

# **Inclusion, Variation, Exemptions and Incentives: the current situation**

Shane Godfrey

Labour and Enterprise Policy Research Group

University of Cape Town

# Inclusion

- All 'employees' except SANDF (for LRA only), the two secret service agencies and the secret service academy
- The statutes cover 'employees' only.
- Amendment in 2002 to close loopholes that were used to treat employees as independent contractors
- Non-compliance – we do not know numbers

# Variation

- LRA – collective bargaining
- Bargaining councils – some sub-sectoral and geographical variation of wages
- BCEA – hierarchy of variation through different mechanisms: bargaining council agreement; sectoral determinations and ministerial determinations; collective agreements; individual agreement

# Exemptions

- LRA – Extension of bargaining council agreements goes with requirements regarding exemption systems
- Very high success rate for bargaining council exemptions – but this is no guarantee of compliance
- BCEA – Individual exemption system
- Initial capacity problems but improvement and rising success rate

## Bargaining council exemptions: 2010-2012

<b>Exemptions</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total applications	2872	2224	2973
Exemptions granted	2544 (88.6%)	1932 (86.9%)	2465 (82.9%)
Exemptions refused	231 (8%)	220 (9.9%)	479 (16.1%)
Exemptions withdrawn	62	59	20
Appeals	143	97	186

## Exemptions: 'Troubled BCs'

	<b>Total applications</b>	<b>Exemptions granted</b>	<b>Success rate (%)</b>
MEIBC	1419	1324	93.3
MIBCO	599	595	99.3
NBCCI	377	354	93.9

# BCEA/SDs: Individual exemptions

THE SUCCESS RATE OF EXEMPTION APPLICATIONS HAS INCREASED OVER TIME:

- 2002/3                    25% GRANTED
- 2003/4                    16% GRANTED
- 2004/5                    46% GRANTED
- 2006/7                    69% GRANTED
- 2007/8                    73% GRANTED