

1986 WAGE NEGOTIATIONS

WHAT EVERY UNION MEMBER SHOULD KNOW ABOUT THE UNION'S
DEMANDS FOR BETTER WAGES AND SHORTER WORKING HOURS.

THE LIQUOR AND CATERING TRADES EMPLOYEES' UNION -

The union for hotel workers.

2nd Floor, City Centre, Corporation Street. Tel. 468 086

1986 WAGE NEGOTIATIONS

The Liquor and Catering Trades Employees' Union have made big demands for higher wages and shorter working hours to the bosses of the hotels.

This is because wages are far too low for hotel workers while working hours are very long.

These demands will be discussed at the Industrial Council, where your union representatives will argue for big improvements in working conditions. But we can expect strong opposition from the bosses who have their own representatives on the Industrial Council.

So the union campaign for higher wages will not be easy! But we must win it because workers and their families are suffering and the union campaign is our only hope.

The fight will not be won at the Industrial Council, however - it will be won in the hotels. We have to build up the union's strength in each and every hotel so that the bosses see that we are determined to win our demands. This booklet will help you to build up the workers' organisation in your hotel. Use it to discuss the union campaign so that every worker knows what part he or she has to play!

Wages in the hotel trade

Workers in the hotels of Cape Town are amongst the worst paid workers in the country. They are lower than in Johannesburg, Durban, Pretoria and even in Port Elizabeth where there is no union! Of the 132 industrial councils in South Africa, 114 have better wages than the hotel trade in Cape Town.

While the average wage for labourers under all the industrial councils together is R1,24 per hour, in the hotels the General Service Employees earn only 82c per hour.

What is worse, the real value of workers' wages has fallen badly over the last 10 years. Although cash wages - the money in your pay packet - have increased, the **buying power** of those wages has been reduced by rising prices. The buying power of every single wage in the hotel trade is now lower than it was in 1976!

Other working conditions

We also have longer working hours than most other workers. The working week is 55 hours in the Cape, but it is only 52 in Johannesburg, 54 in Natal, and 48 in the catering trade. The Basic Conditions of Employment Act provides for a 46-hour working week!

Hotel workers in other countries like Belgium, Denmark, Finland, Indonesia, the Netherlands and Sweden have a 40-hour working week. Even poor countries like Cyprus, Cuba and Sri Lanka have a 44- or 45-hour working week.

Our spreadover is also longer than most other agreements. Our spreadover is 15 hours. Spreadover is the number of hours from when you start work in the morning till knocking-off time, including meal breaks and time off. The Basic Conditions of Employment Act has a spreadover of only 12 hours.

THE UNION'S DEMANDS

WAGES

The condition of most hotel workers has now become desparate. The union is therefore making demands for a very big increase in wages. The old wages and the union's proposals are listed below:

	The present wage	The union's demand
	(R/c per week)	
Barman	109,00	156,00
Check-out operator	78,00	110,00
Chef	80,00	122,00
Clerk	83,00	127,00
Cook	59,00	88,50
Driver (light)	49,00	72,00
Driver (medium)	56,00	85,00
General Service Empl.	45,00	66,00
Handyman	63,00	97,00
Head Barman	111,00	171,00
Head Waiter	81,00	123,50
Hotel Trainee	80,00	123,50
Housekeeper	55,00	83,50
Lift attendant	35,00	51,00
Liquor attendant	109,00	156,00

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	The present wage (R/c per week)	The union's demand
Manager	142,00	220,00
Assistant Manager	111,00	171,00
Night porter	54,00	80,00
Night watchman	42,00	59,00
Off-sales attendt.	100,00	143,00
Off-sales clerk	78,00	121,00
Page	32,00	47,00
Porter	47,00	70,50
Receptionist	83,00	127,00
Restaurant Mgr.	111,00	170,00
Waiter	55,00	81,00

There are four points to make about these wages:

1. The wages in the right-hand column are only what the union proposes! We shall all have to fight hard to persuade the bosses to pay those wages!

2. Some workers already get more than the wages in the left-hand column. There is nothing to stop the managers paying higher wages than appear in the agreement.

3. The union will not stop even if it wins these wage increases. We will not be satisfied because many of the proposed wages are still below the poverty level. When

we have finished negotiating at the Industrial Council (which covers all hotels) we shall go on to negotiate with the big, rich companies. We shall demand more from them because they can afford to pay more. Your shop stewards will be closely involved in these negotiations with groups such as Southern Sun, Protea, Karos, and Picardi Hotels.

4. The union is demanding the same wages for the Strand and Somerset West as in Cape Town. This would mean increases of more than 90% for some workers. Prices are the same there as in Cape Town - and so are the room tariffs and bar prices! So there is no case for having lower wages there as at present.

HOURS OF WORK

The union demands a reduction in the maximum working hours per week from 55 hours to **52 hours**. This would bring hours of work into line with hotels in Johannesburg.

SPREADOVER

The union is demanding a reduction in spreadover from 15 hours to 12 hours. This would bring spreadover into line with the Basic Conditions of Employment Act.

Fighting for the union's demands

The union's demands are **very big demands** in percentage terms. Every single wage demanded by the union is more than 40% above the old wage. Some are more than 50% above the old wage. This means the bosses will not like these demands. Most employers in other industries are offering increases of only 5% or 10%. We shall have to persuade our bosses that 40% to 55% is necessary to satisfy us!

How can we do this?

Inflation

First of all, we must explain that inflation has eaten away our wages so much that we are now earning less - in terms of buying power - than ten years ago.

Since the last wage increase in January 1985, prices have risen by over 29%. This means wages have to go up by more than 29% just to keep pace with inflation.

And the experts expect inflation to stay at high levels in the coming year. To take account of future inflation we need an extra 8% or 10% increase on top of the 29% for past inflation.

Poverty wages

We do not just say that our wages are below the poverty line, we can prove it. The Bureau for Market Research at the University of South Africa says that the poverty level in the Cape is more than R70 per week. But this is only the "theoretical" poverty wage. Most workers cannot spend their money exactly accordingly to the rules of these professors! So an extra 50% is needed to bring wages "effectively" above the poverty level. This amounts to R105 per week. Any wage below R105 per week is effectively a poverty wage!

The companies' ability to pay

The employers will tell us how bad conditions are in the hotel trade. Some of what they say will be true. We are unfortunately negotiating at a bad time for profits.

But we are not negotiating about last year's wages. That was when the business conditions were so bad. We are demanding wages for the coming year, when everyone agrees that conditions will be better.

We do not remember the employers coming to us in the good years, and offering the workers an extra increase!

In fact, real wages in the hotel trade have been falling steadily over the last ten years, good times and bad. The workers cannot wait upon the employers to decide when conditions are good enough to pay higher wages. They have waited long enough to know that such good times will never come!

But what do the bosses themselves say about business conditions? A top manager of Protea Hotels says "the hotel industry has passed its low point . . . growth is on schedule". And the Chairman of Southern Sun says "earnings should be significantly better (in the six months to March 1986) than the performance to date. Furthermore, the Southern Sun Group has now rationalised its operations and costs to a level where any upturn in revenues will result in a concomitantly favourable impact on earnings".

All this means that the hotel bosses expect profits to be much higher in 1986!

Even in 1985, a bad year for the hotels, Southern Sun was able to pay out over R17 million in dividends to its shareholders. The directors also gave themselves a very nice pay increase: from R289 000 in 1984, to R591 000 in 1985! This was a pay increase of 104%. We do not remember any workers getting a pay increase like that.

On average, each Southern Sun director earns R59 100 per year, or R1 136 per week. A General Service Employee would have to work for six months to earn what a director gets in just one week!

The directors of Protea Hotels also get a "living wage": R435 000 between them in 1984!

If the companies can afford to pay their directors such big increases, even when times are bad, they dare not come to us to say that cannot raise the workers' wages.

The union's campaign

The union negotiators will be fighting for higher wages and shorter hours at the industrial council, starting at the end of April. If the employers grant our demands, the negotiations will be successfully concluded in short time. But if the employers refuse to make a reasonable offer - bearing in mind how long workers have had to wait for an increase - then the union will have to take further steps.

Firstly, the union will **declare a dispute** with the employers. The Industrial Council will then hold at least three meetings to try and resolve the dispute.

If the employers still fail to make a reasonable offer, the union will have three choices open to it:

1. Mediation - a neutral person is appointed to assist in bringing about an agreement

or

2. Arbitration - the dispute is referred to a "judge" who decides what the wage increase should be

or

3. Strike action - the workers withdraw their labour from the hotels until the employers agree to grant a reasonable wage increase.

Each of these three possible steps have advantages and disadvantages. We hope we do not need to choose between them - we hope the employers will respond reasonably to our demands.

But if the employers refuse to make a reasonable offer, then **WE MUST BE PREPARED** to take whatever steps are necessary to win HIGHER WAGES and SHORTER WORKING HOURS for the sake of ourselves and our families!

WORKERS' UNITY

Whatever steps the union and the workers take, they must act together! Without **unity**, the bosses will crush our demands like paper. Unity of all workers in the

trade, whether they are African, so-called 'coloured', Indian or white. Unity of all workers, whatever union they belong to. Unity of all workers, whatever job they do. **UNITED WE STAND, DIVIDED WE FALL!.**

In particular, members of the Liquor and Catering Trades Employees' Union should have discussions with their so-called 'coloured' and Asian brothers and sisters. Though members of the other union, they will be joining us in our demands for higher wages and shorter hours. We must make sure that **all their members are with us** in our struggle, and understand what we are doing. Allow no gaps between workers which can be used to divide the workers!

This booklet is issued by **The Liquor and Catering Trades Employees' Union** to inform all workers in the hotels about the union's demands for higher wages.

DISCUSS THIS BOOKLET with your fellow-workers. Help workers who cannot read to understand it. Make sure every worker in your hotel is behind the union's demands!

Prepared for the union by the Cape Town Trade Union Library, 108C Malta House, Salt River. Tel. 477 848.