

# Joburg's inner city clothing workers

## A hidden world

Clothing workers in Johannesburg's inner city work under precarious conditions of low pay and are at the lower end of the industry, write **Eddie Webster** and **Katherine Joynt**.

**Y**au starts his day at 5am in Orange Farm where he catches a minibus taxi to go to work in inner city Johannesburg. Here, amongst fellow Malawian immigrants, he sews jackets in one of the small cut-make-and-trims (CMTs). Like many other CMTs housed in the cramped rooms of the dilapidated building where he works, Yau's CMT is struggling.

He makes an average of US\$50 per week to support his wife and child, US\$15 of which he uses for transport to and from work. The job does not entitle him to any benefits. Yau hopes that he will be able to access loans so that he can buy more material to establish his own business. But the enterprise is not registered and it will be difficult for him to obtain a loan.

This is the story of many people working in the clothing industry in inner city Johannesburg where competition is tight and customers are few. Some factory owners reminisce about the heyday of the district which was once a thriving hub for the clothing industry in South Africa.

Large Full Package Manufacturers (FPMs) which operated the entire manufacturing process of clothing dominated the industry and provided employment for thousands of machinists. Today, FPMs are few and the industry is decentralised,

with hundreds of small, unregulated and informal CMTs being common in the industry.

The CMTs and micro-enterprises which have multiplied in the inner city are either sub-contracted by larger factories or supply small retail outlets directly. Forced by international competition into the periphery of the industry, they operate in abandoned or hijacked buildings in South Africa's inner cities. The so-called 'Fashion District' in Johannesburg's inner city is one such example.

Johannesburg's inner city 'Fashion District' covers 34 blocks in the Johannesburg Central Business District (CBD) and consists of over 1,000 small and medium-sized enterprises, most of which are in the clothing industry. Visually, the district is vibrant and diverse.

In the countless small rooms in tall buildings, businesses range from informal driving school offices and nursery schools to traditional healers. There are also CMTs which sew custom-made garments, bridal gowns and traditional African dresses.

On the mosaic patterned pavements hawkers cook and sell food. Other activities include informal hairdressing salons that offer haircuts, people collecting paper for recycling and women who stuff cushions with mattress foam cut-offs.

Studies say the Fashion District emerged when the clothing industry moved away from its protectionist past towards a more open and integrated economy. From the 1960s to the late 1980s, the South African economy – including the clothing manufacturing industry – was insulated from the global market place.

The apartheid government had introduced a range of import substitution and policies aimed at developing the internal manufacturing industry. One of the main instruments was the use of tariffs. For the clothing and textile industries, high tariff walls effectively prevented imports penetrating the local market place or putting any pressures on local industry. Sanctions helped protect the industry too from global pressures.

In 1994, South Africa was signatory to the Marrakech General Agreement on Tariffs and Trade (GATT)/World Trade Organisation (WTO) agreement, where the country agreed to embark upon a massive liberalisation of tariffs on manufactured goods, including those of the clothing and textile sectors. Inefficiency and corruption in South Africa's customs administration intensified the impact of tariff liberalisation. Bennet says large quantities of clothing, mainly from the Far East and from the Southern



*Worker sews clothing in Mayfair.*

African Development Community (SADC) region, entered the country without any duties being levied at all, or without the relevant 'rules of origin' being adhered to.

As clothing and textile industries were previously amongst the most highly protected of South Africa's industries, enterprises faced intense pressure to become more competitive and cut costs.

An estimated 80,000 clothing workers lost their jobs in the 1990s as cheaper clothing and textiles were imported from East Asia.

Under the impact of liberalisation, labour's collective power was weakened by fragmentation of the labour market through decentralisation of production, casualisation, part-time work and the accompanying outsourcing of workers to a third party. Guy Standing has described this trend in the labour market as the growth of a precariat.

'Below the core are the new legions of the precariat', writes Standing, 'flitting between jobs, unsure of their occupational title, with little labour security, few enterprise benefits and tenuous access to state benefits. They include the more fortunate of the vast informal economy... (they) lack employment security, being in jobs usually regarded by employers as short-term or casual, and seen that

way by those doing the work. Often they have no employment contract, or if they do it is casual'.

Following the International Labour Organisation, we define work in the informal economy in terms of the precarious nature of the employment relationship. This includes not only self-employed workers but also casual, part-time, temporary and outsourced workers that could be employed in registered formal enterprises.

The main effect of the emergence of this precariat was to reduce wage costs, especially indirect costs, through the lack of benefits. As Castells and Portes argue, 'By lowering the cost of labour and reducing the state-imposed constraints on its free hiring and dismissal, the informal economy contributes directly to the profitability of capital'.

It also undermines, Castells and Portes continue, the power of organised labour in all spheres. These spheres include economic bargaining, social organisation and political influence. Undeclared, unprotected labour, small units of production, networks rather than socialised labour processes are also undermined. Other effects are homework rather than factories, unstable relations of production, multiple intermediaries between labour and capital, segmentation of labour along age, gender, and ethnic lines, and dependence of the job upon the absence of legal control.

All these factors, they conclude, 'contribute to the de-collectivization of the labour process and to the reversal of the material conditions that historically allowed the emergence of the labour movement as an organised force'.

It also, they argue, blurs class differences through the emergence of intermediaries. There are still exploiters and exploited, work authority relationships and submissive work, yet between the structural logic of production and appropriation of the product and the actual social organisation of

these processes, there are so many mediations that the experience of labour and the emergence of stable class positions do not correspond to each other anymore. Thus, the women sewing at home for a 'friend of the family' who is a middleman selling to a commercial intermediary of a large department store, cannot be socially equated, nor does she equate herself, with a garment-factory worker.

Finally, they argue, the diversity of working situations is generally reinforced by the specific characteristics of the workers who tend to be involved in the informal economy – women, immigrant workers, ethnic minorities and the young. Castells and Portes, note that 'It is in this sense that the process of informalisation tends to reinforce some specific social groupings that differ markedly from those associated with stable class lines'.

In this article we give background to the working conditions of the new informal proletariat – or precariat – that has emerged in the clothing industry in the inner city of Johannesburg.

Drawing on the results of in-depth interviews and non-participant observation, this article provides a portrait of work in the clothing industry in Johannesburg. We began our research in 2007 by interviewing 21 workers in different types of clothing enterprises in the inner city of Johannesburg.

In 2011 we revisited the site and conducted in-depth interviews with a further 18 workers. These face-to-face interviews were conducted at clothing factories and places where workers ate lunch. From the results of the interviews it was possible to establish workers' conditions of work according to different characteristics of their employment, regardless of whether they work in formal or informal enterprises. In addition a clothing enterprise profile provided us with a micro-level understanding of the shortcomings and advantages of different enterprises in the inner city.

## RESTRUCTURING AND CLOTHING VALUE CHAIN

According to Etienne Vlok before 1994 the clothing industry was highly protected, focusing on import substitution and predominantly producing low value-added clothing for the local market. With the ending of apartheid, and membership of the World Trade Organisation (WTO), the South African clothing economy was opened to international trade. During the late 1990s and early 2000s exports of low value-added products increased and the industry remained competitive against imports. In part this was the result of an undervalued rand and the incentives from the Duty Credit Certificate Scheme.

However, with the appreciation of the rand after 2002 and the influx of Chinese imports, the industry entered its third phase characterised by unprecedented job loss and reduction of production capacity. Currently the industry is battling to compete and maintain employment levels. The trend for global clothing production networks is that higher skill functions such as international branding houses are located in countries in the North, while low-skill functions such as CMT are generally located in countries in the South.

Global competition between different CMTs for tenders linking them into these global production networks is tight and usually depends on who can offer the most competitive price in relation to quality. This price hinges on the only flexible input; the cost of labour. In the global apparel industry costs of labour are a small proportion of the total costs in the production of clothing. On average wages constitute less than one-half of 1% of the retail price of branded sweatshirts.

In her assessment of the South African clothing sector, Miriam

Altman asserts that the South African clothing industry is unable to compete with cheaper Asian clothing imports on the basis of price. This is due to the low cost of labour in those countries and therefore the low cost of production with which they yield a competitive advantage.

While it is true that South Africa's clothing industry is battling to compete on the basis of low wages, the low prices of Chinese goods are also due to the fact that the textile and clothing industries in China receive generous state subsidies. According to studies about 32% of enterprises in clothing/textile industry in China in 2001 were state-owned with a growing trend of government spending and lending to combat the current financial crisis, while many private sector clothing factories receive tax subsidies, favourable input prices and preferential loans and grants.

Vlok further says South Africa's clothing and textile imports are growing significantly faster than its exports. China is the most important source of clothing imports making up about 74.3% of imports, while India makes up the second largest importer at 5.4% and Hong Kong third at 4.6%, while imports from other African countries are shrinking at the expense of regional development.


Official data underestimate the level of imports due to under-invoicing and other forms of illegal imports such as changing labels of origin. The level of illegal imports has been conservatively estimated at between 10% and 30% of total clothing and textile sales. According to Vlok 'even at 10% of domestic production this would amount to 15,000 jobs'.

In response to competition in international and local markets post-1996, many South African factories downsized through retrenchments or closed down

altogether. Other factories relocated, either to rural areas in South Africa where bargaining council wage rates are lower than in urban areas, or to countries such as Botswana where there are government incentives such as subsidised wages for the first five years and fabrics brought in from neighbouring countries are not charged import duty.

The largest clothing factory in Gauteng, which employed about 600 workers, moved to Lesotho in 2003 where, according to a factory owner 'there are no unions or any of that nonsense and wage rates are very low'.

Through the restructuring of the industry, the value chain for the production of clothing is becoming more and more decentralised, with retail chains and big branding houses controlling the network of links between small 'informal economy' CMTs, FPMs and 'formal economy' CMTs.

In conclusion, we argue that a four-tiered employment structure has emerged, with four main types of clothing enterprises in the area, each linked differently into the value chain for the manufacture of clothing, offering different working conditions and experiencing different challenges. The enterprises which offer the least security are survivalist CMTs in which the precariat, consisting of mainly foreign male clothing workers, work in enterprises that are the least connected to the value chain for the manufacture of clothing. We will explore the four-tier employment structure in the next issue. 

*Katherine Joynt is a Pbd candidate and Eddie Webster is professor emeritus in the Society Work and Development Institute at the University of the Witwatersrand. Part of this article was first published in the Journal of Workplace Rights.*