

Economic notes for trade unions

The annual rate of inflation stays high, in the 15% to 18% range. The latest figures are for February 1987, when, on average, prices are 16,3% higher than a year before.

	Consumer Price Index (1980=100) February 1987	Annual rate of inflation (% increases over 1 year) February 1987
Cape Town	250,8	17,3%
Port Elizabeth	244,3	16,3%
East London	230,7	15,7%
Durban	247,6	14,7%
Pietermaritzburg	250,8	14,5%
Witwatersrand	250,9	16,0%
Vaal Triangle	256,1	15,8%
Pretoria	265,3	18,8%
Klerksdorp	251,1	21,7%
Bloemfontein	232,4	13,0%
OFS Goldfields	259,5	15,4%
Kimberley	237,1	13,8%
SOUTH AFRICA	251,0	16,3%

Source: Central Statistical Services

Because prices go up, the buying power of money falls. This means that wages must rise at least as fast as prices rise if workers' living standards are to stay the same. For an improvement in living standards, wages must go up more than prices. This is part of the demand for a living wage. Because of inflation, negotiation for a living wage only begins above 16%.

Bosses show the way on pay

The bosses and the government often call on workers to reduce their wage demands. They say that lower wage increases will allow the economy to strengthen and more jobs to be created. But what about the bosses pay?

A new survey of company directors pay has just been completed by

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the Labour Research Service in Cape Town. Last year, on average, company director's pay rose by R256 PER WEEK! (18%). This compares with a rise of R12 a week (11%), on average, for black workers.

The directors' pay survey covers 116 companies listed on the Stock Exchange and includes the major mining houses as well as 69 of the "Top Hundred" companies chosen by the Financial Mail. The average pay for directors worked out at R1,680 PER WEEK. But the top-earners got a lot more:

TOP TEN LEAGUE TABLE

Company	Average Weekly Pay for Directors in 1986	
	Average Pay	% rise
ANGLO	R6,410	80%
TRENCOR	R4,298	25%
ABERCOM	R4,269	77%
ANGLOVAAL	R4,253	56%
E L BATEMAN	R3,953	44%
BARLOW RAND	R3,692	9%
MALBAK	R3,690	73%
RAND MINES	R3,654	27%
PLATE GLASS	R3,511	14%
BEARES	R3,352	11%

Anglo American leads the league for directors pay. The 27 Anglo directors shared R9 million in 1986. That is R333,000 each per year, or R6,410 per week. Even this is just an average figure. Some of the directors, like Mr Relly, the chairman, get far more than this.

Also, directors get still more money from the shares they own in companies and from their "perks" - the special cars, houses, holidays and loans they get from the company. A British survey found that these non-cash benefits add another 40% to the earnings of most company directors.

Meanwhile, Mr Kent Durr, the deputy minister of finance, told a meeting in Cape Town that "more than 56% of South Africans live in households with a total income of less than R400 a month".

(Labour Research Service, P.O. Box 376, Salt River, 7925)