

## *Public sector struggles*

**T**he site of struggle for public sector unions has clearly changed. Collective bargaining is being used to regulate far-reaching transformation of the sector. This marks a fundamental departure from the recent past, when the unions focused only on 'bread and butter' issues that had a direct impact on their members.

### **Transformation**

The COSATU public sector unions' demand for transformation has now become a core bargaining issue.

This follows the threatened retrenchment of tens of thousands of workers and a shortfall in the state's current budget allocation for public sector wage increases of R1,5-million. NEHAWU national negotiator, Makgane Thobejane, says the COSATU unions realise that the state is unable to deliver on public service reform programmes. They are using collective bargaining as a means to address transformation: "In this way we are not only ensuring that our own members' concerns are addressed, but are seeking to use collective bargaining as the catalyst for real reform".

### **Demands**

In April this year, the union caucus in the Public Sector Co-ordinating Bargaining Council (PSCBC), which includes NEHAWU, SADTU, POPCRU and several unions outside COSATU, tabled the following demands:

*by Malcolm Ray and Barbara Adair*

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- ❑ ***Linking wages with service delivery***  
The unions argue that, if the public service is to deliver equitable services to all South Africans, public service workers must not only have the requisite skills to deliver, but must also be adequately paid for this delivery. They are demanding that workers who deliver service must be granted real wage increases.
- ❑ ***Narrowing the wage gap***  
Despite recent efforts at reform, the gap between the lowest paid worker and public service managers is still abnormally high. The unions are determined to bring wages in line with the recommendations of the White Paper on the Transformation of the Public Service. The Paper proposes a gap of no more than 12%. The unions have put forward long-term mechanisms to achieve this. They have also proposed that there be no further salary increases for managerial staff in grades 12 to 16.
- ❑ ***Removing management from the bargaining unit***  
Unlike in the private sector, the terms and conditions of employment of managers are determined in the PSCBC. The employer representatives in the

Chamber end up negotiating their own terms and conditions. This results in wage increases which are skewed in favour of management. The unions are proposing that management be excluded from the bargaining unit. Their terms and conditions of employment should be determined in individual negotiations between the minister or MEC and the management employee.

#### □ *Training and development*

The need for human resource development, with particular reference to skills training and competency development, is articulated in numerous policy documents drafted by the state, including the White Paper on Transformation, the White Paper on Training and Education and GEAR. Nothing, however, has materialised. The unions are demanding that a reasonable portion of the wage budget be set aside for competency-based training. The state, as employer, must also conduct a skills audit to assess the skills of its workers at both national and provincial levels. Training needs will be able to be identified and undertaken in relation to the services that need to be delivered. It is proposed that a uniform framework for the implementation of competency-based training in the national departments and provincial administrations be developed in the PSCBC.

#### □ *Pension restructuring*

The Government Employees' Pension Fund (GEPF) built up a huge shortfall during the 'golden handshake' days of the National Party. White civil servants were the main beneficiaries. The new government has extended benefits to black workers. In a recent article, Ravi Naldoo of Naledi explains that: "The problem lies in the way the government is trying to finance these

benefits. It has adopted a 'full-funded' approach. This requires that money be pumped into the Fund to cover existing - and all future - pensions. To make sure that the GEPF can meet all future obligations, the government has stuffed billions of rands of government bonds into the Fund." These inflict huge interest payments on the government and the taxpayer. Current government payments towards the GEPF exceed the entire national budget deficit. The unions have proposed that the state adopts a Pay As You Go (PAYG) system. The deficit would be automatically reduced by approximately 60%. Money would be released for development and service delivery. Pension payments to public service workers would then become a budget item.

#### □ *Retrenchments*

The unions have rejected retrenchments driven by the government's budget deficit reduction strategies. They are arguing for an employment strategy based on the needs of departments and provincial administrations. Only after a proper staff audit has been completed will decisions on this issue be able to be taken.

The conclusion of an agreement on all these issues might well herald the beginning of a co-ordinated process of halting the turmoil in the public service, redressing the imbalances of the past and ensuring equitable service delivery. Negotiations in the PSCBC were still underway at the time of writing. (23 July 1998) ★

### Reference

Naldoo, R "An alternative public debt strategy", *Naledi Policy Bulletin*, Vol 1 No 3, August 1998

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