

# Working in the Fashion District

Working in the Fashion District of Inner City Johannesburg is not fashionable to the decent-work agenda, especially for workers in piecework cut-make-and-trim (CMTs) and those in survivalist CMTs, write **Katherine Joynt** and **Edward Webster**.


**F**actories in Inner City Johannesburg are generally linked to small, primarily domestic value chains. There are few production links from larger factories in the district to value chains or the micro-enterprises in surrounding areas. For the most part, factories in Inner City Johannesburg are neither export-oriented, nor are they linked to international brand names (with the exception of some

exporting links to other African countries such as Angola).

Many factories and cut-make-and-trims (CMTs) in the inner city produce corporate and marketing clothing, traditional African clothing and bridal wear, high-end fashion boutiques. The largest factories manufacture clothing for a large branding house which owns a number of retail chains, the Edcon group.

## ENTERPRISES AND WORKERS

Four main types of FPMs and CMTs were identified in inner city Johannesburg. These enterprises are categorised according to their links to the value chain (market access) and the conditions of work in these enterprises in the enterprise profile as illustrated in the table below:

Type of enterprise	Links to the value chain	Workers	Precarisation
1. FPMs	<ul style="list-style-type: none"> <li>- Connected to value chain</li> <li>- Receive regular orders from large retail chains, branding houses, designers and corporate companies</li> <li>- Registered and regulated</li> </ul>	<ul style="list-style-type: none"> <li>- Bargaining council wages</li> <li>- Regular working hours</li> <li>- Unionised</li> <li>- Mostly local workers</li> <li>- Standard Employment Relationship (SER)</li> </ul>	<p>Increasing precarity</p> 
2. Connected CMTs	<ul style="list-style-type: none"> <li>- Connected to value chain</li> <li>- Linked to a design house, designer or subcontracted by a larger FPM</li> <li>- Usually registered</li> </ul>	<ul style="list-style-type: none"> <li>- Bargaining council wages</li> <li>- Regular working hours</li> <li>- Not unionised</li> <li>- Local and foreign workers</li> <li>- SER</li> </ul>	
3. Piecework CMTs	<ul style="list-style-type: none"> <li>- Rely on irregular contracts for tenders</li> <li>- Registered/unregistered</li> <li>- Supply designers, small retail chains and corporate companies</li> </ul>	<ul style="list-style-type: none"> <li>- Paid per piece (piecework)</li> <li>- Irregular hours</li> <li>- Not unionised</li> <li>- Local and foreign workers</li> <li>- Casual employment</li> </ul>	
4. Survivalist CMTs and micro-enterprises	<ul style="list-style-type: none"> <li>- Detached from formal value chain</li> <li>- Supply small retail stores, street traders and individual customers</li> <li>- Unregistered and unregulated</li> <li>- Cannot access loans or tenders</li> </ul>	<ul style="list-style-type: none"> <li>- Poor irregular wages</li> <li>- Irregular hours</li> <li>- Not unionised</li> <li>- Mostly foreign workers</li> <li>- Casual employment, often with close-knit ties (family or friends)</li> <li>- Strong sense of entrepreneurship</li> <li>- Blurring of employer-employee relationship</li> </ul>	

Interviews with workers in these different types of factories and CMTs demonstrate that worker insecurity (the process of precarianisation) tends to increase from enterprise Type 1 to Type 4 as the enterprises become increasingly detached from the formal chain/s of production (as indicated by the arrow in table 1). Conditions of employment in Type 1: FPMs and Type 2: Connected CMTs are covered by the bargaining council, a statutory employer union body designed to set employment standards in the clothing industry.

The result is that these enterprises have more regular working hours and standard employment relationships SERs. We would locate the precariat in Type 3: Piecework CMTs and Type 4: Survivalist CMTs, as they lack employment security and enterprise benefits and are casually employed. In Type 3: Piecework CMTs, the individualisation of compensation through piecework erodes the sense of common worker interest. While the blurring of the employer-employee relationship in Type 4: Survivalist CMTs leads to a sense of workplace solidarity, it similarly erodes workers' sense of class opposition to the employer. The result is that trade unions have made little headway in these enterprises. Below is a description of the workers in each type of enterprise.

### TYPE 1: WORKERS IN FPMs

In recent years the number of full-package manufacturers (FPMs) operating in the Fashion District has decreased due to factory closures and relocations to areas where wage rates are cheaper (for example, rural areas within South Africa or Swaziland and Botswana). The remaining FPMs operate the entire manufacturing process of clothing, occasionally outsourcing parts of work to large CMTs when orders are too big to finish on time.

FPMs are well linked into the value chain for clothing, and are registered and regulated. However, since the value chain is buyer-driven,

FPMs are still controlled by the buyers (the branding houses, retail chains etc) and subject to tight competition. FPMs supply large retail chain stores, corporate companies and a few independent boutiques through large-scale tenders which they compete for based on quality, price, delivery time and design (often in collaboration with the branding company).

Most workers in these FPMs are unionised, work regular hours and are paid according to the bargaining council minimum wages. Nonetheless, many of the interviewees from these factories were disillusioned and frustrated with their wages which did not stretch far enough:

'I am looking to other less hectic things... here we run around like headless chickens and earn nothing'.

'There is not enough money... I have just been wasting my time for 19 years and still they have not changed my job as a machinist in the factory. I only realise I am wasting my time now'.

'I work only for food and transport. I cannot reach it all. I have worked in this for 15 years now and I do not even have my own house anymore. I can only afford to rent'.

This could be an indication that as the South African clothing industry shrinks with foreign competition, so does people's desire to work in the industry. It became apparent that many of the younger workers had recently begun working in the clothing factories and expressed the desire to move into different jobs when the opportunity arose:

'I am not going to work in this factory for many years. This is not my dream job and I am still young'.

'We get peanuts here and although it is better than nothing it is not enough. I am still young and I have got skills. I will move on'.

'This was fine for my mother in her age, but now the standard of living is higher and it demands more education and money. I must still finish matric - it is an obligation'.

Young people entering the labour market seem to have higher aspirations than to enter a demanding factory job with low pay and high levels of job insecurity resulting from factory closures and downsizing. Many of the women in their 40s and 50s working in the FPMs had worked in the same factory for up to 19 years performing the same job without opportunity for career advancement. A large part of this is because of limited opportunities in a relatively stagnant industry.

Despite the disillusionment, these workers have the most secure jobs in clothing enterprises in the Inner City of Johannesburg. Most of them said that it is difficult to find a job like theirs because there are so many people looking for jobs, and it would be difficult for them to lose their jobs. Five of the female workers interviewed had up to ten dependents because they were providing for their sister's children as well as their own, illustrating the pressure on these workers as the breadwinners for their households.

### TYPE 2: WORKERS IN CONNECTED CMTs

The second type of enterprises, Connected CMTs, are linked into formal clothing production chains. In all cases in the Fashion District, these CMTs were producing clothing for niche designer markets in South Africa, and in rare cases international markets (Maldives, Seychelles). Most of these CMTs had a built-in 'design house' component, which is where their competitive advantage lay. They were owned by South Africans or foreigners and hired both South African women and Malawian, Zimbabwean and Mozambican men. Most of these CMTs were registered.

The majority of the interviewees working in these CMTs were not unionised, but had regular hours, indefinite contracts and were paid similar or above the agreed bargaining council minimum wages. In these enterprises there was a

perception that belonging to the clothing union, Southern Africa Clothing and Textile Workers Union (Sactwu), was expensive, could make things worse and had not helped underpaid workers in clothing factories in the past. One worker, aware of the competition for stable jobs like hers said: 'I hold this job like eggs because I know that if I lose this job I am going to suffer.'

A designer working in a small CMT with its own retail outlet noted that 'you cannot start your own business because of the costs involved and it is tough to get into other businesses because the industry is still growing and there is a lot of competition'.

One worker who has been working in the clothing industry for 11 years said that previously it was easy to find a job and 'you could walk to the factory next door and find another job like yours if you did not like your job, but now it is so hard to find a job because everyone is looking'. This is an indication that the labour market is difficult to enter because there is a surplus of labour and a limited number of jobs available.

Workers in these enterprises were aware of the fact that China sets the price for clothing. Even if the prices of textiles, food, petrol and electricity had gone up, the sale price of the garment that their factory made would stay the same and therefore they said that they did not expect a wage increment from their bosses. Of particular concern was the high cost of transport, which is sometimes one-quarter of a worker's weekly wage.

The legacy of apartheid geography continues to separate places of work from places of residence resulting in heavy transport costs for many workers. One of the workers, who lives in Vereeniging, nearly 60 kilometres away, earns US\$51.25 per week. If she catches the train (a reportedly unreliable and dangerous mode of transport) she pays US\$15 per month. She gets into trouble at work if she is late and has her wages deducted because the trains often run late. If she catches the taxi it



*Woman factory worker in Johannesburg.*

costs her US\$5 per day (US\$25 a week, which is about half her weekly wage).

### **TYPE 3: WORKERS IN PIECEWORK CMTS**

The third type of CMT does not usually have a 'design house' component and relies on contracts for tenders from local designers, retail chains and corporate companies who award the tender based on fast turnaround times and good quality. Yet the tenders are much smaller than those for the FPMs and the pattern and material for the required clothing is provided by the buyer, making these enterprises CMTs, not FPMs.

Workers in these enterprises are not unionised. They are paid per piece, as a result their income and their working hours were irregular,

often working through the night to complete orders on time. One self-employed interviewee running a CMT said 'there is too much stress here. Sometimes we sleep here overnight when it is too busy but sometimes there is no business for the whole month'.

Both the owners and the majority of the workers in the enterprises in which we conducted interviews were males. The concentration of men is the result of relatively skilled foreign male migrants entering the South African labour market.

The foreign-owned, unregulated and non-compliant CMTs which pay their workers per piece are seen as unfair competition by compliant South African CMT owners. One local CMT owner (enterprise type 2) who complies with the set bargaining council minimum

wages indicated that he is battling to compete because he takes a 30% mark-up while these foreign-owned CMTs take a 100% mark-up on each garment because they pay their workers R15 per completed garment and receive R30 per unit from the customer.

Another challenge for many foreign workers in piecework and survivalist CMTs is that they live or work in the 'hijacked' buildings in the area. These buildings are easy to identify with their rundown facades peeling with paint, crumbling walls, broken windows and dingy entrances. Usually, the property owner has left the country and abandoned the building, neglecting to pay for electricity, water or maintenance.

Sometimes corrupt managing agents 'hired to squeeze out rents' collect huge profits by overcrowding rooms therefore accelerating the 'downward spiral of ruin and decay', says Murray. In other cases people 'hijack' the buildings by illegally charging unauthorised squatters rent if they want to stay in them. Along with this 'hijacking' comes a complex process of illegal ownership and control over these buildings.

Many of the people living in these buildings are undocumented foreign migrants who have been forced to migrate to South Africa to escape political turmoil and economic crisis in their home countries. Foreign migrants are attractive to employers because they are more vulnerable and are often more willing to work at lower wages with longer hours than local workers. A recent Medecins sans Frontieres (MSF) survey showed that 49% of the respondents in such buildings shared a toilet with over 100 people and 84.5% are living below standards of minimum crowding, pointing towards a health crisis in Inner City Johannesburg, which the survey links to high rates of skin and respiratory illnesses. MSF has identified 82 overcrowded buildings in Inner City Johannesburg in which an estimated 50,000 to 60,000 people, mostly foreigners, live.

#### TYPE 4: WORKERS IN SURVIVALIST CMTs

The fourth type of enterprise is detached from the formal value chain of production and is neither linked to a design house, nor to any tenders. These are the most common types of CMTs in the Fashion District. The majority of these survivalist CMTs were owned by foreign males, employed foreign males and housed in small rooms in high-rise buildings in the inner city. Although affordable, these rooms are cramped, stuffy and dimly lit.

Due to the fact that these CMTs usually had less than five people, closeness seemed to have developed between workers and their employer. When referring to the business, workers and the self-employed entrepreneurs who hire them spoke as though all of the people in the CMT made up a unit, which 'works as a community' to make profit and to help each other. One of the CMTs run by a Malawian male had five other male workers in it, all of whom were immigrant workers and friends. All of the workers received a wage, but the closeness of their relationship to their employer meant that contracts seemed unnecessary for employment security. None of these workers were unionised.

The customers of these enterprises are individuals. They either sell clothes through word of mouth, or through the small Pakistani clothing shops lining the streets of the Fashion District. One man who supports six dependents said: 'It is difficult. You have to sew and then go out there and talk-market yourself, in the hope of making a sale.'

One struggling entrepreneur was uncertain about his future noting that 'business is difficult and not his choice'. Two main reasons why these CMTs are unable to expand are because they are unable to register for Value Added Tax in order to obtain tenders and they are unable to obtain loans to expand their businesses. Both of these limitations were linked

to their status as foreigners, often undocumented. One Malawian man illustrated this sense of isolation when he remarked 'no one supports us - we are foreigners... we don't have the papers'.

The exclusionary power of authority, as demonstrated by lack of access to most formal banking services for foreigners and the abuse of this lack of access by police who often refer to foreigners as 'mobile ATMs', coupled with xenophobia from locals, gives foreigners 'a deep existential apprehension over the meaning of belonging' concluded Landau. This also explains the suspicion foreigners (especially undocumented foreigners) may have of trade unions in the workplace as an organisation which may bring them closer to the authorities.

Both the workers and owners of these enterprises make very little money, sometimes less than US\$31.25 per week. Considering that transport costs sometimes amounted to US\$15 a week, this is very low. However, many foreigners working in the industry live in the high rise buildings in Inner City Johannesburg rather than in townships on the outskirts of the city, therefore their transport costs were usually lower than those of local South Africans. On the other hand, local South Africans working in the clothing industry often have a pooled household income which also consists of social grants such as child, pension and disability grants. Foreigners do not have access to government social grants, which reduces their potential pooled household income. <sup>18</sup>

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