

**The Nature of Informal Clothing Manufacturing in a Residential Area:
The Case of Chatsworth**

Melissa Ince

University of Natal, Durban

October 2003

Submitted in partial fulfilment of the requirements for the degree of Masters of Social Science, in the School of Development Studies, University of Natal, Durban.

Declaration

This dissertation represents the original work of the author and has not been submitted in any other form to another university. Where use has been made of the work of other authors and sources, it has been accordingly acknowledged and referenced in the body of the dissertation.

The research for this dissertation was completed in the School of Development Studies at University of Natal, Durban. Research was undertaken under the supervision of Ms. Caroline Skinner during the period November 2002 to April 2003.

Opinions expressed and conclusions attained are those of the author and are not necessarily to be attributed to the School of Development Studies.

Acknowledgements

I am extremely grateful to a number of people who helped ensure that this dissertation was complete:

- To all respondents and key informants, this dissertation would not have been possible without your help.
- To my supervisor, Caroline Skinner, for her guidance and support throughout the process.
- To my Mom, Dad, Melashen, Merrill, Merlin and Mason for all their love and support.

CHAPTER ONE: INTRODUCTION	4
CHAPTER TWO: CHANGING CONCEPTUALISATIONS OF THE INFORMAL ECONOMY	6
2.1 DEFINING AND CONCEPTUALISING THE INFORMAL ECONOMY	6
2.2 THEORETICAL TRADITIONS ON THE INFORMAL ECONOMY	10
2.3 THE SECTORAL APPROACH AND THE COMMODITY-CHAIN APPROACH	11
CHAPTER THREE: CHANGING TRENDS IN THE CLOTHING INDUSTRY – GLOBALLY AND NATIONALLY	14
3.1 THE CLOTHING INDUSTRY – A GLOBAL VIEW	14
3.2 THE SOUTH AFRICAN CLOTHING INDUSTRY	19
3.2.1 <i>The South African Clothing Industry – A Brief History</i>	19
3.2.2 <i>The South African Clothing Industry – Post-Liberalisation</i>	20
3.2.2.1 Informalisation in the Clothing Industry	24
3.2.3 <i>Informal Clothing Manufacturing in South Africa</i>	25
CHAPTER FOUR: METHODOLOGY	29
4.1 KEY INFORMANT INTERVIEWS	29
4.2 INTERVIEWS WITH INFORMAL CLOTHING MANUFACTURERS	29
4.3 THE SAMPLING STRATEGY AND NEGOTIATING ENTRY TO WORKERS	30
4.4 DESCRIPTION OF RESEARCH TOOLS	31
4.5 DIFFICULTIES EXPERIENCED DURING THE FIELDWORK	31
4.6 BIASES	32
CHAPTER FIVE: CHATSWORTH AND INFORMAL CLOTHING MANUFACTURING IN CONTEXT	33
5.1 CHATSWORTH IN GENERAL	33
5.2 INSTITUTIONAL LIFE IN CHATSWORTH	34
5.3 INFORMAL CLOTHING MANUFACTURING IN CHATSWORTH	35
5.3.1 <i>Different Forms of Employment Relationships in Chatsworth</i>	36
CHAPTER SIX: EMPLOYERS AND SELF EMPLOYED CLOTHING OPERATORS IN CHATSWORTH	37
6.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS	37

6.2	DIFFERENT FORMS OF EMPLOYMENT CATEGORIES IN CHATSWORTH.....	37
6.3	EXPERIENCE OF EMPLOYERS AND SELF EMPLOYED OPERATORS IN INFORMAL CLOTHING MANUFACTURING IN CHATSWORTH.....	38
6.3.1	<i>Their work</i>	38
6.3.1.1	Supply, Production and Retail	38
6.3.1.2	Conditions of Work.....	39
6.3.1.3	Problems Experienced	40
6.3.2	<i>Their workers</i>	40
6.3.3	<i>Linkages to the Formal Economy</i>	41
6.3.4	<i>Other Work</i>	41
6.3.5	<i>Organisational Framework</i>	41
6.3.5.1	Relationship to Organisations	41
6.3.6	<i>Institutional Environment</i>	42
6.3.6.1	The Role of the State.....	42
6.4	HOW HAS THE EXPERIENCE OF INFORMAL OPERATORS CHANGED OVER TIME?.....	42
6.4.1	<i>Previous Work Experience</i>	42
6.4.2	<i>How did people begin manufacturing informally in Chatsworth?</i>	42
6.4.3	<i>Changing Nature of Work</i>	43
CHAPTER SEVEN: INFORMAL CLOTHING WAGED WORKERS IN CHATSWORTH.....		44
7.1	DEMOGRAPHIC CHARACTERISTICS OF WORKERS.....	44
7.2	EXPERIENCE OF WAGED WORKERS ENGAGED IN INFORMAL CLOTHING MANUFACTURING IN CHATSWORTH.....	44
7.2.1	<i>Their Work</i>	44
7.2.1.1	Supply, Production and Transferring of Goods	44
7.2.1.2	Conditions of Work.....	46
7.2.1.3	Problems experienced at work.....	49
7.3.2	<i>Linkages to the Formal Economy</i>	49
7.3.3	<i>Organisational Framework</i>	51
7.3.3.1	Relationship with Organisations	51
7.3.3.2	Workers Relationship with the Union.....	51
7.3.4	<i>Institutional Environment</i>	53

7.3.4.1	Relationship with the State / What Should the Government do?.....	53
7.3.4.2	The Department of Labour in Chatsworth	53
7.4	HOW HAS THE EXPERIENCE OF WORKERS CHANGED OVER TIME?	54
7.4.1	<i>Previous Working Experience</i>	54
7.4.1.1	Working in Formal Clothing Firms	54
7.4.1.2	Other forms of work experience	56
7.4.2	<i>How people began working in informal clothing manufacturing?</i>	56
7.4.3	<i>What are people doing now?</i>	57
7.4.4	<i>Changing Nature of Work</i>	58
CHAPTER EIGHT: CONCLUSION		60
REFERENCES.....		64
LIST OF INTERVIEWS CONDUCTED		69
APPENDIX ONE - INTERVIEW SCHEDULE FOR WORKERS IN CHATSWORTH.....		70
APPENDIX TWO: TYPOLOGY OF CLOTHING FIRMS OPERATING IN THE DURBAN UNICITY AREA AND SURROUNDS.....		74

Chapter One: Introduction

As many commentators (Adelzadah, 1996; Padayachee and Michie, 1997; Valodia, 2001) have noted, South Africa's first democratic government embarked on a process of rapid integration into the global economy. Simultaneously, with the enactment of legislation like the Labour Relations Act (1995) and the Basic Conditions of Employment Act (1997), a relatively progressive labour regime has been established. The clothing industry, a particularly labour intensive industry, has since 1995 been rapidly exposed to international competition and so provides an interesting case of the interface of these two processes.

Rogerson (2002), in his comprehensive review of research on clothing and footwear industries in South Africa, notes that South African manufacturers have employed a range of new strategies to deal with greater competition and changing market conditions. These strategies have included changes in the organisation of production where more work is being outsourced, casualised and informalised. From Rogerson's review it is clear that research thus far has tended to focus on the formal industry. Further, Rogerson (2002: 30) highlights, "there is a need for additional investigations into the common processes of informalisation and flexibilisation which are re-defining the nature of work in both clothing and footwear and especially for women workers". It is this research gap that this dissertation aims to address.

More specifically whilst research has been conducted on informal aspects of the clothing industry, the experience of workers has not been engaged with in great depth. Further little work has been done on the dynamics between the formal economy and the informal economy and there has been little examination of the nature of informal clothing manufacturing in residential areas.

This dissertation attempts to address the gaps in research by examining informal clothing manufacturing in a residential area -Chatsworth- and by explicitly focusing on the experience of people engaging in this type of activity. Chatsworth, a township south of Durban that was created in the 1950s, was chosen, as historically it has always been an area that has been a major source of labour for the clothing industry.

With increasing retrenchments in the formal industry, this area has become a hub of informal clothing activity in the Durban area.

The research will consider workers' experiences and will aim to understand how the nature of their work has changed over time. By engaging with workers' experiences, it will be able to explore the present conditions under which workers operate. This will include their work hours, remuneration, stability of their income and the environment in which they work. There will also be an examination of whether/how these workers are linked into relationships with formal firms. It will also examine the institutional context in which workers find themselves. Moreover by examining workers experiences over time, workers can be viewed less statically and the movement of workers into different forms of employment can be discerned.

Having identified the research gap in chapter one, chapter two considers the theoretical/conceptual framework used in this dissertation. Issues such as the changing definition and conceptualisation of the informal economy and the theoretical traditions of the informal economy are examined. Chapter three examines the changes that have occurred in the clothing industry both globally and nationally and further explores the gaps in the research. Chapter four describes the methodology where the research process and research tools are discussed. In chapter five, there is a general discussion on Chatsworth and on informal clothing manufacturing in Chatsworth where respondents are differentiated into employers, self employed operators and waged workers. The experiences of employers and self employed operators are discussed separately in chapter six and chapter seven examines the experiences of waged workers. Both chapters first examine the current experience of respondents. Thereafter they look at workers previous experiences and examine how this has changed over time. Chapter eight contains the conclusions of the dissertation; policy recommendations and future areas for research are also discussed.

Chapter Two: Changing Conceptualisations of the Informal Economy

The concept of the informal economy is inherently complex for as Castells and Portes (1989: 11) observe, “the informal economy simultaneously encompasses flexibility and exploitation, productivity and abuse, aggressive entrepreneurs and defenceless workers, libertarianism and greediness”. The concept of the informal economy has been described as being “exceedingly fuzzy” (Peattie, 1987: 851), yet it is a concept that still remains in use (Skinner, 2002). This chapter reflects on the theoretical framework in which this dissertation is located.

The chapter starts by discussing the conceptual and definitional problems concerning the informal economy. It will examine how conceptually the phenomenon has shifted from being described as an informal “sector” to the informal “economy” to being considered as a process of informalisation. Thereafter the theoretical traditions of the informal economy are reviewed focussing on the neoliberal approach and the structuralist approach. It will be argued that the structuralist approach is well suited to capturing the complex nature of the informal economy. Subsequently the sectoral approach and the commodity-chain approach are discussed. It is argued that the commodity-chain approach it is well placed to examine the linkages between the formal economy and the informal economy.

2.1 Defining and Conceptualising the Informal Economy

Attempts to define the informal economy have been likened to being engulfed in a “conceptual swamp” (Peattie, 1987: 851). Part of the definitional problems may be associated with the diversity and heterogeneity of the informal economy, thus making it difficult to define all its parameters. Also, as it is a dynamic phenomenon (Skinner, 2002), descriptive definitions may become obsolete as the phenomenon changes. Despite the problems defining it, Skinner notes that there is a common factor in all attempts at defining the informal economy and this is “that these are economic activities which are small scale and elude certain government requirements” (2002: 4-5).

For Castells and Portes, the informal economy is seen as a process whereby people generate an income and it is distinguished by one significant characteristic: “it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated” (Castells and Portes, 1989:12). Therefore defining what is informal or formal does not completely depend on the nature of the final product. Rather it deals with means whereby the commodity is produced and exchanged (Castells and Portes, 1989: 15). Therefore licit commodities such as food and clothing can be traded or manufactured in a way that is illicit (outside the purview of the rules and regulations) and it is thus an informal activity. For Castells and Portes (1989: 15) informal activities proper refers to “the unregulated production of otherwise licit goods and services”.

However, even though some commonality may be established between various definitions, problems still persist depending to whether reference is made to the informal ‘sector’ or the informal ‘economy’. Reference to the informal ‘sector’ has the implication that it is just one part or segment of the economy. Thus one loses a sense of the diversity of the phenomenon, which includes a variety of work activities in various industries of the economy (Skinner, 2002). Moreover, the implication that it is a section of the economy suggests that there is a clear division between formal and informal activities. However it has been empirically demonstrated that there are numerous linkages between the formal and informal activities (Castells and Portes, 1989; Skinner, 2002). As Fernandez-Kelly and Garcia (1989: 251) note, there is no strict boundary between the two and “they appear to be divided by a highly porous membrane”. This is considered to be the case as people may move between formal and informal activities and as formal firms may employ some workers informally (Castells and Portes, 1989; Fernandez-Kelly and Garcia, 1989). In the latter case these workers are linked into the formal economy through the work that they do and the products that they manufacture as this will go to be sold in the formal economy.

If reference is made to the informal ‘economy’, some of the problems are overcome (Skinner, 2002). The informal ‘economy’ gives a sense of a diversity of activities, found in different sectors and industries (ILO, 2002; Skinner, 2002). Moreover, “if both formal and informal activities are seen as part of the economy we are better able to see the linkages between the two” (Skinner, 2002: 5).

However, the term informal economy “still implies a static rather than a dynamic analysis” (Skinner, 2002: 6). For Meagher, informality has been re-conceptualised from being a marginal sector to viewing “informalisation as a process” (1995: 260). There are differences though with regard to what informalisation means for whilst some see it as “an essentially market-led response to economic crisis” (Meagher, 1995: 260), others analyse “informalisation as a socio-economic and political process” (Meagher, 1995: 260). Despite the differences though, it is this conceptualisation that gives one a sense of the dynamic nature of informal activity and this allows the debate to move beyond examinations of “where formal becomes informal and vice versa” (Skinner, 2002: 6).

The changing conceptualisation of the informal economy can be seen in context of changing social and economic environments. The informal economy has steadily increased and grown and although the reasons for this expansion differ from one context to another, there are some important factors to consider (Carr and Chen, 2002). Of great significance is the “globalisation of the world economy” (Carr and Chen, 2002: 2). In order to remain competitive or to increase their competitiveness, work is being subcontracted to the informal economy and more informal work arrangements are being pursued (Carr and Chen, 2002; Chen, 2001; WIEGO, 2001). Economic restructuring and economic crisis also plays a significant part in the growth of informality (Carr and Chen, 2002). This occurs as those that are retrenched from the formal economy begin to engage in informal activity (Carr and Chen, 2002). Moreover, in periods of economic crisis, people take on informal work in order to increase their formal sector income that has been reduced by inflation (Carr and Chen, 2002). All these factors increasingly point to a process, there is a sense of movement and change: people move from formal employment into informal employment as they are retrenched, people may move from formal work arrangements to informal work arrangements as firms reorganise work in order to remain competitive and people may engage in both formal and informal work in order to improve their incomes.

Whilst the conceptualisation of the informal economy has changed, so has its definition, as it becomes important to capture diversity and the dynamic nature of the informal economy.

In the 1970s, the International Labour Organisation's (ILO) defined informal activities "as a way of doing things, characterised by –

- a) ease of entry
- b) reliance of indigenous resources
- c) family ownership of enterprises
- d) small scale of operation
- e) labour intensive and adapted technology
- f) skill acquired outside of the formal school system; and
- g) unregulated and competitive markets" (Bangasser, 2000:10).

Today, the ILO's description of the informal economy addresses the concerns highlighted above and is less restrictive and it is described as accommodating "considerable diversity in terms of workers, enterprises and entrepreneurs" (ILO, 2002: 5). Further, it is seen to refer to "all economic activities by workers and economic units that are – in law or practice – not covered or insufficiently covered by formal arrangements" (ILO, 2002: 5). Thus, we see a shift towards capturing the heterogeneity of the informal activities and emphasis on the regulatory framework in which those activities occur. There is also a shift from an enterprise-based definition¹ to an employment-based definition.

Building on an employment-based definition of informal work, Carr and Chen (2002: 4) identify three main employment categories: employer, self-employed and wageworkers. There are in turn subcategories for each type of employment: employers include owners of informal enterprises and owner operators of informal enterprises, the self employed include owner account workers, heads of family businesses and unpaid family workers and waged workers include employees of informal enterprises, casual workers without a fixed employer, homeworkers,

¹ It is important to note that statisticians still tend to use the enterprise-based definition. The definition that has been adopted by the 15th International Conference of Labour Statisticians (ICLS) only has one sub-category of informal waged workers, which are those that work for informal operations (Carr and Chen, 2002). In the ICLS definition, countries are left to decide whether to include domestic workers or those working in agriculture.

domestic workers, temporary and part-time workers and unregistered workers (Carr and Chen, 2002: 4).

The employment-based definition includes “all non-standard wage workers who work without minimum wage, assured work, or benefits, whether they work for formal or informal firms” (Carr and Chen, 2002: 4). This definition is preferred as it is broader and is able to capture those that are working in informal arrangements but are being employed by formal firms. This broader definition is also complementary to conceptualising informalisation as a process, as it is able to capture people working in a wide range of work arrangements.

2.2 Theoretical Traditions on the Informal Economy

Broadly, there are two traditions associated with the informal economy, that is, neo-liberal and structuralist (Skinner, 2002). The neo-liberal approach (typified by the works of Hernando De Soto and promoted by institutions like the World Bank) maintain that informality is mainly caused by “excessive state regulation” (Meagher, 1995: 263). Therefore it is contended that the informal economy can play a significant economic role and it can be promoted through “the standard free market prescriptions of economic deregulation, and the provision of necessary infrastructure (De Soto and World Bank in Meagher, 1995). In many respects though, the neo-liberal approach does not conform to the reality of the concept of the informal economy. The informal economy is viewed to be separate from the formal economy and there is also a disregard for the linkages that the informal economy has with the formal economy (Meagher, 1995). Moreover, there is no examination of class relationships within the informal economy and the approach also does not recognise the heterogeneous nature of the informal economy; “[the informal economy] is invariably represented as an undifferentiated collection of dynamic small-scale entrepreneurs” (Meagher, 1995: 263).

This research will be informed by the “structuralist approach” or the “underground economy approach” (Meagher, 1995; Rakowski, 1994). Here the informal economy is examined as a **process** that has emerged from a historical background. This emphasis on understanding the informal economy as a process has led some to refer to

the approach as the informalisation approach (Meagher, 1995, Skinner, 2002). The informal economy is not a peculiar and unique occurrence of our time but it is a phenomenon that has been defined by different social, historical, political and economic contexts (Castells and Portes, 1989).

According to the structuralist approach, there are also special characteristics of informal labour. Those who work in the informal economy seem to be disposed to certain characteristics, which can be collectively called *down-graded labour* (Castells and Portes, 1989). People accept low wages, no benefits and poor working conditions because they are vulnerable and have limited options. The informal economy is able to operate because people are vulnerable. Their vulnerability is related to certain social attributes, which make them easy targets for firms to ‘control’ their labour. This could occur with migrants and with any other social groups that have been stigmatised such as ethnic minorities and women and thus they become likely candidates for homework and casual work (Castells and Portes, 1989).

The structuralist approach provides us with a comprehensive and critical perspective on the informal economy. It does not dismiss the informal economy as a marginal phenomenon but instead it examines the dynamics of the informal economy, its linkages to the formal economy and its contribution to the economy. Nor does it simply view the informal economy as the panacea for poverty and unemployment; the approach considers class struggles and the uneven economic effects of informal activity (Rakowski, 1994). Moreover, this approach provides a platform from which to analyse the role of the state, the role of social networks and “differentiation and characteristics of informal labour” (Skinner, 2002: 8).

2.3 The Sectoral Approach and the Commodity-Chain Approach

There is a trend in the informal economy literature (Chen, 1996; Carr and Chen, 2002) to approach the informal economy sectorally. According to Skinner (2002: 10), those that have used this approach divide the economy into different industries or sectors with each industry or sector having both a formal and informal end. Skinner goes on to note, “on this continuum there will be a variety of employment relations and contracts”. Thus with regard to the clothing industry, one would find formal factory

employment where workers receive benefits on one end and on the other end one would find a self employed worker, where all the risks are carried by the worker. This approach is also useful in understanding the linkages between the informal economy and the formal economy.

Drawing on the sectoral approach, informal economy research is increasingly making use of the commodity chain approach (McCormick and Schmitz, 2001). According to Gereffi (1999: 38), “a commodity chain refers to the whole range of activities involved in design, production and marketing of a product”. Gereffi (1999) distinguishes between producer-driven and buyer driven commodity chains. In the former, it is mainly large manufacturers that play the major role in the coordination of production networks that include forward and backward linkages (Gereffi, 1999). It is “characteristic capital- and technology-intensive industries industries” (Gereffi, 1999: 41). Buyer-driven commodity chains “refers to those industries in which large retailers, branded marketed, and branded manufacturers play the pivotal roles in setting decentralized production networks in a variety of exporting countries, typically located in the Third World” (Gereffi, 1999: 41-42). The clothing industry is considered to be a typical example of this, as there is global sourcing through a range of organisational channels such as large discount chains, branded marketers and specialty stores (Gereffi, 1999).

Despite the criticisms of the approach, it is considered to be useful in some respects (Skinner, 2002). It allows one to trace the range of activities in production from initial conception to final consumption. It can also be used by researchers to create value chain maps that can assist in illustrating the effect of change at various parts in the chain (Skinner, 2002). In South Africa it has been used to examine the motor and furniture industries, but has not thus far been used to understand the “dynamics within the informal economy and its linkages between the formal and the informal economies” (Skinner, 2002: 12).

McCormick and Schmitz (2001) argue that this approach is useful for examining how workers in the informal economy and firms are connected in different points of the chain and thus it is considered to be useful in recognising appropriate pressure points along the chain so that the circumstances of workers can be improved. However

Skinner (2002) contends that there are potential biases in the commodity chain approach as it is traditionally applied that need to be highlighted as one tries to adapt the approach to understand the informal economy. Hence the framework needs to be extended to make it more effectual in understanding the informal economy.

Skinner (2002) notes four issues that require attention. Firstly, in terms of understanding the changing conditions of work and dynamic linkages between the formal and the informal economies, different issues should be examined such as changing working conditions in the formal economy, and the institutional framework that may have an impact on these changes. Secondly, it is important to consider whether informal workers are organised and the nature of this organisation and how this impacts on the structure of chains. Thirdly, the role of the state in influencing commodity chains needs to be examined. Lastly, whilst there is recognition of the linkages between the informal economy and the formal economy, the approach does not consider the dynamic nature of the informal economy, especially with reference to workers. It does not recognise the process whereby workers from the formal economy come to work informally. This expansion of the commodity chain approach critically informs this research.

By locating the research within the structuralist framework, expanding on the commodity chain approach and by approaching issues sectorally, emphasis has been placed on the linkages and dynamics between the formal economy and the informal economy, the conditions experienced by the workers, the changing nature of work and the role of the state and other institutional actors. Thus this marriage of approaches is well placed to examine the research questions posed in this dissertation.

Chapter Three: Changing Trends in the Clothing Industry – Globally and Nationally

Whilst this dissertation is located in one specific area, those working in Chatsworth must be seen in the context of changes that are occurring nationally in the clothing industry. Moreover the changes being experienced in South Africa cannot be viewed in isolation from what is happening globally. Thus this chapter will firstly briefly examine the international context of the clothing industry, changes that have occurred, the ways in which manufacturers have dealt with the changing market conditions and the experience of different countries in this regard, especially with regard to subcontracting. It will then move to a description of the South African clothing industry examining it both historically and in its present context. The structure of the industry will be considered as well as the increasing informalisation of work. Lastly, it will examine the literature on informal clothing manufacturing. This illustrates the gap in the literature in terms of understanding the process of informalisation as well as the experiences of workers in these informal work arrangements.

3.1 The Clothing Industry – A Global View

On an international level, the clothing industry has undergone significant changes. As the industry deals with globalisation, there have been structural changes. Previously it has been an industry where the power lay with large manufacturers that would sell their goods to the retailers; now it is an industry that is dominated by retailers that dictate the type of garments that they require and often manufacture under their own labels (Delahanty, 1999). This is mirrored in Gereffi's conceptualisation of a buyer driven commodity chain where retailers play a central role.

This new power relationship can be seen in Abernathy et al's analysis of the United States. Their research points to the "retail revolution" that has occurred and this includes, "new information technologies, new product labelling, and new methods of distribution" (Abernathy et al, 1999: 40) and the new practices are referred to as "lean retailing". Lean retailing encompasses a greater level of integration between the "different stages of production and distribution" (Abernathy et al, 1999: 3). There is

also a greater flow of information, such as sales data and thus there is greater opportunity to predict trends and plan production more carefully. Moreover it has also propelled changes in both the clothing and textile industries. Thus manufacturers are now facing a different set of pressures. At the very least, manufacturers that supply lean retailers should be able to track goods and respond to orders on a real time basis, they must be able to exchange information with regard to the status of the products, and goods that are sent to the retailers' distribution centre must be able to be moved efficiently to the retail stores (Abernathy et al, 1999: 84). The change from traditional retailing to lean retailing has signalled an enormous shift in "bargaining power within the channel – away from manufacturers and suppliers and toward lean retailers" (Abernathy et al, 1999: 54). The shift in bargaining power is exemplified in a statement made by David Glass, the Chief Executive of Wal-Mart, "we're probably in a better position to determine specifically what the customer wants to buy than is the manufacturer" (cited in Abernathy et al, 1999: 55).

Abernathy et al further note that as a result of the retail revolution, increasing pressure is placed on those manufacturers that are suppliers to lean retailers. Lean retailers now require that a greater range of products, in smaller amounts, that can be delivered regularly. Greater precision is also required when meeting orders and delivery standards. Therefore "the retail revolution alters the basic rules of both domestic and global competition for apparel and textile industries" (Abernathy et al, 1999: 72). Further, the researchers also find that labour time and the improvement of assembly operations is not the main factor in maintaining a strong performance. Instead, those that have implemented new management practices and information systems are the ones that are performing well (Abernathy et al, 1999).

So to deal with these increasing pressures Delahanty (1999) notes how manufacturers have had to restructure, which has led to cutting of overhead and labour costs. This has been achieved by contracting work out to factories in the South and homeworkers in both the North and South. Moreover, there is also a link between the changes in technologies and in management practices and the increasing informalisation of the clothing industry. As noted above, developments in the assembly process are no longer key. Thus, the assembly stage has not changed much and it is also under increased pressure and those working in that phase of production are most affected, as

this work becomes outsourced to the informal economy (Delahanty, 1999; Budlender, 2001). With trade liberalisation, there are conflicting impacts, whilst bringing new opportunities for investment and employment in countries, it also increases competition between poorer countries as they try to propose the lowest wages accompanied by very flexible and unregulated working conditions (Delahanty, 1999).

These global changes in the clothing industry have prompted some work in developing countries that have examined contracted work. In 1998, the Asia Foundation commissioned a series of case studies concentrating on the nature of subcontracted work in Asia. These studies were conducted in Bangladesh, India, Pakistan, the Philippines and Sri Lanka. Although all the studies dealt with some segment of the clothing industry, the case studies from India, the Philippines and Thailand will be examined here as they focused exclusively on the garment industry.

In India, Unni et al (2001) points out that the garment industry is made up of a large number of small manufacturing units. The majority of the manufacturing units work as subcontractors. Only about 6 per cent of units have 50 or more machines. Unni et al (2001) attributes the structure of the industry to the state's policy whereby the garment industry was reserved for the small-scale sector. The case study of the garment industry in Ahmedabad, illustrates that most factories and subcontractors employ people that have had some experience in garment manufacturing. The researchers found that subcontracted workers worked in either small factories or were home-based and they were paid on a weekly or a monthly basis. For those working in factories, their work environments were described as being "very rudimentary" and there were also differences between the working conditions for male and female workers. Moreover the working area was not considered to be hygienic and very few workers reported that they had received the minimum wage for the garment industry as stipulated by the government of Gujarat. Only a minority of workers received any benefits.

In the Philippines, Ofreneo et al (2001) found that the garment industry grew in the 1970s as part of the government's export promotion strategy. It led to an increase in female labour in the industry as well as an increase in subcontracting as the industry attempted to deal with the demand from the exporting firms. The manufacturing of

garments in the Philippines is considered to be flexible, permitting a mixture of “both firm-based and home-based production” (Ofreneo et al, 2001: 61). Since then the Philippines has undergone a foreign debt crisis and hyperinflation in the 1980s and further economic slowdown and recession in the early 1990s. Since 1996, the garment industry has emerged as a poor performer. By the late 1990s, its share of total manufacturing and garment exports have declined to very low levels. Subcontracting in the Philippines happens on a number of levels; an order coming from another country goes to an exporter in the Philippines that subcontracts it out to firms or agents in different provinces that in turn “farm out all the jobs all the way down to the rural households” (Ofreneo et al, 2001: 63). Subcontractors also operate with a high degree of flexibility; they are able to expand or contract production, as was needed. In terms of the economic situation of the subcontracted workers in the study, almost all of them said that it was continually declining. In terms of the piece-rate wages that they received, these have stayed the same or have declined over time and this combined with a decrease in orders means that their incomes are not adequate in meeting their family’s requirements. The Philippines is a special case in that it has labour legislation that provides homeworkers with the same rights as a formal employee; however workers are reluctant to affirm their rights, as they perceive that they will jeopardise their work by complaining (Ofreneo et al, 2001).

Boonmathya et al (2001) in their case study of Thailand note how the clothing industry has contributed to industrial development as well as the growth of subcontracted work. Historically, the growth of the garment industry has been encouraged by the state since the 1960. Through low labour costs and tax incentives that were provided by the state, the number of investors in the clothing industry grew in the 1970s and 1980s. In the 1990s however, the industry began to encounter some problems. This included the lowering of import taxes and thus increasing competition from foreign firms and Thailand’s relatively high labour costs in comparison to other exporting countries was also problematic. As a result, investment declined during this period, many workers in the industry were laid off and were substituted with machinery. Parts of the production process were also moved to “small-scale production units or subcontractors via subcontracted work: (Boonmathya et al, 2001: 104). Further, it is also noted that since mid-1997, (after Thailand’s financial crisis) the number of workers that had lost their jobs in the garment industry rose

considerably. Moreover, those that had employment in the formal garment industry are now looking for work in the informal economy.

According to Boonmathya et al (2001), subcontracted work in Thailand takes many forms. Large garment manufacturers that are generally involved with export have their own production division but work is also subcontracted to smaller units as they incur lower production costs than the larger factories. These smaller units have between 30 to 150 workers and there is also a preference toward extending these units into the countryside as rural home-based factories. Other enterprises such as those involved in wholesale and retail do not have their own in-house factories. Design does take place in-house but production is subcontracted out to small garment shops, home-based factories and to individual homeworkers. Subcontracted workers are generally inadequately paid and work long hours: many shop workers “work more than twelve hours a day, six days a week” (Boonmathya et al, 2001: 108). Despite their problems however, workers “contended that poorly paid work is better than no work at all” (Boonmathya et al, 2001: 108).

Budlender (2001), in her synthesis of the case studies identified the following. All studies displayed the inability of the legislation (labour and other) to protect workers. Where laws do exist, they are not implemented and in other cases the legislation excludes informal workers as well as sub-contracted and home-based workers. There was also little support in the form of social security and safety nets for female sub-contracted workers. In terms of problems people had with their work, they cited the absence of regulation, erratic work contracts, low pay, and long work times. Moreover, they pointed out that it was difficult to organise sub-contracted workers due to their vulnerability and their “dispersed location” (Budlender, 2001: 9). Given their difficulties, “virtually all the women who were interviewed felt that it was better to have the generally low paid work they were engaged in than no work at all” (Budlender, 2001: 9).

Whilst these studies are significant and have highlighted the experiences of subcontracted workers, it is still noted that further work needed to be done to improve the understanding of what conditions lead to an increase in subcontracting and what conditions leads to its decline and it is further stated that that more needs to be done to

understand the phenomenon of subcontracting (Budlender, 2001). This indicates that there is a gap in terms of understanding the process whereby work becomes informalised (or subcontracted). It is important to note here that very little of this type of research has been conducted in South Africa, as some of the following sections will demonstrate.

3.2 The South African Clothing Industry

3.2.1 The South African Clothing Industry – A Brief History

Rogerson (2002) notes that although clothing factories in South Africa only emerged at the beginning of the 20th century, it was only in the 1960s the industry grew to a magnitude comparable to its present size. Gibbon (2002) estimates that the 1960s was a period in which the industry almost grew to twice its size. In the period before the 1960s, there was relatively moderate growth that corresponded with the moderate extension of import substitution measures. Spatially, before the 1960s, the industry was mainly found in Johannesburg area, which was followed by the Cape Town area, but during the 1960s, a new clothing cluster was being formed in Durban (Rogerson, 2002; Gibbon, 2002).

During this period of growth of the clothing industry, it was perceived by apartheid spatial engineers as a sector that could provide employment for the decentralised areas in South Africa, especially those in the Homelands or close to it (Rogerson, 2002). Thus in order to encourage the reshaping of the industry, restrictions were placed on the use of African workers in urban areas, especially in Johannesburg (Rogerson, 2002; Gibbon, 2002). However, this attempt to encourage mass movement of the industry towards the decentralised areas was not successful and firms that moved chose Durban and Cape Town over the decentralised areas (Rogerson, 2002). As Gibbon (2002: 15) noted, Durban and Cape Town provided “considerable reserves of Indian and ‘Coloured’ labour respectively”. By the 1970s then, the Johannesburg clothing cluster had lost its primary role and Cape Town and Durban emerged as the main areas of clothing manufacturing (Rogerson, 2002), with Cape Town later emerging as the centre (Gibbon, 2002). In terms of the types of garments being

produced in the different areas, Cape Town produced mainly for the large retail chains, as many of them had their headquarters there and Durban manufactured for a broader market and to the lower end of the market (Gibbon, 2002). There was however some clothing manufacturing taking place in the decentralised areas in the 1980s, as government incentives were reinforced, via the Regional Industrial Development Programme that extended 5 year subsidy packages to manufacturers that established firms outside the Johannesburg-Pretoria and the Durban areas (Rogerson, 2002; Gibbon, 2002). This period also saw a notable level of foreign investment in the clothing industry, especially in the decentralised areas (Gibbon, 2002).

The South African clothing industry had import substitution measures applied to it from early on and according to Gibbon (2002: 15), “the main instrument of import substitution was an extremely complex system of protection, with liberal use both of formula and specific tariffs [and] by the 1980s there were approximately 2000 separate clothing and textile tariff rates”. This did not encourage much competition within the industry and efficiency levels were also considered to be low when compared internationally (Gibbon, 2002). Prior to 1994, the South African clothing industry could be described as a “closed sector” (Gibbon, 2002: 15) with both low export and import levels.

South Africa is similar to all the Asian case studies presented earlier as all their clothing industries developed through some kind of state intervention. However, they were not closed industries as South Africa was. For example, in the Philippines, they experienced high levels of garment exports.

3.2.2 The South African Clothing Industry – Post-Liberalisation

According to Rogerson, the South African clothing industry is currently exhibiting “signals of distress, retreat and even of decline” (2002: 1) and this situation is manifest in a period where the South African economy has been reintroduced into the international economy and is confronted by a different trade and industrial policy context and international competition (Rogerson, 2002: 1; Harrison and Dunne, 1998).

In this period, studies have examined the restructuring of the industry and ways in which South African firms can compete better with international players in this new environment and many of these studies have been done under the direction of the Department of Trade and Industry (DTI) (Rogerson, 2002). Of primary importance in this period is South Africa's trade liberalisation policy that included an 8-year phase down period for tariffs in the clothing industry, which meant that tariffs fell from 84 per cent in 1995 to 40 per cent in 2002 (Skinner and Valodia, 2001). It has also been a time when there have been high retrenchment levels in the industry; according to the South African Clothing and Textile Workers Union, in the period from January 1995 to June 2001, 114 983 jobs were lost in the clothing, footwear, textile and leather industries (SACTWU, 2001). Examining the period from July 1999 to June 2001, 33 963 jobs were lost in these industries with the clothing industry incurring the biggest loss with 22 756 retrenchments (SACTWU, 2001).

With regard to the difficulties being faced in the industry it is noted that in some cases, the downturn is on par with global trends; "in other cases it is a reflection of enterprise's inability to grow or move into export activities to counteract the loss of local market share" (Rogerson, 2002: 25). However there are still "complex... [and] seemingly contradictory changes" (Rogerson, 2002: 25) that are occurring with relation to changes in production and the nature of work as operators respond to highly competitive market conditions (Rogerson, 2002: 25). New strategies to deal with these changes have included "new methods of organisation production, spatial shifts and the articulation of new regional production systems, casualisation, outsourcing, subcontracting and informalisation of production" (Rogerson, 2002: 25-26).

Confirming Delahanty and Abernathy et al's findings with respect to the international context, in South Africa, the major retailers are a dominant force in the clothing industry and exercise substantial power in the market (Dunne, 2000). There is a high level of concentration in industry with a small group of retailers (Edgars, Pep Stores, Woolworths, Truworths, Mr Price and Foschini) that all have significant market share. They are well positioned to prescribe changes in the clothing manufacturing industry (Dunne, 2000).

In terms of the manufacturers, Rogerson notes “South Africa’s clothing industry encompasses a complex mix of formal and informal producers as well as specialist firms which link into clothing production” (2002: 23). Rogerson (2002: 23) identifies three types of clothing manufacturers – full range manufacturers, cut-make-and-trim (CMT) operators and informal sector producers. In terms of the functions pursued by the different kinds of enterprises, mainly large firms carry out all the functions (from design to sewing to inspection), whilst smaller operators work as CMT operators that are supplied with material and the patterns and are responsible for the cutting, assembling of garments and the sewing (Dunne, 2000). The boundaries between these three categories are not very clear, as large firms can have own production operations and yet will also take on CMT work” (Rogerson, 2002). Also, not all informal enterprises work as CMT operations; some do work as “full-range manufacturers” (Rogerson, 2002: 23).

Since the major retailers are in a dominant force in the clothing industry and exercise substantial power in the market, it is important to examine their relationship with South African manufacturers. Retailers now have to cope with changing customer tastes, as they are more aware of global trends and “quality, choice and image are becoming more important” (Dunne, 2000: 9) and customers are also demanding greater “value for money” without forgoing the quality. These demands are being passed on the suppliers and manufacturers have to keep their prices low whilst still maintaining high levels of quality (Dunne, 2000).

Dunne’s (2000) study of South African retailers found that they mostly used manufacturers from KwaZulu Natal; then the Western Cape and lastly Gauteng. Further the manufacturers used are not all full manufacturers. CMTs are seen as very significant to South African clothing manufacturing (Dunne, 2000). This can be seen as one retailer noted how that only 5 out of 30 ladies outerwear manufacturers were full manufacturers and the other 25 were assumed to use CMTs quite substantially (Dunne, 2000). In terms of the relationship between retailers and CMTs, only one retailer engaged directly with CMTs, few of them would require manufacturers to only use CMTs that had received their endorsement but with the majority of retailers, there was no communication with the CMTs that were being used by the manufacturers granted that quality levels were maintained (Dunne, 2000: 13). This

study is significant as it suggests that those that control the value chain have little interest in what happens in other parts of it such as, labour conditions and the nature of subcontracting work.

Looking more closely at KwaZulu Natal's clothing industry, Harrison and Dunne (1998) find that it has been historically associated with the lower end of the market. Generally income categories are used to separate the market, where the A-group refers to the richest and the D-group refers to the poorest and "the clothing market is usually conceptualised in terms of the AB, BC and CD markets" (Harrison and Dunne, 1998: 13). Harrison and Dunne further note that those firms that are producing for the AB market have the greatest turnover and profit whilst those in the CD market are not faring well financially due to the pressure placed on them from cheap imports. They further point out that the majority of KwaZulu Natal's clothing firms produce for the CD market. This implies that KwaZulu Natal firms are more likely trying to cut costs.

Spatially according to Harrison and Dunne, KwaZulu Natal's clothing industry has the highest concentration of manufacturers in Durban cluster and at the time of the study about 76 per cent of the manufacturers in the Durban metropole were CMTs. Other significant areas of clothing production in KwaZulu Natal are Ladysmith, Isithebe, Umkomaas, Umzinto and Port Shepstone. At the time of their research, Harrison and Dunne argued that most of the largest full manufacturers are found in Durban whilst the other areas occupy mainly the small and medium sized firms.

Looking at the full manufacturers in Durban, one finds that they are mainly supplied by a national customer base that includes the major retailers (Harrison and Dunne, 1998). For the CMTs, their customers include the full manufacturers as well as independent retailers located in KwaZulu Natal (Harrison and Dunne, 1998). Thus is there is multi-level supply relationship taking place, whereby retailers supply to full manufacturers that in turn supply the same work to CMTs and little is known about the subcontracting that CMT firms engage in.

In comparison to the Asian case studies, their clothing industries have also faced problems in dealing with trade liberalisation and increased competition from foreign

countries. This has led to an increase in subcontracted work, where workers are generally underpaid and endure poor working conditions.

3.2.2.1 Informalisation in the Clothing Industry

There has been a large increase in the level of informalisation in recent years that has been established as part of the broader process of restructuring (Rogerson, 2002). Associated with informalisation has been the trend toward flexible work arrangements, such as short work and contract work as well as an increase in labour broking (Rogerson, 2002).

With regard to the nature of employment in the industry, one finds that there has been a massive informalisation of employment, as “more than half of those working in the clothing industry are in informal jobs” (Skinner and Valodia, 2001: 6). This is contrary to the notion that employment in the clothing industry is dwindling; rather one finds that it is the nature of the employment that has been altered. People are still working in the clothing industry but they do so through new and varying employment relationships (House and Williams, 2000). Although many authors have highlighted and confirmed these trends, few have directly engaged with workers experiences of these changes.

There are indications that the Durban clothing industry is particularly subject to these processes of informalisation. Examining Durban more closely, we see that CMTs firms in an effort to deal with competition have informalised and it is alleged that there has been a huge growth in the number of unregistered firms in Durban (Harrison and Dunne, 1998). These unregistered firms are said to be taking orders from registered firms and CMTs and in some cases, fabric is already and bundled and is then sent off for production to these unregistered firms (Harrison and Dunne, 1998).

Skinner and Valodia’s study of COFESA (Confederation of Employers of South Africa) is relevant here, as it illustrates how this organisation helps companies in the restructuring process, particularly in changing the status of employees to independent contractors (2002). This enables employers to side-step minimum standards labour legislation and collective bargaining agreements, yet COFESA claims to be

supporting micro-enterprise development (Skinner and Valodia, 2002; Valodia, 2001). COFESA is pervasive in the clothing industry, especially in KwaZulu-Natal (where COFESA claim that 95 per cent of the clothing industry are members) and when this is considered with the high number of females in the clothing industry (Standing et al, 1996) it implies that women will be particularly affected by this pattern (Skinner and Valodia, 2002; Valodia, 2001).

3.2.3 *Informal Clothing Manufacturing in South Africa*

Looking specifically at the subject of informal clothing manufacturing in South Africa, one finds that studies have tackled it from different angles. It is also important to note that some studies are located in a pre-liberalisation era, where issues of increasing competition and changing market conditions do not apply. Whilst many have focused their analysis at the level of firm or micro-enterprise, they have also examined different kinds of firms and enterprises that produce for different markets. Others have examined the extent of a particular type of informal activity in the clothing industry, that is, home-based work.

Wentzel's (1993) study of micro-enterprises in the Western Cape consisted of a survey of clothing cooperatives. The main focus of this study was to examine the ways in which informal operators were able to be successful in terms of growth and their ability to generate employment opportunities. The study points out that the cooperatives make more profit from doing CMT work, than selling at flea markets. The level of experience of workers and the range of machinery and equipment available to the cooperatives also impact on their profit levels. Notably the study identifies linkages between the formal and informal parts of the clothing industry in the Western Cape. As the cooperatives perform CMT work they are linked to the formal firms (retailers such as Edgars and Truworths). Whilst the informal operators benefit from this relationship in some ways (for example, they do not need to have their own designers), they are also in a weak bargaining position and as such could not command higher unit prices (Wentzel, 1993).

Manning's (1993) study of informal manufacturing in Durban examined among other activities, clothing manufacturing. The study examined both independent producers and subcontractors, and informal hawkers and traders of clothing. Looking specifically at sub-contracting, the majority of clothing manufacturers that were interviewed said that they used CMTs regularly. The size of CMTs that were used ranged from those that employed less than 10 workers to those that employed up to 70 workers. The researcher also noted that it was difficult to ascertain whether work was being sub-contracted to home-based operations, as respondents were not willing to admit this to the researcher. This finding indicates the importance of speaking to workers themselves. She also notes that the Indian community dominates these relationships between the firms and the informal enterprises. Most of the small retailers in Durban are Indian owned and they work with Indian micro-enterprises and thus the dictum of "networks and contacts" (Manning, 1993: 13) is relevant.

In 1995, Budlender and Theron examined home-based workers in both Durban and Cape Town. These areas were chosen because the clothing and leather industries were concentrated there and there have been reports of work being "put out" in these industries. The study examined a number of issues, such as the previous work experience, their incomes, work conditions, the kinds of activities people engaged in and the range of goods that were being produced. They found 172 people (29 per cent of the sample) that were engaged in sewing². Women dominated with 86 per cent of those involved in clothing related activities being female. Looking at the kinds of goods that were produced, most workers (86 per cent) made finished goods. The remainder were involved in the production of articles such as inserting zips and sewing on buttons. Only 9 per cent of those working in clothing related activities were involved in contract work. Interviews with organisations illustrate that retailers such as HUB have contracts with home-based operations, where goods such as curtains and duvet covers are manufactured. But "where exactly the product is made, by how many people, and under what conditions, is not really their [HUB] concern" (Budlender and Theron, 1995: 4). For these researchers, "the most striking finding of

² Unfortunately this study does not identify where those involved in clothing manufacturing are located. Given that 300 interviews were conducted in Durban, it can be safely presumed that a significant proportion of the 172 interviewees involved in sewing were located in Durban.

this research is the high incidence of home-based workers in the area surveyed. Most of them are sole operators, and women” (Budlender and Theron, 1995: 25). The study provides a good point of comparison with respect to changes over time in home based manufacturing.

More recently Fakude (2000) has looked at informalisation in KwaZulu-Natal and examines some of the broad dynamics at play. It is comprised of mainly secondary resources supplemented with key informant interviews. It employs a value chain framework in order to understand informalisation in the region and argues that there are primarily four value chains in respect to informal clothing manufacturing. This includes, “informal producers to informal sellers (for the low-income segments of the market), informal producers for up-market segments, informal producers for formal retailers and the quasi-informalisation by the formal sector” (Fakude, 2000: 14). Home-based workers are discussed in the third value chain (informal producers for the formal sector), where it is noted that home-based workers are involved with the linkages between informal producers and CMTs. The study also suggests that in Durban, home-based workers producing for the formal firms are usually from the Indian community and include many prior employees of formal firms. The relationship between the formal firms and the CMTs and home-based workers is not an equal one, as design houses and retailers “always undercut prices of CMTs and homeworkers” (Fakude, 2000: 19).

Motala (2000) in contrast examines the informal retailing in Durban’s central business district (CBD) and she focuses on the linkages between formal and informal businesses in the industry. Though the study is limited in scope, there are some findings that deserve attention especially in regard to the linkages between the formal and informal aspects of the clothing industry. The researcher found that formal businesses were linked to informal operators as suppliers to street traders and also provided storage facilities for informal traders (Motala, 2000: 10). In some cases informal operators served as suppliers to formal businesses (Motala, 2000: 10). Moreover this research highlights the complex relationship between formal and informal operators and shows “evidence of the interconnectedness and complementarity between the sectors” (Motala, 2000: 26).

The research conducted on informal clothing manufacturing identifies the main trends, but there have not been any recent detailed analyses. Also with regard to the informalisation of the clothing industry, the informalising of formal firms has been noted, but the effect this has had on workers in formal firms has not been examined.

This review has demonstrated the following research gaps. Firstly, there is a tendency in South Africa to focus at the level of the firm and not the individual informal workers that are working for formal or informal firms or enterprises. Secondly, and related to the latter point, there is little work done that explicitly examines the conditions of workers informally employed in the clothing industry. Thirdly, there is little examination of dynamics between the formal and the informal economy, as formal firms are informalising and many workers are now working in informal work arrangements. Lastly, whilst it is alluded to in some studies, the nature of informal manufacturing in *residential* areas has not been examined in much depth. Thus this research is an attempt to begin to fill this gap in the literature by examining informal clothing manufacturing in a residential area and focusing on the experience of workers that engage in this activity.

Moreover it is important to note that the changes that have been described in the clothing industry link back to what was discussed in chapter two. The changes that are occurring in the clothing industry both nationally and in South Africa links well with the conceptualisation of informalisation as a process. With the restructuring of the clothing industry, new strategies have adopted both locally and globally and work is being informalised. Informal work thus is not seen as a static and separate entity.

Chapter Four: Methodology

This chapter examines the research process. It examines the sampling strategy employed and process of negotiating entry to respondents. Thereafter there is a description of research tools that were used. Lastly, the difficulties encountered during the fieldwork are discussed and the biases of the study are examined.

4.1 Key informant interviews

Eight key informant interviews were conducted to gain background and contextual information either on the clothing industry or on Chatsworth. For background on the clothing industry in Durban, a recent graduate of the fashion design school of the Durban Institute of Technology was interviewed. To obtain an understanding of the Chatsworth context, interviews were conducted with community organisations (3) and a local newspaper. Organisations in Chatsworth were also viewed as an entry point for finding people that were involved in informal clothing manufacturing. An official from the Department of Labour in Chatsworth was interviewed in order to get a sense of their understanding of informal clothing manufacturing in Chatsworth and their strategy for dealing with it. An organiser from SACTWU was also interviewed in order to get an overview of informal clothing manufacturing and to get an idea of their strategy for organising these workers. In order to gain a historical perspective of organising the clothing industry, a former SACTWU organiser was interviewed.

The interviews were conducted between November 2002 and April 2003. Most of the key informant interviews were conducted at the organisations premises. Two were conducted in peoples' residences.

4.2 Interviews with Informal Clothing Manufacturers

There were 17 interviews conducted with people that engaged in informal clothing manufacturing in Chatsworth. These form the basis of the examination of the research questions that have been posed in this dissertation. It is important to note here that people's experiences were being sought, past and/ or present. Those that

were included in the study can be considered to be informal workers according to the employment-based definition as outlined in chapter two.

The interviews were conducted between February 2003 and March 2003. Interviews with key informants were also conducted at their homes. With respect to the interviews with informal clothing manufacturers, in all cases but one, interviews were conducted in people's homes. With regard to the exceptional case, this interview was conducted at the home of the organisation's chairperson.

4.3 The Sampling Strategy and Negotiating Entry to Workers

The sampling strategy employed both snowballing and purposive sampling methods. Workers were primarily found in two ways, either through community organisations or through sewing machine repairmen. Some workers were also identified by other workers.

In the case of the workers that were identified through the people involved with sewing machine repairs, the process of negotiating entry was relatively easy. The researcher was furnished with contact details, people were contacted telephonically, giving the name of the informant and interviews were set up. This procedure was similar when workers were identified through other workers. The process was different when conducting interviews with those that were identified through the organisations. With one organisation, one of the members of the community organisation was 'assigned' to the researcher. Interviewees were not contacted telephonically; the researcher was told by the organisation when was a suitable time to come. The member of the organisation would take the researcher around to people's homes and would introduce the researcher to them. She would also wait until each interview was complete. She was well known in the area and thus people were generally more comfortable talking to the researcher. With the other organisation, the respondent was contacted through the chairperson of the organisation and the interview took place in the chairperson's home.

4.4 Description of Research Tools

The research tools employed consisted primarily of semi-structured interviews. For key informants and organisations, questions were tailored according to the type of organisation and the type of information that was required.

For workers, an interview schedule was developed (see Appendix One). This drew on the commodity chain approach and thus included questions on work history, supply, production, transferring of goods retail, work conditions and problems experienced at work. In line with the discussion of how the commodity chain would be expanded, the interview schedule also included questions on organisations and the role of the state. Moreover, for those that had previous work experience in formal clothing firms, there were questions to gauge the nature of the formal work. This was done in order to examine how the nature of work had changed for those that moved from the formal economy into the informal economy. This is in line with the conceptualisation of informalisation as a process. It must be also be noted here for the section of the interview that examined the nature of work, there were different sets of questions for those that worked for themselves and those that were informal waged workers. This was informed by Carr and Chen's (2002) categories of informal workers.

Discussions with workers took the form of semi-structured interviews. The interview schedule was not applied rigidly but served to structure the interviews. This was informed, by the research question: what is the experience of workers in the clothing industry over time? It was considered to be a useful and flexible tool as it allowed people to speak freely about their work experience but also structured the discussion around certain issues.

4.5 Difficulties Experienced during the Fieldwork

One of the main difficulties during the fieldwork was finding workers. It was only through contacts made through those that did sewing repairs and through interviews with community organisations that workers were accessed. It is unlikely that the researcher would have been able to contact these workers without their help. In many cases, workers did not have telephones, so it is only through a personal introduction

that interviews could be arranged. In some cases also, even with an introduction through the organisation, people were not willing to talk.

Further, in the part of Chatsworth where most of the interviews were conducted, crime was a concern. For example, the researcher was frequently told not to walk around alone from one home to another and was always accompanied by a member of the organisation that was well known in the area. This was an advantage of working through an organisation.

4.6 Biases

Due to the nature of the sampling strategy, there are a few biases that are present in the study. By contacting a majority of workers through organisations, the sample is biased in that given they have some connection or link into an organisation they are not the most isolated group of workers. Also, as a member of the community organisation sat in on many of the interviews, this could have influenced the respondents' answers to questions about organisations. At the same time, her presence created a level of trust that eased the flow of many interviews.

The sample is by no means representative nor did it intend to be. This does not diminish the value of the information that was gathered, as it was a qualitative study that had the intention of going out and speaking to people about their work histories. And though it may not be able to be generalised in another context or even to the whole of Chatsworth, this work contributes to our understanding of the changing nature of work.

Chapter Five: Chatsworth and Informal Clothing Manufacturing in Context

This chapter provides a general context of Chatsworth and it begins to offer a description of the nature of informal clothing manufacturing in Chatsworth. It begins by presenting data on Chatsworth looking at employment and income levels. It then looks at organisational life in Chatsworth and subsequently examines informal clothing manufacturing in Chatsworth and the different forms that are present.

5.1 Chatsworth in General

Chatsworth is a township south of Durban and is composed of four wards. However all four wards in their entirety do not equal the boundaries of Chatsworth, as one of the four wards extends beyond the boundaries of Chatsworth. For this reason only the data available for three wards will be discussed. The parts of Chatsworth that are left out in the process are Woodhurst, Kharwastan and Umhlatuzana.

According to 1996 census data, the remaining areas in Chatsworth³, have a population of 90 000 over 16 square kilometres. It emerges as an area primarily composed of Indians that make up 94 per cent of the residents, African residents count for 5 per cent of the total population and Coloured and White residents make up less than a percentage of the total residents. There are approximately 20 000 households in the three wards of Chatsworth. The minimum subsistence level for Durban is R17 194.20 per year (Skinner, 2003: 35). In the three wards of Chatsworth, there are 20 636 households and 5 980 (29 per cent) of them earn an annual household income of than less R18 000. Moreover, 3 per cent of households earned no income. Looking at the higher income households, about 16 per cent earned between R54 000 to R96 000, 8 per cent of households earned between R96 000 to R360 000. A very small percentage (0.2 per cent) of households earned more than R360 000 a year.

This demonstrates that Chatsworth is a suburb of contrasts. There are some poor and very poor households next to those that are much better off. As Desai (2000: 4) notes,

³ The following data has been sourced from www.saexplorer.co.za.

Chatsworth is a place of affluence as well as poverty, where one can find palatial homes as well as congested “bulky tenement blocks”.

5.2 Institutional Life in Chatsworth

Historically, Chatsworth has a tradition of organising and mobilising around community concerns (Desai, 2000). Today it still has a fairly strong institutional life; there is a range of organisations operating in the area and range from community care organisations to womens groups to senior citizen organisations to sporting clubs. A directory of services compiled by the Chatsworth Child and Family Welfare Society (CCFWS) shows that there are 50 community-based organisations operating in Chatsworth (CCFWS, 2003).

The three organisations that were interviewed in Chatsworth were primarily concerned with welfare (which included dealing with child abuse, child neglect and domestic violence), provision of health services and assistance with evictions and electricity cut-offs.

Poverty in Chatsworth was identified as a major concern by all the organisations as well as by the reporter from the local newspaper. According to a social worker from the CCFWS, there are certain areas in Chatsworth where poverty is concentrated. These include the ‘flatted’ areas (which consist of a agglomeration of tenement buildings) and informal settlements (Interview, 07/02/03). The CCFWS has established a poverty alleviation programme due to the perceived need in the community (Interview, 07/02/03). The chairperson of an organisation (Chatsworth Residents Association⁴) that worked in one of these areas noted that “the level of poverty in this area has never been so high ... but it has come out so much in the last 3 to 5 years” (Interview, 22/11/02). A survey conducted by the organisation in 1999 found that there was an unemployment rate of 81 per cent in their area and of those that had employment, only 4 per cent were employed in the formal economy (Interview, 22/11/02).

⁴ The name of the organisation has been changed to protect the identities of the respondents.

According to the social worker from CCFWS, the organisation is no longer able to provide material assistance (such as food hampers) to all those that require it in Chatsworth, as unemployment has risen significantly in recent years in Chatsworth. Therefore they have embarked on skills training programmes in an effort to assist people to become self-sustainable in order to eliminate the continuous need for material assistance. Thus far, they have run a food-garden project and a sewing project. The Chatsworth Residents Association (CRA) also plan to establish a poverty alleviation programme and are in the process of registering as a non governmental organisation (NGO) in order to get funding to run their programme. There are many women in their area that have lost their jobs in the clothing industry and as a result, they plan to establish a sewing programme or establish a clothing factory where people from their community could find work (Interview, 22/11/02).

However despite the variety of organisations and the various services that they offer, there are no organisations in Chatsworth that assisted people with work issues. This was also noted by the chairperson of the Chatsworth Community Association⁵ (CCA).

5.3 Informal Clothing Manufacturing in Chatsworth

Many of those that were interviewed pointed to the prevalence of informal clothing manufacturing in Chatsworth. This included the chairpersons of the CCA and CRA, the reporter from the local newspaper and an official from the Department of Labour (DoL) in Chatsworth. The official from the DoL found informal clothing manufacturing in Chatsworth to be a “common thing” (Interview, 09/04/03) where people operated both from homes and factory spaces. Respondents here referred to a specific form of informal manufacturing, that is, CMT operations that employ mainly those that have been retrenched in the formal clothing industry and are typified by poor work conditions and underpayment of wages. The chairperson of CCA (Interview, 05/03/03) further noted that many people working in the local clothing factories complain that they are being overworked. He also said that many people were also operating from their homes.

⁵ The name of the organisation has been changed to protect the identities of the respondents.

Whilst the work that was being done in home was said to be taking place throughout Chatsworth, the work being done in factories was concentrated in an industrial area in Chatsworth. The reporter from the local newspaper further noted that many people moved out of their homes and into these factory spaces in order to expand their operations (Interview, 05/02/03).

5.3.1 Different Forms of Employment Relationships in Chatsworth

Of the 17 interviews conducted in Chatsworth, there are a few types of employment relationships that can be discerned with regard to informal clothing manufacturing. Skinner's typology of clothing firms in the Durban Unicity Area offers a description of the range of clothing firms that are found, from large formal firms to informal self employed operators (see Appendix Two). These firms are analysed with respect to the following: number of workers, registered / unregistered with South African revenue services, place of work, risk with respect to productive assets, wages (minimum wages applying) and access to benefits (annual leave, sick leave, maternity benefits, unemployment insurance, pension). In its description of particularly informal firms, these are those that are employers and there are those that are self employed. There are also waged workers employed by these informal firms. The respondents in this research fit well into these employment categories. This corresponds with the categories outlined by Carr and Chen (2002).

Owing to the different employment categories of informal work present in Chatsworth, and drawing from the typology of clothing firms in the Durban area, the experience of different categories of respondents will be examined separately in the forthcoming chapters. Chapter six will examine how the nature of work has changed for employers and self employed operators and Chapter seven will do so for waged workers.

Chapter Six: Employers and Self Employed Clothing Operators In Chatsworth

This chapter looks at the experience of employers and self employed operators engaged in informal clothing manufacturing in Chatsworth. It begins by briefly examining the demographic characteristics of operators. It then looks at the current experience of these operators in Chatsworth, paying attention to the nature of their work, their working conditions, their linkages to the formal economy and their organisational framework and institutional environment. Thereafter it examines how their work has changed over time by looking at their previous work experience.

6.1 Demographic Characteristics of Respondents

There were four people that fell into the categories of employers and self employed operators. This included two men and two women. Their ages ranged from 29 to 76 and three of the operators were more than sixty years old and two were pensioners. All operators were of Indian origin. In terms of the marital status, one was never married, one was married and two were widowed. In terms of dependants, two had no dependants and two operators had one dependant each.

6.2 Different Forms of Employment Categories In Chatsworth

From these four respondents⁶, there was one employer (Kasturi) and three self employed operators (Joseph, Mayah and Kuben). Kasturi can be considered as an owner-operator as she is actively involved in the main activities of the operation. The operators can be further differentiated according to the types of garments that are produced and the manner in which garments are sold. Operators are either involved in the manufacturing of tailor made clothes or manufacturing of clothes by their own design. The tailor made clothes are made for individual customers or companies and they pay for it upon its completion and there are those that manufacture clothes by their own design and retail their garments around Chatsworth. It is also important to note that some operators are engaged in more than one type of informal clothing

⁶ This chapter draws on the following interviews: Interview, 28/02/03; Interview, 25/02/03; Interview, 14/02/03b; Interview, 18/02/03.

manufacturing. Kasturi manufactured tailor made clothes for individual customers and tailor made uniforms for companies. Mayah made tailor made clothes for individual customers and also manufactured clothes by her own design and retailed them by herself. Kuben and Joseph were involved in one type of activity: Joseph made tailor-made clothes and Kuben manufactured and retailed garments.

6.3 Experience of Employers and Self Employed Operators in Informal Clothing Manufacturing in Chatsworth

6.3.1 Their work

6.3.1.1 Supply, Production and Retail

Those operators that manufactured and retailed their own garments bought their fabric and accessories from formal businesses in the Durban City centre. For both Kuben and Mayah, the price of the raw materials was a key factor in choosing which store to purchase from. Kasturi sources her raw materials from Chatsworth and has a good relationship with her suppliers. For those that produce tailor-made clothes, they work on a system whereby customers purchase the fabric and brought it to them. In Kasturi's case where tailor made uniforms are made for companies, she purchases the fabric for the garments.

In terms of the garments that are produced, those that made tailor-made garments made a wide range of garments that ranged from casual to formal wear. Those that produced and sold their own garments produced a smaller range of clothing. Kuben mainly manufactured ladies sleepwear and Mayah made ladies dresses and housecoats. For all these operators, the time taken on a garment depended on the type of the garment that was being made.

In terms of the equipment that these operators used, they all owned their own equipment. Joseph and Mayah only owned domestic sewing machines whilst Kuben and Kasturi owned both domestic and industrial sewing machines.

Looking at the retailing of goods, Mayah mainly sold the garments she made to friends and family and people in the community organisations that she belonged to. She usually makes a small batch of items so all of them get sold. Kuben sells the garments that he makes 3 days per week in and around Chatsworth. He drives around areas with his mini-bus taxi and sells garments from the taxi. He too does not manufacture a large amount of garments so that he can sell most of them.

6.3.1.2 Conditions of Work

Work Environment and Work Times

All of these operators worked from their own homes. Both Kuben and Joseph worked from their garages. Mayah had a separate sewing room in her home. It contained a few tables, her sewing machines and a lot of fabric. There was also a wardrobe, which was used to store customers' garments. The room has its own entrance, so customers can go directly into the sewing room without walking through the house. Kasturi used two rooms in her home as well as a double garage for sewing. The two rooms inside the house were used for the manufacturing of the tailor made clothes for individual customers: one was used for cutting and one was used for sewing. The garage was used for the garments that were made for companies.

Most of these operators sewed at their own pace, according to the amount of work that they had to do. Only Kasturi had strict working times as well as set periods in the year when they closed their business. They work from 7:00 to 17:00. They see customers up to 20:00 on weekdays and on Saturdays, they see customers up to 12:00. They also require customers to make an appointment before they come to see them.

Income

Only Joseph was open about the amount of income he earned. He said that his income fluctuated and in a bad month he made about R300 and in a good month, he could earn between R1 000 to R1 500 and said "I am satisfied with the little that I make ... I don't want for any more" (Interview, 24/02/03).

All other operators did not speak about their income so openly and mainly noted that they experienced oscillations in their income. However, there were many indications that people were earning a significant income. Mayah, Kuben and Kasturi all lived in large, well furnished homes. Further to this, Mayah makes bi-annual trips to India where she purchases Indian garments and sells them here in South Africa. She had also shown some of the garments and they ranged in price from R400 to R1500. She also that she was inundated with business, “even if I don’t take any more work, I’ll have enough work for the rest of the year” (Interview, 28/02/03). Kasturi also said that they were very busy and often met with customers until 20:00 on weekdays. Moreover they were also able to purchase expensive equipment, in excess of R20 000.

6.3.1.3 Problems Experienced

All of the operators said that they did not experience any problems with their work and saw working at home as an advantage. According to Mayah, “working at home was more to your advantage, you don’t have to answer to anyone, you have no overheads, and no landlords and you work at your own pace” (Interview, 28/02/03).

6.3.2 Their workers

Only Kasturi had people that assisted with the production of garments. This included her mother and 5 employees (2 machinists and 3 servicers⁷). Their employees are part time operators and they work at least two weeks per month. They pay the servicers R40 a day and the machinists are paid R60 a day⁸. According to Kasturi, they have normal working hours, starting at 7h30 and finish at 16h00, and they receive a lunch break and a tea break.

⁷ Servicers refer to those that work between machinists, passing parts of garments to them.

⁸ This amounts to R300 a week and represents 60 per cent of the wages that is paid to machinists of firms complying with the National Bargaining Council’s stipulated wages.

6.3.3 Linkages to the Formal Economy

For these operators, their only link to the formal economy was through their input that they sourced from formal firms, either from Durban or Chatsworth. All the garments that were made were sold informally.

6.3.4 Other Work

In addition to the informal clothing manufacturing that people do, they also engage in other activities that provide a source of income. Both Kasturi and Joseph give lessons. Kasturi runs a ten-month sewing course every year and Joseph gives private lessons in embroidery.

6.3.5 Organisational Framework

6.3.5.1 Relationship to Organisations

Only Kuben did not belong to any organisations. Joseph, Kasturi and Mayah belonged to various community organisations in Chatsworth. All were positively affected by organisations, even though these were not organisations that dealt with work issues. Kasturi was associated to four organisations in Chatsworth that included a womens group, welfare organisation and charity organisations. Through her association with these organisations, more people have learned about the work that she does and has thus brought more customers to her. This was the same case with Joseph; through his membership in organisations, more people learned about the work that he did. In Mayah's case, the women's organisation that she belongs to serves as an important customer base, to which she retails the garments that she produces.

6.3.6 Institutional Environment

6.3.6.1 *The Role of the State*

Most operators were content with their operations and did not see any ways in which the state could be of assistance. Only Kasturi noted that government could be of assistance to her operation, if some assistance was provided with the registration process.

6.4 *How has the experience of informal operators changed over time?*

6.4.1 Previous Work Experience

Only Kuben had experience working in a formal clothing firm. He worked as a machinist for a short time and was thereafter retrenched. Kasturi, after completing her diploma in fashion design engaged in freelance work for some informal factories in Chatsworth and was mainly involved with pattern making. Joseph had previously worked as a waiter and a sewing machine salesperson. Mayah also had previous sales experience but this was unrelated to the clothing industry.

6.4.2 How did people begin manufacturing informally in Chatsworth?

With Kasturi her involvement in informal clothing manufacturing grew from her mother's interest in sewing that grew from hobby into a career. She felt that it was better for her to work with her mother than to go out and work in the clothing industry. For Mayah, sewing was a means to earn extra income that she pursued whilst working formally. Only once she had taken her retirement package, did she begin to sew full time. Joseph also sewed whilst he was employed and later left work to continue sewing full time. Kuben also began manufacturing at home in order to earn more money and pursued it on a full time basis after he had lost his job in a formal clothing firm.

6.4.3 *Changing Nature of Work*

For these operators, their nature of work has changed over time but this has been in positive ways that can be seen in the examples of Mayah and Kuben.

Mayah had learned how to sew from a young age and by the age of 13. She left school at the age of 16, in order to get married, and at that point she did not do any sewing. It was only once 4 of her children were born, and that her husband's job was unstable, that she started sewing again and the "money earned from the sewing really helped" (Interview, 28/02/03). She had sewed for many members of her extended family and now she was sewing for their children and grandchildren. However the money she earned from sewing was not enough; she worked as a salesperson for 15 years but still kept on sewing. She left work in 1994 and took her retirement package and then began to sew on a full time basis. Thus Mayah has moved from full time informal clothing manufacturing to full time formal employment and sewing only in her spare time and is now engaged in informal clothing manufacturing on a full time basis. She did not have a bond or any loans to pay and was not short of work.

Kuben who had previously worked in a clothing firm, was now able to work from home, at his own pace. He was no longer just a machinist, but was now involved in the production and retail of garments. He was now able to earn a greater income than he did when he was a machinist.

In conclusion it is important to note that the employer and self-employed operators are relatively well off. They also have no forward linkages into the formal economy and the links to the formal economy tend to be in the form of supplies. In terms of the typology of clothing firms in Durban, these respondents would fit into two types of firms: informal small operator that is independent of the formal economy and informal dressmaker that is independent of the formal economy. Mayah and Joseph can be considered as informal dressmakers. Kasturi can be viewed as both an informal dressmaker and an informal small operator. Kuben can be seen as an informal small operator without any workers.

Chapter Seven: Informal Clothing Waged workers in Chatsworth

This chapter looks at the experience of waged workers engaged in informal clothing manufacturing in Chatsworth. Firstly there is a brief examination of the demographic characteristics of workers. It then looks at the current experience of these workers in Chatsworth, paying attention to the nature of their work, their working conditions, their problems experienced at work, their linkages to the formal economy, their organisational framework and institutional environment. Thereafter it examines how their work has changed over time by looking at their previous work experience by comparing it to their current experience of work.

7.1 Demographic Characteristics of Workers

There were thirteen waged workers that were found. They were all Indian women. They ranged in age from 19 to 54, but the majority of workers were found between the ages of 30 to 50. In terms of marital status, 2 were never married, 5 were married, 3 were widowed and 3 were divorced. Only those that were never married did not have any children. The majority of women that were mothers had two children.

7.2 Experience of Waged workers engaged in Informal Clothing Manufacturing in Chatsworth

7.2.1 Their Work

7.2.1.1 Supply, Production and Transferring of Goods

All informal waged workers⁹ worked either at their employer's home or factory space in Chatsworth. All of the informal factory and home-based workers worked in CMT

⁹ The following discussion will draw on the following interviews conducted with workers: Interview, 06/03/03a; Interview, 14/02/03a; Interview, 01/01/03a; Interview, 04/03/03a; Interview, 02/03/03b; Interview, 06/03/03b; Interview, 01/03/03b; Interview, 04/03/03b; Interview, 06/03/03c; Interview, 06/03/03d; Interview, 02/03/03c.

operations, where the fabric and the accessories are supplied and the sewing is the main activity. Most workers did not know who was supplying the informal operations. Jainthree however commented that it was large formal firms that were contracting work out to smaller operations and were thus supplying them with all the fabric and accessories needed to produce the garments.

In many cases, informal operations (both at a home and in a small factory space) are quite similar to what goes on in a large formal factory, but it occurs on a smaller scale. There are machinists, cleaners¹⁰, servicers¹¹ and people that package the garments. A range of items are produced here; men's, ladies and children's clothes. In the factories, a larger range of items are made, whilst the home-based operations, they focus on range of clothes and may only produce either mens-wear or ladies wear.

Many workers reported that in the case of some home-based operations, fabric comes pre-cut, as there is not enough space to cut the fabric. In the factories, with more space, the cutting does take place.

Eleven waged workers reported that the garments being manufactured were headed for large formal retailers. The following retailers were mentioned: Edgars, HUB, Foschini, Pep, Scotts, Shoprite/Checkers, Jet, Mr Price, Ideals, Prime and Fashion World. In some cases, garments were completely packaged when they left the factory. Workers also spoke of quality inspectors that came to factories and homes to check the garments, and they noted that inspectors were strict with the quality of the garments. Jainthree and Sarah said that sometimes a whole order would be rejected and Neela commenting on the rigour of quality inspectors said that they would examine garments "stitch by stitch" (Interview, 01/03/03b).

In all cases the equipment is the property of the employers and industrial sewing machines are used in the production of the garments. In terms of the transferring of goods, most workers were not clear about how this occurred. Jainthree however noted

¹⁰ Cleaners refer to those that cut the excess threads of the garment.

¹¹ Servicers refer to those that work between machinists, passing parts of garments to them.

that delivery vehicles collected garments upon their completion in some of the factories that she had worked in.

7.2.1.2 Conditions of Work

Before looking at the conditions that all workers experienced, it is instructive to look at one worker's experience.

Samantha's Story¹²

Samantha worked in an outbuilding at the owner's residence. The workspace was small and cramped and it got quite hot and uncomfortable while they worked.

Samantha usually worked from 07h00 to 17h00 but when an order needed to go out, she would work until 21h30. She regularly worked 6 days a week there. "I used to get paid R120 a week ...I worked overtime but did not get paid for this ... they said that they were going to pay but they did not". She also did not always receive her full wages. "The money comes in a sealed enveloped and when you open it later you find that there is only R115. In terms of the breaks she received, she said "we were not allowed to go out of the outbuilding ... we had to eat our lunch in that room and sometimes would only get a 5-minute break and then they told us to start working again". They were not allowed to talk to other workers. She was also not allowed to wear make-up and jewellery.

Work Times and Work Environment

Whilst Samantha's case may be more extreme, workers did face similar problems in terms of long hours, congested working space, low wages and non-payment of wages.

Workers consistently said that they worked long hours. Jainthree said that they sometimes worked from 7h00 to 21h00, and would get 3 breaks during the day, 15 minutes each for tea, lunch and supper. Sulo said that sometimes they worked

¹² Interview, 04/03/03c

through the night in order to get orders out on time; she was not even allowed to phone home and tell her family what time she was coming home. This situation was confirmed by Kasturi, an employer that done freelance work for informal clothing factories in Chatsworth. She said “the pressure is very heavy in those situations ... if an order has to be out by midnight, people will be working there until midnight” (Interview, 18/02/03).

Other workers said that they had 2 breaks a day, 15 minutes for tea and 30 minutes for lunch. Many workers also consistently worked 6 to 7 days a week. Neela said that she had to work 7 days a week, and if they wanted the Sunday off, they had to work from 08h00 to 17h00 on a Saturday. She said “it’s very tiring working like that ... sometimes I don’t go to work just to have a break” (Interview, 01/03/03b). Vigie also used to work 7 days a week, working from 07h00 to 16h00 on the Saturday and from 07h00 to 15h00 on Sundays.

Many people also had problems with their work environment. Jainthree said that in some of places where she worked there was not enough space to move and in the last factory that she worked in, there was no toilet in the factory and one had to walk outside the factory in order to use the toilet. Sarah said that the space she worked in was very small and cramped. She said that although there was a fan, it was still hot and uncomfortable to work in. Harsha, said that she had worked in a double garage in which was very cramped. There were no windows and even though the garage doors were opened, on warm days, they still had to “suffer and work” (Interview, 06/03/03). There was also only 1 toilet that about 20 workers used. Kasturi also confirmed these poor working conditions, “working conditions were not good, there was little ventilation and things were very congested. This was made worse by the heat. Generally there were four to five machines and the motors of the machines give off a lot of heat, which made things worse” (Interview, 18/02/03).

There is also an element of control enforced upon workers by the owners. Jainthree for instance, also spoke about how they were not even allowed to look at workers or talk to them. Vigie explained how they were only allowed to go to the toilet 3 times a day and this had contributed to her poor health; due to being restricted she had problems with her kidneys and she had developed kidney stones.

Income

As with formal firms, there is also a hierarchy in informal clothing operations. Workers are paid according to the work that people do. Cleaners earn the least and machinists earn the most. In Chatsworth, particularly in the informal factories, cleaners are paid R120 a week. This calculates to R24 a day, often for more than eight hours of work. These factories also take on casual workers as cleaners and they are paid R20 a day. Workers that worked as servicers and cleaners at homes earned R120 a week. Only Rani reported that they received any extra money for overtime, but it was not very promising as she only received R1 for every hour of overtime worked. Most machinists earned between R250 – R300 a week.

Most workers are paid their wages on a weekly basis. Only Harsha reported that one employer paid her fortnightly. Workers encountered numerous problems when it came to payment of wages. Some were not paid on time and had to wait to 1 to 2 weeks to receive their wages. This mainly happened because employers did not have surplus money and if the order did not go out on time, then the employers would not have the funds to pay employees.

Many workers complain of non-payment of wages. Vigie after answering an advertisement in the *Rising Sun* (local newspaper) for machinists went to work, “when Friday came, there was no wages... who is going to work with no wages?” (Interview, 02/03/03a). She left there after a week. Harsha has had a few experiences with non-payment. In the first factory, she worked for in Chatsworth, the employer paid her properly for 2 months. Thereafter he just stopped paying and he owes her R1 000 in wages. Another employer had also not paid her for 2 weeks. Jainthree, who has worked in 6 informal different factories in Chatsworth, says that she knows many employers that do not pay their workers; “employers hide from their workers when they come for their wages” (Interview, 01/03/03a). She said, “I feel sorry for people working in Unit 10. African people are being even more abused. They work as cleaners and get paid R20 a day, no matter where they stayed and how much they have to pay for transport to get to work” (Interview, 01/03/03a). She said that employers are “hungry for workers but they cannot take care of workers” (Interview, 01/03/03a).

7.2.1.3 Problems experienced at work

In addition to the problems workers experienced with their income and work conditions, they also dealt with other difficulties. Poor health is problematic for workers. The nature of their work (long hours, under continuous pressure) has contributed to their poor health and this in turn impacts on their ability to work. In Jainthree's case, she could not find work because she was unable to work the long hours. Neela, who has high blood pressure, cannot go to work sometimes, and this impacts on her wages, as there is no sick pay. Vigie suffered from arthritis, cystic fibrosis and kidney problems. The last time that she was sick and stayed at home, her employer told her not to come back to work.

In no cases, are employers willing to pay for the medical treatment of workers, even if an injury occurs at the factory. Vigie spoke about how a needle went through her finger. She said that the employer did not even take her to a doctor, and she had to make her own arrangements to see a doctor and get treatment.

Workers also experienced problems in terms of the manner in which they are treated at work. According to Jainthree, "workers are not treated with respect" (Interview, 01/03/03a). Harsha and Jainthree both spoke about how workers had been verbally abused in the factories where they had worked, and there had also been an incident where an employer slapped a worker. Sarah also described how her employer had forced her to be a 'checker', a job that she was not used to, and when the order failed the quality inspection, the owner blamed her and hurled verbal abuse at her in front of the quality inspector. She was pregnant at the time and had been very stressed by the incident.

7.3.2 Linkages to the Formal Economy

As already mentioned, a number of South Africa's biggest retailers source their goods through informal firms in Chatsworth. Workers substantiated this by noting that labels were being sewn onto garments, which were also being completely packaged in the firms where they worked. There also appears to be a multi-level relationship

between the formal economy and the informal economy occurring in Chatsworth¹³. In one case, there was a direct link to a retailer. Sulo reported that the owner of the informal firm that she worked for, was a quality checker for Edgars. This owner was still employed by Edgars and ran the informal firm simultaneously. Therefore this owner was able to secure CMT contracts from Edgars. In other instances however, informal operations receive orders from larger factories that are producing for the retailers. Only three workers were able to substantiate this. Jainthree noted how one large order is given out to four or five factories in the industrial area in Chatsworth. Vigie and Sarah said that their employers were both former managers in formal clothing firms, which was where they received their orders. The effect of this relationship is that unit prices are cut substantially when the order comes to informal operators. This kind of arrangement was also confirmed by the organiser from SACTWU (Interview, 14/04/03).

The presence of quality inspectors and their high level of rigour at informal factories and home-based operations further points to the linkage with the formal economy and awareness by either retailers or formal factories of the conditions under which garments are being produced. If garments are accepted, they then go to be sold in the formal economy. In the case where an order is rejected, one worker¹⁴ reported that those garments were then sold by the owner at a flea market, thereby filtering into the informal economy.

With regard to the dynamics between the formal economy and the informal economy, many waged workers experienced movement between the formal economy and informal economy, as many of them were previously employed in formal clothing firms.

¹³ Whilst these workers knew where garments were going to be sold, many were not aware if the order was received directly through the retailer or through a formal clothing firm.

¹⁴ Interview, 04/03/03a.

7.3.3 *Organisational Framework*

7.3.3.1 *Relationship with Organisations*

Although, there is a relatively strong institutional life operation in Chatsworth, all but one worker did not belong to any organisations or had been assisted by any organisations with the problems they experienced at work. Only Harsha had told her pastor from her church that she had not been paid by one of her employers and he was able to discuss the issue with the employer and a portion of the wages was paid to Harsha.

Many workers said that they had no one to complain to, and in many cases they couldn't complain, as they were afraid of losing their work. Samantha said that she didn't complain to anyone because she needed the money, "you can't complain, you just do the work" (Interview, 04/03/03c). Rani also said that she didn't complain because she was "desperate for a job" (Interview, 02/03/03b).

With regard to work issues, the chairperson of the CCA noted that they did receive complaints from many people. The chairperson has a legal background and is familiar with labour legislation and is able gives people advice where he can and also does referrals when he cannot assist people. He said that many people are so desperate that they go to lawyers or the CCMA (Centre for Conciliation, Mediation and Arbitration) only to find that these are the wrong avenues to pursue in order to get their grievance heard. People also went to lawyers that are not knowledgeable about labour legislation and as a result they are not helpful to workers.

7.3.3.2 *Workers Relationship with the Union*

All waged workers did not have any experience with SACTWU in their informal working arrangements and workers confidence in the union had waned somewhat. For example, Jainthree said, "the union is not strong now and they have stopped taking action, wages were lower and workers were not being treated well ... in

Chatsworth, nobody is fighting, Indian people are forced to work and they are being abused” (Interview, 01/03/03a).

This sentiment by the workers was confirmed by an organiser from SACTWU, “most of the people were our members before and they were working in a formal factory and people felt that we betrayed them, because when their factories were closing or were retrenching we could not do much” (Interview, 14/04/03). As a result of this, SACTWU has been experiencing difficulties in organising these workers. The organiser also said that people are reluctant to join as they feel that SACTWU did nothing when their factories were being liquidated.

Organising these workers has also proved to be problematic for another reason. The situation of many waged workers is not always a simple case of exploitation of workers. According to the organiser, many informal factory owners do not get their orders directly from the supplier; it comes through an intermediary, “and you can see that prices are cut to the bone when it goes to them ... are they [informal employers] going to afford what the industry is paying?” (Interview, 14/04/03). Thus the process of organising workers and assisting them in the problems that they face have been a challenging one for the union. They are now facing a situation where they have to work on a number of levels, not only with workers and their employers but also with those that are supplying them, which is new to the union. In working with unregistered factories, SACTWU is working together with the Bargaining Council and are attempting to register these factories even though they are underpaying workers. Their priority is to get factories registered; they also grant them a concession period at the end of which they would be expected to pay bargaining council wages. This too has not been an easy process as many employers still refuse to register.

7.3.4 Institutional Environment

7.3.4.1 Relationship with the State / What Should the Government do?

Whilst some workers noted the many ways in which the government could assist workers, others really didn't know how to answer the question. It was as though they were despondent with the state's capacity to positively impact on their lives.

Waged workers, mostly said that the government could insist on higher wages and better working conditions. Sharon said that they should ensure that there were regular inspections of factories and home-based operations. Vigie thought that the government should close the CMT factories down and that "they should build bigger factories that are registered ... there should be registered companies where people have benefits". She also said that at the moment "owners are getting richer [and] workers are getting poorer ... cleaners get R125 a week ... how can people survive on that?" (Interview, 02/03/03a)

Jainthree said that "the government should bring the union back, make them strong and make everyone get registered ... then everyone will have jobs" (Interview, 01/03/03a).

It is also important to note that these workers had very little contact with the state and none of them reported their problems to the Department of Labour in Chatsworth.

7.3.4.2 The Department of Labour in Chatsworth

According to an official in the Department of Labour (DoL) in Chatsworth, they were aware of the problems experienced by those in informal clothing manufacturing, especially in terms of long hours and underpayment (Interview, 09/04/03a). The procedure adopted when receiving a complaint is to firstly attempt to resolve it within 14 days. Failing this, it goes to the inspectors, at the provincial office, who then investigate. This is because Chatsworth is a sub-office and does not have any inspectors of its own. The official noted that it was problematic to find many

informal factories, as many people are operating in homes and are therefore invisible. Although there is awareness of the problems experienced in Chatsworth, they do not really have the expertise to investigate the nature of the problem. If any investigation were to be conducted, it would be handled by the Durban office.

Apart from that, however, the chairperson of the CCA noted that there was another dilemma for the DoL in terms of conducting an investigation. He noted:

“The sad part with the Department of Labour is that unless you lodge an official complaint in affidavit, they will not investigate. I’ve tried with them, I’ve said there’s genuine problems here, they will not go unless the person comes and people are not willing to that because they can lose their jobs” (Interview, 05/03/03).

He said that it is also a difficult situation because if employers are reported, they may fire the worker that complained or they may close down and all their employees lose their work ... “you go there and sometimes you want to get people into trouble but at the same time if I get this man in trouble, other people are going to lose their bread” (Interview, 05/03/03).

7.4 How has the experience of workers changed over time?

7.4.1 Previous Working Experience

7.4.1.1 Working in Formal Clothing Firms

Most of the workers had some experience of working in a formal clothing factory. Many have been in the industry for a long time, more than 25 years. Workers said that in the past they just went looking for work and easily got jobs in clothing factories in Durban, Clairwood and Jacobs. Generally they started off as cleaners, that cut the threads off the garment, turn it inside out and prepare it to be packaged. Later with more experience, they moved on to become service hands that passed parts of the garment between machinists. Some then later become machinists and mainly

learned how to sew on their own, during their breaks when the machines were free¹⁵. Moreover some went on to become all round machinists and could work on any part of a garment and were often placed where there was difficulty in a garment¹⁶. Others remained as regular machinists, which could only work on certain parts of the garment, such as attaching sleeves to the sides of the garment¹⁷. Workers were generally happy working for formal firms, they received extra wages for overtime and working on public holidays as well as holiday pay. Some also spoke about how they felt that their bosses cared for them, holding parties for them at the end of the year and helping workers to save some of their wages.

All workers that had worked for formal factories spoke of an active union, that was “there for workers” (Interview, 01/03/03b)) and said that many of their problems were taken care of by union officials. Jainthree said “factories were afraid of unions ... people could not take advantage of workers ... the union was very strong and I enjoyed working while there while the union was strong” (Interview, 01/03/03a). She also said that if they did experience any problems at work; it would be swiftly resolved. The union was helpful not only in terms of work issues but had also provided health services and Neela spoke about how there were doctors that would attend to people. It is also important to note here that when workers spoke of unions, they did not speak of SACTWU or the Garment Workers Union, but rather of Bolton Hall, which is the building where the union has its offices.

The statements of workers in relation to the activities of the union in the past was largely confirmed by a former organiser, Harriet Bolton, that worked for the union for more than 30 years (Interview, 09/04/03b). On the reference to Bolton Hall as opposed to the Garment Workers Union or SACTWU, she said it was because it was a “progressive centre ... it was where all the unions were centred and where all the meetings took place ... where everything happened and we made it happen” (Interview, 09/04/03b). She also recounted how workers were assisted with health care as well as with the problems they experienced at factories. And in terms of

¹⁵ Interview, 14/02/03; Interview, 01/03/03a; Interview, 06/03/03a.

¹⁶ Interview, 14/02/03; Interview, 01/03/03a; Interview, 01/03/03b.

¹⁷ Interview, 06/03/03b.

problems experienced at work, they were handled as soon as possible, which was part of their policy. She also recounted how they had went into factories that had not allowed unions in and fought against employers to improve not only wages but also working conditions.

7.4.1.2 Other forms of work experience

Some workers that never worked in a formal clothing firm did however have experience working in informal operations. Vigie¹⁸ had always worked at informal unregistered factories and even though she was well experienced as a machinist, she did not have any papers that said she was a machinist. Therefore she could not get a job at a formal firm and could only find work in informal firms. Samantha¹⁹ had no work experience, and went to work in an informal home-based operation after she had finished matric.

7.4.2 How people began working in informal clothing manufacturing?

There are many reasons to explain the reasons why people started working in informal clothing manufacturing in Chatsworth. Many of those that had worked in formal clothing factories found themselves out of work as firms either closed down or began to retrench workers²⁰. Jainthree, Harsha and Sharon started working in Chatsworth after the factories that they had been working in closed down. Ranjini, Sunitha and Vanessa began working informally after they were retrenched from the formal factories in which they worked. Others started working in Chatsworth after they had left their jobs at formal factories. For Sulo, she left because of the stressful nature of the work as they were required to produce a very high score, between 150 to 200 units per hour ... “it was very pressurised, you’re sewing so fast, you cant see the machines, and your head starts spinning” (Interview, 14/02/03a). Neela had left after

¹⁸ Interview, 02/03/03a

¹⁹ Interview, 04/03/03c

²⁰ Interview, 06/03/03a; Interview, 01/03/03a; Interview, 06/03/03b; Interview, 04/03/03; Interview, 02/03/03c; Interview, 06/03/03d.

her husband was disabled after an accident. She left work in order to take care of him. Rani and Sarah had both left when they were pregnant with their first children. For Vigie and Samantha, working in informal clothing manufacturing in Chatsworth was the only work that they had known.

There was also a range of ways in which people found work in informal clothing manufacturing in Chatsworth. Some found work through advertisements in the local newspaper and through word of mouth, as friends, family and neighbours would inform them about what work was available. Some owners would also come directly to people's homes looking for workers, and machinists had particularly found work in this way. In Sulo's case, the person that had done quality control for Edgars at her former factory contacted her. This person knew all the people that had left the factory and called them up when she wanted to start an informal factory at home.

7.4.3 What are people doing now?

Five women were not working at the time that the interviews were conducted but were looking for work. Jainthree has been looking for work, but had been unsuccessful, as people did not want to employ her because she was unable to work the long hours due to her poor health.

Rani is now working in a grocery store and said that she would not work in the clothing industry again, as she is able to earn more with her current employment.

Two women were not working and did not want to work in informal clothing firms. Samantha said that she would not go back to working in people's homes again ... "I would rather not work than work in those conditions". Harsha also said that she would rather not work than go and work in an unregistered factory again.

7.4.4 *Changing Nature of Work*

Here we can look at Harsha's story to examine the nature of work has changed for one worker.

*Harsha's Story*²¹

Harsha is 49 years old and started working in the clothing industry more than 20 years ago. During that time, she had worked for 2 formal clothing factories. She spent 15 years working at the first factory and 4 years at the second one. Whilst formally employed, Harsha received regular wages, which were paid on time. She received benefits and worked regular working hours with sufficient breaks during the day. In both cases, however, Harsha found herself without work as the firms were liquidated. Since working in Chatsworth, Harsha has worked in 5 places, both in people's homes and in factories. Work conditions were cramped. In most places, she worked 7 days a week and was not paid any overtime ... "but what are you going to do?" she said, "you cant complain because you need the money" ... In 4 of the places that she had worked for, she was still owed wages. Most times, she worked for a few months without any problems with payment, then owners just stop paying their wages. She would then move on to another factory or home-based operation where the same situation occurred.

Many of the informal waged workers tell a similar story, as they have moved from the formal economy into the informal economy, their work conditions have changed and deteriorated considerably. Though they still do the same kind of work, that they used to do in formal firms, as servicers or machinists, the work space/environment and the conditions under which they work are different. In many cases, manufacturing takes place in the owner's home, either a garage or outbuilding, and the operation runs just like a factory but with fewer workers and in a smaller space. Workers also do not receive the benefits that they were used to in formal firms. There is no overtime paid, neither is there any holiday pay or sick pay and their wages are much lower that what they would receive in formal firms. People work long hours with few breaks.

²¹ Interview, 06/03/03a.

Moreover these poor conditions in which they work encourage great movement within the informal economy in clothing industry in Chatsworth. There is no shortage of work in Chatsworth but the work is neither stable nor secure. Workers point to the ease with which one is able to move from one factory to another. Jainthree further noted that, “there isn’t a factory that will say that there is no work” (Interview, 01/03/03a). Whilst this is the case, some workers do not easily engage in this type of work based on their bad experiences in informal clothing firms.

“Before, problems used to get sorted out without people getting fired” (Interview, 01/03/03a). This statement made by Jainthree encapsulates the changing experiences of organisations for workers. Before, they were protected by the union and if they did complain they had the assurance that they would not lose their jobs. Working for informal clothing businesses in Chatsworth, they do not have any assurance that they will still have work. Thus people are not willing to complain. They rather work with the low pay and bad working conditions than not work at all. This also means that even though workers have the DoL is an avenue where workers can report their problems; many do not use it, as they are afraid to losing their jobs.

In conclusion, it is important to note that the informal clothing production that these waged workers engage in is clearly linked into the formal economy. This is much more so the case than it was in the past. This is significantly different from Budlender and Theron’s study that found that only 9 per cent of home-based clothing workers engaged in contract work. This confirms the process of informalisation. Moreover, it must also be noted that workers conditions of employment have significantly eroded over time.

Chapter Eight: Conclusion

Talking to workers about their work experiences in informal clothing manufacturing in Chatsworth has elucidated many issues. Firstly, informal clothing manufacturing takes different forms in Chatsworth: there are employers, self employed workers and waged workers

- The employer and self employed operators interviewed produced either tailor made clothes or manufacture clothes by their own design. All their garments are sold informally and they are only linked to the formal economy through the supply of inputs. All work in their own homes and dictate their own working conditions. They do not encounter major problems in their work and also seem to earn significant levels of income. Most of them are also active in community organisations that have indirect and positive impacts on the work that they do; more people learn about the work that they do and they receive more business. Moreover in terms of their changing nature of work, this has been positive, as operators have been able to improve their income levels through the work that they currently engage in.

Waged workers on the other hand face poor working conditions, having to work long hours whilst receiving low wages. They are also well integrated into the formal economy as the garments that they manufacture go on to be sold in formal retail outlets. One also finds that the nature of work for these workers has deteriorated substantially over time. Those workers that had experience in formal clothing firms received benefits, they were paid properly and if they did experience any problems, it was swiftly handled by the union. Since working for informal operations, workers no longer receive any benefits and feel that they have no one that can assist them with the problems that they experience at work. These workers are also institutionally isolated; they have lost confidence in SACTWU and are generally despondent with the state.

Comparing Chatsworth to the Asian case studies, there are a few similarities especially with regard to waged workers. The following similarities are apparent. Even though labour legislation exists to protect these workers, they have not benefited

from it. Workers also experience similar work problems, which include low pay and long working hours. Due to their vulnerability it is difficult to organise these workers.

Reflection on Theory

Firstly in terms of the changing definition of the informal economy, this research has illustrated that employment based definition of the informal economy and the employment categories espoused by Carr and Chen (2002) are very useful and allows for the classification of a diverse group of workers. Reflecting on the theoretical traditions on the informal economy, the contentions of the neo-liberal approach seem to be applicable to employer and self employed operators, as they seem to be prospering economically and do so outside the purview of the state. However, the experience of all informal clothing workers in Chatsworth does not conform to the neo-liberal approach. Informal waged workers fall more in line with the structuralist approach. With these workers, the informalisation of their work is apparent as they have moved from formal clothing firms into informal clothing operations. These workers also bear the characteristics of informal labour as described by the structuralist approach. These workers accept low wages, no benefits and poor working conditions because they are vulnerable and have few alternatives.

The commodity chain approach has also been useful, as it has served to structure the examination of worker's experiences by looking at their various aspects of work. It must be noted that workers had limited information about where orders came; they did not know if it was being received from retailers or from formal clothing firms. Budlender (2001) also found this to be the case in the Asian case studies as workers had little information on subcontracting chains. The workers in Chatsworth were however aware of where garments were going to be sold. It must also be noted that if the commodity chain was applied without being extended, there would only be an understanding of current workers experiences and there would also be no examination of workers relationship to organisations and to the state. By extending the commodity chain approach, the changing nature of work can be examined which flows from the understanding of informalisation as a process. Moreover by examining workers relationship to the state and to organisations, institutional actors can be identified that could be of assistance to workers.

Policy Recommendations

Due to the different forms of informal clothing manufacturing in Chatsworth different interventions will be recommended for different kinds of workers.

For employer and self employed operators, particularly those involved in the administration of courses, they should be assisted with the accreditation of their courses. Further, they could be assisted through a package of support services including access to finance and business training.

For waged workers, a major problem is the lack of information. They are unaware of their rights and the avenues that are available for them to report their poor conditions. This can be improved with the assistance of the DoL and the community organisations in Chatsworth. The DoL could compile basic information about what workers are entitled to. This can be distributed by the organisations in Chatsworth; even though they do not deal with work issues they are aware of people that are experiencing work-related problems. The DoL, in order to improve their success rate in investigating complaints in a residential area like Chatsworth could once again enlist the help of community organisations who know the area well. Waged workers could also be assisted by receiving more all-round training in sewing that would allow them to manufacture garments independently. Waged workers could be further assisted by increasing the investigative capacity of the DoL in Chatsworth.

Collective action would strengthen these workers' positions. SACTWU, however, is not necessarily the right organisational form. Given all the firm closures, they are struggling to fulfil their traditional role of improving conditions in the formal economy let alone expanding their function to the informal economy. Organisations like the Self Employed Women's Union are better equipped to deal with these contexts. The community organisations in Chatsworth may also be useful in this regard if their capacity is strengthened so as to deal with the problems that these workers face.

Areas for Further Research

In conclusion this dissertation has documented the nature of informal clothing manufacture in the Chatsworth area. It demonstrates the diversity of work arrangements in this segment of the clothing industry. With respect to formal informal economy linkages, informal firms were often found to be closely integrated into the formal economy. What still remains a puzzle is who is gaining from this. Are informal firm owners paying such low wages because the margins on their orders are so low? Further research should aim to unpack this by interviewing informal firm owners. An examination of formal clothing firms will also build on the findings of this research, as one may investigate the nature and extent whereby work is contracted out to informal firms. It is in these areas for further research that the commodity chain approach would be more useful.

References

- Abernathy, F. H, Dunlop, J. T.; Hammond, J. H. and Weil, D. (1999). **A Stitch in Time: lean retailing and the transformation of manufacturing: lessons from the apparel and textile industries.** New York: Oxford University Press.
- Adelzadeh, A. (1996). "From RDP to GEAR: The Gradual Embracing of New-Liberalism in Economic Policy", *Transformation*, 31, 66-95.
- Bangasser, P. 2000. 'The ILO and the Informal Sector: An Institutional History,' Geneva: ILO.
- Boonmathya, R. T., Praparpan, Y. and Leechanavanichpan, R. (2001). 'The Situation of Female Subcontracted Workers in the Garment Industry in Bangkok, Thailand' in Budlender D. (ed) 'Women and Subcontracting in the Global Economy'. Research project of The Asia Foundation's Women's Economic and Legal Rights Program, Washington.
- Budlender, D. (2001). 'Introduction' in Budlender D. (ed) 'Women and Subcontracting in the Global Economy'. Research project of The Asia Foundation's Women's Economic and Legal Rights Program, Washington.
- Budlender, D. and Theron, J. (1995). 'Homeworkers Survey', report prepared for the Self Employed Women's Union (SEWU), Durban.
- Carr, M. and Chen, M. A. (2002). 'Globalisation and the Informal Economy: How global trade and investment impact on the working poor'. Geneva: ILO.
- Castells, M. and Portes, A. (1989) 'World Underneath: The Origins, Dynamics and Effects of the Informal Economy' in Portes, Castells and Benton (eds.) **The Informal Economy: Studies in Advanced and Less Developed Countries.** Baltimore: John Hopkins University Press.

- Chatsworth Child and Family Welfare Society (2003). 'Directory of Services'.
- Chen, M. A. (Ed.) (1996). **Beyond Credit: A Subsector Approach to Promoting Women's Enterprises**. Aga Khan: Ottawa.
- Chen, M. A. (2001). 'Women in the Informal Sector: A Global Picture, The Global Movement.' *SAIS Review*, 21 (1), 71-82.
- Delahanty, J. (1999). 'A Common Thread: Issues for Women Workers in the Garment Sector'. Paper prepared for Women in Informal Employment: Globalising and Organising, Ottawa.
- Desai. A. (2000). **The Poors of Chatsworth**. Durban: Madiba Publishers.
- Dunne, N. (2000). 'Understanding the South African clothing manufacturing sector from the perspective of leading South African clothing retailers'. CSDS Research Report 31. Durban: University of Natal.
- Fakude, G. (2000). Informalisation in KwaZulu-Natal's clothing sector, Paper Prepared for the Department of Trade and Industry Policy Support Programme, International Competitiveness and Value Chains In selected Manufacturers Sectors Study.
- Fernandez-Kelly, M. and Garcia, A. (1989) 'Informalisation at the Core: Hispanic Women, Homework and Advanced Capitalist State' in Portes, Castells and Benton (eds.) **The Informal Economy: Studies in Advanced and Less Developed Countries**. Baltimore: John Hopkins University Press.
- Gereffi, G. (1999). "International trade and industrial upgrading in the apparel Commodity chain", *Journal of International Economics*, 48, 37-70.

- Gibbon, P. (2002). 'South Africa and the Global Commodity Chain for Clothing: Export Performance and Constraints'. Paper prepared for the Clothing and Footwear In Africa Industrialisation Workshop, Mombasa, Kenya, 5-6 July 2002.
- Harrison, K. and Dunne, N. (1998). "KwaZulu-Natal Clothing Industry: The Importance of Firm-Level and Pipeline Competitiveness Issues", Research Report No. 14, Centre for Social and Development Studies, University of Natal, Durban.
- House, K. and Williams, G. (2000) 'The State of Employment in the South African Clothing Sector: Diverting a Race to the Bottom.' Johannesburg: Paper presented at a TIPS 2000 Annual Forum, 18-20 September 2000, Muldersdrift.
- International Labour Office (2002). 'Resolution concerning decent work and the informal economy'. Geneva: ILO.
- Manning, C. (1993). "Informal Manufacturing in the South African Economy", Working Paper No. 11, Centre for Social and Development Studies, University of Natal, Durban.
- McCormick, D. and Schmitz. H. (2001). Manual for Value Chain Research on Homeworkers in the Garment Industry. (<http://www.ids.ac.uk>).
- Meagher, K. (1995) 'Crisis, Informalisation and the Urban Informal Sector in Sub-Saharan Africa', in *Development and Change*, 26, 259-284.
- Motala, S. (2000). 'An investigation of the links between the formal and informal businesses in the clothing industry in the Durban CBD'. Study 2.2. Research Report for Technical Task Team for the Informal Economy.
- Michie, J. and Padayachee, V. (1997). **The Political Economy of South Africa's Transition: policy perspectives in the late 1990s**. Dryden Press: London.

- Ofreneo, R. P., Lim, J. Y. and Gula, L. (2001). 'Subcontracted Female Workers in the Global Economy: Philippine Report'. In Budlender D. (ed) 'Women and Subcontracting in the Global Economy'. Research project of The Asia Foundation's Women's Economic and Legal Rights Program, Washington.
- Peattie, L. (1987). 'An Idea in Good Currency and How it Grew: The Informal Sector.' *World Development*, 15 (7), 851-860.
- Rakowski, C. A. (1994) 'Convergence and Divergence in the Informal Sector Debate: A Focus on Latin America, 1984-92' in *World Development*, 22 (4), 501-516.
- Rogerson, C. (2002). "Sunrise or sunset industries?: South Africa's clothing and Footwear sectors", Paper prepared for the Clothing and Footwear In Africa Industrialisation Workshop, Mombasa, Kenya, 5-6 July 2002.
- SACTWU, (2001). Congress Report 2001.
- Skinner, C. 2003. 'Constraints to Growth and Employment in the Greater Durban Metropolitan Area: Evidence from Informal Economy Survey', Paper prepared for the World Bank and the Durban Unicity Council
- Skinner, C. (2002). 'Understanding Formal and Informal Economy Labour Market Dynamics: A Conceptual and Statistical Review with Reference to South Africa'. CSDS Research Report 50. Durban, University of Natal.
- Skinner, C. and Valodia, I. (2002). 'Labour Market Policy, Flexibility and the Future Of Labour Relations: The case of clothing', *Transformation*, 50, 56-76.
- Standing, G., Sender, J., and Weeks, J. (1996). **Restructuring the Labour Market: The South African Challenge. An ILO Country Review.** Geneva: ILO.

Unni, J., Bali, N. and Vyas, J. (2001). 'Subcontracted Female Workers in the Global Economy: The garment industry in India'. In Budlender D. (ed) 'Women and Subcontracting in the Global Economy'. Research project of The Asia Foundation's Women's Economic and Legal Rights Program, Washington.

Valodia, I. (2001). 'Economic Policy and Women's informal work in South Africa', *Development and Change*, 35 (2), 871-892.

Wentzel, W. (1993). 'Clothing micro-enterprises: from rags to riches?' *Indicator South Africa*, 11 (1), 73-78.

WIEGO (Women in Informal Employment: Globalising and Organising). (2001). 'Addressing Informality, Reducing Poverty: A Policy Response to the Informal Economy.' Harvard: WIEGO Secretariat.

List of Interviews conducted

Respondents

1. Sulo	:	14/02/03a
2. Kuben	:	14/02/03b
3. Kasturi	:	18/02/03
4. Joseph	:	25/02/03
5. Mayah	:	28/02/03
6. Jainthree	:	01/03/03a
7. Neela	:	01/03/03b
8. Vigie	:	02/03/03a
9. Rani	:	02/03/03b
10. Vanessa	:	02/03/03c
11. Sarah	:	04/03/03a
12. Ranjini	:	04/03/03b
13. Samantha	:	04/03/03c
14. Harsha	:	06/03/03a
15. Sharon	:	06/03/03b
16. Sunitha	:	06/03/03c
17. Mrs Raju	:	06/03/03d

Organisations / Institutions

1. Fashion Design Graduate	:	10/11/02
2. Chatsworth Residents Association	:	22/11/02
3. Local Newspaper	:	05/02/03
4. Chatsworth Child and Family Welfare Society	:	07/02/03
5. Chatsworth Community Association	:	05/03/03
6. Department of Labour (Chatsworth)	:	09/04/03a
7. Former organiser	:	09/04/03b
8. Organiser from SACTWU	:	14/04/03

Appendix One - Interview Schedule for Workers in Chatsworth

Demographics

- Age
- Marital Status

Work History

- What jobs did you do before engaging in your current work?
- How long did you work there?
- What were your main duties?
- Reasons for leaving

In cases where people have previously been employed in a clothing firm...

- How did you get the job?
- Did you have any previous training?
- What position did you start in?
- Was there any 'on-the-job' training?
- What were some of your main job functions?
- Did you belong to a union? ...
- If yes, what was your experience of the union whilst working in the clothing firm?

Current Work

- How did you start your current work?
- Describe your current work.
- How long have you been doing your current work?

Questions for waged workers

- Do you work from your home or in someone else's home?

- Supply
 - Does the material come pre-cut or is it cut on the premises?
 - Are you also supplied with accessories? (zippers, buttons etc)
 - How do you get the supplies? Is it dropped off or do pick it up?
- Production
 - What kinds of goods do you produce? (menswear, ladieswear, children...)
 - Are there labels on the garments? What kind of labels?
 - Do you produce the whole garment or a part of it?
- Equipment
 - Do you use your own machine?
 - If yes, how much did they cost?
- Transferring of goods
 - When goods are finished, are they picked up or is it dropped it off?
 - Are they strict with quality? Do certain items get rejected?
 - Do you know where the goods are eventually sold to?
- Income
 - Are you paid weekly, monthly, or on a piece rate (according to the number of items produced)?
 - Are you paid on time?
- Conditions of Work
 - Work Hours
 - How many days a week do you work?
 - On average, how many hours per day, do you work?
 - Work Environment
 - Describe the space in which you work?
 - Is it well ventilated?
 - How many hours do you work for at a stretch?
 - How many breaks do you get?
- Problems at work
 - Do you experience any problems at work?
 - If yes, please describe them.

Questions For Self Employed Workers

- Supply
 - Where do you buy your material and accessories?
 - Is there a reason for sourcing from that seller?
 - Do have any problems sourcing materials?
 - How often do you buy materials?
- Production
 - What kinds of items do you produce?
 - Time taken to produce different items?
 - Do have anyone helping you with production?
- Equipment
 - What kinds of machines do you use? How many?
 - Do you own them? How much did they cost?
 - If not, how much does it cost to rent?
- Retail
 - Do you sell the products that you manufacture?
 - If yes, where do you sell your products?
 - How often do you do this?
 - What proportion of products usually get sold?
 - What do you do with unsold items?
- Income
 - How much do you earn in a good month?
 - How much do you earn in a bad month?
- Work Hours
 - How many days a week do you work?
 - On average, how many hours per day, do you work?
- Problems at work
 - Do you experience any problems at work?
 - If yes, please describe them?

- **Questions for all workers**

- Organisations

- Do you belong to any organisations?
 - Have they been helpful in the work that you do?
 - If organisations have not been helpful, are there any people that have been useful to your work?

- Role of the State

- What are the ways in which the state can be of assistance in the work that you do?

Appendix Two: Typology of Clothing Firms Operating in the
Durban Unicity Area and Surrounds

Type of Firm	No. of workers	Description	Formal / Informal	Risk with respect to productive assets	Place of work	Type of Benefits
Formal – big firms manufacturing for formal retailers / perhaps exporting	100 +	Traditional style of firm – There are few of these firms left. ²²	Registered with Revenue Services operating under collective bargaining arrangements	Firm owner	Traditional factory space, industrial area	Workers unionised, they have annual leave, sick leave, maternity benefits. They have access to good quality and free health care services.
Formal – big firms manufacturing in former decentralised areas	100 +	There have been closures in the decentralised areas but there are still a number of firms operating.	Registered with Revenue Services NOT operating under collective bargaining arrangements	Firm owner	Traditional factory space, industrial area	Workers are not unionised. They have few or no benefits.
Formal – medium to small Cut Make and Trim	30 - 80	There are very few of these left in the Durban area	Registered with Revenue Services Operating under collective bargaining arrangements	Firm owner	Traditional factory space, industrial area	Workers unionised, they have annual leave, sick leave, maternity benefits. They have access to free health care services.

²² One indication of this would be membership of the employer representative - Natal Clothing Manufacturers Association or the NCMA - in collective bargaining. In 1990 they had 450 members. They now have 65.

Type of Firm	No. of workers	Description	Formal / Informal	Risk with respect to productive assets	Place of work	Type of Benefits
Formal – medium to small CMT	30 – 100	Those that have opted out of the bargaining council agreements.	Registered with Revenue Services but NOT operating under collective bargaining arrangements	Firm owner	Traditional factory space, industrial area	Workers are not unionised. They have few or no benefits.
‘Ex’ formal firm that has restructured their workforce as small contractors to avoid labour legislation	30 – 100	The majority of Small and Medium clothing firms in Durban are have gone this route. One labour consultancy reported having assisted over 200 clothing firms to do this in the Durban area.	Not registered with Revenue Services	Would vary, in some cases it would be the worker	Traditional factory space, industrial area	Workers are not unionised. They have no benefits at all. Their wages are significantly cut.
Informal – Medium subcontractors dependent on the formal economy	Up to 50	Those previously operating in homes have expanded operations into factory space in residential areas. They source work from formal economy.	Informal – not registered with anybody	Firm owner	Traditional factory in residential areas	Workers are paid between R100 to R350 a week depending on the kind of work done. Workers are not unionised. There are no benefits and working conditions are poor.
Informal – Small Subcontractor - Dependent on the formal economy	+ - 10	Supervisors who have been retrenched establish manufacturing units in their homes, source work from formal economy often their former employers.	Informal – not registered with anybody	Owner	Home / garage in a residential area	People are working under hugely repressive conditions. The going rate is between R120 – R300 a week. There are no benefits. Workers are not unionised.

Type of Firm	No. of workers	Description	Formal / Informal	Risk with respect to productive assets	Place of work	Type of Benefits
Informal – Small Operator- Independent of the formal economy	+ - 10	People establish manufacturing units in their homes, that are retailed to the informal economy	Informal – not registered with anybody	Owner	Home / garage in a residential area	People are working under hugely repressive conditions. The going rate is between R120 - R300 a week.
Informal dress maker – Very small - independent of the formal economy	0	Home-based dressmaker / seamstress working from home securing customers through word of mouth.	Informal	Owner	Home	None
Informal – foreign tailors	1 or 2	There are a number of relatively skilled foreigners making clothes throughout the city. They are one of the most ‘invisible’ and precarious groups.	Informal – not registered often with no legal documentation allowing them to work.	Self employed owner or employee	Hidden industrial units or residential areas	None
Informal producers operating in the inner city	0	Self Employed	Informal – not registered with anybody	Self employed owner	Former office blocks in the inner city	Mostly self employed, some employ people to assist with sewing and selling. These employees have no benefits and are often paid very badly.