

South Africa: moving into the Fourth World?

In the previous *Labour Bulletin* (vol 23 no 6), Augustine Williams and Steven Hanival reported significant employment shifts and a growth of an informal sector in the textile, clothing and footwear industries. This, they argue, has been a result of the effects of globalisation on these industries. They go on to suggest that South Africa can use globalisation to its own benefit. I argue that the growth in the Informal sector in footwear has led, in certain instances, to the total informalisation of production and the introduction of flexibility in its extreme form where worker rights and benefits are eroded. My research confirms Castells and Portes argument that under the impact of globalisation 'the Informal economy simultaneously encompasses flexibility and exploitation, productivity and abuse, aggressive entrepreneurs and defenceless workers, libertarianism and greediness'.

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Above all, they conclude that 'there is disenfranchisement of the institutionalised power conquered by labour' (Castells and Portes, 1996:11).

Sarah Mosoetsa documents the total informalisation of production in the footwear industry and identifies implications for industrial policy and social security.

The informal sector has been widespread in Southern Africa for many decades. Much of this informal activity involves street selling - mainly of food, clothing and curios by women. In recent years, there has been rapid growth of sex work amongst women in the urban areas. Only an estimated 15-20% of informal sector work involves some form of manufacturing enterprise, and subcontracting seems to be less common in South Africa than elsewhere. In recent years, however, this has begun to change with the growth of industrial homework, especially in the clothing sector.

The footwear industry

I have chosen to focus on the footwear industry as it has been exposed to international competition during the last decade. According to the National Union of Leather and Allied Workers (NULAW) employment rates in the footwear industry has decreased from 25 931 employees in

1987 to 14 984 in 1998 (see table on p 11).

A decrease in production came with the decrease in employment. The union argues that production was at its peak in 1981 at 60 million pairs of shoes. It fell in 1998 to 29,9 million pairs, half of what it was in 1981. The reasons given by the union for the fall in production in the footwear industry were said to be:

- global competition;
- need for innovations and new technology;
- demands for a flexible labour market;
- liberalisation of the economy;
- the reduction of the workforce.

The managing director of the biggest shoe company in Pietermaritzburg stated that South Africa's footwear industry is not as unproductive as many have argued.

Output is high and productivity levels are also high. He argues that the industry is also not operating like that of India, where everyone is paid on a piecemeal basis and where there is child labour. In India, workers work an 80-hour week while South Africa workers work a 42-hour week. This might be the case in the formal sector where workers are protected by legislation. What about those in the informal sector?

The informal sector

Through systematic interviews among workers at Manchester Road, a small business and informal sector area for shoe factories in Pietermaritzburg, a different picture emerges. It is a picture similar to that of India. At face value, these factories are creating employment, especially for those who have been retrenched in the formal sector. However, what kind of jobs are being created? Are they permanent and secure jobs, similar to those offered in the formal sector? The answer I came to was not a positive one.

Women as stitchers

The first factory I visited was the biggest in Manchester Road - nearly a thousand employees. The factory is divided up into three sections: the leather cutting section, the glue or machine stitching section, and the shoe packing section. The biggest section of the factory is the glue and machine stitching section. Nearly all the employees in this section are women. They sit in rows facing their machines and the back of the person in front of them. Next to each worker there is an empty box to be filled with finished shoes. Supervisors walk around the factory and move boxes filled with shoes or parts of them. There are floor managers' offices inside the factory. It is from these offices that the floor managers are able to see what is going on in the factory.

There are score boards for every section of the factory. These score boards have targets for the day and the achieved scores for the day. There is no canteen and workers spend their tea time and lunch hour at their workstations. The workers belong to two unions. The majority union

Production and employment figures (1987-1998)

Year	RSA Production (pair million)	Employees	Pairs per Capita
1998	29,9	14 984	1 995
1997	36,5	16 992	2 146
1996	36,4	18 255	1 994
1995	42,7	21 899	1 948
1994	43,3	21 304	2 032
1993	45,3	21 523	2 105
1992	43,7	22 806	1 916
1991	52,6	25 985	2 024
1990	54,3	26 332	2 062
1989	61,7	27 535	2 241
1988	62,5	25 459	2 455
1987	61,0	25 931	2 352

(source: NULAW)

is NULAW (75%). SACTWU represents 25% of the workforce. The shopsteward told me that everything was fine and they were happy with how the factory was being run. I was also told that the factory outsources some tasks. But, I was not told that this was done a street away from the factory; I was not told the work was being done by women who had been retrenched from the factory two years before and that someone who was retrenched from the bigger factory also managed this new factory.

Smaller factory

The smaller factory has no machines in it - it is just an empty hall with chairs and small tables. The factory has many boxes of shoes and women sit in groups stitching shoes and talking to each other. There is no supervision and some women walk outside the factory with unfinished shoes. All the women in this factory had been retrenched from the larger factory.

They sit and work on old paint tins on the pavement outside the factory. They have no shelter from the sun, rain or cold.

They had been told by management that they were being retrenched because business was bad and the factory could no longer afford to pay them. One woman told me: 'I was promised my job back as soon as business gets better and I did get it back.'

The smaller factory re-employed all these women as stitchers, but they no longer have worker benefits. A woman who was retrenched and then re-employed after a few months said: 'I was happy to get my job back. I didn't even care that I was not going to work in the old factory. I was glad that I was going to

have money to buy my children food and clothes.'

Another woman was happy to have her job back but did not like the new conditions: 'I was happy to get my job back but I didn't know things would be different. I no longer have a union to protect me and I am not earning the same wage. My family barely survives on the little I get.' Another said: 'It is tough in this world. There are no secure jobs anymore. Therefore, we must take what we are given.'

There are some workers who have recently been employed because there were more shoes to be stitched. These women were recruited by their sisters or aunts who were already working for the factory. They were also taught how to stitch by their sisters and aunts.

On the street

At the next factory I visited, four women are employed as machinists. Forty other women are employed as stitchers by the same larger factory I had visited earlier - but they work outside the premises of the factory. They sit and work on old paint tins on the pavement outside the factory. They have no shelter from the sun, rain or cold. Without talking to them, you wouldn't even know what factory they were working for. They can be dismissed and hired at the same speed. They work in groups of eight and are paid per shoe, on a piecemeal basis. The shoes range from 50c to R1,80. They don't have fixed hourly rates - it depends on the number of shoes they are given to stitch that day and the price of the shoe.

It is very difficult to calculate what they earn on an average day as they are entirely dependent on the number of shoes given to them. On some days they get very little work and will sit waiting the whole day for shoes to stitch. When I asked them



Women footwear workers working on the street struggle to survive.

what they earned the day before, it averaged R15.

These women are between the age of 23 and 35 and have, on average, three dependants. They belong to households where they are the only source of income. One woman said: 'I am staying with my husband who is unemployed. This means that I am the only one who pays rent and buys food. I am also expected to send money home for the children and our parents, every month.'

All of these women are from the rural areas and had left home because they need money for their households. They came to the town because they need factory work. They have all been in a number of jobs in Pietermaritzburg, some in shoe factories as stitchers. Their factories closed down or they were retrenched or 'unfairly' dismissed. The one woman was dismissed from her job

because she had been sick for a long time. She said: 'I was sick for a week and when I came back to work I was told that my job was given to someone else.' Some women worked what they called 'piece jobs' and came to work in a factory because they thought it offered more money.

When I asked about their working conditions, the woman said to me, 'raining or shining we work under these trees. Every morning we queue next to that barred door like animals waiting for food. I come to work at 7am and leave at 6pm, sometimes even much later. It all depends on when the order is needed. I don't even have a proper chair to sit on.' Another one said: 'My wish is to get another job at the factory next to the one I am working for now. I know I will not have to come to work on weekends and I will get a regular salary.'

Another woman said: 'The boss does not know our names. He only speaks to us

when we collect the shoes or the money at the end of the day. We are treated differently from those ladies working inside the factory. They have fixed working hours. They don't have to come to work on weekends or come to work and not find work. The other day we were here for the whole day but only worked for four hours. Today it's 9am and we have finished what we were given. Hopefully some more will come during the course of the day.'

Labour legislation

According to these women, neither the unions nor the government protects them. When inspectors come to Manchester Road their boss tells them to hide away. 'Our boss often says, "these guys are not supposed to see you here and if they do you must not tell them you are employed in this factory"'. When I asked why they hide one woman said: 'This is the only source of income in my family. So I must not do anything that will make me lose it.'

They are an example of what Castells calls the socially excluded. They illustrate the erosion of the hard won rights of workers in the footwear industry...

The question then arises - how effective is government's implementation of labour legislation for informal sector workers? According to these women, it has not been effective. The implementation of labour legislation by government has been hampered by employers' deliberate evasion. The successful implementation of labour legislation not only rests with government but with trade unions as well. However, for the women on Manchester

Road, not much work has been done by trade unions to organise and protect them.

Conclusion

Castells (1998:73) has argued that the rise of informational capitalism is intertwined with the rise of inequality and social exclusion throughout the world. Social exclusion, he argues, is 'the process by which certain individuals and groups are systematically barred from access to positions that would enable them to an autonomous livelihood'. Such a position, he continues, 'is usually associated with the possibility of access to relatively regular, paid labour, for at least one member of a stable household'. He goes on to identify Africa as the central area of social exclusion, or what he calls, 'the fourth world'. Will, South Africa, he asks, be pushed toward the 'abyss of social exclusion' as it faces the harsh competition of the new global economy?

In this article, I identified the emergence of a new form of casual work. What is distinctive about this case is the emergence of informal sector workers in manufacturing enterprises - but not as 'home-workers'. Instead they work in the open, without any cover and in highly precarious employment. They are the sole breadwinners in their households, yet they do not have regular paid employment. They are an example of what Castells calls the socially excluded. They illustrate the erosion of the hard won rights of workers in the footwear industry, a process identified in mining and the retail sector.

What are the policy implications of my findings? Clearly further research is necessary before any generalisations can be made, but my study confirms Hanival and Williams' argument that while the informal sector provides work, one should not romanticise life in the informal sector. They conclude, 'that for many working in



Employment shifts have occurred in the textile industry.

the informal sector, both as employers and employees, day-to-day life is more about survival than enjoying the fruits of being an entrepreneur'. They go on to identify the advantages and disadvantages of this form of employment but they make no policy recommendations.

As Webster and Bezuidenhout recently argued, under international competition an increasing number of working people are at risk of being socially excluded. Policy-makers do not only have to take forms of poverty into account, but also have to be proactive in an understanding of which segment of the population is vulnerable to social exclusion. My research points to one vulnerable segment of the workforce – the footwear sector. What is needed now is a systematic identification of those segments of the workforce that are at risk. Policy measures need to be put in place that provide the vulnerable with access to assets that prevent exclusion.

This requires a proactive industrial policy and a comprehensive social security system including the idea of a basic incomes grant. The alternative is the rapid entry of South Africa into the fourth world. ★

References

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