Labour market flexibility, wages and livelihoods in the clothing value chain: A study of clothing manufacturing and clothing retail workers in Durban's surrounding areas

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Declaration

I declare that this dissertation is my own unaided work. All citations, references and ideas that are not my own have been duly acknowledged. No part of this dissertation has been submitted previously for any degree or examination in any other tertiary education institution.

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To whom it may concern

This is to confirm that the dissertation by Yajiv Haripersad entitled "Labour market flexibility, wages and livelihoods in the clothing value chain: A study of clothing manufacturing and clothing retail workers in Durban's surrounding areas" has been subject to formal editing.

Specifically, this has involved:

- Proof reading
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Abstract

One of the most significant changes within capitalist nations during the late twentieth century is the transition of the capitalist mode of production from Fordism to Post-Fordism. Changes in macro-economic market conditions, production processes and labour processes are part of the transition. These changes are felt not only at the level of the aggregate economy, economic sectors, firms and labour markets. They have an impact on the employment relationship and the way workers make their livelihoods. This dissertation provides empirical evidence of labour market flexibility in the clothing manufacturing and the clothing retail sectors and demonstrates that the number of hours worked and wages earned have implications for the livelihoods of workers. The research was undertaken in a clothing manufacturer and clothing retailer situated outside of Durban. The clothing manufacturer is located within an industrial area in Tongaat and the clothing retailer is located within a regional shopping centre in Westville.

Key themes: Labour market flexibility; Labour market restructuring; Industrial restructuring; Flexible accumulation

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Chapter 1: Introduction

1.1 Introduction

This introductory chapter begins firstly by providing the background and rationale for this study. Secondly, the objectives, hypothesis and research questions are discussed. Thirdly, the empirical and methodological contributions of this study are outlined. The final sub-section provides an outline of the chapters which follow.

1.2 The Background and rationale for this study

The transition of the capitalist mode of production from Fordism to Post-Fordism is one of the most significant changes within capitalist nations during the late twentieth century. Changes in macro-economic market conditions, production processes and labour processes are felt the level of the aggregate economy, economic sectors, firms and labour markets. Industrial restructuring and labour market restructuring are part of these changes. Changes in production processes and labour processes have an impact on the employment relationship and the way workers make their livelihoods (Harvey, 1989). Similarly, the effects of economic globalisation are felt not only at the aggregate level of the global and national economy. They are also felt at the local scale where people live out their daily lives (Dicken, 2004). "It is on this scale that most people make their living and create their own family, household and social communities" (Dicken, 2004:510). It is at this scale that livelihoods are developed and shaped by the nature of employment that people engage in and the wages they earn.

Much research has been undertaken on restructuring in the clothing value chain. The South African clothing manufacturing sector has been widely researched since the 1990s. Studies indicate three key restructuring trends in clothing manufacturing in South Africa. These are changes in the organisation of production; changes in the labour process; and employment and wage attrition. (Meager, 1995; Morris, Barnes, Dunne, 1998; Kesper, 1999; Fakude, 2000; Gibbon, 2002; Lund, 2005; Ince, 2003; Van der Westhuizen, 2005; Godfrey, et al. 2005). On the other hand, clothing retail has been the focal subject of only a few studies. Studies by Valodia (1989) and Lewis (2001) indicate that clothing retail has also undergone

considerable industry restructuring since the late 1980s. Operating hours of retailers have increased. Changes in the labour legislation make provisions for several types of employment relationships and as a result various forms of labour market flexibility can be introduced.

However, there are several gaps in the existing research on clothing manufacturing and clothing retail. Firstly, recent studies have not focussed on labour market flexibility in the clothing manufacturing sector since much recent research has concentrated on industrial restructuring, on employment and wages in informal manufacturers and on small CMTs. Secondly, few studies focussed on labour market flexibility in the clothing retail sector. Thirdly, a comparative study of labour market flexibility, wages and livelihoods of workers in two different parts of the clothing value chain does not exist.

The gaps in the body of knowledge on the clothing value chain serve as the main rationale for this dissertation.

1.3 **Objectives of the study, hypothesis and research questions**

The aim of this dissertation is to provide insight into the implications which labour market flexibility have for employment, wages and livelihoods in the clothing value chain. In order to achieve this, research was undertaken in a clothing manufacturer and clothing retailer situated in areas just outside of Durban. The clothing manufacturer is situated in an industrial area in Tongaat and the clothing retailer is located in a regional shopping centre in Westville.

The following hypothesis was deduced based on a review of the theory of capitalist restructuring and literature on labour market flexibility. This was that labour market flexibility affects employment, wages and livelihoods of workers employed in two different segments of the clothing value chain, namely clothing manufacturing and clothing retail. In order to test this hypothesis, the following research questions were developed:

1. What are the means of achieving labour flexibility and what type of labour flexibility is present in the workplaces under study?
2. What is the impact of labour market flexibility and wages levels on livelihoods? In other words, what items do people spend their income on in order to live out their daily lives?

1.4 Contributions made by the study

This study adds to the body of empirical research on labour market flexibility and insecurities and on wages. Through studying the nature of employment, working hours, wages, and expenditure this study provides data to further understand how labour market flexibility is achieved and its implications for workers.

Furthermore, the dissertation aims to make a methodological contribution to comparative studies. It provides a way of organising research on employment, working hours, wages, and expenditure of workers in different parts of a value chain.

1.5 Overall structure of the study

The dissertation is comprised of six chapters. This chapter is the first. Chapter 2 provides the theoretical and conceptual framework for this study. The main argument is that capitalism is undergoing a transition towards flexible accumulation. Flexible accumulation is realised through greater flexibility in the organisation of production and the labour process. Labour market restructuring has been part of the process of the transition toward flexible accumulation. This restructuring has resulted in the erosion of labour related securities such as income security, employment security and work security.

Chapter 3 provides a review of literature on industrial restructuring in clothing manufacturing and clothing retail. This chapter discusses existing research that provides some empirical evidence of the nature of employment and wages of workers in clothing manufacturing and clothing retail. There are two main arguments made in this chapter. Firstly, much research on the clothing manufacturing sector has focused on investigating and documenting industrial restructuring in the sector and the subsequent informalisation of the sector. Far less research of similar nature has been done on the clothing retail sector. Secondly, the literature review undertaken for this dissertation has not revealed studies that discuss labour market flexibility, wages and livelihoods of clothing retail workers. Furthermore, the literature review has not found recent studies undertaken in large-scale clothing manufacturers. Rather, recent research on clothing manufacturing has been mostly undertaken in CMTs that do not employ a

workforce that is as large as a large-scale clothing manufacturer. This represents the research gap which is addressed in this dissertation.

Chapter 4 provides the research methodology for this dissertation. The research follows a deductive reasoning approach, and as a result the hypothesis was deduced from existing theory. Thereafter research questions were designed and data was gathered and subsequent analysis was made to confirm or reject the hypothesis (Babbie and Mouton, 2004). Data was gathered through semi-structured interviews and questionnaire surveys. Semi-structured interviews were used to gather qualitative information from industry informants and managers. Questionnaire surveys were used to gather qualitative and quantitative data from workers.

Chapter 5 provides analysis of data and a discussion of the research findings. The chapter is organised into themes based on the research questions and data gathered. Firstly, means of achieving labour market flexibility and resulting types of flexibility. Secondly, demographic characteristics, employment tenure. Thirdly, working time and wage levels. Fourthly, proportion of the workforces that use wage labour as a livelihood strategy. Fifthly, analysis of workers expenditure. The key argument made in this chapter is that employment in clothing manufacturing provides workers with a level of employment and income security that allows them to depend on their employment as the primary source of income, to serve as breadwinners in the household and to contribute towards payment of household expenses. On the other hand, employment and the income received by workers at the clothing retailer, especially casual employees, does not put these workers in a position similar to workers in clothing manufacturing.

Chapter 6 provides the conclusion of this dissertation. The chapter outlines the aims of the study and considers whether data gathered to address the research questions subsequently confirms or rejects the hypothesis. The limitations of the study and areas for further research are also discussed.

1.6 **Conclusion**

This introductory chapter has discussed the background to this dissertation, as well as the objectives, hypothesis and research questions. An outline of the empirical and

methodological contributions made by this study is also provided. The chapter concludes with an overview of the chapters which follow along with a summary of the main arguments made in these chapters.

Chapter 2: Theoretical and conceptual framework – Capitalism in transition and labour market restructuring

2.1 Introduction

This dissertation follows the regulation school approach and specifically locates itself within the flexible accumulation thesis put forward by Harvey (1989) to explain the transition from Fordism to Post-Fordism. Harvey's main argument is that capitalism is in transition from a rigid regime of accumulation (i.e. Fordist mass production), to a more flexible regime of accumulation (i.e. flexible accumulation). Others such as Schoenberger (1988) and Scott and Storper (1989) make a similar arguments in line with Harvey. The theory of flexible accumulation is of specific relevance to this study because of its emphasis on changes in the labour process and the rise of flexible labour markets due to labour market restructuring (Amin, 1994:6). Furthermore, it has a general focus on explaining the shift away from permanence toward temporariness in individual and social experiences of the post-modern condition (Dewdy and Ride, 1996:277)[1]. Harvey frames his discussion of flexible accumulation along the lines of the regulation school which explains the transition in terms of a wide range of themes. The theoretical framework for this dissertation is based on flexible accumulation and the following themes that Harvey discusses: macro-economic market conditions, organisation of production and labour process.

This chapter begins with a brief outline of three theoretical approaches that explain the transition in capitalism. Thereafter, a comparative analysis of Fordism and Post-Fordism is made through discussing changes in macro-economic market conditions, the organisation of production and labour processes. This discussion establishes that in the Post-Fordist era the labour process has become more flexible and increased flexibility in the labour process has implications for the nature of employment and work. In order to take this study to the level of

[1] Dewdy and Ride (1996:277) highlight the increasing shift from permanence to temporariness that Harvey accounts for in his analysis of the individual and social experience of the post-modern condition: "…he [Harvey] talks about a world that has become more volatile and in which everything is more ephemeral; a society in which the values of instantaneity, disposability, novelty and obsolescence have become naturalised; a throwaway society, where we have little attachment to anything, including idealism and people. This is a society in which permanence has been replaced by temporariness."

explaining the implications of flexible accumulation for workers, the chapter moves on to conceptualising work, employment and types of labour market flexibility. The chapter concludes with a summary of the main characteristics of flexible accumulation and their implications for labour security and livelihoods.

2.2 **Theorising capitalism in transition**

The transition of the capitalist mode of production from Fordism to Post-Fordism is one of the most significant changes within capitalist nations during the late twentieth century. There are three theoretical positions that explain the transition of the capitalist mode of production. These are the regulation school approach, the neo-Schumpeterian approach, and the flexible specialisation approach (Hirst and Zeitlin, 1991; Amin, 1994). Regulation theory focuses on the role of social actors in the capitalist economy. It acknowledges the rules that drive capitalist economic development and change but does not accept that these rules are fixed and exclusive determinants of future development and change. Regulation theory explains the transition in terms of social, economic and regulatory changes. On the other hand, the neo-Schumpeterian approach explains the transition in terms of the cyclical nature of economic development (boom and bust cycles). The role of technology in capitalist development is the focus of the neo-Schumpeterian approach (Hirst and Zeitlin, 1991; Amin, 1994). The flexible specialisation approach explains the transition in terms of the manner in which industrial production is organised. Mass production involves the use of special purpose machines and semi-skilled workers to produce standardised products, whereas flexible specialisation makes use of skilled workers that produce customised goods (Piore and Sabel, 1984). The role that changes in market conditions have for capitalist development is the focus of the flexible specialisation approach (Hirst and Zeitlin, 1991; Amin, 1994).

Of these three theoretical approaches, regulation theory provides the most extensive account of the transition. According to Harvey (1989:123) and more recent literature by Aglietta (2000) as well as Jessop and Sum (2006) , regulation theory analyses the total package of relations and arrangements that contribute to the stabilisation of output growth and aggregate distribution of income and consumption in a particular historical period and place. Regulation theory makes use of well-loaded concepts such as ‘regime of accumulation’, ‘mode of regulation’, and ‘dominant industrial paradigm’ or labour process’ that allow for a wide range analysis of the transition. According to Hirst and Zeitlin (1991:18), a regime of accumulation

is a relatively stable and reproducible relationship between production and consumption defined at the level of the international economy as a whole. "It [regime of accumulation] includes norms pertaining to the organisation of production and work (the labour process), relationships and forms of exchange between branches of the economy, common rules of industrial and commercial management, principles of income sharing between wages, profits and taxes, norms of consumption patterns of demand in the marketplace, and other aspects of the macro-economy" (Amin, 1994:8). According to Hirst and Zeitlin (1991:19), a mode of regulation is a set of institutions and norms that make a type of capitalist accumulation possible. A mode of regulation secures the adjustment of individual agents and social groups to the overarching principles of the presiding regime of accumulation. In other words, "it [mode of regulation] consists of a set of 'formal or informal rules' that codify the main social relationships" (Nielson 1991:22 cited in Amin, 1994:9). "It [mode of accumulation] therefore refers to institutions and conventions which 'regulate' and reproduce given accumulation regime through application across a wide range of areas, including the law, state policy, political practices, industrial codes, governance philosophies, rules of negotiation and bargaining, cultures of consumption and social expectations" (Amin, 1994:9). Regulation theory's use of the concepts 'dominant industrial paradigm' or 'labour process' indicates that the theory gives specific attention to the organisation of production and analysing the way in which labour is utilised. According to Coriat (1979 cited in Amin, 1994:8) these concepts refer to "patterns of industrial and work organisation, and includes the nature of technologies, management rules, division of tasks, industrial relations and wage relations".

2.3 **Capitalism in transition: Flexible accumulation as successor to Fordism**

Flexible accumulation as a mode of production is in stark contrast to Fordism. According to Harvey (1989:147) flexible accumulation directly confronts the rigidities of Fordism, representing a shift towards a new regime of accumulation. Macro-economic market conditions under flexible accumulation are ever changing due to fluctuating consumption patterns because of quick-changing fashions and aggregate demand. This is in contrast to the relatively stable market conditions of the Fordist era that were underpinned by a system of mass production and mass consumption of standardised goods. Consumption patterns have changed towards higher demand for customisable products that have a shorter life span in contrast to consumer demand for standardised goods that were manufactured to have a long life span during the Fordist era (Harvey, 1989; Glyn, 2006). These market conditions

illustrate two key characteristics of flexible accumulation. Firstly, these conditions emphasise the greater significance of tastes of consumers (or social actors) under flexible accumulation. Secondly, the shorter life span of goods illustrates intensified significance of production turnover time as a means of capitalist profitability. The shorter life span of goods allows for reduced turnover time in the consumption of goods, which tends to result in higher profits for firms (Harvey, 1989:183). According to Harvey, the life span of a typical Fordist product ranges from five to seven years. The product life cycle in certain sectors such as textiles and clothing manufacturing can be less than half of this under flexible accumulation (Harvey, 1989:156).

Further to the macro-economic market conditions discussed above, flexible accumulation also confronts the rigidities of the Fordist production process and labour process. The Fordist production process utilised highly specialised machinery and the moving assembly line for mass production of low-cost standardised goods that were intended for mass consumption and economies of scale. Production was undertaken in large enterprises with hierarchical and bureaucratic organisation structures (Standing, 1999). The use of highly specialised machinery meant that workers did not require high skill levels to perform their tasks, and as a result the Fordist production process resulted in labour deskilling. The labour process was organised around the moving assembly and specialised machinery. Workers were required to perform repetitive and fragmented tasks. The labour process was rigid as it did not allow for workers to be re-allocated from one production line to another (Harvey, 1989:138). Furthermore, working time was fixed to an eight hour day and wages were also fixed (Harvey, 1989:125; Oberhauser, 1990:216).

Under flexible accumulation the production process and the labour process are organised to provide firms with the ability to respond to quick changing fashions and aggregate demand. There is greater tendency for firms to focus on economies of scope rather than economies of scale. That is to say, there is greater focus on producing a variety of goods in small batches and at a low cost in order to respond to quick-changing market conditions. There has been sub-contracting and outsourcing of work enterprises to achieve greater flexibility in the production process and labour process. This is associated with the global trend of medium and large firms to downsize and outsource in order to contract out their employment function (Standing, 1999:84; Aglietta, 2000; Harvey, 2010). These trends are also associated with a growth in the service sector (Harvey, 1989:147). Increased production or organisational

flexibility is in contrast to long mass production runs undertaken in large enterprises that were suitable for stable aggregate demand that was the source of economies of scale during the Fordist era (Cornwall, 1977:126; Harvey, 1989:155; Oberhauser, 1990:216; Standing, 1999:84).

2.4 **Labour market restructuring**

Harvey (1989), like others such as Standing (1999), Aglietta (2000) and Webster and Von Holdt (2005), use the concept of the dual labour market to demonstrate greater flexibility in the labour process and the resulting labour market restructuring. In order to understand these changes it is essential to have a clear understanding of the difference between work and employment.

Work is the effort or activity an individual performs, where he/she combines creative, conceptual and analytical thinking as well as the use of manual abilities and skills, for the purpose of providing goods or services of value to others or themselves, and these activities are considered to be work by the individual performing it (Lane,1991:238;Standing,1999:3). Thus, work is the actual activities that workers perform while in the production process (Benner,2002:4,19). In order to perform their work, workers require certain skills as well as physical and mental abilities, information, knowledge, and tools (Benner,2002:4,19). Workers also require engage in certain relationships with other entities in order to do their work (Benner, 2002:4,19). These entities include, employers, co-workers, colleagues from other firms, suppliers as well as customers (Benner, 2002:19). Employment refers to the contractual relationship between one who needs work to be undertaken (employer) and one who is actually performing the work (employee) (Benner, 2002:4). Employment also refers to the compensation systems and management practices required for such a relationship to exist (Benner, 2002:3). It is therefore evident that, even though employment and work are intimately related, they are not the same. This is primarily because work focuses on activities and employment focuses on relationships.

Employment relations have changed from being closed long term relationships between employer and employee towards a temporary and short-term relationship, where it is possible for workers to have more than one source of employment (Standing, 1999). In the former case, the closed employment relationship is demonstrated by functions such as recruitment,

training, labour deployment and industrial relations performed directly by employers. Furthermore, working time is fixed to an eight-hour day because demand for work is stable due to stable market conditions. In the latter case the relationship is not as closed because functions traditionally carried out by the employer are outsourced to service providers. Furthermore, employees are subject to non-standard, atypical employment or contingent employment contracts. Non-standard contracts make it possible for labour inputs to be adjusted according to the demand for work, in terms of time, function and location by employers as they respond to changes in market conditions and competition from other firms (Thompson and McHugh, 1990 Benner, 2002; Barker, 2003; Botlanski and Chiapello, 2007). These contracts take the form of temporary, part-time, casual or fixed term contracts. Changes in the employment relationship indicate a shift away from rigid labour process and employment relations of the Fordist era (Harvey, 1989; Felstead and Jewson, 1999).

The dual labour market comprises of a primary or core labour market and secondary labour market that consists of two peripheral sub-groups (Harvey, 1989; Standing, 1999; Webster and Von Holdt, 2005). The primary segment has characteristics that are similar to labour markets under Fordism. The primary labour market consists of a core group of workers who are employed with full time and permanent status. According to Harvey (1989:150) core workers are essential to the long term future of the organisation and as a result are likely to enjoy employment security. These workers are highly skilled and geographically mobile. They enjoy promotion and re-skilling prospects, pension, insurance and other fringe benefits rights. Wage levels of core workers are generally held up by statutory minimum wages, organised labour bargaining power and other statutory obligations on employers (Standing, 1999:88). The secondary labour market consists of two peripheral sub-groups. The first peripheral group is composed of full-time employees with skills which are readily available in the labour market such as clerical, secretarial, routine and lesser skilled manual work. These workers may receive insurance and other fringe benefits from the employer. The second peripheral group includes part-timers, casuals, fixed-term contract staff, temporaries, sub-contractors and public subsidy trainees. This group of workers generally earn lower wages than core workers and do not receive insurance and other fringe benefits from the employer. This is mainly because of a lack of statutory minimum wages or lack of organised labour bargaining power for higher wages (Standing, 1999:88).

The change in consumption patterns and accelerated turnover time represents a necessary way to manage the over accumulation crisis of capitalism during the Fordist era. Further to this spatial displacement has been a means to absorb surplus capital and labour. The growth of global trade and investment as well as decentralisation of capitalist production from developed countries to developing countries represent further key features of the transition from Fordism to Post-Fordism (Harvey, 1989: 141, 183). This is important for the survival of capitalism as export markets are a source of much larger demand than domestic markets. "…world markets provide a near-limitless demand for manufactured exports from developing countries" (Rodrik, 2006:1). Furthermore, decentralisation of production allows the capitalist mode of production access to labour markets that have more relaxed labour standards and lower wages, thereby reducing the costs of labour inputs in the production process and increasing profitability of operations (Harvey, 1989:141). Globalisation of economic flows and decentralisation does however result in increased competition between firms. Reduced turnover time, smaller production batches, sub-contracting and outsourcing of work as well as labour flexibility are means for firms to deal with ever changing market conditions and heightened competition.

2.5 **Labour market flexibility, insecurity and livelihoods**

Labour market flexibility is introduced through labour legislation, collective bargaining and individual contracts of employment (Ozaki, 1999). Labour flexibility is conventionally disaggregated into employment or numerical flexibility, work process or functional flexibility and wage flexibility or financial flexibility (Standing, 1996, Standing 1999, Ozaki, 1999; Botlanski and Chiapello, 2007). Further types of labour flexibility are wage system flexibility, labour cost flexibility and job structure flexibility (Standing, 1999; Ozaki, 1999). The following types of labour flexibility that are of significance to this dissertation are discussed below: employment or numerical flexibility, work process or functional flexibility and wage flexibility.

Employment or numerical flexibility allows employers to change the size of the workforce or headcount within a workplace with minimal constraints, quickly and with little costs (Standing, 1999:101). Furthermore, numerical flexibility provides firms with the ability to hire and dismiss workers easily and at low cost in response to the demand for work

(Thompson and McHugh, 1990: 196). Employment or numerical flexibility is achieved through non-standard employment contracts, such as temporary, part-time and fixed term contracts, as well as sub-contracting and outsourcing work arrangements. According to Ozaki (1999: 6 – 7), the main forms of flexible employment are:

- part-time employment: any employment for less than the standard working week
- temporary work: any employment for a fixed period or fixed piece of work, including work arranged through temporary work agencies
- casual employment: employment of an irregular or intermittent nature
- employment under training contracts: a combination of training and employment, including apprenticeship
- seasonal employment: intermittent employment at a specific time of the year (Ozaki, 1999).

Employment flexibility has resulted in different forms of workers emerging, such as part-time workers, temporary workers, casual workers, consultants, sub-contractors, agency workers, home-workers and teleworkers (Standing, 1999:105-114).

Work process or functional flexibility refers to adjustments in labour deployment in relation to market fluctuations and technological innovations (Standing, 1999: 114). Work process or functional flexibility is pursued through adjusting working time, job mobility and work organisation (Standing, 1999: 114). Working time or temporal flexibility refers to adjustments to the amount of time an employee works in accordance with the demand for work. Working time flexibility is a method whereby workers agree to work a certain amount of hours for a specific period, for example a week or a month (Standing, 1999:115). Once this period is over, workers will agree to another set of hours for a new period but there is no guarantee of future work. Working time flexibility is linked to employment flexibility because it involves the use of part-time and casual workers employed on non-standard employment contracts that require workers to accept flexitime[2], more hours of work than permitted by the labour legislation, working on weekends, staggered working times[3] and shift work (Standing, 1989:115). Furthermore, functional flexibility contributes to decentralised working arrangements such as teleworking, which includes homeworking, outsourcing and

[2] Flexitime is defined as agreement to work as and when required up to a limit, within terms of a group or individual contract (Standing, 1999:115)

[3] Staggered working time is defined as agreement to work in certain blocks of time (Standing, 1999:115)

sub-contracting (Standing, 1999:109). Through functional flexibility employers are able to tailor labour inputs in terms of time and location within the organisation as well as geographical location, according to the demand for work. Job mobility and work organisation are adapted to allow workers to be redeployed across the organisation according to where work needs to be done and according to technological innovations (Benner, 2002:21; Botlanski and Chiapello, 2007).

Variations in components of social income which results in wage flexibility is a feature of Post-Fordist labour markets. This is in contrast to the rigid labour markets, permanent employment and welfare state development model which was prevalent during the Fordist era. Wage flexibility refers to changes in components of social income in response to market conditions and competitive pressures which face firms and the state. This is normally achieved through changes in wage rates and changes in non-wage labour costs. To further understand wage flexibility, it is important to define the social income as any individual's wage as part of the social income. According to Standing (1999: 88 – 89) the social income can be conceptualised as:

> SI = W + CB + EB + SB + PB where SI is the individual's social income, W is the money wage, CB is the value of benefits or support provided by the family, kin or local community, EB is the amount of benefits provided by the enterprise in which the person is working, SB is the value of state benefits provided, in terms of insurance or other transfers, including subsidies paid directly or through firms, and PB is private income benefits, gained through investment, including private and social protection[4]

According to Standing (1999), workers have experienced an erosion in enterprise benefits and state transfers. This has been particularly severe for non-core casual workers, outworkers and flexi-workers that receive either minimal enterprise benefits or none at all (Harvey, 1989:155; Standing, 1999: 284; Botlanski and Chiapello, 2007). A reduction of non-wage enterprise benefits and state transfers results in greater worker dependence on income from wages and community benefits.

[4] Standing (1999: 88 -90) makes a further disaggregation of the elements of the social income which is not considered for this dissertation, viz., further into W = fixed wage (Wb) + flexible wage (Wf), CB = family transfers (FT) + local community transfers (LT); EB = non-wage benefits (NWB) + contingency, insurance-type benefits provided by firms to their workers (IB); SB = universal state benefits, such as citizenship rights (C) + insurance-based income transfers from the state in case of contingency needs (IS) + discretionary, means tested transfers from the state.

Wage flexibility is achieved through decentralisation of wage bargaining. Wage bargaining which is undertaken at the individual worker-employer level if possible, or at individual plant or firm level allows for greater flexibility in wage negotiations (Standing, 1999:88). This is because is it not necessary for labour and organised business to reach agreement at the national or regional level. The removal or erosion of the minimum wage level is a further way of achieving wage flexibility. Erosion of the minimum wage removes prescriptive minimum wages that employers would have been required to comply with (Standing, 1999:88).

Working time flexibility is linked to wage flexibility because variations in the number of hours worked result in changes to wages earned by workers on non-standard contracts. Furthermore, working-time arrangements that are reached between employer and employee on an individual basis are a means of individual wage determination (Standing, 1999:117).

From the above discussion it is clear that employment and work are becoming increasingly flexible. Standing (1999) argues that increased labour market flexibility has resulted in the erosion of various labour market security for workers. He argues that the unemployment rate is an inadequate index of labour market insecurity. This is because the unemployment rate does not effectively capture the effects of labour market flexibility. Further to the unemployment rate, Standing identifies the following several types of security that serve as indicators of labour market insecurity:

- Employment security is protection against arbitrary dismissal from employment. Workers are protected by labour legislation as well as the imposition of costs on employers for violating the employment rights of workers and for making workers redundant.
- Job security arises when institutions, regulations and practices enable people to pursue an occupation or career.
- Work security means safe and secure working conditions in terms of health and the working environment.
- Skill reproduction security implies that adequate opportunities for training and retaining skills exist within the labour market.

- Representation security is a result of an existence of collective organizations (such as trade unions) that defend the interests of those in vulnerable positions and provide workers with a collective voice to bargain with their employers.
- Income security is the assurance of adequate and stable income (Standing, 1999).

Income security is the most basic form of security and is fundamental for individuals and households that take up paid employment as their livelihood strategy. Secure wages have a direct impact on the welfare of households and the assets that household members acquire (Adelzadeh et al., 2001). It therefore follows that along with income security, employment security and work security are key indicators of economic and livelihood security for workers who make their livelihoods through wage labour. However, it is important to note that all forms of security interact. Finding high levels of one type of security does not necessarily mean that workers have economic security and secure livelihoods (Standing, 1999: 206).

The livelihoods approach defines livelihoods as the mobilisation of resources and opportunities over a period of time for individual and household survival (Grown and Sebstad, 1989:941 cited in Mosoetsa, 2011:117). Resources include physical assets such as property or land and human assets such as time and skill or labour. "Opportunities include kin and friendship networks, institutional mechanisms, organisational and group membership and partnership relations" (Grown and Sebstad, 1989:941 cited in Mosoetsa, 2011:117). With the research questions for this study being focused on labour market flexibility and its impact on wage levels and livelihoods, the exchange of time and skill in the labour market for income as a livelihood strategy is of prime concern for this dissertation. However, it is important to take cognisance that concept of livelihoods in recent literature has been used to refer to informal sector work, household labour and survival strategies of the poor (Mosoetsa, 2011, Frayne, 2007, Hart and Sitas, 2004). Mosoetsa demonstrates that social grants and support from household and community associations have become the livelihood strategy of households that were headed by breadwinners who have been retrenched from formal employment in clothing and footwear manufacturers in Northern KwaZulu-Natal due to plant closures. She also demonstrates that income earned through informal work has become a livelihood strategy of households. Retrenched workers from clothing and textile manufacturers operate small scale home based CMTs. They take on contracts from subcontractors or produce garment for orders from individual households. Frayne (2007)

demonstrates that poor households in Windhoek, the largest city in Namibia, depend on food transfers from rural households for their survival. This dissertation extends the definition of livelihoods to formal sector employment through exploring how income earned through wage labour provides workers with the means to live out their daily lives and contribute to household income and expenditure.

2.6 **Conclusion**

In conclusion, the main claim of the flexible accumulation thesis as put forward by Harvey (1989) is that capitalism is undergoing a transition towards flexible accumulation. Flexible accumulation is realised through greater flexibility in the organisation of the production process and the labour process. Flexible accumulation is characterised by macro-economic market conditions that are ever changing due to fluctuating consumption patterns because of quick-changing fashions and aggregate demand. Firms have greater focus on economies of scope and small batch production of customisable goods rather than mass produced standardised goods. Labour market restructuring has been part of the process of the transition of capitalism toward flexible accumulation. Flexibility in the labour market allows employers to alter various aspects of employment contracts, the organisation of work and the size of the workforce to respond to fluctuating consumption patterns because of quick-changing fashions and aggregate demand. With labour market flexibility there has been an erosion of labour market security. For the purposes of this dissertation key indicators of labour-related security are income security, employment security and work security. These types of security are viewed as core indicators of economic and livelihood security for workers who earn their primary source of income from the labour market.

Chapter 3: Labour market flexibility in the manufacturing and retail service sectors

3.1 Introduction

The main claim of the flexible accumulation thesis is that capitalism is in transition from rigid Fordist production processes and labour processes towards greater flexibility in the organisation of both production and labour processes. Flexible production and labour processes are measures for firms to respond to ever-changing market conditions due to fluctuating consumption patterns because of quick-changing fashions and aggregate demand. This is in contrast to the Fordist era of stable market conditions that were as a result of stable aggregate demand and mass production and consumption of standardised goods. Present day workplaces provide evidence of this transition. This chapter is a review of literature that demonstrates that labour market restructuring in manufacturing and retail service sectors have been part of the process of the transition of capitalism. The chapter begins with a brief review of literature on broader changes impacting on the clothing manufacturing and clothing retail sector which serve as a background to labour market restructuring that has taken place in these sectors. Thereafter this chapter organises the review of literature in terms of evidence found on the following types of labour flexibility: numerical flexibility, functional flexibility, and wage flexibility.

3.2 Industry restructuring in the clothing manufacturing and clothing retail sector

Neoliberal policies have aided the transition of capitalism towards more flexible production and labour processes, as well as freer economic flows and movement of goods and services (Castells, 2000). States across the world have implemented trade liberalisation and export oriented industrial development strategies, whereby barriers to trade are lowered by the state (Rodrik, 2007). Furthermore, neoliberal policies have put pressure on states to deregulate labour markets (Heintz and Pollin, 2005). Wage rates have also come under pressure as labour costs are considered to be a key factor in determining the competitiveness of an economy and business. Furthermore, firms have sought to push down wages and increase labour flexibility in order to lower costs and increase profitability and boost their competitiveness.

Employment conditions and minimum wages in the South African Clothing Manufacturing Industry are regulated by a national main collective agreement that has sought to maintain conditions of a standard employment relationship. The agreement has been reached through centralised bargaining and every year wage negotiations take place and the agreement is reviewed. The agreement is enforced by regional offices of the National Bargaining Council for the Clothing Manufacturing Industry. The agreement states that a five day working week totalling 42.5 hours between Monday to Friday be followed, and that an employee shall not exceed 8.5 hour work on any day between 07:00 and 18:00[5]. All hours of work in a day are to be consecutive with the exception of meal intervals and all time worked in excess of the aforementioned is to be deemed as overtime. The agreement also provides conditions for overtime, closed-shop agreement and employees' registration with a trade union, as well as trade union deductions. The agreement makes specific mention that "the same terms and conditions of employment applicable to a permanent employee shall apply to a contract worker in that job grade, unless other specified in this part of the Agreement" (National Bargaining Council for the Clothing Manufacturing Industry, 2005: Clause 39, C-57). Furthermore the agreement states that contract employees with 12 months or more employment with the same employer shall be converted to permanent employees.

Despite having legislative and institutional measures in place to regulate employment conditions and wages, the industry has undergone significant restructuring. Since the late 1980s neoliberal policies, trade liberalisation and the highly competitive environment that South African clothing manufacturers operate in have had severe impacts on the organisation of production in the clothing manufacturing sector. The low capital intensity and potentially low skills requirements of clothing manufacturing production processes are relatively easy to disaggregate and as a result this facilitates the outsourcing of work (Van der Westhuizen, 2005:338).

According to Castells and Portes (1989:26) the outsourcing of work from large formal firms to smaller enterprises leads to the formation of decentralised networks of production and distribution. Decentralisation of production in the clothing manufacturing sector is twofold. Firstly, research shows that production is being increasingly subcontracted from clothing

[5] Except in the case of an employee who is wholly engaged as a boiler attendant. In this case the weekly hours may be 45 and the daily hours may be 9 (National Bargaining Council, 2010).

manufacturers to smaller Cut Make Trim (CMT) operations. CMT operations are focused only on the production process. In contrast, manufacturers focus on preproduction such as sourcing raw materials and designs and production aspects as well as on distribution to wholesalers or retailers (Morris, et al., 2001:2157). On the one hand, CMTs comply with legislative requirements and with conditions set out by the National Main Collective Agreement which is enforced by the National Bargaining Council for Clothing Manufacturing. As a result, workers are employed on standard employment contracts and receive wages and fringe benefits as required by the bargaining council regulations (Van der Westhuizen, 1999). On the other hand, there is a growing informalisation of the organisation of production (Manning, 1993). According to Castells and Portes (1989:12) informalisation refers to the reorganisation of production into operations that avoid regulation by the institutions of society, in a legal and social environment in which similar activities are regulated. Operating without the bargaining council registration is not uncommon. This was found in research on Cut Make and Trim (CMT) operations in Durban by Fakude (2005), Ince (2005), and in a study undertaken by the present researcher, in collaboration with other students in 2007[6], and in Cape Town by Van der Westhuizen (2005). Secondly, research demonstrates that production has moved geographically. Production has shifted into non-industrial areas, such as homes and buildings (generally dilapidated buildings) in central business districts (Fakude, 2000; Hart, 2002; Ince, 2005; Van der Westhuizen; 2005; Baldo, et al. 2007; Mosetsa, 2011). Informalisation in the clothing manufacturing sector demonstrates that "the large clothing factory is losing its function as the final stage of economic reorganisation" (Van der Westhuizen, 2005:340). Non-standard employment conditions, a further characteristic of informalisation, is discussed in the sub-section that addresses labour market flexibility later in this chapter.

The study of deregulation and working hours in the retail sector by Lewis (2001) provides a good historical account of restructuring in the retail sector that has led to increased labour flexibility. His study traces changes in the labour legislation to deregulate working hours in the retail sector. The introduction of the Wage Determination Act 478 in 1995 was the first piece of legislation to allow for continuous trading and Sunday work in the retail sector. This

[6] In 2007, the present researcher, in collaboration with other students, undertook a study to investigate the impact that globalisation has had on Durban's clothing and textile industry. The research paper was submitted in partial fulfilment of a honours level course, i.e. New Economy: Systems, Logistics and Global Flows, School of Sociology, University of KwaZulu-Natal, viz., Baldo, A., Haripersad, Y., Kolanyane, B., Kinville, M., 2007, Made In South Africa – Globalization, Flexibility and Durban's clothing and textile industry.

is in contrast to the traditional pattern of trading hours of Monday to Friday 09:00 to 17:00 that were enforced by local by-laws until the late 1980s.

The extension of trading hours must be seen in the context market conditions in the sector in the late 1980s. The late 1980s saw the intensification of competition in the retail sector. Local by-laws that enforced restrictions against hawking were relaxed as the old apartheid regulations were removed. According to Lewis (2001) formal sector retailers came under increasing competitive pressures from informal sector retailers. "The intensification of competition in the retail sector since 1990 can be seen on the streets in the main urban central business districts, where pavement trading space is hotly contested, where there are increasing links between formal and informal sector traders and where the number of retailers is increasing exponentially" (Lewis, 2001:121). Clothing retailers have come under particularly intense competition because large-scale clothing manufacturers and even small CMT operators use hawkers to sell their goods. This is in a bid to increase their profit margins which are pushed down by buyers of retail chains (Lewis, 2001:121). In these competitive conditions formal sector retailers sought to extend their trading hours and retailers treated fines for extended trading as part of their overhead costs prior to the change in formal sector by-laws. Further to extended trading hours, formal sector retailers offered credit facilities to enhance their competitive position.

With extended trading hours and pressures to reduce costs to enhance competitiveness, retailers began increasing their utilisation of casual labour (Valodia, 1989; Kenny; 2000; Lewis, 2001). The Wage Determination Act 478 made provisions for employment flexibility as it set conditions for several types of employment contracts. "'Casuals were defined as workers on contracts of no more than three days per week and eight ordinary hours per day" and a minimum of four hours of work per day (Lewis, 2001:123). Part-time workers are defined as those who work a maximum of 25 normal hours per week, and not more than 8 hours per day (Lewis, 2001:124). The Act also distinguished between 6-day week workers that work a maximum of 45 hours between Monday to Saturday, and 7-day week workers that work a maximum of 40 hours with a maximum of three Sundays per month without premium pay (Lewis, 2001:123).

It is important to note the similarity in market conditions for clothing manufacturing and clothing retail sectors. Both sectors operate in a highly competitive environment and have

been affected by neoliberal policies. The highly competitive environment and informalisation of the organisation of production and labour processes are reasons for the restructuring that has taken place in both sectors. On the other hand, legislative responses have been quite different. The Wage Determination Act 478 responded to the competitive conditions. It legitimised extended trading hours and facilitated the legal use of casual labour. Furthermore, the Act recognised a range of different employment conditions and contracts and in so doing facilitated labour flexibility. The retail sector lacks collective bargaining and trade unions have been unable secure more standard employment conditions. The Wage Determination 478 has been replaced by the Sectoral Determination 9 for the wholesale and retail sector of the Basic Conditions of Employment Act (BCEA). The Sectoral Determination and BCEA continue to recognise casual work and make provisions for flexibility in working time. These legislations set out conditions for a 40 to 45 hour standard working week with night work and work on Sundays as the "norm" for the retail sector. This is in contrast to the relatively standard employment conditions stipulated by that the national main collective agreement for the clothing manufacturing industry.

3.3 **Labour market flexibility in the manufacturing and retail service sectors**

Casualisation of work in clothing retail provides clear evidence of Harvey's (1989:150) and Harvey's later work (2010) description of employers taking advantage of weakened trade union power and pushing for more flexible work regimes and non-standard employment contracts and labour market restructuring. Labour market flexibility is achieved through flexible employment contracts that are legally accepted. However, labour market flexibility in clothing manufacturing is achieved through ways that are more precarious. Aside from night-work the national main collective for clothing manufacturing does not make provision for further non-standard employment conditions. Employment flexibility is achieved through the use of "contract employees". Employing workers as "contract employees" makes provision for the employer to terminate the employment relationship at the end of an agreed period if the demand for work is inadequate or performance of the worker is unsatisfactory. With the exception of provisions for short-time, working time flexibility is not permitted by the agreement. Short-time is intended to be used only in distressed times. The agreement defines short-time as:

> "Temporary reduction in the number of ordinary hours of work owing to slackness of trade, shortage of raw materials, vagaries of the weather, breakdown of plant or

machinery or buildings that are unfit for use or are in danger of becoming unfit for use" (National Bargaining Council for the Clothing Manufacturing Industry, 2005: Clause 39, C-57).

It is through informalisation of the organisation of production and non-compliance with the national main agreement that labour market flexibility is achieved in the clothing manufacturing sector. As stated earlier in this chapter, research has found that it is not uncommon for CMTs to operate without bargaining council registration. Bargaining council raids in Newcastle during 2011 provide clear evidence that even larger manufacturers also avoid compliance with the national main collective agreement (Kriel, 2011).

Existing research shows that casuals in retail and workers in informal CMTs experience fluctuations in wage levels and receive lower wages than workers employed on standard employment contracts. Van der Westhuizen (2005) classified CMTs that employed 3 – 5 workers as small survivalist CMTs, whereas medium CMTs employed 5 to 20 workers, and large CMTs employed 20 to 45 workers. Her study of CMTs in the Western Cape undertaken in 2002 demonstrated that workers in small survivalist CMTs experience most intense wage flexibility when compared to medium and large CMTs. Workers in small survivalist CMTs regularly go without payment even after completing a full working week and working overtime. A worker from a CMT in Cape Town city that was interviewed by Van der Westhuizen (2005:343) stated: "They [the CMT owners] don't pay every Friday like we were supposed to get paid. They gave us only R100 or R140 [per week instead of the promised R400 per week] … [after having worked] the whole week and overtime. If they pay that little then you can stay at home. They had orders but their story was that the order was not finished so they couldn't pay." In medium and in large CMTs wages ranged from R400 to R440. Medium and large CMTs that were registered with the bargaining council made the required deductions for unemployment insurance, provident fund, and trade union dues. Although not directly stated in Van der Westhuizen's study, registered CMTs would have also complied with employment conditions and working time. It therefore follows that workers in registered CMTs would experience more regularised working time and higher income security because these CMTs would comply with the main collective agreement.

Further evidence of wage flexibility, income insecurity and low wages is found in Ince's (2003) study of workers CMTs in Chatsworth, Durban in 2003. Her research was done on

self-employed owner operator type CMTs and on workers in small CMTs which can be defined as CMTs employing 5 to 20 workers according to Van der Westhuizen's (2005) classification. Ince's research demonstrated that workers received between R250 – R300 per week, and some of the time their payment will be delayed by one to two weeks. A worker interviewed in Ince's (2003:48) study stated the following: "When Friday came, there was no wages … who is going to work with no wages?"

A previous study undertaken by the present researcher also demonstrates wage flexibility, income insecurity and low wages. His research was done in 2008 on workers in informal CMTs in the Durban CBD that employed between 12 to 15 workers[7]. These CMTs can be classified as medium sized CMTs in accordance with Van der Westhuizen's (2005) classification. The study indicates workers in informal CMTs may earn up to R450 per week on a fixed work schedule of 42.5 hours per week. On the other hand, workers that are employed under more flexible working time schedules earn as little as R170 per week. These workers did not indicate uncertainty about whether they will be paid at the end of the week. However, workers highlighted uncertainty in the number of hours they would work. This is demonstrated by the following statements made by workers that were interviewed: "Mostly, I am sure that I will work next week, same time, but sometimes we go on short-time"; *"I am not sure about my schedule for next week. They just call me any time"*. Like Van der Westhuizen's study, this study also found that UIF contributions, provident fund and trade union dues were not paid.

A study by Gibbon (2002) indicates that workers in informal CMTs situated in non-metro areas receive much lower wages than workers in metro areas as indicated by studies discussed above. According to Gibbon (2002), weekly wages for workers in Newcastle are between approximately R100 to R183, in Ladysmith between R110 to R250, and in Isithebe R160 to R282. It could thus be said that the average wage for workers in these non-metro areas is between approximately R120 to R240.

[7] In 2008 the present researcher undertook a study to investigate linkages between formal and informal clothing manufacturing in Durban. The research paper was submitted in partial fulfilment of a masters level course, i.e. Informal Economy, Globalisation and Development at the School of Development Studies, University of KwaZulu-Natal, viz., Haripersad, Y, 2008, Linkages between formal and informal clothing manufacturing in Durban.

Research studies on labour market flexibility in clothing retail are non-existent. This is a research gap that this dissertation aims to address. The literature review has however found research studies on workers in the food retail sector undertaken by Kenny (1999; 2000; 2009). Her study of workers employed in the food retail sector during 2000 demonstrates that casual and sub-contracted workers experience wage flexibility and earn lower wages than permanent workers. Sub-contracted workers earned R 7.19 per hour which translates into a weekly wage of approximately R323.55 if they worked a full 45 hour week. Working hours for casual workers were limited to 24 hours per week by the wage determination. With an hourly rate of R7.17 casuals could earn a weekly wage of approximately R172 if they worked a full 24 hour week. Kenny's research found evidence of sub-contracted workers being paid an hourly rate that was below the wage determination rates. In contrast, permanent workers had an hourly rate of R10.45 and a monthly salary of R1880 (which could be translated into approximately R470 per week).

The abovementioned studies demonstrate wage flexibility, income insecurity and the low wages received by the workers in the clothing manufacturing sector. It is the general trend that informal CMTs do not make UIF contributions, provident fund and trade union dues. Wage levels are much lower in non-metro areas. The table below provides a summary of wages earned by workers studied by Kenny (2000), Gibbon (2002), Ince (2003), Van der Westhuizen (2005) and previous research undertaken by the present researcher in 2008. These wage levels are in some cases much lower than the minimum wages prescribed by the national main agreement (and wage determination which provided minimum wages in 2000 and 2002) and in all cases lower than wages that would be received by workers on standard employment contracts.

Table 1: Summary of wages earned by workers in clothing manufacturing, clothing retail and food retail

Wage levels	2000	2002	2003	2008
Clothing manufacturing machine operator – Small CMT	-	R100 to R250	R250 to R300	-
Clothing manufacturing machine operator – Medium CMT	-	R400 to R440	-	R170 – R450
Clothing manufacturing machine operator – Large CMT	-	R400 to R440	-	-
Clothing manufacturing machine operator – non-metro areas		R120 to R240	-	-
Food retail casual workers	R323.55	-	-	-
Food retail sub-contracted workers	R172.00	-	-	-

Source: Kenny (2000); Gibbon (2002); Ince, (2003); Van der Westhuizen, (2005); research undertaken by the present researcher in 2008[8].

[8] Haripersad, Y, 2008, Linkages between formal and informal clothing manufacturing in Durban. Unpublished research paper submitted in partial fulfilment of coursework for Master of Social Science – Industrial, Organisational and Labour Studies (University of KwaZulu-Natal).

Further to wage flexibility and income insecurity, the literature demonstrates that numerical flexibility and functional flexibility exist in both clothing manufacturing and clothing retail.

As stated by Kenny (2000) employment contracts that allow for workers to be employed as casual workers allows employers to bring workers on and off shift according to demand without paying non-wage labour costs. Employers are therefore able to adjust the number of workers on the shop floor according to the demand for work. As a result, casual labour is a form of numerical flexibility. Employers use casual labour during peak demand periods and during trade over weekends and late hours. Working time for casuals fluctuates considerably from week to week. Even within a week schedule their daily working hours are erratic. A worker that was interviewed in Kenny's (2000:95) study stated the following: "This week I am working Thursday, Saturday, and Sunday. On Thursday I work 10 am to 5 pm. On Saturday 12 pm to 4 pm and Sunday 9am to 1pm. But I don't always get these days. It can be any day of the week." This statement demonstrates that there are variances in the number of hours worked per day within a week's schedule. On some days, casuals could work a full 8 hour day and on other days they could work a 4 hour shift. A further statement indicates that casuals are deployed during times of peak demand, such as at weekends and during the December period, and to man the shop floor when shifts end for permanent workers: "If the shop is busy I can work for more than 8 hours. Especially over the weekends, then the store closes at 5pm.… If it's time for permanents to go home, they let them go, so we remain with the supervisors" (Kenny, 2000:95).

Workers in CMTs are subjected to non-standard contracts and to variations in working time due to slack periods, short lead times on orders and during times of peak demand, such as periods in the year when production is being undertaken for the busy period retailers experience in December. A working week consisting of more hours than is permitted by the national main agreement is not uncommon. Van der Westhuizen (2005) found that during a time of peak demand a registered CMT clocked 62 hours and 30 minutes per employee per week and an unregistered CMT clocked 70 hours and 15 minutes. A working day including overtime is typically 07:30 to 21:00 weekdays, and in some cases on weekends 08:00 to 17:00, during periods of peak demand (Ince, 2003: 46; Van der Westhuizen, 2005: 349).

The quick changing nature of the clothing industry is reflected in the following statement during an interview with a CMT owner undertaken for a previous study undertaken by the

present researcher in 2008[9]: "I can't afford to guarantee people a set salary for a long period of time. Sometimes it is busy and sometimes we have no work. I cannot write [on an employment contract] how much I will be paying workers every week because it may change. I cannot commit myself to paying them the same amount every week. I prefer to hire people as casuals so that it is easier to pay and I have not committed to making them work set hours per week." This statement highlights the absence of formal, written contracts. Workers are employed through verbal agreements which, coupled with fluctuating working hours, result in intense employment insecurity. Employment insecurity is indicated through the following statements from interviews with workers: "Mostly, I am sure that I will work next week, same time, but sometimes we go on short-time"; "I am not sure about my schedule for next week. They just call me any time" (Haripersad, 2008:16).

Evidently workers in the manufacturing and retail sectors experience employment insecurity and income insecurity. Furthermore, they experience wage flexibility and earn lower wages than workers employed with standard conditions of employment. For workers that depend on wage labour as their primary source of income, taking up employment under non-standard conditions is likely to have an impact on their livelihoods. Kenny's (2000) research shows that the income earned by casual workers in food retail is able to prevent a household from starvation, but it does not provide workers with enough income to pay their rent or electricity bills. According to Kenny (2001:102) Wilson (1996) makes a similar argument: "When household members have little to no access to stable jobs (either fall unemployed or have only part-time, temporary jobs) then households and, indeed, whole communities fall into new depths of poverty from which it becomes difficult to emerge".

3.4 **Conclusion**

The literature review has discussed much literature documenting industrial restructuring in clothing manufacturing and the subsequent informalisation of the sector. However, far less research of a similar nature has been done on the clothing retail sector. In addition, this literature review has not identified a study done on labour market flexibility, wages and livelihoods of clothing retail workers. Recent studies of this nature done in large clothing

[9] Haripersad, Y, 2008, Linkages between formal and informal clothing manufacturing in Durban. Unpublished research paper submitted in partial fulfilment of coursework for Master of Social Science – Industrial, Organisational and Labour Studies (University of KwaZulu-Natal).

manufacturers were not found. Furthermore, the research discussed in this chapter has been undertaken in CMTs that do not employ a workforce as large as clothing manufacturers. This represents the research gap that this dissertation addresses. This dissertation is a comparative study of labour market flexibility in clothing manufacturing and retail, and of wages and livelihoods of workers in these sectors. It aims to add to the body of knowledge on labour market flexibility, insecurities, wages, and how the aforementioned have an impact on the income earned and livelihoods of workers.

Chapter 4: Research methodology

4.1 Introduction

This chapter discusses the research methodology. Firstly, the methodological approach is discussed. The use of the deductive reasoning approach is explained along with the hypothesis that is to be tested and the key assumptions of this study. Secondly, research tools that were used to gather primary qualitative and quantitative data are described along with the sampling techniques utilised. Thirdly, the organisation of data analysis and the research findings are discussed. Thereafter, methods used to negotiate access to participants and the limitations to the study are discussed. Finally, the ethics of research that were adhered to in this study are discussed.

4.2 Methodological approach

The nature of research undertaken for this study is applied research. The study follows a deductive reasoning research approach. It aims to gather information to enhance the understanding of labour market flexibility, wages and livelihoods in clothing manufacturing and clothing retail. The relationship between labour market flexibility, wages and livelihoods has already been established in literature such as Standing (1999). Existing studies demonstrate that labour market flexibility does have an impact on wages and livelihoods. Therefore, this research does not aim to make correlations. Rather this study is a combination of descriptive and explanatory research that aims to add to the existing body of knowledge on labour market flexibility.

Deductive reasoning is an approach where a hypothesis is deduced from existing theory, thereafter data is collected and an analysis of the findings is used to confirm or reject the hypothesis (Babbie and Mouton, 2004). Harvey's (1989) theory of flexible accumulation guided the research process for this dissertation. Furthermore, the research approach was guided by the conceptualisation of the labour market as a dual labour market with a primary or core segment and a secondary or peripheral segment (Harvey, 1989; Webster and Von Holdt, 2005). Based on the aforementioned it is understood that flexibility in the production and labour processes has led to labour market flexibility and non-standard employment conditions. A review of studies on industrial restructuring and labour market restructuring has

found the following key indications of labour market flexibility and implications for workers in manufacturing and retail sectors: wage flexibility and numerical flexibility create employment and income insecurity for workers.

According to the literature review provided in the preceding chapter, non-standard employment contracts are used to set conditions of employment for flexible workers in the clothing manufacturing and clothing retail sectors. In clothing retail, labour flexibility is permissible in terms of the labour legislation. Employers use written employment contracts to set wage rates and flexible employment conditions for workers. These contracts make provision for flexible working hours and as a result are non-standard. In clothing manufacturing, the national main agreement does not make provision for labour flexibility. However, labour market flexibility is not uncommon in the clothing manufacturing sector. Labour flexibility is incorporated into the labour process as part of a broader trend towards informalisation of the sector whereby employers avoid compliance with legislation that regulates business administration and employment conditions.

Non-standard employment conditions create insecurities for workers. Flexible workers are subjected to irregular working hours that create income insecurity. This is because fluctuations in working hours result in fluctuations in the wages earned. In addition, more precarious forms of income insecurity are created as workers may be unpaid for their work completed. This is the case in informal clothing manufacturing operations (such as survivalist CMTs). In some instances, workers go unpaid for their hours worked because their employer may not be paid for the order.

The following hypothesis has been deduced based on the aforementioned findings of the literature review: labour market flexibility affects employment, wages and livelihoods of workers employed in two different segments of the clothing value chain, viz., clothing manufacturing and clothing retail. In order to test this hypothesis, the following research questions were developed:

1. What are the means of achieving labour flexibility and what type of labour flexibility is present in the workforces under study?
2. What is the impact that labour market flexibility and wages levels have on livelihoods? In other words, what items do people spend their income on in order to live out their daily lives?

Firstly, in order to test for the type of labour market flexibility present in the workforces under study, an investigation into the following indicators of labour market flexibility was completed: numerical flexibility or working time flexibility, functional flexibility and wage flexibility. The following assumption was made to determine the existence of working time flexibility and wage flexibility: If average weekly hours worked are below or above the maximum permissible limit then variations in working hours exists and as a result working time flexibility exists. This is because workers will be deployed for daily shifts that are not the standard 8 hour shift, i.e. daily shifts will either be less than the standard 8 hour day, or workers may work overtime and as a result work more than 8 hours. Following from this, variations in weekly wages would occur because it is unlikely that a worker will consistently work less than 8 hours or work overtime every day of the working week. This would mean that workers would experience wage flexibility and insecurity because of fluctuations in their weekly wages. Furthermore, data that indicates the presence of short-time during the year will provide evidence of working time flexibility and wage insecurity. In order to investigate the aforementioned, data on the following was gathered through surveys on workers in clothing manufacturing and clothing retail: average number of hours worked per week; hourly rate, and average weekly wages. Data on short-time in clothing manufacturing over a three year period was gathered. Data on short-time serves as a further indicator of working time flexibility[10] experienced by clothing manufacturing workers. The presence of functional flexibility was determined through interviews with managers or supervisors of the clothing retailer and clothing manufacturer under study.

Secondly, to determine the impact that labour market flexibility and wage levels have on livelihoods, the following indicators were studied: primary source of employment and income; breadwinner status; contribution to household income; expenditure on items for personal consumption; expenditure on items for household consumption. The following assumptions are made: (a) If a worker has a secondary source of income then their work in clothing manufacturing or clothing retail is an inadequate wage labour livelihood strategy; (b) If a worker is not the breadwinner in the household then their social income is supplemented by another household member, and as a result they are able to absorb economic shocks and gain economic security from another household member; and, (c) If a worker contributes to household income then their wage contributes to household income security. Furthermore, if

[10] Data on short-time was gathered for the following years: June 2007 to June 2008, June 2008 to June 2009, and June 2009 to 2010.

workers use the majority of their wages for personal consumption or use their wages only for personal consumption, then their wages are either not required for household income security or are inadequate for expenditure on household expenses.

4.3 **Research process: sampling technique and research tools**

A mixed methods approach to gathering data was used to gather both qualitative and quantitative data to address the research questions. A mixed methods approach was chosen to allow for a better understanding of labour market flexibility than would have been made if only one approach was chosen (Cresswell and Plano Clark, 2011). The mixed methods approach allowed for the appropriate research tool to be utilised to gather data from participants. On the one hand semi-structured interviews were used to gather qualitative information from key industry informants and managers. Qualitative data was gathered from key informants who provided detailed accounts of industry restructuring. Managers provided description on the means of achieving labour market flexibility and the type of labour market flexibility in clothing manufacturing and clothing retail. On the other hand, survey questionnaires were used to gather qualitative and quantitative information from workers. These questionnaires provided demographic data as well as income and expenditure that allowed for quantitative analysis to be done. The sampling strategy employed purposive sampling and snowball sampling methods.

4.3.1 Sampling technique

Purposive sampling was used to identify people who are likely to have knowledge of the required information or have the capacity to provide access to workers. A total of eight semi-structured interviews with industry informants, stakeholders and managers took place between June 2009 and September 2010. Key informant interviews were done with two clothing and textiles manufacturing sector research specialists. The first research specialist was an independent international researcher specialising in research in clothing and textiles manufacturing in Africa and Asia. Based on his first-hand international research experience he was able to provide a comprehensive account of the industry structure and labour processes of clothing manufacturers within Africa and Asia. The second research specialist is the owner of a Durban-based research consultancy firm that specialises in research on clothing manufacturing, textiles and fashion design. He was able to provide a detailed

account of industry structure, labour processes and challenges facing the clothing manufacturing sector in South Africa. The following stakeholders in the clothing manufacturing sector were interviewed: general secretary of the KwaZulu-Natal regional office of the National Bargaining Council for Clothing Manufacturing; a case manager from the regional office of the South African Clothing and Textiles Workers Union (SACTWU); and the director of the KwaZulu-Natal Clothing and Textiles Cluster (KZNCTC)[11]. Three interviews were done with managers of clothing manufacturers and an interview was done with a clothing retail store manager. These firms were all based in Durban and the surrounding areas.

It was through snowball sampling that the researcher was able to make contact with clothing manufacturers. This is because the director of the KZNCTC provided the researcher with a list of contact people in three large clothing manufacturers in Durban and surrounding areas. In addition, it was through a workshop hosted by the Department of Trade and Industry and a workshop organised by the Durban Chamber of Commerce and Industry that the researcher made contact with two smaller clothing manufacturers. Furthermore, a representative of the economic affairs committee of the Durban Chamber of Commerce and Industry referred the researcher to the independent international researcher.

4.3.2 Semi-structured interviews

Semi-structured interviews were utilised to gather detailed descriptions of the labour process in clothing manufacturing and clothing retail. The interviews provided data that allowed qualitative descriptions to be made on the means of achieving labour market flexibility and the type of labour market flexibility in clothing manufacturing and clothing retail. In order to gather such data semi-structured interviews were focussed on the following topics: types of labour market flexibility in clothing retail and clothing manufacturing; the means of achieving labour market flexibility; proportion of the workforce that are subjected to labour market flexibility; implications of labour market flexibility for the employer and worker. Other items that were discussed during interviews included: informal firms, non-compliance with labour legislation; wage issues such as non payment of workers; staff promotion and conversion of employment contracts from temporary to permanent contracts. Handwritten

[11] The KZNCTC is an institution that has been established by the KwaZulu-Natal Department of Economic Development and Tourism and eThekwini Municipality to support the development of the industry.

notes were made during interviews to capture information in terms of the aforementioned topics. The duration of each interview varied between forty-five minutes to one and a half hours. Prior to the interview, information regarding the research topic and nature of information that would be sought during the interview was provided to participants through either telephonic discussions or email. This allowed for participants to prepare for the interview in advance, allowing them to package their expert knowledge in terms of the research topic prior to the interview. Annexure A provides the list of semi-structured interviews that were undertaken. Annexure B provides the interview guide for semi-structured interviews.

4.3.3 Questionnaire survey

Questionnaires comprised of closed-ended and open-ended questions. Close-ended questions were used to gather data on the average number of hours worked per week, hourly rate, wage levels and payment frequency to investigate the presence of working time flexibility, wage flexibility and related insecurities. Furthermore, the survey gathered data on student status, intention to develop a career in the industry, primary source of income, breadwinner status and contribution to household income, as well as the number of contributing to household income. This data was used to investigate whether workers used their employment in clothing manufacturing and clothing retail as a livelihood strategy, and whether their wages provided the means to serve as breadwinners of the household. Gender and age data of workers was also gathered through closed-ended questions.

Data on expenditure on items for personal consumption and household consumption was gathered through open-ended questions. These questions required workers to state the percentage of their income used on the following personal consumption items: food, transport, healthcare, student fees, clothes and leisure. In addition, workers were required to state their contribution to the following household expenditure items: rent, utilities (water and electricity), bond or home loan payment, transport, healthcare, education food and childcare. In line with the mixed methods approach data gathered from closed ended questions facilitated comparisons being made between clothing manufacturing and clothing retail. Annexure C provides the questionnaire template.

Questionnaires were distributed to workers in a clothing manufacturing firm, situated in an industrial area in Tongaat, which is situated north of Durban, and a clothing retail store, situated in The Pavilion shopping mall, which situated west of Durban. Purposive sampling was employed because questionnaires were distributed only to workers involved in the clothing manufacturing process, i.e. machine operators and cutting table operators and to workers involved in the sale of clothing. This was to ensure that data collected was representative of clothing manufacturing workers and clothing retail workers and not of workers involved in other activities such as packaging, cleaning and sales of items such as cosmetics, fragrances, jewellery and cellular phones that are also sold by clothing retailers.

The managers interviewed for this study assisted the researcher with fieldwork. This was a mutual decision made by the researcher and managers for two reasons. Firstly, both at the clothing manufacturing and clothing retailer, an introduction to the study made by management would serve as an indicator of the importance of this study and potentially increase the response rate. Secondly, at the clothing manufacturer this decision was made because the human resource manager and training manager informed the researcher that they have good relationships with staff. As a result, it was assumed that workers would not show hostility towards completing a questionnaire if they received them from the human resource manager or training manager.

At the clothing manufacturer, the training manager organised a plant tour for the researcher. During the plant tour, the researcher was introduced to workers involved in the manufacturing process, i.e. machine operators and cutting table operators. The good relationship between the training manager and staff was evident to the researcher during the plant tour. At the morning staff meeting after the day of the plant tour, the training manager introduced workers to the research and informed them that participation in the study is voluntary. The training manager handled the distribution and collection of questionnaires. The survey was undertaken between September 2010, when questionnaires were distributed, and October 2010, when questionnaires were collected. Workers were provided with a period of three weeks to complete and return questionnaires.

Questionnaires were distributed only to workers who gave their consent. A total of fifty questionnaires were distributed. This represents a sample size of twenty-five percent because approximately two hundred employees work as machine operators and cutting table

operators. Forty-two workers returned completed questionnaires. This represents eighty-four percent of the fifty questionnaires that were distributed and twenty-one percent of the two hundred workers employed as machine operators and cutting table operators.

At the clothing retailer, the store manager introduced workers to the study during a morning meeting. However, only a few casual workers attend morning meetings because most casuals are scheduled to start work later in the day. As a result, the store manager provided the researcher with a two-day staff schedule for the store so that the researcher was aware of working times of permanent and casual workers. The distribution of questionnaires was done by the researcher on the basis of this staff schedule. The researcher distributed questionnaires to casual workers as they entered the shop-floor to begin their shift. The researcher provided a brief introduction to the study and requested consent from workers. The survey was undertaken between April 2009, when questionnaires were distributed, and May 2009, when the questionnaires were collected. Workers were provided with a period of three weeks to complete and return questionnaires.

Questionnaires were distributed only to workers who gave their consent. Twenty-eight questionnaires were distributed. This represents a sample size of forty percent, because seventy workers are employed in functions relating to the sales of clothing. Seventeen workers returned completed questionnaires. This represents sixty-one percent of twenty-eight questionnaires that were distributed and twenty-four percent of seventy workers employed in functions relating to the sales of clothing.

A larger sample size was used for the survey at the clothing retailer because the chances of receiving a completed questionnaire were much lower than the survey at the clothing manufacturer. This is because casual workers have irregular working time and in some weeks they may not be scheduled to work, as indicated in research on casuals employed in food retail undertaken by Kenny (2000). As a result, the likelihood of workers returning to the store during the survey period are very uncertain. Furthermore, casual workers are part of the peripheral segment of the labour market which is characterised by high labour turnover (Webster and Von Holdt, 2005). This further intensifies uncertainty with receiving completed questionnaires. Therefore, the researcher selected a larger sample size in order to avoid receiving an inadequate number of questionnaires to be able to make generalisations.

4.3.4 Negotiating access to workers and limitations of the study

The main difficulty during the fieldwork was gaining access to workers in clothing manufacturers and clothing retail stores. It was intended that the study be undertaken with a population of two clothing retailers and two clothing manufacturers. However, this was not achieved.

A total of five clothing manufacturers were approached to participate in this study. However, only three provided consent for an interview. The researcher contacted these clothing manufacturers telephonically to provide an introduction to the study and to request an interview with an operations manager or human resources manager. This was followed by emailing potential participants a letter of introduction which was signed by the research supervisor. From the three manufacturers that participated in interviews, one of the manufacturers provided the researcher with access to workers for the survey. The director of the KZNCTC facilitated access to this clothing manufacturer. This was through a list of three large clothing manufacturers in the Durban and surrounding areas that he provided.

Out of the two clothing retailers that were requested to participate in the study, only one clothing retailer agreed. It was only through contacts made through the researcher's employment in clothing retail that the researcher was able to gain access to clothing retail workers. Access was negotiated through a face-to-face meeting with the store manager of a store in which the researcher was previously employed as a casual. During the meeting, the store manager was provided with a spoken introduction to the study and a request for an interview for the purposes of this study. Permission to distribute survey questionnaires to workers was also sought. A letter of introduction and informed consent signed by the research supervisor was provided to the manager at the meeting to supplement the aforementioned spoken requests. Annexure D provides the letter of introduction and informed consent.

4.4 **Data Analysis**

Data has been analysed in terms of themes that were developed based on the research questions and data gathered. These themes are: means of achieving labour flexibility and the type of labour flexibility; demographic profile and employment tenure; working time and

wage levels; waged labour as livelihood strategy for workers; expenditure profile of workers; and effects of labour flexibility on livelihoods. The analysis of field notes, which were made during interviews, was focused on extracting information to address the first theme. The analysis of data gathered through questionnaire surveys addressed the remaining themes.

Data gathered through questionnaire surveys were captured on the Statistics Programme for the Social Sciences (IBM SPSS). Cross-tabulations, pie-charts, bar-graphs and histograms have been developed using SPSS to organise and summarise data. MS Excel was also used to develop bar-charts.

4.5 **Ethical Considerations**

The researcher sought consent from participants prior to gathering their input. Consent from participants in semi-structured interviews was requested telephonically and through a letter of introduction. The researcher assured participants that actual names will not be used in the report of research findings and in so doing the privacy and confidentiality of inputs will be maintained.

The questionnaire contained an introduction to the study which informed workers of the aims of the study. The introduction informed workers that they are not required to identify themselves. In so doing, the questionnaire did not gather data on names, identity numbers and employee numbers and as a result workers were assured that privacy and confidentiality of inputs will be maintained. Workers were also informed that participation is voluntary and that they may withdraw from participation in the survey. Furthermore, the questionnaire contained a brief guide that explained how the close-ended and open-ended questions are to be completed. Examples were provided for some questions to ensure that workers clearly understood the aim of the question.

4.6 **Conclusion**

This chapter has discussed the methodological approach and research process for this study. A deductive reasoning approach was utilised to develop a hypothesis from existing theory. The research aims to test the hypothesis that labour market flexibility affects employment, wages and livelihoods of workers employed in two different segments of the clothing value

chain. Two research questions were developed to test this hypothesis, i.e. (1) What are the means of achieving labour flexibility and what type of labour flexibility is present in the workforces under study; and, (2) What is the impact that labour market flexibility and wages levels have on livelihoods. Following from the discussion in this chapter of the research methodology for this dissertation, the following chapter presents data that was gathered through semi-structured interviews and questionnaire survey. The data and discussion on the findings are organised in terms of themes that were developed based on the research questions and data gathered.

Chapter 5: Labour flexibility in clothing manufacturing and clothing retail and the implications for employment, wages and livelihoods

5.1 Introduction

The chapter provides a discussion of research findings and data analysis. The data analysis is organised into themes based on the research questions and data gathered. Firstly, the means of introducing labour market flexibility and the resulting types of flexibility are discussed. This is based on an analysis of legislation that prescribes conditions for employment within the respective industries, employment contracts, and interviews with industry informants, stakeholders and managers, as well as observations made by the researcher. Secondly, the characteristics of the workforces are described in terms of demographic characteristics and employment tenure. Thirdly, working time and wage levels are analysed. The fourth sub-section provides an analysis of the proportion of the workforces that use waged labour in clothing manufacturing and clothing retail as a livelihood strategy. The fifth sub-section provides an analysis of workers expenditure on household expenses (such as home loan or bond payments, rent, utilities) and items for household and personal consumption (such as food, transport, clothes). This is based on data gathered from questionnaire surveys undertaken on workers at the clothing manufacturer and clothing retailer. The chapter concludes with a discussion of the research findings and outlines whether findings support or oppose the hypothesis of this research. The concluding discussion highlights the main findings on how labour market flexibility affects employment, wages, and livelihoods of workers.

5.2 Labour market flexibility: Means of introducing labour flexibility and types of labour flexibility

Employment conditions in clothing manufacturing and clothing retail are regulated by a collective agreement and sectoral determination, respectively, i.e. National Main Collective Agreement for the Clothing Manufacturing Industry, and Sectoral Determination 9: Wholesale and Retail Sector. The research has found that written employment contracts are used by the clothing manufacturer and clothing retailer to specify conditions of employment within respective workplaces, and that these contracts are in accordance with the respective collective agreement and sectoral determination. As a result, types of labour market

flexibility that are present in the workforces under study are in accordance with the respective collective agreement and sectoral determination. The research has found that the following types of labour market flexibility are present in clothing manufacturer and clothing retailer under study: numerical or employment flexibility, functional or work process flexibility, and wage flexibility. Employment contracts are the primary means to achieve the aforementioned types of flexibility at both the clothing manufacturer and clothing retailer. Further to this, it has been found that directives from managers and supervisors on the shop-floor of the clothing retailer result in functional or work process flexibility taking place during day-to-day operations.

5.2.1 Numerical or employment flexibility

Numerical or employment flexibility is achieved through employment contracts used by the clothing manufacturer and clothing retailer. A key indicator of this type of labour market flexibility is that different types of employment contracts are used and as a result the workforces can be disaggregated into permanent employees and non-permanent or contract and casual employees. The respective employment contracts set conditions for permanent employees in the clothing manufacturer and clothing retailer, contract workers at the clothing manufacturer, and casual employees at the clothing retailer (Interview with Store Manager at clothing retailer, 22 April 2009; Interview with Human Resources Manager at clothing manufacturer, 09 September 2010).

Employment contracts used by the clothing manufacturer allows for workers to be employed on a permanent and contract basis. Employment contracts for contract workers indicate the specific date for the termination of employment. Based on the demand for work, the clothing manufacturer can choose to extend a fixed term contract or terminate the contract when the termination date is reached. Through specifying a termination date, the clothing manufacturer is able to alter the size of the workforce.

The Human Resources Manager indicated that the clothing manufacturer is fully committed to complying with the national collective agreement. As a result, aside for the specific termination date for contract workers, employment conditions for permanent workers and contract workers are the same, such as conditions for working time, remuneration, annual leave. Daily shifts and the total number of normal working hours per week are the same for

both permanent and contract workers. Daily shifts from Monday to Thursday are scheduled for a total of 8 normal working hours (excluding one hour meal intervals per day), and on Fridays the daily shift is 6.5 normal working hours, totalling 40 normal working hours per week. Permanent employees and contract workers accumulate leave (annual and sick leave) at the same rate. Remuneration rates are based on function and experience. Furthermore, provisions are made for both permanent and contract employees to make contributions to a Sick Benefit Fund and Provident Fund. The employer supplements these contributions. The employee makes a contribution of 1.5% per week, and employer makes a contribution of 1.75%. Once an employee contributes to the Sick Benefit Fund for 13 weeks, they are entitled to the following benefits: free medical attention, free medicine, and sick pay equal to half a day's wages for each day absent to a maximum of 40 days. The provident fund is intended to provide monetary payout to the employee upon retirement. However, payouts may be taken when the employee leaves the organisation, but doing this has negative tax implications.

In contrast, conditions of employment for permanent employees and casual employees at the clothing retailer are significantly different. Firstly, employment contracts for permanent employees indicate that working time is set to eight normal hours per day (excluding one hour lunch break) and forty normal hours per week. This working schedule includes work on weekends every alternate week. In general, permanent staff are required to work two types of shift: (1) permanent staff commence their working day when the store opens and, due to the store operating for more than eight hours per day, their shift ends prior to the daily closure time; (2) permanent staff commence their working day 1 – 2 hours after the store opens and end their shift when the store closes, working for a total of 8 normal hours. On the other hand, the employment contract for casual employees indicates that workers are required to work according to the needs of the business. This results in work schedules being developed in accordance with the demand for work. The demand for work is based on factors such as the time of the week or month, season, promotional activities such as sales, as well as administrative and stock replenishment needs of the store. As a result, it is not intended that the working schedule for casuals be fixed to particular daily shifts and total number of hours per week. Total hours worked per day and per week are likely to vary. The maximum normal hours per week for casuals is 40 hours, including work on weekends. This maximum of 40 normal hours excludes one hour lunch breaks for shifts that are longer than 7 hours. The only similarities in terms of working time are the maximum total number of normal working hours per day and per week and additional hours worked are considered as overtime. Permanent

employees and casual employees accumulate leave (annual and sick leave) at the same rate. Secondly, rates for remuneration differ for permanent employees and casual employees. Permanent employees are paid a monthly salary. This salary is comprised of a basic remuneration, and remuneration for overtime. Permanent employees are paid extra for additional work undertaken on Sundays that is above that which is specified in their employment contract. On the other hand, casuals are paid a weekly wage which is based on number of hours worked multiplied by an hourly rate. All work on Sundays is remunerated at the normal rate. Thirdly, employment contracts make provisions for permanent employees to access medical aid benefits and a provident fund. Both the employer and employee make contributions to a medical aid and a provident fund. Employees contribute 50% to medical aid premium and the employer contributes 50% to the medical aid premium. On the other hand, provisions are not made for casual employees to access medical aid or have provident funds.

5.2.2 Functional or work process flexibility: Working time flexibility

Employment contracts make provisions for functional or work process flexibility. As mentioned earlier, employment contracts used at the clothing retailer indicate that casual employees are required to work according to the needs of the business. As a result, functional or work process flexibility is a common occurrence at the clothing retailer. Working time flexibility is part of the day to day operations at the clothing retailer. Work schedules for casuals are developed according to the demand for work. Casual employees may be scheduled to work daily shift consisting of a minimum of 4 normal hours per day to a maximum of 8 normal hours per day, and a maximum of 40 normal hours per week. In general, a 4 four hour shift is scheduled for casual employees to man the shop-floor during late trade. For example, casual employees are scheduled to work a 4 hour shift between 17:00 to 21:00 on the month end Friday of every month, which is a period when the store extends its trading hours. A 6 hour shift is scheduled for casual employees to man the shop floor during times of the day when other staff take their meal breaks. A typical example of a 6 hour shift is between 10:00 – 16:00. During this time, the first round of 15 minute tea breaks for staff starts from 10:00. This would mean a casual employee would be able to man the shop floor while 4 other staff take their tea breaks in 15 minute consecutive intervals. Thereafter, lunch breaks for staff begin at 11:00. During this time the casual employee would man the shop floor while 4 other staff take their lunch breaks in 1 hour consecutive intervals. The

second round of tea breaks starts from 15:00 to 16:00, during which time the casual will man the shop floor while 4 other staff take their tea breaks in 15 minute consecutive intervals. It will be at the discretion of the supervisor on duty to schedule a 15 minute break for the casual employee based on the tea and lunch break schedule for other staff working in the department. It must be noted that casual employees are not provided a 1 hour meal interval when scheduled to work a shift less than 7 hours. As a result, the time that the casual employee is present on the shop floor is maximised. A 7 hour and 8 hour shift is usually scheduled for casual employees to begin their shift 1 to 2 hours after the store begins trading and to man the shop floor until the end for trade. Permanent employees start 8 hour shifts at the start of daily trade, and their shift usually ends 1 to 2 hours before daily trade terminates. On every alternative week a permanent employee may be scheduled to commence work 1 to 2 hours after the store begins trading and to man the shop floor until the end for trade. It must be noted that in general the casual employees constitute the majority of the workforce on the shop-floor at the end of trade. At the end of trade a further form of working time flexibility occurs. According to store rules and employment contracts, employees are only permitted to leave their workstations after the last customer has been served. This results in employees continuing their shift for between 5 minutes to 20 minutes after their shift ends and the store closes its doors to trade. In extreme cases employees at the sales desk may continue their shift for 30 minutes due to administrative and cashing-up procedures.

Working time flexibility at the clothing manufacturer is less common compared to the clothing retailer. This is because the daily work schedule consists of fixed working hours of 07:00 to 16:30 between Monday to Thursday, and 07:00 to 13:30 on Fridays, totalling 40 normal hours per week. Changes to this schedule occur only under special circumstances and as a result are not part of the norm. According to the human resources manager, overtime in the form of working longer hours between Monday to Friday and working on Saturdays does not occur frequently. Overtime is generally scheduled to meet higher production orders, such as production for the summer season. Short-time is reserved only for times when it is not possible to employ workers for the standard working week due to low demand for goods. An analysis of data on short-time from the National Bargaining Council for the Clothing Manufacturing Industry indicates 5 weeks of short-time occurred at the clothing manufacturer between the period July 2007 to June 2008. This represents only 10% of a total of fifty two working weeks per annum. Short-time was reduced to 3 weeks per annum in the following

years of July 2008 to June 2009 and July 2009 to June 2010. This represents only 6% of a total of fifty two working weeks per annum.

Further investigation into working time was made through the questionnaire survey. The findings of this survey is presented in Section 5.3.

5.2.3 Functional or work process flexibility: Deploying labour between functional areas of the shop-floor

Workers at the clothing manufacturer are not deployed between different functional areas of the manufacturing lines or work processes, and therefore work process flexibility is not present within this workforce. Rather, a worker is employed for a specific occupation and as a result has a specific functional area and duties that are specified within the employment contract and are unique to a specific functional area. For example, according to the collective agreement and the human resources manager, a "machinist" is an employee who produces wearing apparel and performs their work through the use of a sewing machine. A "plain sewer" is an employee who sews items such as the following by hand: tacking permanent turn-ups, sewing hooks and eyes, and the like; a "trimmer" is an employee who cuts linings and interlinings. Line supervisors do not introduce functional flexibility or work process flexibility on the shop-floor. Furthermore, manufacturing floor employees are given daily quotas to meet, and as a result dedicate all their working hours to completing tasks that contribute to meeting their quota.

Employment contracts used by the clothing retailer specify functional areas for employees However, general duties that are specified in employment contracts for shop-floor employees are applicable across different functional areas of the store. For example, a ladies-wear sales consultant may have duties such as sales advice, stock replenishment and customer query handling (such as requests for stock from other stores, and resolving customer complaints), and a menswear sales consultant may have the same duties. This allows managers and supervisors to introduce this functional flexibility at the shop-floor level. However, functional flexibility is largely practiced through deploying casual employees across functional areas. Permanent employees generally work within a specific functional area. Depending on the level of training that a casual employee has received, they may be required to work in functional areas as diverse as the sales floor, stock room, sale-desk (area that sales

transactions are processed), and perform administrative tasks. In these cases the casual employee will receive detailed directives from a permanent employee in the respective functional area or directly from the supervisor of a functional area or in some cases directly from the store manager.

5.2.4 Wage flexibility

Minimum wages are set for the clothing manufacturing industry and the clothing retail sector through the National Main Collective Agreement for the Clothing Manufacturing Industry and Sectoral Determination 9 respectively. As a result wage rates are not determined entirely by market forces or by cost pressures exerted by markets. Rather, minimum wage levels for the clothing manufacturing industry are determined through negotiations between business and labour (represented by the South African Clothing and Textiles Workers Union) that are mediated by the National Bargaining Council for the Clothing Manufacturing Industry. Minimum wage levels for the clothing retail sector have been increasing by inflation (CPIX) plus 1% per annum, between the period 2006 to 2010.

Wage flexibility in both clothing manufacturing and clothing retail is achieved through differentiation of wage levels for metropolitan and non-metropolitan areas, and job function as per the collective agreement and sectoral determination, respectively. Furthermore the collective agreement specifies that wage rates in clothing manufacturing industry is to be determined based on skills levels. Thus a qualified employee will earn higher wages than learner employees, and learner employee wages will be determined based on the number of months of experience (0 – 6 months, 7 – 12 months, and 13 to 18 months). Once a learner accumulates more than 13 months experience, wage rates for qualified employees will apply.

The occurrence of wage flexibility is highest at the clothing retailer. This is because, while permanent employees receive a fixed salary and this may increase based on overtime, casual employees receive a weekly wage which is based on the number of hours that they have worked in a week. Since working schedules for casual employees are developed according to the needs of the business, the total number of hours worked per week tend to fluctuate. As a result weekly wages also vary. Furthermore, within the clothing retail workforce contracts for permanent employees indicate that they are paid a higher hourly rate than casuals. The

manager who was interviewed indicated that it is possible for permanent staff to receive incentive based pay depending on the outcomes of performance management assessments.

Further investigation of wage levels and wage flexibility was made through the questionnaire survey. The findings of this survey are presented in Section 5.4.

5.3 **Profile of the workforce: Demographics and employment tenure**

This sub-section provides an analysis of the demographic profile and employment tenure of the workforces studied at the clothing manufacturer and clothing retailer. Data analysis is provided in terms of: firstly, age group and gender profile of respondents; secondly, age and number of years that a respondent has worked in the industry; and thirdly, gender and number of years that a respondent has worked in the industry[12].

The age range of workers at the clothing manufacturer is between 17 to 52 years old, whereas the age range of workers at the clothing retailer is between 17 to 22. The majority of the respondents are female at both the clothing manufacturer and the clothing retailer. At the clothing manufacturer, the majority of workers are females aged between 41 to 46 years old, i.e. 10 workers or 23.8% of workers indicated they are females aged between 41 to 46 years old[13]. Other significant age groups are 35 to 40 years old as 7 workers indicated that they are females in the aforementioned age category. Further to this, 5 workers indicated that they are females aged between 23 to 28 years old. Only 2 workers indicated that they were males.

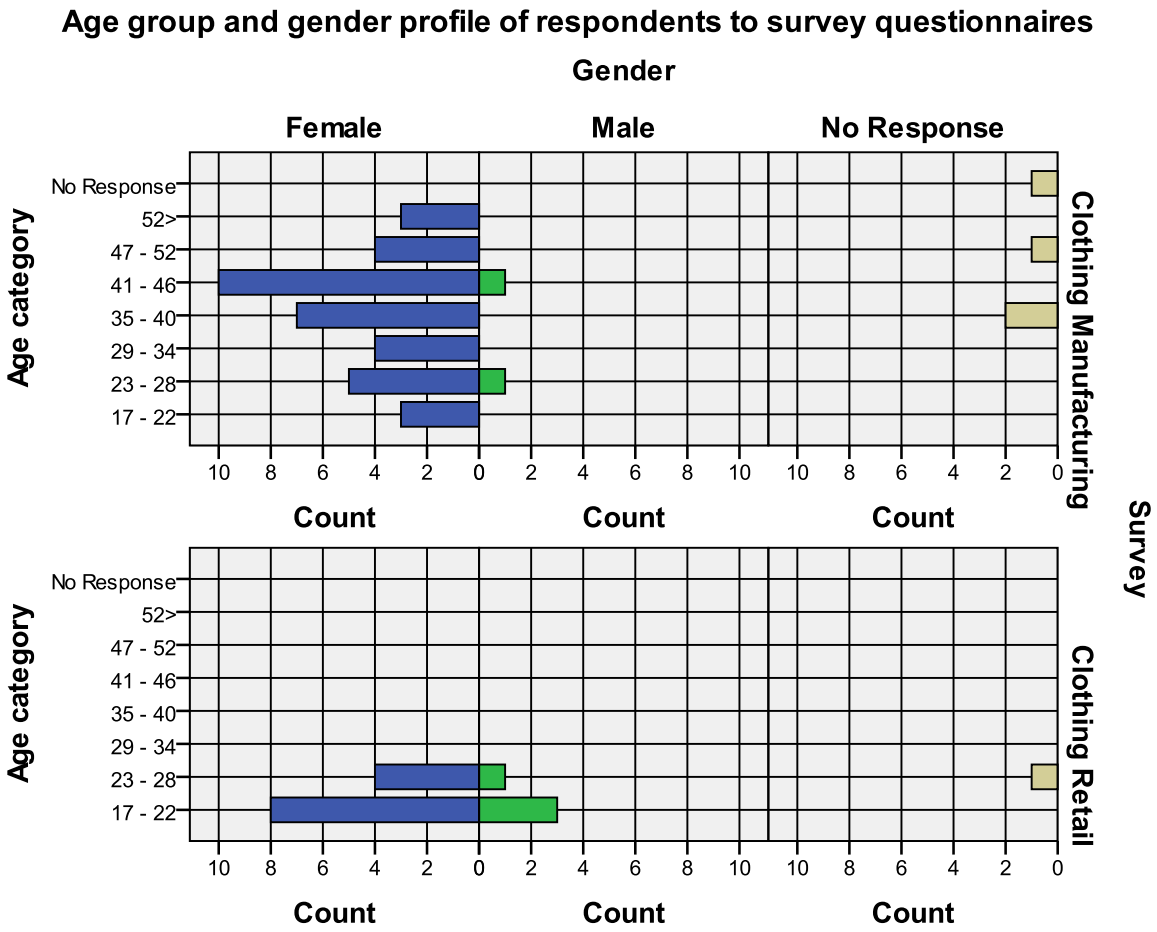
At the clothing retailer the majority of workers are females aged between 17 to 22 years old. A total of 8 workers or 47.1% of workers are in this category[14]. Four workers indicated that they were males. The histogram on the following page indicates the age range and gender of the workforces under study.

[12] Survey questionnaires were received for a total of 42 employees at the clothing manufacturer and 17 employees at the clothing retailer. However, a total of 3 respondents from the clothing manufacturer, and 1 from the clothing retailer did not provide data for gender category; 1 respondent from the clothing manufacturer did not provide data for both gender and age; 1 respondent from the clothing manufacturer did not provide data on number of years in the industry.

[13] 26.3% of workers are in this category if the number of workers in this category is represented in terms of only the number of total responses for age and gender, i.e. excluding 4 respondents who did not provide data on age and gender

[14] 50% of workers are in this category if the number of workers in this category is represented in terms of only the number of responses, i.e. excluding 1 respondent who did not provide data on age and gender from the total number of respondents

Figure 1: Histogram illustrating age group and gender profile of respondents to survey questionnaires



The aforementioned analysis of age and gender indicates that the profile of the average worker in clothing manufacturing is a female worker aged between 41 to 46 years old, whereas the average worker in clothing retail is a female worker aged between 17 to 22 years old. Table 2 and Table 3 on the following pages add a further dimension to the analysis of demographic characteristics of the workforce. These tables cross tabulate age and number of years working in the industry, as well as gender and number of years working in the industry, respectively.

As indicated by Table 2, workers with the highest number of years working in the clothing manufacturing industry are aged between 35 to 40 years old, as 6 workers aged between 35 to 40 indicated that they have worked in the industry for over 10 years (14.3% of workers are in

this category[15]). Further to this, a total of 4 workers aged between 47 to 52 years old indicated that have worked in the industry for more than 10 years. Also of significance is that most workers at the clothing manufacturer are aged between 41 to 46. Workers aged between 41 to 46 indicated that they have worked in the clothing manufacturing industry between less than 1 year to more than 10 years, i.e. 11 workers indicated that they are aged between 41 to 46 and have worked in the industry for less than 1 year to more than 10 years (26.2% of workers are in this category[16]).

Workers with the highest number of years working in the clothing retail sector are aged between 23 to 28 years old. A total of 4 workers aged between 23 to 28 indicated that they have worked in the clothing retail sector for 3 to 5 years (24 % of workers are in this category). Further to this, one worker aged 23 to 28 indicated having worked from 7 to 9 years in the clothing retail sector. Also of significance is that most workers at the clothing retailer are aged between 17 to 22 years old and have worked in the clothing retail sector between less than 1 year to 3 to 5 years. A total of 11 workers indicated that they are aged between 17 to 22 years old and have worked in the clothing retail sector between less than 1 year to 3 to 5 years (65% of workers are in this category). Table 2 on the following page provides a cross tabulation of age and number of years working in the clothing manufacturing industry.

[15] 15% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for age and number of years working in the industry, i.e. excluding 2 respondents that did not provide data on age and number of years working in the industry

[16] 27.5% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for age and number of years working in the industry, i.e. excluding 2 respondents that did not provide data on age and number of years working in the industry

Table 2: Cross tabulation of age and number of years in industry for workers surveyed at the clothing manufacturer and clothing retailer

Cross tabulation of age category and number of years in industry for workers at the clothing manufacturer and clothing retailer

Count

Survey			Number of years in industry						Total
			<1year	1 - 3 years	3 - 5 years	5 - 7 years	7 - 9 years	> 10 years	
Clothing Manufacturing	Age group	17 - 22	3	0	0	0	0	0	3
		23 - 28	0	5	0	0	0	0	5
		29 - 34	0	1	0	1	0	2	4
		35 - 40	**0**	**1**	**1**	**0**	**1**	**6**	**9**
		41 - 46	**1**	**2**	**1**	**2**	**3**	**2**	**11**
		47 - 52	0	0	0	1	0	4	5
		52>	0	2	0	0	0	1	3
	Total		4	11	2	4	4	15	40
Clothing Retail	Age group	**17 - 22**	**6**	**3**	**2**	**0**	**0**	**0**	**11**
		23 - 28	1	0	4	0	1	0	6
	Total		7	3	6	0	1	0	17
Total	Age group	17 - 22	9	3	2	0	0	0	14
		23 - 28	1	5	4	0	1	0	11
		29 - 34	0	1	0	1	0	2	4
		35 - 40	0	1	1	0	1	6	9
		41 - 46	1	2	1	2	3	2	11
		47 - 52	0	0	0	1	0	4	5
		52>	0	2	0	0	0	1	3
	Total		11	14	8	4	5	15	57

Table 3 on the following page provides a cross tabulation of gender and number of years working in the clothing manufacturing industry. The majority of workers at the clothing manufacturer are females who have worked in the industry from less than 1 year to more than 10 years. A total of 35 female workers indicated that they have worked in the industry for from less than 1 year to more than 10 years (83.3% of workers are in this category[17]). The

[17] 94.6% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for gender and number of years working in the industry, i.e. excluding 5 respondents who did not provide data on gender and number of years working in the industry

majority of workers at the clothing retailer are females who have worked in the industry from less than 1 year to 3 to 5 years. A total of 11 female workers indicated that they have worked in the clothing retail sector for less than 1 year to 3 – 5 years (64.7% of workers are in this category[18]).

Table 3: Cross tabulation of gender and number of years in industry for workers surveyed at the clothing manufacturer and clothing retailer

Cross tabulation of gender and number of years in industry for workers at the clothing manufacturer and clothing retailer

Count

Survey			Number of years in industry						Total
			<1year	1 - 3 years	3 - 5 years	5 - 7 years	7 - 9 years	> 10 years	
Clothing Manufacturing	Gender	Female	4	10	2	4	3	12	35
		Male	0	1	0	0	0	1	2
	Total		4	11	2	4	3	13	37
Clothing Retail	Gender	Female	6	2	3	0	1	0	12
		Male	1	1	2	0	0	0	4
	Total		7	3	5	0	1	0	16
Total	Gender	Female	10	12	5	4	4	12	47
		Male	1	2	2	0	0	1	6
	Total		11	14	7	4	4	13	53

From the aforementioned analysis of age, gender and number of years in industry, it can be generalised that within the clothing manufacturer under study the average worker is a female aged between 35 to 40 years old, who has worked in the industry for more than 10 years. The average clothing retail worker is a female aged between 17 to 22 years old who has worked in the industry for less than 1 year.

[18] 68.8% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for gender and number of years working in the industry, i.e. excluding 2 respondents who did not provide data on gender and number of years working in the industry

5.4 Employment, working time and wage levels (provides evidence for non-standard employment and income insecurity)

This sub-section provides an analysis of the nature of employment, working time and wage levels of the workforces studied at the clothing manufacturer and clothing retailer. The data analysis is provided in terms of: firstly, the type of employment; secondly, a comparison of the type of employment and the average number of hours worked per week; thirdly, a comparison of the type of employment and the average weekly wages; fourthly, the average number of hours worked and average weekly wages. The section ends with an analysis of changes in weekly wages between two periods, i.e. when workers first started working in industry and current hours worked and weekly wages[19].

5.4.1 Employment

The survey found that all workers at the clothing manufacturer are permanent employees. This is probably because the clothing manufacturer is fully committed to complying with the national collective agreement (as discussed at the beginning of this chapter, Section 5.2.1). On the other hand, the workforce at the clothing retailer is comprised of a much smaller proportion of permanent workers, i.e. just over 11% of workers or 2 out of 17 workers indicated that they are permanent employees. The workforce at the clothing retailer is comprised mainly of casual employees, i.e. just over 88% of workers or 15 out of 17 workers indicated that they are casual employees. The pie chart below illustrates types of employment for the workforces under study.

[19] Survey questionnaires were received from a total of 42 employees at the clothing manufacturer and 17 employees at the clothing retailer. Type of employment was determined through the number of respondents that provided responses to questions that had to be completed only by permanent employees, i.e. questions 13 – 16. The survey data has the following limitations: 1 respondent from the clothing manufacturer did not provide data for average number of hours worked per week; 1 respondent from the clothing manufacturer and 1 respondent for the clothing retailer did not provide data for current weekly wages; 1 respondent from the clothing manufacturer and 1 respondent from the clothing retailer did not provide data for weekly wages earned when they started employment the respective industries

Figure 2: Pie-chart illustrating type of employment

5.4.2 Working time

It was found that most workers at the clothing manufacturer and clothing retailer work between 35 hours to 43 hours per week. At the clothing manufacturer, a total of 28 workers (or 66.7% of workers[20]) indicated that they worked between 35 hours to 43 hours per week. A significant number of workers indicated that they work more than 43 hours per week, i.e. 11 workers (or 26.1% of workers[21]). One worker indicated working between 27 – 35 hours per week and another worker indicated working between 9 and 17 hours per week.

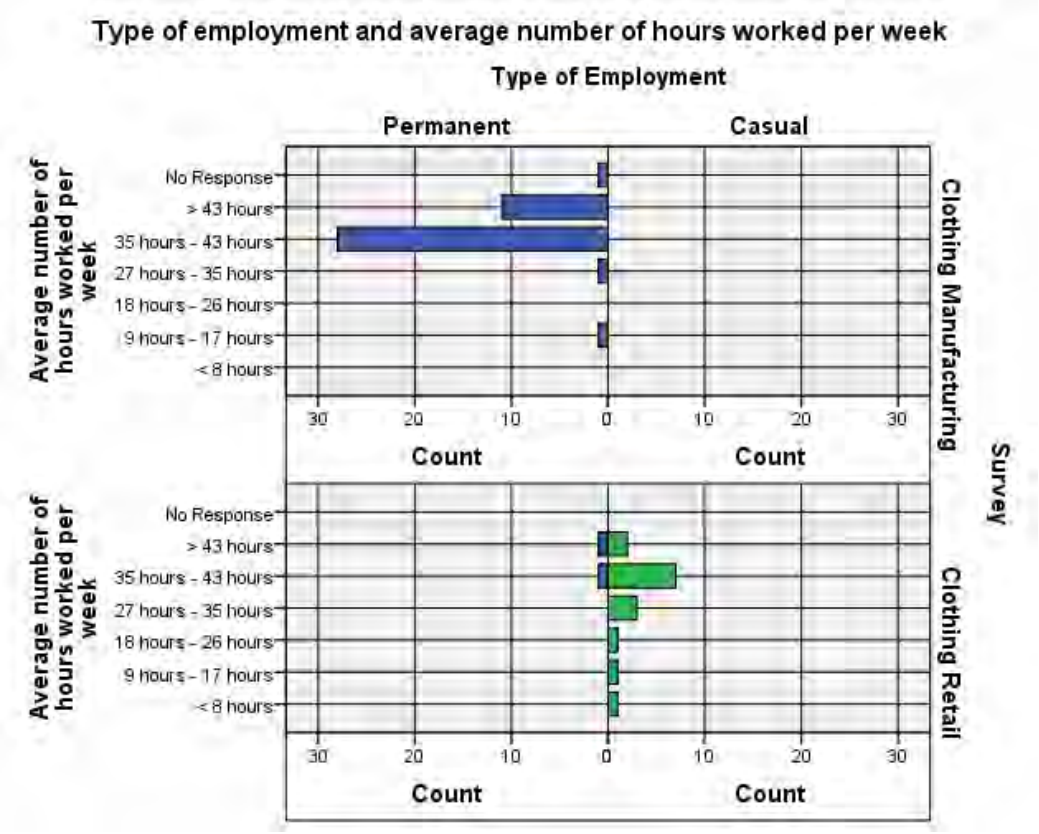
At the clothing retailer, most workers indicated that they worked between 35 hours to 43 hours per week. A total of 8 workers (or 47% of workers) indicated that they worked between 35 hours to 43 hours per week. All but one of these workers were causal workers. Also of significance is that only 3 workers indicated that they work more than 43 hours per week, of which 2 respondents were casual employees and one respondent was a permanent employee. Furthermore, only 3 casual employees indicated that they worked between 27 to 35 hours per week. Three workers represents 18% of the workers that participated in the survey. This represents the second main cluster of responses, after the respondents that indicated they

[20] 68.29% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for average number of working hours, i.e. excluding 1 respondent that did not provide data on number of working hours

[21] 25.1% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for average number of working hours, i.e. excluding 1 respondent that did not provide data on number of working hours

worked between 35 hours to 43 hours per week. The histogram on the following page indicates type of employment and average number of hours worked per week.

Figure 3: Histogram illustrating type of employment and average number of hours worked per week



The aforementioned analysis of working hours indicates that on average workers at the clothing manufacturer and clothing retailer work between 35 to 43 hours per week. The findings indicate that there is more working time flexibility at the clothing retailer. This is because of the wide range of hours worked per week. Working hours ranged between less than 8 hours for more than 43 hours per week. It is important to note that at least one worker indicated that they either worked less than 8 hours, between 9 hour to 17 hours, between 18 hours to 26 hours, 27 hours to 35 hours, 35 hours to 43 hours, and more than 43 hours per week.

The range of working hours at the clothing manufacturer is not as wide as working hours at the clothing retailer. No responses were received from workers to provide evidence for working hours of between 18 hours to 26 hours and less than 8 hours per week. Responses

were received for working hours of between 9 hours to 17 hours, 27 to 35 hours, 35 hours to 43 hours, or more than 43 hours per week.

5.4.3 Wages

The survey found that all permanent employees at the clothing retailer and casual employees at the clothing retailer receive weekly wages. Permanent employees at the clothing retailer indicated that they received monthly salaries (two workers from the clothing retailer indicated that they received a monthly salary).

It was found that most workers, 69% of workers, at the clothing manufacturer earned a weekly wage of between R600.01 to R800.00 per week[22]. A total of 11 (or 26.2% of workers[23]) workers indicated they earned between R400.01 to R600 per week. One worker indicated earnings of more than R1200.00.

At the clothing retailer, it was found that most workers earned between R400.01 to R600.00 per week, i.e. a total of 5 workers (or 29.4% of workers[24]). Three workers or 17.6% of workers indicated that they earned between R600.01 to R800, and 3 workers indicated that they earned less than R400 per week[25]. One worker indicated that they earned between R800.01 to R1000.00 per week, and two workers indicated that they earned R1000.01 to R1200.00 per week. Two permanent workers at the clothing retailer indicated that their salary is greater than R1200.00 per month. In summary, clothing retail workers earn less than clothing manufacturing workers. The histogram on the following page illustrates type of employment and weekly wages earned by workers at the time of the survey.

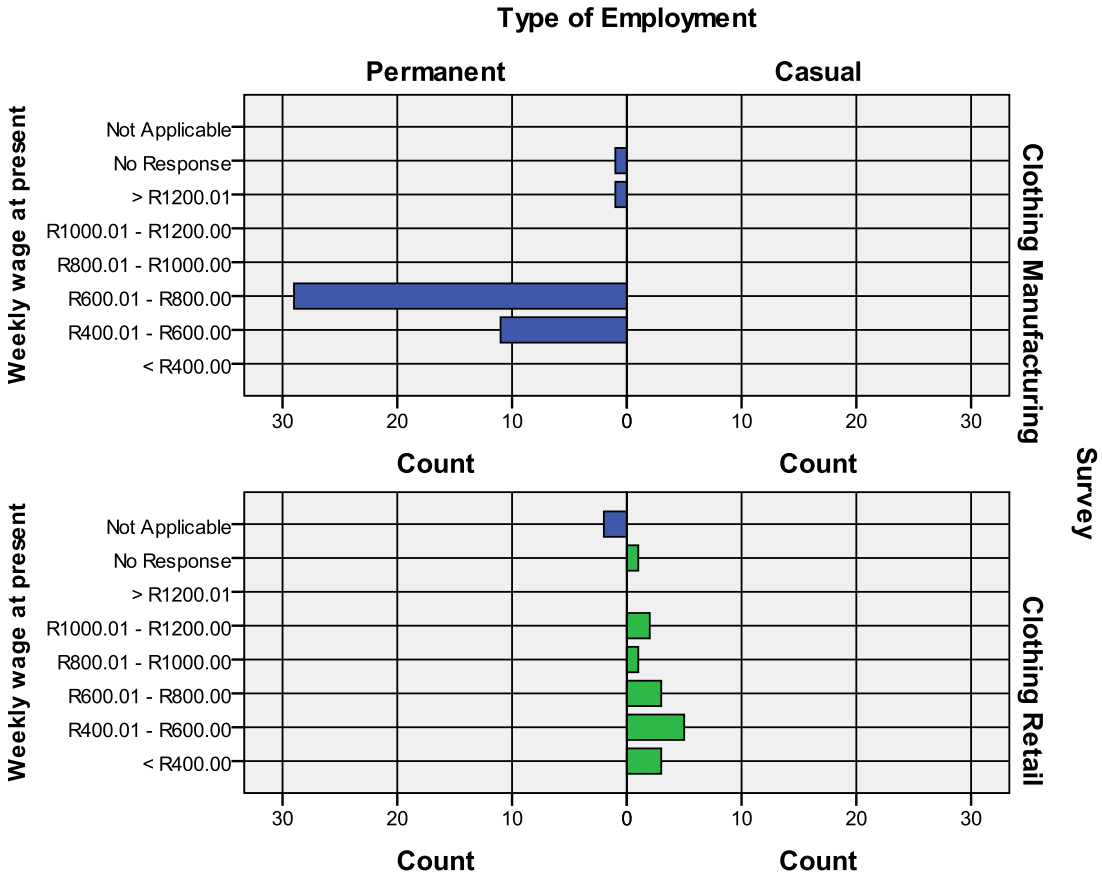
[22] 70.7% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages currently earned per week

[23] 26.8% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages currently earned per week

[24] 31.3% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages currently earned per week

[25] Three respondents represent 18.8% of workers if number of workers in this category is represented in terms of only the number of total responses for wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages currently earned per week

Figure 4: Histogram illustrating type of employment and weekly wages at present



The aforementioned analysis of weekly wages indicates that a wider range of wage levels is evident for the clothing retailer. Workers at the clothing retailer earn between less than R400.00 per week to R1000.01 to R1200 per. Furthermore, permanent employees earn a salary of more than R1200.00 per month. If this is assessed in conjunction with the wide range of hours worked per week, it can be concluded that a higher level of wage flexibility is evident at the clothing retailer.

The range of weekly wages at the clothing manufacturer is not as wide as weekly wages at the clothing retailer. Most workers indicated that they earned between R400 to R800 per week. Further to this, workers indicated that they earned between R400.01 to R800.00 per week. In contrast with the finding at the clothing retailer, none of the clothing manufacturing workers indicated that they received weekly wages of less than R400 per week, R800.01 to R1000.00, R1000.01 to R1200. If this is assessed in conjunction with the narrow range of hours worked per week, it can be concluded that a lower level of wage flexibility is evident at the clothing manufacturer**.** Annexure E provides a cross tabulation of the number of hours

worked per week and weekly wages earned at the time the survey was undertaken, and cross tabulation of type of employment and weekly wages earned at the time the survey was undertaken.

Most workers at the clothing manufacturer indicated that their wages have increased since they first started working in the industry. A total of 41[26] workers indicated that they earned between less than R400.00 to R800.00 per week at the start of their employment in the clothing manufacturing industry. The aforementioned total is disaggregated as follows: 18 workers indicated they earned less than R400.00, 19 workers indicated they earned between R400.01 to R600.00, and only 4 workers indicated they earned between R600.01 and R800.00. Whereas, a total of 40 workers indicated that they presently earn between R400.01 to R800.00, and only one worker indicated earning more than R1200.01 per week. The aforementioned total is disaggregated as follows: 11 workers indicated that they earn between R400.01 to R600.00, and 29 workers indicated that they earn between R600.01 to R800.00. This indicates that workers no longer earn less than R400 per week, and fewer workers earn between R400.01 to R600.00. As a result, there has been a significant rise in the number of workers earning higher wages. This indicates that the range for weekly wages has shifted from less than R400.00 – R 800.00, to R400.01 to R800.00, with most workers R600.01 to R800.00. The worker who indicated earning more than R1200.01 is an outlier in the data analysis.

It is also evident that wages have increased for workers at the clothing retailer over the time they have worked in the sector, but to a lesser extent than the increase in wages at the clothing manufacturer. A total of 17 workers indicated that they earned between less than R400.00 per week to R800.00 per week at the start of their employment in the clothing retail sector. The aforementioned total is disaggregated as follows: 7 casual employees indicated they earned less than R400, 7 casual employees indicated they earned between R400.01 to R600.00. Two permanent employees indicated that they earned between R400.01 to R800.00 at the start of their employment in the clothing retail when they were employed as casual employees. Unlike workers at the clothing manufacturer that received increases to their wages and as a result earned more than R400.00 per week, some workers at the clothing

[26] 100% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages earned at start of employment in the industry and wages currently earned per week, i.e. excluding 1 respondent that did not provide data on wages

retailer indicated that present wages still amount to less than R400.00 per week. A total of 3 casual employees indicated that they still earn less than R400.00 per week. Further to this 5 casual employees indicated that they presently earn between R400.01 to R600.00 per week, and 3 casual employees indicated that they earn between R600.01 to R800.00 per week at present. Three casual employees indicated that they presently earn between R800.01 to R1200.00. Permanent employees indicated that they presently earn more than R1200.00 per month. The aforementioned indicates that range for weekly wages earned at present has widened when compared to weekly wages earned at the start of employment. The range for weekly wages earned at present is less than R400 to R1200, whereas the range for weekly wages earned at start of employment was less than R400.00 to R800.00.

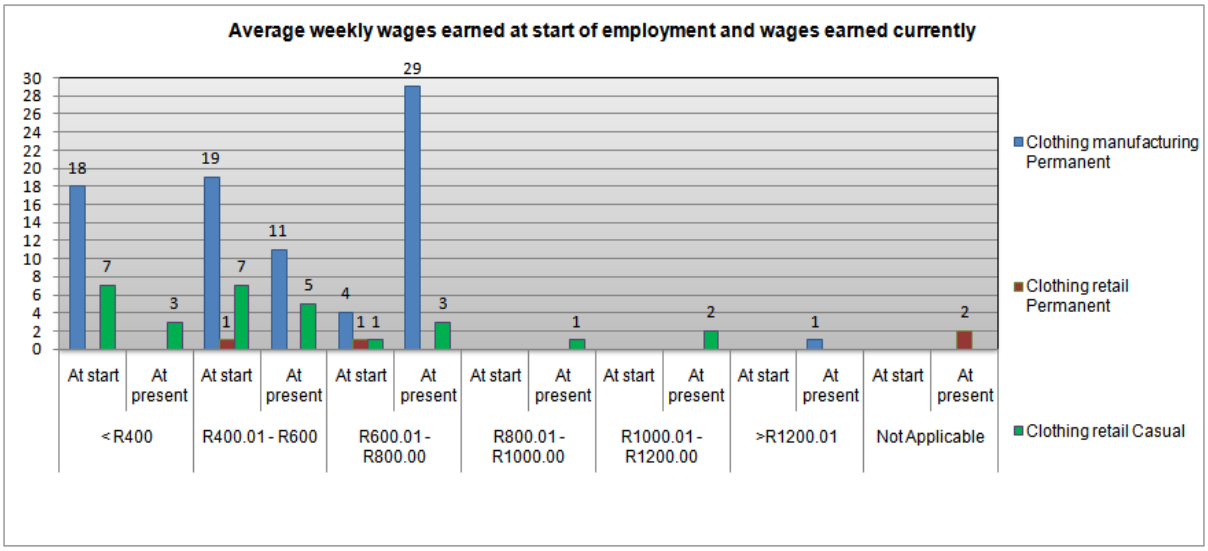
The analysis of changes in wages indicates that 18 workers at the clothing manufacturer (or 42.9% of workers[27]) were able to move out of the less than R400 income category, while just 4 casual employees at the clothing retailer (or 23.5% of workers) were able to move out of this category. Most workers at the clothing manufacturer presently earn higher wages than wages earned by casual employees at the clothing retailer. This is because 29 workers (or 69% of workers[28]) at the clothing manufacturer indicated that they earn between R600.01 to R800.00 per week. On the other hand, only 3 casual employees (or 17.6% of workers) from the clothing retailer indicated they presently earn between R600.01 to R800.00 per week. Most casual employees from the clothing retailer indicated that they presently earn R400.01 to R600.00, i.e. 5 casual employees (or 29.4% of workers). It is also important to note that some casual employees at the clothing retailer have managed to earn significantly higher weekly wages than other casual employees and workers at the clothing manufacturer, i.e. 3 casual employees (or 17.6% of workers) indicated that they earn between R800 to R1200 per week.

The bar chart on the following page illustrates the aforementioned analysis of average weekly wages earned at start of employment and wages earned at the time the study was undertaken for workers at the clothing manufacturer and clothing retailer.

[27] 43.9% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages earned at start of employment in the industry and wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages

[28] 70.7% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses for wages earned at start of employment in the industry and wages currently earned per week, i.e. excluding 1 respondent who did not provide data on wages

Figure 5: Average weekly wages earned at start of employment and wages earned currently



5.5 Waged labour as livelihood strategy for workers

This sub-section provides an analysis of the proportion of the workforces that use waged labour at the clothing manufacturer and the clothing retailer as a livelihood strategy. Firstly, the data analysis is presented in terms the number of workers who indicated their work at the clothing manufacturer or clothing retailer as their primary source of employment and income. Secondly, a comparison is made of the number of workers who indicated they are primary breadwinners within the household and workers that indicated that their employment in the respective industry is their primary source of employment and income. Thirdly, a comparison is made of the number of workers who indicated that they intend on developing a career in the clothing manufacturing industry or clothing retail sector. The section ends with a comparison of the number of workers who are undertaking further studies.

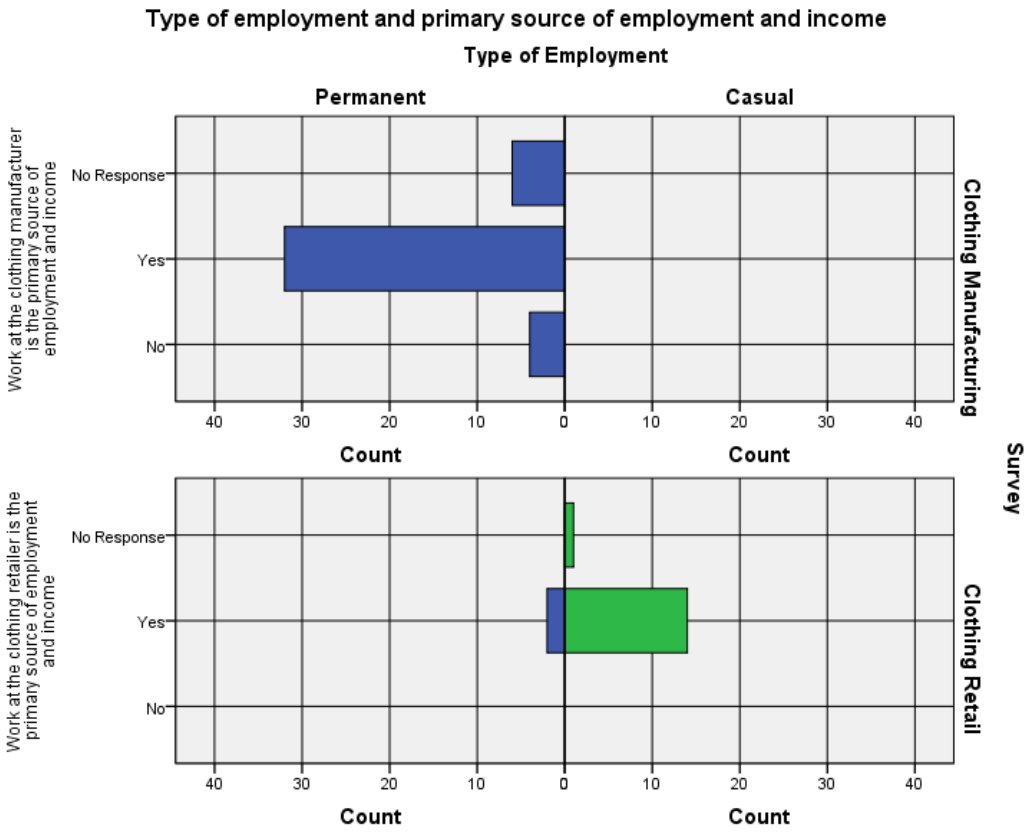
5.5.1 Primary source of income and employment

All workers at the clothing retailer indicated that their work at the clothing retailer is their primary source of employment and income. On the other hand, 32 workers (or 76.2% of workers[29]) at the clothing manufacturer indicated that their work at the clothing manufacturer

[29] 88.9% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on primary source of employment, i.e. excluding 6 respondents who did not provide data required data

is their primary source of employment and income. As a result, it is evident that some workers have another source of employment and income. This is because a total of 4 workers (or 9.5% of workers[30]) indicated that their work at the clothing manufacturer is not their primary source of employment and income.

Figure 6: Type of employment and primary source of employment and income



5.5.2 Primary breadwinners

Most workers at the clothing manufacturer are primary breadwinners in their households. A total of 33 workers (or 78.6% of workers[31]) indicated that they were primary breadwinners, while only a few workers (8 workers or 19% workers[32]) indicated that they were not primary breadwinners. On the other hand, most workers at the clothing retailer indicated that they

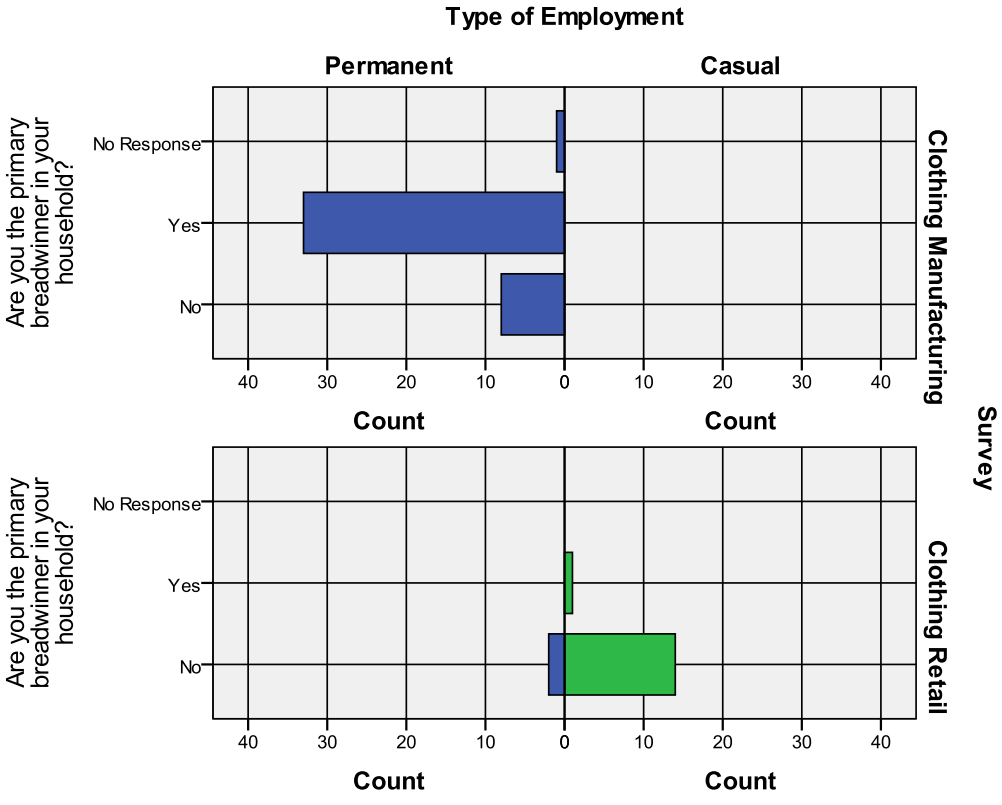
[30] 88.9% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on primary source of employment, i.e. excluding 6 respondents who did not provide data required data

[31] 80.5% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on primary breadwinner, i.e. excluding 1 respondent who did not provide data required data

[32] 19.5% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on the primary breadwinner, i.e. excluding 1 respondent who did not provide data required data

were are not the primary breadwinner within their household. A total of 16 workers (or 94.1% of workers) at the clothing retailer indicated that they were not the primary breadwinner within their household. The aforementioned total is disaggregated as follows: 14 casual employees, and 2 permanent employees indicated that they were not primary breadwinners. It is quite likely that employees in clothing retail have greater freedom to explore alternate career opportunities than employees at the clothing retailer. This is because most employees in clothing retail are not primary breadwinners and as a result are not committed to being the primary contributor towards the payment of household expenses and primary purchaser of items for household consumption. The histogram below illustrates the number of permanent employees and casual employees that indicated they were the primary breadwinner in their household.

Figure 7: Type of employment and number of employees that indicated their breadwinner status in the household



5.5.3 Career in clothing manufacturing or clothing retail

Most workers at the clothing manufacturer indicated that they intend to develop a career in the industry, while only a few workers at the clothing retailer indicated that they intend to

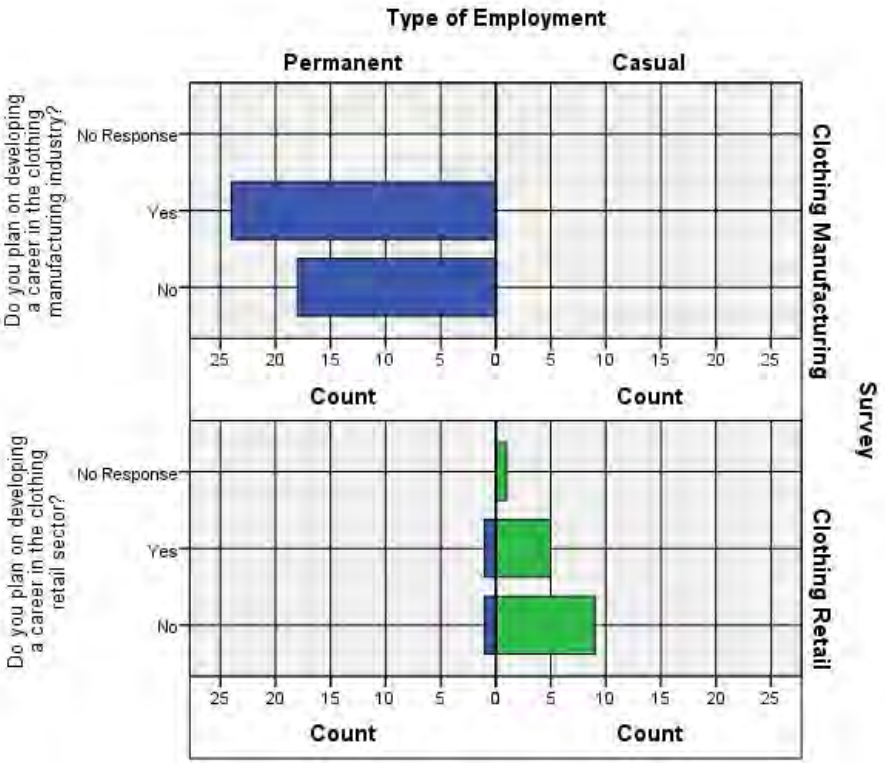
develop a career in the industry. A total of 24 workers (or 57.1% of workers) indicated that they intend to develop a career in the industry, while 18 workers (or 42.9% workers) indicated that they had no intention of developing a career in the industry. On the other hand, just 6 workers (or 35% of workers[33]) at the clothing retailer indicated that they intend to develop a career in the sector. It is important to note that 5 out of these 6 workers are casual employees, while only one worker was a permanent employee. A total of 10 workers (or 59% of workers[34]) at the clothing retailer indicated that they do not intend to develop a career in the clothing retail sector. It is important to note that 9 out of these 10 workers are casual employees, while only one worker was a permanent employee. This indicates that more casual employees intend to develop a career outside of the clothing manufacturing industry. As a result it is possible to assume that most casual employees view their employment in clothing retail as temporary or a stepping stone to more acceptable employment. As argued by Falstead and Jewson (1999: 92 – 93), non-standard jobs are less troublesome if they are stepping stones into more acceptable forms of employment and they are voluntarily entered into than if individuals fail to escape non-standard employment or are compelled to accept non-standard employment because of a lack of other opportunities.

The histogram on the following page illustrates the number of permanent and casual employees who indicated their intention to develop a career in the respective industry.

[33] 37.5% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on whether the worker intends on developing a career in the industry, i.e. excluding 1 respondent who did not provide data required data

[34] 62.5% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on whether the worker intends on developing a career in the industry, i.e. excluding 1 respondent who did not provide data required data

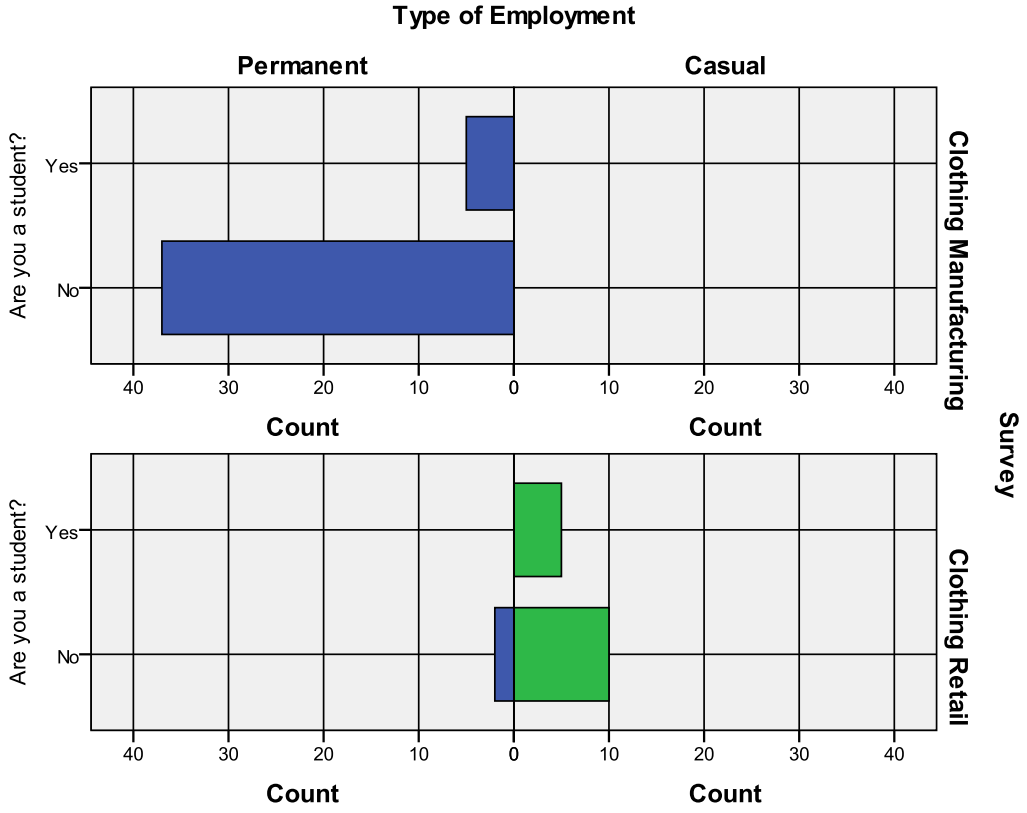
Figure 8: Type of employment and number of employees that indicated their intention to develop a career in the clothing manufacturing industry or clothing retail sector



5.5.4 Workers undertaking further studies

Most workers at both the clothing manufacturer and clothing retailer indicated that they were not undertaking further studies. A total of 37 workers (or 88.1% of workers) at the clothing manufacturer indicated that they were not students, while only 5 (or 11.9% of workers indicated that they were students. A total of 12 workers (or 70.6% of workers) at the clothing retailer indicated that they were not students. The aforementioned total is disaggregated as follows: 2 permanent employees and 10 casual employees. On the other hand, only 5 casual employees (or 29.4% of workers) indicated that they were students. The histogram below illustrates the number of permanent employees and casual employees who indicated whether they were students.

Figure 9: Type of employment and number of employees that indicated they were students



5.6 Expenditure profile of workers

This sub-section provides an analysis of the expenditure profile of workers at the clothing manufacturer and clothing retailer. The section begins with an analysis of the number of workers who indicated their income does contribute to payment for household expenses and items consumed by other household members. Secondly, the analysis of expenditure is provided for the proportion of income spent on household expenses. The following household expenses were analysed: rent, home loan or bond payment, utilities, and childcare. Thirdly, the analysis of expenditure is provided for the proportion of income spent on items for household consumption and personal consumption. The following items for household consumption and personal consumption were analysed: food, transport, healthcare, student fees, clothes, leisure, and childcare.

5.6.1 Number of workers who indicated that their income contributes to payment of household expenses and items consumed by other household members

A total of 37 workers (or 88% of workers[35]) from the clothing manufacturer and 11 workers (or 65% of workers[36]) from the clothing retailer indicated that their income contributes to payment of household expenses. The total of 11 workers from the clothing retailer is disaggregated as follows: 10 casual employees, and one permanent worker indicated that their income contributes to payment of household expenses. The histogram below illustrates the number of workers that indicated their income contributes to household expenses.

Figure 10: Type of employment and number of workers that contribute to the payment of household expenses

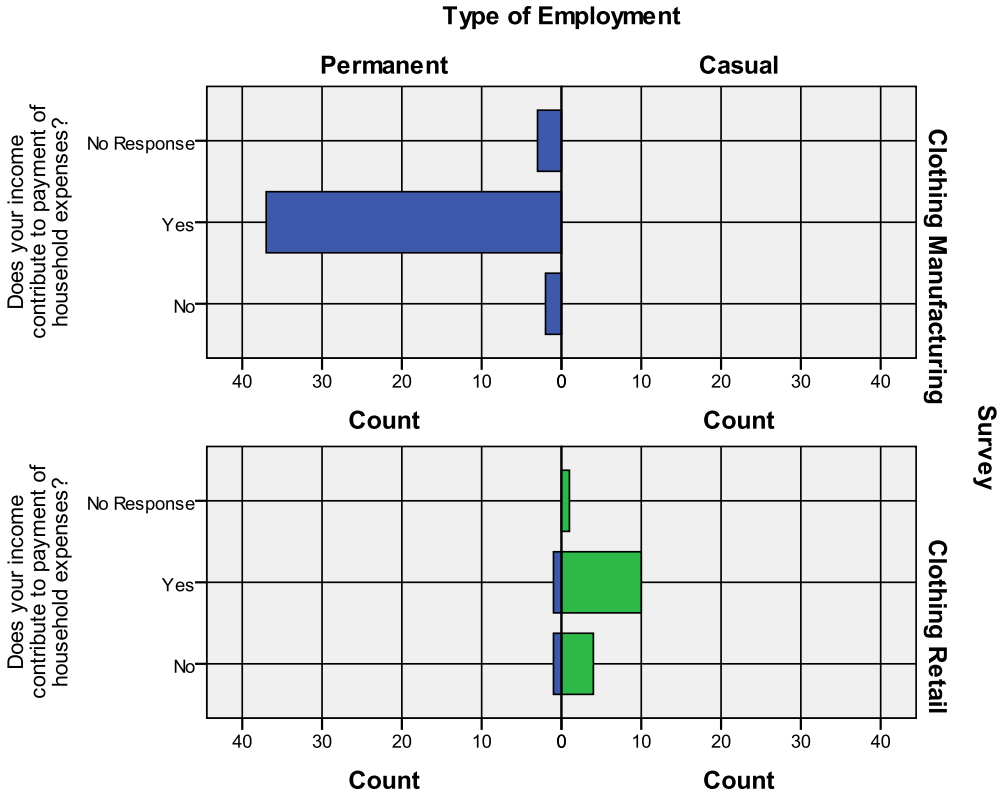


Table 4 on the following page provides a further level of analysis of income contributed towards household expenses. The table indicates the number of other household members, in

[35] 95% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on whether the worker contributes to the payment of household expenses, i.e. excluding 3 respondents who did not provide required data

[36] 69% of workers are in this category if number of workers in this category is represented in terms of only the number of total responses to the question that required data on whether the worker contributes to the payment of household expenses, i.e. excluding 1 respondent who did not provide required data

addition to the workers under study, who contribute their income towards the payment of household expenses. As indicated by the table, most workers at the clothing manufacturer indicated that no other household member contributes income towards payment of household expenses. A total of 16 workers at the clothing manufacturer indicated that they are the sole contributors towards payment of household expenses. On the other hand a total of 20 workers indicated that between 1 to more than 3 other household members contribute to the payment of household expenses. The aforementioned total can be disaggregated as follows: 5 workers indicated that 1 other household member makes a contribution; 6 workers indicated that 2 other household members make a contribution; 3 workers indicated that 3 other household members make a contribution; 6 workers indicated that 3 other household members make a contribution.

Workers at the clothing retailer indicated that between 1 to more than 3 other household members contribute their income towards the payment of household expenses. A total of 12 casual employees indicated that between 1 to more than 3 other household members make a contribution. This total is disaggregated as follows: 5 workers indicated that 1other household member makes a contribution, 4 workers indicated that 2 other household members makes a contribution, and 3 workers indicated that 3 other household members makes a contribution. A total of 2 permanent employees indicated that between 2 to 3 other household members contribute their income towards household expenses. The aforementioned total is disaggregated as follows: 1 permanent employee indicated that 2 other household members make a contribution, and 1 permanent employee indicated that 3 other household members make a contribution.

Table 4: Cross tabulation of type of employment and number of other household members, in addition to workers under study, that contributes their income towards the payment of household expenses

Cross tabulation of type of employment and number of other household members, in addition to workers under study, that contributes their income towards the payment of household expenses

Count

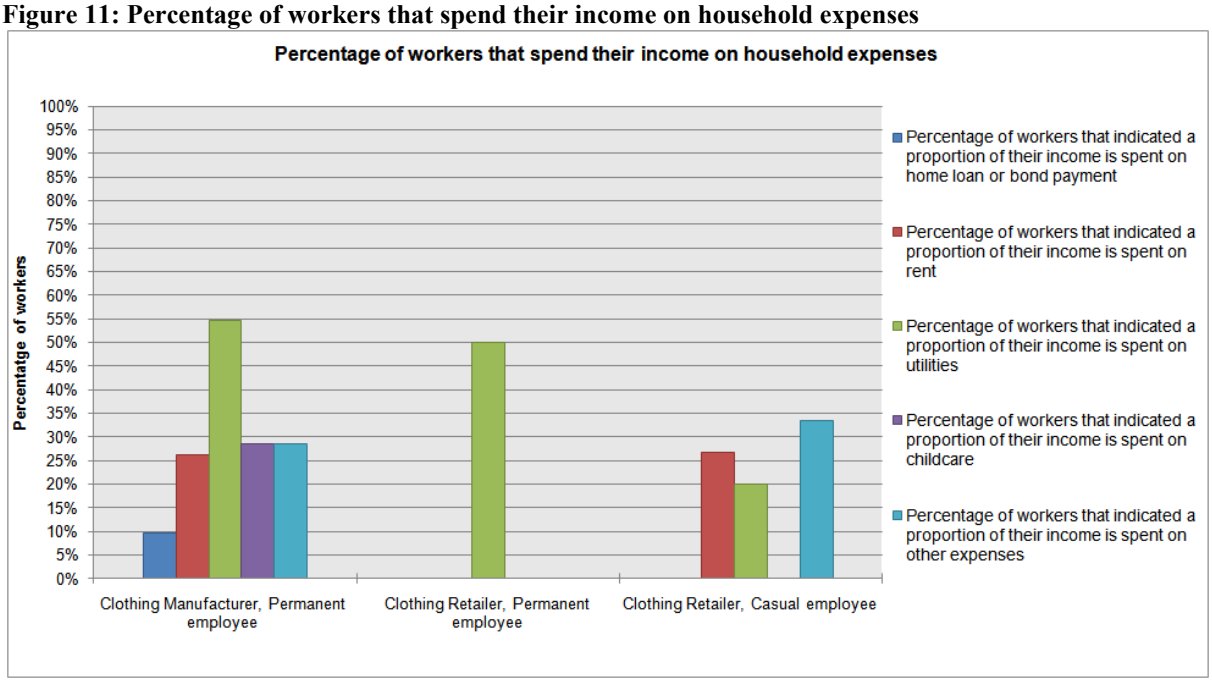
Survey			Number of other household members, in addition to the workers under study, that contribute their income towards the payment of household expenses					Total
			none	1	2	3	> 3	
Clothing Manufacturing	Type of Employment	Permanent	16	5	6	3	6	36
	Total		16	5	6	3	6	36
Clothing Retail	Type of Employment	Permanent	0	0	1	1	0	2
		Casual	0	5	4	3	0	12
	Total		0	5	5	4	0	14
Total	Type of Employment	Permanent	16	5	7	4	6	38
		Casual	0	5	4	3	0	12
	Total		16	10	11	7	6	50

5.6.2 Percentage of income spent on household expenses

The data does show that more workers from the clothing manufacturer are spending their income on household expenses, such as home loan or bond payments, rent, utilities. Just over half of all employees (55% of employees) at the clothing manufacturer indicated that their income is spent on utilities, while 50% of permanent employees and only 20% of casual employees at the clothing retailer indicated that their income is spent on utilities. Only 26% of employees at the clothing manufacturer, and 27% of casual employees at the clothing retailer indicated that their income is spent on rent. Only workers at the clothing manufacturer indicated that their income is spent on home loan or bond payments, and childcare. Just 10% of employees at the clothing manufacturer indicated that their income is spent on home loan or bond payments, and 29% of employees indicated that their income is spent on childcare. This suggests that even though most workers at the clothing manufacturer are primary breadwinners, only a few workers are contributing towards the payment of home loan or bond payments. Some possible reasons are as follows: they earn an income which is

low enough for them to qualify for low cost government housing; they have paid up the amount owed or have paid up their home loan or bond; they reside in a family house that has been paid up by other family members; they do not qualify for a home loan or bond. The bar chart on the following page illustrates the percentage of workers that spend their income on household expenses.

Figure 11: Percentage of workers that spend their income on household expenses



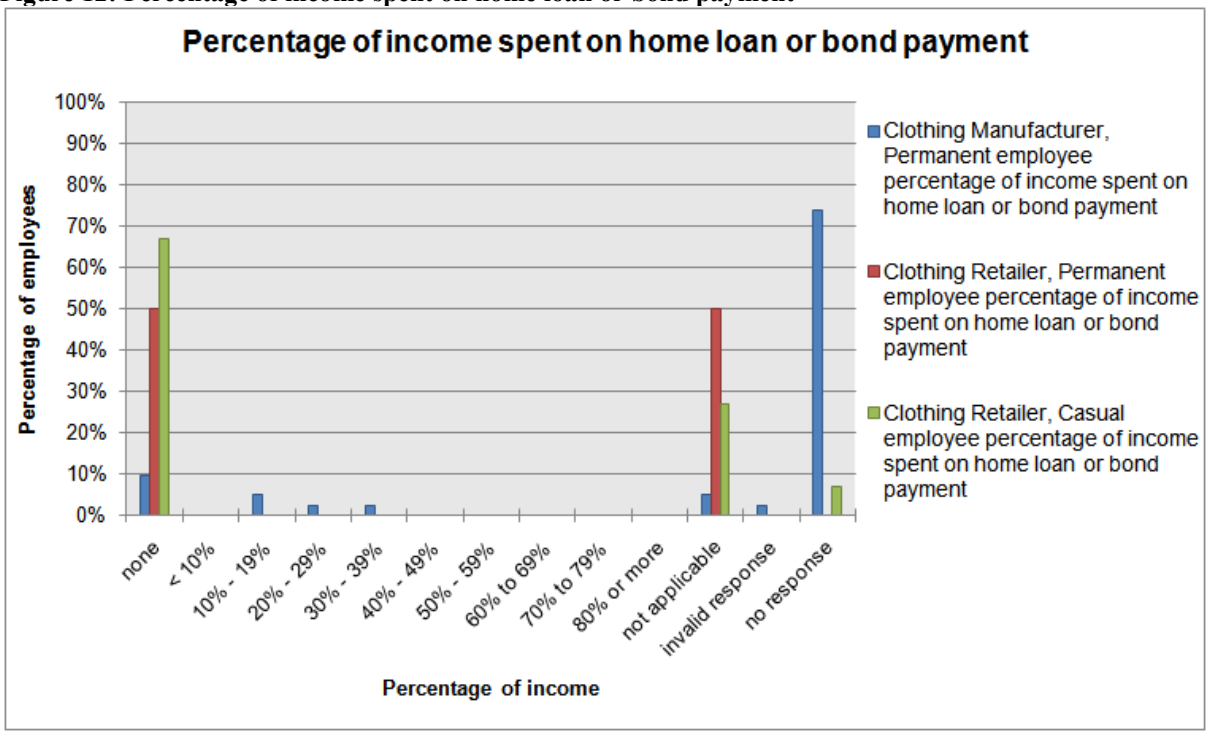
The following sub-sections discuss the percentage of income that is spent on household expenses.

5.6.2.1 Percentage of income spent on home loan or bond payment

Most workers indicated that none of their income is spent on home loan or bond payment. Only a few workers from the clothing manufacturer indicated that some of their income is spent on home loan or bond payments. 5% of workers at the clothing manufacturer indicated that 10% - 19% of their income is spent on home loan or bond payments. Even fewer workers indicated that more than 20% of their income is spent on home loan or bond payments, i.e. 2% of workers indicated that 20% - 29% and 2% of workers indicated that 30% - 39% of their income is spent on home loan or bond payments.

The bar chart on the following page illustrates the percentage of income spent on home loan or bond payments.

Figure 12: Percentage of income spent on home loan or bond payment

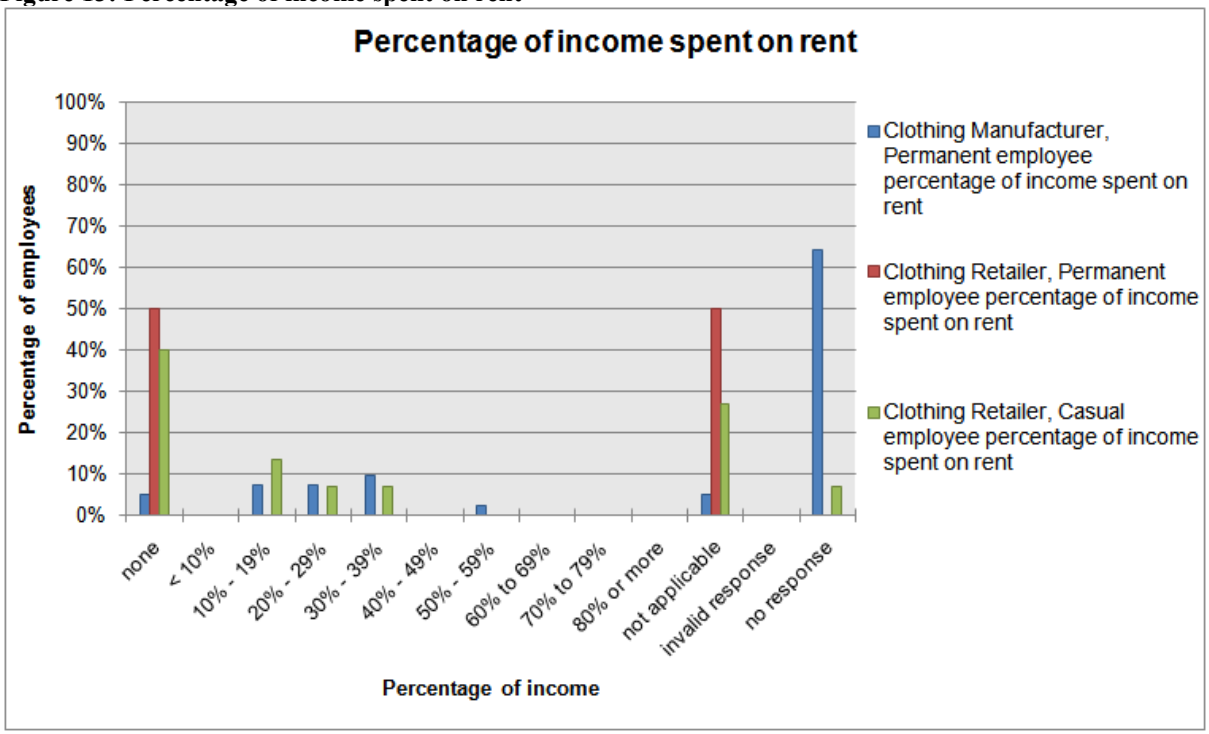


5.6.2.2 Percentage of income spent on rent

Most workers indicated that none of their income is spent on rent. Only a few permanent employees from the clothing manufacturer and casual employees from the clothing retailer indicated that some of their income is spent on rent. 7% of permanent employees from the clothing manufacturer and 13% of casual employees from the clothing retailer indicated that that 10% - 19% of their income is spent on rent. In addition, 7% of permanent employees and casual employees from the clothing manufacturer and clothing retailer indicated that 20% - 29% of their income is spent on rent. Furthermore, 10% of permanent employees from the clothing manufacturer and 7% of casual employees from the clothing retailer indicated that that 30% - 39% of their income is spent on rent. Only 2% of permanent employees from the clothing manufacturer indicated that 50% - 59% of their income is spent on rent.

The bar chart on the following page illustrates the percentage of income spent on rent.

Figure 13: Percentage of income spent on rent

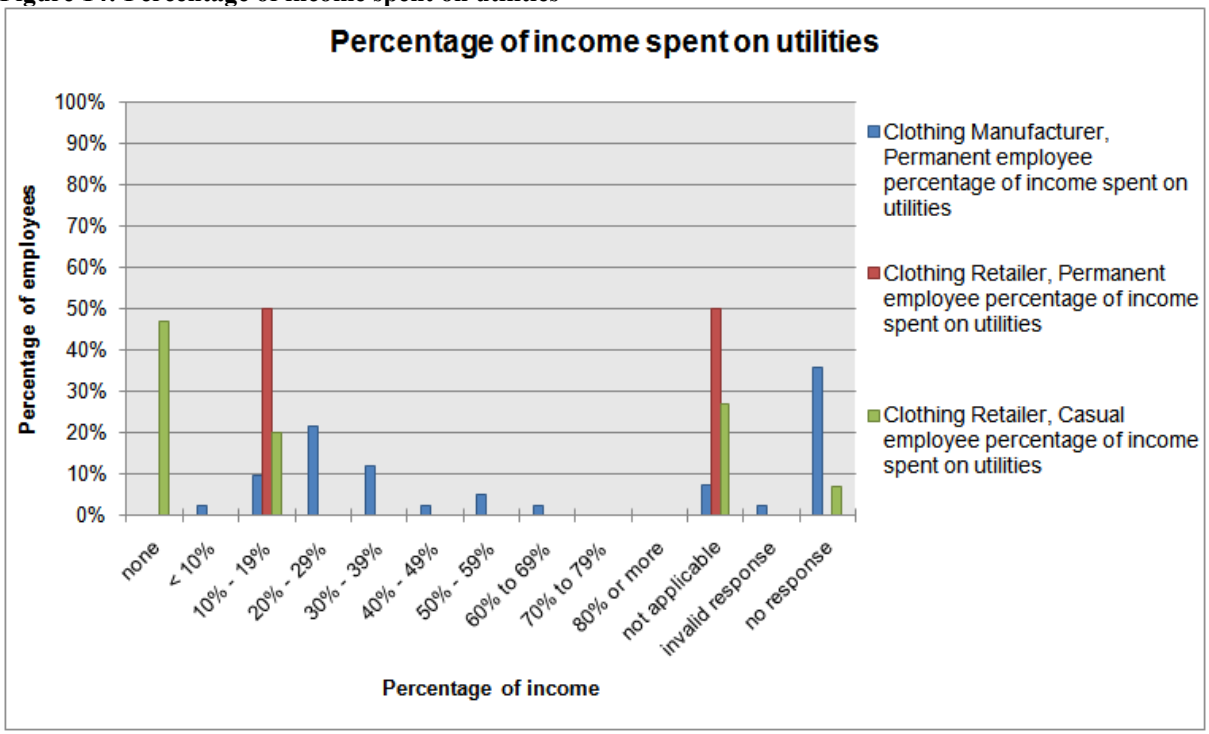


5.6.2.3 Percentage of income spent on utilities

A total of 55% of workers at the clothing manufacturer indicated that between 10% to 69% of their income is spent on utilities. The following findings are significant within the aforementioned range: 21% of employees at the clothing manufacturer indicated that 20% to 29% of their income is spent on utilities, 10% of employees indicated that 10% - 12% of their income is spent on utilities and 12% of employees indicated that 30% - 39% of their income is spent on utilities. The percentage of income workers at the clothing retailer spend on utilities is much less. This is because 50% of permanent employees and 20% of casual employees indicated that they spend 10% - 19% of their income on utilities. A significant number of casual employees at the clothing manufacturer indicated that they do not spend their income on utilities.

The bar chart on the following page illustrates the percentage of income spent on utilities.

Figure 14: Percentage of income spent on utilities

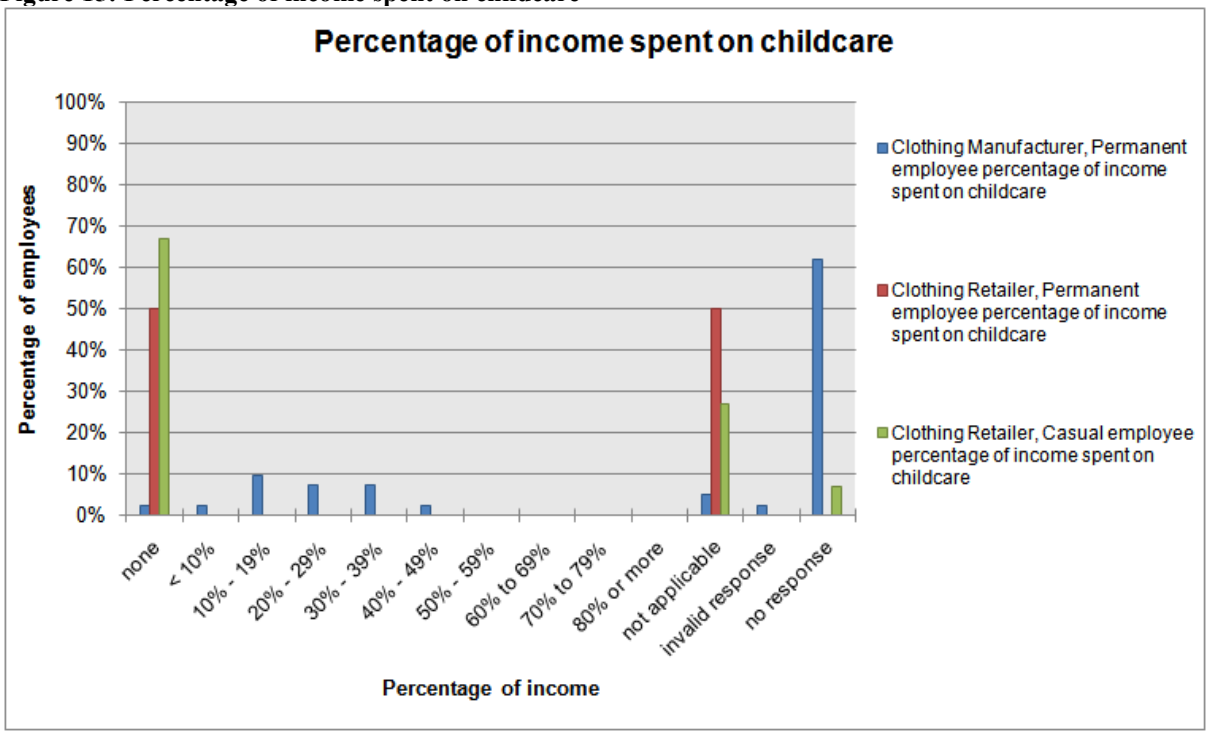


5.6.2.4 Percentage of income spent on childcare

Only clothing manufacturer workers indicated that their income is spent on childcare. A total of 29% of workers at the clothing manufacturer indicated that between 10% to 49% of their income is spent on childcare. The following findings are significant within the aforementioned range: 10% of permanent employees at the clothing manufacturer indicated that between 10% to 19% of their income is spent on childcare and 7% of permanent employees indicated that between 20% - 29% and 30% - 39% of their income is spent on childcare, respectively.

The bar chart on the following page illustrates the percentage of income spent on childcare.

Figure 15: Percentage of income spent on childcare



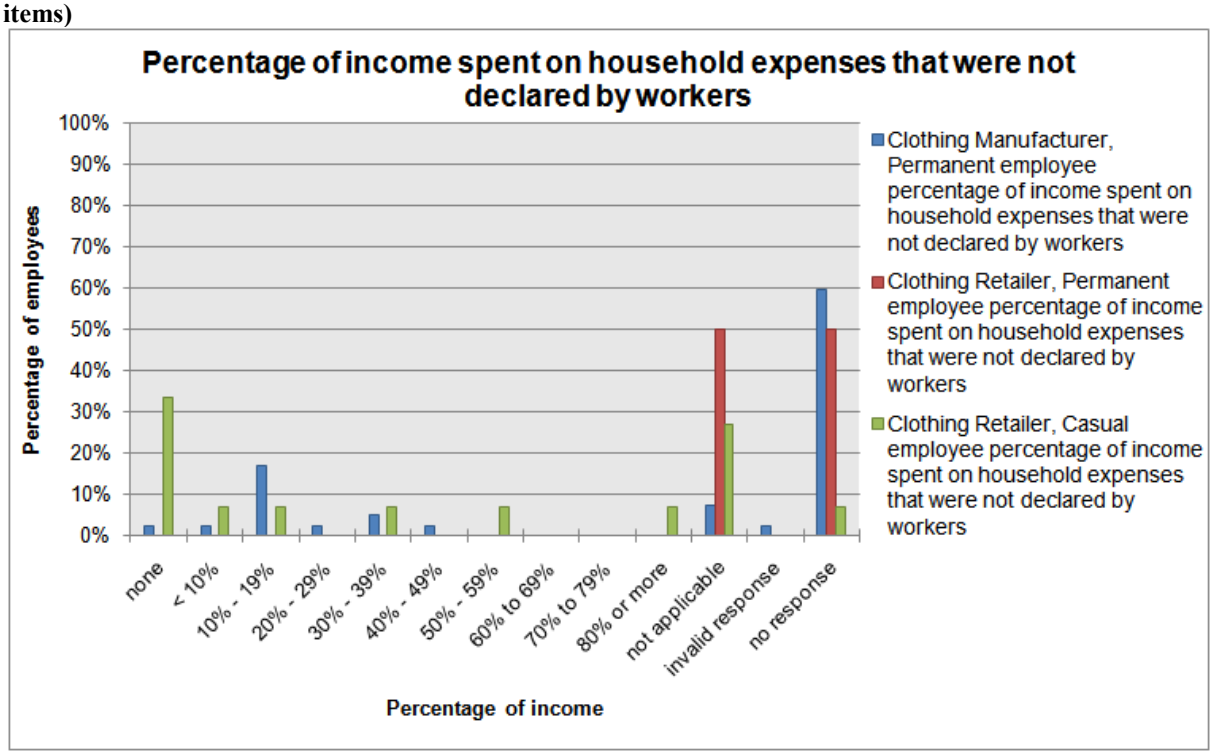
5.6.2.5 Percentage of income spent on household expenses that were not declared by workers

Some permanent employees at the clothing manufacturer and casual employees at the clothing retailer did not declare household expenses that their income was spent on. These employees provided data for part of the questionnaire that required workers to provide the percentage of their income that was spent on "other" items[37]. A total of 29% of permanent employees from the clothing manufacturer and 33% of casual employees from the clothing retailer indicated that between 10% - 49% of their income is spent on "other" items.

The bar chart on the following page illustrates the percentage of income spent household items that were not declared by workers.

[37] Refer to Question 20 in the questionnaire template that is provided in Annexure C.

Figure 16: Percentage of income spent household expense that were not declared by workers (i.e. other items)



5.6.3 Percentage of income spent on items for household consumption and personal consumption

Most workers indicated that their income is spent on items for personal consumption. This is because most workers indicated their income was spent on food, transport, and clothing for personal consumption. The data shows that expenditure is clearly skewed towards items for personal consumption rather than items for household consumption.

A total of 79% of permanent employees from the clothing manufacturer, 87% of casual employees and all permanent employees from the clothing retailer indicated that they spend their income on food for personal consumption. On the other hand, only 62% of permanent employees from the clothing manufacturer, 40% of casual employees and 50% of permanent employees from the clothing retailer indicated that their income is spent on food for household consumption.

A high percentage of workers also indicated they spent their income on transport for personal use, i.e. 74% of permanent employees from the clothing manufacturer, 73% of casual employees from the clothing retailer, and all permanent employees from the clothing retailer.

In contrast, only 57% of permanent employees from the clothing manufacturer, 33% of casual employees and 50% of permanent employees from the clothing retailer indicated that their income is spent on transport for use by household members.

A total of 69% of permanent employees from the clothing manufacturer, 87% of casual employees from the clothing retailer, and all permanent employees from the clothing retailer indicated that they spend their income on clothes for personal use[38].

Expenditure on healthcare and education was not a major item that workers spent their income on. This is because less than 50% of workers at both the clothing manufacturer and clothing retailer indicated that their income was spent on healthcare and education. However, it is important to note most workers indicated that expenditure on these items was for personal use and not for household use. A total of 48% of permanent employees from the clothing manufacturer, 40% of casual employees from the clothing retailer indicated that they spend their income on personal healthcare. In contrast, 45% of permanent employees from the clothing manufacturer, and only 20% casual employees from the clothing retailer indicated that they spend their income on healthcare for household members. There was an equal distribution between permanent employees from the clothing retailer that indicated their income was spent on healthcare for household members and personal healthcare, i.e. 50% of permanent employees indicated their income is spent on healthcare for household members, 50% of permanent employees indicated their income is spent on personal healthcare.

An equal percentage of permanent employees indicated they spend their income on education costs for household members and personal student fees, i.e. 40% respectively. This was also the case at the clothing retailer because 50% of permanent employees indicated they spend their income on education costs for household members and personal student fees, respectively.

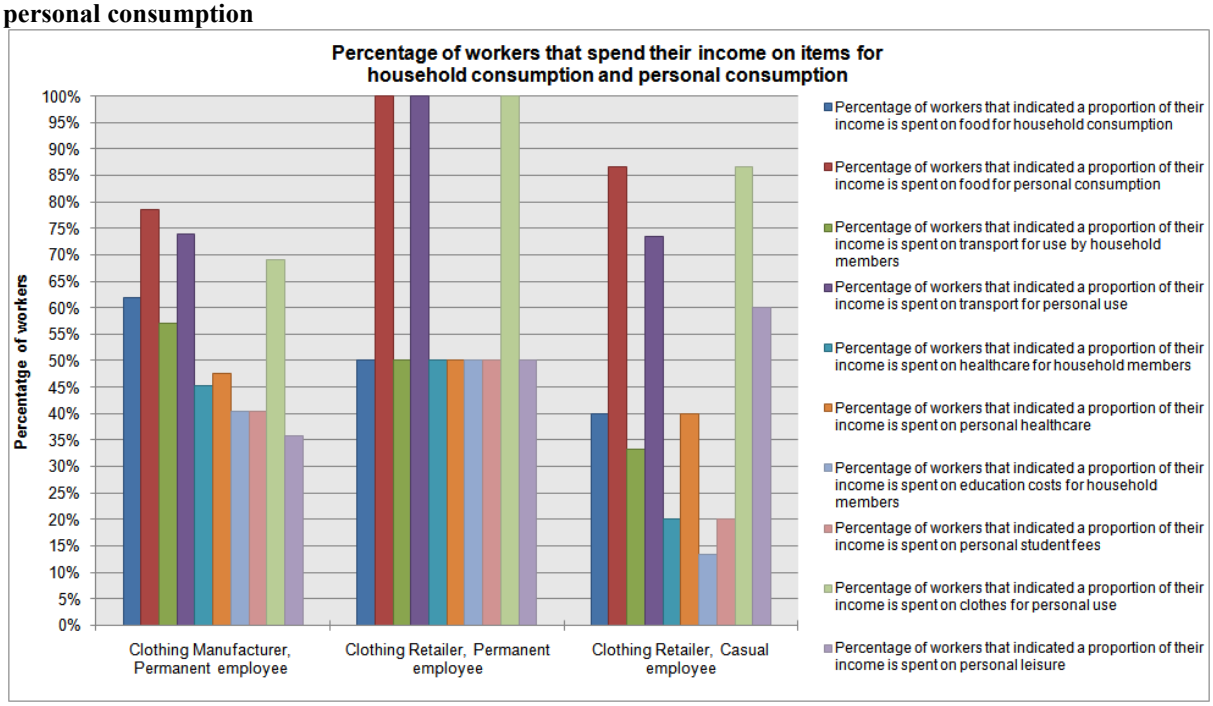
Only a few workers (36% of employees) from the clothing manufacturer indicated that they spend their income on personal leisure. In contrast, half of the permanent employees and 60%

[38] Workers were not required to provide data on the percentage of income spent on clothes for other household members.

of casual employees from the clothing retailer indicated they spend their income on personal leisure.

The bar chart below illustrates the percentage of workers that spend their income on items for household consumption and personal consumption.

Figure 17: Percentage of workers that spend their income on items for household consumption and personal consumption



The following sub-sections discuss the percentage of income that is spent on items for household consumption and personal consumption.

5.6.3.1 Percentage of income spent on food for household consumption and personal consumption

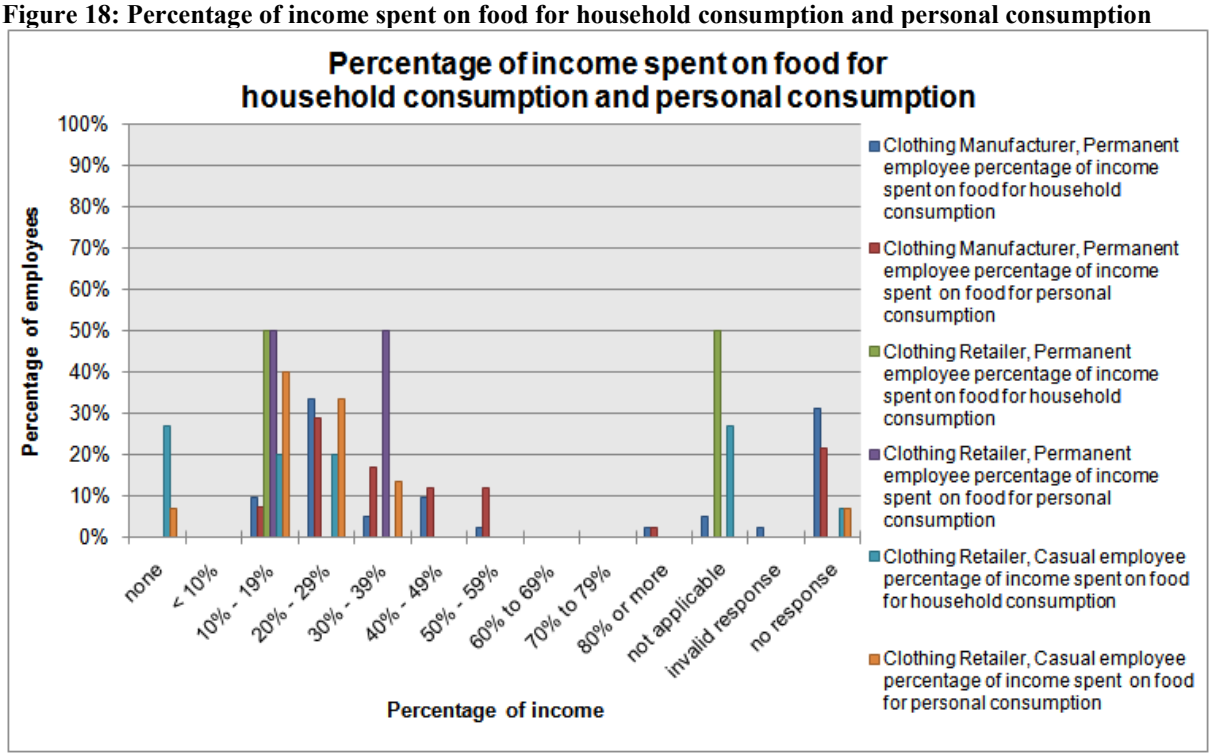
Most workers indicated that between 10% – 59% of their income is spent on food for household consumption and personal consumption. Within this income range, it was found that more workers at the clothing manufacturer spend a higher proportion of their income on food for household consumption than workers at the clothing retailer. A total of 60% of workers at the clothing manufacturer indicated that they spend 10% – 59% on food for household consumption. This total is disaggregated as follows: 33% of workers at the clothing manufacturer indicated that they spend 20% - 29%, 10% of workers indicated that they spend between 40 – 49% and 10% - 19% respectively, 5% of workers indicated that they spend between 30% - 39%, and 2% of workers indicated they spend 50% - 59% of their

income on food for household consumption. In contrast, at the clothing retailer, 50% of permanent workers indicated that they spend 10 – 19% of their income on food for household consumption, and 40% of casual workers indicated that they spend 10% to 29% of their income on food for household consumption. Further to this 27% of casual workers indicated that none of their income is spent on food for household consumption.

More workers at the clothing retailer spend their income on food for personal consumption than workers at the clothing manufacturer. A total of 87% of casual employees indicated they spend 10% - 39% of their income on food for personal consumption. The aforementioned total is disaggregated as follows: 40% of casual employees indicated they spend 10% to 19%, 33% of casual employees indicated they spend 20% to 29%, 13% of casual employees indicated they spend 30% - 39% of their income on food for personal consumption. Further to this all permanent employees indicated they spend their income on food for personal consumption, i.e. 50% of permanent employees indicated they spend 10% to 19%, and 50% of permanent employees indicated they spend 30% - 39% on food for personal consumption.

The bar chart below illustrates the percentage of income spent on food for household consumption and personal consumption.

Figure 18: Percentage of income spent on food for household consumption and personal consumption

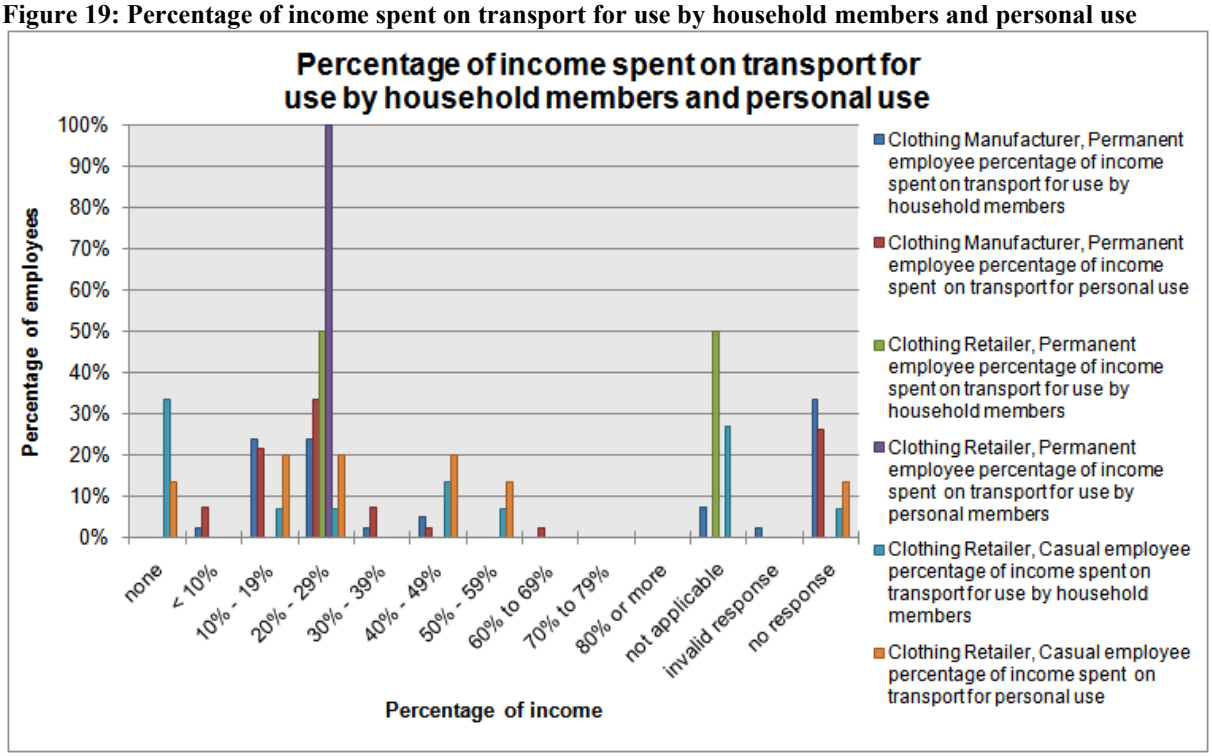


5.6.3.2 Proportion of income spent on transport for use by household members and personal use

Most workers indicated that between 10% - 29% of income is spent on transport for use by household use and personal use. Within the aforementioned range, it was found that more workers at both the clothing manufacturer and the clothing retailer were spending their income on transport for personal use rather than for use by household members. At the clothing retailer, 40% of casual employees and all permanent employees indicated they spend between 10% and 29% of their income on transport for personal use. At the clothing manufacturer, 55% of permanent employees indicated they spend between 10% and 29% of their income on transport for personal use. In contrast, 14% of casual employees and 50% of permanent employees at the clothing retailer indicated they spend 10% to 29% of their income on transport for use by household members. At the clothing manufacturer, 48% of permanent employees indicated they spend 10% to 29% of their income on transport for use by household members.

The bar chart below illustrates the percentage of income spent on transport for use by household members and personal use.

Figure 19: Percentage of income spent on transport for use by household members and personal use

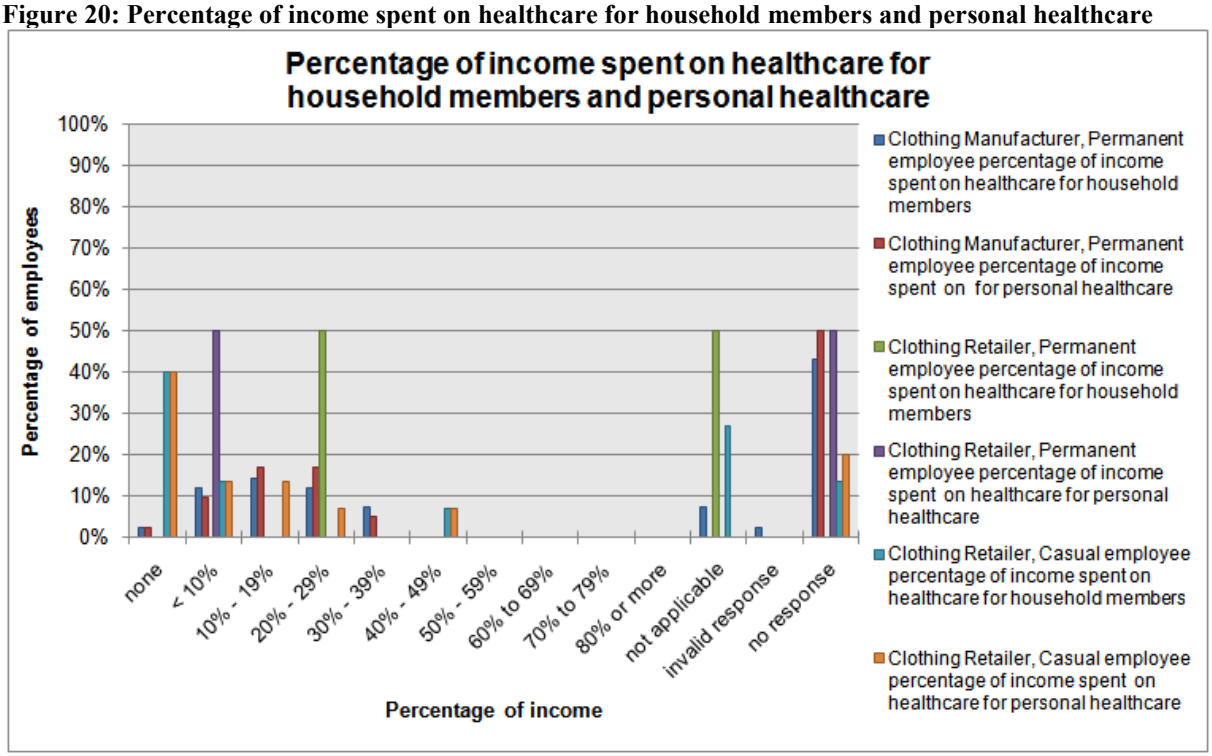


5.6.3.3 Proportion of income spent on healthcare for household members and personal healthcare

Most workers at the clothing manufacturer indicated that between less than 10% to 29% of their income is spent on healthcare. However, within the aforementioned range, most workers at the clothing manufacturer indicated that their income is spent on personal healthcare rather than healthcare for household members. This is in contrast to the expenditure of workers at the clothing retailer. This is because most casual employees do not spend their income on healthcare for household members or personal healthcare, i.e. 40% of casual workers do not spend their income on healthcare for household members or personal healthcare, respectively. Only a few casual employees (13% of casual employees) spend their less than 10% of their income on healthcare for household members, and only 33% of casual workers spend less than 10% to 29% of their income on personal healthcare. 50% of permanent employees at the clothing retailer indicated they spend 20% - 29% of their income on healthcare for household members, and 50% of permanent employees indicated they spend less than 10% of their income on personal healthcare.

The bar chart below illustrates the percentage of income spent on healthcare for household members and personal healthcare.

Figure 20: Percentage of income spent on healthcare for household members and personal healthcare

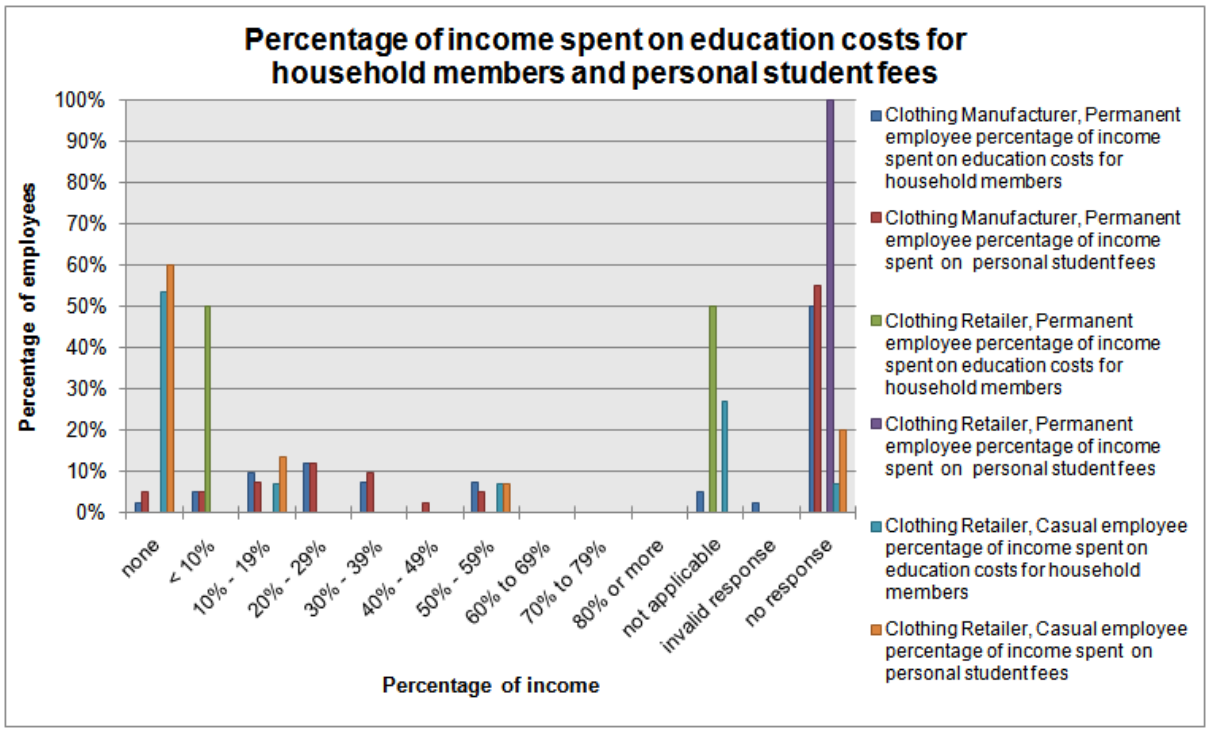


5.6.3.4 Proportion of income spent on education costs for household members and personal student fees

Workers indicated that very little of their income was spent on education costs. At total of 29% of workers from the clothing manufacturer indicated that they spend 10% to 39% of their income on education costs for household members and personal student fees, respectively. The aforementioned total is disaggregated as follows: 10% of permanent employees spend 10% to 19% of their income on education costs for household members. Furthermore, 7% indicated they spend 10% to 19% of their income on personal student fees; 12% of permanent employees indicated they spend 20% to 29% of their income on education costs for household members and personal student fees, respectively. In addition, 7% of permanent employees indicated they spend 30% to 39% of their income on education costs for household members, and 10% indicated they spend 30% to 39% of their income personal student fees. Half of permanent employees from the clothing manufacturer indicated they spend less than 10% of their income on education costs for household members. Most casual employees from the clothing retailer indicated that they do not spend their income on education costs for household members and personal student fees. This is because 53% and 60% of casual employees indicated that they do not spend their income on education costs for household members and personal student fees, respectively. Only 7% of casual employees indicated that they spend 10% to 19% of their income on education costs for household members, and 13% indicated they spend 10% to 19% of their income on personal student fees.

The bar chart on the following page illustrates the percentage of income spent on education costs for household members and personal student fees.

Figure 21: Percentage of income spent on education costs for household members and personal student fees

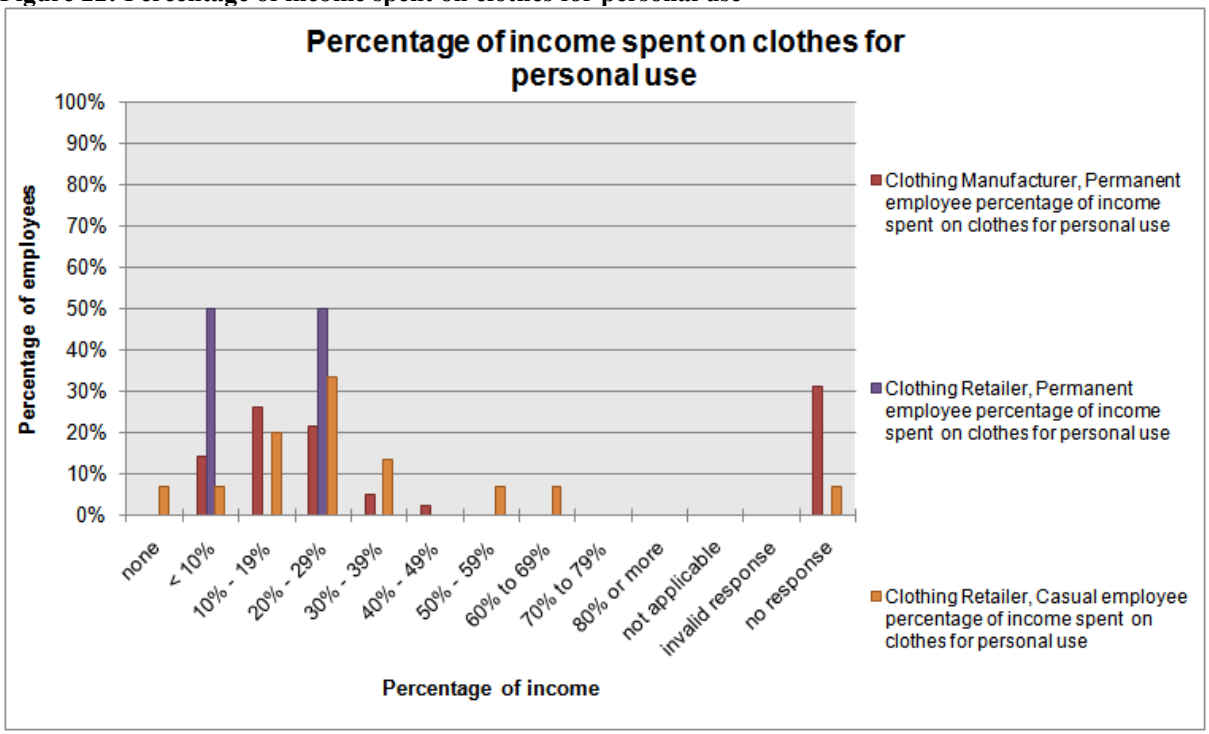


5.6.3.5 Proportion of income spent on clothes for personal use

Most workers indicated that a percentage of their income is spent on clothes for personal use. A total of 69% of permanent employees from the clothing manufacturer indicate that they spend from less than 10% to 49% of their income on clothes for personal use. The following are significant within the aforementioned range: 26% of permanent employees indicated they spend from 10% to 19% of their income on clothes, and 21% of permanent employees indicated they spend 20 – 29% of their income on clothes. At the clothing retailer, 67% of casual employees indicated they spend from 10% to 39% of their income on clothes and all permanent employees from the clothing retailer indicated that they spend between less than 10% to 29% of their income on clothes. The following are significant within the aforementioned ranges: 33% of casual workers indicated they spend 20% - 29% of their income on clothes, and 20% of casual workers indicated they spend 10% to 19% of their income on clothes. 50% of permanent workers indicated they spend less than 10% and 20% to 29% of income on clothes, respectively.

The bar chart below illustrates the percentage of income spent on clothes for personal use.

Figure 22: Percentage of income spent on clothes for personal use

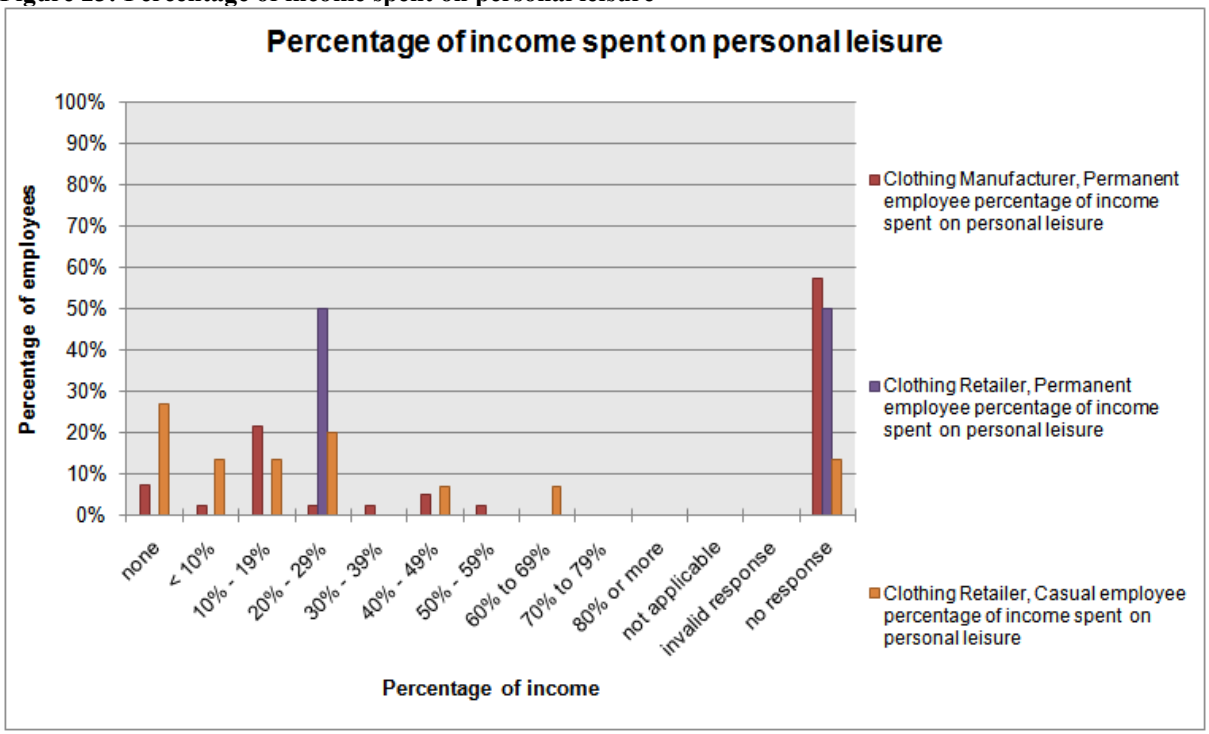


5.6.3.6 Proportion of income spent on personal leisure

Workers at the clothing manufacturer indicated that personal leisure was not a major expenditure item. Only 21% of permanent workers indicated they spend from 10% to 19% of their income on personal leisure. Very few workers (2% to 5%) indicated they spent more than 19% of their income on personal leisure. In contrast, half of the permanent employees from the clothing retailer indicated they spend 20% - 29% of their income on personal leisure. Furthermore, 47% of casual employees from the clothing retailer indicated they spend less than 10% to 29% of their income on personal leisure. 20% of casual employees indicated they spend 20% to 29% of their income on personal leisure, and 13% of casual employees indicated they spend from less than 10% to 19% on personal leisure respectively.

The bar chart below illustrates the percentage of income spent on personal leisure.

Figure 23: Percentage of income spent on personal leisure



5.7 Discussion of main research findings

The data that has been presented, analysed and discussed in the aforementioned section provides evidence of flexibility in working time and wages that is in support for the hypothesis for this research.

The following are the main research findings in terms of the research question that sought to identify the means of achieving labour market flexibility and types of labour flexibility present in the workforces under study: Firstly, it was found that labour market flexibility is present in both workforces. Numerical or employment flexibility is present at the clothing manufacturer and clothing retailer. It was found that all workers at the clothing manufacturer are permanent employees, whilst minority of workers at the clothing retailer are permanent employees. Most workers at the clothing retailer are casual employees. Functional flexibility or work process flexibility in the form of working time flexibility occurred at both the clothing manufacturer and clothing retailer, while deployment of workers across different functional areas occurred only at the clothing retailer. Wage flexibility was also found at both the clothing manufacturer and clothing retailer.

Secondly, through analysing the types of labour market flexibility and the implications for workers, much evidence of dual labour markets was found. It was found that casual employees at the clothing retailer are more likely to be deployed across different functional areas at the clothing retailer, while permanent workers are unlikely to work in other functional areas. Wage flexibility was most intense for casual workers at the clothing retailer as their working hours and weekly wages varied significantly when compared to permanent workers at the clothing retailer and clothing manufacturer. Working time flexibility meant that casual employees were generally required to work shorter working weeks and daily as well as later shifts. Furthermore, casual employees were not provided with access to medical aid. Significant variations in work schedules and wages highlights that casual employees experience higher levels of employment and income insecurity than permanent employees at the clothing retailer. Short-time at the clothing manufacturer indicates that employment and income insecurity are experienced by permanent employees at the clothing manufacturer. Evidence of dual labour markets at the clothing manufacturer was also found. Employment contracts are different for permanent and contract employees. This is because employment contracts for contract employees indicate a specific termination date. As a result, contract employees are subjected to greater employment insecurity than permanent employees.

The following are the main research finding in terms of the research question that sought to identify the impact that labour market flexibility and wage levels have on livelihoods: Firstly, it was found that most workers at the clothing manufacturer and clothing retailer are dependent on their employment in the respective industries. Most workers indicated that their employment in the respective industries are their primary form of employment and income. As a result, most workers use wage labour in the respective industry as the primary way to make their livelihoods.

Secondly, most workers at the clothing manufacturer are older, have worked longer in the industry, and indicated that they intend on developing a career in the industry. It can thus be derived that more workers at the clothing manufacturer are using their employment in the industry as a livelihood strategy for a longer period than workers at the clothing manufacturer.

Thirdly, only the majority of workers at the clothing manufacturer serve as primary breadwinners in the household. The important role that clothing manufacturing workers play

in the household is further reflected by data that indicates that a larger proportion of the clothing manufacturing workforce indicated that their income contributes to household expenses. Further to this, more workers at the clothing manufacturer spend their income on household expenses such as home loan or bond payments, rent, utilities, and childcare than workers at the clothing retailer. But it must be noted that expenditure on consumption items is skewed towards items for personal consumption such as food, transport and clothes for workers at both the clothing retailer and clothing manufacturer. This indicates that most workers spend their income on basic necessities to make their own livelihoods, rather than have enough income to contribute to household expenditure and livelihoods of other household members. Furthermore, most workers are unable to acquire or contribute to acquire items that require a higher percentage of income in order to build livelihoods for both the individual worker and household such as home loan or bond payment, rent and utilities. Rather, a significant percentage of income is spent on items for personal consumption, such as food, clothes, transport.

In summary, the research undertaken for this dissertation indicates that employment in clothing manufacturing provides workers with a level of employment and income security that allows them to depend on their employment as the primary source of income, to serve as breadwinners in the household and to contribute towards the payment of household expenses. On the other hand, employment and income received by workers at the clothing retailer, especially casual employees, does not put them in a similar position. These workers indicated that they spend most of their income on items for personal consumption and not towards supporting the household or livelihoods of other household members.

5.8 **Conclusion**

In conclusion, this chapter has provided the analysis of data that has been gathered through interviews with industry informants, stakeholders and managers, questionnaire surveys undertaken on workers at the clothing manufacturer and clothing retailer. It also analyses the collective agreement for the clothing manufacturing industry and sectoral determination for the clothing retail sector. The data provides evidence that labour flexibility has implications for the employment, wages and livelihoods of workers in the clothing value chain, and therefore that the hypothesis of this research holds true.

Chapter 6: Conclusion

6.1 Introduction

This dissertation commenced by outlining that the effects of industry restructuring and economic globalisation are felt not only at the level of the aggregate economy, economic sectors, firms and labour markets. These changes are also felt on the local scale where people live out their daily lives. Chapter 2discussed this further through outlining three theoretical positions that explain the transition of the capitalist mode of production. These are the regulation school approach, neo-Schumpeterian approach, and the flexible specialisation approach. The theoretical framework for this dissertation argued that regulation theory makes the most extensive account of the transition. Regulation theory's use of concepts such as 'dominant industrial paradigm' or 'labour process' indicates that the theory gives specific attention to the organisation of production, analysing labour utilisation and employment relationships. It therefore follows that the regulation theory and flexible accumulation thesis put forward by Harvey (1989) is well suited to serve as the theoretical framework for this dissertation because of its emphasis on changes in the labour process, labour market restructuring and differentiating between different forms of employment, working hours, wages and other fringe benefits for workers in the different segments of the labour markets, i.e. core labour market and secondary labour market which consists of two peripheral sub-groups. Chapter 2 went further to discuss labour market flexibility and the types of insecurities that arise. This discussion argued that income security is the most basic form of security. It is fundamental to those that take up paid employment as their livelihood strategy.

The literature review in Chapter 3 demonstrated that much empirical research has been done to understand industrial restructuring in the clothing manufacturing sector and the subsequent informalisation of the sector. Existing empirical research provides much evidence of labour market flexibility at informal clothing manufacturers and that wage levels are generally lower at informal clothing manufacturers than at clothing manufacturers that comply with the necessary legislation. The literature review identifies that a research gap exists because recent research has not been undertaken to study labour market flexibility at large clothing manufacturers that comply with necessary legislation. Furthermore, the clothing retail sector has not been the subject of much research on labour market flexibility. The aforementioned

represents the research gap that this dissertation addresses and provides the rationale for the study.

In chapter 4, the hypothesis that was deduced from a theoretical and conceptual framework consisting of capitalist restructuring, labour market flexibility, as well as literature on labour market flexibility was presented. This was that labour market flexibility affects the employment, wages and livelihoods of workers employed in two different segments of the clothing value chain, viz., clothing manufacturing and clothing retail. In order to test this hypothesis, the following research questions were developed:

1. What are the means of achieving labour flexibility and what type of labour flexibility is present in the workforces under study?
2. What is the impact that labour market flexibility and wage levels have on livelihoods. In other words, what items do people spend their income on in order to live out their daily lives?

The research was undertaken through semi-structured interviews and survey questionnaires. Semi-structured interviews were done industry informants, stakeholders and managers. These interviews provided detailed qualitative descriptions of the labour process in clothing manufacturing and clothing retail. Survey questionnaires were used to gather qualitative and quantitative data from workers on the average number of hours worked per week, wage levels, hourly rate and payment frequency to investigate the presence of working time flexibility, wage flexibility and employment flexibility, and related insecurities. Furthermore, data was gathered to investigate whether workers used their employment in clothing manufacturing and clothing retail as a livelihood strategy, and whether their wages provided them with the means to serve as breadwinners of the household. Data on gender, age, and number of years working in the industry was also gathered.

6.2 **Addressing the hypothesis and research questions**

The hypothesis for this dissertation has been confirmed. In terms of the first research question, the findings of this study indicate that labour market flexibility is present in both workforces. Employment contracts are the primary means of achieving labour market flexibility in both workforces. Further to this, directives from managers and supervisors are

used to achieve functional or work process flexibility on the shop-floor of the clothing retailer.

Both clothing manufacturing and clothing retail have varying levels of labour flexibility as discussed in Chapter 5. Numerical or employment flexibility is present at the clothing manufacturer and clothing retailer. It was found that all workers at the clothing manufacturer were permanent employees whereas only a minority of workers at the clothing retailer were permanent employees because most were casual workers. Functional flexibility or work process flexibility in the form of working time flexibility occurred at the clothing manufacturer as workers were subjected to short-time at periods of the year when demand for goods was low. Working time flexibility occurred at the clothing retailer as daily shifts for casual workers are scheduled in accordance with the needs of the business. A further form of functional flexibility at the clothing retailer was that casual workers were deployed across different functional areas of the shop floor.

The findings of this study also indicate much evidence of the presence of dual labour markets. The findings provide clear differentiation between permanent and non-permanent employees at the clothing retailer. In comparison with permanent employees, casual employees at the clothing retailer are most likely to be deployed across different functional areas, experience higher working time flexibility and experience wage flexibility. Furthermore, fringe benefits such as medical aid are not provided to casual employees. As a result, casual employees experience higher levels of employment and income security. On the other hand, the presence of a dual labour market is not as prominent at the clothing manufacturer, as conditions of employment for permanent and contract employees are the same except that contract employees have a specified termination date on their employment contracts. Short-time is applicable to both permanent and contract employees. As a result, income insecurity is experienced by both permanent and contract employees.

In terms of the second research question, the findings of this study indicate that most workers at the clothing manufacturer and clothing retailer make their livelihoods through the wages they earn from their employment in the respective sectors. This is because most workers indicated that employment in their respective sector is their primary form of employment and income. However, only the majority of workers at the clothing manufacturer are able to serve as breadwinners in their household. More clothing manufacturing workers spend their income

on household expenses (such as a home loan or bond, rent and utilities) than workers at the clothing retailer. Therefore, employment in clothing manufacturing provides workers with an adequate level of employment and income security that allows them to depend on their employment as a primary source of income, to serve as breadwinners in the household and to contribute towards the payment of household expenses. On the other hand, employment and income received by workers at the clothing retailer does not put them in a position to serve as breadwinners and contribute towards payment of household expenses.

6.3 **Limitations**

The main limitation of this research is the low number of responses from permanent employees at the clothing retailer and low responses to questions on expenditure. As a result, the findings cannot be used to make broad generalisations on expenditure patterns and the nature of livelihoods for workers in clothing retail.

6.4 **Areas for further research**

Future research in this field could investigate how people who were employed in clothing retail during their younger years make their livelihoods when they are older. Some enquiries in this research could be: do these workers continue working as permanent clothing retail workers deriving their main source of income from their employment at the clothing retail store or do they move into employment at the management offices of the clothing retail chain? Do these workers seek other service sector work such as employment in the financial and business industry, or other retail sector work such as car sales, furniture sales, electronics sales.

Further comparative research into labour market flexibility could be undertaken on parts of other value chains that produce and retail other relatively quick selling goods, such as shoes, designer jewellery and electronic goods. This will allow for cross-sector conclusions to be made on the implications that labour market flexibility has for employment, wages and livelihoods.

6.5 **Final Remarks**

In summary, it is hoped that this dissertation contributes to the body of knowledge on the clothing value chain by adding to the very limited set of empirical studies on the clothing retail sector, and contributing to the understanding of implications labour market flexibility has for the employment, wages and livelihoods of workers in clothing manufacturing and clothing retail.

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Annexure A: List of Semi-Structured interviews

Organisation	**Name of Representative and position in organisation**	**Date**	**Venue**
Celrose Clothing Manufacturing	Cookie Pillay – Human Resources Manager; Vanitha Naidoo – Training Manager	09-September-2010	Celrose Clothing Manufacturers, Tongaat
National Bargaining Council for the Clothing manufacturing industry, KwaZulu-Natal Chamber	Paul Wild – General Secretary	08-September-2010	KwaZulu-Natal Regional Chamber, Gale Street, Durban
South African Clothing and Textiles Workers Union	Siphere Ngidi - Case Manager	08-September-2010	KwaZulu-Natal Regional Office, Gale Street, Durban
Redress research consultancy	Renato Palmi – Owner & Clothing & Textiles sector research specialist	01-September-2010	The Butcher Block, Glenwood Village Mall, Hunt Road, Durban
Rio's Clothing	Rio Comminelli – Owner & Managing Director	11-Aug-2010	Rio's Clothing, Umbilo Road, Durban
Rama Group	Ravesh Rama – Managing Director	17-June-2010	Rama Group, Berea Road, Durban
KZN Clothing and Textiles Cluster	Rob Stewart - Director	15-June-2010	KZN Clothing and Textiles Cluster, Old Main Road, Hilcrest Durban
-	Jay Irkhede – Clothing & Textiles sector research specialist	15-Jun-2010	Zack's restaurant, Winderemere Centre, Winderemere Road
Truworths Westville	Sadiya Ahmed – Store Manager	22-April-2009	Truworths Pavilion Shopping Mall, Westville

Annexure B: Interview Guide for Semi-Structured Interviews

To whom it may concern,

This serves as an overview of the scope of my research and the key points for discussion during our meeting.

Background and Scope of my research:

The research being done for my dissertation is a study of labour market flexibility in clothing retail and clothing manufacturing. Manufacturing and retail components of the clothing value chain has been selected as they serve as significant sources of employment within the Durban Central Area[39]. With these sectors being significant employers, many people depend on employment in these sectors to earn their income and make their livelihoods.

The aim of my research is to study the types and levels of labour market flexibility in manufacturing and retail and to determine how labour flexibility affects the livelihoods of workers. In order to determine how livelihoods are affected key indicators that are studied in this research are: working conditions, nature of employment (type of employment contract utilised), work related-securities, and wages and expenditure. The research is planned to be be conducted at:

- a major clothing retailer within one of Durban's large shopping centres;
- 2 formal/compliant clothing manufacturers; and,
- 2 informal/non-compliant clothing manufacturers.

The research methodology is:

- Semi-structured in-depth interviews with clothing manufacturing/retailer owner or manager or supervisor;
- Semi-structured in-depth interviews with key stakeholders in clothing manufacturing/retail sector which include KZN Clothing and Textile Cluster Head, Researchers/Consultants in the field, Trade Union Officials, Bargaining Council Representatives; and,
- Survey questionnaire administered to workers employed in clothing manufacturing/retail firms.

The hypothesis for this study is that there are some similarities in labour conditions in clothing manufacturing and clothing retail due to the utilisation labour flexibility, i.e. workers in two parts of the clothing value chain are employed under similar conditions and their nature of employment has implications for their livelihoods.

[39] The Durban Area has historically been known as a clothing manufacturing hub, with Cape Town and Johannesburg being other major hubs. Retail is also a major sector in Durban, with many retailers situated within the CBD as well as shopping centres in the Durban area.

Key points for discussion:

- Types of labour market flexibility used and how this is achieved;
- Levels of labour market flexibility (in terms of numbers of workers that experience some form of labour flexibility);
- Implications of labour market flexibility on the worker and business;
- Other issues: informal firms, non-compliance, wage issues, working conditions, trade union activity, staff promotion/movement from temporary to permanent employment NB> other points will be discussed as they arise

Thank You and Kind Regards,

Yajiv Haripersad

Masters Student in the Program for Industrial Organisational and Labour Studies, School of Sociology & Social Sciences (UKZN)

Mobile: 0835561331

Alternate email: yajiv@mtnloaded.co.za

Annexure C: Questionnaire template

Survey Questionnaire – Clothing Manufacturing

QUESTIONNAIRE FOR SURVEY ON WORKERS IN CLOTHING MANUFACTURING

Dear Participant,
The purpose of this questionnaire is to gather information on the nature of employment, employment history and wage levels of workers in the clothing retail and clothing manufacturing sector. Please answer the following questions by ticking the appropriate box. Please note that English is the medium of communication for all engagement with the research process, and no versions of this questionnaire is provided in other languages. Please note that it is not necessary for you to provide any further written details about yourself. You may withdraw from participation in this survey by writing across the page "cancelled." Please ensure that your questionnaire (even if it is cancelled) is put into the box in your canteen marked "Questionnaires for UKZN."

Many Thanks,
Yajiv Hariparsad
tel: 031 260 2696
mobile: 083 556 1331
email: 202513472@ukzn.ac.za
Student: Master of Social Sciences - Industrial, Organizational and Labour Studies
University of KwaZulu-Natal (Howard College)

Male: ☐
Female: ☐

Age: 17 – 22 ☐
23 – 28 ☐
39 – 34 ☐
35 – 40 ☐
41 – 46 ☐
47 – 52 ☐
52> ☐

Question 1:
How many years have you been working in this industry, or company?

< 1 year	☐	5 – 7 years	☐
1 – 3 years	☐	7 – 9 years	☐
3 – 5 years	☐	> 10 years	☐

Question 2:
How many hours do you work per week?

< 8 hours	☐	27 – 35 hours	☐
9 – 17 hours	☐	35 – 43 hours	☐
18 – 26 hours	☐	> 43 hours	☐

Question 3:
Are you a student?

Yes	☐
No	☐

Question 4:
Do you plan on developing a career in this kind of work, or industry?

Yes	☐
No	☐

Question 5:
Is your work in this firm, or shop your primary form of employment and source of income?

Yes	☐
No	☐

Question 6:
Are you the primary breadwinner in your household?

Yes	☐
No	☐

Question 7:
What was your hourly rate of pay when you started working here?

< R10.00	☐	R20.01 – R25.00	☐
R10.01 – R15.00	☐	R25.01 – R30.00	☐
R15.01 – R20.00	☐	>R30.01	☐

Question 8:
What was your weekly wages when you started working here?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 9:
Were you paid on daily, weekly or monthly basis?

Daily	☐
Weekly	☐
Monthly	☐

Question 10:
What is your current weekly wages?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 11:
What is your current hourly rate of pay?

< R10.00	☐	R20.01 – R25.00	☐
R10.00 – R15.00	☐	R25.01 – R30.00	☐
R15.01 – R20.00	☐	>R30.01	☐

Question 12:
Are you paid on a daily, weekly or monthly basis:

Daily	☐
Weekly	☐
Monthly	☐

Question 13 (please answer only if you are employed on full time/permanent contract):
What was your salary when you started working in this industry, or clothing retail?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 14:
Please indicate if this salary was paid on a weekly or monthly:

Weekly	☐
Monthly	☐

Question 15:
What is your current salary?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R12000.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 16:
Please indicate if this salary is paid on a weekly or monthly basis:

Weekly	☐
Monthly	☐

Question 17:
How much of your income is spent on the following:
*NB> please indicate as a percentage of your monthly income. E.g. Food 20%

Food	☐	Student Fees	☐
Transport	☐	Clothes	☐
Health	☐	Leisure	☐

Question 18:
How many people beside you contribute towards household income?

< 1	☐
1	☐
2	☐
3	☐
> 3	☐

Question 19:
Does your wage contribute to the operation of the household, i.e. do you use your wages to contribute towards payment of household expenses?

Yes	
No	

Question 20:
If you answered yes to above question, indicate the percentage of your wages you spent on household expenses below: e.g. 30%

Rent	
Utilities (water and electricity)	
Bond payment	
Transport (for other household members)	
Health care	
Education	
Food	
Child care	
Others	

QUESTIONNAIRE FOR SURVEY ON WORKERS IN CLOTHING RETAIL

Dear Participant,
The purpose of this questionnaire is to gather information on the nature of employment, employment history and wage levels of workers in the clothing retail and clothing manufacturing sector. Please answer the following questions by ticking the appropriate box. Please note that English is the medium of communication for all engagement with the research process, and no versions of this questionnaire is provided in other languages. Please note that it is not necessary for you to provide any further written details about yourself. You may withdraw from participation in this survey by writing across the page "cancelled." Please ensure that your questionnaire (even if it is cancelled) is put into the box in your canteen marked "Questionnaires for UKZN."

Many Thanks,
Yajiv Haripersad
tel: 031 260 2696
mobile: 083 556 1331
email: 202513472@ukzn.ac.za
Student: Master of Social Sciences - Industrial, Organizational and Labour Studies
University of KwaZulu-Natal (Howard College)

Male: ☐
Female: ☐

Age: 17 – 22 ☐
23 – 28 ☐
39 – 34 ☐
35 – 40 ☐
41 – 46 ☐
47 – 52 ☐
52> ☐

Question 1:
How many years have you been working in this industry, or company?

< 1 year	☐	5 – 7 years	☐
1 – 3 years	☐	7 – 9 years	☐
3 – 5 years	☐	> 10 years	☐

Question 2:
How many hours do you work per week?

< 8 hours	☐	27 – 35 hours	☐
9 – 17 hours	☐	35 – 43 hours	☐
18 – 26 hours	☐	> 43 hours	☐

Question 3:
Are you a student?

Yes	☐
No	☐

Question 4:
Do you plan on developing a career in this kind of work, or industry?

Yes	☐
No	☐

Question 5:
Is your work in this firm, or shop your primary form of employment and source of income?

Yes	☐
No	☐

Question 6:
Are you the primary breadwinner in your household?

Yes	☐
No	☐

Question 7:
What was your hourly rate of pay when you started working here?

< R10.00	☐	R20.01 – R25.00	☐
R10.01 – R15.00	☐	R25.01 – R30.00	☐
R15.01 – R20.00	☐	>R30.01	☐

Question 8:
What was your weekly wages when you started working here?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 9:
Were you paid on daily, weekly or monthly basis?

Daily	☐
Weekly	☐
Monthly	☐

Question 10:
What is your current weekly wages?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 11:
What is your current hourly rate of pay?

< R10.00	☐	R20.01 – R25.00	☐
R10.00 – R15.00	☐	R25.01 – R30.00	☐
R15.01 – R20.00	☐	>R30.01	☐

Question 12:
Are you paid on a daily, weekly or monthly basis:

Daily	☐
Weekly	☐
Monthly	☐

Question 13 (please answer only if you are employed on full time/permanent contract):
What was your salary when you started working in this industry, or clothing retail?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R1200.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 14:
Please indicate if this salary was paid on a weekly or monthly:

Weekly	☐
Monthly	☐

Question 15:
What is your current salary?

< R400.00	☐	R800.01 – R1000.00	☐
R400.01 – R600.00	☐	R1000.01 – R12000.00	☐
R600.01 – R800.00	☐	>R1200.01	☐

Question 16:
Please indicate if this salary is paid on a weekly or monthly basis:

Weekly	☐
Monthly	☐

Question 17:
How much of your income is spent on the following:
*NB> please indicate as a percentage of your monthly income. E.g. Food 20%

Food	☐	Student Fees	☐
Transport	☐	Clothes	☐
Health	☐	Leisure	☐

Question 18:
How many people beside you contribute towards household income?

< 1	☐
1	☐
2	☐
3	☐
> 3	☐

Question 19:
Does your wage contribute to the operation of the household, i.e. do you use your wages to contribute towards payment of household expenses?

Yes	
No	

Question 20:
If you answered yes to above question, indicate the percentage of your wages you spent on household expenses below: e.g. 30%

Rent	
Utilities (water and electricity)	
Bond payment	
Transport (for other household members)	
Health care	
Education	
Food	
Child care	
Others	

Annexure D: Letter of introduction and informed consent

UNIVERSITY OF
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Faculty of Humanities, Development and Social Studies
School of Sociology and Social Studies
Industrial, Organisational and Labour Studies
Howard College Campus
Tel: +27 31 260 1097
Fax: +27 31 260 1239
http://www.iols.ukzn.ac.za

12 June 2009

Dear Manager – Clothing Manufacturer

RE: Request to conduct a Masters Dissertation research survey on your employees

Mr Yajiv Haripersad is a student at the University of Kwa-Zulu Natal (Howard College) studying towards a Master of Social Science – Industrial, Organisational and Labour Studies (IOLS). He is currently doing his research as part of his requirement for MA, looking at workers, wages and livelihoods in the clothing manufacturing and retail sectors.

The purpose of this letter is to request permission to conduct research in your organisation, which will be used for his dissertation. The research involves conducting a survey through administering close-ended questionnaires to 80% of the total number of employees; and having in-depth interviews with 20% of the total number of employees. Please note that the responsibilities/work activities of workers will not be disrupted. This is because workers will be able to complete the questionnaire administered to them outside of working hours. A drop-box will be placed on the shop-floor for completed questionnaires to be submitted. Interviews with workers will be conducted during their lunch break or outside of working hours (at a time that is suitable to the worker). Please note that the identities of the participants and the store will not be disclosed to the public. This is because in the dissertation the actual names of participants and store will not be used. Rather, pseudo-names will be used to ensure that the identities of the participants and the store are not disclosed to the public; and the public will not have access to the research data, as it will only be stored on the researcher's electronic storage media that is not connected to any network. Written notes will be captured on an electronic document. After capturing, written documentation will be filed and stored in a secure location.

The granting of your permission to conduct the abovementioned research in your store will be highly appreciated. If permission is granted, the research will be conducted between the third week of June 2009 to the second week of July 2009. In essence, the student will need about two or three days to administer his research. A copy of the questionnaire to be used for the survey and an interview guide for the in-depth interviews is attached to this letter. A copy of the dissertation will be provided upon completion.

Thank You and Kind Regards,

Sithembiso Bhengu (Lecturer and MA student supervisor)

UNIVERSITY OF
KWAZULU-NATAL
Faculty of Humanities, Development and Social Studies
School of Sociology and Social Studies
Industrial, Organisational and Labour Studies
Howard College Campus
Tel: +27 31 260 1097
Fax: +27 31 260 1239
http://www.iols.ukzn.ac.za

12 June 2009

Dear Store Manager

RE: Request to conduct a Masters Dissertation research survey on your employees

Mr Yajiv Haripersad is a student at the University of Kwa-Zulu Natal (Howard College) studying towards a Master of Social Science – Industrial, Organisational and Labour Studies (IOLS). He is currently doing his research as part of his requirement for MA, looking at workers, wages and livelihoods in the clothing manufacturing and retail sectors. The purpose of this letter is to request permission to conduct research in Truworths (Westville – Pavilion), which will be used for my dissertation. The research involves conducting a survey through administering close-ended questionnaires to 80% of the total number of employees; and having in-depth interviews with 20% of the total number of employees through in-depth interviews.

Please note that the responsibilities/work activities of workers will not be disrupted. This is because workers will be able to complete the questionnaire administered to them outside of working hours. A drop-box will be placed in the store for completed questionnaires to be submitted. In-depth interviews with workers will be conducted during their lunch break or outside of working hours (at a time that is suitable to the worker). Please note that the identities of the participants and the store will not be disclosed to the public. This is because in the dissertation the actual names of participants and store will not be used. Rather, pseudo-names will be used to ensure that the identities of the participants and the store are not disclosed to the public; and the public will not have access to the research data, as it will only be stored on the researcher's electronic storage media that is not connected to any network. Written notes will be captured on an electronic document. After capturing, written documentation will be filed and stored in a secure location.

The granting of your permission to conduct the abovementioned research in your store will be highly appreciated. If permission is granted, the research will be conducted between the third week of June 2009 to the second week of July 2009. In essence, the student will need about two or three days to administer his research. A copy of the questionnaire to be used for the survey and an interview guide for the in-depth interviews is attached to this letter. A copy of the dissertation will be provided upon completion.

Thank You and Kind Regards,

Sithembiso Bhengu, (Lecturer & MA student supervisor)

Annexure E: Cross tabulation of average number of hours worked per week and weekly wages at the time surveys were undertaken;

Cross tabulation of type of employment and weekly wages at the time surveys were undertaken

Average number of hours worked per week and weekly wages earned currently

Count

Survey			Weekly wages							Total
			< R400.00	R400.01 - R600.00	R600.01 - R800.00	R800.01 - R1000.00	R1000.01 - R1200.00	> R1200.01	Not Applicable	
Clothing Manufacturing	Average number of hours worked per week	9 hours - 17 hours	0	0	1	0	0	0	0	1
		27 hours - 35 hours	0	0	1	0	0	0	0	1
		35 hours - 43 hours	0	4	23	0	0	1	0	28
		> 43 hours	0	6	4	0	0	0	0	10
	Total		0	10	29	0	0	1	0	40
Clothing Retail	Average number of hours worked per week	< 8 hours	1	0	0	0	0	0	0	1
		9 hours - 17 hours	1	0	0	0	0	0	0	1
		18 hours - 26 hours	1	0	0	0	0	0	0	1
		27 hours - 35 hours	0	2	0	0	0	0	0	2
		35 hours - 43 hours	0	3	3	1	0	0	1	8
		> 43 hours	0	0	0	0	2	0	1	3
	Total		3	5	3	1	2	0	2	16
Total	Average number of hours worked per week	< 8 hours	1	0	0	0	0	0	0	1
		9 hours - 17 hours	1	0	1	0	0	0	0	2
		18 hours - 26 hours	1	0	0	0	0	0	0	1
		27 hours - 35 hours	0	2	1	0	0	0	0	3
		35 hours - 43 hours	0	7	26	1	0	1	1	36
		> 43 hours	0	6	4	0	2	0	1	13
	Total		3	15	32	1	2	1	2	56

Type of employment and weekly wages earned currently

Count

Survey			Weekly wages							Total
			< R400.00	R400.01 - R600.00	R600.01 - R800.00	R800.01 - R1000.00	R1000.01 - R1200.00	> R1200.01	Not Applicable	
Clothing Manufacturing	Type of employment	Permanent	0	11	29	0	0	1	0	41
	Total		0	11	29	0	0	1	0	41
Clothing Retail	Type of employment	Permanent	0	0	0	0	0	0	2	2
		Casual	3	5	3	1	2	0	0	14
	Total		3	5	3	1	2	0	2	16
Total	Type of employment	Permanent	0	11	29	0	0	1	2	43
		Casual	3	5	3	1	2	0	0	14
	Total		3	16	32	1	2	1	2	57