

Contract workers on a quest for security

Global pressures are undermining the wages and job security of Defy workers in rural KwaZulu-Natal. **Khayaat Fakier** looks at how these workers survive.



Under apartheid, employers were encouraged to relocate production to the 'border areas'. One such industrial site was Ezakheni, 20km outside Ladysmith on the edge of the former KwaZulu homeland. The government provided companies with subsidies and cheap labour.

Between September and December¹ last year, I conducted research among the 800 workers employed by Defy at Ezakheni. Globalisation and growing international competition in white goods, household appliances such as fridges and washing machines, threaten the security of Defy workers. To cut costs, about a third have been placed on short-term contracts (STCs).

Of the 19 Defy workers interviewed, nine of the ten on permanent contracts feel their employment is secure, even though five of them have previously been laid off. By contrast, the nine

workers on STCs were acutely aware of the threat to their jobs. As a result, they are actively seeking security by applying for full-time, stable jobs at Defy or with government departments or studying in the hope of becoming full-time. Above all, the search for security extends to a range of informal income-generating activities.

The interviewees were not a representative sample, but one can infer two different worker responses to global pressures. On the one hand, there are those in full-time work, who feel secure, belong to the National Union of Metalworkers of South Africa (Numsa) and engage in fewer non-wage activities. Then there are those on STCs who constantly feel insecure, feel they have to work harder, do not belong to Numsa, and are continuously looking for new job opportunities and other ways of generating income.

DIFFERENCES BETWEEN STC'S AND FULL-TIMERS

The wages of both full-time and STC workers at Defy cannot meet the basic needs of their households. Contract workers earn between R2 500 and R2 700 a month, with an average wage of R2 687. However, they work an average of nine months a year. This means that the average monthly wage of a Defy STC, spread over a year, is R1 943.50 (see table 1).

Compared with full-time workers (see Table 2) who work a full year with paid leave, the average income of STCs is R1 943.50 – R1 451,.86 less.

At first glance, the households of STC workers appear rather similar to those of full-timers in size and composition. Significantly, the households of both groups are quite large, with the average size, according to the 'strict definition'² for both groups, being more than 6,5 people. (The 'strict definition'

Table 1: Wage income of Defy STC workersAgriculture

Questionnaire weekly	Wage Income monthly	Wage Income per year	Working months over a year	Monthly income - DEFY
3	670	2 680	10	2 233.33
6	675.2	2 700.8	8	1 800.53
7	675.2	2 700.8	8	1 800.53
9	680	2 720	12	2 720.00
10	700	2 800	10	2 333.33
11	675	2 700	10	2 250.00
12	620	2 480	8	1 653.33
16	675.2	2 700.8	7	1 575.47
18	675	2 700	5	1 125.00
Average	671.73	2 686.93	8.67	1 943.50

Table 2: Wage income of full-time workers

Questionnaire	Wage Income weekly	Wage Income monthly
1	694	2 776
2	834	3 336
4	1 000	4 000
5	970	3 880
8	834	3 336
13	993.6	3 974.4
14	650	2 600
15	920	3 680
17	672.8	2 691.2
19	920	3 680
Average	848.84	3 395.36

of a household, used by Statistics South Africa, is “a group of persons who live together, and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.”)

However, if the household is taken as a unit where income is pooled and distributed, household size becomes much larger. For instance, if one adds non-family members, the average rises to 7,2 for STC households and 6,6 for households of full-time workers.

The livelihoods of especially STC workers are made more secure by the important contribution of older members, through pensions and care of children and the household they provide.

The overall household incomes of STC and full-time workers (Tables 3 and 4) differ significantly.

The difference in their monthly wages is 74%, falling to 66% if workers' additional income-generating activities are taken into account. STC workers bring in more money from outside Defy than full-timers.

The STC workers' sources of additional income are also much more varied. Most of the extra income available to full-timers comes from other household members, like partners or parents (an average of R1 305). STC workers also draw extra income from other household members (average R477), but most is generated through informal work (R502). Only one full-timer (Q05 – a herbalist) earns money through informal work. Five STC workers earn money through informal work, while pensions provide most of the

money coming from other household members³. Q3 has the highest total household income of all STC workers, from her work at Defy, selling clothes and shoes, a child grant and her parents' income grant. Q15, with the second highest household income of the full-time workers after the herbalist, generates R406 a month more than Q3 from his and his wife's salaries.

Old age pensions also make a significant contribution to the households of STC workers (shown in Table 3 by amounts in multiples of R780). Pensions, coupled with the child and domestic care older members provide, heightens their value to households. However, this leaves out of account what happens when older members become infirm. While the household continues to draw on their pensions, caring for the old adds an extra burden, while domestic and child care decline.

STC workers are clearly doing more to find security. They stretch their money and time to the limit. Hardly any other wage earnings come into their households, as Bridget Kenny in her study on Shoprite workers described, casual workers are most likely to be the primary wage earners, or part of a household with other casuals.

There are two significant differences between the monthly household expenses of STC and the full-time workers. Firstly, none of

Table 3: Household income of STC workers

Wage income	Additional Income							Total income
Q No	Monthly Wage	Renting rooms	Government Grants	Informal work	Source of other income	Other members contributing to income	Amount	
3	2 233.33		180.00	2 000.00	Sells shoes & clothing	Parents	1 560.00	5 973.33
6	1 800.53				-	Grandparents	1 560.00	3 360.53
7	1 800.53			500.00	Electrical repairs	Mother	780.00	3 080.53
9	2 720.00				-	-	-	2 720.00
10	2 333.33	100.00		720.00	Sells linen	Fiancé	400.00	3 553.33
11	2 250.00			800.00	Taxi driving brothers	Brother & sister	Not sure	3 050.00
12	1 653.33				-	-	-	1 653.33
16	1 575.47				-	-	-	1 575.47
18	1 125.00			500.00	Plumbing	-		1 625.00
Ave	1 943.50							2 954.61

the STC workers have personal loans they must pay off each month. Secondly, full-timers do not save at the same rate as those on STCs. The difference in average savings is significant. All the workers save each month, but STC workers' savings range from R400 to R1 500, while the savings of eight of the full-time workers range from R320 to R600. Only two full-timers, Q19 and Q15, save more - R800 and R1 200 respectively.

These activities relate closely to a strategy, as Jo Beale put it in an article on livelihood strategies, of 'living in the present while investing in the future'⁴. Poor people often cut their spending by doing without goods and services, while saving for all-too-frequent rainy days. This is illustrated by three STC workers (Q6; 9 and 11) whose wages cannot meet their basic needs, but who survive by 'limiting' themselves. STC workers say that when they are laid off, they survive on their savings, informal work and on unemployment benefits.

These workers have to spend on more than just their daily needs and

Table 5: Income and expenses of STC workers

	Defy wage income	Total	Total income	Total income expence	Defy Wage Total expenses Income less Total
3	2 680.00	5 973.33	4 080.00	1 893.33	-1 400.00
6	2 700.80	3 360.53	2 405.00	955.53	295.80
7	2 700.80	3 080.53	3 669.00	-588.47	-968.20
9	2 720.00	2 720.00	2 600.00	120.00	120.00
10	2 800.00	3 553.33	2 750.00	803.33	50.00
11	2 700.00	3 050.00	2 875.00	175.00	-175.00
12	2 480.00	1 653.33	2 170.00	-516.67	310.00
16	2 700.80	1 575.47	2 655.00	-1 079.53	45.80
18	2 700.00	1 625.00	2 370.00	-745.00	330.00
Ave	2 686.93	2 954.61	2 841.56	113.06	-154.62

savings. Significantly, STC workers give more money to household members, showing the extraordinary dependence of others on those in STC employment. Full-timers, on the other hand, give much more to people outside the household. Significantly, some workers send money to siblings, children or relatives in tertiary education.

In other words, workers who say their earnings cannot adequately support their needs 'invest' in

others. This is more than pragmatism with an eye to future returns - it is based on non-capitalist relations of obligation rather than reward.

Nevertheless, giving money to others further strains household budgets already under pressure from insecure employment. This is harshly illustrated by Tables 5 and 6, which list the total monthly income and expenses of Defy workers. The fact that money is distributed beyond one residence significantly

Table 4: Household income of full-time workers

Wage income	Additional income							Total income
Q No	Monthly Wage	Renting rooms	Government Grants	Informal work	Source of other income	Other members contributing to income	Amount	
1	2 776.00	200.00			-	Mother and brothers	1 200.00	4 176.00
2	3 336.00		700.00		-	-	-	4 036.00
4	4 000.00				-	Brother	150.00	4 150.00
5	3 880.00			1 000.00	Herbalist	Wife	2 300.00	7 180.00
8	3 336.00				-	Husband	3 000.00	6 336.00
13	3 974.40				-	Wife	2 000.00	5 974.40
14	2,600.00				-	Husband & mother-in law	1 300.00	3 900.00
15	3 680.00				-	Wife	2 700.00	6 380.00
17	2 691.20				-	-	-	2 691.20
19	3 680.00				-	Girlfriend	400.00	4 080.00
Ave	3 395.36						1 305.00	4 890.36

Table 6: Income and expenses of full-time workers

	Defy wage income	Total	Total income	Total income expense	Defy Wage Total expenses Income less Total
1	2 776.00	4 176.00	2 133.64	2 042.36	642.36
2	3 336.00	4 036.00	2 619.00	1 417.00	717.00
4	4 000.00	4 150.00	3 152.00	998.00	848.00
5	3 880.00	7 180.00	4 281.00	2 899.00	-401.00
8	3 336.00	6 336.00	2 750.00	3 586.00	586.00
13	3 974.40	5 974.40	1 083.00	4 891.40	2 891.40
14	2 600.00	3 900.00	2 180.00	1 720.00	420.00
15	3 680.00	6 380.00	2 720.00	3 660.00	960.00
17	2 691.20	2 691.20	3 070.00	-378.80	-378.80
19	3 680.00	4 080.00	2 840.00	1 240.00	840.00
Ave	3 395.36	4 890.36	2 682.86	2 207.50	712.50

increases household size. Contrary to the 'strict definition', the household size of Defy workers expands by at least one more person. This has implications for the amount of money at their disposal.

Table 6 shows that STC workers cannot survive on their wages alone. It also underscores the need for other forms of livelihood, which too often fall short of what is required. One can only explain how

these households survive by concluding that they are not saving money or must be running down their savings. These workers have to face the harsh reality of periods when they are out of work and have no savings to draw on.

Table 6 shows that the livelihoods of full-timers are far more secure. However, while in general they seem to make ends meet, there are also signs of severe

pressure. Five have been laid off in the past. While the white goods industry is under the pressures of globalisation. And they do not save regularly or take on informal work when laid off or placed on short-term contracts.

CONCLUSION

Basic to this study is a systematic comparison of two groups of Defy workers, those on STCs and those employed full-time. The purpose is to highlight the differences between the groups in wages, household income, household expenses, savings and money given to others.

The study shows how contract workers in rural industries do not earn a living wage. Increasingly they have to find work in addition to formal wage labour to supplement their incomes. Moreover, these workers are deeply embedded in poor communities, sharing their income with their large households. Low wages, therefore, affect everyone in society.

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