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Informality and Casualization as Challenges to South Africa’s Industrial Unionism: The Case of Manufacturing Workers in the East Rand/Ekurhuleni Region in the 1990s

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Abstract

Responses to unemployment and informality have been at the center of the policy discourse of South Africa’s post-Apartheid democratic government. President Mbeki has recently argued that the country is characterized by a “two economies” scenario, where limited formal employment in registered companies coexists with a vast pool of unemployed and semi-employed low-skill, largely African, workers whose main occupational prospects are in the informal economy or in casual jobs. Critics have, however, rejected institutional views of economic and labor market dualism. Some of them contest the very notion of “informality”, as boundaries between material conditions of workers employed in formal and informal sectors are blurred and overlapping. Rather than representing a distinct “second” economy, therefore, informal occupations would mirror the growing casualization, subcontracting and outsourcing of production. At the same time, the informalization of the South African economy faces trade union organizations with new challenges as a deeply rooted tradition of industrial unionism, once successful in organizing full-time black workers, comes under increasing strains.

This paper presents materials from the author’s doctoral dissertation at the University of the Witwatersrand (Johannesburg), and is based on case studies of workers in the metal-engineering, glass and paper industries in the East Rand, South Africa’s industrial heartland. It finds that productive and labor market changes that have taken place since the 1990s show dynamics of informalization – driven by layoffs, casualization and outsourcing in large companies – that challenge conventional views of the concept as reflecting a dual economic structure. Two important aspects of the process are the increase in double occupations as ways in which workers cope with rising employment instability and declining living standards, and the use by companies of temporary employment agencies (“labor brokers”). Union organizations have been adversely affected by membership decline and the fragmentation of production. Especially questioned seems to be the possibility of collective organizing based on wage labor identities.
1. Introduction

Throughout the first decade of post-Apartheid democracy, South African mainstream academic conversation and policy debates have looked at issues of poverty and social inequality with an emphasis on the country’s labor market and waged employment scenarios. Various analysts and observers (Van der Berg 2002 (1994); May 2000; Bhorat et al. 2001; Seekings and Nattrass 2005) have constantly argued that unemployment is a primary determinant of poverty and, consequently, access to a waged job is a necessary, albeit not always sufficient, condition for effective social inclusion. Their recommendations are often phrased in terms that morally praise individual industriousness and initiative, stigmatizing “dependency” on public spending “handouts” (Meth 2004). Recently, this argument has gained authoritative institutional recognition in president Mbeki’s image of “two economies”, one formal and one informal, uneasily coexisting and underpinning social inequality in post-Apartheid South Africa. Mbeki’s two economies thesis juxtaposes “an advanced, sophisticated economy, based on skilled labour, which is becoming more globally competitive” to “a mainly informal, marginalized, unskilled economy, populated by the unemployed and those unemployable in the formal sector”, which “risks falling further behind, if there is no decisive government intervention” (RSA 2003: 97).

Such scholarly and political interventions reflect a debate that has come to privilege binary oppositions of categories like “formal” and “informal” sectors, “typical” and “atypical” workers, “employed” and “unemployed” citizens, social “inclusion” and “exclusion”. The clear-cut dividing lines that separate each couple of terms plays at the
same time a powerful normative function, as the first term is generally associated with social virtue and normality, and the second characterizes social pathologies and policy problems. The government’s discursive articulation of South Africa’s “two economies”, therefore, serves to characterize the second one – inasmuch it is a target of “decisive government intervention” – as a superfluous residue left behind by socioeconomic modernization (Hart 2006). What is missing in this argument is a problematization of the fact that decent jobs in South Africa’s globalizing capitalism are now largely created within limited enclaves.

Consequently, a discursive modality that makes social citizenship coincidental with labor market participation, rather with the reduction of individual dependency on waged employment, has come to shape South African social policy. The idealization of wage labor as the primary condition of social inclusion in government discourse contrasts with a reality that, throughout the period of consolidation of democratic institutions, has seen stable waged employment with benefits steadily decline. At the end of 2006, the country’s official unemployment rate measured by Statistics South Africa’s Labour Force Survey stood at approximately 26% of the economically active population (EAP). This figure, which does not include discouraged jobseekers not actively looking for employment, had marginally declined following three years of uninterrupted economic growth. If discourages jobseekers are included, however, unemployment continues to hover at above 35% of the EAP, with no sign of abating.

Moreover, a growing share of waged occupations is created in temporary jobs, casual positions, and sectors defined as informal. In general, economic growth still does not seem to absorb the vast pool of low-skill unemployed, who have limited prospects in
an economy that aggressively pursues global competitiveness. Furthermore, the permanent jobs sacrificed during the period of heavy industrial restructuring and low growth that accompanied the country’s economic liberalization in the 1990s have not been recovered. As a result, the South African labor market has become increasingly stratified, as a further sign of the growing disjuncture between wage labor and social cohesion. Labor market inequalities are particularly affecting the African majority of the economically active population. At the end of the 1990s, full time waged employment was a reality for only less than one third of the African EAP and approximately 40% of the overall national EAP. In 2002, according to Bhorat and Oosthuizen’s (2005) findings, based on Statistics South Africa’s Labour Force Survey, 65.8% of the unemployed aged 25 to 34 and 37.9% aged 35 to 44 had never worked in their lives.

Conversely, this sector of the South African working class had during apartheid’s final decades undergone important transformations that substantially modified its meanings and experiences of wage labor. Mass unionization and labor militancy during the 1970s and 1980s had rescued for many African workers the image of wage labor, which under the apartheid regime they mainly experienced as workplace racial despotism, precariousness, poverty and denial of rights (Von Holdt 2003). The improvement in the living and working conditions of the African working class, which accompanied unionization, underpinned organizations and forms of collective solidarity that proved decisively important in the downfall of state racism and the inception of the democratic transition (Friedman 1987). Eventually, wage labor came to embody the promise of a decent life, protected jobs, and social provisions that in the expectations of many African workers became inseparable complements to political democracy.
The transformations undergone by the country during the first democratic decade have confronted the old promise of wage labor with an uncomfortable reality of growing casualization and job losses. The identities and strategies of the labor movement have also been heavily affected. Rather than presenting a condition of collective solidarity and access to social rights, waged employment has been reflecting the growing precariousness of African workers’ lives. The third of South African workers who is still in permanent formal jobs coexists with one third of casual, intermittent employees, and one third of long-term unemployed (Webster and Von Holdt 2004). Moreover, among the unemployed particularly difficult is the position of residents in the rural areas and the former “homelands”, which lack meaningful economic opportunities and survive through remittances from employed household members (Posel 2003) or very limited, means-tested government grants, covering by now 25% of the South African population (Seekings and Nattrass 2005). Finally, trade unions are confronting new challenges. In South Africa’s tradition of industrial unionism, union membership depends on the employment status, and many unions are reluctant to deploy resources to organize casual and informal workers (Hlela 2003), whose shifting occupational fortunes do not make them reliable dues-paying union members (Appolis and Sikwebu 2003).

This paper’s argument moves from the hollowing out of the promise of wage labor in post-Apartheid South Africa, and focuses on the case of a region, the East Rand, the country’s manufacturing core, particularly affected by rapid labor market changes during the 1990s. The region, which since 2000 has constituted the Ekurhuleni Metropolitan Municipality, has seen in the previous decade a vast industrial restructuring, which made it particularly representative of the country’s deepening employment crisis.
The disarticulation and reconfiguration of the East Rand’s African working class decisively undermined the class composition that in the 1980s had made the area a stronghold of African militant unionism (Barchiesi and Kenny 2002). It is against the background of such far-reaching changes that the East Rand is currently experiencing a visible industrial revitalization, which does not seem, however, to heal its vast socio-economic inequalities.

The paper is a product of a research conducted between 1999 and 2001 in establishments in the metal, engineering, paper and glass industries, whose histories of African union organizing represent a tradition of militancy going back to the anti-apartheid struggle. Three metal-engineering, two paper and two glass factories were visited for this study. A total of 140 workers, almost all blacks, the vast majority of which Africans, were selected as informants in semi-structured interviews. The study’s focus on established sectors of the African working class allowed an evaluation of the contrast between wage labor’s past promise and present realities. The three metal-engineering companies were undergoing, at the time of the research, deep restructuring processes that, largely driven by changing market conditions, led to job losses and casualization of employment. One of the companies, Kelvinator, an electric appliance manufacturer in Alrode employing about 1,200 workers, eventually shut down. The glass and paper companies in the study were also facing increasingly competitive market scenarios. These two sectors are more clearly dominated by few large conglomerates, and there restructuring was especially driven by technological innovation, which for the workers proved to be the prime determinant of adverse labor market changes. All the sectors investigated are organized by unions with long-standing traditions of mobilization and
organizing, the Chemical, Energy, Print, Paper, Wood and Allied Workers’ Union (CEPPAWU) in the glass and paper companies, and the National Union of Metalworkers of South Africa (NUMSA) in the metal and engineering plants. Both unions have suffered during the 1990s from organizational difficulties and membership losses, which leave current prospects of recovery uncertain.

The findings for this paper seem to confirm conclusions that have gained growing support in debates on employment informality. They indicate, in particular, that informal occupations do not necessarily constitute a separate labor market with clearly defined characteristics. Informality is rather continuously produced and reproduced by dynamics that question the very meaning of permanent employment and mirror the continued erosion of wage labor’s socially integrative role. At the same time, the analysis of the South African case suggests the need for a closer attention to connections with continent-wide dynamics where historically workers have not predominantly experienced informality as a condition of mere domination and disempowerment. Rather, informality operates as a contested terrain where the constraints imposed by capitalist restructuring and the injunctions of waged employment contained in the state’s policy discourse face diversified working class life strategies through which informalized employees negotiate the social collapse of wage labor.
Black trade unions played a decisive role in the crisis and eventual demise of the apartheid regime. Following strike waves in the early 1970s, worker organizations drew significant strength from recruiting African migrant workers, which had historically been subject to short-term contract work and forms of racialized control in the workplace and at home. For them wage labor had generally been a frail, precarious, unstable and exploitative experience. Black workers’ struggles in the 1970s triggered late-Apartheid reforms that legalized black trade unions’ role in the industrial relations system, relaxed racial segregation in the urban areas, and led to a substantial increase in social security coverage, especially in the urban areas. Rising African wages were paralleled by the enhancement of black workers’ skills (Crankshaw 1997), while growing social security coverage mirrored Africans’ increasing access to unemployment insurance and medical coverage (Seekings and Nattrass 2005).

Political democracy, as the culmination of a generation of black workers’ struggles, seemed to promise a future in which, as an alternative to past precariousness and exploitation, formal wage employment could be a generalized social condition, the basis of access to social provisions, and a foundation for a new social pact and a new discourse of citizenship (Seidman 1994). The African National Congress (ANC), which became the country’s ruling party after the 1994 elections, has enjoyed substantial support from working class constituencies, especially the two-million strong Congress of South African Trade Unions (COSATU). The alliance between the ANC and organized
labor gave shape to a “developmental” vision of the role of the state in the economy, embodied in the Reconstruction and Development Programme (RDP). It also structured experiments with corporatist institutions, like the National Economic Development and Labour Council (NEDLAC), which, through a system of tripartite bargaining involving the government, business and labor, envisaged policy interventions aimed at job creation, protection of workers’ rights, and inclusive social security (Adler and Webster 2000).

Macroeconomic policies of structural adjustment, especially the Growth, Employment and Redistribution (GEAR) strategy, however, provided a powerful counterbalance to the formalization of wage labor. Under the perception that restoring the conditions for growth undermined by apartheid rule – primarily the confidence of domestic and international private investors – took precedence over redistributive interventions (Hirsch 2005; Cassim 2006), GEAR endorsed the role of global market forces as the primary determinant of industrial restructuring. The low levels of skills and education of most unemployed workers made them peripheral to a process of economic adjustment for which the acquisition of formal qualifications is critical for global competitiveness (Bhorat and Hodge 1999). The neoliberal approach to restructuring embodied by GEAR contrasted with ideas of “social pact” and labor formalization, which were the expression of the developmental discourse emerging from the struggles of the old, apartheid-age working class composition.

While 69% of the economically active population (EAP) was employed full-time in 1995, by 2001 the figure declined to 49%. During the same period, underemployment in the form of part-time, informal or atypical occupations has risen from 14% to 31% and unemployment from 17% to 30% according to Statistics South Africa’s “narrow
definition”, which does not count discouraged jobseekers (Altman 2003). In the first half of the 2000s, employment in “informal” enterprises was hovering between 13% and 17% of total employment (Bhorat and Oosthuizen 2005). Meanwhile, the size of businesses defined as “informal” has kept growing throughout the 1990s, a period of economic liberalization and deregulation, and has come to encompass between 16% and 40% of the Gross Domestic Product (Hlela 2003). The second half of the 1990s recorded massive job losses, especially in manufacturing industries that were most heavily unionized. The impact of employment decline has been clearly differentiated across racial groups, witnessing the particularly low absorptive capacity of formal occupations for low-skill African entrants. In fact, according to Bhorat (2003), between 1995 and 1999 African employment has grown 9.94%, compared to an African EAP growth of 25.5%, for an employment absorption rate of only 25.07%.

Within this context, the growth of informal enterprises was shaped by dynamics of outsourcing and subcontracting that have decentralized production away from established, unionized companies. Equally important is the shift of recruiting towards temporary employment agencies (“labor brokers”) that diversify the range of employers and the types of employment contracts within establishments (Naidoo 1994). Casual, fixed-term, part-time, subcontracting and “homework” arrangements are on the rise across the whole occupational spectrum, as shown by studies that also emphasize the disparities between temporary and permanent workers in wages, benefits and working conditions (Bramble and Barchiesi 2003; Kenny 2005; Mosoetsa 2001; Theron 2004).

The evidence emerging from the South African reality seems, therefore, to confirm conclusions in the literature on industrial restructuring in advanced capitalism,
where profitable industrial change depends on conditions that reproduce the social vulnerability and economic exploitability of “peripheral” labor markets (Lund 2002). African informality has often been regarded as based on economic activities that try to ensure the survival of communities responding to macroeconomic adjustment, the decline of full-time jobs, and the hollowing out of state protections (Meagher 1995). The South African case, however, shows that, rather than expressing a distinct socioeconomic rationality, informalization is constantly reproduced by the restructuring and decentralization of formal enterprises, in whose valorization process “informal” businesses are closely integrated (Critchlow and Tabak 2000).

Not the entrepreneurialism of the poor, therefore, but the ability of the formal capitalist economy to restructure production and externalize jobs seems to be the decisive element in the informalization of wage labor in South Africa. In the final analysis, casualization and the growth of informal employment have questioned the very border between “typical” and “atypical” jobs. According to Devey, Skinner and Valodia (2006) if “informal” work is defined not in terms of the nature of the employer (registered or unregistered) but according to the nature of the work performed (in terms of the enforcement of legal provisions, statutory benefits, and protections), formality and informality tend increasingly to overlap. In fact, 44 percent of “informal” workers (80 percent of which have no written employment contract) are in permanent relations with their employers, while 16 percent of “formal” workers are not. Apart from casuals, more and more “informal” workers are hired as subcontractors by “formal” enterprises, even in manufacturing sectors where the externalization of functions was once limited. While almost 90 percent of informal workers have no company-based retirement coverage (and
in South Africa there is no national state-subsidized retirement system,) this also applies to one third of formal employees. Finally, while 44 percent of formal workers are members of trade unions, only 8.4 percent of informal ones are.

The South African case ultimately points at the limitations and quandaries of definitions of the border between formality and informality that primarily depend on the economics of the firm or on the sociology of the labor markets. It also challenges definitions of informality that merely coincide with the “unregistered” and the “extra-legal” (Hansen and Vaa 2004). It rather underlines a profound modification in the meanings of wage labor in post-Apartheid society. The emerging scenario has, therefore, much to do with the erosion of the “centrality of the labour contract as the foundation of the social order” Offe (1997) refers to, in a context where low-wage occupations remain nonetheless central in the everyday survival of growing numbers of working poor.

The implications of views assuming a clear-cut divide between formal and informal sectors are, on the other hand, evident in the arguments of those who, assuming the existence of a fundamental dualism between “formal” and “informal” economies, suggest the creation of low-wage jobs in small-medium enterprises, with limited protections and substantial exemptions from collective bargaining, as the main solution to persistent unemployment (Nattrass and Seekings 1997). Contrasting views tend, on the other hand, to reject a dualist analysis of the South African economy and labor market. Scholars influenced by the “chronic poverty” paradigm (Aliber 2003; Du Toit 2004) argue that “exclusion” is not merely coincidental with lack of a formal waged employment, but it also encompasses working poor whose low wage jobs do not allow access to incomes above mere survival. Therefore, this view considers exclusion as a
subaltern, precarious, vulnerable form of inclusion, rather than normatively separating the two. Not only is the creation of low-wage employment an ineffective way to address poverty and expand social citizenship, but low-wage jobs are here explicitly identified as a factor reproducing social marginalization.

Informality of employment can be ultimately regarded as a manifestation of an increasingly widespread precariousness of wage labor, which is not spatially constrained, limited to developing or “structurally adjusted” economies, or linked to specific segments of production or of the labor force. Much literature on global migrations (Soysal 1994; Ong 1999; Sassen 2000), for example, emphasizes how transnational flows of low-skill labor take place under legal conditions, forms of surveillance, and labor exploitation – “systematic endangering” as Felix Guattari put it (Stivale 1993) – functional to reproducing a second class migrant working class as essentially precarious and vulnerable. Understanding informality as a product of wage labor precariousness allows, at the same time, to avoid definitions of informality that mainly rely either on the categories of state governance, as in the identification of “informal” with “extra-legal”, or on hierarchies determined by the market, as in the parallel between informality and survivalist enterprises.

Conversely, seeing informality as the complex product of social, economic and political interactions that underscore the collapse of wage labor as a mechanism of social inclusion allows new insights into the role of social agency and contestation. Such considerations are particularly relevant to African societies. A recurring theme in African labor historiography, in fact, is that attempts to establish capitalist social domination in late colonialism and early postcoloniality have relied not so much on the proliferation of
informal and casual occupations, but on the stabilization of limited layers of African working class within the circuits of wage labor and commodity production (Cooper 1996; Ferguson 1999).

Faced with spontaneous dynamics of urban migration and proletarianization, the colonial state moved at a relatively early stage away from visions of the African society as essentially rural and “traditional”. After initially regarding African urbanization as an unwelcome but unavoidable occurrence, the late French and British colonial administrations introduced social reforms, including labor regulation and trade union rights, aimed at achieving what Cooper calls an orderly, cooperative, modernizing African “self-reproducing working class”. Post-colonial regimes have acted in continuity with such goals, this time to co-opt labor organizations within the nationalist template and institutions of state-driven corporatism. Conversely, migrations from the countryside to the city have often prioritized the search for casual and informal jobs both as an alternative to wage labor discipline and strictly regulated production schedules, and as a way to maintain rural-urban linkages more responsive to workers’ household needs (Cooper 1987; Burton 2005). The control of informality, and attempts to channel it into formal jobs, rather than the imposition of casual, precarious occupations have represented in colonial and postcolonial Africa (but, significantly, not in early apartheid South Africa) the cornerstone of state and capital strategies of labor control.

Conversely, African workers’ escape from wage labor and the proliferation of urban informal occupations have provided opportunities to turn the urban space into a realm of unruly social practices (Simone 2004) resilient to state regulation and capitalist domination. At the same time, defection from the rule of capital and the gaze of the state
should not necessarily seen as leading to confrontation and conflict (Mbembe 2001), being rather a way in which the “urban subaltern” (Bayat 1997) have negotiated with the state and capital, in a relation that generally involved both dependence and separation, the continued satisfaction of their needs. It is only in the age of structural adjustment, which devastated both the state and the formal capitalist sector as providers of services, jobs, and resources for Africa’s informal urban sphere, that informality and precariousness became conditions for growing destitution and social marginality. The process was, on the other hand, combined with a rediscovery of informality in sociological literature as an alternative form of survival, service provision and entrepreneurship within the triumphant framework of globalized neoliberalism (Portes, Castells, and Benton 1989; D’Haeseleer and Berghman 2003).

The potential for conflict and contestation that historically emerges in Africa from the links between informality and wage labor precariousness, however, sits uncomfortably with mainstream views that define informality either as a product of the gaze of the state (informality as extra-legality) or of capitalist control (informality as survivalist enterprise). Understanding informality as a realm of conflict and contestation over the outcomes of the decline of waged employment is particularly important in the analysis of the case study presented in the next section. Here, a highly unionized worker constituency, South Africa’s East Rand, has faced during the 1990s a profound process of restructuring and growing labor precariousness that proved highly detrimental for the class composition that once accelerated the collapse of apartheid. The analysis that follows looks at how the local black working class has confronted such challenges.
3. The East Rand Working Class in Flux: Employment Change and Industrial Restructuring in the 1990s

The East Rand region, now the Ekurhuleni Metropolitan Municipality, has been since the mid-1970s a stronghold for South Africa’s labor movement, largely as a consequence of the unionization of a rapidly growing African industrial working class, initially largely made of contract migrants from apartheid’s rural “homelands.” The process accompanied the area’s rise as the country’s manufacturing core. During the 1980s, working class struggles in the East Rand tended to transcend workplace-based demands, a terrain privileged by early black trade unions, to act in conjunction with community movements in mobilizations that targeted forced evictions of “illegal” urban migrants, black city councils installed by the apartheid regime, and lack of municipal services and housing. Eventually, “social movement unionism” in the area became a prominent actor in mid-1980s township revolts and in popular mobilizations for social and political change (Ruiters 1995; Seidman 1994).

The economic crisis of the apartheid system during the 1980s was also responsible, however, for a gradual decline of manufacturing. During the 1990s, layoffs became generalized: approximately eighty thousand manufacturing jobs were lost in the East Rand between 1988 and 1999 (Barchiesi and Kenny 2002). The crisis of waged employment has questioned the social foundations, the sense of stability, and the symbolic referents that past labor struggles could build in their opposition to apartheid. Worker organizations were most negatively affected. For example, the country’s main industrial union, COSATU-affiliated National Union of Metalworkers of South Africa
(NUMSA), lost 45 percent of its East Rand members between 1989 and 1999. The crisis of the local industrial economy, which heavily impacted on strongly unionized constituencies, accelerated in coincidence with the ANC government’s post-1994 policies of economic liberalization. Departing from apartheid-age protectionism, they facilitated massive restructuring which led to factory closures, further job losses, and a visible trend to the sub-contracting and casualization of employment (Rogerson 2004). The importance of service sectors, conversely, increased, especially in retail, where up to 65 percent of the region’s workforce by the early 2000s was made of contingent employees (Kenny 2005: 164.) By 1999, 44.3 percent of the East Rand workers were employed in services and only 32 percent in manufacturing, down from the above 50 percent figures of the 1970s (Barchiesi and Kenny 2002). The rise of precarious employment was combined to deepening unemployment, which soared from 32.2 percent in 1996 to 40.4 percent in 2001 (DBSA 2005). In sectors like metal, engineering, chemical, glass, and paper, downsizing has been paralleled throughout the 1990s by outsourcing and the fragmentation of production. The use of temporary employment agencies, or “labor brokers”, has emerged as a significant factor in the casualization of employment. Meanwhile, small companies, largely non-union, have proliferated especially in production segments that do not require substantial capital investment and overhead.

Most of the companies researched for this paper reflect the type of challenges faced by stable, unionized, employment in the area. Union Carriage and Wagon (U.C.W.) is a manufacturer of railroad transport equipment which has seen its headcount falling from 800 to 150 employees between 1997 and 1999, largely as a result of the exhaustion of short term contracts for overseas markets, and the government’s continuous neglect of
domestic public transportation. Kelvinator, a manufacturer of electric household appliances, was liquidated in 1999, which meant the loss of twelve hundred jobs. In June 2000, a competitor, Defy, bought the company’s physical assets and decided to transfer production to the largely rural Ladysmith area, once an “industrial decentralization” point subsidized by the apartheid government and now a low-wage labor reservoir amidst massive unemployment. Defy hired approximately 250 workers there, with remunerations as low as one third of the old Kelvinator levels (Bezuidenhout 2004). Companies in the glass industry (Consol Glass and MB Glass) and in paper products (Nampak Corrugated, Sappi Enstra) are largely subsidiaries of vast conglomerates in two of South Africa’s historically most centralized sectors, traditionally dominated by large scale, vertically integrated manufacturing. They have also heavily suffered the impact of layoffs and casualization (Rosenthal 1999). In these cases, however, renewed competitive pressures, for example due to the diffusion of plastic containers, have been met with a determined, proactive managerial drive that combined the aggressive introduction of new technology, outsourcing and subcontracting of “non-core” business.

The decentralization of labor recruitment across the local urban economy has provided employers with a powerful tool to stratify the labor force and make its conditions more precarious. The recruitment of temporary workers through “labor brokers”, a challenge that local union organizers identify as particularly urgent, can provide easy access to a more compliant workforce, whose contracts have to be periodically renewed, depending on jobs availability. Moreover, the companies can minimize their obligations towards the employees, which become the responsibility of the labor recruiting entity. At U.C.W., a firm with a strongly fluctuating production pattern,
retrenchments have accompanied the recruitment of contract workers, often the very ones who had been previously laid off, via a local agency, Fedmo. Contract workers hired through Fedmo, often artisans dismissed from permanent positions, benefit from higher cash payments than U.C.W. employees, due to Fedmo’s focus on retaining skilled workers, but also to the fact that the agency does not provide medical insurance. Fedmo workers are, quite unusually, organized by NUMSA, which allows them some benefits like retirement pensions. Their contracts’ duration, however, could be as short as three months, terminable at a one week’s notice (Interview 45, October 20, 1999.) Even if they undermine the position of permanent employees, “labor broking” and fixed-term contracts are seen by some workers – especially qualified ones who can negotiate higher wages with Fedmo – in a positive light. But for them too workplace identities and long-term career orientations are irrevocably weakened, and contract employment becomes a short-term strategy that carries the unmistakable mark of precariousness:

You see, if you are unmarried and are not a husband your problems would be less than mine, especially on the finance. For those years when I was a permanent, I really didn’t benefit anything, but I started to benefit when I started to become a contract, then I saw an improvement at home and in my life. I could save something like R500 a month while I am giving my wife enough money to support herself and her children, I could pay an equal share of the telephone bill and the electricity bill, and we still suffer. But before, when I was a permanent, I used to suffer more, I had lots of debts behind my back, I couldn’t even afford to pay everyday expenses with the money I used to have in my pocket.

Q: But in this way your job is always on the line, is that a problem for you?
A: No. Actually, maybe I don’t get an advise from other people.
Q: Which people?
A: Like you, who can tell me that in ten years things are going like this and that. Now I am just thinking that I have got a job here, I am just like a horse who’s got now enough grass, I don’t look at the outside and after that maybe I’ll get another job. I have been in this situation for a long time, when the job
is finished I have to sit down and wait for another one (Interview 45, October 20, 1999.)

At the same time, many U.C.W. employees resent the presence of Fedmo in the plant. Their condemnation has not only to do with competition from contract workers. It also evokes a need for stability, commitment and morality, which are mobilized to reinforce permanent workers’ claims against casualization:

I am permanent and I care for my house, my children, everything. These guys [Fedmo workers] come only to get the money and they are told they’re going to stay for two months, after which they must go. But I am permanent, I am working here more than two months, and those guys don’t care about what is going on here in the factory, they’re only here to take their pay and they cannot look three-four years from now, they just say “ek weer nie”— I don’t know – but here I have to do my best for the future of the factory, because I worry about my children (Interview 27, August 7, 1999.)

Workplace ethics and attachment to the identity of permanent, formal workers come however under heavy pressure in a context whereby being employed by a labor broker can lead to a net wage that is 50% higher than for regular company employees, due to the lack of medical and other contributions. In general, labor broking, and its associated growing informalization of the employment relation and weakening of workplace-based identities, is conducive to strategies of adaptation to industrial change that that rely on individual initiative, with a strong orientation to self-entrepreneurialism. A sort of instrumentalism recognizes here the importance of defending waged employment as a crucial source of livelihood, but seeks at the same time an escape route from the workplace. Self-entrepreneurialism sometimes takes the form of starting individual businesses in addition to a factory job that is considered precarious, unrewarding, or
unfulfilling. In the sample used for this paper, a total of 19.3 percent of metal-engineering workers and 9.7 percent of glass-paper workers perform double jobs, almost all of them on an unregistered, self-employed basis. The average income from second jobs in the case of metalworkers was R588 per month, compared to an average net monthly wage of R2202. Lack of capital, crime and difficulties to access further training are the reasons most often cited as preventing a self-entrepreneurial strategy that is, moreover, usually expressed in terms of mere survivalism:

The income for the workers is far too little to allow them to go out and buy what they may sell. On Friday they get their money, do grocery shopping for the family and on Sunday they are left with only five or ten Rand, only enough to pay to come back to work on Monday, and on Monday they are borrowing money from other people. That’s the life we are living in this company.

Q: And what about you?
A: I don’t know, it’s as good as I can get. There’s this “Tata ma Chance” lottery, and if I can get maybe a million, that would be good business in Lesotho.
Q: And if you don’t win?
A: I will stay here because in Lesotho there are no jobs. Vosloorus too is a problem when you don’t have money, *ek se* [“I say,”] so my intention is to have enough money to run a business, but around here, *ek se*, you are taking a risk if you open a business because you don’t sleep when you have got a business; too much crime, especially in the township (Interview 4, July 19, 1999.)

Some workers who lost their jobs at Kelvinator have been planning to pool their provident funds payments with colleagues or retrenched neighbors to start various kinds of small businesses, even if more pressing needs like providing for basic family expenditures, paying for retail shops’ accounts and refunding company loans take the priority to avoid being blacklisted or falling prey of “loan sharks” (Interview 57, November 23, 1999 and 59, November 25, 1999). However, also the sheer desire to escape from the factory, and not mere desperation or fears about the future, plays a role, as in the case of this worker at Consol Glass:
If it wasn’t for financial constraints I should have left this company long ago. As an alternative, I have got my industrial relations diploma, I am intending to take another course, there are possibilities in government posts but I must get my degree. But I don’t think I will stay here.

Q: Do you think your job is becoming insecure?
A: No, no, my job is secure, it’s just a question of it being a shit job.

(Interview 181, March 4, 2000)

Survivalism unquestionably remains the main motivation for self-entrepreneurial strategies of response to the crisis of waged employment. At a company where the disappearance of stable jobs is particularly acute, UCW, an important source of income is provided by seasonal employment at SASOL’s Secunda refineries during the annual shutdown. The shutdown and cleanup of the plant usually take place in September and December, for the duration of two weeks, when permanent SASOL employees are on leave (Interview 27, August 7, 1999). Cleaning the plant from oil and chemicals is an extremely dangerous job, performed mostly by scarcely trained casual and contract workers, whose use the unions recursively blame as one of the main causes of frequent deadly accidents. The fact that the collapse of stable employment is functional to providing new reservoirs of cheap, unprotected labour for large corporations working in sectors with intermittent labor demand, like the petrochemical, has been documented elsewhere (Desai 2002). In these sectors, double employment creates therefore a labor market fragmentation where the borders between “formal” and “informal” economy tends to disappear, and where the requirements of companies operating in the formal sectors deepen the informalization of labor contracts.

Few cases show, however, that double-job strategies can be conducive to individual self-valorization, which an increasingly meaningless factory environment would otherwise
stifle. An MB Glass worker, for example, holds a second job making clay potteries. As he
says, he “nurtured that art through the struggle” (Interview 211, April 28, 2000,) being
taught how to mold and paint while being an underground Umkhonto we Sizwe operative
in Zambia. Sipho is a shop-steward and electrical fitter at U.C.W., whose attachment to
the company has been constantly eroded by frequent retrenchments followed by
intermittent employment. The frustrations and deprivation arising from his workplace life
contrast markedly with the satisfaction derived from his parallel career, built entirely on
self-taught skills. For three hours after clocking off at U.C.W. and before going home in
the township of Duduza (Nigel,) Sipho works as a self-defined “architect” in an office
rented in downtown Nigel. Here he drafts plans for all sorts of buildings, including
multistory and churches. He does not hold any formal certificate, but “just a talent for
drawing” (Interview 21, July 24, 1999) developed while making additions to the house
where his mother and family of twelve live. One of Sipho’s colleagues, an electrician at
U.C.W., has actually no qualms about sabotaging his workplace functions to conduct
parallel self-employed work. He in fact has a second job in the town of Alberton, usually
attended over weekends, which is nonetheless clearly prioritized over factory work:

Sometimes I can take a day off here at work. Before there was no pay for sick leave, now it’s paid so I can just take one day and bring back a fake doctor’s note to cover up. Many people do it, even if one must be careful, they notice when someone brings doctor’s notices 3 times a month.
Q: So working at UCW for you is mainly something like…
A: To improve my life, but the main thing is that I can really stand alone, I can work alone, the electrician job is what I really care about. (Interview 39, September 22, 1999)
The prospect of starting an independent business actually makes many workers positively appreciate the possibility of being retrenched, especially because provident fund payouts can be used to finance a new enterprise. In this sense, while wage labor and the workplace are further weakened as sites of identity and life strategies, unemployment is not necessarily considered as something unquestionably detrimental, but it can also disclose new opportunities (Interview 148, March 13, 2000, and 182, March 8, 2000.) More often, however, it is the pressing needs of everyday survival that determine workers’ acceptance of layoffs. High levels of household debt with predatory lenders (“loan sharks,”) for example, are cited as a reason to volunteer for retrenchments, which would entitle the worker to claim a severance package and retirement contributions. Shop-stewards, as in the following case, are alarmed at these developments:

I discovered that people who don’t want to work and have problems, account problems, problems with cash loans, and so on, they volunteer when they hear the company wants to retrench, they know that under packages they’ll get lots of money to pay for their accounts. . . . Even when we as shop stewards told them, ‘No, you mustn’t do this, let’s wait what the company is going to do.’ They say, ‘No, the company told us they want to retrench, now you have to remind the company about that,’ and I say, ‘No that’s not my job, to remind the company to retrench people’ (Interview 1, July 12, 1999.)

The dilemmas facing unions in a context of erosion in the nexus between wage labor and social inclusion encapsulate at the same time the possibilities opened by the transformations currently underway. Even if the disarticulation of the apartheid-age composition of the black working class on the East Rand is undermining former workplace based collective identities, it is nonetheless mirroring new spaces of social contestation. The meanings of “informality” in this
context are complex, multilayered, often contradictory. But the case study here presented shows that a focus on workers’ meanings, and on the strategies and discourse they underlie, ultimately provides an approach to informality that is more conceptually suggestive, analytically powerful, and politically productive than definitions prioritizing, as in much mainstream, literature on the concept, capitalist domination or state rationality.

4. Conclusion

Since the time research for the case study presented in this paper was conducted, the East Rand/Ekurhuleni region has been experiencing a phase of renewed economic growth and increasing manufacturing production. The vast socioeconomic and employment restructuring that preceded such recent developments, however, are confronting the labor movement with a dramatically altered geography of production. The service sector – where precariousness, informality and employment fragmentation are particularly pronounced – is by now the largest employer of unskilled African labor (Altman 2006), while manufacturing expansion does not seem capable to spur a meaningful recovery in permanent employment.

In general, South Africa’s transition to democracy has witnessed a reconfiguration in realities and meanings of waged work, which has to a large extent invalidated the socially emancipatory discourse of organized labor’s struggles under apartheid. The dynamics through which such changes have taken place challenge both a clear definition of the border between formality and informality, and conceptualizations of informality
relying predominantly on juridical and economic categories that have become mainstream in sociological debates. Such definitions have tended, in particular, to marginalize workers’ strategies and agency, confining them either to the normative realm of “entrepreneurship”, more or less survivalist, advocated among others by the international financial institutions, or to the often pathological characterization of the “extra-legal” as an object of governmental intervention. Both views, nonetheless, continue to maintain wage labor in the formal economy as an inherently desirable, when not actually “normal”, form of socioeconomic inclusion and citizenship. The South African government’s current dualistic framework and its “two economies” imagery have explicitly endorsed this template.

Conversely, this paper has shown that the growth of casualized and informal occupations is an aspect of a deepening employment precariousness, which disarticulates entrenched patterns of identity and organization, leads to a widespread weakening of work-based identities, and reveals the impending disappearance of wage labor as a vehicle of social citizenship. The social crisis of wage labor, especially when contrasted to the idealization of wage labor in the policy and academic discourse alike, challenges critical social research to think forms of social emancipation that transcend what otherwise is an almost exclusive focus on employment. In this sense, precariousness and informality cannot be simply categorized as expressions of domination and vulnerability, but also provide conditions of political possibility and imagination.

References


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