AND LOW WAGE STRUCTURE:

This problem is very wide in its scope and in such a paper one cannot hope to deal with it comprehensively. I have therefore selected certain aspects which seem to me important.

Firstly the background of the African workers and their adaptation to a new world; secondly how best to fit them in and increase their productivity through good management; thirdly the low wage position and the causes of it; and lastly the forces for change and recent events in this field.

The growth of a modern industrial society in South Africa is comparatively recent and we are still youngsters compared with the old industrial countries of the West. We have not yet learned to make the best and the fullest use of our resources in men and materials. In addition we have not got a homogeneous population but one composed of groups with different backgrounds. Our political beliefs and the ideology of apartheid further complicate the situation and, in many respects, frustrate the advance towards contentment and prosperity.

We are increasingly drawing the Black people into our system of life; one which is completely foreign to them and they are struggling to adapt themselves. It will be instructive to take a very brief look at the old tribal way of life if we are to understand their difficulties. The main features may be summarised as follows:

1. Self sufficiency on a family basis.
2. Even distribution of riches.
3. Division of labour in accordance with sex and status.
4. Mutual cooperation.
5. Lack of monetary values.
6. ritual aids in production.

This type of life leads to little specialisation; a few pot makers and metal workers and medicine men. Behind them always lay the need for supernatural safeguards such as medicine to ensure fertility, rain, good crops etc.

The changing environment has meant adaptation with individuals reacting differently and taking more or less from the new, and retaining more or less from the old. e.g. monogamic marriage combined with lobola. These changes have lead, among other things, to specialisation; the division of people into urban and rural groups; unskilled and semi-skilled workers; a few professionals and sophisticates. There is understandably often a feeling of insecurity and money tends to become the only security. The impact of these new ways of life is much greater on the urban than the rural African and of necessity his adaptation is much faster. He is, however, tremendously handicapped in his efforts by lack of education and technical training, which are fundamental to our industrialised way of life. He lives a social life isolated in the townships without the cultural stimuli available to the Whites and suffers the disability of having no say in his own present or future or that of his children. He is as unaware of our motivations and aspirations

as we are of his. Trust between management and worker is essential in an industrial society and is always difficult but is infinitely more so in these circumstances. The human being places great value on status and security and desires some indication that his is individually acknowledged and valued and that his contributions are appreciated and considered worthwhile.

PRODUCTIVITY IN INDUSTRY:

Productivity is extraordinarily low in S.A. In the period 1952 - 1958:

U.K. 19% increase	U.S.A. 20% increase	W.Germany 34% increase	Japan 50% increase	South Africa 1% increase
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This is the world in which we have to compete. Although wages have risen productivity has not. In increased productivity lies the road to higher standards of living. There are many reasons for our low productivity as we shall see. We start with the disadvantage that our markets are small and this makes the full use of expensive capital equipment impossible. Purchasing power must be expanded by increased employment and wages. The Government attitude is "no increase in wages without increased productivity". We have an unemployment problem which militates against an increase in wages. The gap between white and black wages is widening. Unless purchasing power is increased an increase in productivity without increase in output leads to the same total wages to less people and more unemployment. The responsibility for increased productivity lies squarely on the shoulders of management. This is an enormous field and I only intend to deal with some of the extremely important human ways in which improvement can be effected.

As I have said above, trust between employer and employee may be difficult but is essential. This is vitally important when the powerful white is the employer. The first necessity is the realisation on the part of the employer of his responsibility firstly towards his black labour supply and secondly for increasing his management's efficiency and understanding. Spheres in which management can improve conditions and increase the productivity of black labour:

Human Relations and Personnel work:

1. Management is responsible for the human climate in the undertaking. This climate will directly affect the prosperity of the undertaking and the happiness and satisfaction of the individuals constituting it. It is always there but can be good or bad. Personnel management can be used to determine the quality of the climate.

Functions of Personnel Dept:

1. No employee can be productive if he is not suited to his job and adequately trained for it.
2. Job evaluation and wage administration - These two factors are vitally important for Africans who suffer disabilities in this field
 - a. limitation of movement in labour field
 - b. no unions so no bargaining power.He must clearly understand the nature and scope of the job and what wages he will receive.

3. Training of Supervisors:

The training of white supervisors in charge of African labour is of the most vital importance.

1. Supervisors must be taught an intelligent and sympathetic approach towards the Africans' difficulties of adaptation to modern techniques.
2. Management must ensure that their communication with this group is satisfactory and that the supervisors understand the motivations behind increased productivity.

In any undertaking many difficulties arise in regard to this most vital group. They have to be chosen from a limited field as most of them are white. Many suffer from colour prejudice and because they are not well educated they have a limited outlook. They often suffer from fear of the competition of competent Africans. They must be taught to give instructions clearly and in an acceptable way. Supervisors must evince respect for human dignity and give the worker the sense that he is valued and given appreciation for his efforts. There are difficulties of communication through language barriers and lack of understanding of motivations between such different groups of people.

4. Training:

No technical training for Africans is provided by the Government but industries can do a good deal themselves about training their African labour and a great deal more should be done.

5. Social Services:

Owing to long distances travelled to work, men are often inadequately nourished when they arrive at work. Canteen facilities should be provided. Pension schemes and sick funds and leave should be provided.

6. Management must secure the co-operation of workers:

Throughout history the worker has had a sense of being exploited. This will appear in South Africa in its march forwards in employer - employee relationships. The desire to increase productivity will be represented as exploitation. Tension may well be heightened by race differences. The respect for human dignity referred to above, is a vital factor in securing cooperation. The Black worker now wants to make his own contribution and be respected as a person. We have seen in other countries the disastrous results of individuals being made to feel they are impersonal units. The attitude of supervisors will play a great part here. As already stated, however, many of them suffer from social and educational handicaps which make it difficult for them to fill these positions satisfactorily. Great success has attended the establishment by the mines of carefully designed selection and training procedures for African supervisors. Dr. Biesheuvel was the pioneer in this field and has done much splendid work.

These are all aspects in which management bears the responsibility and despite difficult factors beyond their control, great advances can be made in this field alone. Government legislation and policies are responsible for most of these difficulties. Influx control; job reservation; poor general and no technical education; inefficient wage determination;

lack of trade unions for Africans. These factors all militate against the successful adaptation of Black workers who are facing all the problems of urbanisation, industrialisation and detribalisation at once. Lack of education alone makes their task almost impossible without the other severe legislative handicaps and frustrations. There has been continual outcry on the part of industrialists for years for technical education but the Government policy favours this being given in the Bantustans.

Efficient industrial labour must be permanently urbanised. The knowledge that his way of life and status is bound up in the plant contributes to his development as a sound worker. Good housing is essential for family discipline and ^{an} orderly way of life. Family discipline becomes well nigh impossible when mothers have to go out to work to supplement inadequate wages.

Facts about Black wages in South Africa:

The following figures are taken from Barbara Rogers' paper "Standard of Living of Africans in S.A."

The Government continually states that Africans are better off in South Africa than anywhere else on the continent. Miss Rogers however, quotes the following figures.

<u>Country:</u>	<u>Annual Income in dollars:</u>
S.A. (All races)	375
Senegal	187
Liberia	162
Zambia	137
S.A. (Africans only)	108.5
S.A. (Africans in reserves)	45
Guinea	25
Malawi	25

The average income of Africans in Africa as a whole is estimated at between 110 - 120 dollars. In South Africa it is 108 dollars.

Minimum wage rates are fixed by the Government and kept low. The Bantu Laws Amendment Act 23 of 1970 gives the Government the power to prohibit the employment of Africans in any area, class of employment or trade or in the service of any employee. Close control of the movement of labour lessens their bargaining power more even than job reservation which covers only 2.9% of the labour force and to which hundreds of exemptions have had to be granted.

<u>Real Wages:</u>	1944	1950	1954
	£.s.d.	£.s.d.	£.s.d.
Total Essential Expenditure	12.18.6	17.14.4	23.10.6
Average family income	9.18.1	12.16.6	15.18.11
Monthly deficit	3. 0.5	4.17.10	7.11.5

(Figures taken from S.A.I.R.R.)

Figures for the whole country are impossible to get but the Poverty Datum Line figures for Johannesburg are as follows:-

1957	P.D.L.	R42.00
1964	P.D.L.	R52.67
1972	P.D.L.	R82.19

Increases in wages there have been ^{but} nothing like in proportion to the rise in the cost of living and real incomes have declined.

In mining, African real wages have not advanced since 1911. In agriculture, real wages have fallen and in the Reserves, income per

5/.....head has

head has dropped from R25.80 in 1954 to R22 in 1969. In the Border Areas there are no Industrial Council agreements operating and wages are incredibly low and the P.D.L. is not considered in fixing wages.

The latest National Report of the Productivity and Wage Association shows that in the private sector 80% of Africans earn less than R70 per month. The P.D.L. is R82.19 but the real essential minimum is nearer R100 in Johannesburg.

There are signs of more fringe benefits for the top semi-skilled worker; pension funds, medical funds, canteen services and subsidised housing.

Gaps in earnings between different racial groups:

	<u>Manufacturing:</u>	<u>Construction:</u>
White	R287	R304
Indian	71	147
Coloured	68	103
African	50	47

In Mining the gap has continually been widening and is far greater than in Manufacturing and Construction - although in some other directions, as we have seen, they are relatively enlightened employees. As has been noted however, Black mine workers are no better off in terms of real wages than they were in 1911. No real comparison is possible between urban and rural wages but undoubtedly the latter have not kept pace with the former.

Census 63 - 64: An African farm labourer earned R83 per annum - the Coloured R155 and Indians R193 while the White earned R1285.

In the Reserves earnings are decreasing and poverty getting worse. The earnings of migrant workers are essential.

Forces operating to perpetuate the wide disparity between skilled and unskilled wage rates:

1. Legislative and customary hindrances to vertical mobility of labour.
2. Lower paid jobs are held by Africans, Coloureds and Indians because of their inadequate access to education and technical training.
3. High rate of natural increase means an enormous reservoir of unskilled labour.

The Apprenticeship Act of 1922 stipulates a minimum of 8 years' schooling as qualification for entry so that most African, Coloureds and Indians cannot qualify. It is only the acute shortage of skilled labour that has enabled some of the African, Coloured and Indian workers to move to more skilled jobs.

Added to all this must be the social disabilities; poor health and nutrition; lack of recreation facilities; lack of social security; low pensions; inadequate housing; migrant labour.

Lack of Trade Unions:

Africans are not allowed to belong to registered Trade Unions. They have no legal bargaining rights and no say in the determination of their working conditions. Certain TUCSA unions have made attempts to organise Africans in Trade Unions. The Garment Workers' Union has assisted in the establishment of the only viable African union, the National Union of Clothing Workers.

Causes of Inequality:

1. The strength of the White power structure which keeps Blacks powerless.

2. Trade Unions:

The Industrial Conciliation Act of 1922 recognised the right of workers to organise themselves and negotiate rates of pay etc., with employers. Strikes were legalised but only after a period of negotiation.

This improved the position of White workers on the Mines.

The position of Blacks is different. Under the definition of "employees" in the Act, Blacks did not qualify. They have no Unions, no right of bargaining, no right to strike.

Coloureds and Indians may join or create unions. There have been many arguments used for and against African Trade Unions. Whites fear the power of Unions and the Chamber of Mines has continually maintained that because Africans on the mines consist mainly of migrant labour, it would be difficult for them to establish Trade Unions.

Trade Unions would undoubtedly raise wages, partly through negotiation and increased productivity resulting from better working conditions and relations with management. Without Unions, workers have no protection from arbitrary dismissal, poor pay and working conditions. There is no atmosphere of trust and understanding between management and workers which is a dangerous state of affairs. Africans themselves could help by the formation of Works Committees.

3. Private Enterprise and Capital:

Private enterprise is largely in the hands of whites who can supply capital. There is some development in various Group Areas by Coloureds, Indians and Africans, but they labour under difficulties of acquiring credit and some legislative enactments.

4. Job Reservation and the Colour Bar:

The shortage of skilled labour is due to the barriers to advancement of Coloured, Indian and African workers. The colour bar deprives S.A. of one of its greatest assets by restrictions on the use of labour. This is traditional in S.A. and is rooted in the fear of competition. The continual calls by Industry to the Government to relax the Colour bar meet with adamant refusal because of this fear. Whites are promoted to skilled jobs they are equipped to fill and Black people are frustrated by their inability to rise above certain levels. The monetary cost to the country must be astronomical and the cost in loss of faith and racial tension dangerous to us all.

Lack of Education:

Expenditure on Education:

1968	per	capita	white	child	per	year	R288
"	"	"	BLACK	"	"	"	R14.48
"	"	"	Coloured	"	"	"	R73

Compulsory education for all has been recommended over and over again but nothing has been done. In addition to the inadequate facilities and poor pay of teachers, Black parents have to pay for books, quite an item on a tight budget. As we have noted before, vocational and technical training is practically non-existent. This lack of education is one of the main reasons for the poor wage levels.

Apprenticeship Training:

As we have seen this is closed to Africans. It is increasing in the 7/.... Coloured and

Coloured and Indian groups especially in the furniture and building trades.

Availability of Land:

45% of the rural population has to be supported on 12% of the country's land. There is little industrial development in the Bantustans and the people are desperately poor.

Forces for Change:

Industrialisation alone will not bring about change and give the Black population a real share in our wealth.

The workers must have the power to organise and bargain through Unions. Efforts are being made through industrial^{ists} and some of the white unions but have encountered tremendous resistance from the Government. Increase in skills would undoubtedly help as such skilled workers are no longer part of a vast reservoir of unskilled labour through which "difficult" workers can be replaced. Economic growth is essential for the country. The powerful white group desire it but the political and social set up hinder such growth. The white group are faced with the position that their own interests require growth and so demand that the Blacks be given more opportunity and power, but they are reluctant to make such concessions. Where the desire is strong enough they come up against the policies of the Government which are opposed to such developments.

Recent Trends:

In August, 1972, TUSSA held its Annual Conference in Cape Town. They represent 210,000 white, coloured and Indian workers. 68 out of 70 Unions voted for full trade union rights for 5½ million African workers. All delegates have been asked to get a mandate from their workers on this issue. Prof. van der Merwe from Pretoria gave an address which is considered to represent the Government's blue print for future wage negotiations of all African workers. Africans in white areas will, through "ambassadors" request their Homeland Governments to negotiate for them with the S.A. Government.

F. Wilson pointed out that there is no substitute for direct union negotiation on wages. The plan envisaged does not include the consent of the worker. Industrial peace rests on common consent.

Prof. van der Merwe admitted the need for African unions - but only if the unions were confined to the Homelands. Decisions on wage increases must rest with these Governments. He said the S.A. Government would never accept integrated unions.

TUSSA want mixed unions because they consider that the interests of workers are paramount irrespective of colour. African trade unions are legal but may not take strike action.

The Rand Daily Mail appealed to employers to organise factory unions; give facilities for organisation and deduction of subscriptions and guarantee no victimisation of leaders. Should industry-wide unions come into existence factory unions must be encouraged to join.

Mr. W. D. Wilson of the Anglo American recently called on Industry and the Mines to make an immediate start on improving the wages of all Black workers. TUSSA have given him their support. Mr. Grobbelaar, the secretary of TUSSA, remarked as follows:

"What must be sincerely welcomed is the fact that a section of South African primary industry, with a far from perfect record of meeting human and social aspirations, is facing up to the need for a radical change in the interests of a prosperous South Africa."

DORA HILL.