

**A DOUBLE-EDGED SWORD:
THE MINIMUM WAGE AND AGRARIAN
LABOUR IN THE EASTERN CAPE, SOUTH
AFRICA, 2003–2014**

by

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ABSTRACT

This research explores and examines the socio-economic and political outcomes of the minimum wage for agrarian labour in the Eastern Cape, South Africa, between 2003 and 2014. Statutory wage setting and the extension of labour laws to the South African agrarian labour market are path-breaking events that altered the unilateral power which agrarian employers had, under apartheid, to set low wages and harsh employment conditions.

Yet, economic sociologists have shown little interest in the agrarian minimum wage in South Africa. Consequently, little to no sociological perspectives are available on the way in which statutory wages shape the setting of actual agrarian wages, employment conditions, labour relations and working and living conditions. At the same time, economic sociology's neglect of agrarian minimum wages perpetuates the dominance of economics in minimum wage research, as well as the narrow cost-benefit analysis, and firm and employer-centric focus, deployed by both opponents of minimum wages in the neoclassical economics camp and supporters in the heterodox economics camp. The firm-centric focus also applies to the few labour relations scholars who focus on minimum wages. As a result, a wide body of empirical information is available and concentrated in the Global North, on low-waged, urban-based firms' employment and labour relations strategies with the occasioning of minimum wage laws, with scant to non-existing information on rural-based workers' experiences in the Global South, at least in the case of South Africa.

This thesis addresses the lacuna in existing research, specifically by concentrating on agrarian workers' narratives of the outcomes of minimum wages on actual wages and conditions, and experiences at the site of production and in the sphere of expanded social reproduction. The conceptual framework of the thesis is rooted in a critical realist meta-theory which directs inquiry towards the search for underlying causes of events with a sensitivity to the interaction of structure and agency, so as to develop explanations of events, which in turn encourage emancipatory thought and praxis. Within this framework, a political economy perspective of the agrarian minimum wage is charted, founded on an inter-disciplinary approach that incorporates economic sociology perspectives, which view markets as socio-political constructs, alongside a Marxist analysis of wages and the distinction between the value of labour and the value of labour power. Also relevant are segmentation labour market models where the focus is on segmentation in labour supply, demand and regulation, and institutional economics that highlights labour's weak bargaining power in low-waged labour markets.

Based on this analytical perspective, the South African agrarian minimum wage is seen as a necessary intervention stemming from post-apartheid uneven neoliberal restructuring processes, to address extremely low agrarian wages that pose threats to the ongoing generation of agrarian labour power. Low agrarian wages are located in unequal power relations in the workplace and are embedded in the totality of the low-waged agrarian labour market, composed of particular features in the supply-side of the labour market (the sphere of social reproduction of labour), the demand-side of the labour market (the site of production), and the forces of regulation (the labour relations regime).

The thesis explores new ways of conceptualising minimum wages in the South African context, placing emphasis on the local agrarian labour market, and it highlights the agency of agrarian labour by revealing their struggles, working life and living conditions. In so doing, the research expands inquiry beyond economic "impact" at the level of the firm/employer to examine: (a) workers' employment trends before and after

the minimum wage was introduced, (b) the extent of changes in working and living conditions and labour relations, (c) the scope for workers in animating changes and their struggles and challenges, and (d) shifts in actual wages in relation to prescribed wage rates. Focussing on the aforementioned aspects represents an attempt in this thesis to build on themes, raised in heterodox economics studies, of minimum wages and their relationship to the social devaluation of low-waged work, inequalities in bargaining power, and justice.

Based on a stratified sample of workers that included, among other variables, sex, geographical area and agricultural sub-sectors, original data was collected through 52 in-depth interviews, two focus group interviews (comprised of 10 workers), and 501 surveyed workers. The research did not find widespread job losses when minimum wages were introduced, as per neoclassical economics' predictions. Nor did it find transitions from low- to high-road approaches in employment strategies and labour relations, as claimed by certain heterodox economists. Instead, the findings at the sites of production corroborate the uneven, mixed and contradictory findings of applied heterodox minimum wage studies on employment strategies, labour relations and wage settings.

In this light, it is concluded that the agrarian minimum wage had layered outcomes for workers based on key findings, which include: (a) the minimum wage became the maximum wage as actual wages increased and clustered at the prescribed wage rate; (b) a level of gender wage parity close to the level of the prevailing prescribed minimum wage was found, but an overall gendered pattern to low-waged employment surfaced and manifested differently at sub-sector and enterprise levels; (c) though no changes were found in the way work was organised and how workers executed their tasks alongside no fundamental changes in the social relations of production, statutory minimum wages and limitations on working hours did reduce the hours of work and the existence of unpaid overtime work in certain sub-sectors such as livestock and dairy workplaces, through worker and employer initiatives (yet, at the same time, work intensification in compressed working hours appeared in the sample in other worksites, for example citrus workplaces); (d) authoritarian labour relations existed in varying depths and forms, based on sub-sector and enterprise characteristics, which shaped the propensity and scope for worker action; and (e) the layered outcomes of the agrarian minimum wage were felt at the site of social reproduction, where it brought a measure of relief for sampled workers; however, it was chronically inadequate to allow workers to meet their subsistence needs comprehensively. The research findings also highlight sub-sectoral complexities in changing employment and labour relations strategies from low- to high-road approaches in the agrarian sector.

The layered outcomes of minimum wages for agrarian workers stems from the combined and uneven amalgamation of pre-existing and new conditions and relations consequent to neoliberalising processes in the agrarian political economy as well as the low minimum wage-setting. The thesis thus argues that the mixed outcomes reflect the layered character of the minimum wage as a conversion factor, which in turn equates to a layered notion of justice. This is because, on the one hand, the minimum wage ameliorates the plight of agrarian labour but, on the other hand, and given the bulwark of authoritarianism, pre-existing conditions and neoliberalising processes, the collective vulnerabilities in the agrarian labour market have expanded and may be intensifying.

The agrarian minimum wage acts as a double-edged sword in contexts of mixed and layered outcomes for agrarian labour. A layered perspective of the conversion factor of a minimum wage exposes the possibilities and limitations of statutory wages as a conversion factor, based on context, and identifies the limits and possibilities for worker mobilisation and action. In the case of this research, the agrarian minimum

wage deals in limited fashion with the value of labour power because of the initial and subsequent low settings; the minimum wage does not deal with class exploitation and the value of labour, although it sets the frame for instigating basic labour standards.

The implications of a layered conversion potential of low minimum wage-settings are profound for conceptualising, theorising and researching the link between statutory wages and justice, with respect to the value of labour power and the value of labour. Future research on the minimum wage based on a Marxist reading of wages and located in real labour markets, strengthens heterodox approaches by deepening theories on the relationship between statutory wages, justice and production.

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LIST OF ACROYNMS

AMW	Agricultural Minimum Wage
ASD	Agricultural Sectoral Determination
AgriSETA	Agricultural Sector Education and Training Authority
BCEA	Basic Conditions of Employment Act
DoL	Department of Labour
ECARP	East Cape Agricultural Research Project
ESTA	Extension of Security of Tenure Act
MW	Minimum Wage
SD	Sectoral Determination

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

In 2003, in a dramatic departure from the apartheid government's approach to labour relations in the agricultural sector in South Africa, the post-apartheid state enacted the agrarian sectoral determination (ASD) that provides the legislative frame for the setting of agrarian minimum wages (AMW). This research explores the socio-economic and political outcomes of the AMW for agrarian labour in selected geographical sites in the Eastern Cape province of South Africa, between 2003 and 2014. Towards this end, the research attempts to understand the extent to which labour market conditions for agrarian labour mutated, after the extension of labour laws to the sector and the introduction of statutory wage setting, with the simultaneous liberalisation of agricultural product markets, in post-apartheid South Africa.

Statutory wage fixing, indeed wages in general, speak to the nature of societies, justice, democracy and equality, and well-being of the citizenry. Statutory wage settings have a long and established history in global labour markets deemed to be low-waged, which are weakly organised. New Zealand was the first country to introduce a national minimum wage in 1894, followed by Australia in 1989. Statutory wage setting in these countries captured the imagination of Fabian socialist economists in Victorian Britain, such as Beatrice and Sidney Webb, who proposed minimum wage (MW) fixing to rid the country of sweating, which is a reference to extremely low wages (see Blackburn 2007, 2009). Over its long history, which resulted in variegated systems, and uneven implementation records, two opposing camps have come to exist on the subject, as the significance and value of statutory wage setting continue to attract criticism and opposition, on the one hand, yet it is celebrated and championed by others, on the other hand.

Generally, sociological studies on MW, certainly in South Africa, are unknown. On a global level, economics as a discipline eclipses sociology in research on MW fixing and is demarcated along neoclassical and heterodox approaches to statutory wages. The neoclassical economics model of the labour market and wage setting is the dominant framework used in shaping policies, narratives and debates on wage setting,

in general, and MW fixing in particular. Outside of this economics tradition, labour relations scholars study MW fixing and the outcomes on labour relations and employment conditions at firm levels. I refer to such labour relations scholars and heterodox approaches to MW as heterodox labour economics, when speaking of a broad ambit of work opposing neoclassical economics' throy of labour markerts and statutory wage setting.

As will become clear in chapter 2, neoclassical economics opposes statutory wages and labour market interventions in general on the grounds that they have adverse outcomes for employment levels and economic progress. Drawing on the ideas of Beatrice and Sidney Webb, heterodox economists champion statutory wages, citing positive roles such fixings have for employment and economic growth as well as for issues of justice and for addressing inequalities in bargaining power in low-waged sectors. In the neoclassical model, labour is commodified, hence wages are reduced to a narrow price mechanism, which are set by immutable laws of supply and demand, and supposedly depict the worth and value of labour. In contrast to neoclassical economics, heterodox labour economists maintain labour is a quasi-commodity, therefore, insist that wages depict living standards, values, norms, ideology, and the balance of forces between capital and labour.

My research is in the field of economic sociology and grapples with the ideas of the two camps in the MW debate. This research has a long history with roots in the East Cape Agricultural Research Project (ECARP), the non-profit organisation that employs me. Based in Grahamstown, in the Eastern Cape of South Africa, ECARP works in the agrarian sector, specifically with farm workers, farm dwellers and small-scale farmers. In many direct and indirect ways, this research is based on my experiences and observations from the field, and crucially my interactions with agrarian labour. My research focusses on agrarian labour; I attempt to project their voices, experiences and conditions as low-waged workers at the sites of production and social reproduction in a rural labour market with a history of unfreedom and low wages.

Wages in general and in this case agrarian wages in South Africa cannot be reduced to a narrow price mechanism depicting units of production, hence worth and value of labour, as per neoclassical economics. If the analysis is limited to this base level, then it does not escape the synchronic world of neoclassical economics. In accordance with heterodox labour economics, I argue that wages, crucially, depict power between labour and capital, living standards, values, norms and ideology. A cogent economic

sociology agenda would broadly follow heterodox labour market models and situate MW-fixing within the ambit of the socio-economic and political configuration of capitalism to explain its passage, hence the historical forces that occasioned its introduction, and will be sensitive to the role that the conditions which led to the introduction of statutory wages play in shaping its outcomes and implications for the structure and relations of production.

Economic sociology ventures into applied MW research should take seriously the observations made by Fine (1998:232) and Levin-Waldman (2000), who argue that proponents and adversaries of MW policies have reduced the debate on its significance and effects to a technical issue with a narrow cost-benefit analysis with significant attention on employment gains and losses and employer responses to wage hikes. A focus on the mechanical effects of the MW severely restricts the content of the debate on the MW and prevents asking questions concerned with the ethical issues of the MW, central to which is the question of justice and the nature of society. As Levin-Waldman (2000:44) aptly expresses it:

But by conducting such an important discussion on such a technical level, the minimum wage as an issue cutting to the core of what is constitutive of a just society is effectively obscured. It also blinds us to the fact that the different ways in which people view the issue may also reflect different conceptions of justice.

Economic sociology can play a critical role in steering the focus from narrow economic interests by directing attention to the politics of work and power relations in the labour market and labour process. In so doing, economic sociology can play a significant role in qualifying the nature, levels and types of justice associated with statutory wage setting. I attempt to make an economic sociology contribution to heterodox thoughts on the links between justice and the MW and based on my data I attempt to portray the layered nature of justice and democracy that is associated with the AMW, in my research sample. Neoclassical economics' dominance over research and narratives on MW sets the mechanical and technical tone found in the MW research scope and points of interests of heterodox labour economics. Sociology's neglect perpetuates the dominant position held by economics, in general, and neoclassical economics in particular, in setting the scope of social inquiry on the matter. As a result, thoughts on MW setting and justice are further obfuscated and remain unclear. Economic sociology, set in a radical political economy frame, can assist by clearing the murky waters and messy context in which MW fixings are implemented because of its focus

on the capital-labour relationship and developments in the labour market, labour process, and labour relations regimes.

Breaking with the firm- and employer-centric research focus in the economics tradition generally, this study puts agrarian labour at the forefront. Generally, in line with the cost-benefit analysis in heterodox and neoclassical MW applied research, the focus is often on employers and enterprises, to the neglect of workers and socio-political considerations of the low-waged agrarian labour market. Employers' concerns and economic imperatives, therefore, dominate as points of interest, in the debates and discussions on MW settings, overshadowing low-waged workers' experiences and interests, and the socio-political dynamics in labour markets. As Adman-Smith *et al* (2003:31) correctly point out, an employer-centric focus hides from view crucial aspects of employment and labour relations and conditions in low-waged enterprises.

As such, prior to undertaking the research and at the time of writing, I had no knowledge of studies on MW fixing in the discipline of economic sociology, in the South African context generally, and specifically, in the agrarian context. Indeed, scant information exists on agrarian labour in the Eastern Cape. MW settings, generally as well as agrarian labour and valorisation processes, and the type of labour relations regime that arises, in particular in the South African context, are under-researched and by implication, under-theorised subjects. Although an inordinate body of literature and empirical data exists for agriculture, labour conditions and agrarian labour in the Western Cape of South Africa, little to no work exists on agrarian labour in the Eastern Cape. Moreover, such works tend to focus broadly on power relations in value chains and the outcomes for the labour conditions for seasonal workers, hired through labour brokers (see Barrientos and Kritzing 2004, Barrientos 2008). By the same token, studies on the states and positions of agrarian labour in post-apartheid South Africa, tend to prioritise land access and tenure security to escape from waged-labour on commercial farms and as the means to secure and improve livelihoods (for example Wisborg *et al* 2013, Brandt & Ncapayi 2016, Brandt 2016). Others such as Atkinson (2007) propose that the developmental needs of agrarian workers are best dealt with by employers in a changed fashion commensurate with post-apartheid South Africa.

Privileging land reform, or development of agrarian labour through the employment relationship and neglecting to look at reforming agrarian employment conditions and labour relations, as strategies to improve agrarian labour's socio-economic positions, turns the spotlight away from the nature and composition of post-apartheid agrarian

labour and valorisation processes, and the forces within accumulation processes that produce the secondary and segmented conditions in the labour market. Attention on the limitations of land reform with respect to agrarian labour focusses on the state and its failure to deliver. By the same token, a failure to probe agrarian capitalist production conceals the role that agrarian capital played and still does in creating and maintaining segmented, secondary and sweated conditions, in the post-apartheid era.

The role that agrarian capital plays in creating and maintaining secondary, segmented and sweated conditions in the labour market therefore does not come under scrutiny. Arguably, this results in an inability to problematise the “class roots”, as Morris (1988:71) argues, of agrarian production in South Africa, and the deep structural problems in contemporary capitalist agrarian production that drive secondary, segmented and sweated employment in the sector¹. Likewise, although studies on the composition and distribution of power along value chains are critical to understanding the states and conditions of seasonal workers, such works do not shed light on the conditions in labour and valorisation processes that also contribute to secondary and segmented states of agrarian labour. Furthermore, these works prioritise seasonal workers in horticulture, thereby limiting knowledge to one sector of agriculture and one segment of agrarian labour and keeping buried the states and positions of agrarian labour employed on permanent and different types of atypical employment contracts, across horticultural and animal husbandry work-places.

Arguably, the theoretical and empirical research deficit on agrarian labour and the AMW places a veil over the agrarian labour market, shrouding events in the world of agrarian work and processes in wage settings and inhibiting deeper probes into the politics of agrarian wages and its relationship to statutory wage setting. The lid hides from view real outcomes and worker experiences of labour market restructuring in concrete settings, thereby perpetuating an under-appreciation of statutory wages for low-waged workers; at the same time, it weakens the development of theory on the significance of statutory wage settings and potentials to stimulate changes in low-waged work-places and labour markets. This is fertile ground for neoclassical economics’ assumptions of wages and labour markets to flourish.

¹ Morris’s (1988:71) point from the past has much relevance in contemporary debates on the agrarian question in South Africa, and specifically on analysis of agrarian labour and issues of justice. As Morris writes: “if, as Marxist scholars, we cannot grasp the class roots of our capitalist past in the countryside, we will undoubtedly also never politically be able to identify the class forces laying the basis for a potential socialist future either. And that is undoubtedly as great an issue demanding clarity today as it was in previous decades”.

In addition, the blanket over agrarian labour and valorisation processes keeps the lid on exploring or teasing out how agrarian commodity value chains contribute to low wages in the sector, and the secondary, segmented and sweated nature of the agrarian labour market. In these circumstances, low wages in the sector combined with overall low-road approaches in the labour and production processes and in the labour relations regime, cannot be understood as outcomes of micro and local conditions, because agents along commodity value chains also contribute to such tendencies. Combined, the void in heterodox research on agrarian production and accumulation and the selective focus on land related matters with respect to agrarian labour, leaves the world of agrarian employment, nature of work, and labour relations, largely unexplored. This research, therefore made attempts to fill the research void at three areas, viz, in terms of theory, in terms of empirical data, and with respect to bringing labour into focus in studies on statutory wages.

Economic sociology's inattention to statutory wage setting has important implications for studies on the subject matter, as this dearth means that this MW research ventured into unknown terrain, especially in the South African context. Consequent to the research void, researchers are confronted with a gaping hole with respect to both empirical data and theories on the local dynamics in agrarian labour markets, labour processes and labour relations regimes. This study, therefore, contributes to filling this empirical lacuna by offering a perspective of the AMW in a local agrarian labour market in the Eastern Cape, where little to no studies previously existed on (a) employment and labour relations and conditions, (b) working life in the production of agricultural commodities, (c) the living conditions and overall quality of life for agrarian labour, and (d) wage levels since the inception of the AMW.

The need for nuanced and critical engagements with statutory wages in South Africa gains impetus in light of the first national minimum wage in South Africa, which came into effect on 1 January 2019, but which provides a lower hourly MW for agriculture at R18.00 – R2.00 an hour lower than the R20.00 an hour. Given the data on wages and working hours, presented in this study it becomes necessary and urgent to ask searching questions on employer affordability and the criteria, data and methods used to set prescribed minima and the uprating mechanisms.

A cogent economic sociological engagement with the AMW, where the spotlight falls on agrarian labour in the research, brings to the fore critical inter-related points of interest for research at several levels in the cycle of wages – at the site of the labour

market, where labour power is bought and sold, at the site of production, where labour power is converted to labour, and at the level of the site of social reproduction. Multiple points and subjects of interest emanate from an economic sociological study of statutory wage setting that help in shifting from the mechanical and cost-benefit analysis found in existing MW works, and that at the same time, contrasts with the neoclassical economic model's sterile interpretation of statutory wage setting. I do not provide a definite presentation or analysis of neoclassical economics' conception of labour markets and wages. Rather, the focus is on elucidating labour market segmentation theorists' conceptions of real labour markets, which are in large part a reaction to and a critique of neoclassical conceptions. In other words, neoclassical economic theories are assessed only in so far as they constitute the theoretical workhorse of many governments' labour market policies, and in order to fully appreciate heterodox theorising of labour markets, MW settings and Marx's theory on the capitalist wage relation.

By adopting a Marxist explanation of the wage relation under capitalism – in particular, the distinction between labour and labour power – this study is rooted in the radical/heterodox strands in the social sciences (economic sociology, economic geography, labour history, critical management studies, critical labour law, and radical political economy). With the spotlight on labour couchhded in heterodox conceptions of labour markets, economic sociology's interest in the MW opens up new paths to research and critical explorations on statutory wage setting in low-waged sectors. I expand on these points as I present the sequence of the chapters. However, first, it is necessary for me to set out my conceptual and theoretical foundation, which enabled me to define my research approach and scope. I explain my conceptual framework below, followed by an outline of the chapters.

1.2 CONCEPTUAL FRAMEWORK OF THE RESEARCH

Debates and discussions about wages in economic sociology cannot be dislodged from analysis of capitalist social relations of production, labour markets and the conditions and relations regulating the sale and purchase of labour power. By extension, studies on statutory wage settings cannot escape analysis of the nature and configuration of low-waged labour markets and the particular labour relations regimes that give rise to low wages. This means, therefore, that it is necessary in a study of statutory wages, to articulate a conception of labour markets in general and

low-waged labour markets in particular, that is able to comprehensively account for the multiple socio-political and economic phenomena shaping the sale and purchase of labour power and wage determination processes. At a broad but fundamental theoretical level, this boils down to the way economic sociology conceptualises the relationship between society and economy, and by implication, the relationship between markets, especially labour markets, and socio-political relations and structures.

Overall concepts of the relationship between society and economy, and markets and social structures and relations, are of immense significance to the way socio-political and economic forces and their relationships to labour markets, employment and labour relations, and wage determination processes, are conceived. Equally important and related to the above, conceptualisation of labour markets and wage-setting processes are fundamental to shaping the narratives and beliefs about wages, social and economic justice, and economic efficiencies and growth, of opponents and supporters of statutory wages. Given the conflicting theories on labour markets and statutory wage setting systems between neoclassical economics and heterodox economics, as pointed out earlier in the chapter, it is necessary for economic sociology to pay careful attention to the question of research methods and the way knowledge on MW is generated which contribute to cogent theories.

This study is anchored in the school of economic sociology that does not view society and economy in discrete and atomised fashion. Instead, as espoused by scholars such as Peck (1992, 2002, 2005), Sayer (1995), Fligstein (1996), Krippner (2001), and Beckert (2007), markets arise through and out of social relations and structures, linking them intrinsically to socio-political and economic phenomena. This concept of markets is different from neoclassical economics as well as the New economic sociology advanced by Granovetter (1985), because they are both theoretically debilitated by an atomised notion of society and economy, since the two spheres are regarded as operating in isolation of each other.

A cogent economic sociology account of statutory wage setting in a rural setting in South Africa, therefore finds affinity with schools of thought that problematise the relationships between society and markets, in spatial and temporal conjunctures, in order to explain markets in general and labour markets in particular as outcomes of socio-economic relations. In this study, it is argued that labour markets are socio-economic and political constructs, borne out clearly in the trajectory in the particular

evolution of the agrarian labour market in South Africa founded upon racial capitalist social relations. To be sure, the agrarian labour market in this study manifests socio-economic and political dynamics operating in the local context.

Now, comprehending the analytical link or relationship between society and economy, which then facilitates conceptualisation of low-waged labour markets in a study of statutory wages, is significantly a methodological matter that needs to be set out at the outset. The orientation of research on statutory wages is critical, given the dominance of neoclassical economics, or as Peck (2005:131) puts it the discipline's "long shadow" over economic sociology. Reinforcing this, Fleetwood (2010:17) comments that "[n]eoclassical, or orthodox, labour economic theory casts a long and damaging shadow over socio-economic theory", broadly.

The "damaging shadow" of neoclassical economics is such that, although New economic sociology arose partly in response and opposition to the asocial notion of markets of the neoclassical economics model, and in part to address the "over-socialised" concept of human agents in the Old economic sociology of Talcott Parsons, it has been criticised for deploying atomism, with the concept of "embeddedness", whereby it is postulated that markets are embedded in social networks and relations. Yet, as Fligstein (1996:656) points out, although embeddedness of markets has spawned a vast body of empirical literature that negates the neoclassical understanding of how markets operate, this empirical evidence does not shed any light on how markets are embedded. In addition, the notion of embeddedness does not shed light on the drivers that produce and sustain markets of all types.

New economic sociology's inability to coherently articulate the relationship between the economy and society, and the socio-political nature of markets, has drawn criticism from various quarters in the social sciences. A growing number of scholars point out that although sociologists have rejected neoclassical explanations of human behaviour and motivation, the discipline has not adequately theorised the relationship between markets and social agency. Instead, critics note that despite New economic sociology's intention to overcome the under- and over-socialised accounts of human agency and markets, the discipline tends to hold an "over-socialised" account of markets where human agencies are passive carriers of social norms, customs and institutional processes. In this frame, sociology broadly following in the tradition of Parsons, economic sociology specifically, and mainstream economics, are similar in that these disciplines share a commonality in the focus on individual behaviour,

personal choices and utility maximising (see Krippner 2001, Peck 2005, Doogan 2009, Fleetwood 2010).

Criticisms of new economic sociology's notion of embeddedness of markets in social structures are launched on a realist methodological plane, as attempts to chart a valid and coherent alternative to neoclassical economics. A well-established realist tradition exists in the fields of labour markets (Peck 1992, 2002, 2005, Sachdev and Wilkinson 1998, Deakin and Wilkinson 2005), industrial relations and labour economics (see Hyman 1987, Lawson 1994, Sayer, 1995, Abbot 1998, Ackroyd and Fleetwood 2000) and in labour process studies (for example Pratten 2000). And, as will become clear in chapters 2 and 3, heterodox works on MW are set in a realist frame typified in the stress on the interplay of institutional arrangements, economic forces and power relations in shaping labour markets.

Entering the debate on developing alternative theories to neoclassical economics with a labour market focus, Fleetwood (2006, 2010) argues that whilst heterodox labour economics and labour market models recognise the methodological flaws of neoclassical economics, there is no clarity and consensus, among heterodox scholars on what an alternative model should look like. In this frame, and in building on the work of heterodox labour economics, Fleetwood (2006, 2010, 2014) argues for a critical realist meta-theory to construct an alternative socio-economic model of labour markets to the neoclassical economic model.

I draw on the works of scholars who use a critical realist foundation to analyse and explain how markets in general and labour markets in particular, are configured and function, and to explain the outcomes of events and phenomena, such as the AMW and the ASD on agrarian labour, in this research. Critical realist orientations are absent in works on the agrarian political economy, the agrarian labour market and in agrarian capital-labour relationships in South Africa. By adopting a critical realist meta-theory, this research, therefore, marks a change to the traditional approaches to research on the South African agrarian political economy, in general and the agrarian labour market in particular.

Critical realism reinforces ontology and the necessity of a philosophical under-labourer for research. Ontology is a query of being or on the existence of entities. It entails a philosophical study of the nature of being or the nature of entities and their varied connections and relations. No researcher can claim to be ontologically free because even if a philosophy of the world is not made explicit, it is implicit in the research

processes. The philosophical underpinnings of research are not trivial because they inform the methods that are used to gain knowledge of a particular object of inquiry. Ontology, then, informs epistemology and the research methods used in knowledge production. Epistemology is concerned with what knowledge is, how it is acquired and the extent to which knowledge of any subject matter may be acquired. Questions of epistemology are critical to the philosophical discourse and analysis of the nature of knowledge and the relations to truth and belief.

In the sections that follow, I present a broad overview of critical realism and some of its critical elements that inform the conception and design of research on statutory wages in general and the AMW in particular. The presentation opens with an outline of the weaknesses in positivism and constructionism – the two well-established research traditions.

1.2.1 Limitations of Positivism and Constructionism

It is not necessary to provide a detailed discussion on the different research traditions and philosophies of science, in this study. It suffices to present a broad outline of the major criticisms levelled against positivism and constructionists in demonstrating the significance of a critical realist frame to this study. The term critical realism combines Roy Bhaskar's (1989:190) general philosophy of science ('transcendental realism') and his specific philosophy of the human sciences ('critical naturalism'). Critical realism transcends the dichotomy between two broad and established philosophical traditions – that of classical empiricism and transcendental idealism (Abbot 1998:15), also referred to as the bifurcation between naturalism and anti-naturalism (Pawson 1989:4) or between modernism and post-modernism (Ackroyd and Fleetwood 2005).

The dichotomy reflects the differences between Humean and Kantian philosophical approaches to research and knowledge generation. The former is associated with classical empiricism, naturalism and positivism, while the latter encompasses transcendental idealism, anti-naturalism and constructivism. Based on a Humean philosophy of science, positivism regards the objects of social inquiry as atomistic events and maintains that science involves the study of the constant conjunction of events. Constructionism, based on Kantian philosophy of science, maintains that the objects of scientific knowledge are ideas, meanings, and interpretations of events or phenomena.

The methodological flaws of neoclassical economics will be dealt with in chapter 2 when I discuss the model's understanding of labour markets and wages. For the discussion now, it will suffice to note that the methodological underpinnings of neoclassical economics lie in positivism and a Humean theory of causation. As mentioned above, the Humean philosophy of science holds that scientific inquiry concerns the study of constant conjunction of atomised and discrete events. In this approach, the scientific techniques for the natural world apply equally to the social world. Knowledge is acquired through sensory experiences and comprises the observation of disparate and atomistic events. For knowledge to be systematic, scientific and to be generalised, there has to be patterns and regularities in the occurrence of events. Knowledge is possible and useful only if there are event regularities and constant conjunctions of events such as event A is followed by event B (see Abbot 1998, Ackroyd and Fleetwood 2005, Pratten 2000, Fleetwood 2010).

Positivists seek to establish laws formulated through experiments and statistical modelling from where they proceed to make generalisations. Once the general propositions are identified they can be amassed to draw "conclusions to be deduced or predicted from a set of initial conditions and law-like statements" (Ackroyd and Fleetwood 2000:7). Measurement is regarded as the trait of scientific research and numerical data is both the "source and testbed of scientific laws" (Pawson 1989:4). In this scientific approach, numbers, statistical formulations and mathematical calculations have come to gain prominence and eminence in data gathering, which are then used to support theories.

In contrast, transcendental idealism associated with constructionism regards the ideational dimension and hermeneutic as the objects of scientific knowledge. These approaches, rooted in Kantian philosophy hold that the primary concern in a scientific quest is with the individual, discourse and meaning. In countering the positivist notion of the world, in constructionist thought the world is a social construction placing emphasis on discourse and meaning. In constructionist thinking, society and its institutions are constructed discursively through individual meaning, making science and knowledge production purely discursive actions. A constructionist ontology is based on the presumption that the world is an exclusively social construct or is determined by concepts humans ascribe to it. Whilst the positivist emphasises the importance of reliable and justifiable data combined with statistical modelling and calculations, to the neglect of actions and experiences of human agency, the constructionist believes that measurements and experiments are not relevant tools for

producing social knowledge and that what really matters is comprehension of human action and their meaning.

Bhaskar criticises both positivism and hermeneutic models (idealism and post-modernism) for reducing ontology to epistemology where the objects of scientific knowledge remain entrenched in and confined to the empirical world. The weaknesses of positivism, according to Bhaskar (1979:157), find their antithesis in the strengths of idealism (and vice versa):

Whereas positivism, grounded in the epistemological datum of the experience of the social scientific subject, producing some concept of the generality of its object, but at the price of rendering social activity quite unlike science; while hermeneutics, grounded in the ontological notion of the conceptuality of the object of social scientific understanding, manages to partially reconstitute the experience of subjects in society, but at the price of rendering social activity insusceptible to science. For the positivist science is outside society; for the hermeneuticist society is outside science.

In contrast to positivism and hermeneutic models to the study of social phenomena, critical realism attempts to move beyond an analysis of their immediate and observable manifestations in the empirical world, to seek out their causal mechanisms in deeper realms of society. Some of the key components of critical realism for a comprehensive and nuanced study of the AMW are outlined below.

1.2.2 Critical Realism

The central tenets of critical realism of relevance to this research are (a) stratified ontology and the search for generative mechanisms of events, (b) objects of social inquiry occur in open systems, (c) the transformational model of social activity, and (d) explanatory powers and explanatory critique.

1.2.2.1 Stratified ontology and the search for generative mechanisms of events

A key distinguishing feature of critical realism setting it apart from positivism and constructionism is a stratified or layered ontological position of the social world, comprising three layers depicted in Table 1.1:1) the empirical, consisting of experiences, perceptions and impressions of events; (2) the actual, consisting of events, entities, and/or states of affairs; and (3) the real, consisting of causal powers, enduring structures, generative mechanisms and their tendencies (Bhaskar 2008:2-3).

Table 1.1: Three domains of reality

	Domain of <i>Real</i>	Domain of <i>Actual</i>	Domain of <i>Empirical</i>
Experiences	✓		
Events	✓	✓	
Mechanism	✓	✓	✓

Source: Bhaskar (2008:2).

Stratification, according to Fleetwood (2014:126), refers to “a distinction between what is empirically observed, what actually occurs and what causes that which occurs and is observed”. The domain of the real comprises of the mechanisms that produce the events and the experiences that can be observed or explored through research or inquiry. In contrast, an empiricist ontology held by positivism, and constructionism translates to a flat ontology of the world. Research founded on a flat ontology, merges the different domains and equates mechanisms and structures with events and the experiences of such events. The consequence of a flat ontology is an empiricist epistemology.

An empiricist epistemology prioritises sensory experiences and evidence in the formation of ideas. In this model, knowledge of reality is only possible through sense experience. So, knowledge of the world is reduced to knowledge about what can be perceived. As such, knowledge of what exists is collapsed or conflated into the knowledge process itself, with questions about what there is (ontological questions) being reduced to questions about what can be known (epistemic questions). Bhaskar (1978:36) calls this the epistemic fallacy and defines it as “the view that statements about being can be reduced to or analysed in terms of statements about knowledge”.

For research based on critical realism it does not suffice to gather, record and describe observable empirical data or capture agencies’ experiences of events and the meanings they attach to them; rather the scientific quest is to go beyond the domains of the empirical and actual to focus on the domain of the real where generative mechanisms reside in structures. The objective of science is to move from the observable events, processes and experiences found in the empirical and actual domains to the domain of the real to uncover and explain the underlying causes or generative mechanisms that are responsible for the occurrence of events manifesting in the empirical domain. The objects for scientific inquiry in the domain of the real are unperceivable in character and must be excavated through appropriate methods to make them intelligible.

By adopting critical realist as my meta-theory, the research process was directed (a) towards seeking out the casual mechanisms in the agrarian labour market that gave rise to poverty wages, and the establishment of statutory wage fixing processes; (b) to provide explanations of the uneven at times contradictory socio-economic and political outcomes of the ASD and AMW for agrarian labour; and (c) to contribute towards developing explanatory power and criticisms of theories on the AMW and local agrarian labour markets, that in turn may contribute to building emancipatory thought and action pertaining to and involving low-waged agrarian workers and the work they undertake.

In contrast to positivism and constructionism, my research on the AMW, attempts to account for and reflect upon the interconnections and relations between agrarian labour and accompanying socio-political and economic relations and structures. Unlike the atomised version of social events in the positivist neoclassical economics model, which attributes wage determinations to pristine and natural laws of supply and demand, I use a critical realist meta-theory, combined with Marx's analysis of capitalist social relations, to argue that wages are socio-politically and not only economically determined. For constructionists, wages are social constructs arising through subjective relations and forces, outside of objective and material structures. In contrast to the hermeneutic thrust of constructionists, I argue that wages are set by a complex and intricate fusion of objective and material and subjective and socio-political forces, prevailing in spatial and temporal conjunctures.

Using a critical realist perspective, I argue that the South African AMW, as an event, stems from deeper lying structures and mechanisms, and from workers' experiences of and relations in the labour market and in agricultural labour processes. Based on a stratified ontology provided by critical realism, questions are posed in this research about the nature of the South African agrarian political economy and its labour market that warrant the introduction of the MW. In other words, the question here is what conditions in the agrarian political economy in South Africa existed that encouraged the advent of the MW? From this question flow others that stimulate an interest and search for the underlying mechanisms and casual powers that create such a phenomenon and the various outcomes that unfold. This research then attempts to go beyond the domains of the empirical and actual and the immediately observable impact on workers (low wages, inequalities in bargaining power, secondary and segmented labour market conditions, etc.) to locate the generative mechanisms that

produced the MW and to explain the differentiated and uneven outcomes on agrarian labour.

1.2.2.2 Objects of social inquiry occur in open systems

To comprehend the uneven, contradictory, and mixed outcomes of the ASD and the AMW, the second tenet of critical realism mentioned earlier becomes vital, and that is the open nature of the social world and the implications for research. The objects of inquiry of sociology and its various strands are found in the social world which is an open system where constant conjunctions and event regularities are rarely found. In critical realism closed systems prevail when both the intrinsic and extrinsic conditions are met to produce constant conjunctions of events (see Sayer 2010:82-84)². The openness of the social world, unlike the artificially produced closed system of an experiment, stems from the existence of a variety of mechanisms that operate at the domain of the real and actual to conjointly bring about events and stimulate variegated experiences and outcomes.

Critical realists maintain that the atomised idea of events in the world and the deployment of laws in constant conjunctions that establish event regularity, merely force closure onto the social world. As will become clear in chapter 2, the neoclassical economic model has been criticised by critical realist heterodox labour economists for treating the labour market and employment relations as closed systems regulated by the laws of supply and demand. “These laws” writes Fleetwood (2010:21-22) “... not only presuppose a simple cause–effect relation between wages and quantities of labour services, but they also presuppose the labour market to be a closed system” (see also Sayer 2010:123). The laws are treated as event regularities or constant conjunctions of events.

A critical realist approach to the study of statutory wage setting is distinguished from neoclassical economics’ notion of a covering law of labour demand and supply which forces closure on labour markets, thereby preventing the search for the role that multiple socio-political forces play in shaping the sale and purchase of labour power. Similarly, in constructionism, since wages may only be understood discursively, social

² In the natural sciences the objects of inquiry may exist in a naturally closed system, for example, the “solar system”, or a closed system may be reproduced in an experiment, where the intention is to create the intrinsic and extrinsic conditions of closure so that event regularities are produced. However, not all natural sciences deal with objects of inquiry that occur in naturally closed systems. Most closed systems of scientific significance occur in artificial and contrived settings (Sayer 2010:83).

inquiry is confined to meaning and human constructs of wages, thereby calling off the search for wider and broader mechanisms in the domain of the deep, that shape wage setting process.

In open systems of the social world the scientific task, especially for sociology, is to identify not only the generative mechanisms but, to also assess the relations between processes, events, structures and the various outcomes as opposed to only seeking for regularities in the patterns and constant conjunctures of events, or confining science to ideas and meaning. Critical realism steers away from the atomistic ideas of society that implies that knowledge of society can be reduced to knowledge of people. Instead, critical realism offers a relational alternative to atomistic models of society, thereby emphasising the fact that our social acts presuppose relations of various kinds – one is an employee only because of one's relation to an employer, and so on. In building a relational concept for social science, Bhaskar draws attention to the relational composition in Marxist realist method to analyse capitalist relations of production, which, as depicted in Table 1.2, contrasts with utilitarianism, Weberian and Durkheimian approaches.

Table 1.2: Four tendencies in social thought

Approach	Method	Object
Utilitarianism	Empiricist	Individualist
Weberian	Neo-Kantian	Individualist
Durkheimian	Empiricist	Collectivist
Marxian	Realist	Relational

Source: Bhaskar (1979:39).

As will be discussed in chapter 2, for Marx society is not only a sum of individuals, but also comprises the totality of positions and social relations in which these individuals stand. Hence for Marx, capitalism is not just a thing, but arises through particular socio-political relations in spatial and historical contexts. Based on a relational concept of thought, in critical realism social phenomena are not things but relations. This is especially important for research and social theory in sociology. As Bhaskar (1989b:28-9) writes:

Sociology is not concerned, as such, with large-scale, mass or group behaviour (conceived as the behaviour of large numbers, masses or groups of individuals). Rather it is concerned, at least paradigmatically, with the persistent *relations*

between individuals (and groups), and with the relations between these relations (and between such relations and nature and the products of such relations).

A sociological study of a MW based on a critical realist meta-theory has more affinity with Marxism and a relational approach. Neoclassical economics research on the MW has been criticised for methodological individualism. In this light, critical realism provides the conceptual frame to seek for the necessary connections and relations in the agrarian labour market in South Africa that prompted statutory wages after the demise of apartheid, and to explain the type of outcomes it had for workers in the sample.

1.2.2.3 The transformational model of social activity

To understand the outcomes of the AMW and ASD on agrarian employment and labour relations, and on workers' social reproduction, the transformational model of social activity (TMSA) becomes invaluable for enhancing understanding and explanation of the relationship between agency and structures, and how structures can aid and constrain human agency. For Bhaskar, structure and agency, ontologically speaking, are different "things". The TMSA is a core element of the social ontology of critical realism, which captures social actions as conditioned and contextualised in spatial and temporal contexts. The TMSA, therefore, becomes essential to a radical political economy perspective of the MW, on two levels viz – one, at the level of understanding how structures constrain and aid action and change in low-waged employment and labour relations, and two, at the level of developing explanatory strength and capabilities of statutory wage theories, that in turn illuminate the relationship between wages in general and statutory wages in particular to wider questions of socio-economic and political justice.

A realist ontology maintains that society is a composite of "structures, practices and conventions" that pre-date human agency. As Bhaskar (1989:36) elaborates:

[P]eople do not create society. For it always pre-exists them and is a necessary condition for their activity. Rather society must be regarded as an ensemble of structures, practices and conventions which individuals reproduce and transform, but which would not exist unless they did so. Society does not exist independently of human activity (the error of reification). But it is not the product of it (the error of voluntarism).

The TMSA has been amplified by the thoughts of Margret Archer's morphostatic-morphogenetic approach to articulate the agency-structure relationship, which has

significance for the conceptualisation of labour markets. The basis of the morphostatic-morphogenetic approach is succinctly summarised by Fleetwood (2010:19) who draws on Archer's model to forge a socio-economic model of the labour market based on a critical realist meta-theory. The basis of this approach is the understanding that "agents and structures, or agents and socio-economic phenomena, are different kinds of things that are separated in time".

Workers and employers, as social agents, are born into a social world that pre-exists them, a world replete with socio-economic phenomena, such as race and gender relations, class divisions and cultural variations, technical level and composition of production, production techniques and distribution networks, and the like. They did not produce these phenomena and the structures and institutional arrangements that arise, but in order to act, in labour markets and labour processes, they have no option but to engage with them or draw upon them. By drawing upon them, they either reproduce them (hence morphostasis, or transform them, hence morphogenesis). Moreover, as they reproduce or transform these socio-economic phenomena, they simultaneously reproduce or transform themselves as agents. Via this process both the social phenomena and these agents continue to exist into the next period.

The TMSA accords with Marx's understanding of the relations between human agency and social structures:

Make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living (cited in McLellan 1977:300).

The TMSA accounts for the fact that in our interaction with society we act as both its effects and its causes. To capture this insight of the effects/causes of agency, Bhaskar (1979:51) speaks of the need to develop "a system of mediating concepts" to delineate "point of contact' between human agency and social structures". This mediating system that Bhaskar offers is that of the positions occupied by individuals, and of the practices that arise through their occupancy of these positions (and vice versa), they engage. To illustrate, African agrarian labour and White agrarian capital as agencies hold, particular positions in the agrarian labour market, and agrarian labour processes in South Africa, that give rise to particular employment and labour relations, that regulate waged-labour and wage settings. The relations with which the social sciences are concerned must therefore be conceptualised as holding between the positions and

practices (“positioned-practices”), not between the individuals who occupy or engage in them. This relational model does not imply that irreducibly social entities require individuals to sacrifice their individuality. Rather it suggests that one is a worker only because of one’s relation to an employer or a property-owner by virtue of one’s relations to non-owners. In other words, our social acts presuppose relations.

1.2.2.4 Explanatory power and explanatory critique

The epistemological challenge for critical realist research does not stem from the necessarily unperceivable character of the objects of social scientific inquiry, but rather by the fact that they “only ever manifest themselves in open systems; that is, in systems where invariant empirical regularities do not obtain” (Bhaskar 1979:57). Unlike in the natural sciences, where validation of theories is based on predictive power in closed systems, in the social sciences it can only be grounded on explanatory power in open systems (Bhaskar 1979:58). Explanatory power is grounded in a stratified ontological position. Hence, critical realism exposes the ontological weakness in its critique of the Humean deductive-nomological and the Popper-Hempel models of explanation (see Lawson 1995, Pratten 2007, Wuisman 2005).

In the deductive model of explanation, the phenomenon to be explained, or explanandum, is extrapolated from a set of conditions combined with universal, covering laws as in ‘if X, then Y’ (mentioned above). So, in the deductive model, explanation and prediction amount to the same thing (Pratten 2007:193) – as Sayer (2010:88) puts it: “explanations can serve as predictions and predictions as explanations”. The symmetry held between predictions and explanations in deductivism holds that if the way a phenomenon works can be explained then we can make predictions on how it behaves. For critical realism, to explain a phenomenon does not entail mere deduction or induction of it, but through retrodution. To pursue casual explanation requires inference that “takes us behind surface phenomena to their causes, or more generally from phenomena lying at one level to causes lying at a different, deeper one. This is retrodution...” (Pratten 2007:195, see also Wuisman 2005:367). The absence of event regularities and constant conjunctions of closed systems in the field of sociology means that theories cannot be confirmed or rejected based on predictive powers; rather theories must be assessed on the basis of their explanatory powers.

The essence of the TMSA is to articulate the complex relationship between

humans/social agents and structures. This approach has enormous importance for heterodox works that associate social protection in labour markets to questions of socio-economic justice and economic efficiencies, because it provides rich insights into the possibilities of human emancipation and transformation in regard to changing actions (and structures) that perpetuate inequalities, oppression and discrimination. A critical realist will, therefore, hold that the role of the social sciences is to lay out the structural conditions for various forms of conscious action, for example paying low wages, autocratic and submissive behaviour, and the like. As such, critical realism is fundamentally concerned with demystifying, and in turn emancipating through the act of reflecting on established practices leading to either an acceptance or rejection of concepts, discourses and models pertaining to social phenomena.

Critical realism encourages researchers to seek the relational nature of the social world, which unlike the natural world requires the action of human agencies to exist; it is only through human action that the social world can exist. The TMSA is grounded in the understanding that social structures are open to change or transformation by virtue of human agency making them relatively enduring (see Lawson 1994:190, Sayer 2010:81). Social actions are intentional in that they are informed by social agents' beliefs and concepts of the world. Social actions and structures therefore depend on what and how agents think of their actions and the structures they are acting within and upon. On this concept the possibility for emancipatory critique emerges with clarity (see Lawson 1994:191).

For social scientists pursuing emancipatory critique the essential ideas are those about the characteristics of societies or social phenomena, for example poverty, low wages, and inequalities. In the neoclassical economic model, in particular its branch – the human capital logic, the causes of low wages are attributed to the character traits of low waged workers. Ultimately, the presupposition of closure onto the social world with the belief in the Humean law of event regularities stifles discourse of and dims the possibilities for human emancipation in the context of inequalities, discrimination and poverty. Bhaskar (1979:32) is clear of the emancipatory capacity of social science as lying in the power of explanation, in the following:

It is through the capacity of social science to illuminate such relations that it may come to be 'emancipatory'. But the emancipatory potential of social science is contingent upon, and entirely a consequence of, its contextual explanatory power.

The emancipatory power of theories resides in their explanatory critique. A good example of explanatory critique that Bhaskar draws on is Marx's analysis of wage-labour and wages (see also Collier 1994:172-3). In addition, Pratten (2000) reflects on the compatibility between Marx's method of analysis of the capitalist labour process and critical realism. The power of Marx's penetrative realist approach to analysing the concept of wages, as an outcome of particular power relations in historical time, over that of the classical political economists and neoclassical economists becomes clear in chapter 2. The institution of waged-labour, therefore, serves a twin function in that it produces false beliefs about the phenomenon and protects itself from workers' revolting against the system. By exposing the truth behind wages, Marx criticised the capitalist system and in so doing advocated for an overthrow of the capitalist system and the emancipation of workers from waged-labour.

Colliers' (1994:173) points to the "functional" relationship that false beliefs and institutions about them have, in that false beliefs maintain the institutions that produce them. Oppressive and exploitative social structures having widespread impact on population groups may only exist through false beliefs. So, in social science, research and the search for truth involves both criticising and transforming false beliefs that produce and perpetuate oppression and exploitation. Explanatory critique de-clutters thinking about the causes of events and phenomena, stimulating the use of cognitive resources that seek to dispel false beliefs and the institutional fabric that protects them, and is emancipatory in orientation (see Pratten 2007:195, Lacey 2007:196, Sayer 2010:26-29, Lacey 2002, Lacy 2007:197).

Human agents have the potential to engage in transformative practice, within specific limitations informed by pre-existing structures, which are both enabling and constraining. Our ability and power to effect transformative practices lies in "self-reflection" which Sayer (2010:9) sees as a way of changing "our object" through the act of "thinking about ourselves". In extending this logic, Sayer (2010:9) writes that the quest for truth,

the attempt to rid social knowledge of illusion, puts reflective, examined knowledge into a critical relationship with false beliefs and their effects in society. In this sense the role of social science and perhaps also the humanities may be critical, therapeutic and even emancipatory. For example, arguments about the meaning of masculinity and femininity, about the nature of economic recession or about international politics don't take place outside society as competing external descriptions: they are part of the social process itself.

Sayer's insights on truth and social scientific research resonates with this study as it explores the significance and implication of the AMW and the ASD on agrarian labour, in the context of class, racial, and gender discriminatory practices in the agrarian labour market. The key tenets of critical realism, set out above, facilitate endeavours that seek to rid theories and narratives of statutory wages and low-waged sectors of false beliefs and illusions, by striving to explain conditions that shape wage settings that in turn tell us why and how MW settings come to exist. The overview of critical realist ontology draws to a close here. A detailed presentation of the research design, sampling and data collection methods is contained in chapter 6 to overlap with the discussion on the local agrarian labour market in the Eastern Cape.

Below, I provide an overview of the chapters in the thesis and highlight the influence of critical realism in informing the conceptual framework and research design of this study.

1.3 OUTLINE OF THE THESIS

A critical realist ontology not only requires that research on the AMW and the ASD explain events and phenomena shaping wages, it also, as may be gleaned, provides researchers with the tools to assess the explanatory power of wage theories, statutory wages, and labour markets to enable economic sociology's task in forging appropriate conceptual frames and research designs on MW. The emergence and progression of capitalism and waged labour stimulated different conceptions and theories of markets in general and labour markets in particular, labour as a commodity and the determination of wages. Debates and discussions on wages have a long history beginning with classical political economy. Hence, discussion on MW cannot ignore the writings of the classical political economists, in particular Adam Smith and David Ricardo, and the radical perspective provided by Marx. For both the classical economists and Marx, wages played a pivotal role in capitalist production, consumption and social reproduction. A worthwhile study of statutory wages, therefore, has to be sensitive to the forces and relations of production and social reproduction of labour.

Chapter 2 details the theoretical foundations of classical political economy, neoclassical economics, Marx, segmentation labour market models, and institutional economics, with respect to the configuration of the labour market and the sale and purchase of labour power. Classical political economy of Adam Smith and David

Ricardo and Marx's radical political economy saw capitalism, labour and wages in different ways from that of neoclassical economics and its various strands. These theorists grappled with the complexities of capitalist development with Smith, Ricardo and Thomas Malthus paying particular attention to the conditions that sustain the system, and in Marx's project what would lead to its demise. Wages were closely linked to questions of subsistence and standards of living necessary for the reproduction of the working class and the capitalist order. In this sense, the neoclassical theory of wages is a dramatic departure from the notion of the subsistence wage. The explanatory power of Marx's thoughts on wages over those of classical political economics and neoclassical economics is highlighted, in an attempt to demonstrate the strength of a Marxist approach to MW studies for economic sociology, central to which is the need to qualify statutory wages based on the distinction between the value of labour power and the value of labour.

The MW has a long history of struggle that began with the shift from the political economy conception of the subsistence and living wage to the neoclassical construct of wages as price reflecting the forces of supply and demand. The shift as will become clear in the first section of chapter 2 had profound implications for the relationship between wages and the means of subsistence and social reproduction of labour. If we are to truly understand how wages are set and why there are strong views for and against statutory wage setting, we need to go back to trace the historical course the debate on wages assumed. The struggle for the setting of MW legislation reflects the tensions and conflicts about the very definition of wages, its relationship to economic production, and the way labour markets are conceived in theories.

A discussion on wage theory and statutory wages cannot escape a discussion on theories of the labour market. In this respect, in chapter 2 I also compare neoclassical economics model of the labour market on which the model bases its negative assumptions on statutory wages, with heterodox labour market models, in particular labour market segmentation theories and institutional economics, which invariably hold positive views on statutory wage setting. In many respects, sociology has a close alliance with heterodox approaches to labour markets having nothing in common with neoclassical economics. The affinity with the former lies with the conceptualisation of labour markets as socio-economic constructs, and the significance of statutory wages in eroding unequal relations between workers and employers in wage determinations thereby weakening the structural forces perpetuating low wages. Labour market

segmentation theory in particular provides a formidable challenge to neoclassical theory presenting a viable alternative.

The Cambridge School developed the productive systems theory to elaborate on the significance of labour market regulations and the MW in combatting low wages and steering businesses towards new and innovative strategies in product markets on the one hand and developing co-operative relations between workers and employers on the other hand. Mechanisms such as MW policies that raise wage levels above the prevailing low market rates are crucial in this framework for the effective operation of labour markets. Similar perspectives are held by institutional economics on the composition of labour markets and the desirability of mandatory wage fixing systems. Heterodox works look for reasons that produce low-wages in the relations and conditions configuring low-waged labour markets and widen thinking on statutory wages to include issues around the social devaluation of low waged work, inequalities in bargaining power of low-waged workers, and economic inefficiencies and dysfunctionalities of low-waged labour markets. Based on the conceptual frames of wages and labour markets, heterodox labour economics link statutory wages centrally to issues of social justice and democracy, thereby providing economic sociology with a solid platform to embark on and deepen research and exploration on low-waged sectors and statutory wage setting. Having established the theoretical and conceptual strengths of heterodox labour economics broadly for this study on the AMW, I proceed to outline the applied research on MW to show the scope and points of interest in the existing research, in chapter 3.

The differences in the theory of the MW and labour markets, between neoclassical economics and heterodox models, manifest in the differences in the scope and research agenda on the impact. Neoclassical economics, as pointed out earlier, relies on abstract models and deductive techniques to predict supply and demand in labour markets and the impact of MW, in particular. Subsequently, the research agenda and scope are confined to the economic sphere, specifically employment losses with no account of the influences social and political forces have on the actions of labour market agents. As will be argued, the neoclassical model isolates the MW from the socio-political and historical contexts in which they arise reinforcing the narrow focus on and preoccupation with statistical modelling and mathematical calculations to study what is fundamentally a socio-economic and political phenomenon. In the heterodox tradition, the socio-economic and political significance of a MW is accepted hence the research focus is on explaining the occasioning and outcomes of wage fixing methods.

In attempting to explain labour markets and wage settings, heterodox applied researchers use various methods to gather qualitative data that shed light on causes. As such case studies, interviews, questionnaires, etc., are used in the heterodox labour economics tradition to gather empirical data on labour market outcomes in the context of MW. The research focus in heterodox works is wider than the narrow neoclassical economics' focus on employment levels and shifts in the context of a MW. Heterodox works incorporate an examination of outcomes on low-waged enterprises' employment, business and labour relations strategies. Whilst heterodox approaches to the MW provide rich and deep insights on the configuration of labour markets and the necessity of labour standards, the focus is mostly western based, in small firms located in urban areas. Further, the emphasis in heterodox works tends to be on the impact of a MW on employment practices of companies, wage movements and employment levels. By and large, the focus of attention in heterodox economics is firm – or employer-centric.

Subsequently, there exists a dearth in information on the outcomes of a MW on other pertinent areas of low waged capitalist economies in particular the forces and relations of production, the social reproduction of workers and labour's mobilisation and organisational capacity. These, I argue, are essential areas of inquiry and scrutiny for a comprehensive understanding of the significance and role that statutory wages may or may not have in changing work and wages. Unlike the existing heterodox economics research focus, I place labour at the centre of focus, which stimulated my interest in jointly assessing conditions and states of agrarian labour at the sites of production and social reproduction. I therefore, set out six dimensions of vital importance to developing a political economy perspective of the AMW in chapter 3, viz. a) the structure and composition of production, b) the labour market, c) product market conditions facing low-waged sectors and enterprises, including how such work-sites connect to others in particular value chains, d) the labour relations regime, e) social reproduction agrarian labour, and f) labour and valorisation processes.

In this frame, three important aspects of agrarian work under capitalist production processes, therefore, feature in this study – one is the nature of the local labour market, the second is the type/s of labour and valorisation processes, and the third is the capital-labour dynamic in the research sites. In the MW literature, as will be shown in chapter 3, the labour market and industrial relations tend to command much attention, to the neglect of problematising how vital labour process concerns, such as

the social regulation of labour and more specifically the valorisation process, may impede and aid changes and continuities in the way production and labour are organised, managed and controlled. By focussing on labour and valorisation processes this study contributes to strengthening the discourse and research agenda on the forces and relations that aid and impede the potential outcomes of statutory wages that anti- and pro- MW researchers hold.

The intention in chapters 2 and 3 is to set out the conceptual and theoretical approach I adopt in conducting research on the AMW in the Eastern Cape. It also means that an essential aspect of the engagement with the AMW, is assessing the extent to which (a) the negative employment outcomes of statutory wages, made by neoclassical economics, materialised, and (b) statutory wage setting acted as a conversion factor, stimulating migration from low-road to high-road approaches in low-waged agrarian work-places, in the sample, as purported by heterodox labour market models.

In chapters 4 and 5, I set out the national or macro context of agrarian production, the agrarian labour market and the labour relations regime that emerged in South Africa to create and institutionalise wages so low as to promote state intervention. In so doing, I set out the first four dimensions, outlined above for a political economy outlook on the AMW, at a national level. In these two chapters, I analytically combine the structure and composition of agrarian production and the subjective and social relations linked to the exchange of labour power, to refer to the totality of the low-waged agrarian labour market, which mirrors in the local agrarian labour market in my study.

What are the features that make up this totality in the agrarian labour market in South Africa? At a broad level the totality of the low-waged labour market refers to a set of secondary and segmented conditions in the local labour market that include the following characteristics: (a) confined labour market participation to the agricultural sector because of the absence of alternative employment opportunities combined with the low skills base of agricultural work; (b) forces of production that demand menial and semi-skilled workers due to the nature of work; (c) social relations of production founded on an authoritarian labour relations regime combined with varying degrees of informality/formality; (d) inequalities in agrarian capital-labour bargaining power stemming from the absence of collective bargaining and robust worker organisations; and (e) a crisis at the level of the expanded social reproduction and level/quality of subsistence of agrarian labour.

In chapter 4, I argue that the objective or material structure and composition of agrarian production, shaping employment and labour demand, and the structure and composition of the agrarian labour market, sowed the seeds for the development of low wages. I argue that material features in the structure and composition of agrarian production shape the nature of work and the type of employment on offer in the local labour market. The demand side of the labour market, therefore, plays a role in configuring labour markets as much as the supply side factors and labour regulation.

Chapter 4 portrays the largely secondary and segmented labour market conditions in the sector at a national level, reflected in the nature and type of employment. Given the concerns about employment levels and statutory wages, I attempt to problematise agrarian employment shifts in the historical context of job losses before the advent of the AMW and against employment patterns in other sectors of the economy. I engage with agrarian employment in relation to employment in other sectors to show that labour shedding and job creation in the agrarian sector are no more unusual or extraordinary than in other economic sectors. On this basis, I argue that monitoring employment levels is not the only significance to a statutory wage study. Instead, of more importance to an understanding of statutory wage settings, is the nature and composition of employment and the outcomes for low-waged agrarian labour.

I argue that the totality of the low waged agrarian labour markets at national and local levels are shaped by a combination of global, national and local forces and power relations in product markets or commodity value chains. On this basis, I argue in line with heterodox MW scholars, that the search for the causal mechanisms of secondary and segmented conditions and low wages in the agrarian sector must include the demand side factors as well as the structure and distribution of power in the sector's relations with upstream and downstream networks.

It is essential for economic sociology to comprehend the advent of statutory wage fixing in the context of post-apartheid uneven neoliberalising processes. Market constraining strategies in the agrarian labour markets typified in labour laws and MW setting, alongside market disciplining strategies in liberalised agricultural product markets, are not unusual or peculiar to the South Africa context. In sync with global trends, regulations in the South African agricultural labour market protecting workers from the arbitrary power of employers in the setting of wages and working conditions, fell into step with international conventions, agreements, and protocols. Similarly, the removal of protective market measures, tax concessions and state subsidies, among

others, applied to other countries in varying degrees. In this light, it can be argued that uneven neoliberal regulatory shifts in the South African agrarian sector are the outcomes of national and international factors and pressures which created the conditions favourable for capitalist production and valorisation, in a post-apartheid political era.

In chapter 5, the socio-political forces and conditions that contributed to the totality of the low-waged agrarian labour in South Africa are traced with emphasis on the profound power imbalances in the agrarian capital-labour relationship. A historical trace of the political engineering of the agrarian labour market in South Africa, dispels the neoclassical economics' assumptions on the operations of labour markets and how wages are set. Instead, a historical reflection using a Marxist lens facilitates a deeper appreciation of the intricate links of class, race and gender relations in the development of the agrarian political economy. The chapter provides a glimpse of the secondary, segmented and sweated nature of the agrarian labour market prior to the extension of labour laws to the sector and the advent of the MW. A reflection on the rationale and processes to set up statutory wages is undertaken, where I argue that whilst motivations for statutory wages are set broadly within a heterodox frame, the setting of the actual MW rate is set in terms of a fundamentally neoclassical low-waged doctrine. Wages before and after the AMW are profiled that show a rise in actual wages after wages became binding, alongside wage inertia and an overall devaluation in agrarian wages. I discuss agrarian wages in relation to wage levels of workers in other sectors as well as against the growing gap in wage and income inequalities in the country. By doing so I show the extent of low wages in the country, where agrarian wages feature as the lowest of all goods producing sectors. I argue in the tradition of heterodox MW scholars that statutory wages become significant in contexts such as South Africa where wage and income inequalities are among the highest in the world.

The balance of forces between workers and employers is highlighted after the AMW came into effect which shows the lack of profound changes typified in low rates of worker action and mobilisation around work-place disputes. Whilst agrarian mobilisation and worker voice in the work-place are low, compared to the level of worker action in other sectors, I argue that labour law protections generally provide workers with a platform to mobilise and express discontent over low wages, as exemplified in the De Doorns farm worker strike in 2012. I show that on the one hand the revolt brought to light workers' capacity to exert agency, in an overall context of deep-seated inequalities in the employment relationship. On the other hand, the power

that agrarian capital wields over agrarian labour and their supporters, is reflected in their ability to drive the wage settlement. Hence, I argue that actual wage settings in the sector are locked in a low-waged doctrine that is reinforced by the low-wage AMW settings.

Drawing on the ideas of heterodox labour economists, I argue in chapter 4 and 5 that the material and objective conditions of agrarian production and the socio-political relations and conditions in the agrarian labour market, reflect the socially devalued status of agrarian work and workers when the levels of agrarian wages are considered. Agrarian work and its labour's contribution to value chains and to food security are devalued by the low wages in the sector. One attempt in this study is therefore to contribute to research agendas on the MW that seek to undo the current devalued status of agrarian workers and their contribution to labour and valorisation processes along commodity value chains, and their contribution to food security across the globe.

In chapter 6, I shift focus to the Eastern Cape, hence the meso level of the study, where I provide a synopsis of the state of development and agrarian production in the province. This chapter deals with the first three dimensions, outlined earlier, which I use to develop a political economy of the AMW, for the meso level. I attempt to project the centrality of agrarian production to employment in a largely rural and poverty-ridden province with limited manufacturing capacity. Chapter 6 provides a sketch of the variegated nature of agrarian production in the province which has a diverse range of animal husbandry and horticultural sub-sectors that are unevenly connected to global markets in importing and exporting capacities. As the chapter shows, the Eastern Cape contains several strategic agricultural enterprises, including livestock, wool and mohair production, dairy, game farms, vegetables, citrus, and pineapples. These sub-sectors form part of my research sample with livestock and citrus as anchor sub-sectors, hence the chapter provides important information on the types of enterprises in the local context and their variegated product market conditions. Following the profile of the agricultural sub-sectors, I present my research design and sample, and introduce the participants who were interviewed. I used both qualitative and quantitative data collection methods to gather empirical data, which are all explained in chapter 6.

Nonetheless, I pose questions about the significance of economic data on volume of production, trade outcomes and import and export results, prices of commodities, total income and expenditure, and the like, for statutory wage setting and actual wages. It

is not only necessary to explore how the economic data can be used to shed light on the returns to agrarian labour and others along value chains. The variegated market conditions raise a point of interest about actual wages; specifically, if actual wages vary across sub-sectors to reflect product market differentiations. An additional point of interest, dealt with chapter 7, to emanate from the data on the variegated nature of agrarian production, is that of the nature of employment on offer in the local labour market and the labour absorption patterns of sampled workers.

Chapter 7 deals with a range of employment issues in the sample and by doing so moves the attention to the local context of the labour market in this research. In so doing, chapter 7 adds to the second dimension of a political economy perspective of the AMW which is the labour market, at a local level. My primary concern in the chapter is with understanding employment patterns and trends for workers in the sample in the context of the AMW. I present and analyse the empirical data I generated through this research, on the nature and forms of agrarian workers' labour market participation and absorption in the local agricultural labour market, across 19 geographical areas, in the Sarah Baartman and Amathole districts in the Eastern Cape, since the inception of the AMW, between 2003 and 2014. I attempt to project the labour demand patterns of agrarian employers, through workers' accounts of their employment, and I trace workers' job acquisition before and after the AMW came into effect to assess the extent to which the neoclassical economics assumptions about job losses and retardation prevailed. I present data that disproves neoclassical economics' claim and turn the spotlight on the type or nature of employment by focussing on employment contracts, duration of employment for workers on atypical employment contracts, and the length of the working day or week. I argue that pre-existing conditions in and of employment combined with a low AMW setting, allowed employers to absorb wage hikes without shedding labour or deterring them from hiring workers when needed.

At a cumulative level, the data shows the varying degrees of secondary and segmented employment in the local labour market. The data suggests a growing sense of precarious employment as degrees of secondary conditions apply to women and men which I attribute to pre-existing and new conditions wrought on by neoliberal restructuring. In the main, employment patterns in my research mirror national trends, but I show varying degrees of precarious employment conditions for permanent and atypical workers, and caution against homogenising casual agrarian workers or confining them to seasonal workers hired through labour brokers, as is often the case

with research on seasonal agrarian labour on Western Cape farms (see for example Barrientos 2008, Barrientos and Visser 2012, Ware Barrientos 2013). I show that atypical contracts of employment, and what is traditionally referred to as casualisation of labour in agriculture, do not necessarily and neatly fit the description of seasonal labour hired through labour brokers. This is because, I found distinctions between the different atypical contracts on offer to workers, including seasonal workers and workers employed on casual contracts in the animal husbandry and horticultural sectors, which in turn suggests an expansion and morphing of secondary and segmented employment in the local labour market that cuts across agricultural sectors, and assumes sub-sector dimensions.

The type of employment on offer in the local labour market, as to be expected, shapes the level of labour's social reproduction and subsistence. In heterodox MW studies there is an implicit interest in the social reproduction of labour in low waged labour markets with a focus on quantitative poverty alleviation indicators. Due to the firm- and employer-centric focus in applied heterodox MW studies, developments at the site of social reproduction and means of subsistence for low-waged workers following a MW, are often neglected. As a result, there is scant qualitative empirical information on the outcomes of a MW for workers' standards of living and quality of life, which renders incomplete pictures of the consequences of statutory wages for workers. As I pointed out earlier, the site of social reproduction is the fifth element in my frame of analysis to developing a political economy perspective of the AMW.

Given the historical bond between the sites of production and social reproduction for agrarian labour, economic sociology studies on the AMW are required to probe the sphere of social reproduction because it is seminal to the supply side of labour markets and examining agrarian labour's expanded social reproduction enables researchers to assess the strength of the AMW, or its conversion factor potential, in allowing workers to improve standards and quality of life. As I show in chapter 8, the AMW had a mixed outcome for workers, their purchasing power, and the overall quality of life. I therefore, pose questions on the conversion factor potential of the AMW to transform sub-standard living conditions, and in so doing I argue that low AMW settings merely serve to devalue agrarian labour power. This research exposes a crisis in the expanded social reproduction of agrarian labour in contemporary South Africa, which may be attributed to a combined and uneven blend of pre-existing conditions and relations with those wrought on by post-apartheid neoliberal restructuring.

Chapters 7 and 8 deal with the conditions and power relations that shape the sale and purchase of agrarian labour power in the research sample. In chapters 9 to 11, I focus on the essential planks for the sixth dimension of a political economy perspective of the AMW, at micro level. In these chapters, I concentrate on technical and socio-political processes, systems and conditions involved in converting labour power into labour in the labour and valorisation processes, and in regulating and managing labour in production, in the various animal husbandry and horticultural workplaces that employed my sampled workers. I build on the various dimensions pertinent to economic sociology research on statutory wages by focussing on labour and valorisation processes and labour relations, all of which are inextricably linked to wage determinations and actual wages, which I deal with in chapters 12 to 14. Through the discussion, I strive to unpack and empirically ground the notions of social devaluation of low-waged work against three broad areas as follows: (a) the social value and contribution of agricultural work to the social reproduction of wider society; (b) the skills, knowledge and expertise required in agricultural jobs; and (c) sub-standard labour conditions, adversarial labour relations and profound inequalities in power between agrarian capital and agrarian labour.

In essence, chapters 9 to 11 begin to explore the politics of wage setting in the research sample which enables me to link the technical and social aspects of agrarian work with heterodox labour economics' thoughts on the social devaluation of low-waged work, inequalities of bargaining power and the conversion factor potential of the AMW in transforming labour and valorisation processes. To be sure, understanding the technical and social composition of labour and valorisation processes illuminates the forces and factors that simulate and inhibit the conversion factor of the AMW. I try to show the links between the organisation of work, the social relations of production, which includes the control and monitoring of labour in production, and the labour relations regime and approaches across the various sub-sectors. The intention is to bring forth the sub-sector dimensions to labour and valorisation processes, and as such, the uneven and varied opportunities and platforms for both workers and employers to animate changes in the context of the AMW and wider neoliberalising processes. By profiling the nature of work and the technical division of labour for various sub-sectors, I attempt to not only project the variegated nature of agrarian production in the research sites, I also attempt to convey variances in opportunity and scope for changes, within prevailing conditions. Such

conditions, I argue, contribute to an uneven and mixed conversion factor potential of the AMW.

Chapter 9 begins the probe into the site of production with a profile of the technical composition of work. In this regard, I profile the detailed division of labour in the various animal husbandry and horticultural work-sites to bring to light the working life of sampled workers. This is intended to demonstrate the socially devalued status of agrarian work and workers assessed in relation to the nature and conditions of their tasks and the skills and competencies required to perform their work. A sub-sector approach allows for the presentation of labour processes that are simple and labour intensive without the use of much technology, for example, in many animal husbandry enterprises, and those with detailed division of labour and where task execution is organised along Fordist and Taylorist assembly line principles. I argue that variegations between and within horticultural and animal husbandry enterprises, with respect to the labour process are reflections of employers' roles in shaping employment, hence the secondary and segmented conditions found in the local labour market. My data shows both a level of heterogeneity in labour and valorisation processes, alongside levels of convergences with respect to skill levels and competencies, which contribute to the making of the totality of the low-waged labour market. In this respect, I show that a core set of skills are found throughout the agrarian sector, that transcends sub-sectors because much of the work involves no formal and prior skills training, which are acquired on the job. As a result, workers are replaceable, making them disposable and vulnerable in the employment relationship.

Chapter 10 delves into the social organisation of work and the social ways in which labour is managed, controlled and monitored in the execution of their tasks. The social organisation of labour as well as monitoring and control of labour's production are heavily shaped by sub-sector and enterprise level dynamics and how labour and valorisation processes are organised and operationalised. Sub-sector variances prevail in the depths and layers of authority and power in the labour processes that shed light on how the social relations of production is conceptualised in labour process debates. At one level, the social relations of production portray critical areas of agrarian work that reinforce the notion of the socially devalued status of agrarian workers and expose elements of inequalities in bargaining power. My data shows that labour control strategies associated with primary sector jobs are found in secondary jobs in the agrarian sector, thereby cautioning against using neat categories to analyse the social regulation, control and monitoring of workers in the execution of tasks. In

line with Marxist analysis, I argue that the labour process and labour control and surveillance, much like the social relations of production, cannot be eschewed from valorisation processes and the imperative to maximise profit under capitalism.

The social relations of production feed into and shape the labour relations regime and the labour relations approaches in sub-sectors and enterprises. In this regard in chapter 11, I try to show how interactions between workers and members of management and owners are shaped by the social and technical aspects of respective labour processes. Following from chapter 3, where I outline the necessity to qualify conceptual frameworks to analyse contemporary agrarian labour relations, in chapter 11 I expound on locating labour relations in processes of valorisation. I try to show the importance of paying attention to coherently constructing agrarian labour relations in the context of fragmenting paternalistic relations, alongside degrees of informality and formality, but where the balances of forces are still in employers' favour. In this context, and in accordance with critical realism, I argue that paternalism and informality are empirical manifestations of deeper lying relations driving capitalist social relations.

I refer to the base of the labour relations regime as authoritarian, propped up by degrees of informality and formality, all of which allow employers to maintain disengaged and disconnected relations with workers. Authoritarianism, as the data will show assumes various forms and intensities across sub-sectors and work-sites, which therefore, shapes the propensities for workers to challenge unfair labour practices and express discontent in the work-place. In this regard, I present previously unknown data on worker action and mobilisation through individual and collective action, after the advent of the AMW and the ASD. I show that although an authoritarian labour relations regime prevailed in the research sites, segments of sampled workers took action to address grievances and discontent, and employers consented to workers' demands. However, the great divide and inequalities in bargaining power between agrarian labour and agrarian capital is conspicuous, as it not only reflects in employers' disengaged and disconnected approaches, it also filters through in the narrow type or level of issues or grievances employers were prepared to concede to workers. My data also raises critical questions for the way disputes and grievances are dealt with in the citrus sub-sector where private sector labour protocols developed by Global North retailers exist, yet worker action and voice are actively stifled through internal hierarchies that act as buffers between workers on the production line and owners and senior management.

The analytical journey up to chapter 11 traces the causal mechanisms of the AMW to the totality of the low-waged labour market and explores the outcomes on employment conditions and labour relations for workers and for their social reproduction. In this regard, these chapters set the context of wage setting in the sample and the outcomes of such settings on workers' ability to meet their subsistence needs. Reflections on actual wages in the sample need to be lodged in this backdrop. I discuss and display wages in chapters 12 and 13 from different angles of interest to economic sociology studies on statutory wages. In these chapters, the balance of forces, more specifically, the power of employers alongside the power of the AMW, which contrasts with the weakness of labour, with respect to wage determinations, come to the surface. As will become clear in chapter 12, collective bargaining over wages is by and large absent resulting in employers determining wages without consultations with workers. The power of the AMW becomes clear on two levels, in this chapter: 1) increasing wages – due to the AMW, wages for sampled workers were hiked upon inception in 2003, and 2) stimulating worker agency as certain segments of workers mobilised to enforce prescribed rates. Micro politics around wage increases in accordance with the first AMW settings in 2003 surface in the chapter that in turn reflect the balance of forces in wage settings.

In chapter 13 data on actual wages, collected in this research in the survey phase, is displayed and analysed in relation to the prescribed rate at the time, between March 2011 and February 2012. This was one period in the annual adjustment cycle. I reflect on wages against working hours and by doing so open up the exploration on the relationship between actual wages, AMW wage setting, the length of the working day and week and the balance of forces in the agrarian capital-labour relationship. In chapter 13, I disaggregate monthly and fortnightly wages and workers' weekly hours according to sex and employment contracts. The intention in the chapter is to illuminate actual wages for weekly hours worked, of women and men workers on permanent and atypical contracts in the different sub-sectors, in relation to the prescribed rate at the time. Positive outcomes on wages are identified such as a level of gender parity, but the data accentuates the politics of wage settings in the local context, and in the context of the AMW and the ASD. The pattern of wage inertia will become clear, as actual wages cluster either just below or above the prescribed rate. In this context, the minimum wage became the maximum wage.

By reflecting on wages in relation to working hours, I attempt to project and problematise the combined role and varying powers of the AMW and agrarian

employers in setting actual wages, which were close to the prevailing prescribed rate. The comparison of wages for different working hours for workers in the different sub-sectors, allows wage convergences and divergences to surface that in turn raise critical questions about the criteria used to set prescribed rates and how employer affordability is assessed. Tied to the above point, evidence found in this research of wage inertia and wage dispersal close to the prescribed rate in varying timebands, across the sub-sectors, poses questions about the distribution of surplus value produced in export orientated enterprises with strong product market status, such as citrus, and other sub-sectors and enterprises that produce for domestic markets and that may hold weak or stagnating market power, for example cattle or livestock farming. Of equal significance in the deliberations of wage inertia against hours worked are questions around wage inequalities, employers' roles in creating such inequalities, and their power to manipulate and adjust working hours and wages as per their requirements.

The length of the working day, alongside wages, was profoundly affected when the ASD and AMW came into effect in 2003. In chapter 14, I present data on shifts in working hours, that represents another aspect of the conversion factor potential of the AMW combined with the ASD which sets out limits to the length of the working day, and which prescribes rates of pay or time-off for overtime and public holiday work. Evidence of adjustments to working hours and pay for overtime and public holiday work after the introduction of MW in this research sample, is a subject of interest to a study of the AMW and its relationship to workers, given the authoritarian labour relations regime. I explore how changes to working hours came about, which showed employer-initiated and worker-led efforts to reduce working hours. Based on this data, I argue that the AMW in combination with the ASD can be significant forces, when implemented or enforced, because agrarian capital's power to unilaterally determine the length of the working day, hence the rate in which surplus value is generated, is curtailed. The strength of the conversion factor of the AMW and the ASD come through in chapter 14, in stimulating worker action to withhold surplus labour, because they were not paid for such time.

The contestation over the length of the working day in the agriculture sector arguably is intensified with categorical links to rates of pay, set out in the ASD. However, the nature of production shapes hours of work in profound ways in the sector where sub-sector dynamics and jobs influence working hours below and above the 45-hour ordinary work week. In this regard I attempt to problematise actual wages and wage

settings, in the context of wage inertia, against working hours above 45 hours, such as in livestock and dairy enterprises, and the 40-hour work week as in citrus where intense and rapid rates of production were reported by workers in this sample. These questions bring into focus surplus value creation and the rate of exploitation, based on actual agrarian wages in the sample, and stimulate further and deeper research questions for economic sociology, that in turn strengthens the discipline's contribution to heterodox labour economics research on statutory wages. I conclude the thesis in chapter 15 by drawing together the critical outcomes of the preceding chapters that in turn aids in identifying future work on MW settings for low-waged workers. With this, the outline of what is contained in each chapter concludes. The analytical journey begins in chapter 2.

CHAPTER TWO

WAGES, MINIMUM WAGES AND LABOUR MARKETS

2.1 INTRODUCTION

The chapter focusses on theories of wages, labour markets and statutory wages as the backdrop to conceptualising wage fixing systems and their significance in regulating the sale and purchase of labour power. As pointed out in the introduction to the study, a lucid inquiry into a minimum wage (MW), and in this case the agricultural minimum wage (AMW), cannot be eschewed from an analysis of capitalism and the role accorded to wages and waged-labour to production and valorisation. In this light, it is necessary for an economic sociological study on the AMW, that is sensitive to the inherent conflict of interest between labour and capital and asymmetrical power relations in the employment relationship, to reflect on the writings, on wages and the sale and purchase of labour power, of classical political economy associated with Smith and Ricardo, in order to understand and appreciate the shifts from the subsistence wage, espoused by classical political economy and Marx, to the low-waged doctrine of neoclassical economics.

As mentioned in the Introduction, the discussion on neoclassical economics' conceptions of labour markets and wages is not exhaustive, as it is only intended to provide the conceptual background for a deeper appreciation of heterodox labour market theorists conceptions of labour markets and MW settings and Marx's theory on wages. To restate, neoclassical economics dominates narratives and policies on wages that in turn influence the design and implementation of statutory wage fixing. By virtue of neoclassical economics' dominance in academic and labour market policy circles, it is necessary for alternative theory building to understand the changes in thinking on the subsistence wage between classical political economy, Marx and neoclassical economics, also known as the orthodox economics model. Through this process it is possible for economic sociologists to begin to articulate alternative frames or approaches to studying statutory wages.

Equally important, outlining concepts of wages held by classical political economy, Marx and neoclassical economics, also paves the way for asking searching questions about statutory wages and the relationship to labour, that in turn aids with strengthening theories and conceptual frames about state interventions in fixing wages that foster the interests and positions of low-waged workers, in waged-labour. Finally, setting out the various wage theories not only facilitates the development of a Marxist interpretation of statutory wages; such an exercise also enables a deeper engagement, in the substantive chapters to follow, with the outcomes of statutory wages for low-waged workers, in this case farm workers, against the seminal themes raised in works that support statutory wage policies as necessary labour market interventions. In terms of building alternative theories and research programmes on statutory wages in South Africa, critical realism, for reasons outlined in chapter 1, plays a pivotal role in facilitating deeper examination into the AMW in South Africa, because it directs attention to seeking out the underlying causes for low wages, simultaneously encouraging probes into the outcomes and implications of mandatory wages for low-waged agrarian labour.

The chapter begins with a broad overview of classical political economists – Smiths' and Ricardo's thinking of capitalism and wages and the neoclassical economics' ideas on wages. In section 2.3, an overview of Marx's explanation of capitalism and the significance of wages is provided. The next section provides an overview of neoclassical economics' model of labour markets and wage setting. As will become clear from the discussion in sections 2.2 and 2.3, the neoclassical model's notion of wages, as the price of labour that reflects the worth of workers, stands in opposition to Marx's notion of a subsistence wage and his analysis of the unequal nature of exchange of labour power for wages, and Smith's and Ricardo's notion of the subsistence wage, to the functioning of capitalist production.

Having outlined neoclassical economics' ideas of the labour market, wages and wage setting mechanisms, discussion in section 2.4 turns to the model's conception of the MW, which is followed in section 2.5 by a presentation of criticisms levelled by heterodox labour economics and labour market models, against the neoclassical model's concept of labour markets and minimum wage settings. Moving on from here is a presentation, in section 2.6, of heterodox economics' concept of the labour market and the phenomena producing and regulating the sale and purchase of labour power. The focus of section 2.7 is on the supporting arguments for a MW made by heterodox

models. In the section, I deal with two broad strands of heterodox labour market theories, viz segmentation theory and institutional economics in more detail.

2.2 WAGES, CLASSICAL POLITICAL ECONOMY AND NEOCLASSICAL ECONOMICS

Classical political economists had a subsistence theory of wages, which they held to be culturally and historically specific to the standards and habits of society, and which they recognised as central to the reproduction of the working class and the expansion of capitalism (Picchio 1992, Blyton and Turnbull 2004, Champlin and Knoedler 2002, Figart *et al* 2002, Noell 2006). Social customs and cultural habits in the standards of living deemed to be socially acceptable were essential components in classical political economy's understanding of subsistence wages. Crucially, the subsistence wage was referred to as the natural wage because wages were tied to workers securing the necessities for their survival and reproduction, based on society's economic development and wealth accumulation phase. However, wages in classical political economy were regarded as a reflection of labour's means of subsistence that at the same time reflected the price of labour, and which in turn was equated to labour's value. In classical political economy, wages have a market price and a natural price.

Classical political economy has its foundations in Adam Smith's writings on economic progress and capitalist growth. Smith developed his theory on wages during nascent capitalism, which he set out in his book, *Wealth of Nations*. His idea of the subsistence wage and its central role in capitalism is captured in the following:

A man [sic] must always live by his work, and his wages must at least be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family, and the race of such workmen [sic] could not last beyond the first generation (Smith [1776], 2003:96).

For Smith, wages entailed two dimensions – wages have a natural price and a market price. The natural price or natural wage is regarded as a subsistence wage, where the natural wage was thought to be a social average that actual wages would move or gravitate towards, based on the forces of labour demand and supply. Accordingly, for Smith the natural wage was determined by the subsistence level required for workers and their families to subsist and reproduce. The subsistence wage was that wage which society deems necessary for the working class to reproduce itself in times of

economic expansion and contraction in society. The subsistence wage and the natural wage, therefore, will coincide in accordance with the social conventions and norms on social reproduction in the context of society's economic production and accumulation. The market price of labour depicts the idea that labour is a commodity that is bought and sold on the market, where sale and purchase of labour was regulated through the forces of supply and demand.

His theory rested on certain key principles on the evolution and operation of capitalism and the determination of wages. These include the notion of self-interest, free competition and the expansion of the division of labour. Smith's ideas on economic progress through capitalist free competitive market forces have their origins in theology and Christian beliefs on wages (see Noel 2006), which also shaped the idea that capitalism was a natural progression in the development of society. Capitalist production and exchange relations arise through "a certain propensity in human nature...to truck, barter and exchange one thing for another" (Smith [1776], 2003:23). The desire to truck, barter and exchange are stimulated by social agents' self-interest³. In his words:

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages (Smith [1776], 2003:23-4).

He described a positive relationship between the pursuit of self-interest and the division of labour in so far as these characteristics led to the development of and specialisation in skills needed for the generation of wealth in societies⁴. Smith ([1776], 2003:25) concluded that the natural talents in different men and the innate drive to pursue these talents and specialise in them, as the sole form of work or trade, result from the division of labour.

The growth in the division of labour depends on the ability of large numbers of capitalists competing with each other without restrictions and price controls. Competition in the markets, freed from obstacles, creates economic efficiency, secures the well-being of all classes and fosters social cohesion in societies. As such,

³ Several writers critically engage with the notion of the individual pursuing self-interests as the driver of economic progress. See Block (2002).

⁴ According to Smith, due to the division of labour, the dexterity of workers is improved increasing the quantity of the tasks that workers can perform. Labour's dexterity is amplified by "reducing every man's business to some one simple operation, and by making this operation the sole employment of his life...." (Smith, [1776], 2003:14).

the fairest form of wage determinations for individual workers is realised through competitive forces in the supply and demand of labour. For this reason, Smith regarded combinations of workers and employers as institutional blockages in labour supply and demand, as organised formations of workers and employers hinder competitive forces in the labour market. For Smith, workers' power in the labour market is not realised through collective capacity, but instead workers' power is derived from and encouraged by the competitive forces of supply and demand. This arises when the demand for labour increases continually, as economic growth progresses, and when each year larger numbers of workers are employed than the previous year. In such conditions, workers will not have the need to organise to raise their wages above the subsistence wage level deemed socially acceptable.

A scarcity of labour, stemming from the rise in demand for labour with economic expansion, according to Smith ([1776], 2003:97) prompts "a competition among masters, who bid against one another, in order to get workmen and thus voluntarily break through the natural combination of masters not to raise wages". Intense demand for labour and the shortages of labour supply that is occasioned, gives workers an advantage over the "master" in the setting of wages and enables wage increases considerably above the "lowest which is consistent with common humanity". So, in other words, the laws of supply and demand that regulate the sale and purchase of labour power do not warrant the formation of worker unions, because the competitive forces in labour supply and demand prevent employers from colluding with each other to depress wages. Smith thought of the capitalist system as generating sufficient growth where the demand for labour outstrips supply, which in turn acts against employers' propensity to pay low wages. Workers' strength in the market comes from their short supply, thereby enabling them to bid for wages that enable their subsistence.

Although *Wealth of Nations* draws a positive link between economic expansion under capitalism and wages, Smith also recognised fluctuations in economic growth combined with economic concentration, that in turn lead to deviations between the market price and natural price of labour and the subsistence wage. Movements in the market price of labour and subsistence wages, or natural price of labour, were informed by the state of economic development and the demand and supply of labour. A decline in economic growth results in imbalances between labour supply and demand that in turn will result in wages below the subsistence level. His idea that the

subsistence and natural wage were more or less in line was linked to the stages of economic development and accumulation in a particular place and time and to the power dynamics between workers and “masters” in wage settings.

Smith ([1776], 2003:94) recognised the power of employers over workers in bidding wages down, and labour’s weaknesses stemming from the necessity for workers to exchange labour-power for wages in order to survive, which weakens their capacity to bid for higher wages. However, there is a point beyond which the master cannot depress wages that threatens the survival of workers and their future generation. Committed to the idea of the subsistence wage and its centrality to the capitalist division of labour, Smith argued that “there is a certain rate below which it seems impossible to reduce, for any considerable time, the ordinary wages even of the lowest species of labour” (Smith [1776], 2003:96). Irrespective of the state of economic development in a particular society, the subsistence wage had to be sufficient to meet the social reproduction of the working class. The subsistence wage was socially and culturally determined and not only determined by the mechanical laws of labour supply and demand.

Nonetheless, whilst Smith locates his concept of the subsistence wage in a political economy frame and, whilst he regards social norms and customs as crucial in setting the subsistence wage, which will coincide with the market wage, he deployed a mechanical conception of the social world. This conception is evident in his proposition that individuals act in atomised fashion and out of self-interest in their interaction with each other, and these interactions are conducted in accordance with morality, law and the ‘invisible hand of the market’. As Bhattacharya (2017:98) elaborates, methodologically, Smith’s classical liberalism is set in a Newtonian ontology of the world as composed of atomised and disparate events that stabilise through market forces. In this frame, events and interactions in the social world are ordered through natural laws and forces of exchange that are external to agents. As such, Smith naturalised capitalist production, wealth accumulation and distribution and held on to the idea of capitalist competitive forces in the labour market as an effective and neutral arbiter in setting wages, unable to conceive class exploitation and imagine the transformation of capitalist relations of production.

In the same tradition as Smith, David Ricardo saw wages as satisfying certain basic needs and espoused a subsistence theory to explain the relationship between pay and human labour. For Ricardo, wages tend to remain at levels that enable the working

class to sustain itself and are based on what societies deem to be customary and socially accepted. As Ricardo (1891:70) expressed it:

Labour, like all other things which are purchased and sold, and which may be increased or diminished in quantity, has its natural and its market price. The natural price of labour is that price which is necessary to enable the labourers, one with another, to subsist and perpetuate their race, without either increase or diminution.

The natural wage according to Ricardo, was defined as a wage that allows the worker to subsist based on the size of the working class at a particular time and place. The subsistence of the working class in Ricardo's theory did not derive from the level of wages. Rather, the ability to subsist was based on the number of commodities required by workers and their families which are acquired through wages. In Ricardo's (1891:70) words the natural price of labour "depends on the price of the food, necessities, and conveniences required for the support the labourer and his family". The number or quantity of commodities for subsistence derives from the habits and customs of the working class. Wages were held to rise and fall as the prices of commodities essential for subsistence rose and fell.

Ricardo (1891:71) defines the market price for labour as follows:

The price which is really paid for it, from the natural operation of the proportion of the supply to the demand of labour; labour is at its dearest when it is scarce, and cheap when it is plentiful. However much the market price for labour may deviate from its natural price, it has, like commodities, a tendency to conform to it.

In classical political economy, then, wages have two sides, one depicting the price of labour, the other, representing the standards of living of the working class and referred to as the natural price of labour (Picchio 1992, Figart *et al.* 2002). The social reproduction of labour or its means of subsistence, played a prominent role in the wage theory of classical political economy, but the level of the subsistence or natural wage also appeared to be informed by economic growth and accumulation and the demand and supply of labour. Wages, as the natural price of labour constitute an "exogenous cost of social reproduction", which in classical political economy denotes the process of social reproduction of the working class as socially synchronised and informed by cultural habits. Wages as the natural price of labour were viewed as the outcomes of historical processes of social reproduction, rooted in customary habits deemed to be socially accepted in given spatial and temporal contexts, as opposed to mere (mechanical) relations of exchange of quantities of labour power for rates of pay. As

will be discussed below, Marx exposed the weaknesses in classical political economists' definition of wages in terms of conflating the value of labour to the value of labour power, and a failure to fully grasp the socio-political dimension of capitalist social relations of production which in turn leads to obscuring exploitative employment relationships.

Smith and Ricardo had a profound appreciation of the centrality of a subsistence wage to capitalist growth and expansion and viewed the deviations between the natural wage and market wage in terms of periods of economic decline and growth. Wages are necessary for the subsistence of the labouring class and for its continuous reproduction, which are central for labour supply for capitalist development. As wages are necessary to labour supply, they have to be sufficient for workers to support themselves and their families. In addition, subsistence wages were viewed to rise above the market wage in periods of economic growth, and to fall below market levels in periods of economic decline. On the whole however, in classical political economy thought, the share of wealth distributed to the working class through wages, was to be confined to the limitations imposed by capitalist profit accumulation (Picchio 1992:4-5, Champlin and Knoedler 2002:884, Blyton and Turnbull 2004:24).

Ricardo, like Smith, recognised the power that capital commands over labour and the conflict over wages. And, like Smith, Ricardo took for granted capitalist development and social relations of production, and treated the operations of a liberalised market, freed from restraining supply and demand forces and allowing competitive forces to prevail, as the appropriate mechanism to establish wages. In this regard, Ricardo (1821:82) praised 'free' competition between supply and demand in setting prices of commodities:

These are laws by which wages are regulated, and which the happiness of far the greatest part of every community is governed. Like all other contracts, wages should be left to the fair and free competition of the market, and should never be controlled by the interference of the legislature.

Champlin and Knoedler (2002:884) observe that Ricardo and other classical economists were concerned with explaining and attempting to justify why wages could not rise above the subsistence levels, whilst recognising that wages below the subsistence were not desirable and sustainable for capitalist growth. Ricardo anchors his analysis of capitalism and the subsistence wages on Smith's theoretical foundations of classical political economy. However, Ricardo reduced wage settings and the rise and fall in wages to technical and mechanical measures related to

changes in demographical features of population size. For Ricardo, the level of the natural wage was based on population numbers, specifically the size of the working class in a given place and time, deviating from the emphasis Smith placed on the subsistence wage as socially determined premised on acceptable and normal standards of social reproduction. Ricardo developed his subsistence theory of wages using Thomas Malthus's theory of population growth and decline (Picchio 1992:24, Champlin and Knoedler 2002:884, Milonakis and Fine 2009:57).

Milonakis and Fine (2009:57) observe that for Ricardo, decline in capitalist accumulation rests on the "iron laws of nature, and the inability of the land to support more than a certain level of population at a certain standard of living". Ricardo's thinking on the pressures placed on land and agricultural production to meet the food and other requirements of the working class, strongly influenced his thoughts on wages, more precisely his idea on the iron law of wages. Ricardo's iron law of wages was linked centrally to the size of the working population in relation to land availability, fertility, hence productive capacity, and agricultural production.

Population size became the yardstick to explain the relationship between wages, social reproduction and profits following, as mentioned above, the logic of Thomas Malthus. Now, in light of the profound implications that Malthus's theory on population size and standards of living had for Ricardo's theory of the subsistence wage, it is necessary to present the core of the former's thinking on wages. Thomas Malthus used the iron law of wages to develop his theory on population linked to the notion of subsistence, whereby the subsistence wage is only possible if the size of the working population remains the same. An increase in wages above the subsistence level will lead to over-population, which will lead to a decrease in wages. The number of workers will decline when wages decline to levels lower than the subsistence rates as workers and their children die or fewer children are born. A shortage of labour supply, in turn, will spur hikes in pay up to the subsistence level.

In the Malthusian analysis a direct relationship exists between wages and population size; a naturalised relationship shifting and moving in accordance with natural demographic changes (Champlin and Knoedler 2002:884, Picchio 1992:25, Block 2002). The Malthusian perspective on wages and population levels was instrumental in shaping thoughts on state intervention and working-class action to combat poverty. As wages are dictated naturally by population size, Malthus argued that working class action and government interventions to eradicate poverty are futile. Starvation was

seen as a natural way of regulating population growth so any means to address it will aggravate the plight of the poor. Any social interventions and means to combat it are futile. This paradigm is referred to as “social naturalism” (Block 2002) or ‘social Darwinism’ (Kaufman 1997), which argues against welfare benefits or any assistance to the poor as they act against nature and interfered with natural processes of population control.

Nonetheless, Ricardo⁵ used a demographic mechanism offered by Malthus to substantiate his claims that wages will not drop to such low levels that disable the social reproduction of labour, and it will prevent wages from rising and remaining constant at too high levels that threaten the reproduction of the capitalist accumulation process. In his words, “[w]ith a population pressing against the means of subsistence, the only remedies are either a reduction of people, or a more rapid accumulation of capital” (Ricardo 1821:76-7). Fluctuating levels in the population is the gauge that set wages. Wages will decrease with a growth in population, with the inverse occurring, that is wages increase when population levels decline.

With the application of a naturalised mechanism as the arbiter of wages, Ricardo ascribed a benign and non-volatile market price for labour hovering at labour’s natural price. Ricardo’s theory on wages, based on the demographic mechanism, provided his followers with opportunities to transform the meaning of the natural wage and its relationship with living wages, social reproduction and the means of subsistence, from that held in classical political economy.

Hence, wage fund theory used Ricardo’s demographic mechanism to explain wage determinations and wage setting against population growth and decrease (Picchio 1992:30, Deakin and Wilkinson 2005:244). Blackburn (2007:21) explains that the wage fund theorists marked their departure with the classical political economists by arguing that wages can only be advanced on the basis of an increase in capital, made possible through savings, which will pay out wages. The wage fund theory espoused the view that wages were obtained through wealth that is saved and set aside to pay wages. The wage fund available to pay wages was a definite amount that was distributed to the labouring population through competition among workers for employment and wages. It was assumed “[t]here was a given number of labourers and

⁵ Milonakis and Fine (2009:21) note that whilst Ricardo largely followed the tradition of political economy laid out by Smith, his analysis lacked the “dualism” found in the latter where the emphasis is on holism and the multifaceted evolution of capitalism.

a given level of savings to cover wages. Long term, labour supply was determined by the minimum subsistence required to maintain the workforce” (Blackburn 2007:21). The average wage received by workers, through the wage fund, is proportionately determined based on the ratio of the size of the working population to the wage fund.

The wage fund approach to wages transformed the meaning of the subsistence or living wages by removing it from the historical, cultural and customary ideas or concepts of wages as sufficient for workers and their families to subsist. Instead, a changed view of the world, wealth creation and distribution emerged. As Picchio (1992:53) notes:

A broad social and historical analysis was replaced by a simplistic mechanical framework in which specific historical processes were homogenized by universal laws and social conflict were mystified by theories of technical and natural constraints.

Analysis of low wages and poverty and the factors giving rise to the phenomenon changed with a conceptual separation between wages and the socio-political context of wage setting. By deriving wages from savings, the wage fund theory, as Picchio (1992:53) points out, “displaced the social conflict from the wage-profit relationship to a trade-off between size of population and standards of living, to be contained within the labouring population through internal struggles”. At a fundamental level, the wage fund theory naturalised low wages by using a crude and mechanical tool such as supply and demand and by adopting a crude and mechanical population size model as the determining factor of the levels and processes of the social reproduction of the working class. This was to sow the neoclassical seeds of opposition to statutory wage fixing. Although the wage fund theory lost significance during the mid-1800s, it left a legacy in the form of neoclassical economics, which today dominates many governments’ labour market policies and wage fixing approaches.

Neoclassical economics began in the 1880s as a combative response to the growing movement for reforms and labour market regulations and the threat that Marxism presented for anti-capitalist agendas (Deakin and Wilkinson 2005:244). Although neoclassical economics has its roots in classical economics, with its adherence to free competitive market forces, the model’s conception of wages marked a departure from the subsistence wage embraced by classical political economy as anchored in social norms and customary practices of society. Instead, the “classical ‘subsistence’ wage has become the neoclassical ‘minimum’ wage. there is no level below which wages cannot fall. In standard policy [neoclassical economics], the problem of very low wages

is acknowledged but not regarded as a serious economic problem” (Champlin and Knoedler 2002:885).

For classical political economy, as may be gleaned from the discussion above, the central focus was on wealth creation and the necessary conditions to generate economic accumulation to sustain capitalism to ensure the well-being of society; essential to which was the subsistence or natural wage. In the neoclassical mould the essential focus has narrowed to an emphasis on supply and demand, pricing and allocation of resources. As Blyton and Turnbull (2004:25) point out, neoclassical economics removed the ‘political’ from political economy by insisting on a theory of wage setting and “income distribution based not on the social relations between classes but on the concepts of marginal productivity and individual choice”. In this frame, neoclassical economics conceals class conflict and power struggle between workers and capitalists in wage setting.

Arguably, the neoclassical theory of low wages emulates the wage fund theory’s concept of a naturalised low wage, with its insistence that wages are best set through market forces, where the buyers and sellers of labour power meet as equals in the marketplace, and the wages paid to workers are reflections of their productive worth. At the core of neoclassical economics wage theory is a set of assumptions of the operations of the labour market and the conditions regulating the sale and purchase of labour power. The labour market is divided into buyers of labour, that being employers, and sellers of labour who are workers. This market is ‘perfectly competitive’ where buyers and sellers of labour meet each other individually as equals. The price that is settled depicts the real worth or value of the worker.

Neoclassical economics operates with the assumption that the labour market is a unified entity where the exchange of labour power between sellers and buyers is regulated by the price mechanism. From a critical realist perspective, by conceiving the labour market as a unified entity, where interactions between labour and capital are governed by neutral phenomena, such as the price mechanism, neoclassical economics reveals its conception of the labour market as a closed system, untouched by socio-political phenomena. Dislodged from its socio-political and historical foundations, the market for labour according to the orthodoxy, is self-equilibrating, whereby the forces of labour supply and demand move towards equilibrium.

Deakin and Wilkinson (2005:244) explain that the basis of the theory was pioneered by the 'marginalist' analysis of W.S. Jevons and Alfred Marshall⁶, who used the wage fund theory's notion that wages need to be lowered to stimulate employment. But, in neoclassical economics theory, wages are linked directly to labour's output and productivity. This is known as marginal productivity and is a key foundation of the orthodox neoclassical model's assumptions of wage setting based on the laws of supply and demand, on which in turn, they raise objections to statutory wage fixing processes. The key element of marginal productivity of labour is diminishing labour productivity as the number of workers increases, in relation to capital and other factors of production.

The productivity of labour will determine what employers can afford to pay, but labour's productivity also declines as employment increases, thereby implying that wages must be depressed. The wages workers receive are regarded as rewards for their contribution to output or to the marginal product of their labour. The argument is that as the number of workers increase, the ratio of workers to capital and other factors of production increases resulting in each worker producing less capital. In neoclassical economics, firms employ the required number of workers to match workers' marginal productivity with the costs of hiring them. A competitive firm's labour demand curve slopes downwards when the physical output of each additional worker declines as additional workers are employed while the price of the product remains stable.

The firm will hire additional workers to the required level when the marginal product value of the last worker hired matches his/her wages and that of all the workers in the firm's employ. Workers supply their labour based on their own decision about how much labour they will provide at a given wage rate. Employers decide the type and number of workers they will hire at wage levels that will allow them to conduct their business profitably. Each and every worker, therefore, receives a wage that is equal to the wealth that the worker produced (Craypo 1997:228, Blyton and Turnbull 2004:25, Bryson and Forth 2008:493-4). In Marxist lens, wage determinations and productive worth in neoclassical economics is flagrantly dismissive of surplus value production and the extent to which labour is exploited in the creation of surplus value.

The wage and price of labour that is settled depicts the real worth or value of the worker. Following in the tradition of classical political economy, neoclassical

⁶ Other economists in the neoclassical economics fold include Carl Menger, Leon Walrus, John Hicks, and George Stigler.

economics believes that competition between employers for workers, and between workers for jobs, makes sure that wage rates for similar productivity levels are uniform or standard throughout the market, hence determining the wage rate is beyond the scope or power of labour market agents. When wages rise above worker output or productivity, firms will cut jobs and may replace labour with capital. The market is always moving towards equilibrium thereby regulating and determining the price of trade or exchange. In this way employers will not be able to pay below the market rate for labour because they will lose workers to other employers and workers cannot push up wages above the going market rate because employers will substitute labour for capital.

Now the theory of marginal productivity of labour, with the indelible links it holds between wages in competitive markets and workers' production, or the jobs or tasks, makes it necessary to probe the nature of work, or the labour process in low-waged jobs. As will be shown later, a key issue to which heterodox labour market scholars attribute low wages is the social devaluation of low waged work and workers. The idea of socially devalued work and workers makes it necessary to scrutinise the links between marginal productivity of labour, the justification of low wages, and the consequent devaluing of the contribution that low wage workers, such as agricultural labour, make to society through their labour.

In the neoclassical frame, labour is like any other commodity with the price of labour, as in wages, emulating supply and demand factors in the markets. Venter (2003:93) for example maintains that principles of price theory are applicable to labour relations where labour is treated the same way as other "resources such as land and capital". From this flows the notion of self-regulating markets where competitive exchange, the most efficient way to allocate resources in societies, facilitates equilibrium between supply and demand. The price mechanism is used to settle conflict of interests and needs within the society. In this mould, Venter (2003:14) argues that from an economic viewpoint, employers do not exploit workers simply because they

attach to their employees a relative worth based on their value as determined by their importance, scarcity, dependency, or indeed their substitutability. This is an economic value, and is easily explained through the simple laws of supply and demand.

The above is exemplary of the orthodox model's position on the operations of labour markets and exchange relationships in the sale and purchase of labour power. The labour market, as the site where labour power is sold and bought, is treated as a self-

equilibrating and self-regulating mechanism. It is assumed that workers are not compelled to accept the wage on offer by an employer, and they are free to seek employment offering higher wages in other work-sites. In the neoclassical economics labour market scenario, individuals pursue rational self-interest within a framework of free competition governed singularly by omnipresent laws of the rationality of the market, which fairly settle the wage unencumbered by human manipulation.

Whilst the neoclassical economics model is grounded in the broad tradition of classical economics, with its emphasis on competitive forces of the laws of the market, the model's version of wages, linked to the marginal productivity of labour, is a fundamental departure from the subsistence theory of wages espoused by Smith and Ricardo, as meeting the social reproduction of labour in accordance with socially acceptable standards, habits and customs. Before engaging with neoclassical economics thinking on minimum wage policies and labour standards, it is first necessary at this stage in the discussion to focus on Marx's rendition of wages and capitalist development.

2.3 MARX, CAPITALISM AND WAGES

Marx, like classical political economy, relied on a subsistence theory of wages. However, Marx offers a diametrically different concept of wages from classical and neoclassical theories with his focus on alienated labour, his distinction between labour-power and labour and class exploitation and class struggle. These are critical areas for conceptualising binding wages and recur to varying degrees in pro-MW arguments. From a methodological point, Marx shows his compatibility with critical realism with his interest in seeking the "essence" of events or phenomena, and not just describing and explaining appearances. As such he concentrated on revealing the "essential connection of private property, selfishness, the separation of labour, capital, and landed property, of exchange and competition, etc. – the connection of all this alienation with the money system" (Marx, cited in McLellan 1977:78).

For Marx (cited in McLellan 1977:78), classical political economy is unable to grasp the essential connections of production and exchange, and profits and wages, because when they do attempt to provide an explanation of these matters, the political economist enters "an imaginary original state of affairs. Such an original stage of affairs explains nothing. He simply pushes the question back into a grey and nebulous distance". These political economists took capitalism and its central characteristics as

naturally occurring, hence factual, preventing them from seeking for and explaining the relationships and connections of the essential features of the system. As discussed in chapter 1, Marx employed a realist method of science that sought to move from appearances of phenomena to their “essence” by connecting the essential relations. In this regard, Marx (cited in McLellan 1977:77) writes:

Political economy starts with the fact of private property, it does not explain it to us. It conceives of the material processes that private property goes through in reality in general abstract formulas which then have for it a value of laws. It does not understand these laws, i.e. it does not demonstrate how they arise from the nature of private property. Political economy does not afford us any explanation of the reason for the separation of labour and capital, of capital and land. When, for example, political economy defines the relationship of wages to profits from capital, the interest of the capitalist is the ultimate court of appeal, that is, it presupposes what should be the result.

By adhering to the proposition that private property results from natural laws, classical political economy, and neoclassical economics that followed, is unable to comprehend that the deep-seated contradictions inherent in capitalism are products of socio-political, economic and technological advances prevailing in temporal and spatial conjunctures. That is, capitalism marks a particular socio-historical phase in the development of human societies arising from the complex interaction of social, political and technological forces. In criticising political economy for believing that capitalism is a natural outcome in the evolution of societies, Marx (1967:169) argues:

Nature does not produce on the one side owners of money or commodities, and on the other men possessing nothing but their own labour-power. This relation has no natural basis, neither is its social basis one that is common to all historical periods. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older forms of social production.

Due to thinking that capitalism is a natural progression of human development ordained by laws in nature, classical political economy under-appreciates the implications of power relations that unfold with the private appropriation and ownership of the means of production, for the working class. Wages, on which working people survive, arise through the privatisation of the means of production symbolising the uniquely capitalist ensemble of production, consumption and social reproduction. As discussed above, classical political economy advances the idea of a natural wage that resonates with the subsistence wage. Wages, from a Marxist perspective, depict more than just a subsistence wage, as a Marxist interpretation of wages depicts several salient qualities of wealth accumulation and distribution under capitalism.

The wage form, for Marx, does not only reflect economic imperatives, having importance for prices and monetary value only. Wages, in Marx's thinking, have deep social and political significance arising, as it were, from the particular forms of social relations of production specific to capitalism. Marx elevated the discussion on wages to a more philosophical level that speaks directly to important aspects of societies such as justice, equality and democracy. Marx's conception of wages, the meanings he attached to wages in relation to exploitation of the working class, has a direct bearing on the philosophical engagement of the relationship between statutory wage fixing and justice and equality in the modern era.

A point of interest and significance of Marx's wage analysis is his thoughts on alienated labour. In this regard, Marx (cited in McLellan 1977:85) wrote that wages arise through alienated labour, a form of labour revealing the contradictions in the analysis of political economy. As discussed earlier, Adam Smith conceptualised a direct and positive link between the division of labour, wealth creation, human progress and satisfaction of societal needs. Marx, in contrast associates the division of labour with the alienation of labour under capitalism. In capitalism, workers are alienated from the objects that they produce where "the object that labour produces, its product, confronts it as an alien being, as a power independent of the producer" (Marx, cited in McLellan 1977:78).

Whilst alienated labour and the division of labour create added value or profits for capital, Marx insisted that the more a worker produces the poorer the worker becomes, because labour becomes a commodity cheapening in value, the more value it generates for capitalists. Marx (cited in McLellan 1977:78) saw this as a "depreciation of the human world" that continues "in direct proportion to the increase in value of the world of things". A radically alternative concept of justice and equality emerges from Marx's analysis of capitalism; one that is associated with the demise of the class-based structure and other constitutive parts.

Marx, unlike classical political economists, delved deeper into the inner workings of capitalism to explain the source of value, hence profits for capitalists. To create value, the capitalist has to have at his/her disposable a commodity sourced through the market that is capable of creating added value. This "special commodity" found on the market is labour-power: "By labour-power or capacity for labour is to be understood the aggregate of those mental and physical capabilities existing in a human being, which he exercises whenever he produces a use-value of any description" (Marx

1967:167). For labour-power to be converted into a commodity for sale, certain conditions are necessary. Workers have to be free in two senses to exchange their labour power on the market. First, as free agents, unlike slaves, they are able to dispose of their labour power as their own commodity and second, workers must be free from the possession of other commodities that may be exchanged, having only their labour power to sell.

Capitalism transformed pre-capitalist forms of social reproduction of the working class in profound ways by delinking their capacity to subsist from their control and ownership of the means of production⁷. The necessity to secure the means of subsistence forces workers into wage labour so as to sustain themselves thereby creating new values for the capitalists. By surrendering this productive power to the capitalist in exchange for the means of subsistence, workers have lost this power for themselves (Marx 1967:537). As Sayer (1995:91) notes, labour's weakness is that not only does it not own the means of production, but "people do not produce children with the future sale of their labour power in mind". This makes labour power a quasi-commodity. These conditions combined means that workers "enter the labour market under duress", although they are theoretically free not to do so (but realistically have to in order to survive).

Capital and wage labour cannot exist without the other, prompting Marx (cited in McLellan 1977:258) to write, "capital presupposes wage labour, wage labour presupposes capital. They reciprocally condition the existence of each other, they reciprocally bring forth each other". However, this interdependence masks a profoundly unequal relationship as the exchange between the two is deeply uneven because the capitalist gets out more from the exchange than workers. Workers not only produce physical commodities; they also produce capital. The unequal exchange between workers and capitalists is not immediately observable, concealed as it is by the forces driving waged labour. The wage form gives the appearance that a free and equal exchange occurs in the labour market between workers and capitalists. A superficial analysis of wages and exchange relations in classical political economy

⁷ Lebowitz (2002:20) explains the two scenarios that arise when workers are separated from the means of production. One is workers sell their labour to those who own the means of production. The other is that workers hire or rent the means of production from those who own them. In the first instance capital hires labour whilst in the second labour hires capital. There is a strand within mainstream economics that maintains this distinction is irrelevant because it makes no difference to the end result if capital hires labour or labour hires capital. For Marx, however, there is a huge difference between the two because the first scenario is capitalism because workers are compelled to sell their labour-power to survive.

resulted in it collapsing the value of labour-power and the value of labour. Marx recognised that what the worker exchanges in the labour market for wages is labour-power, not labour. The capitalist does not meet labour in the marketplace, but the labourer – the person possessing labour capacity (Marx 1967:537).

Under capitalism, Marx (1967:535) argued, wages appear as the price of labour, depicting a quantity of money paid for a quantity of labour. Wages, for Marx (cited in McLellan 1977:250), are “only a special name for the price of labour, for the price of this peculiar commodity which has no other repository than human flesh and blood”. What political economists identify as the value of labour “is in fact the value of labour-power, as it exists in the personality of the labourer, which is as different from its function, labour, as a machine is from the work it performs” (Marx 1967:538). Classical economists, in other words, were unable to distinguish between the value of labour and the value of labour-power. The distinction between the value of labour and the value of labour power is critical to a Marxist analysis of statutory wages. It is argued in this study that statutory wages, in this case the agrarian minimum wage, is a depiction of the value of labour power with a concern for agrarian labour’s social reproduction; statutory wages do not depict the value of labour. Indeed, the distinction between the value of labour power and the value of labour is seminal to research into working life and wages in contemporary capitalism (see Olsen 2017).

The capitalist buys labour power for a measurable and restricted amount of time, which s/he then sets to labour to produce its own value (the means of subsistence for its reproduction) and increase the value of the capitalist (surplus value). Capitalists buy labour power to create surplus value. For Marx, the creation of surplus value was through the performance of surplus labour. Surplus labour is labour that workers provide over and above that which the capitalist pays as wages. Necessary labour is the daily quantity of labour hours workers provide to the capitalist in return for wages that enable them to maintain the prevailing standards of living. The goal of the capitalist is not to maintain productivity at levels that ensure workers receive the subsistence wage; the primary objective of production is not with necessary labour. The capitalist wants to extract surplus labour out of workers because only when workers’ labour hours surpass the necessary labour levels is surplus value, hence profits generated.

As such, the working day extends beyond the hours that workers need to meet their means of subsistence. The remaining hours that workers laboured are dedicated to creating value for the capitalist. The wages paid to workers are only for those hours

they toil to earn their means of subsistence. The rest of the working day is, therefore, unpaid labour: “The ratio between surplus labor and necessary labour is what Marx defined as the rate of exploitation” (Lebowitz, 2002:22). With the wage form, the exchange between capital and labour at first appears to be the same as the buying and selling of all other commodities.

Wages obliterate “every trace of the division of the working-day into necessary labour and surplus-labour, into paid and unpaid labour. All labour appears as paid labour” (Marx 1967:539). The transformation of the value and price of labour power into the wage form and into the value and price of labour itself makes the relationship invisible and forms the basis of capitalism’s “illusions ... to liberty” (Marx 1967:540). Wages are not only determined by the quantities of commodities they can be exchanged for, because wages are also based on social relations. Accordingly, Marx (cited in McLellan 1977:260) argued:

But neither nominal wages ... nor real wages ... exhaust the relations contained in the wages. Wages, are above all, also determined by their relation to the gain, to the profit of the capitalist – comparative, relative wages. Real wages express the price of the labour in relation to the price of other commodities; relative wages, on the other hand, express the share of direct labour, to capital.

Marx (1967:539) regarded the value of labour as an “irrational expression for the value of labour-power”. The value of labour is linked to the quantity of working hours in classical economics. The daily value of labour power is quantified according to the length of the working day. The value of labour, for Marx, however, is always less than the value it creates. This is due to the fact that the capitalist will always compel workers to work longer than is necessary for their reproduction. Capitalists use various methods to extract surplus value from workers including lengthening the working day, intensifying the rate of production, lowering the rate of the real wage, and employing people who will work for wages below the real rate. Whatever means capital uses to convert labour-power into labour, the value that labour generates or creates is more than its own value. This demonstrates, for Marx, “an illogical point”, in the capitalist productive system, where the value of labour is less than the value it produces. Because the capitalist’s interests lie with extracting as much labour as possible for wages as low as possible, his or her concern is with the difference between the price of labour-power and the value that labour will produce. The capitalist also wants to buy all the other goods and services as cheaply as possible and sell them for a higher price or over their value: “Hence, he never comes to see that, if such a thing as the

value of labour really existed, and he really paid this value, no capital would exist, his money would not be turned into capital” (Marx 1967:541).

As mentioned in the opening to this section, Marx had a subsistence theory of wages, much like Adam Smith and David Ricardo. Wages that workers receive are for the hours they laboured to meet their means of subsistence. Wages, therefore, depict the price of the cost of reproducing the working class – its means of subsistence, it does not depict the full value that labour power created through labour. The production of labour power embodies the reproduction and maintenance of working people:

Therefore the labour-time requisite for the production of labour-power reduces itself to that necessary for the production of those means of subsistence; in other words, the value of labour-power is the value of the means of subsistence necessary for the maintenance of the labourer (Marx 1967:171).

The means of subsistence must be of a sufficient standard to allow workers to maintain themselves in their state as labourers, but not high enough to threaten the supply of labour and production. The means of subsistence consisting of food, clothes, housing, fuel or energy vary according to climate and other physical conditions prevailing in a country. The commodities that constitute the means of subsistence are also a reflection of the historical development of the productive system and of the “degree of civilisation” attained by a country. The means of subsistence extends to the habits, tastes and comforts that the working gets accustomed to during a particular historical phase in the development of the productive system: “In contradistinction therefore to the case of other commodities, there enters into the determination of the value of labour-power a historical and moral element” (Marx 1967:171). The moral dimension of wages speaks to its ability or power to allow labour to subsist beyond the bare necessities.

In a Marxist frame, then, both the sites of social reproduction and production are interwoven into wages. By distinguishing between the value of labour and the value of labour power, Marx enables an appreciation of the different but related ways wages are tied to questions of labour power and to labour. For at one level, wages are meant to secure the means of subsistence for labour, yet at another level wages do not reflect the surplus value that labour created, and that surplus value is appropriated by capital as profits. Wages and profits stand in inverse ratio to each other. Capital’s profit rises in the same proportion as labour’s wages fall (Marx, cited in McLellan 1977:261). Capital’s total growth is realised proportionally by the extent to which labour expands the former, and the extent to which profits rise in relation to wages. This signifies an

antagonistic relationship between capital and labour as the interests of the two are “diametrically opposed” (Marx, in McLellan 1977:262).

The interest of the capitalist in securing rapid growth is not entirely an interest shared with workers as claimed by the classical economist. Marx therefore disagreed with classical political economists on the positive outcomes of capitalist expansion for the working class. He acknowledged that the interests of the capitalist and the worker are the same since the worker cannot survive without waged labour and the capitalist cannot survive without the labour of workers. As discussed earlier, classical economics believed that workers’ situation would only improve with the rapid growth of productive capital. In contrast, Marx remained unconvinced of the positive benefits that rapid accumulation of private wealth will have on society’s social relations and the levels of equality that will ensue from this. In rejecting the belief in the shared interest of workers and capitalists in economic expansion and growth Marx argued: “If capital grows, the mass of wage labourers grows, the number of wage-workers grows; in a word, the domination of capital extends over a greater number of individuals” (Marx, in McLellan 1977:259).

Marx saw the expansion of capitalism entrenching the deep-seated inequalities in the distribution of wealth, in the consumption of commodities produced and, in the benefits, accrued to capitalists and workers. He writes, “[l]abour produces works of wonder for the rich, but nakedness for the worker. It produces palaces, but only hovels for the worker, it produces beauty, but cripples the worker...”. In contrast to classical political economy, Marx saw the focus on competition and markets as obscuring the social relations of production that differentiates capitalism from other market economies. Instead, for Marx free competition is a distinctly capitalist feature, a condition necessary for capitalism resulting from the domination of capital (Marx, cited in McLellan 1977:372). Marx opposed the economic doctrine of free competition as the height of human liberty and thought it absurd that free competition was regarded as the “final development of human liberty, and the negation of free competition as being the negation of individual liberty and of social production founded on individual liberty....” (Marx, cited in McLellan 1977:85).

Marx was not convinced that raising or equalising wages will change the conditions for the working class, arguing instead that this merely improves the payment of workers trapped in waged-labour, or waged slaves. In this sense, he took issue with writers, such as Proudhon, who advocated for equal wages because workers will not

be liberated from alienated labour. Marx's criticism of Proudhon's wage proposition has immense significance for the way a Marxist reading of statutory wages fixing is conceptualised, not only in relation to the neoclassical version of low wages, but also to heterodox labour economics' high minimum wage theory. Higher MW wages do not erode capitalist social relations of production; nor do they overcome the inherent contradictions in capitalist wealth creation and distribution.

A progressive society, for Marx, was one that enabled all members to achieve their full potential. For Marx and Engels, the communist ideal typified a progressive and just socio-political and economic arrangement where society was organised in ways that made it possible for all to develop in the use of their capabilities and powers (Lebowitz, 2002:17). As Lebowitz points out, this type of society requires that people recognise humanity's interdependence and live and cooperate on this basis. This contrasts sharply with the notion that individuals act in pursuit of self-interest brought through competition.

Marxist approaches to the study of labour relations and wage setting expose the inequalities in "capitalist employment and employment relations in terms of power, control, interests, resources, processes and outcomes" (Gall 2003:317, see also Hyman 1987:34). The distribution of wealth between workers and employers in the form of wages and profits becomes a contested issue. Whilst Smith and Ricardo spoke of living wages as in the natural price of labour, that is sufficient for workers to live according to historically determined social and customary norms, Marx advocated for the abolition of wage labour where workers claim their surplus labour time for their own ends. Under capitalism, the prospects for workers to earn higher wages was bleak as excess labour in the form of the reserve army of labour exerts a downward pressure on wages. A war between capitalists and workers unfolds as the one seeks to maximise profits by extending the working day, increasing the rate and intensity of production at the same time trying to push wages down, whilst the other (workers) fight for the reduction of the working day and wage increases. Marx wrote extensively on class struggle encouraging workers to unite against capital to find an alternative egalitarian system, as in communism.

A Marxist perspective, therefore, encompasses totality, change, contradiction and practice (Gall 2003:317). A Marxist frame of analysis has enormous and exciting prospects for researching statutory wages, as the research inquiry leaves the neoclassical economists' imagined world of equals in the labour market, to instead

delve deeper into the labour process and the nature of work, and the labour relations regime designed to convert labour power into labour, while also interrogating statutory wage setting in relation to the deeply moral question of wages as a living (for survival, sufficient to secure workers' subsistence).

The discussion on early wage theories advanced by classical political economy, neoclassical economics, and Marx concludes here. This discussion is of vital importance to this study on the agrarian minimum wage, due to the application of a Marxian approach. Armed with an outline of Marx's observations of wages, as well as those of Smith, Ricardo and the neoclassical economics model, the focus below turns to theories of minimum wages, beginning with the neoclassical economics' rendition, followed by heterodox approaches.

2.4 NEOCLASSICAL ECONOMICS' THEORY OF MINIMUM WAGES

As a start to the discussion, it is useful to note that the early neoclassical economists were divided over the question of statutory wages, thereby showing that the tradition itself was not a completely hegemonic bloc when it came to statutory wage settings. Figart *et al* (2002:40) point out that whilst certain figures in the neoclassical economics mould, such as Pigou in Britain and Clarke in the US, gave primacy to the market to set wages, they recognised that markets may not operate optimally and hence, albeit with some reservations, saw the need for state intervention in guaranteeing a living wage to workers. They endorsed the minimum wage as the means through which low paid workers can increase their wages. Clarke even asserted that if minimum wages were set at levels that led to job losses, the state must provide them with alternative jobs. However, others such as J.S. Mill dismissed the value of MW to curb poverty on the Malthusian model of population size (Blackburn 2007:21).

On the basis of the competitive supply and demand model of the labour market and the marginal productivity of labour (discussed earlier), early and subsequent opponents of MW in the neoclassical economics fold argued that interventions in the labour market and social welfare mechanisms inhibit employment, and merely present institutional blockages and rigidities that interfere with the laws of supply and demand. Neoclassical economics is the dominant framework used by nations to develop contemporary macro-economic policies and is also referred to as mainstream

economics or orthodox economics⁸. The model raises two broad categories of objections to statutory wages – one on moral grounds and two on economic grounds.

Statutory wage fixing is opposed on moral grounds as it infringes on individual freedom and decision-making. In the South African context, Lotriet (1999:911) combines moral and economic objections to statutory wages in the following claims:

[E]conomic freedom and a prosperous country resulting from it ... will only come into being if the labour market is freed from the exceeding regulation to which it has been subjected for many years. Without deregulation of the labour market the labour unit costs ... will rise further; productivity will remain low; the gap between the high and low income groups will widen even further; the ability to absorb unskilled and half-skilled people will deteriorate; the unemployed and new entrants to the market will find it increasingly difficult to find jobs; the labour force will become demoralised and the number of dependents per labourer ... will increase resulting in still more demands for a rise in wages.

Butler (2006:24) echoes this rationale in the assertion that markets set wages where employers are willing to pay a particular rate for a job and workers are willing to accept the wage rate. To use Butler's (2006:26) words, neoclassical economists believe that "statutorily imposed increase for minimum wage workers forces business to incur a greater cost 'for the social good'. Is this fair? It is very clearly arguable that it is not". With these words Butler typifies the neoclassical economics belief that people who start up private firms and companies are the drivers for economic prosperity, job creation and general well-being of society, with little regard for the interests of low-waged workers⁹. On these grounds the orthodox model produces a litany of objections to mandatory fixing of wages that are mainly related to economic predictions. The market and free individual choice have a theological imperative in this thinking¹⁰. From this, flows numerous counter-arguments regarding labour standards, mandatory wages and social welfare programmes which in many ways resonate with classical political economy and libertarianism. As Waltman (2008:14) points out, the theological status that the market has in libertarian thinking leads to the assumption that rewards

⁸ The neoclassical economic model is also referred to as the neoclassical synthesis, which argues that higher wages are more of a cost to society than a benefit (Levin-Waldman 2001:21).

⁹ In this regard, Champlin and Knoedler (2002:880) write: "The notion that economic welfare is the same as business prosperity is fully embedded in economic doctrine, and the very notion of a public interest has been completely swallowed up by self-interest as the governing principle for modern economics and modern economies. However, the point made by Veblen, Hamilton, and other institutionalist economists is that this leads to a peculiarly individualistic and one-sided view of social welfare. It is also a view of prosperity that disregards the welfare of many workers".

¹⁰ Noell (2006:165), examines the influence of the Scholastics or theologians and the primary role of competition on Adam Smith's thinking on the labour market. According to Noell, Smith strengthened Scholastics' line of reasoning with the primacy accorded to the market and competitive exchange with the addition of economic growth that will provide workers with various possibilities to earn higher than subsistence wages.

distributed through the market are “moral”. By implication, any mechanism seeking to regulate economic exchanges among market actors is deemed “immoral” and sinful. State intervention is an intrusion and invasion on liberty of the employment contract. Regulation is unnecessary, counterproductive and unfair.

For neoclassical economists there are no ethical or legal reasons for states to upend employment contracts because workers and employers agreed to the wages and terms and conditions of service and there is mutual benefit from and equality in the exchange relationship. Hence, like their classical fore-fathers, neoclassical economists confine their analysis of the capitalist employment relationship to the exchange of labour power to the neglect of surplus value extraction. Nevertheless, for neoclassical economics, the ‘real’ role of the state is to protect civil liberties, individual property rights, and competitive market conditions because these are the institutional arrangements for productive activity guaranteed to meet all of society’s needs. It is against this background then that minimum wage campaigns, as Rocella (1984:84) writes, “stood between the economic dogma of the law of supply and demand and its corresponding legal dogma: the strict affirmation of the principle of individual bargaining freedom”.

On the economic level, the MW is rejected because of a negative correlation with employment, inflation and poverty alleviation. Any limitations on the ability of the market to clear at a low enough price will lead to unemployment (Burkhauser *et al* 1996, Lotriet 1999, Abdulahad and Guirguis 2003, Conradie 2003, Vink and Tregurtha (2003), Neumark 2001, Neumark *et al* 2004, Wessels 2005, Feldman 2005, Butler 2006, Burkhauser and Sabia 2007, Murray and van Walbeek 2007, Development Policy Research Unit 2008, Pauw and Leibbrandt 2011). The adverse outcomes of statutory wages revolve wholly on firms and their inability to create employment. Any regulation that increases the costs to employers to operate their business does not further economic growth and the welfare and wellbeing of society.

A MW is objectionable because it artificially overprices labour thereby limiting employers’ scope to create new jobs. The unfair increases in labour costs for employers, results in a decline in the profit margins of firms forcing a closure of operations. In addition, because wages are linked to the marginal productivity of labour thinking, neoclassical economics objects to statutory wages on the grounds that increases in wages are not matched by increases in productivity. It is further argued

that the workers do not 'deserve' an increase in wages when productivity remains constant. For example, Lotriet (1999:909-10) writes that MW do not take into account:

the principle of productivity or the effect of market forces. Therefore in the introduction of minimum wages the labourer is not worthy of his [sic] wages. In particular the high demand for minimum wages made by organised labour does serious harm to the economy ... [T]he more external control mechanisms steer the natural processes in one direction or the other, the more regulated the market is and the less effective it is in providing jobs for all ... Research has shown conclusively that minimum wages do lead to unemployment ... Meddling in the market mechanism of the labour markets by means of various types of legislation and rules artificially raises the cost of labour. When the rise in the cost of labour is higher than the rise in productivity, it causes inflationary pressure on economic growth and standards of living ... [which will] effect the poor the most ... [An] improvement of the standards of living, redistribution of income and the social welfare ideal are regarded of such importance that the economy has been made subservient to politics.

On this view, what results from a MW system is an inefficient allocation of capital and labour. For neo-classical theory, there is an unambiguous relationship between the MW and a falling rate of employment. The people most affected by MW are most vulnerable – young people, women and the unskilled. Those workers who lose their jobs as a result of a MW will join the ranks of the unemployed or the informal sector.

Apart from the adverse outcomes of MW settings on employment levels, neoclassical economics argues that wage increases also have negative economic outcomes for prices of goods and business sustainability. In this regard, it is maintained that the inflationary and spill-over effects accompanying a MW are costs transferred to consumers. Due to the increase in labour costs, firms increase the prices of final products hence consumers pay more. For example, Burkhauser and Sabia (2007:274) write in the American context that "[t]o the extent that markets are perfectly competitive, the costs of higher minimum wages will eventually result in higher prices to consumers for the goods and services they purchase" (see also Burkhauser *et al* 1996). Similarly, in the South African context the Development Policy Unit (2008:66) maintains that at:

Low wage elasticity values employment losses among unskilled workers are limited, but firms are compelled to increase commodity prices in order to mitigate the effects of increased production costs. Higher commodity prices cause real disposable incomes to decline, which erodes income gains among minimum wage workers and causes overall demand to decline. The result is that demand for skilled workers and capital also declines due to the contraction of the economy. At high wage elasticity levels the employment loss among low-skilled workers is higher, as expected. This reduces income gains associated with minimum wages.

Moreover, the orthodox model argues that the artificial pricing of labour results in inflation fuelled by wage demands from the general labour force keen to maintain differentials in earnings¹¹.

The neoclassical model features strongly in the few studies that exist on the MW in the South African agricultural context exemplified in the work of Vink and Tregurtha (2003), Conradie (2003), Murray and Valbeek (2007) and the Development Policy Research Unit (2008), and in Sparrow *et al* (2008) who view all labour legislation and labour market rules as the prime cause of unemployment, as much as they result in an administrative burden for agricultural employers in implementing them. Nonetheless, the MW works cited above use a traditional neoclassical lens where a direct negative relationship exists at all times and contexts between statutory wages/labour laws and employment losses. In addition, there is a failure to move the analysis of wages from a reflection of prices (of labour) to encompass a reflection of wages as a living (for labour's survival) and the associated value and norms of wage setting processes. In this regard, a dilemma for the South African based agricultural MW studies, set within the broad mould of the neoclassical economics tradition, is problematising statutory wages in a context of political transition from a white minority rule to a majority racially democratic government¹².

Nonetheless, neoclassical economists, generally, tend to doubt the redistributive potential of the MW in the wake of workers losing their jobs. If demand for labour is reduced, through a MW and increases to the wage rate, then a small portion of workers benefit from the MW resulting in a small redistributive impact. The neoclassical model also argues that a MW does not alleviate poverty, because most workers are not in chronic poverty (see Burkhauser *et al* 1996, Burkhauser and Sabia 2007:26, Vedder and Gallaway 2002:42-3, Vink and Tregurtha 2003:55-6, Pauw and Leibbrandt 2011:777, Development Policy Research Unit 2008). However, assessing the outcomes of a MW on poverty levels requires various research techniques that bring

¹¹ Questions were raised frequently about the link between inflation and the MW in western countries as inflation increased. Yet, countries with a longstanding tradition of fixing wages did not abandon or weaken minimum wages because of an increase in inflation. In fact, in France, the MW strengthened when inflation rose (Rocella 1994:92). Rocella argues that protecting wages is needed even more when there are inflationary increases.

¹² This not a problem afflicting economists in South Africa only as it appears in other parts of the Global South where neoclassical economics is applied to study labour markets and MW. Rama (2001), Suryahadi *et al* (2004) and Eriksson and Pytlikova (2004) also display the "neoclassical synthesis", hence a limited focus on the economic to the neglect of the changing socio-political dimensions that promoted labour market changes in Indonesia and the Czech and Slovak republics.

to the fore qualitative and quantitative data on changes in the standards of living of low waged workers. As will be shown in chapter 8, the AMW has mixed and uneven outcomes on workers living standards and purchasing power, thereby showing a complex relationship between statutory wage setting and agrarian labour's social reproduction.

Devaluing a MW and declaring that it is ineffective because most of the poor are paid higher than prescribed rates conceals what Levin-Waldman (2002:638) refers to as the potential positive impact the MW may have on wage contours – the various wage intervals directly above the statutory minimum wage. In this sense, a MW is a buffer hindering employers' propensity to lower wages. Moreover, the context in which MW policies are implemented, the extent of segmentation in labour markers and the scope, level and uprating mechanisms of a MW are considered unimportant and beyond the scope of study in the neoclassical model in assessing the efficacy of such measures in combatting poverty and addressing low wages.

The orthodoxy's underlying assumptions of statutory wages and labour market interventions has such force in society, that even heterodox approaches to agrarian labour in South Africa fall into their trap in their references or utterances about the AMW. For example, Bernstein (2013:34-5) associates the rise of farm worker evictions to a list of factors, one of which is the AMW and subsequent rises, which in Bernstein words "stimulates further casualization".

However, over the years, and in wake of mounting empirical evidence (to follow in the next chapter) disproving the negative outcomes that neoclassical economics assumes will unfold with the advent of statutory wage fixing, the model was forced to adjust its stance on the unambiguous link it holds between a MW and job losses. Instead, unable to defend the claim that a MW will result in job losses in all work-places, certain economists in the neoclassical mould argue for statutory setting that does not interfere or distort the market clearing wage rate. Exemplifying this trend of thought in the agricultural sector is Vink and Treguetha (2003), and as will be argued in chapter 5, the Labour Market Commission (1996) and the Department of Labour (2003) also opted to recommend low settings for the AMW in South Africa based on the logic of employment preservation.

According to Vink and Tregurtha (2003:55-6), prescribed rates for the farming sector should not be set higher than the average wage in the sector because the extent of

job losses will depend on how high prescribed minima are set above the equilibrium wage rates. As they express it: “When the minimum wage is set below the average rate in the industry, a minimum wage could compress the wide range of wage rates found in a sector, increasing the wages of the lowest-paid workers without increasing unemployment”. This reflects the low-waged MW setting doctrine, where the setting does not distort market prices of wages.

Other writers who argue for a low MW setting in the South African context are Nattrass and Seeking (2015), who oppose a national minimum wage, in favour of low sectoral wage fixing. Since 2013/2014 the idea for a national MW appeared in the public discourse on wages in South Africa, which came into effect on 1 January 2019. The debate is polarised between supporters for a NMW that meet broader socio-economic objectives, as in eroding poverty or wage inequalities (for example Coleman 2016, Isaacs 2016) and those advocating low statutory wage settings (such as Nattrass and Seeking 2015 and Vink and Tregurtha 2003).

Seeking and Nattrass (2015) claim that they offer a middle ground in the debate on NMW in South Africa. They depart from the orthodox economic model opposing all regulations in labour markets. They also differ from the high MW position on the basis that too high a wage will result in significant number of job losses. Whilst economists may differ from the orthodox model by entertaining the need for statutory wages, they have not completely and totally severed their links with the foundations of neoclassical economics’ assumptions of the operations of labour markets, and the veneration given to employers because they create jobs, irrespective of quality and pay, when they advocate for low MW settings.

However, the purpose of low MW settings has to be scrutinised and unpacked both in terms of how low-waged labour markets are conceptualised and their outcomes on low waged workers. In this respect, economists are unable to resolve the problem of low wages against workers’ material circumstances. This is evident in the way economists deal with the AMW and agrarian labour. For example, Vink and Tregurtha (2003:56) on the one hand, recognise that farm workers are one of the lowest paid workers in the labour force whose conditions will not improve unless there is state intervention. On the other hand, they argue that “...the extent of State intervention is meliorated by the considerable potential for creating adverse effects, especially among the most vulnerable farm workers”. Vink and Tregurtha fail to explore the implications of their position for wages, social reproduction, power relations and production

processes. It is not clear how a MW below the average wage in the sector will benefit farm workers, given that the average wage was in the first instance the reason for state intervention because it was so low.

As Champlin and Knoedler (2002:881) put it, “[i]n a trade-off between one unemployed person and many people working for very low wages, the neoclassical economist would choose very low wages for the many”. Moreover, as Lucas and Langlois (2003:33-4) argue, a MW wage rate set slightly lower than the rate most employers are able to pay benefit employers, not workers. In this way unequal power relations in wage setting between employers and workers remain entrenched. It is important to bear in mind that a low MW could “entrench low pay, driving down earnings in low paying sectors” (Sachdev and Wilkinson 1998:6). Low pay in this way gains legitimacy and becomes institutionalised.

Ultimately, an unintended consequence of the call for low statutory wage settings is devaluation of labour and of labour power. At the same time as it legitimises low wages, calls for low wage settings also contribute to the socially devalued status of low waged workers. Low MW proponents do not engage in a serious and critical discussion on capitalism and its propensity to feed off inequalities, discrimination and vulnerabilities. They take capitalism for granted and hence opt for the easy route to deal with low wages and wage inequalities. In many respects the proposals for low MW is self-defeating because there is much evidence that suggests that low MW do not address low wages and wage inequalities. In this context, scrutinising the capitalist labour market and exchange relations is not sufficient in moving the discourse of wages forward. In a Marxian frame, redistribution of wealth created by labour takes centre stage in the discourse on wage.

Heterodox economics and industrial relations studies reveal some of the limitations with setting MW at low levels. For example, low levels of prescribed minima are linked to the tendency for inertia among employers who fail to innovate their labour process and continue to conduct production based on low wages (Adam-Smith *et al* 2003, Ram *et al* 2004, Heyes and Gray 2001). Low MW rates do not stimulate new and improved production methods and they do not encourage a change in archaic labour relations systems in low paying sectors. The transformational capacity of a MW is weakened if it is so low negating changes to the social and technical relations of production.

With regard to the question of wage inequalities, Vink and Tregurtha (2003) see the AMW as a means to compress wages and address wage differentials among labour within the farming sector, not to address low pay and unequal bargaining power between workers and farmer. This proposition reduces the MW to an extremely limited role and function and fails to grapple with the complexities of low wages in relation to the structural and social forces that encourage low earnings. A narrow-cost benefit analysis, often largely in favour of farmers, fails to recognise the political and social significance of higher MW settings in eroding such conditions. In addition, the reasoning on wage compressions is incomplete because it is limited to compressions within the agricultural labour market and not between this labour market and other high waged and low waged labour markets. Equally important, confining analysis to wage inequalities among low-waged workers neglects the income gap between low paying agrarian jobs and high paying jobs in South Africa, thereby reinforcing an incomplete analysis of wage and income inequalities in South Africa (to be dealt with in chapter 5).

As may be gathered from the discussion, proponents of low MW operate with an implicit understanding of the operations of markets in general and labour markets in particular, that is anchored in the core foundations of neoclassical economics. Much of this analysis of MW rests on the neoclassical economics notion of marginal productivity of labour, a commodified notion of labour, individual choice, and the supreme laws of supply and demand. The neoclassical economics approach to labour markets that in turn informs its opposition to statutory wage settings has been criticised by heterodox labour economists. In the next section, the criticisms levelled by heterodox labour market theorists against neoclassical economics is considered to fully appreciate the model's flaws and limitations in enhancing understanding of wage settings and their outcomes for labour.

2.5 CRITICISMS OF NEOCLASSICAL THEORY OF THE LABOUR MARKET AND MINIMUM WAGES

A diverse body of heterodox works exists that expose flaws in neoclassical economics conception of labour markets and the capitalist wage relation. In addition, heterodox approaches raise serious flaws in neoclassical economics research on statutory wages. To be clear, heterodox labour economics encompasses diverse approaches to employment and labour relations, such as institutional economics (old and new),

Marxism, Keynesianism, feminist studies, labour market segmentation theories, and critical realist applications to research. Deakin and Wilkinson (1992:382) echo other critics when they say that the neoclassical model cannot be regarded as a theory but a description because it attempts to “reproduce the complexity of the empirical world in its assumptions”. At the core of heterodox criticisms of neoclassical economics is the model’s asocial, apolitical and ahistorical interpretation of markets, exchange relations, production, wealth accumulation, and social reproduction.

Opposition to mainstream orthodox economics and the rise of heterodox approaches is a widespread recognition that the former is unable to explain social phenomena with any insight and depth and hence is inappropriate and irrelevant. As established in chapter 1, for critical realism the focus of research is to explain phenomena and events in the real world by seeking out their generative mechanisms, which is accomplished through the deployment of appropriate research methods. In contrast, neoclassical economics’ studies on wages and statutory wages is empiricist in nature, as they focus on data at the empirical level and fails to explain casual mechanisms of phenomena in the social world.

Nonetheless, within the broad heterodox tradition neoclassical economics is regarded as systematically deficient due, in part, to the methods the model uses to explain the real and social world. There is general agreement that the type of methods revered by neoclassical economics, or mainstream economics are not appropriate to analyse the social world and socially constituted markets (Sayer 1995, Lawson 2006, Fleetwood 2010). The neoclassical explanation of the functioning of labour markets, therefore, does not concur with reality thereby presenting all sorts of problems for the theory. Dowd (2002:9) expresses the point as such:

What is wrong in mainstream economics is not that it theorizes, but the Alice in Wonderland view of economy that it posits: an economy floating pleasantly through space, unconnected to its – or any universe, producing the best of all possible worlds for all, somehow, somewhere, sometime: a cheerleader’s view of social reality.

To reiterate, the weaknesses of neoclassical economics stem from the model’s Humean methodological underpinnings, and its reliance on abstract models and mathematical formulas to study socio-political phenomena (Picchio 1992, Deakin and Wilkinson 1992, Fine 1998, Sachdev and Wilkinson 1998, Peck 1996, Ackroyd and Fleetwood 2000, Peck 2000, Fleetwood 2010, Lawson 2006). From the discussion on research and the philosophy of science in chapter 1, it is clear that neoclassical

economics is set in the positivist tradition with its emphasis on mathematical and statistical modelling in the analysis of labour markets, employment and wages.

In contrast to labour market studies anchored in realism and a stratified ontology, neoclassical economics holds a flat and atomised ontology of events where causality is based on event regularity so that event A is followed by event B. As discussed in chapter 1, a flat and atomised ontology is associated with positivism and Humean philosophy of science, which is premised on the idea that scientific inquiry is about the study of atomised and discrete events that operate according to patterns and regularities, which are regulated by laws of constant conjunctures. Ultimately, a flat ontology of the social world results in empiricism as knowledge of phenomena is limited to empirical data generated through measurement and statistical data.

Labour economists in the critical realist mould argue that the conceptual and analytical weaknesses of the neoclassical approach rest on the model's scientific meta-theory, a meta-theory centred on a quasi-positivist philosophy of science, comprising of deductive reasoning and the covering law model, an obsession with formula, econometric calculations and mathematical and statistical modelling and inferences (Fleetwood 2010). Neoclassical economics work, or applied research, on the impact of MW policies is grounded in econometric calculations and statistical modelling, as will become clear in the next chapter.

Event regularity is clearly discernible in the neoclassical model's association of wage fixing methods with economic inefficiencies and a waste of resources. From a critical realist perspective, the law of labour supply and demand in the neoclassical model typifies a crude cause–effect relation between wages and units of labour provided. This is clearly demonstrated in the neoclassical MW work where a rise in wages above the market rate is directly correlated with job losses and other negative outcomes. Subsequently, the labour market becomes a closed system. A closed labour market system, confined to casual laws as event regularities, depicts relations among labour market agents as functional and mechanical. As a result, the socio-political dimensions of labour markets and wage-setting processes are totally dismissed in the competitive model and are not comprehensively explained in the revisionist models within the tradition, such as monopsony theory (see below).

The use of abstract models combined with an asocial, ahistorical analysis of capitalist progression and wage determinations creates the impression that capitalism and

labour markets operate in accordance with “natural laws” across space and time. In this way, the true nature of capitalist productive systems, the differentiated and contradictory outcomes of events and the unequal power relations between workers and employers are purged from analysis. This has profound implications for the way low wages are addressed in neoclassical economics.

Abstract models allow neoclassical economics to conceive of wages as prices based on marginal productivity of labour divorced from the social and political settings. On this assumption, the neoclassical economist claims that labour markets are self-regulating, therefore, function optimally without restrictions and human interventions. The influence of the notion of self-regulating markets and the implications for social protection for low waged workers, in current day, cannot be underestimated because as Block (2002:226) points out the theory of self-regulating markets is not limited to pronouncements on how markets work; it is also a theory of human nature and freedom.

Markets are self-regulating because they are regarded as naturally subservient to nature’s law and beyond the scope of human’s efforts to change this situation. Humans do not have any power over the natural laws of the market. This resonates with classical political economy and the use of social naturalism to justify liberalised and unregulated labour markets. The use and reliance on formula and equations to study and describe markets and exchange merely amplify the mysterious operations of capitalism (Lebowitz 2002:33, Lawson 2006:492), thwarting earnest dialogue on robust socio-economic protection for workers ultimately, thereby cementing the notion of the self-regulating market.

The notion of the self-regulating market safeguards the low wage doctrine and maintains the notion of wages as a reflection of prices expressing units of labour and marginal output as opposed to wages as a living securing the means of subsistence for workers. By the same token, a labour market that is conceived as a closed system of event regularities and constant conjunctions presupposes a static and sterile market for labour, blocking any earnest engagement with issues of inequalities, distribution of power, discrimination, vulnerability and poverty and social mobilisation.

As discussed earlier, the neoclassical model of the labour market is a major departure from classical political economy and contrasts sharply with Marx’s analysis of exchange relations between workers and employers and the veil that wages place

over capitalist value creation. These theorists grappled with the complexities of capitalist development, with Smith, Ricardo and Malthus paying particular attention to the conditions that sustain the system, and in Marx's project the conditions that would lead to its demise. Unlike neoclassical economics, they recognised that wages are institutionally determined, so they focussed on the conflictual relationship between wages and profits and between profits and social reproduction of workers.

Instead, as Lebowitz (2002:32-3) notes, neoclassical economists mystify the working of capitalism with the insistence that the sale and purchase of labour is enacted on equality between workers and employers/capitalists. Analysis is confined to the surface (empiricist epistemology based on observed events) with the assumption that workers sell a quantity of their labour to the capitalist for, which they receive, a fair day's pay. For the economist this is a fair system; workers are not exploited, and profits come from some-place else. In this regard, it is assumed that profits are realised through the contribution of capitalists. Accumulated capital is not the result of workers' productive labour; instead, profits and wealth come from the capitalist's self-sacrifice of not using up all his/her profits. Capital, therefore, appears to be independent of workers; having an independent source of generation.

Marx, however, showed the methodological flaws in both classical political economy (and neoclassical economics) through his penetrative analysis of the creation of surplus value by workers, discussed in section 2.3. Workers are hired by employers to create surplus value, over and above that which is necessary for workers to survive. In Marxist theory, unlike classical political economy and neoclassical economics, the relations of the capitalist mode of production are not reduced to exchange relations as in the sale and purchase of labour power. The distinction between labour power and labour is indicative of more than an exchange of labour-power for wages. What workers sell on the labour market is their labour power or their capacity to work and is to be distinguished from productive labour that is deployed in the production process.

The origins of surplus value are found not in the sphere of exchange, but in production or labour and valorisation processes. So, in the neoclassical economics model, wages are a true reflection of output, and there are no exploitation and power struggles in the employment relationship. In contrast, from a Marxist perspective, as discussed earlier, wages depict the social relations under capitalism, specifically in relation to gain for employers and exploitation for workers.

By isolating labour markets from the social and political contexts, neoclassical theory in effect nullifies their existence. In this regard, institutional economics following in the tradition of the heterodox approach, argue that the equilibrium model assumes that exchange relations occur at no cost (Kaufman 2007). Institutional economics observe that the neoclassical notion of perfect competition is based on zero transaction costs encouraged by the perfectly competitive model's assumptions: "perfect human rationality, perfect information and perfect legal enforcement of contracts" (Kaufman 2007:778).

The denial of transaction costs has certain implications for the way labour is conceptualised in the neoclassical model. First is the commodification of labour. Second, the assumption of a perfectly competitive labour market and the absence of transaction costs means that labour markets do not exist as workers are hired as independent contractors (Kaufman 2007:776). This allows neoclassical economics to conceptualise markets as moving towards equilibrium with perfect competition where all exchange between people occurs through the market and co-ordinated by price. In essence "... a perfectly competitive labour market is a logical impossibility because it presumes zero transaction costs, but the very condition of zero transaction costs causes the labour (employee) market to disappear" (Kaufman, 2007:780)

Although neoclassical economics has its roots in political economy, it has a different orientation towards wealth creation and wages than the classical tradition. For classical political economy, the central focus was on wealth creation and the necessary conditions to generate economic accumulation, central to which was the subsistence wage influenced by social customs and historical processes. In contrast, for neoclassical economics the essential questions are on supply and demand, pricing and allocation of resources. As a result, write Blyton and Turnbull (2004:24) "the focus of economics shifted from the production of wealth to its consumption, from the division of labour and social relations between classes to the market mechanism and individual decision-making".

In this regard and in keeping with heterodox readings of markets and exchange under capitalism, Polanyi (2002:38) argued that the 19th century writers and orthodox economic history held "an immensely exaggerated view" on the importance of markets and countered the notion of a naturalised self-regulating market. They isolated the market from its social and political context and conceptually and institutionally converted society into a market-economy. In this thinking the socially regulated market

became the self-regulated market. Every society has an economic system that ensures its survival for any period of time. However, Polanyi (2002:38) writes: “previously to our time no economy has ever existed that even in principle, was controlled by markets ... Though the institution of the market was fairly common since the later Stone Age, its role was no more than incidental to economic life”.

As Polanyi pointed out the capitalist system created fictitious commodities, thereby creating the illusion that all factors of production including land, labour and money are commodities produced for sale on the market. Commodification of goods is necessary to maintain the price mechanism that equilibrates supply and demand. The system has to be configured and reconfigured in ways that hides its true nature and ensure that the conditions necessary for its reproduction exist. A deep divide exists between capitalist reality and the neoclassical model's description and explanation of that reality. By treating land and labour as commodities, mainstream economics not only conceals this “gap; it is also a question of modifying institutional arrangements to make them work despite the discrepancy between theory and reality” (Block 2002:223).

The commodified notion of labour in neoclassical/mainstream economics, is depicted in the model's quantitative relationship between units of capital and units of labour, embodied in the marginal productivity of labour. Neoclassical economics' notions wages are stripped down to a reflection of prices devoid of the socio-political and economic aspects of production, where wages enable socially accepted living standards that provides for all in society, as in classical political economy; and from a Marxist perspective, the commodification of labour speaks to alienated labour that is valued less than the commodities it produces. Keeping with questions of subsistence wages and the value of labour power, the neoclassical shift to wages as prices from classical political economy's subsistence wage, has profound implications for the way working people secure their expanded social reproduction. By extension and in important and fundamental ways, the shift to the neoclassical low waged doctrine also has implications for wage settings and for the value accorded to labour-power. First, as Champlin and Knoedler (2002:885) express it, “[t]he classical ‘subsistence’ wage has become the neoclassical ‘minimum’ wage”. The theory of subsistence wages is now the theory of low wages. The “iron law of wages” depicts a theory of constant minimum wages.

Second, neoclassical theory has individualised the problems associated with the decline in living standards of workers and dislodged it as a concern for broader society.

The social reproduction of labour, its means of subsistence and the provisioning of society no longer depict exogenous historical costs (Picchio 1992:19) that the economic system must address (Champlin and Knoedler 2002:886). Social reproduction and the well-being of the labour force in the neoclassical theory are private affairs of individuals rather than a society-wide concern (Kaufman 1997, Champlin and Knoedler 2002, Kaufman 2009). Moreover, social reproduction of labour is quantified in relation to the wage with no regard for other aspects central to workers' means of subsistence. Using a Marxist lens, Fine (1998:8-9) points out that by conflating the value of labour power and the value of labour the competitive labour market model does not develop the value of labour power beyond the economic dimension. Following classical political economy, the neoclassical economics model does not distinguish between the labour time used to create surplus value and the labour time required to create wages that sustain workers.

Now, the value of labour power is not only tied to the wage bundle, for this assumes that the vector of goods that constitutes the consumption bundle meets the requirements of the social reproduction of the labouring force (Fine 1998). Whilst wages make up a significant portion of workers' social reproduction, they are not the sole source that fuels the regeneration of workers. Workers also depend on activities external to the production process that include social relations and structures such as the family, community and state more generally. Social reproduction not only has an economic and material side; it also encompasses other aspects that influence the mental and physical attributes of workers and includes community networks, family ties, access to leisure, among others.

In the South African agricultural context, the link between wages and social reproduction of workers is complicated by the dependence of workers on farmers to provide for the most basic needs such as housing, food, transport, assistance with health care and education, etc. By confining wages to prices and units of labour's output, neoclassical economics is unable to account for the full social costs of labour. A crucial aspect of any study on a MW is an investigation of the impact on workers' overall standard and quality of life. Azam (1997:371) notes that in most studies that combine wages, output and consumption, no distinction is made between workers' consumption levels and wage levels. Similarly, Marxists emphasise the importance of understanding the link between workers' work efforts and outputs, the wages they receive, and their subsistence.

The third implication of the shift to the neoclassical low waged philosophy is the differentiated value accorded to labour and capital in production. In the economics tradition generally, there is a tendency to associate business and capitalists as the drivers of progress and satisfying the needs and interests of societies (Lebowitz 2002:18, Block 2002:227, Champlin and Knoedler 2002:883). Hence, the needs of employers to remain in business and create employment are paramount. Questions on the type of jobs, the level of pay and the stage of wealth accumulation in the nation as a whole, are irrelevant in neoclassical or mainstream economics. Unlike classical political economy, which equated general prosperity with economic growth, for neoclassical economics individual business prosperity and general prosperity are regarded as one and the same. Put differently, individualised business prosperity is a key indicator of general prosperity, socio-economic wellbeing and development.

Competition and markets will facilitate entrepreneurs' ability to meet the needs of communities, as opposed to state led socio-economic protection. This is implicit in much of the neoclassical economic MW literature encouraging the belief that these state policies merely compromise the capitalist class's ability to function, create jobs and provide for the needs of the society (see Vink and Tregurtha 2003, Conradie 2003, Butler 2006, Burkhauser and Sabia 2007, Murray and van Walbeek 2007).

The conflation of business interest and prosperity with the interest and prosperity of communities, has enormous consequences for workers because economic prosperity is now associated with low wages that do not have negative inflationary effects and even more significantly that do not reduce private profits (Champlin and Knoedler, 2002:880). Workers under capitalism have no other means of livelihood other than waged income, so they must accept the lowest possible rate, which is the minimum wage on which workers are able to subsist. Butler (2006:27) conveys this in the following:

Importantly, if low paying businesses are penalised by a minimum wage, and it is these businesses that provide low paid employees with jobs, again, the best, most equitable and most just principle seems to be that the minimum wage should be as low as possible—in order to maintain the profitability of those businesses and allow them to continue to provide jobs.

The criticisms made against neoclassical theory and its various strands demonstrate the severe limitations of the discipline in asking key questions about the nature of

capitalism and the nature of work, hence the inability to comprehensively explain labour markets and wage setting processes. The concept of the wage and of prescribed minima is so constricted and narrowly equated with economic efficiency that the socio-political significance of the wage has disappeared from the mainstream economics frame. Mainstream economics is a serious problem because governments to varying extent apply neoclassical economics in the form of neoliberal policies with detrimental socio-economic consequences. As Dowd (2002:3) puts it, mainstream economics is not only “misguided” and “useless” but also “downright harmful”. Several critics argue that mainstream economics is not a science; instead, it serves as capitalism’s ideology and the champions of neoliberal labour market policies (Dowd 2002:4, Block 2002:226, Levin-Waldman 2004:139, Lawson 2006:486).

The explanations and understanding of labour markets, low wages and fixing wages of the neoclassical model is weakened further by its adherence to a political and ideological lens that is biased towards capitalism. Echoing these sentiments Granoveter (2006) argues that the notions of idealised markets and perfect competition have endured and withstood attack partly because the idea of self-regulating economic processes is “politically attractive”. Stripping off and distancing social processes from economic analysis is also convenient to the economist who no longer has to deal with the question of (dis)order and indeterminacies.

Opponents of MW have found a powerful ally in the orthodoxy with its generalised claims that statutory wage mechanisms reduce employment levels: “Instead of justifying their opposition on selfish and/or self-interest grounds, they need do no more than appeal to the orthodoxy on supposedly utilitarian grounds” (Levin-Waldman, 2004:139, see also Levin-Waldman 2015). This reliance on orthodox economic models has strong significant policy implications because opponents of MW policies can use the research findings that show the negative impact of such policies to block introduction and implementation. Economics therefore is an ideology producing harmful socio-economic outcomes for most of world’s working people.

According to Levin-Waldman (2004), with the flaws in the orthodoxy, employers opposed to the MW cannot easily resort to claims that MW and increases to minima have adverse economic and employment effects, hence are detrimental to workers. Opponents must now explain why the MW is:

[S]pecifically bad for them. This might then require engaging in a discussion of why their concerns, that is, their desire not to have labour costs eat into profits,

should take priority over the rights of workers to earn a liveable wage. To have this discussion would entail raising the policy discussion to a more philosophical plane.... Reliance on the model, or we should say seeking refuge behind the orthodoxy, has effectively absolved individuals and interests of their responsibility to engage in this level of discussion (Levin-Waldman 2004:146-7).

Wage settings and labour market policies, premised on neoclassical economics, sparked widespread opposition, giving rise to campaigns for decent wages and labour standards. The MW and living wage movements represent a particular relationship with neoclassical economics and neoliberal labour market policies. The relationship typifies Polanyi's concept of the double movement where the champions of liberalised markets, unregulated labour markets and unrestrained competition clash with movements campaigning for fair labour standards and living wages. The early MW campaigns were born as counter-movements to the early neoclassical economics as its influence began to take a firm grip in Britain, the heartland of capitalist development, during the Victorian era.

These campaigns challenged the core tenets of the neoclassical economics model, in particular the commodification of labour, the self-regulating market, the disregard for unequal power relations among workers and capitalists, and the obliteration of the living wage in accordance with historical processes and customary norms shaping the social reproduction of labour. Attention below turns to the heterodox approaches that deal with labour markets and statutory wages, focussing on institutional economics and segmentation theories and the case these models make for a range of labour market interventions to combat low wages.

2.6 HETERODOX APPROACHES TO LABOUR MARKETS

As pointed out at the start of section 2.5, heterodox approaches to labour economics and wage setting is diverse spanning many disciplines with reference to the configuration of markets and labour markets, labour relations and wages and labour processes. These different approaches are united in their rejection of the neoclassical theory's narrow and technical supply and demand equilibrium model of labour markets and the purging of all that is social, political, relational and institutional from analysis of economic activities. Instead, in the analysis of the heterodox tradition, wages and labour markets are configured in accordance with spatially inscribed specificities of socio-political and historical forces. Low waged labour markets received serious attention from heterodox labour economists, which they attribute to certain structural

and institutional arrangements in the capitalist economy. Despite the diversity within the heterodox tradition, there is much similarity with respect to paying attention to the socio-political aspects regulating markets and exchange under capitalism (for example Peck 1996, Peck 2005, Fleetwood 2006, 2010, Krippner 2001, Brenner *et al* 2009).

To varying degrees and extents, heterodox labour economists or labour market models tend to anchor research in a realist frame. Using historical material, heterodox labour economics argues that real labour markets do not often fit the competitive model advanced by neoclassical theory. Drawing on empirical information, generated in concrete situations, and moving analysis beyond surface appearances, heterodox approaches showed that the single competitive wage does not apply to real labour markets. Instead, wages are differentiated reflecting variations in organisational strength of workers, internal labour markets and stratification, demographic differences among workers, uneven dissemination of information, among others. In the heterodox tradition, power relations combined with structural and technical factors shape labour markets and wages contrasting with the neoclassical version of workers' personal attributes as the causes of low wages. Alternative approaches to the standard economic model of labour markets look to the interaction of demand side and supply side factors to contextualise and explain low waged labour markets, where the focus is on labour, capital and the state.

Early proponents of legalised minima in the 1890s in Britain such as the Webbs argued that wage settings and labour market outcomes are products of human-made factors. Labour supply and demand outcomes are not the result of mechanical natural forces but are socially engineered. Later, in the 1920s in America institutional economics used by John Commons and the Wisconsin school and Thorstein Veblen (among others), and segmentation theories following in the 1970s, developed a particular focus on the social, political and institutional arrangements that compose labour markets and determine wage-setting processes. Support for prescribed minima gained momentum among institutional economists and segmentation theorists because of their recognition of the complex relationship between social, political and economic forces that structure labour markets and wage setting. In this section, (old) institutional economics and labour market segmentation theory are discussed because they have an explicit focus on statutory wages and the conditions that necessitate such interventions. The discussion begins with institutional economics, then proceeds to segmentation theory.

2.6.1 Institutional Economics, Labour Markets and Wages

As mentioned above, old institutional labour economics arose in America in opposition to the neoclassical explanations of the labour market and the role and impact of regulations (see Kaufman 1997, Champlin and Knoedler 2002). Old institutional economics rejected laissez faire capitalism and Social Darwinism and in this sense differed from classical political economy and neoclassical economics, in terms of the end purpose of economic activity (Kaufman 1997:19). For neoclassic economists as pointed out earlier, economic activity is essentially for creation of material wealth and the satisfaction of consumer needs. Institutionalists rejected the assumptions that the objective of economic activity was for the generation of individual wealth and consumerism, arguing instead that productive activities ought to provide for the self-development and growth of each person in the society (Kaufman 1997:20, Champlin and Knoedler 2002, Waltman and Pittman 2002). Associating economic productive purposes with humanity and societal needs, as opposed to individual benefit, resulted in the institutionalists having a different conception of labour markets from the asocial and apolitical constructs of the neoclassical economics. In this respect, old institutional economists are similar to classical political economy. Early institutional economics insisted on the institutional and social character of labour markets and displayed an acute sensitivity to inequalities in bargaining power between workers and employers, which is a major contributing factor to low wages.

Inequality in bargaining power is a critical area of focus in this study on the AMW especially in the context of the historical asymmetrical agrarian capital-labour regime in South Africa. The other critical area that institutionalists raise, of relevance to this study, and that stems from the conception they have of the purpose of economic activity to address society's interest and welfare, is the notion of wages in the public interest. This is a counter-proposal to the neoclassical idea of economic activity benefitting business at the expense of workers. Inseparable to the question of wages in heterodox labour economics, including old institutionalists, is the notion of labour as a fictitious commodity, and not a true commodity as assumed by the neoclassical economic model.

As may be gleaned, old institutionalists bear a level of semblance with a Marxian frame of production for the common good; the difference was Marx advocated for a complete overhaul of the waged-labour system, as explained in section 2.3. Old institutionalists, and other heterodox MW advocates call for higher wages, as opposed to undoing the

class-based nature of capitalist production and valorisation. In this sense, heterodox MW scholars have thus far, neglected to recognise and appreciate Marx's distinction between the value of labour power and the value of labour in relation to the significance of MW to theories of class exploitation and capitalist valorisation processes.

Despite this limitation, the old institutionalists' studies led them to conclude that real labour markets contain a number of imperfections and externalities that invalidate the neoclassical model of perfect competition in labour markets (Craypo 1997, Kaufman 1997). Imperfections and externalities inherent in the capitalist system led to labour problems regarded as "a maladjustment or lack of harmonious balance in the employment relationship" that have an adverse impact on workers and employers (Kaufman 1997:15). Kaufman (1997:15-7) provides a list of labour problems which the old institutional economists regarded as maladjustments that include high labour turnover, long working hours, workplace accidents and injuries and low wages and poverty. The intensive pace and rate of production lead to workers getting "old before their day", under-employment, master and slave relationships between workers and employers, and increasing levels of conflict in the workplace. Many of these workplace features that are listed above surface in contemporary agriculture in South Africa, as will become clear in the substantive chapters of this thesis.

To counter the essentially mechanical and technical notion of the labour market espoused by neoclassical economics, institutional economics developed the transaction costs theory to indicate the role played by institutions and social forces in determining the actions of labour market agents (Levin-Waldman 2001:16). Institutional economics criticises neoclassical economics for assuming zero transaction costs thereby denying the existence of labour markets. In countering the notion of zero transaction costs, institutional economics maintain that labour markets will only exist if there is recognition of positive transition costs (Kaufman 2007). Transaction costs arise through "frictions" which when comprehensively analysed, argue institutional economics, abrogate the core predications of the neoclassical model.

An example of a friction, provided by Kaufman (2007), that produces transaction costs, is the concept of 'bounded rationality' meant to convey the idea that although human beings act in purposive ways and out of self-interest, their behaviour is also a reflection of "stupidity, ignorance and passion". Another example of a friction is imperfect information and uncertainty among workers and employers. A third form of friction is

governments' imperfect ability to protect property rights and enforce contracts (Kaufman 2007). Positive transaction costs result from imperfect information, human fallibility and inequalities in the allocation of and enforcement of property rights.

Labour markets are composed of many agents acting in relation to each other where appropriate. Zero transaction costs are a misnomer simply because employment relationships exist ensuring that labour markets exist. The existence of employment relations and labour markets means that power relations and a hierarchy in authority prevails in the labour relations systems of many firms. However, as discussed earlier, labour enters the market in a weak position, under duress having no direct access to the means of production. As Sayer (1995:90) writes, "...[w]hat happens in a market exchange (or no-market exchange) depends a great deal on the circumstances in which individuals or institutions enter the relationship". The existence of unequal power relations in the employment relationship in favour of employers is a phenomenon that neoclassical economics denies.

Heterodox labour economists look to key conditions influencing the positions and power of labour market agents, that in turn shape wage settings and levels. Pivotal to heterodox labour economists' conception of wages and its significance in economies is labour's quasi-commodity feature, or labour as a fictitious commodity. In this vein, institutional economics account for labour's quasi-commodity character in conjunction with other interrelated factors that contribute to labour's weak bargaining position in labour markets. Some of the factors include employers' power to set wages, for example in labour market monopsony¹³; workers' lack of collective capacity to challenge employers; discriminatory employment practices, as in hiring workers with certain attributes; and the presence of the reserve army of labour (Kaufman 2009:309). These factors work in tandem to render labour weak whilst fuelling capital's power in wage settings.

At a general level, the prevalence of monopsony in low-waged labour markets is reinforced by worker immobility, arising from the lack of perfect information on

¹³ A neat and complete application of monopsony to low-waged labour markets in general is not always and everywhere possible. The traditional understanding of a monopsonistic labour market is a "company town", such as a mining town where one large employer or a few colluding employers dominate employment and collude to drive wages down in a particular geographical area (see Machin and Manning 1994, Bryson and Forth 2008). Although in the South African farming sector, one single large agrarian employer may not exist in local labour markets, under the racial capitalist regime organised agrarian capital colluded in other ways to keep wages low, such as lobbying the state for cheap sources of labour.

alternative jobs (Bryson and Forth 2008:497), and in addition due to the absence of jobs thereby compelling workers to take up low-waged jobs (as is the case with agrarian labour in South Africa). The absence of jobs swells the ranks of the unemployed and in turn expands the reserve army of labour in local labour markets. Due to workers' weak or non-existent collective capacity, they are unable to bargain with employers from a position of strength. Acting in consort, these factors drive wages down. To a large albeit uneven extent, the aforementioned conditions resonate in the agrarian labour market in contemporary South Africa, as will become clear in chapters to follow. As a constellation of forces, these factors give rise to the totality of a low-waged labour market.

It is necessary to briefly dwell on the question of labour's quasi-commodity status to extenuate the gravity of the totality of the low waged labour market for workers' social reproduction and for the social cost of low wages. Heterodox approaches place due emphasis on labour as a fictitious commodity contrasting with the commodified version of the neoclassical model. In heterodox approaches, labour is unlike other commodities, because "other commodities" as Picchio (1992:13) writes "do not subsist, they exist; they do not die, they are either consumed or destroyed; they are not born but they are produced. Last but not least, they do not acquire habits and tastes and are not politically active". As such, labour unlike other goods cannot be stored, staggered or inventoried. It is a perishable service that has to be sold each day (Kaufman 2009:309). Workers are generally under more pressure to sell their labour than employers to buy labour. This power imbalance plays itself out in bargaining processes where power lies with employers who, by virtue of their resources and ownership of the means of production, are often able to hold out longer than workers in wage bargaining or negotiations.

The average unskilled and semi-skilled workers are under more pressure to settle negotiations because they live from weekly wage to weekly wage and often have little savings or other assets. Moreover, the skills set and competencies of workers in low-waged jobs may not make them marketable in higher paying jobs when they are on offer. Workers in the low wage sector have fewer choices and resources, compared to employers, forcing them to accept poor working conditions and low wages. Employers are able to plan in advance to make the best of product market conditions, unlike workers who are unable to anticipate future market conditions for the sale of their labour and that of their children (Sayer 1995:91, Craypo 1997, Kaufman 2009).

The theoretical argument of institutional economics is based on labour's inequality of bargaining power, which is exacerbated by the totality of labour market conditions defining their weak positions (Kaufman 2009:311). These conditions are more likely to lead to insufficient wages for workers and their families to subsist and meet the full costs of labour's upkeep. The full cost of labour's input, unlike other inputs cannot be automatically adjusted by market forces. 'Self-correcting' measures, such as wage deflation, are more harmful to the economy and economic efficiency because falling wages decrease purchasing power resulting in declining demand for products and labour.

The notion of frictions, in institutional economics, denotes the incomplete nature of labour contracts and the indeterminacies in the employment relationship that recur in much of the labour relations and sociology of work studies. For institutional economics, problems in labour markets such as unemployment, poverty and low wages, result from market imperfections and externalities that stem from social institutions (Craypo 1997:232). Externalities are present in all labour market situations as heightened by incomplete contract (Kaufman 2010:445). The open-ended nature of the employment contract will be picked up again in the following section, as it is a seminal point for both labour market segmentation scholars and Marxist industrial relations and labour process scholars. The open-ended nature of the employment contract, in industrial and labour process studies, is grounded in the distinction between labour power and labour. For now, discussion stays with a broad outline of institutionalists' concept of labour markets and wage settings.

In institutional economics, an externality will occur when any part of a good or service is not fully priced and costs and/or benefits are not covered through the contract and are passed onto third parties. Institutional economics combines negative externality with the social costs of labour doctrine to argue for labour regulations and mandatory wages. Negative externalities associated with the social cost of labour are associated with the adverse outcomes for social reproduction of labour in liberalised labour markets. The costs of these are passed to working class families and communities, which translates to them subsidising low paying employers (Kaufman 1997, Craypo 1997, Champlin and Knoedler 2002, Kaufman 2009, Kaufman 2010).

The social cost of low wages, the individualisation of welfare and social security of the working class, and the transference of costs for the social reproduction of labour, outside of the wages they earn, to communities of poor working-class families, are of

immense relevance to this study, because of the global integration of South African agricultural production. The global integration of the South African agrarian system means that agrarian wage setting and labour standards in general are not the products of national, local and internal work-place factors; they also stem from global pressure and arrangements in commodity value chains. As such, critical questions arise, in this research, on the role that firms sharing backward and forward linkages with agrarian producers in the country have in shaping (low) wages and working conditions.

Kaufman (2009:312) explains that the social cost of labour “starts from the thoroughly orthodox and non-controversial proposition that economic efficiency requires that the price of consumption goods incorporates the full cost of the factor input used in producing these goods”. When this is not the case, private cost is less than the social cost, and the prices for goods are too low and output is too high. In neoclassical theory, this is regarded as a negative externality that stems from an absence of defined property rights. The Webbs employed the negative externality concept in the form of missing property rights to construct a positive argument for statutory minima. The rationale begins with the recognition that labour needs certain minimum requirements for sustenance and maintenance that involve costs. These costs incorporate the expenditures for food, shelter, clothes, healthcare, old age support and support for non-working spouses and children for the labour force to reproduce itself.

Using this logic, old institutional economics supported MW because employers do not fully account for all costs of production including labour (Champlin and Knoedler 2002:887, see also Kaufman 2009, 2010). If wages are below the subsistence level the private cost of labour incurred by employers and their clients will be lower than the full social costs. Product prices should cover the full social costs of production but for this to materialise employers have to pay workers at rates that cover the subsistence costs of the worker and his/her family.

By commodifying labour and not accounting for labour as a cost of production, employers in low paying sectors are engaged in cost-shifting. These costs must be borne by someone whether workers are in employment or not, or else society suffers a decline as labour power diminishes. These costs are either passed onto workers, their families, communities and the state, or the labour force depreciates, declines and wears out. Ultimately, costs associated with the social reproduction of the working class are transferred to society through government social programmes. State hospitals, food parcels, low-income houses, child support income, and other

government welfare programmes absorb the unpaid overhead costs of labour (Craypo 1997:232, Champlin and Knoedler 2002:887, see also Kaufman 2009, 2010).

Institutionalists provide critical insights, for economic sociologists studying MW policies, into the socio-political configuration of labour markets that result in unequal relations of exchange between workers and employers, low wages that are inadequate to meet the full costs of the expanded social reproduction of labour, and the social costs and subsidisation of low wages by the poor themselves. In summary, and to recap, the critical offerings from institutionalists, for an economic sociology study of the AMW, pertain to the broad questions of labour as a fictitious commodity which lays the platform for the proposition of wages in the public interest and, at a more concrete level, the question of inequality in bargaining power and the social reproduction of agrarian labour. The following discussion presents labour market segmentation theories and wage settings.

2.6.2 Labour Market Segmentation Theory and Wages

There is considerable overlap in the critique and rejection of neoclassical economics' theory of labour markets between institutional economics and labour market segmentation approaches. Segmentation approaches, like institutional economics, reject equilibrium models and promote the use of empirical studies set in historical and structural contexts to analyse inequalities or stratification in labour markets. By the same token, the models share similar arguments in favour of labour market regulations and MW fixing. Segmentation theory, however, provides a more lucid framework to analyse labour markets than institutional economics because it pays particular attention to the forces influencing labour supply, demand and regulation in a unified analysis and theory of wage setting and low wages.

Labour market segmentation theory seeks for the forces, factors and relations that configure labour markets (and where lie the casual mechanisms of inequalities and discrimination in labour markets) at the labour supply, demand and regulation levels. This is not to deny the strengths of institutional economics and the rich insights the model provides on the significance of mandatory wages in the context of low waged labour markets. As may be gleaned, the special attention paid by this model to inequalities in bargaining power between workers and employers in wage setting, and the social cost of low wages are critical to charting a political economy perspective of MW policies in general. However, as mentioned above, segmentation theory advances

a comprehensive, well-rounded conceptualisation of labour markets in a much more nuanced manner, by paying attention to segmentation in the supply, demand, and regulation levels of labour.

In contrast to the neoclassical economics model, segmentation theories do not believe in a single competitive labour market where labour's price is set in accordance with competitive laws of supply and demand. Instead, social practices, institutional arrangements, labour demand specifications, and geopolitical and economic factors stimulate the demarcation of the labour market into various segments, distinguished by different labour market characteristics, behavioural norms and regulatory frameworks. This means that certain categories of workers are compartmentalised and isolated in the labour market. Compartmentalisation and isolation stem from diverse sets of practices and conditions including trade union policy, closed shop agreements, internal labour markets, and, in South Africa, apartheid. Labour markets vary – they operate differently in different places (Peck 1996, Fine 1998).

Peck (2000) traces the evolution of labour market segmentation theory with a breakdown into four categories, or generations. First-generation labour market segmentation theories have their origins in the dual labour market model introduced by Doeringer and Piore (1971) who argued that the labour market is divided into a primary sector and a secondary sector. The primary sector is characterised by technological advances, higher paying jobs and skilled and qualified workers. The secondary sector, in contrast, entails technologically backward or stagnant sectors of the economy offering low paying jobs and requiring lowly skilled workers. Unlike the neoclassical theory, dual labour markets recognise the existence of forces within the labour market that produce and contribute to inequalities between workers, thereby producing segmented labour markets. The focus of the dual labour market model is on the demand-side of labour and the availability and nature of jobs on offer, as opposed to the supply-side factors of labour such as workers' characteristics and skills.

The demand side of the labour market is key to unravelling certain critical causal mechanisms of low wages, that in turn, turns the spotlight on how the nature of work or jobs on offer contribute to low skilled and high skilled jobs and low waged and high waged labour markets. Doeringer and Piore attributed dualism to technology and specific labour requirements of different productive systems thereby focussing on the nature and characteristics of jobs, thus marking a significant departure from the

neoclassical model where the focus is on the attributes of workers. Wage differentials reflect the heterogeneity in jobs, job structures, and institutional processes that structure labour markets and dictate how they function.

The radical dual labour market group exemplified in the work of Reich *et al* (1973) and Gordon *et al* (1982) adopted a different perception of segmentation and its generative mechanisms. Peck (2000) refers to this group as second-generation labour market segmentation theory. In the second-generation segmentation model, labour market segmentation re-enforces the unequal power relations between capitalists and workers and in this way acts as a capitalist control mechanism. These theorists saw differences in labour demand stemming from power relations between capital and labour. Labour market segmentation strategies become necessary for capitalists with the advent of routine labour processes and deskilling that effectively resulted in greater homogeneity in the workforce. A deskilled, homogenised workforce encourages the development of class-consciousness and collective action among workers that presents a threat to capitalist. To combat this threat, labour segmentation strategies are devised to divide and fragment workers enabling employers to exert and maintain their control over the labour process. This is accomplished with the development of internal labour markets as the production process is compartmentalised and subdivided into jobs. The clustering of work and workers through internal labour markets and the application of worker motivation schemes divide and fragment workers.

In what Peck (2000) labels third-generation labour market segmentation approaches, the stark dualism of the earlier models is rejected. Instead, third-generation labour market segmentation theory maintains that varying degrees of segmentation exist, related to but not simplistically derived from industrial structure. In other words, labour markets are composed of varying degrees of segmented work groups “distributed hierarchically among occupational ‘good’ and ‘bad’ jobs” (Craypo 1997:236) that are found in both primary and secondary firms or work-places. Secondary employment conditions are found in firms in the core or primary labour market, while primary work conditions can also exist in secondary firms. Labour market segmentation manifests at both intra-industry and intra-firm levels and is qualitatively different across industrial sectors.

Job access is in large part socially and institutionally determined such that institutional structures either enable or inhibit workers’ mobility along the job hierarchy. To explain

the varying extent of segmentation in labour markets, contemporary segmentation theory, as alluded to earlier, looks at segmentation on three levels - labour demand, the supply of labour, and the state with respect to labour market policies, social protection mechanisms and macro-economic strategy.

Segmentation of labour demand stems from the technical differences in labour processes, variances in product market conditions and sectoral dynamics, labour management and control strategies, among others. Segmentation of labour supply reflects the forces that shape labour market participation such as the household division of labour, values and ideology that stigmatise certain social groups as secondary workers, education and training and other areas of social reproduction of labour, and the role that trade unions play in controlling the supply of labour to certain jobs. Segmentation and the state include issues such as welfare provisions and their scope, coverage and application, the industrial and labour relations frameworks, and the quality, standard and priorities of the education and training system.

Structured and co-ordinated patterns of demand interact with diverse sources of supply to create what can be thought of as a set of segmented markets for labour, relatively isolated from each other. In addition, labour market activities and the associated social relations and institutional arrangements assume geographical variances (see Fine 1998, Peck 1992). In this vein, recent developments in the segmentation tradition incorporate the spatiality of labour markets placing emphasis on the local configuration of labour markets. As Peck (1996:263) argues, labour markets are territorially configured. Peck (2000) refers to the strand of segmentation theory that consciously incorporates space as the fourth-generation segmentation model. This study of the agrarian labour market is set in the frame of the fourth-generation labour market segmentation model.

Labour markets are not divorced from production and consumption or from the imbalance of power, despite the formal equity in which agents meet in the market. Unequal power relations in the market come to the fore when analysis takes account of production and differences because capitalists and workers are differentiated with respect to organisational form and capacity, access to resources, capacity to use information, the extent to which they can participate in the market, and their level of dependence on the market (Sayer 1995). Inequalities for segmentation theory are conceptualised by distinguishing between pre-market segmentation and in-market segmentation.

Pre-market segmentation relates to the supply side of labour markets. It reflects broader social stratification and is defined as the differentiation in access to opportunities to enhance one's productive potential through schools, tertiary education, etc. before entering into employment. Class, race and gender relations are examples of social relations impinging upon certain individual's abilities to acquire and retain access to the more desirable jobs, irrespective of the level of skills possessed. In-market segmentation relates to the subsequent and further differentiation in job opportunities, arising out of market forces, to increase skills, control and wages – operating largely within the labour market itself, yet by no means unaffected by broader social and ideological relations (Ryan 1981). Social stratification on these levels translates to differentiations in consumption patterns. A link, therefore, exists between the differentiations in consumption and differentiations and structuring of labour markets (Fine 1998).

This link is not only reflected in wages, where labour market structures are delineated according to low waged and high waged labour markets. The workforce is demarcated along consumption standards and access to commodities constitutive of social reproduction, as Fine points (1998:9) out, “housing standards differentiate the workforce, as do food habits and other items of consumption”. Fine (1998) argues these aspects structure labour markets and can only be appreciated if the value of labour power is redefined and dislodged from the narrow focus on the general capitalist laws of economics to be situated within the wider ambit of social reproduction and the differentiated consumption patterns and access to consumption goods for the population.

The wage bundle and the customs of consumption are not average markers for the standards of living across the working class because these vary “systematically across the different sections of the population, and hence the structured workforce” (Fine 1998:9). This has particular importance to the debate on mandatory wages and eroding inequalities in and across labour markets. Differentiations and inequalities in accessing the means of social reproduction place severe constraints on attempts at achieving equality among workers through labour market interventions. The dialogue on the links between MW and corroding inequalities has, therefore, to be qualified not only in relation to wage disparities in low waged economic sectors, but also in relation to high waged labour markets and access to the means of social reproduction and consumption levels and patterns in a society.

On many fronts, the labour market segmentation approach, in particular the fourth-generation tradition, is a radical alternative to the conventional neoclassical economic theory because it links wage levels and wage differentiations to industrial/productive structures and systems, set within a “historical and institutional perspective” (Deakin and Wilkinson 1999:565) as well as in spatial contexts. This perspective gains significance in low waged labour markets and in building a case for statutory wages and other labour standards. The Cambridge School – a leading proponent of the labour market segmentation model – has long recognised the value and importance of including a wide range of factors into an analysis of low waged labour markets. Examples of these factors include the distribution of low paying firms, employers’ recruitment policies, the form of trade union representation and the scope for worker autonomy (Grimshaw and Carroll 2006).

In contrast to explanations from neoclassical economics and its branch – the human capital logic of low pay as a result of worker attributes, the Cambridge segmentation school pays particular attention to spatially inscribed social and institutional arrangements in the family, firms, industrial sector and nations in terms of the allocation of jobs and the creation and distribution of wealth. Low wages link to a complex combination of personal, organisational and environmental factors (Deakin and Wilkinson 1992, Sachdev and Wilkinson 1998, McNabb and Whitfield 2000, Brosnan and Wilkinson 1988, Rubery and Edwards 2003, Deakin and Wilkinson 2005). For segmentation theory, low waged labour markets are shaped by structural factors acting in combination with certain firm, employer, and worker characteristics and behaviour. In the first instance, this link is depicted in the availability of jobs that are low waged and the availability of workers who are compelled to accept such jobs.

Several heterodox labour economists, as well as industrial relations scholars, place emphasis on the social value accorded to low waged workers and the role that ideology, values and norms play in shaping societies’ perceptions of such workers, the jobs they perform and ultimately the wages they receive (Hyman 1974, Deakin and Wilkinson 1992:385, Sachdev and Wilkinson 1998:12, see also Craypo 1997, Deakin and Wilkinson 1999, Peck 2000, Figart *et al* 2002). Societal norms and conceptions of work are salient to pay setting and income structure. This means that societies’ ideas on the status and worth of jobs form essential aspects of the narratives of wage settings and income inequality. As Hyman (1974:185) argues, the comparative worth of professions is shaped “by the general societal ideologies of occupational prestige

and worth”, making it necessary to focus on class structure and the “distribution of social power” to explain “the structure of occupational prestige and the criteria of rank which this incorporates”. There is a link, therefore, between high wages and jobs and professions which societies hold in high esteem, and low wages and jobs which are devalued.

The disadvantaged positions of secondary workers are reinforced and legitimised as a result of the presence of workers regarded as low-status, demonstrating one way in which segmentation on the demand and supply sides are mutually conditioning (Peck 2000:233). In segmentation theory, one reason for the existence of secondary work is the existence of groups of workers who can be employed in these jobs. As Peck (2000:231) writes: “The processes of job allocation in the secondary sector are governed, not by direct measures of productive potential as orthodox theory would have it, but by ascriptive criteria connected to the distribution of economic, social and political power”. These factors in combination with the low level of capacity and propensity of some social groups to organise “form a constellation of causes of labour market disadvantage” (Peck 2000:233). The incorporation and participation of stigmatised workers in the labour market often serves to perpetuate their lack of political and economic power.

The causal mechanisms of low wages are much more complex than the simplified version proposed by the human capital logic branch of the orthodox model. Labour market segmentation approaches disaggregate low wages along firm, sector, occupation, location and labour supply/demand factors. Critics of the human capital logic correctly argue that the model does not give any credence to the link between low wages and factors specific to the firms and the markets in which they operate (Sachdev and Wilkinson 1998, McNabb and Whitfield 2000). By focussing on worker characteristics as the basis for wage or pay determinations, the human capital logic conceals the operation of the capitalist labour market and the unequal exchange of labour power for wages, thereby obscuring the necessity for substantive labour market regulations to address low wages.

Segmentation theory regards the human capital logic as circular in its argument telling us nothing about the causes of low pay. Instead, “we are presented with an argument of impregnable circularity in which the outcome – low pay – is the evidence for the alleged cause – low skill and personal inadequacies” (Sachdev and Wilkinson 1998:11). This type of reasoning means that low paid workers “must be unskilled and

inferior because if they were skilled and superior they would be high-paid workers” (Craypo 1997:242). Segmentation theory argues that because low pay is concentrated in certain sections of the economy and certain categories of jobs, it is erroneous to simply use workers’ skills and attributes to explain low pay.

The human capital logic diminishes the value of low waged jobs and workers due to workers’ low skills and other attributes. The assumption here, as noted by Craypo (1997:242), is jobs that command high wages must require human capital; if jobs pay low wages then they do not require skills and human capital, thereby shifting “[t]he measurement of productive value...from the job to the worker”. In this regard, Hyman (1974:185) points out that a crucial determinant in assessing social worth and pay is educational qualifications, wherein higher educational qualifications, hence human capital, command greater value and higher pay. Heterodox labour economics and labour relations scholars, therefore, criticise the human capital logic for its inability to recognise that low pay results from the undervaluation of certain jobs associated with workers regarded as having low status in labour markets.

As pointed out above, socially devalued jobs are often associated with workers who are themselves socially devalued. For example, tasks and jobs associated with domestic labour and its parallel association with women command far less economic power and have lower status and earnings than jobs associated with male workers. Skills, in heterodox labour economics, are largely socially constituted and are historically contingent, reinforcing the argument that workers are low waged not because they lack skill, but because of social devaluation. In manufacturing, jobs such as sewing machine operators, delicate assembly work or preparing food are seen as feminine jobs that require nimble fingers, and the capacity to absorb boredom and monotonous work patterns are regarded as having little value and worth.

Likewise, skills and work associated with land and farm work, gardening and the like are socially devalued and is rewarded accordingly (Sachdev and Wilkinson 1998:13). Devalued workers get devalued jobs, hence low wages because they do not have recognisable and certificated qualifications and their skills, experience and knowledge accord little or no worth. This undervaluation, according to Deakin and Wilkinson (1999:565), is “a consequence of a number of factors including employer strategies, differences in the effectiveness of worker organisation, and the division of labour within the household”.

The Cambridge segmentation theorists argue that neoclassical theory does not consider the job content and responsibility of low waged workers. Low paying jobs require considerable skill and place heavy “demands on workers: for example, work requiring considerable expertise, intense concentration, the undertaking of repetitive tasks at high speeds, or tolerance of unpleasant working conditions” (Sachdev and Wilkinson 1998:12). Assessing jobs in a wider context shows that low paying jobs often have greater demands, require more skills and may entail more responsibilities than certain higher valued and paying jobs. Once it is accepted that low-waged jobs are heavily shaped by social norms and social devaluation, it becomes possible to recognise that the contribution that low-waged workers and jobs make to political economies, labour and valorisation processes, and to society at a large, is also undervalued.

Nevertheless, whilst the neoclassical economists regard low wages as necessary to create employment and allow firms to remain in business, the Cambridge School and institutional economics regards low wages as a cause of disequilibrium in labour markets as low paying sectors and firms have an unfair market advantage over others, which is made all the more unfair as low paying businesses are also subsidised by higher paying companies and by the state (Deakin and Wilkinson 1992:385, Deakin and Wilkinson 1999:566, Wood 1997:330, Bazen 1994:66). Similar to the Webbs, the Cambridge school and institutional economists, such as John Commons, see *laissez faire* capitalism as destructive competition creating the necessary conditions for inefficient firms to compete with efficient firms purely by lowering wages.

Low wages encourage employers' use of inefficient production methods reducing their production costs to the level of more efficient employers. Failure to address the conditions encouraging low wages perpetuates destructive exchange relations on which low waged sectors and firms have come to rely on, out of which flow a number of critical imbalances, pressures and strains in societies. The conditions that enable the continuation of low paying sectors in the economy cause a fundamental disequilibrium because low wages subsidise uncompetitive firms and industries enabling them to survive (Deakin and Wilkinson 1992:385, Deakin and Wilkinson 1999:566). The expansion of low waged sectors and firms results in considerable labour market instability reflected in high rates of labour-turnover and unfilled jobs in the low paying sector (Sachdev and Wilkinson 1998:23).

Disequilibrium in labour markets creates “macroeconomic leakiness” where the accumulation processes are driven by competition based on lowering working standards as opposed to competition based on product quality and prices (Palley 2004:26). Lowering pay brings wages into competition effectively leading to a failure to develop new and innovative strategies at the level of products and services. In this regard, heterodox labour economists, such as Palley (2004:26) argue that labour market policies and legislation providing for workers’ organisations, collective bargaining, minimum wages and decent working conditions are institutional innovations essential for the creation of vibrant productive systems and economies. In the main, segmentation and institutional theories insist that competitive advantage based on low pay is a short-term measure and is regarded as destructive competition. Regulations are therefore viewed as critical to enable wealth creation and distribution on socially acceptable standards.

The seminal work by Frank Wilkinson (2002) led to the Cambridge productive systems theorists’ development of the high-wage economy thesis as essential to the efficient use of resources in the accumulation process, therefore, bringing into sharp focus how labour is treated and valued. This approach to wage setting and labour market configuration links labour process conditions and the labour relations systems with high value accorded to labour power and the social reproduction of labour. A high-wage economy is crucial to highly productive, competitive and prosperous productive systems and has to be socially orchestrated through the creation, maintenance and reproduction of a skilled workforce in competitive economic conditions.

For this school of thought, production processes are technically and socially determined. Interaction between the technical and social spheres determines how employers respond and adapt to the external context and these responses have an impact on the external context in a “constantly evolving process of virtuous or vicious productive cycles” (Craypo 1997:235). In the long run, comparative advantage is premised on the existence of a set of necessary conditions in the way labour markets are configured and the institutional arrangements for the supply and demand of labour-power.

In the labour process, this entails the nature of tasks and the technical requirements, skills composition and level, the way work is organised, decision making, labour relations, and workers’ solidarity and organisational capacity. At the core of productive systems theory lies a synergy between the technical and social spheres of production

such that research and development for product enhancement is linked to workers' skills enhancement and their overall socio-economic well-being. Theorists using this model argue that unrestrained competition in deregulated labour markets or the existence of large pools of cheap substitutable labour encourage employers' fixation with short-term profit generation. Shaheed (1994:59) expresses the point as follows:

There is a limit to wages reduction, even in the most segmented markets, but no limits to cost reductions based on improvements in technology and in work organization. In an open economy, at some point the product becomes so obsolete it cannot be sold at any price. For firms trapped in this downward spiral, expectations become increasingly short-term and survival is dependent on further cost cutting, signalling competitive failure.

High wage economies are associated with the application of high road approaches to labour process and employer relations where the emphasis is on cooperation as opposed to conflict characterised in the inequality of bargaining power in the low wage economies. Low wage employer strategies include union avoidance, intensifying work and production targets, and relocation of production processes to avoid labour regulations. These are known as adversarial responses and give the employer short-term advantages over those employers who want to build towards long-term cooperation and innovation but are inhibited due to short-term labour cost pressures (Craypo 1997).

Productive systems function at their optimum when cooperation, as opposed to hostility, in the workplace prevails (Wilkinson 2002:2-5). For the productive-systems model, the relationship between workers and employers is typified by cooperation and conflict. On the one hand cooperation is important to workers, managers and owners due to a vested mutual interest in maximising technical efficiency and productivity because each stand to gain from the results. On the other hand, they have competing interests in the way the profits are distributed in favour of owners and managers at the expense of workers.

In high wage economies a more equitable distribution of wealth and resources prevails enabling the efficient operation of productive systems. When there is inequitable distribution of net income in favour of owners, workers are unmotivated to maximise technical efficiency because they do not share in the results. This leads to workers withholding effort and cooperation with managers and owners. If the profits are distributed in a more equitable way and reinvested in the production process, including upgrading skills and improving training programmes, both the technical and social

relations of production improve, all of which strengthens the company's competitive ability and returns. The cooperative system is more functional and constructive than an adversarial system, associated with dysfunctional and destructive tendencies. Labour market interventions that attack disequilibrium and destructive exchange relations are essential to the sustainability of economies.

Segmentation in labour markets and inequalities concomitant with destructive exchange relations are not beneficial for the socio-economic welfare of societies. Deakin (2004) argues that inequality excludes certain groups from the market, producing undesirable outcomes for societies as a whole. Not only are the excluded individuals unable to access goods through the market, other members of society also suffer as a result of the inability of 'outsiders' to participate in the "system of exchange". Inefficiencies and wastefulness result because resources that could have been used for society as a whole are unused. This line of reasoning strengthens arguments in favour of redistribution of resources and wealth not only to overcome market inequalities and other adverse consequences, but to also "provide the preconditions for the market working in the first place" (Deakin 2004:46). The persistence of low wages entrenches disequilibrium effectively subsidising low paying firms and sectors thereby enabling their survival, and ultimately leading to a persistence of the labour demand and supply conditions that sustain the phenomena.

Social security measures and welfare programmes to alleviate poverty among the low waged are further sources of subsidies for low paying businesses. This places strain on public funds encouraging the subsidisation of low waged firms by the state and taxpayers (Bercusson 1984, Bazen 1994, Deakin and Green 2009, Kaufman 2009). By depressing wages, firms are able to lower costs and invariably lower the prices of goods and services. Following the Webbs, it is maintained that the agents that benefit the most from low wage economies are employers (through low labour costs) and consumers (through low prices). Consumers' support for low priced commodities also contributes to the perpetuation of low waged firms and sectors and depicts an additional form of subsidy – in this case consumers are subsidised by low prices for commodities due to a large extent to low labour costs. In the tradition of the Webbs, Kaufman (2009, 2010) for example combines the inequality of bargaining power thesis with the social cost of labour concept in defending MW settings. In this regard, Kaufman (2009:308) argues that "rather than harm the economy, a minimum wage

eliminates an often large and mostly hidden social tax on labour and stops an equally large and hidden social subsidy for capital ('corporate welfare') and consumers".

Segmentation theory and institutional economics provide compelling arguments in favour of statutory wages because of their conception of labour markets and wage setting mechanisms. Heterodox approaches in favour of statutory wages follow in the tradition of the Webbs by arguing that low wages are a serious impediment to society's development. Low waged labour is not a problem of the low paid, nor is it regarded as an issue confined to the relationship between workers and employers. Low wages as a phenomenon is a societal epidemic that ought to be eliminated. As low wages are often socially determined, interventions are required to address the phenomena. On this platform, the significance of MW policies is linked to societies' growth and well-being. In the next section, I discuss the positive arguments that heterodox labour market theories make for MW and labour standards.

2.7 HETERODOX APPROACHES TO MINIMUM WAGES

The problems that low wages pose for general societal welfare led the heterodox tradition to support a MW on two integrated levels. One is the stimulation of the efficient use of resources for the development of high wage economies, as developed by the productive systems theory. Two is the redistributive potential of MW policies attached to democracy and justice in societies that are essential to the socio-economic growth for the general citizenry. At a broad level, heterodox approaches provide critical conceptual insights on the links between social justice and democracy and economic growth and efficiency and the pivotal role of labour standards and labour market interventions in securing conditions favourable for socio-economic progress in societies.

The question and the role of labour standards for democracy and justice and in spurring changes to agrarian labour processes and labour relations are of strategic significance in this study of the agrarian minimum wage (AMW), given the trajectory of capitalist agrarian production in South Africa. As will be discussed in chapters 4 and 5, the AMW and Agricultural Sectoral Determination (ASD) form part of a broader macro political-economic project to ameliorate poor working conditions in the sector, and to secure the necessary conditions for agrarian capitalist accumulation processes. It is therefore necessary for a study on the AMW to explore and problematise its

capacity to alter pre-existing conditions regulating agrarian labour demand, supply and labour relations.

Framing narratives on a MW in relation to democracy and justice allows heterodox labour market analysis to view the MW as one instrument amongst others to achieve desired labour market outcomes. MW fixing systems are comprehensive when based on a shared commitment to enhancing labour standards from the perspective of social justice and economic development (Shaheed 1994:60). Statutory wages, trade unions and collective bargaining are essential means to overcome low wages in labour markets that are largely unorganised with informal labour relations systems. The Cambridge economists argue for policies enabling the creation of a sufficient number of good jobs to spur economic growth, consistent gains on productivity and high and equitable standards of living (Craypo 1997:243). They not only support legislated minima but call for mandatory high MW with appropriate indexing so that the wage rates are not devalued (Sachdev and Wilkinson 1998, Brosnan and Wilkinson 1988, Deakin and Wilkinson 1992, Sachdev 2003, Volscho 2005).

Heterodox labour market models generally are critical of the neoclassical theory's conception of labour as a commodity; instead, labour is a vital human resource that requires labour legislation for protection, conservation and development. As Kaufman (1997:25) writes: "If left to the free market, labor will be wasted and exploited, much as happens with unprotected natural resources". Protective measures are necessary to increase the wages for low paid workers and to facilitate the development of a high-wage economy. Regulation in the labour market through wage fixing mechanisms, collective bargaining and appropriate education and training systems promote fair and constructive as opposed to unfair and destructive competition. The MW and the extension of fundamental worker rights erode competition among employers based on low pay. Regulations such as a MW are necessary to ensure that firms do not survive on the basis of low pay by encouraging them to enhance their labour quality, manage and organise labour effectively and invest in technology.

Labour standards set the parameters for competition and must ensure that comparative advantage is not based on cheap labour but on the high road approach (Deakin and Wilkinson 1992, Sachdev and Wilkinson 1998, Shaheed 1994, Wilkinson 2002, Deakin 2004). Labour standards maintain the price of labour power and encourage firms to improve their overall operation. High MW also has positive outcomes for the supply of labour ensuring that the labour force is healthy, reliable

and trainable. This will reduce the need for social welfare expenditures to supplement low wages. The broad framework of pro MW arguments loudly echoes the classical political economists' ideas on the subsistence wage and its significance to economic progress. Related to the overall framework used in pro MW arguments, heterodox labour market models identify other related positive roles that statutory wages play in the labour market and labour process.

One positive spin-off of a MW is high worker morale. This is equated with high wages as a MW reduces the need for supervisory personnel without reducing the number of workers involved in production. This is achieved when a MW reduces the incentive for production workers to shirk their responsibilities. The MW encourages higher productivity among workers thereby reducing the need for supervisors. Related to this view is the role that a high MW could play in improving the health and well-being of workers, which in turn leads to a greater work effort (Volscho 2005:346-7). The high wage economy removes wages out of competition, encouraging firms and sectors to focus on innovation in product and employment strategies. Through innovation and technological development, employers are able to increase worker productivity to levels that make it possible to pay high wages. Increasing the wages of the low paid will decrease labour disputes, reduce labour turnover, and reduce absenteeism "resulting from illness due to nutritional deficiencies of labour accidents produced by fatigue" (Albuquerque 1984:58). Higher wages, in the final instance, lead to more efficient use of labour that increases levels of productivity.

Another positive outcome of statutory wages, advanced by heterodox economists, is its positive association with increasing demand for consumer goods. In this regard, heterodox economists argue that statutory wages will increase the purchasing power of workers that in turn stimulates greater demand for consumer goods. This has a positive effect on employment levels as the only way to satisfy demand for goods is through hiring more workers. Increases in the demand for products will be to the benefit of employers and employment creation. Proponents therefore focus on the redistributive potential of MW policies in the interests of society. In this frame, heterodox labour market scholars maintain that a MW is an important tool to redistribute earnings. Taking the discussion on the redistribution potential of a MW further, Levin-Waldman (2001, 2002, 2003) draws the links between statutory wages, democracy and justice and economic development of societies, and proposes that a MW advances democracy in three ways. One is that the MW creates equality in the

status of individuals. This leads to the second, which is creating individual autonomy and increasing an individual's participation in democratic processes. The third aspect is the contribution that a MW makes to the economic development of society (Levin-Waldman 2003:488-9, 496).

In terms of the redistributive potential, Freeman (1994, 1996), argues that the MW is the most effective and less complicated method of redistributing wages. Support for a MW from a justice and redistributing earnings perspectives links to arguments made about its potential ability to reduce discrimination among low paid workers, in particular women workers, illegal workers, immigrants and workers in non-formal sectors (ILO 2003, Brosnan 2003). In support of this stand, Dex *et al* (2000:86) argue that a MW is the easiest option to implement for the erosion of the gender wage gap compared to other measures such as job evaluation schemes (see also Figart *et al* 2002).

In productive systems that consistently devalue women's work, statutory wages are perhaps the simplest mechanism to compress wages between men and women performing the same jobs. Gender disparity in wages may be addressed by setting comparable wage rates across occupations that are differentiated on the basis of sex. In this way, MW fixing has the potential to address discrimination practices determining pay and rewards structures and their outcomes (ILO 2003:547, Bosch and Weinkopf 2008:310).

A MW also furthers wage equality by potentially corroding income inequalities across geographical areas. Levin-Waldman (2002:637) points to the significance of the MW in forging equity in the community wage structure and in the distribution of income where unionisation of the workforce is weak. A national MW in a low wage geographical area potentially can erode regional disparities by pushing up wages at the bottom end of the income distribution.

In heterodox approaches, however, it is generally accepted that a MW in and of itself will have a limited impact on gender (and racially) based wage inequalities. In this context, a MW will constitute one of many other interventions that seek to address or overcome deep structural schisms in the occupation and skills composition of women and men and between workers of different cultural, ethnic and racial backgrounds. By the same token, undoing the social devaluation that is accorded to feminised jobs and to workers performing low waged jobs is central to addressing wage inequalities.

Mandatory wages have social benefits because they have the potential to lift low waged workers out of poverty (Bercusson 1984, Deakin and Wilkinson 1992) and this links to support for such interventions on moral grounds (Waltman 2008). A rise in wages will reduce the economic burden on poor working-class families and communities to support low waged workers' social reproduction. Whilst for neoclassical theory poverty among low waged workers is best addressed through tax benefits or social security programmes, MW proponents argue there is no problem-free mechanism to erode low wages and poverty simply because all redistributive means have unintended consequences (Freeman 1994, 1996). However, when considered against tax benefits or social security benefits, the MW poses the least amount of risks. MW reduces the pressure on the state and its budget. According to Freeman (1994:9), the MW sets "the 'right' social cost of labour in the market. It does not subsidize low-wage jobs, as do other forms of redistribution".

Several MW proponents, as pointed out earlier, consistently argue on the importance of a MW to enhance workers' access to resources such as health care, education and training and housing, and this links with a productive and healthy labour force (Deakin 2004, Champlin and Knoedler 2002, Kaufman 2009). These costs incorporate the expenditures for food, shelter, clothes, healthcare, old age support and support for non-working spouses and children. These are essential and necessary costs incurred by the labour force to reproduce itself. Hence, MW policies or settings represent wages in the public's interest (Champlin and Knoedler 2002, Waltman and Pittman 2002, Waltman 2008). This resonates with classical political economy's concept of wages as a living wage, as being at a level that enables the working class to have socially acceptable living standards. However, as discussed earlier, the classical political economists saw labour markets free from employer and worker combinations, and as the institutional framework necessary to set wages. To recall, they regarded competition and the market mechanism as fair and superior regulators of wage settings producing equitable results for workers and employers. In contrast, segmentation theory and institutional economics argue that living wages is only possible through labour market interventions and strong worker organisations.

As discussed, one of the major contributing factors to low wages is the inequality of bargaining power, which is exacerbated by the lack of worker organisations. In this regard, for heterodox theories a MW mitigates against the weak bargaining power of workers in the low wage labour markets. Fixing wages is a legal measure bolstering

the bargaining power of workers and limiting the power that employers have over the structure of pay. Levin-Waldman (2001:166, 2003:498) refers to a MW as a “form of voice” for workers especially significant for low waged workers who are often unorganised.

As established in the discussion thus far, inequality of bargaining power featured strongly in the institutional economists’ support for MW fixing (Craypo 1997, Kaufman 1997, 2009, Levin-Waldman 2003). This prompted them to argue on the necessity for state intervention to eliminate sweated labour and create fairness in labour markets. For institutional economics, labour’s unequal bargaining position creates a “social rationale on efficiency and fairness” (Kaufman 2009:311) that necessitates state intervention to curb the power employers exert over wage determinations, thereby restricting their freedom to control all aspects of the employment relationship.

In common with the segmentation approach, institutional economics maintain that workers’ inequality of bargaining power arises in part from legal rules, social norms and flaws inherent in markets allowing employers and consumers to benefit more than workers. In this context, Kaufman (2009:311) argues statutory wages do “not distort a pre-existing balanced and competitive labour market but rather helps restore balance and competitive outcomes in low-end labour markets otherwise tilted against the interests of workers”. It is an injustice when workers are compelled to accept low wages and poor working conditions. Low wages reflect societies’ unfair treatment of workers. Institutional economics maintain that workers’ rights to justice, fair treatment, and dignity are important in promoting the social good (Kaufman 1997:25). Violations of these rights are social costs. Labour markets without regulations and statutory mechanisms neither allow for comprehensive protection of workers against low pay and poor working conditions, nor extend social rights to “socially optimal levels”.

In many ways, proponents of MW steer the discussion towards a social concept of markets where social rights play a pivotal role. In this regard, social rights are not marginal with tenuous links to labour markets and labour processes; social rights instruments are essential and necessary to well-functioning productive systems. Deakin (2004:47) provides insights on the relationship between ‘social’ and ‘markets’ using Amartya Sen’s (1984) concept of capabilities associated with the development of freedoms. Capabilities denote a state of being – or “functionings” determined by individuals’ ability to acquire, control and use commodities or resources for their benefit, what Sen refers to as “entitlements”. For humans to enhance their capabilities,

they require a set of conversion factors that amplify entitlements. Deakin (2004:48) regards social rights as conversion factors making it possible for people to use their capabilities in pursuing and satisfying alternative functionings. Social rights can “institutionalise the process of formation of capabilities”.

Deakin postulates that constructing social rights as conversion factors and as institutionalising the formation of capabilities may make some head way in addressing the tension between social rights and the market. It is in this context that Deakin (2004:50) postulates prescribed minima as a conversion factor making it possible for low waged workers to enhance their capabilities. A conversion factor lens on the MW enables assessment of its relationship to the potential positive outcomes advanced by heterodox economics and, using this lens, this study of the AMW will engage with its conversion factor abilities with respect to changes in the local agrarian labour market, labour process and labour relations in the substantive chapters.

The discussion above reveals heterodox theories’ close affinity to Marx in their opposition to and critique of neoclassical economics. Heterodox economics often base their defence for MW on labour as a fictitious commodity with unequal bargaining power in capitalist labour markets, and they seek for the causes of low wages in structural, social and institutional arrangements and factors linked to productive systems. Furthermore, they emphasise social norms, values and ideology as seminal to the conceptions and meanings human attach to pay. Yet, in these works, the links between inequality in bargaining power and exploitation are not clearly articulated and unpacked in relation to the class structure of production, distribution and consumption. The generative mechanisms of inequality in bargaining power is not traced to the processes of valorisation and capital’s quest for surplus value but are linked mainly to the unequal exchange in the labour market. When the processes of valorisation and the inherent conflict of interests between workers and employers are neglected in the study of statutory wages, the result is an incomplete reading of relations of exploitation and domination in low-waged employment relations. In turn, this leads to an under-appreciation of how capitalist forces and relations of production intermingle to create, sustain and cement inequalities in bargaining power and low wages.

Heterodox economics’ defence of MW and living wages are set within the capitalist system and the privatised ownership of the means of production. Whilst heterodox economics provide a comprehensive critique of neoclassical theory and wage setting, they advocate for a high living wage fulfilling a broad spectrum of needs of working

people, but do not advocate for a complete overhaul of the capitalist system. Justice and equality are advanced through the notion of high living wages bolstered through the necessary institutional arrangements including strong trade unions, collective bargaining, appropriate training programmes and the provision of other welfare benefits. This contrasts with Marxist interpretations of employment relations where the emphasis is on eradicating class-based relations of wealth production and distribution and the creation of an alternative system (see Hyman 1987, Lebowitz 2002, Gall 2003).

A Marxist understanding of the sale and purchase of labour power and the progression of alienated labour and, the wage form obscuring the inequalities in the employment relation, as discussed earlier, facilitates a deeper discussion of the links between wages and justice and power and equality, which is beyond the scope of this study. What is important to note is that higher wages and cooperative employment relations will not eradicate the conflicts and contradictions inherent to capitalism. Notions and conceptions of the link between MW and justice and equality have therefore to be qualified in the context of the continuation of capitalist relations of production and distribution. A MW in most instances ameliorates the state of affairs for low paid workers as far as wages are concerned without altering the core social and technical relations of production and distribution. In this regard, Hyman (1974:187) observes:

The experience of incomes policy demonstrates that direct governmental interference with the labour market is oriented towards the containment of certain marginal contradictions associated with its 'free' operation rather than its more fundamental inegalitarian tendencies.

As Barrett and Rainnie (2002:424) point out, contradictions internal to capitalism “cannot be smoothed away by social democratic institutions as contradictions lie at the heart of everything and is the root of all movement in life”. To be sure, heterodox economics’ calls for higher statutory wage settings, whilst important for low-waged workers, do not overcome the internal and inherent contradictions of waged-labour. By extension, higher statutory wages do not eradicate inequalities in bargaining power, and importantly will not reflect value that labour creates. The pertinent questions that flow from this then are, the levels and extent to which the conditions of low paid workers are improved or transformed at the point of production and social reproduction.

This leads to the question of how and under what conditions a MW can be a platform to advance or encourage socio-economic transformation in the directions that

heterodox labour market economists point to. This means (using Deakin's (2004) conception) assessing the potential conversion factor of MW policies at the sites of production and social reproduction of labour. In other words, there is a need to assess the power of a MW to facilitate and achieve the positive benefits proposed by heterodox labour market approaches in as much as it is necessary to understand the extent to which the adverse outcomes proposed by neoclassical economics materialise.

2.8 CONCLUSION

This chapter set out the conceptual frames and theoretical models of classical political economy, neoclassical economics, Marx, segmentation labour marker models, and institutional economics, on capitalist production, wages and processes of wage determinations, and the nature and composition of labour markets. The intention of the exercise is to aid an economic sociology study of the AMW in charting a theoretically relevant framework. From the outline of the various perspectives, it is clear that the neoclassical rendition of the functioning of labour markets cannot be accepted as valid for its ahistorical, asocial and apolitical concept of the sale and purchase of labour power, and of wage determinations.

Seen through the prism of critical realism, the neoclassical economics model of the labour market and wage-setting processes is methodologically flawed, as it forces closure on events that occur in open systems, rendering it non-emancipatory in the sense of addressing low wages and power imbalances in the work-place. Hence, the model is not useful for economic sociology to problematise and explain low-waged labour markets and the role of statutory wages. By extension, neoclassical economics is incapable of charting a realistic and relevant socio-economic and political model of labour markets in general and low-waged labour markets in particular.

Neoclassical economics' flawed conception of labour markets and of wage settings results in a one-sided view of statutory wage settings and other core labour standards. In this regard and as shown in the chapter, the neoclassical model raises several objections to statutory wage settings and/or to high wage settings. The neoclassical idea that wages are fairly set through the natural forces of supply and demand, and that wages reflect units of labour's production, based on the notion of the marginal productivity of labour, is a departure from classical political economy's idea of the natural or subsistence wage. As sketched in the chapter, although founded in classical

economics, the neoclassical view of capitalist production, wealth accumulation and wages is a radical departure from classical political economists' notion of the subsistence wage and its centrality to sustaining the working class in accordance with prevailing norms and customs in society. Although classical political economists naturalised capitalism, they made a distinction between the natural wage as the subsistence wage and the market wage, to capture the idea that wages must secure the living standards of the working class in accordance with customs and norms deemed socially acceptable.

Institutional economics, labour market segmentation models and Marx's analysis of wages and the sale and purchase of labour power, probe beyond surface appearances of equal exchange between labour and capital in labour markets. In so doing, heterodox labour economics raise critical questions on the distribution of power in the capital-labour relationship, the nature and composition of low-waged labour processes, and the social reproduction of low-waged workers. Based on the socio-political and economic factors impinging on labour markets, heterodox scholars advocate for statutory wages to address the power imbalance in the capital-labour relation, safeguard workers' means of subsistence and social reproduction, and stimulate economic efficiencies and expansion.

Whilst heterodox labour market models, in general, offer rich conceptual insights on the influence of socio-economic and political phenomena in regulating labour markets, they lack the penetrative scrutiny on wages offered by Marx in the distinction between the value of labour and the value of labour power. In fact, the heterodox defence of high statutory wages is set within the capitalist system, typified in the calls for institutional arrangements in labour markets that encourage constructive competitive forces. At one level, heterodox works share similarities with classical political economy on the value of living wages for future economic growth and expansion. As such, it may be argued that existing works on MW policies in the heterodox tradition tend to focus on wages in relation to the value of labour power. Yet, on another level, the heterodox tradition is clearly distinct from classical economy because of the calls for state interventions in labour markets to ensure 'balance' and 'fairness' in line with constructive capitalism.

However, increasing wages and eroding wage inequalities will not undo the deep and inherent contradictions of capitalist valorisation processes and the conflict of interest between capital and labour. Marx's notion of the subsistence wage as necessary for

capitalist survival, but not necessarily beneficial for workers, is a more suitable framework for conceptualising statutory wages in relation to capitalist accumulation processes. Marx's analysis of the subsistence wage as a reflection of the value of labour power and not the value of labour, has profound implications for narratives and research on statutory wages, in terms of exposing the methodological flaws in the low-waged doctrine maintained by neoclassical economics, and working with and building on strengthening statutory wage settings for low-waged workers, espoused by heterodox labour economists.

Acceptance or appreciation of the distinction between labour power and labour under capitalist relations of production, as expounded by Marx, makes it possible to argue that, irrespective of the level, statutory wage settings reflect the value of labour power, and not the value of labour. And, although statutory wages will not overcome class divisions, inequalities and conflicts, they are important and necessary interventions for low-waged workers to ameliorate their states, and they may be a catalyst for changes beyond wage increases, such as stimulating social mobilisation among unorganised workers, improving working conditions and terms of employment, or reducing poverty levels among low-income families. In this lies opportunities for Marxist academics to work with organisations working with agrarian labour (and other low-waged workers), to expand and deepen theories and narratives on strategies and tactics that advance workers' interests.

Indeed, economic sociological research on statutory wages is deepened when anchored in Marxism combined with (fourth-generation) segmentation labour market theory and couched in a critical realist meta-theory. Now, having a conceptual frame to explain why statutory wages and other labour standards are necessary, and that in turn aids the research agenda, is one part of a research programme on mandatory wages. The question of what research is conducted on statutory wages, or the applied research on MW policies, is the other point of interest. It is a necessary task to gain a sense of the applied research scope and questions in existing MW studies. In the next chapter, the applied research on the MW is presented, which assists in orientating the research focus on the AMW in this study.

CHAPTER THREE

RESEARCH ON THE IMPACT OF MINIMUM WAGES

3.1 INTRODUCTION

The previous chapter set out the theory and conceptual frames of the main schools of thought dealing with wages in general, statutory wages, and the sale and purchase of labour power. As explained, it is necessary to outline the conceptual frame adopted to study MW policies because this frame shapes the overall research agenda, scope, and questions. In this chapter, focus turns to applied research on MW policies, with a particular interest in developments and trends after implementation of statutory wages. In this process, the types or areas of interest, scope, and questions of research in existing works, come to fore. At a broad level, the applied research focusses on the outcomes of statutory wages on low-waged labour markets.

The first issue to take account of is that applied research on the outcomes of a MW is overwhelmingly firm or employer orientated, with scant studies on workers. Adman-Smith *et al* (2003:31) draw attention to the dearth of MW studies with a focus on workers, which prevents a fuller understanding of work-place culture, and simultaneously obscures from sight workers' interests and positions in labour markets and labour processes with the advent of a MW. In many respects, workers are passively treated in the firm-centric MW studies which merely shed light on workers, indirectly, with respect to selective economic and work-based aspects, in the context of a MW. This study marks a departure from this norm because it places agrarian labour at the centre of analysis, and in so doing sheds light on the states and positions of agrarian labour in the under-researched Eastern Cape agrarian capitalist production and accumulation processes. Yet, it is still relevant to gain a sense of the focus and (burning) questions in the existing research on MW internationally and the AMW in South Africa.

A MW is designed to bring about changes and, at a broad level, will have an impact on wages and employment practices of low paying firms (Sachdev and Wilkinson 1998:26), as well as on labour relations regimes. However, the extent and nature of

change is subject to empirical verification in concrete spatial and temporal conjunctures. As such, the research focus of a statutory wage, and the points of interest that emanate, become important to outline to gain a sense of the subjects of inquiry, as well as the scope and depth to which they are explored.

Applied research on the MW is divided between neoclassical studies contending adverse negative outcomes and heterodox approaches adopting a counter stance. The differences in the respective models' theory of the MW manifest in the differences in the type of research they conduct on the impact of statutory wages. As discussed in chapter 1, neoclassical economics is criticised for its reliance on abstract models and deductive techniques to study developments in labour markets. As a result, much of research undertaken by neoclassical economics on the impact of MW reflects this dependency on abstract models and statistical calculations. In contrast, heterodox approaches apply various methods (case studies, interviews, questionnaires, etc.) to gather empirical data on labour market outcomes in the context of MW.

The type of research conducted by neoclassical economics on the MW merely provides predictions on the economic outcomes and not explanations. Moreover, the research agenda and scope are confined to the economic sphere, specifically employment losses with no account of the influences social and political forces have on the actions of labour market agents. In contrast, heterodox MW scholars seek to understand how a MW is absorbed by low waged firms and the extent to which it is a catalyst for changing employment and business strategies. A review of the applied research on statutory wages, therefore, presents an opportunity to assess the extent to which the claims made by neoclassical and heterodox economics materialise when states fix minima in concrete research settings.

As will become clear, much of the empirical data generated through heterodox research reveals the complex interplay of multiple factors that shape employment and wages in low wages firms, and therefore disprove the predicated regulatory shocks made by neoclassical economics. At the same time, however, research also shows the complexities in the conversion factor potential of statutory wages. In other words, studies at enterprise level show the absence of an automatic link between statutory wages and transformations in low-waged work, low wages, and labour relations regimes. A sample of the different approaches to study the MW between neoclassical and heterodox economics approaches is provided below, in charting an appropriate

research programme for an economic sociology study. Towards this end, the chapter opens with section 3.2 with an overview of the literature on the outcomes of a MW on employment. In the following section, the discussion turns to research on MW and poverty. In section 3.4 a sketch of the research on MW and real wages is provided, followed in section 3.5 by a discussion of the research on MW, employment and labour relations. Finally, having considered the theories on wages, statutory wages and labour markers as well as the type and nature of applied research on the MW, section 3.6 sets out the conceptual or theoretical approach adopted in this research on the AMW and builds a case for a political economy perspective of a MW.

3.2 IMPACT OF A MINIMUM WAGE ON EMPLOYMENT

Employment is a wide, but critical area in any study on wages that entails the level of employment, combined with the nature and conditions of employment. A link between wage levels and employment is clearly ever present. However, this link has to be qualified and explained as opposed to merely quantifying and predicting with respect to employment levels. What surfaces from heterodox works on the MW is the variegated responses from low paying employers to the question of employment. Heterodox studies on statutory wages show that the relationship between a MW and employment levels is contingent on several intricately woven factors that include the (a) rate at which prescribed minima are set; (b) the proportion of the labour force who will be directly affected by pay hikes as a direct outcome of the MW; (c) balance of forces in the capital-labour relationship and associated areas of compliance and enforcement of mandatory wage settings; and (d) product market position of enterprises. This set of conditions produces alternative coping mechanisms for low paying employers, other than shed labour and close the business. This becomes clear in the existing research and in this research on the AMW in the Eastern Cape.

In the neoclassical economics mould, research is by and large concerned with calculating and predicting the cost-benefit outcomes of MW on employment and pay, as mentioned above. A large body of neoclassical economics literature exists, internationally, that estimate the extent to which jobs are lost (through statistical and mathematical calculations) as explained earlier (see Lang and Khan 1998; Suryahadi *et al* 2004, Rama 2001, Campolieti *et al* 2005, Wessels 2005, Neumark 2001, Neumark and Nizalova 2007, Eriksson and Pytlikova 2004, Feldman 2005, Neumark

et al 2014). A sample of such work is provided below to highlight the focus of applied research on the minimum wage.

In the neoclassical economics model, various economic outcomes of a MW on employment are examined, including bleak prospects of employment for youth workers when wages are increased above the market clearing rate (Williams and Mills 1998, Campolieti *et al* 2005, Wessels 2005, Neumark 2001, Neumark and Nizalova 2007). Typifying this type of MW research on employment is Campolieti *et al* (2005) who use longitudinal data between 1993 and 1999, to make predictions on job losses among low paid youth in Canada, when MW rates are increased. Their calculations lead them to conclude that disemployment effects are increased substantially when MW hikes are large compared to smaller cumulative increases. Continuing in this vein, Neumark and Nizalova (2007) estimate the long-term impact of the MW on the labour market participation of youth in America. According to them, the younger the age at which workers start earning MW rates, the greater the exposure of such workers to adverse labour market participation. They argue that although there may not be disemployment among teenage workers, the long-term effects of a MW could be significant because it encourages school drop-outs or reduces training among teens or young adults. These two factors are singled out as the sources for workers earning lower wages in the future. As they put it. “[o]ur findings suggest that, on net, there are adverse longer-run effects of minimum wages, as individuals exposed to higher minimum wages as teens and young adults have lower earnings in subsequent years” (Neumark and Nizalova 2007:436).

To single out the adverse effects of prescribed minima for certain labour segments is questionable and reveals the methodological and theoretical flaws in neoclassic economics research on statutory wages. Levin-Waldman (2001:164) argues that isolating the negative outcomes for one segment of workers in the labour market ignores the potential benefits of a MW for other labour segments. The negative focus on youth employment places the interests of this work group above the interests of adult workers, and their families, who rely on waged labour for their means of subsistence. This isolation of the MW from its wider context narrows the analysis, thereby rendering these interpretations weak in enhancing theories and understandings of the relationship between MW and employment. To merely focus on the adverse outcomes of one work segment does not shed light on other aspects of the MW and labour market dynamics, limiting conceptual thinking on the phenomenon.

Approaching job losses from a MW from a different angle, Lang and Khan (1998:68-73) look at the food and catering sectors in California in the US using a “model of bilateral search” to compare the employment prospects of different segments of workers. In this work, a distinction is made between workers with high and low levels of productivity to estimate the impact of a MW on jobs and welfare. Less productive workers with low skills will be replaced by higher skilled and productive workers, as the model estimates that a MW will increase employment by encouraging higher skilled and productive workers to take up jobs in the low waged sector where vacancies are high. Less productive workers are no better off as they do not enjoy the benefits of the market clearing wage in the non-MW and higher wage labour markets.

Likewise, Wimmer (2000) draws a distinction between capped and uncapped productivity levels in his approach to understanding the impact of a MW on employment, based on a firm’s ability to substitute labour with machines. Accordingly, it is argued that in labour intensive sectors such as hospitality and cleaning services, productivity is capped leaving few or no options for employers to adjust to MW or to wage increases. In these instances, firms rely on people to meet outputs having little or no room to use machines. In these cases, the MW will not have much impact on employment because employers will have to make use of labour and will pay prescribed rates. Over time, however, increases to wages will result in job losses leading to a deterioration of service quality in sectors that are reliant on labour and are unable to use technology to increase productivity.

The converse applies where labour is uncapped, and employers can increase productivity through other means, then jobs will be lost. On these grounds, Wimmer (2000) suggests that increases to MW should only apply to firms and sectors which are labour intensive. If the MW continues to increase, workers in the productive sectors will suffer because their wages will increase threatening their future employment. The upward movement of wages will encourage firms that have the potential to shift from the use of less-skilled labour to other means of production including machines.

However, caution must be exercised when pronouncing on the substitution of labour by machines when wages increase. A MW will not result in widespread substitution of labour by machines as this is not possible for all sectors and firms. Low paid jobs often prevail in productive systems and sectors where “workers’ skills and effort are complements to, rather than substitutes for, capital equipment” (Sachdev and Wilkinson, 1998:29). In such cases substituting workers with different grades and

workers for machines, when wages increase, is not a viable option for employers. Even if this was the case, where substitution can be smoothly adopted, the overall outcomes for employment cannot be predicted. In addition, where the potential exists to mechanise, this shift is often a calculated decision. In this regard, Reati (2002:198) argues that many factors inform employers' decision to retrench workers and use machines as substitutes. The labour/capital substitution propensity is measured against the cost of producing machines in relation to wages.

When assessing wage movements in relation to the labour/capital substitution, in low wage sectors, consideration must be given to the cost and productivity levels in the machine producing sectors. It will only be cost effective for companies to use machines in place of workers, if the cost of producing the machines makes it possible for manufacturers to sell at rates that are affordable for businesses to purchase at levels that do not exceed the costs of employing workers. In this instance the cost incurred in using machines must be lower than wage rates. No law exists that dictates a regular and predictable substitution of workers with machines when wages are increased.

A wide body of international research is available that disproves the orthodox model's claims of widespread and automatic job losses when a MW is introduced, as a general and uniform rule. Machin and Manning (1997) looked at the operation and impact of MW on jobs and income distribution in four European countries – France, the Netherlands, Spain and the United Kingdom. They found little evidence of a negative impact of MW on employment in the four countries but found evidence of an equalising impact on the distribution of wages among households. In the same breath, the employment losses stemming from a MW cannot be generalised across time and space, and as acting in accordance with natural laws of supply and demand. For example, Stewart's (2002) cross-sectional area level analysis of the geographical differentiations in the wage distribution in Britain after the NMW was introduced poses further challenges to the standard neoclassical generalised assumption on the disemployment effects of an NMW. This study revealed no job losses in the geographical areas with a high propensity of low paid workers. Employment growth, in other words, was not significantly lower in areas of the country with a high percentage of low paid workers whose wages had to be increased to the level of the NMW rates, compared to areas with a lower proportion of low paid workers. Likewise, in their study of the impact of the MW in Ireland, O'Neill *et al* (2006) found an insignificant correlation between job losses and the statutory wage in firms where

wages would not have increased if the MW was not introduced. Their overall conclusion is that the MW in Ireland post the April 2000 introduction had little negative consequences for jobs, but significant positive outcomes for the wages of the low paid. In the Brazilian context when MW hikes were significant and frequent, Lemos *et al* (2004) and Lemos (2007) found no significant employment losses after MW rates were increased. In the same vein, Heise (2017) estimates negligible employment losses among low-waged workers, arising from national minimum wage (NMW) in the German context.

Card and Krueger (1995) showed that employment in the fast-food sector in New Jersey increased after the state raised the MW above the federal level and they showed that employment increased the fastest in those businesses that paid the lowest wage rates. The trends in New Jersey contrasted with those in adjacent Pennsylvania, where employment declined slightly even when wages were not increased. Hence, the attack of neoclassical theories on MW as a job hindrance is not justified in light of the lack of employment creation where there is a weakening of statutory wages fixing systems or in a non-MW labour market. In relation to the first scenario, the weakened wages councils, brought about by a political attack by the Thatcher government in Britain, exposed the fallacious association of MW and disemployment ingrained in standard economics with studies pointing to the rise in unemployment after the dismantling of these councils. Far from creating employment, a number of studies point to the failure of “deregulation”, in the form of the abolishment of the wages council, to generate employment in the British economy (Deakin and Wilkinson 1992, Dickens *et al* 1999, Machin and Manning 1994, Rubery and Edwards, 2003:460).

What this demonstrates is that flexibility in labour markets does not produce the optimal employment outcomes declared by neoclassical theories; rather, as Rubery and Grimshaw (2003:138) point out, “[f]lexibility along one dimension may be a source of rigidity and constraint on another”, in this case retarding employment creation. In addition, lowering the level of prescribed minima for certain labour segments such as youth, as a means to encourage employment growth (among this sector of workers), may not result in the desired outcomes, because employers may not resort to using the lower rates for reasons pertaining to paying a ‘fair’ wage to ensure high levels of effort from workers (Böckerman and Uusitalo 2009) or, to steer away from discriminatory practices based on aged-related wage structures (Williams *et al* 2004).

These tendencies indicate that employers are not solely concerned with wage levels and are also concerned with issues linked to workers' morale, productivity and fairness in the workplace.

Contrary to the assumptions of the conventional competitive model reducing the toughness of wage-setting processes appeared to have resulted in a decline in employment. In fact, when MW setting processes were weakened, unemployment increased while the average earnings of workers declined considerably (Deakin and Wilkinson 1992:387) when MW fixing measures were reduced or dismantled in their entirety. Similarly, Freeman (1994:14) points out that unemployment among low paid workers in the United States increased in the 1980s at a time when the MW rates were lower than average wage levels. Declining employment levels combined with low wages, in the absence of labour laws and statutory wages, were also present in the agrarian sector in South Africa. Indeed, agrarian employment was on the decline in South Africa before the advent of the MW and labour laws. These trends point to a complicated relationship between wages and employment patterns that goes unnoticed by neoclassical economics. There is, therefore, no regular, predictable and reliable correspondence between wages and employment in the business cycle because wages, as Deakin and Wilkinson (1992:386) point out, can be negatively and positively associated with employment. The MW in the agricultural sector therefore has to be assessed in relation to a combination of factors that encourage dwindling or fluctuating job creation.

It is as intriguing as it is debilitating that neoclassical interpretations of MW policies constantly seek out the negative aspects and the pitfalls of these measures. For example, whilst Pauw and Leibbrandt (2011:780) accept that the predicted job losses of 350 000-500 000 workers, in South Africa in 2000, as a result of MW were falsified by the fact that two million jobs were created in the few years after this period, they are unable to accept that the MW did not result in massive labour shedding. Instead, they argue that MW policies prevented further employment creation by 25 per cent. The inability to comprehend the complexities of low waged labour markets translates to an inability to explain the contradictory and mixed outcomes of mandatory wages that contrast with the claims made by neoclassical theory. This holds true for the studies on the MW in the South African agricultural context. Studies conducted by Conradie (2003), Murray and van Valbeek (2007) and the Development Policy Unit (2008) use the competitive labour model and start from the preconceived notion that

jobs will be lost due to mandatory wages. But, neither Conradie (2003), in research on wine farms in the Western Cape, nor Murray and van Valbeek (2007), who looked at the impact of the MW in the sugar sector in KwaZulu Natal, found major job losses when the MW came into effect. Both studies in fact reveal the benign outcomes of the MW on job shedding as farmers found alternative coping strategies to accommodate the wage hikes. One method was not replacing labour when workers resigned which is regarded as a disguised form of disemployment.

In terms of claims of disguised disemployment, Conradie (2003:20) asserts that the “most important consequence of statutory minimum wage is not a direct loss of jobs, but a slow-down in jobs for permanent workers living on farms”. Bhorat *et al* (2014), using data from the Quarterly Labour Force Surveys to perform their econometric calculations, also estimated “significant” employment losses in agriculture due directly to the AMW, and they further predicated a substantial reduction in part-time work. Yet, Ranchhod and Bassier (2017:1), using repeated cross-sectional data combined with individual level longitudinal data drawn from the Quarterly Labour Force Surveys, present alternative calculations on employment losses, after the AMW received a significant increase in 2013. Ranchhod and Bassier (2017) provide a nuanced assessment of agrarian employment, as they note the high wage increases for workers in employment, with an overall slight decline in overall employment levels in the sector. But in their words: “There is also only very limited evidence that employment losses were statistically significant after the [AMW]”.

Although there is overwhelming evidence that a MW does not result in massive labour shedding, certain labour segments in precarious or atypical employment are vulnerable to job losses. The threat of unemployment is, therefore, unevenly spread among the workforce and is associated with workers’ positions in the labour market and labour process and in the product market conditions of the firms they are employed in. For example, in the British context, Machin and Wilson (2004) found that although there were no major disemployment outcomes with the introduction of the NMW, care assistants who are one of the lowest paid workers in the home care sector were vulnerable to unemployment. The propensity for workers in precarious jobs to be laid off work, due to wage hikes, also depends on the level at which mandatory wages are set, as well as employer compliance levels.

Be that as it may, heterodox MW scholars tend to embrace the uneven and mixed outcomes of MW policies on employment because of the opportunities presented to

the researcher to ask searching questions about statutory wages in a wider political economy frame. For example, Levin-Waldman (2000:729) puts forward a positive case for the ambiguity of the empirical evidence of the impact of MW policies, arguing that because of the ambiguity or inconclusive findings of a direct and clear link between job losses and a MW, the debates on the MW “can no longer be viewed as an open and shut case”. This provides strong support for developing MW policies that seek to achieve a “more just society”. Ambiguity in the impact and effects of the MW is positive because it exposes the flaws in the neo-classical model. This ambiguity opens up greater space for policy makers to explore MW legislation in relation to furthering other social objectives. Levin-Waldman (2004:140) insists that “greater ambiguity particularly with regard to the minimum wage ought to be regarded as a social good”. Moreover, a critical realist perspective will explain the uneven, contradictory and mixed outcomes of statutory wages as outcomes of processes unfolding in open systems where event regularity is rarely found.

For economic sociology, the relationship between a MW and employment is more than employment levels, as the points of interest are with the nature and composition of work, employment relationship, and the politics of production in low waged firms that are mandated to pay at a prescribed rate. These aspects of employment are addressed in chapter 7 of this study. In the next section, brief attention is paid to the applied research on poverty and a statutory wage.

3.3 MINIMUM WAGES AND POVERTY

Most of the research on the relationship between poverty and a MW comprises of quantitative data and estimates that point to either a positive or negative correlation. Neoclassical economics apply statistical models that produce negative associations between a MW and poverty. Thus, to understand the impact of the MW in America Vedder and Gallaway (2002:42-3) “ran literally hundreds of regressions relating varying definitions of poverty rates to the real federal minimum wage, changes in that wage, or to state minimum wages. In the overwhelming majority of regressions, there was no statistically significant relationship between the poverty rate (however defined) and the real minimum wage (however defined)”. Continuing with this trend of thought, Neumark and Wascher (2002) argue that a MW is not only a useless measure to reduce poverty; it is also poor at redistributing income to low waged workers. They argue that a MW results in income redistribution among low-income families as

opposed to income redistribution from high-income to low-income families. Neumark *et al* (2005:889) look at the MW and poverty with the same lens. They use “nonparametric difference-in-difference estimates” on the outcomes of a MW on the “income-to-needs distribution and on the distribution of changes in income-to-needs” to calculate the implications for poverty reduction among low waged workers.

In contrast to the standard textbook version espoused by the neoclassical economist, other economists find a positive relationship between MW policies and poverty. Azam’s (1997b) econometric study on the impact of agricultural MW in Morocco between 1971 and 1989 within the wheat sub-sector produced conflicting results to the neoclassical economics’ findings. The overall conclusion is that the MW is an effective anti-poverty strategy with multiple positive implications for workers in the wheat sub-sector. According to Azam (1997b:188), the MW removes the distortion (in market relations) created by farmers’ monopsony or power in the labour market thereby allowing wages to increase which in turn raises workers’ productivity and quality of life. This trend encourages employment creation and output given favourable conditions. Under these circumstances, the MW is an effective anti-poverty strategy.

Similarly, Saget (2001:22) argues that MW policies have strong possibilities to reduce poverty levels of low paid workers in the global south by improving their living conditions, while having no negative outcomes for employment. In this vein, Boushey (2005) and Waltman (2008) present evidence from America demonstrating the relief low waged workers and low-income households derive from MW. Boushey (2005:659) found that a sizable portion of MW workers in America are adults whose wages make a considerable contribution to family income. In 2000, half of the workers earning MW were aged between 25 and 54 years. In 2002 MW earners contributed around 60.8 per cent of the total household income.

Waltman (2008:164-7) presents data from six American states demonstrating the significance of MW earnings to low-waged households. In New York for example, analysis of the 2004 MW increase showed that 40 per cent of households with the lowest waged income would receive 58 per cent of the hike. The significance of prescribed minima comes to the fore when the segments of the labour force that benefit from a MW are considered. In the South African context, Hertz (2002, 2005) used the Quarterly Labour Force Surveys to assess the impact of the MW for domestic workers’ wages and poverty and concluded that poverty levels among this segment of workers will reduce to some extent, as wages increase in response to the hikes in

statutory settings. Towards this end, Hertz (2005) found a mixed outcome as wages for female domestic workers rose by 22 per cent and wages for male domestic workers rose by roughly 12 per cent, between 2001 (year of inception of the MW for the sector) and 2003, amidst a statistically significant reduction in working hours, and negligent employment losses. In addition, the number of workers who reported signing written contracts with employers also increased subsequent to the introduction of the MW.

It is difficult to categorically state the impact of a MW on poverty in isolation of other factors that influence wage and poverty levels and the expanded social reproduction of the working class. Poverty and inequality are multi-dimensional and result from a combination of forces and factors prevailing in spatial and temporal contexts. Relief from poverty and narrowing wage inequalities requires multiple strategies. Advocates of MW policies and heterodox labour economists have long recognised this fact, arguing for appropriate institutional arrangements and social protection mechanisms to bolster the MW and other labour regulations (Bercusson 1984, Stevans and Sessions 2001, Figart *et al* 2002, Rubery and Edwards 2003, Blank *et al* 2006).

Neoclassical economics isolates statutory wages from its wider context, thereby preventing the model from recognising the complex, contradictory, and uneven outcomes a MW will have on poverty levels among low waged households. Heterodox approaches, in contrast, locate a MW in the context of labour and product markets, hence such approaches recognise that statutory wages will not single handily narrow wage inequalities and avert poverty among low waged workers and households. Instead, statutory wages are regarded as an essential component of a set of labour market regulations and institutions necessary to improve workers' circumstances. MW policies are viewed as one of a series of support mechanisms that can meaningfully alter low waged workers' conditions. There is general recognition that state intervention in low waged labour markets goes beyond legislating on MW; it has to also create the necessary conditions and institutional arrangements to eradicate low wages and sweated labour.

By focussing exclusively on the negative aspects of MW policies, neoclassical economics is unable and unwilling to acknowledge the positive impact they have on workers who need protection from the vagaries of the market. In the heterodox tradition, emphasis is placed on the positive roles of MW as a labour market tool in combination with others to address poverty, inequality in wages and in bargaining power. In contrast, neoclassical models remove the social and political dimensions of

a MW from their analysis to focus purely on economic aspects. By so doing these approaches oversimplify the relationship between MW and poverty reduction. This not only prevents them from explaining the complex relationship between a MW and other socio-economic and political forces, but it also allows them to focus on the limitation of a MW on poverty reduction and prevents them from appreciating some of the positive impact they themselves calculate on poverty reduction in low-income families (for example Pauw and Leibbrandt 2011:777, 780).

3.4 MINIMUM WAGES AND IMPACT ON REAL WAGES

Advocates of statutory wage fixing highlight the most vulnerable, discriminated and powerless workers, who stand to gain some relief from the vagaries of the market through a MW (see Blackburn 2007, Dex *et al* 1999, Figart *et al* 2002, Levin-Waldman 2004, Deakin 2004, Kaufman 1999, Sachdev and Wilkinson 1998). Low paid workers are often women, part-time workers, young people and immigrants who constitute the main beneficiaries of MW. The most obvious and positive benefit of a MW for workers is the wage hikes that often follow especially for workers earning below the prescribed rates. This is evident in the international research on wage movements following a MW. For example, the NMW in Britain had an overall impact on wage distribution especially for workers at the lowest end of the earnings scale that effectively reduced the extent of pay below the prescribed rates (Dex *et al* 2000, Metcalf 2002, Dickens and Manning 2004, Metcalf 2004, Robinson 2005).

Adam and Moutos (2006) offer a different model to the competitive labour market theory to calculate the redistributive potential of a MW premised on a “median voter model” that is explicitly political in the setting of the value of MW rates. According to them, a MW is positively correlated to employment if the rates are the result of “political economy considerations” where the voter actively considers the level and extent of inequality in the determination of MW values.

Connolly and Gregory (2002) provide further support for a positive correlation between MW policies and wage increases for the lowest paid sectors of the workforce. Their study focussed on women employed on a part-time basis who constitute the bulk of the low waged labour force in the UK and found that they benefitted most from the NMW because of the rise in wages without disemployment. For these authors wage increases without job losses is indicative of the potential a MW has to enhance the economic position of low waged women workers (Connolly and Gregory 2002:629-

30). In a rare study on the relationship between crime rates and MW policies, Metcalf (2002:579) found that the NMW had far reaching consequences on the level of crime in Britain. Using a study on crime levels before and after the MW, Metcalf observes a decrease in car theft and property in geographical areas where the MW had a major impact on earnings and wage levels.

Likewise, in the South African setting, in their MW research among 608 farm workers in the Eastern Cape in South Africa (the same geographical areas covered by this thesis), Naidoo *et al* (2007) found that although compliance with the binding rates was low, the number of workers earning extremely low wages declined significantly when prescribed minima were first introduced to the sector. In particular, they note that workers earning below R400 per month reduced from 34 per cent to 12.2 per cent in areas where the higher wage rates applied and from 19.7 per cent to 7.3 per cent in areas where lower rates were prescribed, after wages became binding (Naidoo *et al* 2007:39). Other research, in the South African agricultural context, also collaborate a positive association with the AMW and wage increases (see BFAP 2012, Bhorat *et al* 2014, Visser and Ferrer 2016). Similar trends are discernible in other contexts. Metcalf (2004:84) reports that between 1998 and 2002 the wages for British workers at the lowest end of the pay distribution were raised above the average rates with the introduction of the NMW.

In chapter 2, the various positive arguments made by champions of statutory wages were discussed. One advantage of a MW cited by champions is its potential to narrow wage inequalities in labour markets between different segments of the labour force. This is regarded as essential in the quest for just and equal societies. However, the redistributive strength of a MW is dependent on several factors, with existing inequalities and discrimination playing a major role in determining the depth and scope of redistribution. The pre-existing context combined with the MW system, the scope and coverage, the implementation mechanism and compliance levels all play a major role in influencing its impact on workers. The impact of a MW on overall pay distribution depends on the number of workers directly and indirectly affected by MW, the level of the MW relative to average wages, the dispersion of wages and the level of the wages before the MW (Freeman 1994:17, Metcalf 2002:572, Dickens and Manning 2004:614). In addition, the relationship between a MW and wider institutional arrangements in wage setting mechanisms, such as collective bargaining, trade union and employer power and state intervention have a significant outcome on the

redistributive impact of statutory wages (see Grimshaw and Miozzo 2003, Grimshaw *et al* 2014). The research findings in this aspect are mixed with some studies showing positive outcomes whilst others show a limited impact on redistribution. Sector based studies on MW and living wages demonstrate corrosions in wage inequalities with insignificant negative effects on employment.

In this regard, Machin *et al* (2003) studied the impact of the NMW on wages and employment in residential care homes in Britain. In some respects, this sector bears some similarities with the farming sector because both operate in previously liberalised labour markets. They find that the NMW had a sizable impact on wages because large number of workers at the lower end of the wage distribution received wage increases. This led to a greater compression of wages at the lower end of the wage dispersion thus reducing wage inequalities. The NMW had a massive impact on the wage structure for the industry, yet employment losses and a reduction in working hours were insignificant. In a different context, Reich *et al* (2005) found positive results for workers in their examination of the impact of a living wage ordinance in San Francisco Airport which applied to a large section of the labour market and found positive results for workers. They found that wage inequality reduced significantly when the living wage became applicable, as 73 per cent of the non-management work force received sizable wage hikes and other benefits including improved health benefits resulting in improvements in quality-of-life indices, reduced turnover, improved worker morale and greater work effort.

However, aggregate results contrast with the findings of sector-based studies, as borne out in Britain with the NMW. British studies show that although compliance with the NMW was high, the wider impact of the policy was limited, which was attributed to the low levels of the initial NMW settings (see Rubery and Edwards 2003, Heyes and Gray 2001, Adam-Smith *et al* 2003, Arrowsmith *et al* 2003), Grimshaw and Carroll 2006). Dickens and Manning (2004:622) argue that the overall impact on wage inequalities in Britain was insignificant because the minima did not have any impact on the pay of workers who were not directly affected by the settings. They also found very little or non-existent spill over effects producing little change in the overall dispersion of wages. In contrast, Lee (1999) found large spill over effects of the MW in America.

Research also reveals the negligible impact on gender-based wage inequalities. Robinson (2002:432), Metcalf (2002:573), and Robinson (2005), for example, found

that the NMW in Britain did not have a major impact on narrowing wage inequalities between women and men which they attribute to several factors. First is the low number of female earners at the top of the wage distribution. Second, the impact of the MW on gender pay differentials and in reducing gendered income inequalities is not only dependent on the rate at which the MW is set but also on the proportion of men and women who are paid below the rate and the size of the wage gap between men and women before the introduction of the MW (Robinson 2002:418). Likewise, Naidoo *et al* (2007) found that the gender disparities in wages continued after the MW was introduced to the farming sector in South Africa (see also Conradie 2003).

Now, while the uneven findings on the ability of a MW to corrode the wage inequality resonates to some extent with neoclassical economists' estimates, the model however is unable to explain or shed light on the causes. A MW is implemented in a terrain characterised, on the one level, by power imbalances in the relations between workers, employers and the state, and on another level, by entrenched discrimination and wage inequalities producing heterogeneity and differentiated poverty levels among low waged workers. Given this situation, a MW will not have a uniform impact on workers throughout the labour market. Subsequently, certain segments of the labour force may benefit more than others by virtue of their sex, the jobs they perform and the particular sub-sector they are employed in.

As Dex *et al* (1999:505) point out, in societies stratified along class, race, gender and age lines, the benefits of labour market institutions will not reach all workers. Dex *et al* (1999) observe that even in European countries where strong labour market institutions prevail, the benefits from measures, such as MW policies, are not felt equally by all groups of workers because of segmented labour markets. Hence the redistributive and poverty reduction potential and effect of a MW will be differentiated, uneven and contradictory for workers. Such MW outcomes for workers are only possible because of the pre-existence of particular conditions regulating labour supply and demand and the ways in which labour is used and managed in production processes in spatial and temporal conjunctures. The impact of a MW therefore has to be contextualised against the background of specific labour markets and the prevailing conditions, the nature and extent of segmentation and power relations, the levels of mandatory wages and uprating mechanisms and the levels of employer compliance.

In this respect the scope, objectives, enforcement mechanisms and the rates of prescribed minima, combined with conditions in productive systems, play a major role

in influencing the economic impact of a MW on workers. Botswana, during the 1970s, is a vivid illustration of the adverse outcomes for workers when MW policies have narrow coverage and scope and when worker skills and productivity enhancement are neglected (see Lipton 1980). Heterodox and institutional economics acknowledge that a MW may have negative or limited and benign outcomes for workers. The task that flows from this is to identify and explain the causal mechanisms that result in the contradictory and mixed outcomes that MW policies produce for workers. Alternative models to the neoclassical approach attempt to identify the weaknesses and shortcomings in the way MW policy is conceptualised, its scope and coverage and how it is implemented and enforced. A critical engagement with the MW will consider these factors in relation to the conditions and configuration of low waged labour markets as they pertain to workers and the conditions regulating the supply of labour and labour power. It is therefore necessary to examine the causes and manifestations of the contradictory and mixed outcomes of mandatory wages on workers against the context of their labour market and labour process conditions.

When a MW is approached from this angle, it becomes apparent that statutory wages not only have an economic dimension with narrow economic implications for workers. A MW also crucially comprises social and political implications that cannot be ignored or denied, as is common in standard economics. The socio-political dimensions of a MW manifest in the relationships between and among workers, between workers and employers and between workers and the state. The various dimensions of a MW crucially determine its multi-layered effect, having economic, social and political implications at the micro and macro levels. Consequently, it is anticipated that the outcomes of statutory wages for workers will entail a certain degree of change combined with some level of continuity. In chapter 4, the extent to which a MW alters workers' economic, social and political circumstances are explored in greater detail with specific reference to farm workers in the Eastern Cape, South Africa. This exercise will enable a deeper sense of the nature and extent of changes and continuities with the past.

Precisely because labour markets are complex socio-political systems that are open and dynamic, the employment consequences of a MW cannot be isolated from other factors. The simplified conception that standard economics has, of the MW and the relationship with employment and prices, prevents an appreciation of the dynamism of real labour markets leaving many areas unexplored in this relationship. The

absence of the generalised and uniform prediction of job losses, made by neoclassical economics when MW become binding, gains significance in applied research in the heterodox tradition. In this tradition, an attempt is made to unravel the benign outcomes of wage hikes resulting from statutory wages on employment, against a set of pre-existing conditions in labour markets, product markets and labour processes, combined with the level of mandatory wages. The next section pays attention to this research.

3.5 MINIMUM WAGES, EMPLOYMENT AND LABOUR RELATIONS

In heterodox labour economics, the benign impact of MW policies on employment shedding is attributed to the levels at which prescribed minima are set, in conjunction with low-paying firms' and sectors' labour relations regimes combined with conditions in labour processes and labour and product market conditions. To be sure, the labour relations regime acting in consort with other factors and, combined with the level at which mandatory wages are set, play pivotal roles in enabling employers to absorb a MW without shedding jobs, and may block or stimulate innovation and change in the work-sites. This immediately suggests that pre-existing conditions in the capital-labour dynamic will aid or inhibit, as well as shape, the conversion factor potential of statutory wages. This becomes apparent as the discussion unfolds in this section.

A substantial body of heterodox research, largely based in Britain and set in the industrial relations field and business management studies, on the consequences of a MW and other labour standards in the work-place, looks at small firms, which invariably have a greater propensity to pay low wages than large firms. Edwards *et al* (2003:7-8) identified three ways in which labour laws in general affect the employment and labour relations strategies of firms where low wages are dominant. One is the direct impact or relation to a law as with a statutory MW, which has implications for wages and pay settings. Two is an indirect outcome, for example, developing a grievance and disciplinary procedure after a dispute between workers and employers. The third effect is a much broader one and relates to the extent to which firms develop policies and practices that are in accordance with the "direction of public policy".

In broad brush strokes, however, the literature on the outcomes of statutory wage policies at firm level makes a distinction between two approaches at employers' disposal when they confront a MW – the high-road and the low-road approaches (Lucas and Langlois 2003:36, McNabb and Whitfield 2000:587, Rubery and Edwards

2003:462, Grimshaw and Carroll 2006). The former in many respects centres around the positive impact that heterodox scholars identify for a MW on employment, business practices, and labour relations including the wage determination process; the latter approach bears similarities with what neoclassical theory regards as some of the trade-offs that result from a MW.

The low road approach focusses on minimising costs to compensate for the increases in wages through statutory settings. Common practices in this approach include the reduction or withdrawal of fringe benefits, work intensification methods, an increase in part-time, casual and seasonal labour, adopting degrees of labour market flexibility, and low pay to maintain comparative advantage. The high road approach means using the MW to positively change production processes and wage determination processes. In this regard, a MW may be the catalyst for changes to product market strategies, the organisation of the labour process and labour relations, and the provision of better jobs and employment conditions. At the product market level, strategies include creating niche markets, enhancing workers' skills through training programmes, and moving towards product innovation, greater quality controls and the use of technology in the production process. A MW, and associated labour laws, therefore, have a layered impact, potentially shaping labour markets, employment trends and labour relations regimes to varying degrees.

It is important to point out at the outset that the positive and/or negative impact that a MW may have is only possible because other factors linked to labour markets, labour processes and product markets are present in particular spatial and temporal contexts where wage fixing exists. This means that research has to be sensitive to the fact that a MW is not an atomised phenomenon acting independently of other factors in labour processes and in labour and product markets. In this context, the real and true impact is discernible only when it is enforced and implemented. In this instance, when a MW is implemented, its impact cannot be disentangled from other dynamics propelling change or encouraging inertia. Studies show that often other factors may play a more significant role in the business cycles of firms making it futile to extricate the effects of a MW from this context (Heyes and Gray 2001:91, Adam-Smith *et al* 2003:30). Moreover, the precise and specific impact of a MW cannot be predicted, contrary to the neoclassical economics model, because of multiple factors impinging on employment, production and labour relations.

The type of influence that a MW has on a firm's employment and business strategies is only possible (and realised) because of the presence of a multiplicity of social and economic factors exerting pressure on or influencing labour markets, labour processes, product markets, and ultimately wage setting systems. Neoclassical economics erroneously attempt to isolate the impact of MW from other factors informing employers' choices and decisions. Yet, it is difficult to predict the precise and specific impact of a MW. What is clear in the research is that the impact of MW cannot be isolated and divorced from the pressures that other factors exert on firms and employers. In many respects, wages and changes in wage levels may not always and in all instances be an overriding concern of employers.

Employers' responses to statutory wages and the outcome of a MW on wage rates and any changes to working terms and conditions is influenced by a "complex and dynamic mosaic of economic, social and organizational factors, making the specific impact of a minimum wage potentially difficult to isolate" (Adam-Smith *et al* 2003:30). This is because statutory wages represent "...one among a whole series of continuing pressures and it would interact with these pressures.... [and] would not be a separate, distinct force whose effects could be separated from those of the continuing dynamics of the labour market. Determinate outcomes cannot be expected" (Edwards and Gilman 1999:23). As such, and in keeping with events in open systems, the outcomes of a mandatory wage in the work-place, as borne out by empirical data, will be mixed, uneven, and contradictory as it fuses with other factors in labour and product markets and labour processes. Some examples of factors, that studies identify and that fuse with wages, include customer demand and changing product markets, labour market conditions, the exchange rate and international competition, among others (Heyes and Gray 2001, Adam-Smith *et al* 2003, Arrowsmith *et al* 2003, Grimshaw and Carroll 2006). This ultimately means that adjustments at the site of production do not follow a linear and unidirectional course with changes occurring only when a MW is enforced.

Typifying the interaction of a MW policy with other factors in shaping employer responses to wage hikes, Ram *et al* (2004:10) found strong links in product market conditions and size of enterprises, in their study of clothing firms and restaurants in the informal economy, when the national minimum wage (NMW) came into effect in Britain. They found that employers facing intense financial and fierce competitive pressures experienced greater difficulties in absorbing any costs of labour regulation including prescribed minima, prompting the use of low road methods: "By contrast,

firms in stronger positions may not only be able to absorb costs but may also find that the law acts as a stimulus to modernisation” (Ram *et al* 2004:10). Invariably, firms that take the low road operate in product markets where price and not quality is the main determinant of market success (McNabb and Whitfield 2000). Nevertheless, Ram *et al* (2004:31) show that the clothing and restaurant employers they studied felt that the NMW in the UK had little influence over the level of wages in their businesses. In fact, Ram *et al* (2004:35) found that very low wages continued to exist in the firms they studied and that the NMW had little impact on pay rates.

In their assessment of the impact of the NMW on employer adjustment and coping mechanisms in the UK textiles and clothing sector, Heyes and Gray (2001:96) found that instead of shedding jobs because of the MW, employers used other means to accommodate the increase in labour costs, inclusive of work intensification, a decrease in the amount of overtime with a simultaneous increase in the number of tasks performed by workers and the number of machines they were required to manage. They also found that some employers resorted to disciplining workers more regularly and dismissing workers with low productivity. Firms continued to operate on the basis of the low road approach both in product markets and labour relations. They conclude that the impact of the MW on the competitiveness of the clothing and textile sector is “relatively benign”.

Corroborating these findings, Gilman *et al* (2002:54) found a benign impact on small firms in the clothing, printing and hotel and catering sectors in Britain they studied, indicative in the small number of jobs lost, and an insignificant number of firms that raised wages or that made major changes to internal processes to remain competitive. Instead, some firms in both sectors resorted to work intensification methods, some hotel and catering firms withdrew peak breaks and some in the clothing sector introduced elements of piece work, and a few firms adjusted wages by paying higher than the MW to recruit and retain staff.

In a survey of the impact of the MW in Britain on pay and workplace structure and organisation in 510 firms in the retail, hospitality, and personal services sectors. Denvir and Loukas (2006:4, 19) found that 59 per cent reported that the NMW had an impact on profit levels, prices of goods and services, labour costs, non-labour costs, products and services, use of technology and employment. Significantly, 41 per cent reported no impact due to the NMW. The impact had strong sectoral dimensions with hospitality reporting more of an impact than retail firms and firms specialising in personal

services. The case studies conducted on these firms in the survey sample showed that the NMW had an effect on companies' labour costs, profits and prices. Many employers "felt unable to resist or innovate ... Most accepted the need to absorb losses and focus on internal re-organisation of rewards and practices" (Denvir and Loukas 2006:6, 53). Furthermore, a mere 18 per cent of firms reported that changes to staff training and skilling were the direct results of the NMW and the subsequent increases.

Arrowsmith *et al* (2003) observe three types of employer responses to the NMW in Britain in their study of small firms in the clothing, hotel and catering sectors. One, is implement, two is ignore and three is "critical event". Although the pressures of the NMW were felt differently by clothing, and hotel and catering firms, most firms in their study adopted the first approach and implemented the NMW, thereby reflecting the ease with which they absorbed the increased (labour) costs occasioned by the NMW. Clothing firms in the study were compelled to restructure pay systems by terminating piece-rate pay systems when the NMW came into force, which removed firms' ability to negotiate pay rates lower than the NMW under competitive market conditions. In this case, firms had to adopt standard rates of pay as set in the NMW. In addition, certain clothing firms had to rationalise their operations by closing sections of the labour process. Firms that evaded implementation, needless to say, transgressed MW provisions, and in firms where the NMW marked a "critical event", changes were made to the product market strategy and working conditions and arrangements.

Likewise, Undy *et al* (2002:360) found that clothing firms in Britain facing intense competitive product market conditions and declining product demand had to restructure work and pay systems to comply with the NMW. Restructuring meant rationalisation including closing down operations or sections of the labour process, whilst methods of pay shifted from piece rates to standardised rates prescribed by the NMW. However, wage rates in the clothing firms were steadily moving closer to the NMW rates prior to its enforcement. Employers who paid standard rates prior to the NMW obviously had less difficulties moving to the prescribed minimum than employers who paid piece rates.

One of the areas explored by Adam-Smith *et al* (2003:44) in their study of the impact of the NMW on employers in the British hospitality sector was the relationship between statutory wage fixing and working conditions. They found that the working conditions of workers in their sample did not alter after the MW was introduced. In fact, "[w]orkers

reported ongoing pressure to work hard, cover for staff shortages, and in some cases, to be available to work anywhere in the establishment at the whim of managers” (Adam-Smith *et al* 2003:44). As may be gleaned, a mixed response to statutory wages, that entail low road approaches, appears to be prevalent among British low-paying enterprises.

Nonetheless, research also shows that, employers may use cost reducing employment practices with quality enhancing technology yielding high quality products where they can exploit certain groups of workers (Heyes and Gray 2004, Grimshaw and Carroll 2006). In their study Heyes and Gray (2004:221-2) corroborate the general findings of their previous research, but also provides evidence of employers combining elements of the high road and low road approaches as ways of coping with the NMW in small firms. Eighty-five per cent of the firms in the study that were adopting quality-enhancing methods also intensified work.

Not all firms in the research took steps to offset the increase in costs as a result of the NMW. Those firms that did introduce measures to accommodate the increase in costs did so by passing the costs onto the customers by increasing the price of the produce, and through reducing the hours of work. The study also shows the NMW had an insignificant impact on the wage bills of the firms interviewed. Employers found the NMW to have little bearing on overall costs. The introduction of paid holiday leave provisions was seen as having greater cost implications than the MW, and employers had to find ways of accommodating paid leave into the labour process.

The mixed and contradictory outcomes of a MW and the combined influence it exerts with other factors on firm strategies transcends geographical boundaries, political dispensations, economic sectors and labour market and labour process conditions. For example, in South Africa, Murray and van Walbeek (2007:122) found that sugar cane farmers were unable to distinguish the impact of the MW from other labour legislation. Furthermore, no farmer in their study reported retrenching workers. Farmers based on the North Coast of KwaZulu-Natal where higher prescribed rates applied at the time reported that they were considering enhancing training for their workers following the introduction the AMW.

A large number of farmers in this area made use of contract labour and indicated their intent to increase their reliance on contract workers in the future. The authors found that farmers on the South Coast, where the lower MW rates applied, resorted to job

freezing, cancellation of new orders and retrenched workers more than the farmers on the North Coast who were paying the higher rates. Conradie's (2003) study of the MW on wine farmers' adjustment and coping mechanisms in the Western Cape, South Africa, soon after implementation, shows similar outcomes for employers.

As the above indicates, as much as the widespread job losses resulting from a MW is difficult to predict, and more importantly such outcomes do not materialise as a generalised rule, the widespread positive outcomes, for employment practices, labour supply and demand, quality of products, and labour relations are equally not automatic outcomes. In fact, much of the research demonstrates that a MW may have no impact on product market strategies and labour relations, or employers may intensify low-cost methods in their employment and product market practices. Some employers may adopt high road approaches and still other employers combine low road and high road strategies. Consequently, neither the negative claims of massive job losses made by neoclassical economics, nor the positive claims of improvements in product enhancement, employment conditions, and labour relations made by heterodox labour economists, materialise to significant degrees in the studies reviewed above.

What informs this reality? In an important sense responding to this question is linked to the conceptualisation and methodological underpinnings of labour markets and labour market regulations. As discussed in chapter 2, heterodox labour market theories reject the neoclassical model's ahistorical, asocial and sterile account of labour markets because of its failure to recognise and appreciate the socio-economic forces that encourage variations and differentiations, and by implication inequalities and discrimination among and between workers and employers within and between economic sectors and firms.

For a cogent explanation of the impact of a MW on enterprises' employment strategies, labour relations and labour processes, analysis must take account of the context and operation of particular labour markets prior to the MW, including the economic and product market conditions, how labour was managed, how work was organised and executed, and how wages and working conditions were determined. Increasingly research reveals that unequal power relations between workers and employers and unilateral methods of pay setting in low paying firms not only assist employers in accommodating a MW but also account for the less dramatic effects (Gilman *et al* 2002, Arrowsmith *et al* 2003, Adman-Smith *et al* 2003, Lucas and Langlois 2003, Ram

et al 2004, Grimshaw and Carroll 2006) that adversaries and proponents claim would arise from statutory wage setting.

In attempting to understand and explain employer responses to a MW and its impact, heterodox approaches are premised on the understanding that a MW is not introduced in a socio-political, economic, spatial and temporal vacuum. A statutory wage, as Lucas and Langlois (2003:34) write, is not a “discrete event occurring in a stable world”. A MW is a result of historical forces arising from conditions linked to labour relations, labour supply and demand, and product markets in sectors of the economy that exert downward pressure on wages as discussed in chapter 2. Labour market, labour process, product market conditions and the unequal power relations between workers and employers, preceding the MW, not only make it necessary for the establishment of statutory wage fixing systems. Pre-existing conditions will also influence the pace, nature and scale of change and by implication the future employment, labour relations and business strategies when these measures are institutionalised.

Research in the heterodox labour market model, as will be shown below, point to the significant role that pre-existing conditions within firms, sectors and labour markets combined with the levels of MW rates and the uprating mechanisms play in determining the nature and scale of impact. In this light, an explanation of employer responses and adjustment methods when MW are introduced has to be contextualised within an understanding of pre-existing structures, institutional arrangements and social relations, because such conditions explain how low-waged employers adjust to and/or accommodate statutory wage settings. In this frame of analysis, the impact of a MW is viewed as path dependent, reflecting the variations in the socio-economic composition of labour markets in particular spatial and temporal conjunctures (see Deakin and Green 2009). In this light, an important aspect of my research is to understand the socio-economic and political context of the MW in a localised agricultural labour market (Cacadu and Amathole districts) to explain farmers’ responses and adjustments to the MW.

To explain the benign outcomes of a MW on employment and the contradictory outcomes and scale of MW impact, several studies, therefore, look to institutional factors impinging on employment relations. Such works incorporate an analysis of labour relations systems, product market positions of firms, institutional arrangements in the labour market, and the level at which wages are fixed as shaping firms’ choices

and decision making, when mandatory wages are introduced (Heyes and Gray 2001, Gilman *et al* 2002, Undy *et al* 2002, Adam-Smith *et al* 2003, Arrowsmith *et al* 2003, Edwards *et al* 2003, Ram *et al* 2004, Druker *et al* 2005, Grimshaw and Carroll 2006, Denvir and Loukas 2006). Increasingly research reveals that unequal power relations between workers and employers and unilateral methods of pay setting in low paying firms not only assist employers in accommodating a MW but also account for the less dramatic effects that adversaries and proponents claim would arise from statutory wage setting.

As mentioned earlier, research on the outcomes of the NMW in low-waged firms in Britain focusses on small firms. The conceptual framework used by British heterodox MW scholars to study employment and labour relations in small and low-waged firms (in the wake of labour standards and binding wages), is applicable to economic sociological studies of the AMW in South Africa. However, the literature is clear that size is not the only determinant as sector, product market and labour relations have defining implications for employers and workers in the context of labour standards in general and statutory wages in particular.

As size is not the single driver for low wages, analysis focuses on the interaction of internal and external dynamics of firms to explain shifts and changes when labour market interventions are made in low waged sectors. Moving beyond the size of firms to the structure of economies with respect to capitalist value chains, product markets and social relations of production reveals the commonalities across low waged sectors and low waged labour markets.

As mentioned, institutional and heterodox research pays careful attention to power relations in the workplace and the various ways in which inequality in power between workers and employers influences how mandatory wages are enforced and the implications that follow. The managerial or employment relations in low paying firms are often characterised by varying degrees of informality defined as the lack of formal procedures in determining wages and working terms and conditions of service (Edwards and Gilman 1999, Arrowsmith *et al* 2003, Adman-Smith *et al* 2003, Grimshaw and Carroll 2006, Gilman *et al* 2002, Ram *et al* 2004). This type of labour relations is often characteristic of an unorganised workforce where collective bargaining is weak or non-existent. Informal labour relations are a commonality among low waged sectors and businesses globally, irrespective of size. The farming sector in South Africa not only has a substantial number of small operations alongside large

operations; the sector is largely unorganised with widespread absence of collective bargaining and joint regulation of working conditions and wages (elaborated in chapters to follow). Certain parallels exist between the South African farming sector and other low-waged sectors internationally, with respect to labour relations. This point will be picked up again later in the chapter. Nonetheless, the degree of informality in the labour relations and wage setting, prior to the enforcement of a MW, are instrumental in shaping how employers accommodate or react when it becomes binding¹⁴.

Informality forms an essential element of paternalistic and unitary labour relations systems. The extent of informality is shaped by product, labour process and labour market conditions within particular spatial and temporal contexts. Firms with informal labour relations systems often do not have specialist managers and formal internal structures and procedures. Instead, decisions about wages and benefits and the terms and conditions of employment follow informal processes set by the employer (Gilman *et al* 2002).

Arrowsmith *et al* (2003:438) refer to such work environments as lacking in “professional structures” while Grimshaw and Carroll (2006) speak of the absence of sophisticated internal labour market structures lacking in grading schemes where job differentiations are not clearly defined. Examples of informal pay determination processes are individual bargaining between a worker and the employer or rates of pay that are set solely by the employer. The degrees of informality in such circumstances have strong links with “authoritarianism and autonomy” (Adam-Smith *et al* 2003). Informality parallels with the notion of paternalism found in unitary labour relations system and is distinguished from the pluralist model of labour relations where collective bargaining and active trade unions exist.

Under informal circumstances with weak or non-existent collective bargaining structures, wage settings and working conditions are often managerial prerogatives. In this situation a diverse set of “institutional settings, norms and customs, and idiosyncratic arrangements” (Bryson and Forth 2008:506) exert significant influence in

¹⁴ Enforcement of the AMW and other labour laws are shaped by the state’s approach to enforcement and compliance with respect to the analysis of and action to address inequalities in bargaining and overall road approaches to production. Important lessons for the South African context, and elsewhere, may be derived by the approach to labour inspections and employer non-compliance with MW settings in countries in Latin America. In this regard, work by Piore and Schrank (2008) provide rich insights on labour inspections that seek to work with low-waged and non-complying employers to address structural and ideological barriers to high road strategies.

employment relations. Variances in wages and conditions of service reflect the outcomes of different internal arrangements and pay structures combined with differences in product market and other conditions. In this regard, and in contrast to the overwhelming focus in neoclassical theory on market mechanisms in wage setting, heterodox studies on wage setting and labour relations speak of indeterminacies exerting significant influence in workplaces creating heterogeneity within labour markets (Gilman *et al* 2002:52-3, Adam-Smith *et al* 2003:44, Blyton and Turnbull 2004:26, Ram *et al* 2004, Kaufman 2007:784, Bryson and Forth 2008:506).

In the British literature, informality is viewed as a major mediating force when the NMW came into effect which explains why neither the positive outcomes, as espoused by heterodox economics, nor the negative outcomes, as claimed by neoclassical economics, do not materialise. As discussed in chapter 2, heterodox labour market studies on the MW argue that low levels of prescribed minima are debilitating because they are incapable of transforming conditions that encourage low wages and economic inefficiencies. Using this frame, Heyes and Gray (2001), Rubery and Edwards (2003), Adam-Smith *et al* (2003), Arrowsmith *et al* (2003), Druker *et al* (2004), Denvir and Loukas (2006) and Grimshaw and Carroll (2006), argue that the low level at which the NMW in Britain was initially set made it easier for employers to comply allowing them to follow cost minimisation strategies as opposed to enhancing product quality and employment practices.

For example, Arrowsmith *et al* (2003:451-2) attribute the ease with which firms adjusted to the NMW and absorbed the increased costs to the low rate at which the NMW was initially set. On this basis, they conclude that the NMW did not provoke as big a shock to employers and workers alike, hence pre-existing arrangements in the employment relationship, that cemented informality, were largely unaffected. In many respects, a low MW wage cements informality and encourages the continuation of this particular labour relations regime (Adam-Smith *et al* 2003, Arrowsmith *et al* 2003).

However, according to Grimshaw and Carroll (2006), whilst a low MW rate will impede moves towards high road strategies, more widespread reasons relate to “institutional and customary” arrangements and practices. The values and norms that underpin labour relations and the sectoral and institutional conditions can be either enabling or constraining on employer reactions. McLaughlin (2009) links core values and the overall approach to labour relations with labour market institutions, such as the availability of training options, to unpack the different outcomes of MW policies in

Denmark and New Zealand. Both these countries have relatively high MW, but they differ with respect to how they deal with productivity and training in low waged sectors. What is clear is that a high MW in and of itself does not automatically lead to high productivity and a highly skilled workforce. These have to be engineered through multiparty dialogue and processes involving employers, workers and their unions and the state. High wages combined with a range of institutional support mechanisms are crucial to steering employers towards the high road.

In Denmark, unlike New Zealand, there are high levels of state funding for training existing alongside bargaining at various levels of the economy between employers and workers over how this funding would be used to enhance skills. Unions also have the space to bargain for sector-based training as well as for leave from work for workers to receive training. McLaughlin (2009:333-4) observes that Denmark is marked by a 'flexicurity' approach which allows for the co-existence of liberal employment standards alongside strong social protection. The country also demonstrates the value of "social dialogue" in facilitating "decent work and equitable social outcomes". More specifically the role of collective bargaining and trade union strength and state support are fundamental to ensuring that Danish employers are not drawn into competing on the basis of low wages. McLaughlin's (2009) study emphasises the significance of national norms and values that allow for appropriate institutional arrangements in the labour relations regime and in the labour markets that may aid or impede the progression to high road approaches in both the labour process and labour relations sphere of the work-place.

From McLaughlin's work, for the high-road approach to materialise, it is clear that emphasis is placed on continuous skilling and training. Indeed, at the level of the necessary labour market institutional arrangements, training and continuous skills programme for workers are identified as critical to stimulate the changes from low-road labour processes to high-road workplaces (see Grimshaw and Carroll 2006). Training is regarded as the vehicle to increase productivity making it possible for the development of innovation both in product market and employment practices and strategies. Training and the potential for further skilling is, however, contingent on the labour process and the nature of work. Whilst there may be more scope for continuing training in the manufacturing and agro-processing plants, limited or no opportunities may exist in certain jobs, such as in agricultural labour processes. This warrants

further investigation because certain tasks in the production process may have little room for further training in agrarian jobs.

Innovation, for certain enterprises, may be challenging (thereby impeding the migration from low-road to high-road approaches) because of the absence of critical objective and subjective conditions. The ability of a firm to innovate may be restricted by the nature of production, and the innate qualities of the tasks. In other words, certain jobs in certain sub-sectors possess the necessary qualities to shift the labour process and business strategy from a low-road to high-road approach, while other jobs may not present such opportunities. The conditions to enhance and/or increase skills, in the labour process, may not exist (Rubery and Edwards 2003:465). In this research, the question of scope of innovation becomes relevant for agrarian jobs such as herder, or wool sorter, or shearer, and similar work. The point is that innovation towards niche markets and changes in the organisation and execution of tasks are facilitated by certain material features of the task that allow it to be transformed. But the change process may be actualised and/or enhanced through institutional arrangements in the labour market and the balances of forces between workers and employers.

It is evident from the existing research that broader processes at work in labour market institutions are often instrumental in directing employers towards either the high road or low road in coping with MW policies. In this regard, research shows that low paying employers face challenges in adopting high-road strategies because of weaknesses and gaps in the institutional support mechanisms in labour markets (Heyes and Gray 2001, Rubery and Edwards 2003, Grimshaw and Carroll 2006, McLaughlin 2009). In addition, weaknesses in labour market institutional arrangements combine with low MW settings to encourage low paying employers' use of low-road approaches, thereby preventing them from adopting high-road strategies.

The general findings of existing research are that a MW does not lead, always and everywhere, to extensive job losses, it does not necessarily encourage or force positive and innovative changes to product market strategies nor stimulate changes to wage-setting processes within firms, finally and significantly, the overall impact on firms' wage bill is often insignificant. Indeed, heterodox economists' research findings show the complex relationship of a MW to both workers and employers, mirrored in the mixed and uneven outcomes on employment, wages and labour relations.

Much of the existing works on the MW are overwhelming focussed on the firm or employer responses, with very little direct attention on low waged workers. In this respect, Adam-Smith *et al* (2003) is an exception to the established research trend, as their work focusses on workers, and not employers. Moreover, the points of interest in existing research often tend to be on economic factors, as in the propensity to shift from low-road to high-road strategies in employment and business strategy. A focus on employer responses, however, diverts attention from other aspects of work, key to which is the labour process and workers' experiences of work. As a result of a firm-centric approach, essential features of capitalist production, conflict, exploitation, and class divisions are lost in existing applied MW research. It is of vital importance to a study on a MW to be sensitive to the fact that "within a capitalist political economy, employment is at the same time both an economic relationship and one of control; and this duality is in turn closely associated with the interdependence of wealth and the ownership of the productive system" (Hyman 1974:173-4).

Whilst existing heterodox works on statutory wages point to challenges with shifts from low to high road approaches, they are unable to explain, thoroughly and comprehensively, these challenges as part of inherent contradictions of capitalist production and the regulation of labour. The approach adopted in this study draws on a Marxist reading of wages and labour regulation and situates the MW within the processes of valorisation. In a departure from existing works, this study therefore has an explicit and direct focus on workers, labour's social reproduction, the labour process and the regulation of labour, based on a Marxist understanding of capitalism. The next section outlines the approach adopted in this study.

3.6 POLITICAL ECONOMY OF MINIMUM WAGES

This section is concerned with setting out the conceptual or theoretical approach used in this study and the areas of interest pursued in the research, having set out the main theories on wages and labour markets and having considered the focus and findings in applied research on statutory wages. Using heterodox works on labour markets and statutory wages as a foundation, an attempt is made at outlining a political economy case for statutory wages, with a particular focus on statutory wages and agrarian labour in South Africa. Now, although an attempt is made here at outlining a political economy perspective of a MW, it cannot be regarded as complete. It ought to be treated as a start requiring more work, as economic sociology theories on statutory

wages are built. Crucial to the task of developing a political economy perspective of statutory wages is to understand how labour power is converted to labour. Towards this end, this section seeks to show the significance of including analysis of labour processes in studies on statutory wages, and it questions the relationship between conceptualisations of labour relations in low-waged enterprises and agrarian labour relations.

Nonetheless, in many respects, seeking to build a political economy perspective of statutory wages is in line with classical political economy associated with Smith and Ricardo and radical political economy of Marx. As chapter 2 showed, Smith, Ricardo and Marx had a subsistence theory of wages defined in relation to labour's social reproduction, which in turn is at the foundation of capitalist reproduction. Setting the wage level in society was cast in a historical, political and institutional frame within given stages of economic development and phases of wealth accumulation and stagnation. In this sense, Smith, Ricardo and Marx express a political economy perspective of wages, unlike the mechanical, asocial, and apolitical perspective of wages espoused by neoclassical economics.

In setting out a political economy perspective of the AMW, this study continues in the tradition of classical and radical political economy, in so far as contextualising wages within a set of socio-economic and political phenomena that shape production. A political economy of statutory wages does not contradict heterodox approaches that, as shown in chapters 2 and 3, also situates analysis of statutory wage settings and their outcomes for labour and capital within a socio-economic and political framework. However, the approach used here, in developing a political economy perspective of the AMW, is based on Marx's analysis of wages, capitalist production and valorisation, and class struggles, as explained in chapter 2. And, from chapters 2 and 3, several areas determining wage settings, in heterodox works, can be identified that form components of a political economy perspective and include: (a) the structure and composition of production, (b) the labour market, (c) the labour relations regime, and (d) product market conditions facing low-waged sectors and enterprises, including how such work-sites connect to others in particular value chains.

3.6.1 Social Reproduction of Agrarian Labour and Minimum Wages

A Marxist political economy perspective of a MW that shines the spotlight on low-waged labour will add a fifth and sixth dimension to the above list, namely, the

conditions and states of labour at the sites of production and social reproduction that in turn provides a fuller picture of the socio-economic and political outcomes for workers. In this section, I outline the centrality of the site of social reproduction of labour for a political economy outlook of the AMW. An examination of the underlying socio-political context that created the low-waged agrarian labour market, and the various manifestations of secondary and segmented agrarian labour market conditions, that in turn prompted agrarian statutory wage setting, is not complete without taking stock of agrarian labour's social reproduction, living conditions and overall quality of life, at the time when statutory wages were being deliberated for the sector. The level and status of the social reproduction of agrarian labour are indispensable barometers of the AMW outcomes on agrarian labour's ability to secure the means and necessary standards of subsistence.

A critical area of research for economic sociological works on statutory wages and low-waged workers, is exploring the social reproduction of labour. This is because the state and quality of social reproduction of labour relate directly to the conversion potential of statutory wages to enhance workers' labour power and their capacity and capabilities. This analytical exercise is vital to exploring the AMW from a Marxist perspective, in relation to the value of labour power, and relatedly, exploring to what extent the prescribed rates serve public interests and reduce the social costs of low-wages. A full and comprehensive exploration of these areas and dimensions of low-waged workers' lives are beyond the scope of this study. At best, this study highlights the need to incorporate these areas in future work to develop a fuller picture of the links between statutory wage settings and low-waged workers' social reproduction. In this context, it is important to dwell on the relevance of social reproduction of low-waged workers whose wages are set through statutory means.

Statutory wage settings are inextricably linked to questions on the value of labour power. Much ground on theories on the value of wages in relation to the value of labour power was covered in chapter 2. In that chapter, and as part of the overall discussion on the value of the AMW and the value of labour power, the rationale for the social cost of labour was presented with specific reference to the social reproduction of labour and the centrality of recreating the capacity for workers to labour, to the capitalist system. As Bhattacharya (2017) advances, scrutiny of the quality, form, and level of the social reproduction of labour is seminal to understanding how labour recreates and sustains itself, thereby allow workers to return to the work-site.

To be clear, the social reproduction of labour pertains to the conditions that shape, inform and determine the supply of labour-power. Picchio (2003 2) provides a comprehensive definition of social reproduction in the following:

The process of social reproduction is here taken to include the reproduction of bodies and minds located in historical times and geographical spaces. As such it includes the provision of material resources (food, clothing, housing, transport) and the training of individual capabilities necessary for interaction in the social context of a particular time and place.

From this definition of the social reproduction of labour, it is clear that this area is crucial to the supply of labour, playing a pivotal role in shaping and directing workers' labour market participation and absorption. Assessing the material resources and the education opportunities of workers is, therefore, vital to understanding the conversion potential of the AMW in enhancing the conditions under which agrarian labour reproduces physically and mentally. It is imperative that assessment is analytically rooted in historical context to properly engage with outcomes of statutory wages on low-waged agrarian workers' capacities to improve the overall quality of their lives, in contemporary times and in concrete situations.

Equally important, the significance of exploring the social reproduction of agrarian labour in the post-AMW years is amplified when the overall quality of life and socio-economic conditions in pre-AMW years are considered. In its investigation on agrarian socio-economic conditions, released prior to setting up the AMW, the Department of Labour (DoL) in South Africa identified precarious levels of social reproduction among farm workers and their families, noting that children of farm workers were "[m]ore likely to be stunted and underweight than any other children. One in three children on commercial farms is stunted; one in five is underweight and one in twenty-five displays symptoms of wasting. Only one in four are food secure" (DoL 2001a:2).

The link between statutory wages settings and improvements to the overall quality of life for agrarian workers and their families who depend on their wages, is clear in the DoL's thinking. In this context, it is imperative for AMW in the economic sociology discipline to explore changes and continuities in the social reproduction of agrarian labour. This exercise enables a lucid engagement with the AMW as a conversion factor in the sphere of the social reproduction of labour. However, before engaging with contemporary social reproduction of agrarian labour, it is necessary to cast a glance at the past and the years preceding the establishment of the AMW.

A critical aspect to the making of the low-waged agricultural labour market, of relevance to grasp for this study, was/is the shared spatial location of production and social reproduction, acting in consort with the balance of forces in the agrarian employment relationship. To reiterate, the site of production, the site of social reproduction, and the repressive labour relations regime, are three critical aspects that individually and collectively shaped the supply and demand for labour, and when combined form part of the totality of the low waged agrarian labour market. Tying the sites of production and social reproduction of labour to the same spatial location, combined with a labour repressive labour relations regime, had a major impact on crafting the low quality of life of agrarian labour.

Like other low waged sectors, such as domestic labour, in the agricultural sector the sites of production and the social reproduction of labour were, and in certain sub-sectors continue to be, combined. The production-social reproduction nexus is in part attributed to the nature and organisation of production, as well as to racial inequalities in land distribution, that was a defining feature in South Africa during apartheid and continues in the post-apartheid era. Nonetheless, not having access to land in areas designated for Whites, farm workers and their families were forced to seek shelter on the land they expended their labour.

The links between the sites of production and social reproduction effectively dissolved any power and control of farm labour over how they supplied their labour and over the expanded social reproduction of labour. The twinning of the sites of production and social reproduction restricted workers' freedom and independence to access areas critical to the expanded social reproduction of labour, including the quality and quantity of food. This was because workers were not only dependent on farmers for work; they also relied on the latter for housing, access to land, food, transport, and essential services. Access to the expanded social reproduction of labour was, therefore, tied inseparably to employment on farms, deeply shaping the consumption levels and patterns of farm labour, in turn influencing conditions on the supply side of the agricultural labour market and the power that farmers came to assume in the lives of workers.

In essence, the totality of the capital-labour relationship translated to the extension of harsh working conditions for agrarian labour into their exacting living conditions. The regime of the farm empowered the farmer, allowing him/her to not only set the quality and standards of living on the farms. The farm regime provided burgeoning agrarian

capitalists with the institutional framework to exert a significant level of control over workers' labour and living standards. The institutional shell of the farm regime, encapsulated in the production-social reproduction nexus, made it possible for agrarian capital to permeate the private life of workers' and their families, by establishing rules for residing on the farm and shaping the behaviour of workers after working hours¹⁵. In addition, and crucially, living on the farm not only meant that workers could be summoned to work at the command of the farmers; it also made it possible for employers to insist that workers' wives and children provide them with labour power as and when needed, as part of male workers' contractual obligations to farmers.

The institutional arrangements in the agrarian labour market led to a particular institutional frame on farms under the apartheid regime, that has been described as a "total institution" (Nasson 1984, Haysom and Thompson 1986) or "domestic government" (Rutherford 2001 – writing on farm labour in Zimbabwe) to depict the (near) total and complete surrender of farm labour to the farmer. It may be argued that the farm as a "total institution" or "domestic government" was central to not only commanding and controlling labour; it was instrumental in also shaping views and beliefs reflective of a socially devalued notion of agrarian labour power and by extension a socially devalued idea of the contribution of agrarian labour. The set of conditions and relations that developed in and through the production-social reproduction nexus, contributed to and cemented the totality of the low-waged agrarian labour market, which in turn dictated the terms under which the sale and purchase of labour power was executed, how agrarian labour was regulated, and ultimately the conditions and relations through which labour power was converted to surplus labour.

It is important to reiterate that farm workers not only relied on farmers for housing and food rations, but they were also compelled to seek the assistance of farmers to gain medical assistance, transport, assistance with funerals and burials, and land. As will be shown in the substantive chapters to come, certain segments of workers in this research continued to rely on their employers for crucial elements pertaining to their

¹⁵ Tenure legislation introduced by the ANC government mirrors much of the previous state of tenure relations between commercial farmers and workers. The Extension of Security of Tenure Act, for example, stipulates the necessary conditions for conduct and behaviour on farms for people to live on the land and makes land rights and access a voluntary decision based on negotiations between farmers and workers or dwellers. In this and other ways to be discussed in this research on the AMW, post-apartheid legislation reinforces the pre-1994 era.

expanded social reproduction of labour, which in turn shaped the balance of forces in the agrarian capital-labour relations regime.

Housing was conditional upon employment on the farm with a legacy of low quality and standard. From historical accounts it is gleaned that the usual practice was for workers to erect housing on sites that the farmer identified on the land, using whatever resources at their disposal, before work commences. The type of houses varied from mud and wattle huts to barracks type housing. Early accounts of the extent and nature of poverty and deprivation and subjection of African agrarian labour were documented by the 1937 Native Economic Commission (Holloway *et al* 1932) that looked at farm worker conditions on developing capitalist farms in the context of institutionalising waged-labour and eradicating labour tenancy and share-cropping. The core of workers' submissions to the Commission centred on both conditions at the sites of production and social reproduction. That is, workers' testimonies to the Commission not only revolved around the harsh working conditions on the farms and the meagre cash wages they received for their labour; workers expressed discontent and displeasure over the reduction in grazing land, compelling them to reduce the number of livestock they may keep, the poor quality of land for crop planting, and the limited food rations supplied by farmers that fell well short of feeding the household (Holloway *et al* 1932:53).

On the whole, workers' accounts of their socio-economic states and conditions to the Commission, reflected the depressed state of the social reproduction of agrarian labour in the 1930s, and importantly, paints a picture of the historical foundations on which large sections of contemporary agrarian labour subsist and replenish. It is no surprise then that the socio-economic positions and states of farm workers and dwellers on capitalist farms in the 1930s manifest in mutated and varying forms and to degrees in contemporary writings (see Atkinson 2007, Wisborg *et al* 2013, Naidoo 2011a, Naidoo 2011b, Brandt and Ncapayi 2016).

The strength of the agrarian statutory wage settings, as a conversion factor to improve and expand workers' access to material resources and develop skills and expertise, therefore, deserves robust and rigorous research and debate. This is a critical aspect of MW studies, necessary to strengthen theory and conceptual frameworks on the relationship of statutory wages to questions of low-waged workers' labour power. In this regard, it is useful to restate the thinking on wages and workers' subsistence used by classical political economists and Marx. As discussed in Chapter 2, classical

political economists, Adam Smith and David Ricardo, and Marx, recognised the centrality of the wage to ensuring that the working class is able to supply its labour power on the market. Marx extended the discourse of wages beyond the exchange on the labour market to emphasise the centrality of waged-labour to the valorisation process and the creation of surplus value. Nonetheless, the subsistence wage was regarded as essential in maintaining, sustaining and replenishing the working class. For this reason, even the classical political economists subscribed to the notion of a wage that was sufficient to meet the socially acceptable standards of living of the working class, in spatial and temporal contexts.

On the whole, the historical status and level of agrarian labour's social reproduction raises several salient interrelated questions that consistently surface in heterodox MW scholarly writings, pertaining to low-waged workers' ability to rely on wages to improve/enhance their socio-economic conditions and overall quality of life. As discussed in chapter 2 and pointed out subsequently, high wages, in most heterodox works, are seen as essential to economic progress which rests on protecting and maintaining the working class and its future, and that of wider society. In this regard, these works bear a level of semblance with the classical economists, Adam Smith's and David Ricardo's idea of the subsistence wage, as meeting the socially acceptable standards of living based on the customs and habits of societies, at a particular time and place.

In this context, chapter 2 outlined the vital importance of decent wages for sustaining the working class that in turn stimulates economic growth, which translates to societal well-being, in the thinking of heterodox labour market scholars who speak of statutory wages as wages in the public interest (see Champlin and Knoedler 2002). At fundamental levels, heterodox labour market models, together with the thinking on wages in classical political economy of Smith, Ricardo and radical political economy of Marx, are far removed from the neoclassical model's notion of wages as the price of labour based on the marginal productivity of labour. Contrary to neoclassical economics, wages are also critical to a living.

As such, any attempt to understand the impact of statutory wages on low waged workers cannot ignore the outcomes of MW policies on workers' living conditions and quality of life. Yet, no known studies exist on the outcomes of statutory wages on low-waged workers' abilities to improve quality of life and amplify purchasing power. As pointed out in chapter 3, the applied neoclassical and heterodox studies on the

outcomes of statutory wages is largely firm-centric, with scant focus on workers at the site of production and no known focus on changes at the site of social reproduction of low-waged labour. This study fills this gap by focussing on the ability of the AMW to satisfy agrarian labour's social reproduction, among other aspects.

The original and subsequent AMW settings in South Africa must be examined against both pre-existing and contemporary levels of social reproduction. In this light, in chapter 8 the poverty of agrarian wages is exposed, with workers in the sample recounting what was purchased with their wages and their reflecting on the inadequacies of the AMW in enabling them to secure all their material and non-material needs (and aspirations). Where wages are as low as agrarian wages are in the South African context, other questions emerge that are indelibly linked to societies' narratives on social justice, equality and democracy. The low settings of prescribed levels not only reflect a devalued notion of agrarian labour power, but also removed the concept of the natural or subsistence wage from the wage-setting processes to embrace the narrow cost-benefit approach of the neoclassical economics model to setting wages. Crucially, this has implications for future orientation of MW wage research with regards to low-waged workers and questions of justice. In this light, minimum wages become intertwined with issues of justice and the fabric of a "moral economy"¹⁶. As Sayer (2000:3) argues, economic action can centre on serving public interest and common interest through the creation of the moral economy. As may be gleaned, the idea of the moral economy resonates with the idea of wages in the public interest as espoused by institutional economists.

The above discussion on the social reproduction of labour prior to the advent of an AMW, provides the wider context to engage with data generated in this research on the social reproduction of agrarian labour, in the research sample. This is found in chapter 8. For now, it is important to round up the effort to develop a political economy perspective of the AMW with an outline of the sixth dimension comprising the labour process.

¹⁶ In the search to develop radical political economy narratives that deal with the normative aspects of contemporary capitalism, Sayer (2000) propagates the idea of the moral economy. Crucially, the moral economy is not a technical or mechanical concept, and instead "embodies norms and sentiments regarding the responsibilities and rights of individuals and institutions with respect to others. These norms and sentiments go beyond matters of justice and equality, to conceptions of the good, for example regarding needs and the ends of economic activity" (Sayer 2000:1).

3.6.2 The Labour Process and Minimum Wages

In sections 3.6.2 and 3.6.3, I focus on areas related to the site of production. Exploring the site of production entails in-depth analysis of low-waged labour and valorisation processes, to understand the nature of both the technical and social dimensions of work, the conversion of labour power into labour, and the regulation of labour relations at the point of production. Moreover, the sixth dimension (labour process) is a core subject of sociology, in particular the sociology of work or industrial sociology, where points of interest revolve around the organisation of work and the socio-political regulation of workers at the point of production where labour power is converted to labour. Analysis at these levels of the labour process facilitates a deeper exploration and appreciation of statutory wages in relation to the social devaluation of low-waged jobs and profound inequalities in bargaining power between workers and employers. Therefore, an economic sociological study of statutory wages cannot escape a deep examination of the nature and organisation of work.

Equally important, a deeper engagement with labour relations and the social relations of production is critical to a study on statutory wages, to further unravel the sources of asymmetrical power relations in the employment relationship, and to problematise the notion of the socially devalued status of low-waged work. In addition, a probe into low-waged labour processes also sheds light on the nature of work, the extent to which low-road and high-road strategies prevail, and the scope for transiting low-road approaches to high-road approaches in work-places. Finally, examining low-waged labour processes will also illuminate the role that pre-existing conditions and relations play in influencing enterprises' strategies when wage hikes became mandatory.

The link between the social and technical relations of production, in the labour process, to statutory wages may not be immediately obvious. But, from a Marxist perspective a clear link exists between developments in labour processes and statutory wages, in so far as asymmetrical power relations and social devaluation of low waged work are concerned. In radical political economy, unlike neoclassical economics, capital is not a mechanical thing but, a socio-political relationship of unequal exchange between labour and capital. After all, production is not constituted by and through purely economic imperatives since it is "a 'base' with its own 'superstructure'" (Burawoy 1985:256). The production of goods under capitalism, accordingly, does not occur in an asocial, apolitical, mechanical fashion. The labour process as the site where labour-power is converted to labour in the pursuit of surplus value, therefore, embodies a

profoundly social and political aspect when employers invent and implement strategies to ensure that labour executes its work in exchange for a wage. By the same token, workers will attempt to find ways that make work bearable or to control their output. Moreover, and significantly, “capitalist social relations of production reflect and reproduce a structured antagonism of interests between capital and labour” (Hyman 1989:125), epitomised by capital’s interest to keep wages as low as possible and labour’s interest to be paid higher.

I postulate that labour regulation and control at the site of production, like the nature of work and conditions under which workers execute tasks, gives deeper content or substance to the notion of inequality in bargaining power and to the notion of the socially devalued status of low-waged jobs. Taking this further, I attempt to show another aspect of the agrarian labour process – the socio-political spheres in the labour processes and the conditions under which valorisation occurs – i.e., the relations and conditions shaping the conversion of labour-power into surplus labour, and therefore, in the creation of use value and surplus value or profits. This information sheds light on an unknown area of agrarian work and employment relations in the Eastern Cape. As pointed out above, profiling technical and social relations and conditions in labour processes also allows assessing the possibilities of improving the organisation and execution of tasks.

Now, the literature that deals with low wages and statutory wage settings often focuses on labour market processes and the conditions regulating the sale and purchase of labour power, wherein inequalities in bargaining power, labour relations and product markets are considered. To the knowledge of the researcher, no systematic examination of the technical and social dimensions of low-waged labour processes is available in the existing literature on statutory wage settings. This absence is found at the conceptual and theoretical level, as well as in the applied research on the outcomes of a MW. To be clear, although the applied research examines the propensity for employers to shift from low-road to high-road approaches in a general business sense, there is very little in-depth focus on the outcomes of a MW on events at the site of production, or the labour process, with respect to the nature of work, the organisation of work, the allocation of tasks and the management and control of production processes. These aspects of production not only speak to the notion of unequal power relations between capital and labour, and not only do they relate to ideas on the socially devalued status of low-waged work; examining the nature of work

is key to understanding conditions that aid or inhibit changes in accordance with low- and high-road strategies.

As a consequence of the neglect of a detailed examination of low-waged labour processes, the nature of work and labour and valorisation processes are not problematised adequately in existing studies. This in turn leads to an underappreciation of inequalities in bargaining power and the social devaluation of low-waged work. In other words, examining low-waged labour processes in detail, aids in revealing causal mechanisms of inequality in bargaining power and amplifies appreciation for the notion of the social devaluation of low-waged work. In conceptualising the link between power in the labour market and labour process, Peck (1992:336) argues “[a]symmetries of power within the labour market, many of which are rooted in the labor process, are principal determinants of the structure and segmentation of labor markets”.

A lucid study of the capitalist enterprise and of control has to be foregrounded in the social relations that emanate between labour and capital in the pursuit of profits. This approach allows for the development of a political economy perspective for both wage setting and labour relations. An economic sociological perspective of labour markets and wage setting processes, therefore, has to be grounded in an analysis of the labour and valorisation processes, which means that control and regulation of labour at the point of production become essential in a study of wages and statutory wage setting. The links between the labour process, statutory wages and asymmetrical employment relationships, therefore, are to be found in the inequality of bargaining power and the power of capital to direct and establish the ground rules of production, the surveillance systems and the framework for labour relations in respective work-places. At fundamental levels, the social relations of production are pivotal in informing the balance of forces in the employment relationship and the bargaining capacities of workers.

A rich and diverse body of literature exists on the labour process and the organisation of work in industrial sociology that is of value and importance to this study, particularly in relation to unequal power relations in the capital-labour relationship. The central theme dominating labour process debates is the issue of control in and of the labour process. Much of this work is a reaction to Braverman's (1974) *Labor and Monopoly Capitalism* which is premised on a Marxist approach to the labour process where emphasis is on capital's strategies to create surplus value. For Braverman, the

development of scientific management and Taylorism, and their application in labour processes, was instrumental in deskilling craft workers thereby enabling capitalists' appropriation of control of the capitalist labour process. Strategies of sub-dividing work, and the separation of conception and execution of production and tasks through the use of technology, embodied in scientific management and Taylorism, are instrumental in displacing workers' control over production, simultaneously enabling employers' control over workers at the site of production.

Control in valorisation processes is a complex phenomenon stemming from its multi-faceted characteristics. For one, control in the labour process raises questions of power and control that workers and employers exercise in the conceptualisation of work and in organising and monitoring the execution of tasks in the creation of commodities. However, the extent of deskilling, as a form of control in the labour process, has been questioned by other scholars who point to diverse forms in the management and control of labour and the labour process in a range of work-settings, wherein worker struggles and resistance are firmly incorporated in explaining changes in the labour process and labour management strategies (Freidman 1977, Edwards 1979). Friedman (1977) draws a distinction between direct control and responsible autonomy and Edwards (1979) identifies three forms of managerial control: viz., simple, technical and bureaucratic control. Direct control, for Friedman (1977:78), embodies strategies that place constraints on labour power to "vary" through the use of "coercive threats, close supervision and minimising individual worker responsibility".

'Direct control', in Friedman's study of the motor car industry in Coventry, Britain, also entailed work intensification, threats of relocation and disinvestment, and the withdrawal of piece-rate payment and arrangements that ensured a higher wage for workers. In contrast, responsibility autonomy seeks to galvanise the adaptability and variability of labour power that is advantageous to the company by giving workers 'leeway' and urging them to adapt to changes. This is accomplished through conferring workers with 'status, authority and responsibility'. Responsible autonomy applies to skilled workers in possession of elements of job control and discretion and contains processes to win workers' loyalty in securing the interests of the company. The emergence of responsible autonomy, for core skilled workers, is concomitant with the rise of monopoly capitalism which will supposedly spur a gradual shift to responsible autonomy.

Control and surveillance of workers are not only centrally linked to levels of skills and expertise (see Hyman 1987:40); they are also shaped by the peculiarities of the commodity under production – that is, the natural endowments of commodities as well as the material conditions in labour processes (see Sayer 1995). This is a strong and notable feature of the labour control and regulation methods deployed by agrarian capital in the research site. As will be shown in chapter 10, the use of labour control methods from direct and simple control to bureaucratic and relative or responsible autonomy are shaped significantly by a combination of material and technical features and social relations and conditions in valorisation processes.

The forms of labour control and surveillance, in this research, were shaped by a combination of factors that included the nature of the task and associated skills, the deployment of machinery and technology in the execution of work, the product market conditions and the value chain position of primary agriculture and pack-houses. In chapters 9 and 10, the heterogeneity in the way production was organised and how work was executed in the different enterprises, is presented. Heterogeneity in the organisation of production meant that control, regulation and surveillance of labour varied across the labour processes in this research, stemming from the material properties of the commodities under production, the social relations of production and the product market conditions of agricultural enterprises. These factors combined with employers' approaches to managerial and labour relations to shape the extent and nature of force and consent in eliciting surplus labour from workers.

In the agricultural labour processes in this research, control and regulation of workers varied from relative autonomy, where workers, in certain labour processes, had some measure of control in the labour processes, to elements of simple, technical and bureaucratic forms of control associated with Taylorism and Fordism. In many labour processes in this research, the social relations of production and the labour control strategies comprised of a fusion of the above-mentioned strategies. The variations discerned with control and regulation of labour was indelibly tied to the type of labour process and employer-level approaches to employment relations.

The detailed breakdown of work in the labour processes in this research, as presented in chapter 9, and the capital-labour relations that unfold in the respective labour processes discussed in chapters 10, reveal the presence of relative autonomy in job positions regarded as un-skilled and menial, such as general labour on livestock farms. This trend is a departure from the traditional association between high levels of

skills and expertise in primary labour markets with workers enjoying relative and/or absolute responsible autonomy in the workplace. Indeed, what emerged from the data is the existence of a variety of labour control methods including degrees of direct and simple control methods and relative autonomy.

In general, Braverman's broad description of deskilling is in operation in as far as a clear separation of conceptualisation of production and execution of tasks prevailed for all workers interviewed. However, although agrarian work revolves around a set of menial skills, workers acquire a level of skill to perform tasks which they pick up, on the job, from others already employed, and employers in certain sub-sectors and workplaces provide training to segments of the labour-force which leads to a level of skilling. Hence, whilst workers may not possess the conceptual skills to control the labour process, acquiring skills on the job was a common phenomenon in the research.

Spencer (2000) argues that Braverman's main objective in using deskilling was to project the process of alienated labour and exploitation under capitalism as part of a broader revolutionary project. Braverman's analysis of work under monopoly capitalism lays emphasis on capitalist social relations of production and valorisation, hence on work relations that are concerned, first and foremost, with production of surplus value. Instead, by picking on the issue of deskilling and control, Spencer observes that Braverman's critics misplace valorisation processes in capitalist production to focus narrowly on control in the labour process. The production of value and, by implication, a theory of value does not feature in labour process analysis, post-Braverman. By narrowly focussing on control in the labour process, Spencer argues that the political agenda to overcome exploitation and alienated work is obscured from sight with the eschewal of value theory from labour process analysis.

Marxist industrial relations scholars insist that industrial relations and employment relations, which encompass issues of control in the labour process, are fundamentally class relations, based on accumulation, commodification and exploitation (see Hyman 1975, 1989, 1994, Gall 2003). For Marxist labour relations scholars, the organisation and management of work under capitalism has to be understood within the capitalist imperative to generate surplus value, hence profits. In this regard, Hyman (1987:34) insists that:

Any worthwhile analysis of the management function within capitalism must start by recognising the vital distinction between labour power and labour; the inescapable compulsion to produce surplus value; the resulting antagonism

between the functions of capital and of labour, resulting in the need for managerial mechanisms of discipline and surveillance.

However, the production of surplus value does not lie exclusively in the control and management of labour power, as the labour process and production of surplus value do not typify the entire circuit of capitalism. The control and management of the labour process and labour are not the only concerns for capital and managers. In this respect, Hyman (1987) points out that management functions in accumulation processes reside on three main planks that are vast and diverse, and instrumental in shaping labour relations and the management of labour. One relates to the conceptual functions of work and associated technical aspects in the production processes. The second pertains to the control and direction of labour, and the third is linked to broad processes of commodity distribution and marketing. Valorisation processes are not confined to one of the three broad planks of technical production, management and control of labour, and commodity distribution and marketing.

All three areas are inseparable in the creation and management of surplus value and will present challenges and constraints in managerial and business strategies. The production of goods and the realisation of surplus value mean that capital and management of enterprises have to coordinate and integrate the different aspects involved in generating surplus. An essential aspect to the coordination of production is integrating the different parts of the division of labour. The more detailed the breakdown of tasks are, the more complex the task of coordination and integration, which result in and are consequences of the inherent contradictions of capitalist wealth accumulation. As Hyman (1987, 1989) points out, for Marxists, management strategies are reflections of the tendential contradictions between the various spheres involved in creating surplus value. Due to the nature of management functions under capitalism, enterprises' management and labour and business strategies will not always be coherent and uniform but will instead reflect the contradictions between and within the different management spheres (Hyman 1987:30-5, 1989:23). Hyman's stress on contradiction in capitalist production aids in explaining or understanding the co-existence of seemingly paradoxical phenomena in low-waged labour processes, subsequently facilitating an appreciation of the combined and uneven application of diverse and seemingly incompatible employment, production, business and labour regulation strategies.

Applying the logic of contradictory managerial strategies between production and distribution of commodities, and regulation of labour in low-waged enterprises, makes it possible to recognise that under certain conditions a low-waged enterprise may adopt high-road approaches along-side low-road strategies, hence illustrating combined and uneven application of diverse strategies. By the same token, this may explain the co-existence of responsible autonomy in the labour process, which as pointed out above is associated with primary sector jobs and which resonate with high-road approaches to managing labour's output, with low wages, weak bargaining position of workers and other secondary labour market features found in this study. In many respects, the prevalence of contradictory strategies between the different layers of co-ordinating production, regulating labour and marketing and distribution of commodities, also reflects combined and uneven application of low-road and high-road approaches.

Converting labour power into actual labour, however, is a dilemma for labour regulation, stemming from the indeterminate and open-ended nature of the employment relationship and from the qualities embodied in labour that make it a fictitious commodity. When capital meets labour in the labour market, an exchange for labour power takes place for a wage. Workers exchange their capacity to work, or labour power, for a wage; not definite quantities of effort. Once a worker is hired, capital has to convert his/her labour-power into labour, through various methods using available resources at a given place and time. The conversion of labour power into productive activity is embedded through-out the labour process, entailing what Hyman (1989:21) refers to as an ongoing social relation in which control becomes important. "Issues of control", as Hyman (1989:21) argues, "inevitably pervade this relationship: the conflictual character of job control and the commodity status of labour are reciprocally dependent aspects of social relations of production within capitalism".

As such, the employment contract may be said to be indeterminate or open-ended because capital does not and cannot determine the precise quantity of labour's output. The open-ended nature of the employment contract, coupled with the inherent conflict of interest between and labour, therefore, means that the process of labour management in a capitalist enterprise is contradictory, multi-layered and multiply-determined, shaped in profound ways by socio-economic and political phenomena and the balance of class forces operating in spatial and temporal contexts. For this reason, several industrial relations and labour process scholars conceive of capitalist relations

and social regulation in terms of consent and coercion (Burawoy 1979, Hyman 1987, Edwards 1986) due to the indeterminate and open-ended nature of the employment contract.

Under capitalism, employers or owners of businesses, as proprietors of the means of production and workers, have the right to control and direct workers to convert their labour power into labour. Separating the conceptualisation and execution of work and production, and by dividing production into different tasks, allows capital to have overall control in labour processes and surplus value creation, thereby limiting the power and control labour has in labour and valorisation processes. This becomes evident in this research, when workers relate how work instructions were communicated to them, shedding light on the extent to which they exercised control and discretion in the execution of tasks. Although capital has overall control over production and valorisation, it has to rely on workers to perform their duties according to requirements, which means having to rely on workers' willingness and discretion to accomplish work: "Capital is thus faced with essentially contradictory requirements: to limit the discretion which workers may apply against its interests; and to harness the willing application to profitable production of that discretion which cannot be eliminated" (Hyman 1987:40).

Therefore, both consent and coercion, and cooperation and conflict are present in the capitalist labour process. The objective of realising profits necessitates the need for employers to elicit workers' co-operation in the valorisation process, simultaneously using some level of "force" exemplified in directing and monitoring workers' performance and productivity levels, and disciplining workers who are under-performing. Capitalist labour processes are often organised along a specific coalescing of "force and consent that elicit co-operation in the pursuit of profits" (Burawoy 1979:30). This means that control and surveillance of workers may not always fit neat categorisations in terms of work-place characteristics and control and regulation of labour.

The specific combination of force and cooperation in the labour process is variegated based on sector and firm peculiarities, comprising a set of internal and external forces impinging on production. As such, changes in control and regulation of labour from low- to high-road approaches in the wake of statutory wages are shaped by a combination of material and technical conditions and social relations of production. Therefore, changes in the technical spheres of production, labour relations strategies,

and employment conditions are expected to be un-even and contradictory across work-sites. Furthermore, the presence of relative autonomy and self-regulation of labour in the research sites not only warn against an unquestioning acceptance of control typologies developed by labour process theories such as Friedman and Edwards. As will become evident from data generated in this research, labour control and surveillance assume sub-sector and job specific dimensions that do not always comfortably fit ideal types and neat categories.

Wages in neo-classical economics reflect labour's contribution to production and capital's income reflects its contribution to production. By this account, income distribution between labour and capital mirror and are rewards for the contributions, roles and sacrifices that labour and capital made in the creation and production of surplus value. Disparities in wealth or profit distribution between labour and capital are objective outcomes of the employment relationship. Therefore, in neoclassical economics, wages mirror the respective contribution of workers and bosses to production; not class exploitation, surplus value extraction, and class conflict. Against the neoclassical views on wages and contribution by employers and workers, it is necessary to probe the world of work to tease out the nature of tasks and the contribution that labour makes to production and valorisation.

Profiling agrarian work in earnest enhances appreciation for this sector's contribution to society in terms of meeting food requirements that in turn sensitises inquiry on statutory wages and the notion of the social devaluation of low-waged work and workers. The social devaluation of agricultural work is depicted in the technical conditions of work and the social conditions under which work is performed across agrarian work-sites and for all categories of low-waged workers. The devalued status of agricultural work is further depicted in the reality that segments of workers can and do have degrees of control and responsibility in the production process, such as livestock workers who manage operations in the absence of employers/owners. This suggests that agrarian workers face gradations of social devaluation stemming from positions they occupy in labour processes.

In summary, a political economy perspective of a MW will be hollow without examination of low-waged enterprises' labour processes. Incorporating an analysis of labour processes in low-waged work-sites adds value to a study on statutory wages as such an exercise enhances appreciation of the extent and depths of social devaluation, and sheds light on some of the causal mechanisms of asymmetrical

power relations in the employment relationship. A Marxist perspective of capitalist labour processes is consistent with a realist ontology of the world and the objective of identifying causal mechanisms shaping the organisation of production and labour regulated at the site of production. Grounding analysis of labour and valorisation processes with the capitalist imperative of profit seeking and against the contradictions between and within enterprises' production, labour regulation and marketing/distribution strategies, sheds light on the extent and depths to which low-road and high-road strategies prevail and the underlying structures driving them, and strengthens explanations for the combined and uneven application of low-road and high-road approaches.

Equally significant, exploring the organisation and execution of tasks and the regulation and control of labour facilitates a nuanced engagement with questions about the adoption of high-road and low-road approaches in the technical and social relations of production. Analytical exploration of labour processes aids in assessing the strength and/or potential of labour market interventions, such as statutory wages and other core labour standards, to stimulate or inhibit changes. In other words, the conversion factor of statutory wages, in terms of changing the technical and social relations of production, comes under the spotlight at the site of production in a more direct and conscious fashion. Finally, understanding the labour relations strategies of enterprises, which are covered by statutory wage settings, is an essential component of a political economy account of statutory wages, in terms of teasing out the occurrence of low wages. Discussion on labour relations in low-waged enterprises follows below, with specific focus on agrarian labour relations in South Africa.

3.6.3 Conceptualising South African Agrarian Labour Relations

An indelible connection exists between the labour market, labour process and labour relations regimes. As Hyman (1989:21) points out:

The interdependence of the two elements of the employment relationship – the sale of labour power and the control of the labour process – is apparent in the detail of industrial relations. The worker's standards of acceptable payment are influenced by the nature of the work tasks and the pressure under which they are to be performed: witness the popular slogan 'a fair day's work for a fair day's pay'.

Labour relations, therefore, embody the socio-political relations that determine the sale and purchase of labour power, and the socio-political relations that are involved in control over the labour process and the conversion of labour power into labour. It is,

therefore, necessary for a worthwhile study of statutory wages to contextualise labour relations within processes of valorisation and the imperative to maximise profits, and the conflict of interest between labour and capital. In this respect, any theory of labour relations has to be anchored in a general theory of capitalist social relations of production. The labour relations regime lies at the core of statutory wage research in low-waged labour markets, comprised mostly by unorganised or weakly organised segments of workers. This is due to the lack of collective bargaining and joint regulation of wages and employment conditions. Labour relations, tied as they are to the social regulation of labour in the realisation of production and in meeting targets and to strategies designed to regulate and manage the capital-labour relationship at the point of production, will reflect the tensions in the unequal distribution of power in claiming rewards, between labour and capital, from the production of surplus value.

A realist, and anti-empiricist perspective of labour relations recognises that labour relations regimes and the social regulation of labour are replete with socio-political and economic phenomena, acting together in complex and intricate ways, to shape the employment relationship. In this regard it is important to consider Hyman (1994:171) earnestly when he writes “[i]ndustrial relations cannot adequately be comprehended as a relatively autonomous 'sub-system' of society upon which political and economic forces impinge only exogenously — the Dunlopian model”. Instead, labour relations are an ensemble and reflection of broader social relations of production. Hence, employers’ ideas on pay determination and the level of wages, or employers’ attitude towards bargaining or consulting with workers cannot be eschewed from the “enviroming social relations”. For Marxists, as Hyman (1994:171) elaborates, a cogent exploration of labour relations is embedded in capitalist production, and in the understanding of the socio-political and economic forces that transform labour power into labour.

Labour relations regimes, therefore, do not occur in an apolitical and asocial vacuum, but are anchored firmly in historical and socio-political arrangements. In terms of this study, the agrarian social relations of production and the labour relations strategy that characterised the pre-AMW and labour law years, played critical roles in laying the foundations for the low-waged and secondary agrarian labour market. Chapters 4 and 5 trace the context and history of low wages in the South African agrarian sector. As will be shown in chapter 5, a set of draconian labour market institutions and systems were established that coerced rural African workers to sell their labour power to

burgeoning White capitalist farmers. Despotism in the labour market was reinforced by and in turn amplified the autocratic and despotic labour relations regime. South African capitalist farming has its foundations in a coercive and cheap labour supply system that in turn translated to the profound inequalities of bargaining power between agrarian capital and agrarian labour.

The inequality in bargaining power came to be associated with the chronic and historical record in the absence of trade unionism in the sector, thereby prompting the post-apartheid state to intervene in wage determinations in the sector. Since labour relations in the pre-AMW and pre- labour laws years played a major contributing role in producing and cementing low wages, it is pivotal and necessary to unpack the agrarian labour relations regime, in the post-AMW era. As established, an analysis of agrarian relations, in the context of statutory wages, enables a deeper exploration of the link between statutory wages and capital-labour relations. In this regard, in chapter 2 we saw that in heterodox works on MW policies, inequalities in bargaining power stemming from the absence of collective bargaining, as a characteristic feature of a low-waged labour relations regime, are fundamental to understanding and explaining the institutionalisation of low wages, which direct states to fix wages. It is imperative, therefore, for a study on MW policies to scrutinise the labour relations framework in the research site. This provides insights into the form, depth and scale of power imbalances in the capital-labour dynamic.

As discussed in section 3.5, in heterodox studies on the outcomes of statutory wages on the labour relations approaches in small-size, low-paying firms, the notion of informality features robustly, and is often used to explain the absence of a regulatory shock of a statutory wage, combined with other factors, on enterprises' business, production and labour regulation approaches. In heterodox works, labour relations regimes are fundamental to understanding and explaining the benign and less dramatic outcomes a MW has on employment shedding. In the heterodox tradition, unravelling agrarian labour relations provides vital data on employers' responses and coping mechanisms when wages were hiked through statutory means. In this regard, the absence of a shock response to statutory wages from employers is attributed to a set of pre-existing conditions and relations, founded on unequal power relations and informal labour relations that in turn, cushion the potential impact on enterprises when wages increase through state intervention.

The question, however, is: how should contemporary agrarian labour and social relations be conceptualised? To what extent is informality a useful analytical tool in unravelling inequality in bargaining power between agrarian labour and capital? In responding to this question, it is useful to first dwell on the common approaches used to study agrarian labour relations in the South African context. The discussion that follows, engages with works dealing with the South African agrarian context and, where relevant, makes reference to international works on labour relations in low-waged enterprises.

South African agricultural economists do not pay attention to the labour relations systems of employers in the overwhelming focus on economic imperatives of agricultural enterprises. Agricultural economists, in the main, tend to single out and prioritise the negative outcomes of agricultural labour market interventions for agrarian capital (see Sparrow *et al* 2008, Murray and van Waalbeek 2007, Conradie 2003). In so doing, such works downplay the significant role labour market interventions have in improving workers' wages, working conditions and labour relations. At the same time, agricultural economics, couched in a neoclassical economic mould, is unable to recognise the class based, hence, inherent asymmetrical power relations that characterise capitalist agricultural production. The discipline does not see the need to problematise agrarian labour relations. As a result, studies in agricultural economics with a focus on AMW do not engage with profound inequalities in the agrarian capital-labour relationship. An analytical exercise that seeks to unpack unequal power relations in the agrarian capital-labour dynamic, therefore, will find no use and value in agrarian labour works in the South African agricultural economics discipline.

Other disciplines take up the cause to unravel agrarian labour relations in vibrant fashion. Sociologists, historians, labour law, agrarian policy units, among others, provide rich perspectives on the relations between agricultural employers and workers from the point of power dynamics and institutional arrangements, where the focus is on the creation and maintenance of paternalistic relations (Du Toit 1993, 1994, Ewert and Hammon 1999, Atkinson 2007); and crucially, Krietzing and Vorster (1996) speak of neo-paternalistic labour relations with a feminist lens to conceptualise the position of women agrarian labour. Recent agrarian labour studies also use paternalism as the over-arching conceptual frame to analyse and explain gradations of inequalities in contemporary agrarian capital-labour relations (for example, Addison 2014, Brandt and Ncapayi 2016, Brandt 2016, Bolt 2016).

The research undertaken by Ewert and Hammon (1999), Addison (2014) and Pons Vignon (2015) provide useful qualifications on contemporary paternalism as it mutates in response to internal and external socio-economic and political developments, arising through neoliberal restructuring. Ewert and Hammon (1999) speak of the shift from “undiluted” and “despotic” paternalism to a “consultative” version of the phenomenon. Addison’s (2014) rich study of agrarian relations on a tomato farm, stimulates thinking on the nature of changes to the traditional paternalistic agrarian labour relations, by illustrating the links between restructuring the social division of labour, labour recruiting strategies, and the regulation and control of labour. Similarly, Pons Vignon (2015) provides insights on labour relations and wage setting in the forestry sector in South Africa, using Von Holt’s (2003) notion of ‘authoritarian restoration’ to locate changes to paternalistic relations as outcomes of neoliberal restructuring.

Paternalistic agrarian capital-labour relations in the South African context are often described as embodying both material and ideological relations of domination and subjugation that resulted in a profound imbalance of power between farmers and farm workers (Du Toit 1993, 1994, Ewert and Hammon 1999, Atkinson 2007, Addison 2014, Brandt and Ncapayi 2016). The material aspect of agrarian labour control reverberates with the type of control exerted by market despotism whereby workers, stripped off the means of production, are forced to sell their labour power to capital in exchange for a wage and, in the agricultural sector, despotism of the market is heightened by workers’ reliance on employers for housing and other aspects of the expanded social reproduction of labour. In the traditional sense, paternalism is typified in the forging of a family unit in the enterprise where the male employer and owner assumes a paternal role towards workers, acting as judge and ‘protector’ of workers’ interests and welfare. Workers, by extension, are regarded as the dependents of the employer requiring the latter to act as protector and care giver to the former (see Lawson 1981, Du Toit 1993, 1994; Atkinson 2007). A sense of mutuality develops between workers and employers, in these settings, often set in a unitarist perspective of labour relations (see Abbot 2006).

A key distinguishing feature that sets the agricultural sector apart from other low-waged and urban-based economic sectors, is the historical spatial bond between the sites of production and social reproduction of labour. As pointed out in section 3.6.1, in the agricultural sector, the inseparable bond between the sites of production and

social reproduction fostered and fuelled the subordination of labour's social reproduction to the accumulation process. Combining the sites of production and social reproduction of labour in the secondary and low waged agricultural labour market provided fertile ground for the spawning of not only paternalism, but for a range of other labour control and regulation strategies, such as informality in labour relations approaches. Nonetheless, agrarian labour's dependency on agrarian capital to provide housing and basic services exerted significant control over labour at the sites of production and social reproduction, and this ultimately placed constraints on workers' ability to overcome inequalities in bargaining power, between them and employers.

In these circumstances, the farmer's control and authority are not only present in the production process; the farmer's power extended to the way workers and their families lived on the farm. The extent and depth of farmers' control over the workforce at the sites of production and social reproduction presented real barriers to the organisational capacities of workers. Workers' resistance and collective mobilisation against the control and power of farmers were actively discouraged by the various forms of control that the totality of the low-waged agricultural labour market exerted on workers. In effect, challenging and resisting farmers' authority often translated to the loss of both employment and housing. Workers' incapacity to resist the power and authority of farmers in these circumstances, contributed to strengthening the low-waged, secondary and segmented agricultural labour market. In this way, market despotism was accompanied by a material system of control that rendered workers dependent on farmers for both employment and shelter (and other essentials). Agrarian paternalistic labour relations, therefore rested historically on an authoritarian labour relations regime, designed to convert labour power into labour and reproduce labour power through the provision of the means of the expanded social reproduction of labour.

Authoritarianism in the labour relations regime refers to the power that employers command over workers in employment and labour relations. In the agrarian sector, the authoritarian labour relations regime is rooted in the crafting of the low-waged agrarian labour market and is characterised by the absence of collective bargaining and joint regulation over working conditions and wages. In this context, managerial prerogative to rule in the work-place defines employer-employee relationship. In such cases,

workers have little or no say over the way work is executed, the working conditions and labour standards, and ultimately have no say on wage determinations.

The autocratic labour relations regime and the paternalistic thrust of capitalist agrarian social relations of production were anchored in a liberalised labour market where the contract doctrine regulated the employment relationship, which will be explained in chapter 5. In short, contract doctrine is founded on the idea that exchange in the labour market is transacted between equals, hence justifying the absence of labour standards and social protection for agrarian workers. Consequently, agrarian capital had complete control and sole discretion in setting the terms and conditions of work, wages and tenure arrangements on the farm. Paternalism, in the South African racial capitalist agrarian context, hence, came to serve as an important or strategic choice for agrarian capital to manage the social regulation of agrarian labour at the sites of production and social reproduction, within the overall autocracy of agrarian labour relationships.

The type of labour relations systems that unfolded emulated core features of informality akin to the labour relations systems in small and low-waged firms in the British research on the NMW. Is there, then, a relationship between paternalism and informality? The notion of informality does not prominently feature in the South African agrarian labour relations literature. Yet, upon closer inspection the links and points of convergence between both types of social relations become clear. As the British literature on statutory wages tells us, employment relations in low-waged enterprises are often regulated, mediated, and enacted through informal relations and strategies. This is because, in low-waged firms with informal labour relations, a set of core policies and procedures defining how employers and workers relate to each other, and importantly decision-making processes on setting working conditions and wages, and dispute and grievance procedures, are absent or weakly developed and practiced/implemented. The absence or weak development of processes, systems and procedures, setting the parameters to deal with a range of worker interests and issues, means that low-waged employers do not have to negotiate wages, working conditions, rules in the workplace, and the working environment with workers.

The informal character of employment relations is reinforced by and reinforces the authoritarian core of labour relations regime and the paternal relations that came to exist in agrarian capital-labour relations. Agrarian labour relations in South Africa, by and large, are characterised by the absence of joint regulation over wages and working

conditions, and of formal procedures regulating employment relations and policies on labour standards. As such, the employment relationship on South African farms bears many similarities with low-waged enterprises, such as in the hospitality and clothing sectors in the British context, where informality characterises much of the employment and labour relationship. From the data in this research on the AMW, the commonalities with the British MW research on employment relations is striking, in that work-place relations were mediated through informal means especially in primary agriculture – farms, orchards and vegetable fields; i.e., agrarian workplaces, such as pack-houses, that do not deal with value adding.

In many ways, paternalism and informality are mutually conditioning, having common roots in autocratic labour relations approaches in low-waged sectors with an overwhelming unorganised labour force. Paternalism and informality may be mutually reinforcing yet are distinguishable forms of socially regulating and managing labour relations. Whilst paternal relations encompass a familial aspect with employers assuming a father figure role in the interactions with workers, informality refers specifically to the absence of clearly defined and structured processes to deal with employee matters and issues. Although informality may exist without paternalism, paternalism rooted in authoritarianism often requires informal arrangements to prevail, for its existence. To be clear, enterprises can have informal labour relations systems and not develop a paternal relationship with labour. In these circumstances, informality exists in the absence of paternalism.

Paternalistic social relations, however, appear to thrive under informal labour relations systems (see Ram *et al* 2003), although the possibilities for paternalism to exist in enterprises with formal labour relations must not be discounted. Nonetheless, in the South African agricultural context, as noted by scholars, paternalism did not only rest with material control. Alongside the material control of agrarian labour, the inequalities in the employment relationship were also founded on a set of social values, norms, beliefs, and practices, founded on racist narratives and gendered belief systems, that shaped the interactions between farmers and workers. To restate, work-places are replete with social values and practices that shape the social relations of production. This trend of thought can be extended to unpack the interconnections between informality and paternalism in pre-labour law years and present time, and to pose questions on their applicability in fully explaining contemporary agrarian labour relations.

At an ideological and discursive level, paternalistic and informal relations were instrumental in regulating and managing agrarian capital and labour relations. Agrarian labour relations, as pointed out above, therefore embodied two intertwined spheres of control and power - one in the material existence of workers, that straddled both the sites of production and social reproduction, the other, in the relations, value base and attitudes that workers and employers ascribed to each other, and where paternalism and informality may be present. Simultaneously, agricultural employers draw on and rely on informality in the work-place and in the labour relations set-up, enabling them to unilaterally adjust working conditions and wages and to evade compliance, or selectively comply with labour standards, in the post-apartheid era.

It is useful to draw on Burawoy's (1985:256, see also Burawoy 1990) use of base and superstructure, to explain the co-existence and combined use of paternalism and informality in capitalist relations of production, by conceiving their existence as a necessary relation and institutional arrangement of the capitalist superstructure, that stem from deeper layers of power and control in the agrarian capital-labour dynamic. By situating paternalism and informality explicitly in the capitalist imperative to realise and maximise profit, it is possible to see that such relations evolve in particular ways in the capitalist agricultural sector, in the course of employers' attempts to ensure that labour power translates to labour, and in labour's quest to subsist and reproduce itself. But do paternalism and informality adequately and comprehensively capture agrarian capital-labour relations in this research sample? Based on the empirical data, it is proposed here that analysis of agrarian labour and social relations need to proceed beyond both paternalism and informality to capture the spatial and temporal diversities in the social relations of production between workers and employers. I attempt to build on this proposition below and in chapter 11, to make sense of the nature of agrarian relations of production, the mutations in these relationships, and unpack the implications for conceptualisations of paternalistic and informal relations in the research sample.

To apply Burawoy's (1985) idea of superstructure to the analysis of agrarian capital-labour relations in general and paternalism in particular resonates, at a certain level, with the perspective provided by Du Toit (1993) who argues that paternalism evolved into an institution on wine farms in the Western Cape, in ways that ensured the "unchallengeable authority" of the farmer. In similar vein, Ewert and Hammon (1999) speak of the rise and practice of "undiluted paternalism" prior to the 1980s. Using

Burawoy's articulation of base-superstructure to conceive the agricultural capitalist economic base in consort with paternalistic relations and informal institutional arrangements that make up the superstructure, analysis of paternalism and informality in the South African agricultural sector becomes lodged more firmly and explicitly in the capitalist labour and valorisation processes, and the wider ambit of the politics of production, distribution, and consumption.

By looking at paternalism and informality as critical elements of the superstructure – wherein paternalistic relationships and informal processes and systems emerge to regulate (socio-politically and institutionally) and sustain the processes of agrarian valorisation – attempts are made at analysing the relationship between paternalism, informality, autocracy and despotism in the contemporary agrarian labour relations regime. Set in this context, it becomes necessary to ask again if paternalism and informality are adequate and comprehensive to capture and explain agrarian labour and social relations of production. I propose that paternalism and informality, describe (as opposed to explain) the social relations of production and the imbalance of power in the agrarian capital-labour dynamic. In this light, paternalism and informality may be regarded as key social strategies in the conversion of labour power to labour and in controlling and regulating relations of production and valorisation. However, a set of core relations, forces and conditions of production and wealth accumulation must prevail for the existence of paternalism and informality that rests within the wider structure and relations of capitalist production and wealth accumulation processes.

Using a critical realist lens, it is postulated that paternalism and informality may be symptomatic of the interactions of deeper lying socio-economic and political phenomena. In terms of a stratified ontology, paternalism and informality are empirical and actual phenomena generated through and by forces and relations that are embedded in the deeper fabric of societies. Looking at such relations and arrangements in this way, paternalistic and informal relations are empirical manifestations of deeper underlying objective and subjective forces and relations of production prevailing in spatial and temporal contexts. If paternalism and informality are understood as manifestations of deeper underlying mechanisms in capitalist social relations of production, in particular places and times, it becomes necessary to deepen our theoretical and conceptual frameworks on the social relations of production in the South African agrarian sector. Efforts that aim to strengthen theories on agrarian labour relations, in contemporary South Africa, gain added significance in light of the

(uneven) neoliberal restructuring in the agrarian political economy, and the changes that unfold in the labour processes, the division of labour, lines of authority and responsibility, and the control and regulation of labour in the different work-places.

In the context of change, the forms and extent of paternalism changed, but the foundations or generative mechanisms producing such relations, and informal labour relations systems, did not alter. The absence of deep-seated change in the agrarian capital-labour relations regime is clearly evident in the perpetuation of profound levels of inequalities in power between workers and employers and the ongoing absence of collective bargaining, that result in low wages and secondary working conditions. Paternalism mutated, stemming from wider changes in the agrarian political economy, with dramatic adjustments to agricultural employers' control over workers' material needs linked to the expanded social reproduction of labour. This change is attributed to a combination of product market conditions and the introduction of labour and tenure laws in the agricultural sector. Consequent to the changes in product and labour markets, employer-employee agrarian relations shifted and diluted to vestiges of paternalistic relations. In these circumstances, it may be appropriate to speak of elements or fragments of paternalism that linger alongside a variety of other forms of deeper established and emerging forms of social relations of production.

In this research, as will become clear, paternalism was neither ubiquitous, nor despotic or consultative. In other words, paternalism was identified in certain labour processes and in certain sub-sectors of agriculture, in diluted forms and varying intensities. But, as will be shown, whilst paternalism began to fragment, informality and degrees of formality (anchored firmly in unequal power relations) and authoritarian, and at times despotic, labour relations approaches continued to define the labour and social relations regime. It is therefore wise to ground and qualify the application of paternalism in concrete agricultural labour and valorisation processes, in contemporary times where labour market interventions apply. In this light and following critical realism, an imperative for the development of theories on agrarian labour relations, must attempt to uncover the underlying constructs of inequalities in bargaining power, which I argue go beyond paternalism and informality.

In this frame, as argued above, paternalism and informality are symptoms or manifestations of inequality in bargaining power and autocracy in capitalist labour relations – they are not the root causes of asymmetrical labour and employment relations. This is because the generative mechanisms of power imbalances in agrarian

(and other) capital-labour relations lie in the deeper recesses and inner fabric composing and configuring waged-labour, the associated local labour markets, and concrete labour processes. More to the point, and to restate, inequalities in bargaining power and the balances of forces in capital's favour arise from workers' separation from the means of production and their dependence on wage-labour for survival. As a consequence, labour relations in capitalist enterprises are characterised by an inherent conflict of interest between workers who strive to increase wages, and employers who seek to minimise wages to maximise their profits.

The dominant and over-arching approach to labour regulation in the valorisation processes in this research, as will become clear in chapters 9 to 11, is therefore summed up, not as paternalistic or informal, but as essentially authoritarian, and despotic at times and in certain work-sites, firmly entrenched in the inequality in bargaining power between agrarian capital and agrarian labour that characterised the pre-AMW era. In other words, the foundations of capital's autocratic approach to labour regulation, now in the era of workplace laws and statutory wage settings, remained anchored, to varying degrees, to the social relations that gave rise to the asymmetrical employment relationships in the liberalised agrarian labour market epoch. To be clear, authoritarian labour relations regime is used in this study to refer to the foundations of asymmetrical power relations where employers exercise considerable power over wage determinations and the setting of terms and conditions of service. The authoritarian foundation of the labour relations regime drew on and was supported by informality and degrees of formality that arguably replicated the foundation of autocracy. Whilst paternalistic social relations may be on the decline, informality and degrees of formality appeared in the research data that were still rooted in an overall authoritarian or despotic labour relations regime. Authoritarian labour relations regimes and inequality in bargaining power, from a Marxist perspective, are directly linked to questions of exploitation and domination.

A radical transformation of the foundations that cemented the power that agrarian capital held in the employment relationship, in the pre-AMW era, did not materialise with the inception of the AMW and core labour standards. Pre-existing forces and relations of production played a significant role in the continuation of authoritarian labour relations and unequal power relations between workers and employers in the research sample, amidst the disintegration of (traditional) paternalism. The causal mechanisms for asymmetrical power relations in the agrarian context are multiple

incorporating a complex combination of labour process and labour market conditions and workers' positions in these two sites, as argued already. Agrarian labour's weakness in relation to agrarian capital's strength not only stems from its (labour) secondary positions in the local labour market; labour's weakness stems from and is exacerbated by the combination of secondary jobs in a largely secondary and unorganised labour market.

To be sure, authoritarian labour relations and inequality in bargaining power arise through a combination of secondary and segmented labour market and labour process conditions, and the lack of widespread robust collective formations among agrarian labour (in the midst of strong formations of agrarian capital). This set of conditions and relations are threaded together to articulate a political economy frame of the AMW. Labour's weakness at multiple layers cements capital's power and control over the setting of wages and the terms and conditions of employment. The set of conditions denotes the totality of the low-waged agricultural labour market, which allows for the continuation of authoritarian approaches to dealing with labour, that in turn anchor relations of exploitation and domination, from where low and sweated wages arise. The existence of authoritarianism in the agrarian labour relations regime makes it possible for the fragmentation of paternalistic relations and even informal arrangements, in ways that allow agrarian capital to retain its position in the historical unequal relationship it has with agrarian labour. This means, that, even where formal arrangements and systems exist in enterprises, asymmetrical relations between capital and labour will not be eliminated.

At this stage in the discussion, it is necessary to return to the issue of concretising a political economy perspective of the AMW against a set of necessary conditions, after setting out the need to incorporate analysis of labour process and clarifying theory on labour relations, in the research process. As may be gathered from the preceding discussion, part of a political economy perspective of a MW is to understand and describe the labour market of low-waged sectors, and the inner-relations to labour processes and labour relations regimes. A particular set of mutually reinforcing conditions, in the demand, supply and regulation of labour and in the way labour processes are organised, exist and fuse, to create and cement a low-waged labour market, and shape the balance of forces in the employment relationship. As a collective, these conditions, in the labour market, are referred to in this study of the AMW as the totality of the low-waged agrarian labour market. The totality of low-waged

labour markets incorporates secondary and segmented features in the local labour market and labour process (which will become clear in the substantive chapters to follow), that combine with product market conditions, to ultimately shape capital's tendencies to pay low wages of such magnitude that the state has to legislate on wage levels.

More concretely, the totality of a low-waged labour market will feature (a) forces of production that demand menial and semi-skilled workers, due to the nature of work; (b) labour's confined labour market participation to the low-waged sector, in this research of the agricultural sector, because of the absence of alternative employment opportunities, combined with the particular type of skills base of low-waged work; (c) the size of the reserve army of labour in local areas; (d) social relations of production founded on an authoritarian labour relations regime combined with varying degrees of informality; and (e) inequalities in agrarian capital-labour bargaining power stemming from the absence of collective bargaining and robust worker organisations, combined with factors a to d. Understanding the totality of a low-waged labour market and its inner-relations with the labour process, power relations, product market structures, and wider process of neoliberal restructuring, makes it possible to rationalise the political economy of the AMW.

Before concluding the discussion, on the existing applied research on the outcomes of MW policies on employment and labour relations, it is pivotal for a study on statutory wages with a focus on workers to explore the outcomes that statutory wage settings have on labour protest and resistance. The authoritarian labour relations regime, characteristic of the South African agrarian sector, may place daunting constraints on workers combining into collectives in agrarian work-sites, but the system does not totally snuff out worker action, protest and challenges, as will be shown in chapters 5 and 11, where worker struggles and actions to enforce labour rights or improve labour standards is considered.

Unorganised worker efforts at mobilising into collective structures, with the advent of a MW, is a neglected area in existing studies on statutory wages. In fact, there are no known studies of the outcomes of statutory wages on workers' ability and possibilities to organise so as to bargain collectively with employers. In addition, very little to no research is available that explore low-waged and unorganised worker's individual and collective efforts to improve working conditions, with the advent of labour standards and statutory wages. In this sense, it is perplexing that little to no research is available

on this subject, given that inequalities in bargaining power, on account of workers' lack of organisation and voice, which in turn block collective bargaining, are identified as a major cause for low wages, prompting the state to intervene to set wages. Indeed, consideration is rarely given to how workers express their voice in the work-place in the context of a MW, or what factors aid or inhibit workers from expressing grievance and dis-satisfaction.

An examination of worker agency and the context of enabling and disabling protest and resistance are seminal to enhancing understanding of the conditions and relations that foster inequalities in bargaining power, as much as it will illuminate the possibilities and scope for workers to animate changes to the working conditions and relations. In this study, attempts are made in chapter 11 to explore the impression the AMW and the ASD made on workers in terms of enforcing rights and expressing and addressing grievances and discontent. In doing so, this study fills the lacuna that exists in existing MW research, by providing empirical knowledge on workers' actions to enforce work-place rights.

3.7 CONCLUSION

This chapter reviewed the existing applied research on outcomes of statutory wages in low-waged labour markets and isolated the points of interest for enquiry. In the main, applied research focusses on employment, poverty, wage movements and trends in enterprises' production, employment and labour relations strategies. A distinction is discerned between the type and depth of research pursued by neoclassical economics and heterodox labour economics. As depicted in the chapter, research on the outcomes of a MW in the neoclassical economics fold assumes a narrow focus on employment and poverty levels and economic trade-offs for low-waged workers with the advent of mandatory wages.

Neoclassical economics research is positivist/ empiricist in orientation where the objective of applied research is to establish event regularity, which is undertaken through statistical correlation of the negative outcomes of statutory wages on employment, poverty, wages, inflation, and commodity prices. In contrast, anti-empiricist applied research on the MW is found in heterodox works which project the complex mix of socio-economic and political forces and factors in labour markets and labour relations systems that mediate the outcomes or impact of statutory wages. In the main, heterodox studies identify positive outcomes of statutory wages for low-

waged workers, typified in wage increases and a reduction in poverty, without significant job losses. As the chapter showed, much of the heterodox research disproves the generalised predictions of job losses made in neoclassical economics works, and instead point to other ways low-waged enterprises use to cope with wage hikes when wages become binding.

From heterodox applied research, a complex picture emerges on the outcomes of statutory wages for labour and capital, in the work-place, that pose questions for low-waged enterprises' scope and propensity to migrate from low-road to high-road approaches in production and labour relations strategies. Due to an intricate and intimate fusion of prescribed minima with a diverse set of conditions in labour markets, labour processes, product markets, and labour relations strategies, a MW will have mixed, uneven, and contradictory outcomes in work-places. In this regard, the research on small firms across Britain's low-waged sectors, reveal the varying degrees to which employers adopt low-road and high-road approaches, or deploy a selective blend of both approaches in the work-place to suit particular circumstances.

The absence of a regulatory shock of statutory wages on employment and enterprises' production and labour relations strategies signify an overall benign outcome, hence calling into question the conversion factor potential of the MW to stimulate changes in labour markets, labour processes and labour relations systems. The absence of a regulatory shock on the occasioning of mandatory wages and the weak conversion factor of such measures in initiating change, in line with the high-road approach, is attributed to the low level at which wages are set combined with pre-existing conditions in labour and product markets, and in the labour relations approaches in low-waged enterprises. As the chapter showed, in the British context of low-waged firms, the labour relations frame, founded on informality and unequal power relations, is a key aspect that allows low-waged enterprises to absorb the increase in labour costs when wages become mandatory. A low MW setting combined with informality provide a fertile context for low-waged employers to maintain the status quo. In fact, low MW settings reinforce informality. The literature is clear that, for a MW to stimulate a change a set of necessary conditions must exist across the labour market, labour process and in the labour relations systems to strengthen the conversion factor potential of statutory wages in line with high-road approaches.

Whilst heterodox research is rich and varied, exposing the varied and contradictory outcomes of MW in labour markets, labour processes and in the labour relations

approaches, the existing research is firm and labour market centric, with little to no extensive examination of workers' states and positions and the nature and composition of low-waged labour and valorisation processes. As argued in this chapter, for a worthy economic sociological study of a MW anchored in a Marxist reading of capitalist social relations of production, incorporating analysis of the site of social reproduction and the site of production, or labour process is imperative. A Marxist frame of the labour process allows for a deeper excavation of the causal mechanisms of asymmetrical power relations in the capital-labour dynamic by directing attention to both the unequal exchange of labour power in the labour market, and the processes and institutional arrangements that unfold to convert labour power into productive labour. On this basis, a case was made for the inclusion of labour processes in MW studies because this allows information on the nature of work to surface, thereby enhancing appreciation of the notion of the socially devalued status of low-waged work, as well as helping to expose the causal mechanisms for inequalities in bargaining power.

A Marxist analysis of the capitalist labour process heightens the discussion on labour relations in capitalist production and the notion of inequalities in bargaining and class exploitation. A Marxist lens, underpinned by critical realism, necessitates that probes and discussions of capitalist labour relations be lodged in an understanding of processes of profit seeking and creation of surplus value. This proposition exposes the limitations of using paternalistic and informal relations of production for a full and nuanced understanding of labour relations regimes across all low-waged enterprises and firms. The chapter also made a case for a political economy perspective of a MW based on key features in labour and product markets, labour processes and labour relations regimes. It was argued that an intimate and complex fusion of factors in these spheres result in the totality of the low-waged labour market, that creates low wages and may simultaneously facilitate low-waged employers' coping strategies when statutory wages become binding.

Finally, it was argued that authoritarian and despotic labour relations regimes, which manifest in varying degrees of paternalism and informality and formality, cannot disregard worker action, protest and resistance. The relationship between worker action, protest and resistance among low-waged and unorganised segments of workers, following the introduction of statutory wages, is a chronically neglected area of examination in existing works on the MW. A MW study with a focus on workers

cannot eschew worker agency and the extent to which workers animate changes in the work-place with the advent of a MW.

This chapter ends the discussion of theory and conceptual frameworks with a bearing on wages, the sale and purchase of labour power and the conversion of labour power into labour. To repeat, chapters 2 and 3 provide the analytical backdrop that is utilised in this research on the AMW. In chapter 4, the analytical journey with respect to unravelling the agrarian labour market in South Africa begins, so as to locate this research on the AMW in its local socio-political and economic context. In keeping with a critical realist meta-theory, the chapter attempts to unearth the causal mechanisms that gave rise to the development of a secondary, sweated and segmented agrarian labour market that in turn spawned low-wages necessitating statutory wage fixing.

CHAPTER FOUR

RESTRUCTURING IN THE SOUTH AFRICAN AGRICULTURAL POLITICAL ECONOMY

4.1 INTRODUCTION

As argued in chapter 2, for a cogent economic sociology account of agrarian statutory wages at a particular place and time, it is imperative to understand the economic structure and composition of agrarian production as well as the social and political relations driving and regulating the sale and purchase of agrarian labour power. This is in accordance with a critical realist meta-theory where the concern is with seeking the underlying mechanisms that firstly spawn low wages, which lead to statutory wage setting mechanisms. In this study, the structure and composition of agrarian production and the subjective and social relations linked to the exchange of labour power, are analytically combined to refer to the totality of the low-waged agrarian labour market, as set out in chapter 3.

As such, understanding the economic factors and structure and composition of agrarian production and associated socio-political forces is important because, in the first instance, conditions in these two dimensions institutionalised low wages, which in turn encouraged the establishment of statutory wage settings in the sector. The concern in this chapter is with the former – that is, the structure and composition of agrarian production and structure and composition of the agrarian labour market that sowed the seeds for the development of low wages; the political and social dimensions of agrarian labour supply and demand are dealt with in the next chapter, together with their manifestations in the agrarian labour market. They are dealt with separately here, merely for presentation purposes as there are multiple variables or factors that have to be accounted for both in the apartheid and post-apartheid periods. The economic and labour market indicators covered in the chapter span 2003 to 2013, which coincides with the timeframe of the empirical data generated in this study and presented in subsequent chapters.

Heterodox labour market approaches, as explained in chapters 2 and 3, insist that in addition to social relations and social conventions, there are concrete features in the

economic structure and material composition of low-waged agrarian productive systems that spawn low wages. The concrete features in the structure and composition of agrarian production, responsible for the growth of low wages, are directly linked to the nature of work and employment on offer in local settings. The overall intention in this chapter, then, is to explain the macro structural and objective features of production that set up the low-waged agrarian sector and to problematise the advent of the agrarian statutory wage in the post-apartheid capitalist era. In this sense, it is concerned with seeking to establish the underlying causes of low wages in the material and structural arrangements in the South African agrarian political economy. As will be shown, the agrarian labour market is largely secondary and segmented, which in turn poses questions on the role of statutory wages in addressing such states and positions.

The occasioning of minimum wages in the agrarian sector is viewed here as part of a wider, and uneven neoliberal restructuring of the agrarian political economy, that entailed a simultaneous application of market disciplining and market constraining strategies. Market constraining strategies are found in labour market interventions providing agrarian labour with a floor of labour protections, whilst market disciplining strategies apply to liberalised agricultural product markets and speak directly to the macro structure and composition of agrarian production. Hence, restructuring the labour and product markets in the sector form part of a single strategy of change in the post-apartheid era. It is therefore, important to develop a conceptual understanding of the agricultural minimum wage (AMW) as part of an uneven application of neoliberalism.

The chapter is divided into three main themes, the first of which focusses on neoliberal restructuring of the agrarian political economy in section 4.2 and deals with the reconfigurations in product and labour markets. This section is necessary, not only for the reasons explained above. The section is important because it broadens the debate and search for the drivers of low wages within the macro composition of agrarian production. In this respect, it is argued here that the fact that the South African agrarian political economy is integrally inserted into the national and global capitalist mode of production, means that low agrarian wages are not the outcomes of purely individual employer choices.

Instead, the role and contribution of agriculture in domestic and international markets throws up crucial questions on the role that economic sectors and firms with backward

and forward linkages, with agriculture, play in creating and cementing low wages and secondary conditions in the sector. Moreover, it is proposed here that agrarian wage setting, in relation to agriculture's position and contribution in the wider political economy, requires earnest debate and thought in terms of (a) the contribution the sector and workers make to commodity value chains and valorisation processes, as well as food security, and (b) the social devaluation of agricultural work and agricultural workers in terms of the sector's social contribution.

Related to the first theme above, the second theme or area is dealt with in section 4.3 and sketches the composition of agrarian capital and agricultural product market trends under neoliberalism. This section is broken down into three sub-themes that have a bearing on the discussion on statutory wages in subsequent context chapters, namely (a) the composition and value of agricultural production; (b) variances in market capacities of agrarian capital, and (c) agrarian capital's responses to agrarian restructuring and the implications for production and trade. These three areas are vital to key labour market issues explored in this study pertaining to employment patterns and nature of jobs on offer, and the organisation and execution of work in the respective work-sites, in the research sample, all of which combine to shape wage settings and wage levels. Ultimately, assessing agricultural jobs, employment patterns, and the execution of tasks, sheds light on the extent to which the structural and objective sides of the totality of the low-waged labour market altered and is altering, in the wake of labour market restructuring.

The third theme or area is the agrarian labour market, before and after the introduction of the minimum wage, and is dealt with in section 4.4 and 4.5, respectively. Like section 4.3, where the spotlight falls on agrarian composition and product markets, sections 4.4 and 4.5 examine key labour market variables, entailing employment levels, employment and contract types, the racial and gender composition of the workforce, as well as educational levels and occupations available in the sector. Where possible, aggregate data is presented for years prior to and after prescribed minima were introduced. However, a neat comparison for all variables, before and after the minimum wage, is not possible because comprehensive labour market statistics are not available for much of the years since the inception of mandatory wages for the sector.

Nonetheless, chapter 2 pointed to neoclassical economics' debilitating preoccupation with job losses following the introduction of statutory wages, thereby failing to question

the causal mechanisms of low wages. In this context, and to restate, in accordance with critical realism, the chapter is concerned with identifying the causal mechanisms in the material and technical components of agrarian production that contribute to the creation of low wages and asymmetrical power relations in the sector. Towards this end, in an attempt to problematise agricultural employment against the backdrop of statutory wages, employment in the sector is located alongside employment for other sectors of the economy, in order to assess the sector in a national context and in relation to employment levels in other economic sectors. This exercise shows that employment losses and gains in the agrarian sector were no more unusual or extraordinary than other economic sectors. Hence, employment losses and gains are but one aspect to employment, meaning that employment levels are not the only subject of relevance to a statutory wage study. Of equal significance, if not of more importance to an understanding of statutory wage settings, is the nature and composition of employment and the outcomes for low-waged agrarian labour.

Aggregate employment patterns in the sector are discussed in section 4.5 in this chapter, where an attempt is made at problematising employment beyond the narrow confine to numbers, to instead ask questions on the nature of employment, and the positions and conditions of agrarian labour in employment. The national picture provides an important backdrop to employment patterns and trends in this research, where in chapter 6 employment data is presented that challenges the generalised claims of job losses, simultaneously shedding light on the nature and composition of agrarian employment in the context of statutory wage setting, in the research sample. But, at the same time, the data asks searching questions on the quality of employment and jobs in contemporary agrarian production and the extent to which low-road approaches in the sector have shifted or are being undone.

4.2 NEO-LIBERALISING THE SOUTH AFRICAN AGRARIAN POLITICAL ECONOMY

The neoliberal agenda in the South African agrarian political economy is characterised by the simultaneous liberalising of product markets and establishment of labour and tenure laws regulating the agrarian capital-labour relationship. Restructuring of this nature is a radical departure from conditions under racial capitalism. Hence, it is important to start the discussion on the composition of agrarian production and its labour market by grounding analysis in the twin process of liberalising product

markets, alongside the introduction of labour and tenure protections. This approach makes it possible to locate the agricultural minimum wage (AMW) and the agricultural sectoral determination (ASD) within wider restructuring processes in the agrarian political economy, that are part of the broad post-apartheid change.

With a selective blend and “strategic” application of market-disciplinary and market-constraining strategies, agrarian restructuring in contemporary South Africa increasingly is foundational upon the core principles of neoliberal capitalism. “In the most general sense”, write Brenner *et al* (2009:184) neoliberalism “denotes a politically guided intensification of market rule and commodification” deployed as a broad macro-economic strategy in pursuit of employment and economic growth. It is argued here that, in the South African neoliberal agricultural sector, market-disciplinary and market-constraining strategies are combined selectively to re-regulate, re-orientate and manage post-apartheid agrarian capitalist accumulation processes in anticipation that certain post-apartheid socio-economic and political objectives may be realised.

Capitalism unfolds in adapted and adapting forms drawing on local conditions and in accordance with the dominant socio-political and economic discourse and macro strategy/agenda. Post-apartheid regulatory shifts, geared towards socio-economic redress, were, and are, embedded in the core tenets of capitalism and specifically neoliberalism. In this regard, Brenner *et al* (2009:185) argue that the expansion and intensification of neoliberalising processes “[h]ave also infiltrated and tendentially reworked the geoinstitutional frameworks, or ‘rule regimes’ within which both market-disciplinary and market-constraining regulatory projects emerge”.

Indeed, changes to the ‘rule regime’ in South Africa’s agrarian context were profound, as expansive market disciplinary measures (see Bernstein 1996), especially in product markets, came into effect, as state support and subsidies to agrarian capital receded drastically since 1994. In the discussion below, an outline is provided of the marketisation of agrarian product markets, followed by a sketch of agrarian labour market restructuring, as part of wider restructuring in the agrarian context.

4.2.1 Restructuring Agrarian Product Markets

The application of market-disciplinary strategies to agrarian product markets does not only stem from conditions and imperatives within the sector. Indeed, restructuring generally and in the agrarian sector more specifically, ties in with national economic conditions and imperatives, in post-apartheid South Africa. In this sense, as will

become clear, agrarian production is regarded as a vital link to upstream and downstream economic sectors. In addition, the production, distribution and consumption of South African agricultural commodities are tied to global markets and trade through the imports of inputs and exports of commodities. Global conditions, therefore, intricately fuse with local and national conditions to shape neoliberal agrarian restructuring, and the states and positions of labour and capital in local labour markets.

The neoliberal project in the South African context, therefore, is not unusual but constitutes part of a global wave of neoliberal restructuring. Neoliberalism, as Harvey (2006:4) writes, “as a potential antidote to threats to the capitalist social order and as a solution to capitalism's ills had long been lurking in the wings of public policy”. Neoliberal regulatory shifts edged their way towards the centre, away from the wings in global capitalism from the 1970s following a “[s]poradic, yet wave-like, non-linear sequence, generating important cumulative impacts or sedimented patternings upon the uneven institutional landscapes of world capitalism” (Brenner *et al* 2009:184-185).

Coinciding roughly with the 1970s timeframe, when global neoliberalism began its uneven and variegated expansion¹⁷, agricultural economists trace the early beginnings of the regulatory shifts in the South African agricultural sector, towards liberalisation or marketisation, to changes that swept through the financial sector in the late 1970s (Vink and Kirsten 2000, Sandrey and Vink 2008, Vink and van Rooyen 2009). Liberalisation in the financial sector removed an important cushion in the form of low interest rates on loan repayment for farmers in the wake of a devalued currency and increases in input costs. The Rand value decline heralded significant increases in input costs for agrarian capital stemming from a rise in prices of imported input commodities.

The prices of agricultural commodities lagged behind prices of input costs resulting in declining profit margins. The economic crisis in agrarian capital intensified in the 1980s

¹⁷ Parallels emerge between Great Britain and South Africa in terms of change in governments and the policy regulatory framework. When the ANC came to power, millions of historically dispossessed and poverty-stricken South Africans hoped for a “better life” that constituted decent work, living wages, and dignified housing with proper services. This meant addressing and corroding poverty, inequalities and discrimination that stem from racial capitalism under the National Party. Likewise, in Britain, when the Labour government under Tony Blair displaced the Conservative government, many in the country envisaged an abandoning of *laizaire* capitalism that the Thatcher government vigorously pursued. In both countries the incoming government failed to meet expectations, instead in different ways a rigorous neoliberal capitalist agenda was charted (see Jessop (2003), who provides an insightful analysis of neoliberalism under Blair's government).

reaching such immense depths that many farmers operated only because of the massive financial support provided by the state. In this regard, Vink and Kistern (2000:31) observe that, in the 1980s, “the state granted financial assistance in one form or another to some 27 000 farmers. Direct financial assistance to these farmers over the decade amounted to R1.73bn, while subsidies totalled R2.35bn”.

The economic protection and financial subsidisation that White agrarian capital enjoyed began to receive serious scrutiny as a result of the deepening crisis of racial capitalism in general in the 1980s. Economic calculations on the cost-benefit of subsidisation show that the commercial White farming sector encouraged deficiencies, wastefulness, and misallocation and inefficient use of productive forces including labour. The high level of subsidies and price protection merely led to the inefficient use of, in particular, capital variables combined with an “overuse” of labour (see Hadley *et al* 1999). By the 1980s the scope and depth of state support to agrarian capital combined with racial discrimination could no longer be sustained.

Deep-seated cracks and contradictions, inherent to racial capitalism, reached crisis proportions across the South African socio-economic and political spheres (see Saul and Gelb 1986, Morris and Padayachee 1988). The broad racial capitalist project placed enormous pressures on the productive systems slowing down economic growth. In addition, political unrest in the country and mass mobilisation against the racist capitalist regime gained momentum and escalated across the globe through economic and political boycotts. The unfolding crisis made it increasingly difficult and expensive for the apartheid state to sustain the racial capitalist system. Far reaching political and economic changes were to follow that impacted agrarian capital and labour in profound ways. The defining trend from the 1970s onwards is the neoliberal regulatory shifts (and shocks) that swept through the political economy in the years to follow.

In keeping with global trends, neoliberal shifts in the country were guided by key financial and monetary institutions located in the Global North. Among such institutions that feature prominently in the neoliberal regulatory restructuring in South Africa were the International Monetary Fund and World Bank with respect to advising on mechanisms for fiscal constraint, economic liberalisation, and a market driven agricultural and land reform programme (Mather and Adelzadeh 1998, Bernstein 2013).

In terms of product market restructuring, the apartheid state took steps to remove subsidies and support to farmers by amending the lenient and favourable tax policy that agrarian capital enjoyed in previous decades; at the same time reductions in the allocation of the state budget for White commercial farmers came into effect. These measures not only mark the first steps towards economic liberalisation and market led regulatory restructuring, as part of a broader macroeconomic strategy, as they also set South Africa on an uneven and mixed approach in the marketisation of agrarian regulatory restructuring. Declining state subsidies and support meant that farmers no longer enjoyed product market protection to the extent that they did in past phases, meaning that enterprises that relied on state support, subsidies, and financial aid for survival, faced closures or other risks.

Farmers' economic woes worsened as a result of the severe drought in the middle of the 1980s. Drought, coupled with the high interest rates, increased the rate of bankruptcies in the sector. According to one estimation, bankruptcies in commercial agriculture increased from "41 to 575 per year during the 1970–2001 period" (Kargbo 2007:2215). Moreover, in the 1980s, budgetary allocations to White agrarian capital began to decline at an accelerated pace (Vink and Kirsten 2000). In addition, some farmers began to raise unhappiness with the price controls and the regulated marketing of agricultural produce (Vink and Kirsten 2000). As a result of a combination of factors, a general reduction in the application of price controls began to emerge in the 1980s.

Economic liberalisation gained rapid pace when the ANC assumed political control after the first democratic elections in 1994, partly in response to international trade agreements and partnerships. Since assuming political control of the country, the ANC government introduced new levels of trade liberalisation with the dismantling of all controls by eliminating control boards, export and import control, and by setting up and scaling down on tariffs (Sandrey and Vink 2008:220). The 1937 Marketing Act was replaced in 1996 with the Marketing of Agricultural Products Act, thereby opening South African capital to global competition and a process of tariff reduction. By pursuing this course, the ANC removed the protection agrarian capital once had under the old marketing set up in terms of price controls. The marketisation in the agrarian political economy was framed broadly within the ANC's Growth, Employment and Redistribution, and Accelerated and Shared Growth Initiative for South Africa, both of which shaped the regime of capitalist accumulation in South Africa.

Restructuring of the agrarian sector in post-apartheid South Africa unfolded at a time when global restructuring of food regimes and international trade of agricultural commodities increasingly forced states across the Global South to reduce and withdraw support to farmers, whilst producers in the Global North still received varying extents of state protection sheltering them from the volatility of global competition. The broad form of agrarian restructuring in South Africa was not entirely unique as other Global South countries opened up their markets to the global food regime in response to the uneven and varied spread and application of neo-liberalising regulations on a transnational scale. For example, Nigeria began a Structural Adjustment Programme in the agricultural sector in similar fashion to South Africa in 1986 (Adebayo 2010). Similarly, countries, such as New Zealand, also began to liberalise their product markets as well as introduce a national minimum wage to deal with low-wages across sectors in the country.

Exposing South African agrarian capital to tariffs that were well below the rates set in the Uruguay Round of the GATT, alongside the removal of import controls, represents a different trade regime from the in-ward substitution policies of the racial capitalist government. Market-disciplinary strategies, as in the liberalisation of trade in agricultural produce, was heightened when South Africa joined the Cairns Group and adopted to further remove protective measures to agrarian capital, even if countries in the Global North continued to support and protect their farmers. As a result, agriculture in South Africa has attained high levels of marketisation and economic liberalisation. Hence farmers across the spectrum, from small-scale to commercial, constitute a group of producers that receive the least amount of state support in the world (see Vink and Kirsten 2000, Vink and Kirsten 2002, Sandrey and Vink 2008).

Now, the fact that marketisation of South African agricultural product markets and trade occurred alongside market constraining measures in the labour market, demonstrates the uneven application of neo-liberalising regulatory tendencies and patterns. Importantly, this trend typifies a reversal of previous strategies founded on product market and trade protection and subsidisation in the sector, which arguably may symbolise a regulatory shock for agrarian capital, and a regulatory change for agrarian labour's work and employment conditions.

The uneven application of neo-liberalism, by implication, is non-linear in impact, producing mixed, uneven and contradictory outcomes for agrarian labour and capital. At a broad level, neoliberal restructuring has implications for the demand, supply and

regulation of agrarian labour. In light of the selective use of market-constraining and market-disciplining measures in the agrarian sector, it is important for research on the AMW in local contexts, to empirically determine and identify the extent and points of convergences and divergences in employment practices, labour relations and wage setting processes, between the pre and post-apartheid periods, and it is important to identify variances and commonalities in these areas between and across agricultural work-sites, to gain a fuller picture of the outcomes of MW settings and other regulations on the local labour market. These aspects are dealt with in substantive chapters to follow, wherein the complex, uneven and contradictory outcomes surface in the data with respect to employment conditions, labour relations and wages.

In the meantime, it is important to gain a grasp of the structure and composition of agriculture. Key agricultural indicators, pertaining to the product market and the agrarian labour market in the post-apartheid period, are dealt with in the following sections.

4.3 A PROFILE OF SOUTH AFRICAN AGRARIAN CAPITAL

Agricultural production in South Africa is not only highly charged by a complex socio-economic and political terrain, as it is also fraught with environmental and ecological challenges. Taking stock of the natural landscape of agricultural production puts into perspective the objective or material composition of agriculture and the dominant types of production suited to South Africa's ecological contexts. Just 16 per cent of the agricultural land in the country is regarded as arable (OCED 2006:14) and 12 per cent of land will support the production of rain-fed crops (WWF n.d.:2). South Africa is, therefore, suited more to meat production as 69 percent of the land surface best supports grazing and animal husbandry. Animal production dominates the other sectors, followed by field crops and horticulture. Animal production contributed 46 per cent to the total gross value of agricultural production in the 2012/13 period, with field crops contributing 28 per cent and horticulture contributing 25 per cent (DAFF 2013a:2).

The various phases of restructuring in the agrarian political economy in the apartheid and post-apartheid periods led to fundamental changes in the structure and ownership of agriculture production, as well as to the product market conditions of various agricultural sub-sectors. The discussion that follows is divided into three themes pertaining to key economic features and performance indicators with significance for

the way a study on agrarian wages in general, and the AMW in particular, is approached, in so far as assessing its importance and implications for agrarian labour.

The discussion begins with the ownership patterns of agriculture, followed by presentation of aggregate value and contribution of agrarian production, and concludes with a broad overview of agrarian capital's responses to regulatory shifts.

4.3.1 Composition and Value of Agrarian Capital

As pointed out earlier, heterodox labour market scholars have long recognised the links between low waged sectors and other sectors, including high waged economies and firms in primary markets, in developing their analysis of the characteristics of low-waged labour markets and firms, largely in relation to their supply and trading networks (e.g., Sachdev and Wilkinson 1998, Peck 1999). Low waged sectors and enterprises do not operate as islands, isolated from other national and global sectors of the economy; neither are they disconnected from high waged sectors and enterprises. Concentration of agrarian ownership and enterprises' location in backward and forward trading links have a deep bearing on the outcomes for agrarian labour and agrarian capital in local labour markets.

A major implication of regulatory shifts is the resultant composition of South African agrarian capital. In this respect, agrarian restructuring, since the 1980s, contributed in a major way to the dwindling number of commercial farming units in the country. The shrinkage in the number of farming units continued with the regulatory shift, in the 1990s, as centralisation of farm ownership and productive systems increased. The shrinking numbers of farms and consolidation and centralisation of agriculture are in part due to falling rates of profits in the sector, over time, wrought on by a complex blend of internal and external forces. However, economically strong farmers and organised agrarian capital began to adapt to the changing regulatory terrain and positioned themselves to take economic advantage of the new arrangements. For example, large agricultural co-operatives transformed into companies listed on the Johannesburg Stock Exchange, enabling them to function as "private agribusiness corporations", while the South African Agricultural Union (SAAU), that had put much of the 'organized' into the relations between 'organized agriculture' and the apartheid state, subsequently rebranded itself in 1999 as a colour-blind Agri South Africa (Agri SA) for the new conditions of the 'rainbow nation'" (Bernstein 2013:24).

The steps taken by the strong segments of agrarian capital made it possible for them to withstand and adapt to the neoliberal regulatory shift introduced by the National Party and accelerated by the ANC. Nonetheless, the rate of de-escalation in the number of farming units is a marker of the levels and extent of centralisation and concentration in the agrarian and food political economy in South Africa. A profile of contemporary South African agrarian capital is incomplete without mention of the racial composition of industrial agrarian production. As a legacy of racial capitalist farming, commercial agricultural in line with the industrial model of production, continues to be dominated by White farmers/producers. It is the White commercial sector of agricultural production in South Africa that is the focus in this AMW study. Against this, Table 4.1 depicts the decline in the number of commercial farming units since the mid-1980s until 2007¹⁸.

Table 4.1: Number of commercial farming units, 1984 to 2007

Year	Number of Farming Units
1984	±70 000
1992	61 564
1996	60 938
2002	45 818
2007	39 966

Sources: Marcus (1989:7), FRRP (1996:11), DAFF (2017b:6).

In 20 years, the number of commercial farming units fell by 30 034, constituting a 42 per cent decline in the overall number of commercial productive enterprises. Farms that went bankrupt were bought off and consolidated into larger production units or converted to other land uses, notably game farms. Since World War Two, not only did ownership of farming and production units begin to concentrate in a fewer number of individuals or corporations, agricultural capital began merging within the sector and with capital from non-farming sectors, paving the way also for the entry of and control by multinationals in the processing and production of agricultural commodities and for retailers in distribution. By the 1990s, agricultural production, processing and distribution were not only centralised; they were also dominated by a few powerful business corporations. Towards the tail-end of apartheid rule, major conglomerates such Anglo American, Gencor and Barlow Rand were heavily invested in the commercial farming sector (FRRP 1996:159). As Bernstein (2013:28) writes:

¹⁸ . The number of farming units in South Africa appear to remain at the 2007 level as reported by DAFF (2017b:6) in the most recent Abstract of Agricultural Statistics.

Agribusiness – understood here as corporate activity upstream of farming (supply of seeds, fertilizer, agrichemicals, machinery) and downstream (milling and other processing, marketing and distribution) – was already highly concentrated in some branches and commodities by the end of apartheid.

Several under-questioned areas of agrarian capitalist composition, ownership and production in relation to a study of the AMW and the outcomes for agrarian labour, came to the fore from a profile of the sector that warrant further exploration. Foremost among the under-problematized areas is the relationship of low agrarian wages to the structure and ownership of agrarian production. The significant share of agricultural productive capacity of corporates in the sector as a whole, relative to the number of private farming units and production output, highlights the question more forcefully, over and above the fact that it is a further indication of the dominance of corporates, operating largely in primary markets, over the secondary South African agricultural labour market. In this regard, the Farmworker Research and Resource Project (FRRP 1996) observes that despite the presence of more than 60 000 farming units in South Africa in 1996, agricultural production was “dominated by a handful of large conglomerates”. Subsequently, SSA (2010) reported that of the 39 966 farming units, 83 per cent were owned by individuals, whilst closed corporations and private companies’ combined ownership stood just above 11 per cent. Yet, individuals who owned farming units generated 52.4 per cent of gross farming income, whilst private companies who owned 5.4 per cent of farming units were responsible for a significant 33.6 per cent of gross farming income.

The fact that a few private companies command a significant share of gross farming income indicates the concentration of agricultural production in the hands of a few companies, and away from the individual farmer or the family run farm. The rise and concentration of agribusiness poses pertinent questions for statutory wages and private sector wage settings, especially in relation to wealth concentration and distribution in the commodity value chains. The investment of other sections of capital in the agrarian productive system raises critical questions on the role that primary sector firms, connected to agriculture, play in subsidising and encouraging low wages and sub-standard labour conditions, and through that process, the extent to which they benefit from low wages their suppliers pay their workers.

Now, in addition to dwindling levels in farming units, agriculture’s share of GDP has also declined over the decades, as the mining and manufacturing sectors grew, as is depicted in the Table 4.2.

Table 4.2: Value of output as a percentage of GDP

Sector	1911-12	1924-5	1932-3	1938-9	1951-2	1970
Agriculture	17.4	19.9	12.2	12.6	13.8	9.5
Mining	27.1	17.4	24.3	20.7	13.0	11.7
Manufacturing	6.7	12.4	13.6	17.7	25.0	27.1

Source: Adopted from Houghton (1976:42).

Agriculture's share of the GDP continued to decline over the years, standing at 1.9 per cent in 2011 (DAFF 2013a), but recovering to 2.0 per cent in 2015 (DAFF, 2016a: iv). However, the sector has grown at an average of 11.8 per cent per annum since the 1970s, while growth in the economy as whole rose by 14.9 per cent over the same period. Agricultural production was valued at R172 428 million in 2012 with a monetary GDP contribution estimated at R58 184 million (DAFF 2013a). Primary agriculture holds a prominent position in the economy on account of the strong backward and forward linkages it has established with other sectors. It is a major purchaser of inputs such as seed, fertilisers, machinery and equipment, hence it has strong backward links with the manufacturing sector. The sector is an important supplier of primary or raw produce to the manufacturing sector translating to strong forward links. Approximately 70 per cent of agricultural produce absorbed into the manufacturing sector is used as intermediate products (DAFF 2015a: V).

Despite the low share of GDP, the sector is crucial to the goods producing, agro-processing and manufacturing sectors and it contributes significantly to employment in these sectors (by making the inputs for production available), hence, to valorisation processes in other primary and secondary labour markets. In this regard, the DAFF (2012a:5) observes that:

Agriculture's small contribution tends to overshadow the many other positive contributions this sector makes to the economy, i.e. secondary growth generation of approximately 20% to 30%. Agriculture has some of the strongest backward, forward and employment multipliers in the economy and provides a social welfare net to the most vulnerable in society, especially in rural areas.

This contribution also extends to global markets as agricultural produce is exported to international shores. The vital back-bone role agriculture plays in the South African economy is well established. As the DAFF (2017a: iv) notes, agriculture not only absorbs labour, especially in rural areas, as the sector is also a significant earner of foreign exchange. More than that, the DAFF elaborates on the value of agriculture to the operations of other sectors of the economy, in the following:

Agriculture's prominent, indirect role in the economy is a function of backward and forward linkages to other sectors. Purchases of goods such as fertilisers, chemicals and implements form backward linkages with the manufacturing sector, while forward linkages are established through the supply of raw materials to the manufacturing industry. ... Agriculture is therefore a crucial sector and an important engine of growth for the rest of the economy.

The overall contribution of and value created by labour and capital in primary agriculture and agro-processing sub-sectors in the food value chain, cannot be viewed in a cursory or glib manner, with respect to a study on statutory wage setting. In addition, the contribution and value generated by agrarian labour in the production of agricultural commodities is essential for problematising inequalities between agrarian labour and agents along the various commodity value chains, agrarian labour's weak position in these chains, the social value of agrarian labour in relation to statutory wages, and the socially devalued status of agrarian work and of workers who are employed in the sector.

As explained, contributions and value added to society by agrarian labour is central to an engagement with wages and the socio-economic and political conditions in the production of agricultural commodities in terms of the socially devalued status of agrarian labour. In this light, and on a general level, the contribution and value that agriculture adds to the economy and society through backward and forward linkages deserves rigorous and robust discussions on the configuration of unequal power relations along and across all commodity value chains (not just on horticulture for export), in the South African context. Here it is important to note the significance of understanding or problematising the question of agriculture's value and contribution to wider economy and society to enhance the discussion on the AMW, and agrarian wages in general.

Approaching the low-waged agricultural sector from the stance of its overall multiple contribution to society in terms of ensuring food security, and to labour and product markets, resonates with key themes and arguments raised in heterodox labour market writings on the social devaluation of low waged work and workers and the subsidisation of low wages in both upstream and downstream links. The investment of large companies and conglomerates in the agricultural sectors, and the backward and forward linkages that agriculture has in various commodity chains, relate centrally to discussions on the wider structure of the agrarian political economy and the

articulation with other sectors of the economy as key contributors to the creation and perpetuation of low wages in the sector.

Over and above the necessity to seek out the drivers of low wages and locate the discussion on the AMW within a wider political economy perspective, another critical area of inquiry involved in understanding statutory wages, as pointed out in section 4.2, concerns product market conditions facing the sector. The macro structure of agrarian capital, its integration in global food regimes and product markets are vital background information to, on the one hand, assessing the potential and scope for changes from low-road to high-road approaches at work-site level and, on the other hand, understanding the labour market and labour process conditions of workers, hence the manifestations of the totality of the low-waged labour market, in this study. With this in mind, a broad overview of the key aggregate economic performance indicators, coupled with an assessment of the heterogeneity in the agrarian productive system, follows in the discussion below.

4.3.2 Variances in Market Capacities of Agrarian Capital

The DAFF compiles annual data that is updated year-to-date, on the production, distribution and earnings of all agricultural commodities in South Africa. In addition, among the interests of agricultural producers' bodies, the collection of data pertaining to the economic performance of respective commodities is undertaken at regular intervals in the year. The variances in agrarian production and market capacities come through in the data, where the propensities for different sub-sectors and individual enterprises to perform in global and domestic markets is evident, illustrating the unevenness and heterogeneity in product market conditions in the sector as a whole.

Product market heterogeneity in the sector prevails due to the varying competitive conditions faced by agricultural enterprises producing for the domestic and global markets. A discussion on heterogeneity in no way suggests that commonalities in product market conditions are absent. As will become clear, many points of convergences prevailed in the labour market states of workers in the sample. What is important to make clear at this stage of the discussion is that, whilst agrarian capital operates under the same regime rules of marketisation in product markets, variations in the rules and regulatory frame prevail for sub-sectors and enterprises, which are essential to acknowledge in a MW study. Differentiations in product market conditions speaks to the variegated nature of South African agriculture's integration in the global

food production regime. Economic profiles of respective commodity value chains in the Eastern Cape bear testimony to this phenomenon, as will become clear in chapter 6. In effect, the application of market-disciplinary strategies in agricultural production and product markets, means that South African agriculture integrated with the global food production regime as importer and exporter in uneven and variegated fashion.

One area of differentiation, in product market conditions for enterprises, is shaped by the ratio of imports of intermediary production inputs to gross farm income and market structure. This means that enterprises that import farming requisites but supply domestic and local markets, have significantly different market and trading structures and terms, compared to enterprises that import intermediary goods but sell on international markets. The balance of trade, in other words, is not even across and within agricultural sub-sectors.

Since restructuring, import of inputs for production –seeds, chemicals, machinery, etc. – has increased, though lagging behind the increase in export of produce. According to comparative figures, between 1996 and 2005 agricultural exports grew by 8.7 per cent with imports increasing by 7.9 per cent. In monetary terms, South African agricultural exports exceeded R25 billion while imports amounted to R16.7 billion in 2005 (Steenkamp 2004:7). In addition, the share of exports of goods and services in total GDP increased from 22 per cent in 1994 to 34 per cent in 2002, while that of imports increased from 20 per cent to 31 per cent (OECD 2006:14). Argentina, Thailand and Brazil are primary import countries for South Africa, although between 2010 and 2009 the share of imports has declined by roughly two percent for each of these countries (KPMG 2012:9). As noted by KPMG (2012:9), markets for South African agricultural produce grew significantly in the USA, Germany and the UK between 2009 and 2010. The UK and the USA continue to record significant levels of South African agricultural imports and are joined by the Netherlands as another major market (DAFF 2017a:10).

The rise in input costs linked to farming requisites stems from the restructuring processes. In this regard, DAFF (2013a:4) estimates that expenditure on input costs and intermediary goods in the 2012/13 period increased by 11 per cent from the 2011/12 period. For example, DAFF (2013a:4) observes that “large increases occurred in expenditure on seed and plants (18,0%), fuel (15,3%), packing material (14,8%) and dips and sprays (13,6%)”. However, costs between 2014/15 and 2015/2016 showed price drops for intermediary goods on a short-term basis.

Statistics for the 2012/2013 period reveal that agricultural income was R131, 5bn, current expenditure was R98,7bn, capital expenditure R80,5bn and the book value of farming assets was recorded to be R11.7bn (Stats SA 2016). Stats SA further notes that agricultural income in 2007 was R60.6bn, whilst expenditure for that year was also R6.6bn. Both income and expenditure rose in 2012 from the 2007 levels to R147.4bn and R116.9bn, respectively. Nonetheless, gross farming income from all agricultural products increased by 8.9 per cent from R31.3 billion in the first quarter of 2012 to R34.1 billion in the first quarter of 2013 (DAFF 2013a:v).

At an aggregate level, economic growth in the agricultural sector, in part, is attributed to the significant expansion of the export capacity of the sector since the onset of vigorous neo-liberalising regulations. The export growth and capacity of (selected) South African agricultural produce is much celebrated as a major spinoff of trade liberalisation. South African agrarian restructuring is increasingly focussed on building the export capacity of the sector and seeking international markets with the expectation of increasing economic development, that in turn will reverse racial- and gender-based poverty and inequalities in terms of access to resources and business opportunities. In this regard the New Growth Path first outlined in 2010 for the sector, was launched by the ANC in a bid to expand economic growth and address the chronic problems around racial and gender-based inequalities, poverty and discrimination, by advocating for an expansion of exports, combined with changes to labour relations which will be discussed in section 2.4.

Table 4.3: South Africa's world ranking in selected products

Export Item	South Africa's world ranking produce
Avocados	1 st
Clementines	1 st
Ostrich products	1 st
Grapefruit	2 nd
Table grapes	3 rd
Plums	3 rd
Pears	5 th

Source: (AgriSETA 2010:3).

Enhancing the export capacity of agriculture was identified as crucial to spurring economic growth and rural development. In this logic, the ANC outlined economic growth and development of agriculture with the expansion of irrigated agriculture to increase export capacity of agricultural commodities. One of the many targets set for

rural poverty alleviation and development is the creation of a million jobs in the sector by 2030, through the growth path set in the plan.

Certain agricultural produce from South African have attained high rankings in international markets, as illustrated in Table 4.3. The destination of South African agricultural produce includes the European Union, which imported over half of South African agricultural exports followed by other African countries that imported 26 per cent of the exports in mid-2000 (OECD 2006). In mid-2000, Asia and North America accounted for 18 and nine percent respectively of agricultural exports from South Africa (OECD 2006:16). However, exports of South African agricultural production to other African countries also developed in late 2000. The main countries ranked in order of volume of imports, between 2012 and 2016, are listed in Table 4.4 below. The Netherlands is the major trading partner in the European Union, with Zimbabwe and Mozambique important destinations for agricultural produce on the African continent.

Table 4.4: South Africa's largest trading partners in terms of export destinations for agricultural products, 2012/2013 and 2015/2016

Export destinations	Export value 2012/2013	Export value 2015/2016
Netherlands	R6 862 000 000	R8 615 000 000
United Kingdom	R5 588 000 000	R7 714 000 000
Zimbabwe	R5 011 000 000	R5 116 000 000
Mozambique	R3 309 000 000	R6 021 000 000
China	R2 589 000 000	R3 946 000 000

Sources: DAFF (2014:9), DAFF (2017a:10).

Data released by DAFF (2017a:10) show that the value of exports increased by 0,2 per cent between 2014/15 and 2015/16 from R82 839 million to R83 022 million. During 2015/16, exports to the five biggest trading partners not only continued but also increased, recording significant rise in the volume of trade with Mozambique (R2 712 million) and the UK (R2 126 million). DAFF (2017a:10) estimated the value of South African agricultural imports to be R76 511 million in 2015/16. This marks an increase of 22,1% from the 2014/15 period when the value of imports was R62 648 million.

Agricultural products to receive a major boost in international markets since early 2000 and continued to enjoy strong positions in global markets, in 2012/2013 are depicted in Table 4.5 below. Like the trading relations with companies supplying inputs and intermediary goods to the agricultural sector, the sector's exports' links with companies and countries also raises questions about their roles and contributions towards the practice of low wages and inequalities in bargaining power in the agrarian sector in the

country. This issue rears again in the discussion on agrarian product market conditions in chapter 6.

Table 4.5: South Africa's major agricultural export products, 2012/13

Agricultural export product	Export value 2012/13
Citrus fruit	R7 981 000 000
Wine	R6 965 000 000
Maize	R5 294 000 000
Apples, pears and quinces	R5 172 000 000
Grapes	R4 576 000 000

Source: DAFF (2013a:9).

However, aggregate agricultural economic performance data belie sub-sectoral, firm-level and even spatial variation. Neoliberal shifts in the agrarian political economy over the years, as will be discussed below, has differentiated economic outcomes for agricultural sub-sectors and enterprises within and across sub-sectors. Agricultural product markets, from the aggregate economic performance data, indicate divergences in the trading capacities and opportunities for domestic and international orientated sub-sectors and enterprises. However, the question to arise is, whether such diversity in product market and trading conditions, within the agricultural sector, results in varied labour market outcomes for labour and capital. In other words, the issue of interest is the extent to which labour market regulations and statutory wages have differentiated outcomes for workers and employers with respect to type of employment, wages, working conditions, and labour relations, in the face of product market diversity.

The regulatory shifts in the sector is associated with the overall increase in agricultural production, to keep pace with domestic and global demand since neoliberal restructuring, although levels of production and trade fluctuate and are uneven across subsectors (and enterprises). South Africa is reported to be the third largest agricultural producer on the African continent (BFAP 2012:3). According to the Bureau for Food and Agricultural Policy (BFAP), agriculture in South Africa has a labour force with high productivity levels compared to other countries on the continent. The value added per worker is four times the global average. This level of output and value added by the workforce is higher than other African countries. Only Brazil is ahead of South Africa on this score, among the BRICS countries, comprising Brazil, Russia, India, China, and South Africa. However, due to structural conditions in the sector, growth in production is overall much slower than the average in Africa, thereby raising questions

about the potential for migration from low- to high-road approaches in the agrarian sector – a topic of discussion we return to below. Moreover, structural problems in the sector coupled with the productivity level of the workforce raise questions about the fairness of real and prescribed agrarian wages.

Nevertheless, certain works in the economics tradition regard marketisation in the South African agricultural sector in a wholly positive light arguing that the regulatory shifts have resulted in efficiency, enhanced outputs and increased productivity, a massive export growth, “and the sector has become more sustainable in environmental terms”¹⁹ (Vink and Kirsten, 2002: vi). In similar vein, Sandrey and Vink’s (2008:17) review of South African agriculture maintains that market-disciplinary measures have stimulated opportunities for “entrepreneurial farmers” and allows for more “efficiency” in the allocation of agricultural resources.

As part of creating efficiency, market orientated shifts are necessary to enhance the international competitiveness of the agricultural productive system and reduce commercial farmers’ dependence on the state. According to these authors, this set of conditions makes for the ‘correct’ environment for stimulating enterprising farmers towards innovation and growth. However, heterodox labour economics caution against casting blanket optimistic claims, noted above. As Sender (2015:2) writes, “South Africa has a long history of failing to use resources productively or to take advantage of accumulation opportunities. Much of the recent literature does not emphasize this record of failure”.

Sender’s sobering view is more useful, than the blanket optimism of the growth potential in agriculture, because it facilitates a deeper appreciation of the multiple and differentiated internal and external factors that shape the possibilities and conditions of the export performance of South African agricultural commodities. With respect to the export capacity, differentiations in international trading and export potential of agricultural commodities are discernible from data on global demand that categorises agricultural trade into four groups, largely based on agricultural commodities. One is “infant” productive systems or “underachievers in dynamic markets” accounting for one per cent of export value, two is the “champions” or “performers” which account for 14 per cent of export value, three are the “cash cows” which are achievers in declining markets and which constitute the largest bulk of exports – 60 per cent, and four is the

¹⁹ The environmental sustainability of industrial farming is increasingly coming under scrutiny because of the overuse of natural resources, pesticides and fertilisers (WWF ND).

“dogs” or underachievers operating in declining markets accounting for 20 to 30 per cent of South African agricultural produce (Steenkamp 2004:3-5). To be sure, farmers’ capacity to trade domestically and internationally is co-determined by local, national and global economic and socio-political factors prevailing at a particular time and space (see Barrientos *et al* 2015). This in effect means that agrarian capital is not a homogenous entity because production capacity, distribution and trading conditions and strategies vary across the sector.

The above categorisation of export capacities is strongly indicative of the complexities of agricultural global and domestic trade and competitive ability and encourages a balanced view on the growth and market expansion of South African agricultural commodities, that in turn accounts for the institutional arrangements and social relations configuring product markets and trade in goods. So, whilst trade liberalisation may have increased the export capacity of agriculture, caution must be applied when assessing the extent of this growth in light of (a) variances in the market performance and capacities of different sub-sectors and agricultural enterprises, and, of equal significance, (b) a decline in the overall share of South Africa’s contribution to world trade. In this regard, data by the Food and Agricultural Organisation shows an overall decline in South Africa’s world share of trade in agriculture dropping from a mere average of 0.53 per cent between 1986 and 1994 to “an average of 0.50 between 2006 and 2008” (FAOSTAT, cited in Sender 2015:7).

It is clear that the optimistic outlook on the global trading capacity of South African produce generally, and agricultural production in particular, held by standard agro-economists, is challenged by alternative perspectives. Sender (2015) for example, paints a dismal forecast of the economic performance and future viability of contemporary capitalist agriculture in South Africa, based on the declining share of South Africa’s global trading capacity. In this regard, Sender (2015:7) comments that “[t]he declining relative performance of South African agriculture is too rarely acknowledged. It is most clearly demonstrated by the trade data – partly because trends in agricultural production for domestic consumption are so poorly monitored”.

This not only poses a challenge to the standard forecast of agricultural performance under market-disciplinary regulatory rules, as the forecast raises questions on employment and labour conditions, and prospects for migration from low-road approaches to high-road approaches in the agricultural sector under the prevailing conditions. The decline in agricultural growth and development, according to Sender

(2015:7-13), stems from the absence of “dynamism” in capitalist growth in the wider South African political economy, that in turn translates to missing out on expanding and increasing agricultural production to maximise global trade. In the main, the institutional and infrastructural support for constructive capitalist farming, it is proposed by Sender (2015:13-20), is non-existent largely due to the minimal state support and intervention in developing capitalist farming. The general state of backward agrarian capitalism (which is akin to low-road or destructive capitalism) for Sender, applies to the entire productive system – both large-scale commercial farming (still dominated by whites) and small-scale (significantly black subsistence farming).

Empirical data from this research, on the technical and social aspects of the labour processes presented in chapters 9 to 11, supports Sender’s analysis on the widespread absence of dynamic agricultural capitalism in the technical and social relations of production in the research sites. However, questions are posed in chapter 9, about the role the objective and material factors play in determining the scope for technical innovation and dynamism. These questions, however, do not detract from heterodox economists’ arguments that South African agriculture has, thus far, failed to seize opportunities presented in the global markets through diversification and value adding and increasing production. Indeed, as heterodox MW scholars argue, value adding and diversification in products are pertinent to engagements with statutory wages in as far as shifting labour processes, product markets, and wage setting strategies from low- and high-road approaches. The shift from low-road to high-road strategies in the technical aspects of labour processes may also allow agrarian labour to escape from the totality of the low-waged agrarian labour market. Changes at this level too may stimulate changes to the labour relations regime and systems in the sector.

Ultimately one of the major implications of the lack of economic growth and the lack of expansion across the sector is the inability to create jobs that pay higher wages. For these reasons, Sender concludes that, in the current regulatory regime in South Africa, capitalist farming is backward, unproductive and inefficient and is unable to improve, build, and invest in the labour force. The reference to backward rural capitalism resonates strongly with low-road production and accumulation strategies that heterodox labour market theories attribute as major drivers of low-wages.

Sender argues that backward agrarian capitalism is due to a disabling policy environment that allows for a downward spiral of the productive system as a whole.

The lack of state investment and support to farmers inhibits the development and expansion of “dynamic” capitalism in the agrarian political economy²⁰. Neo-liberalising regulatory shifts in product markets and absence of support to farmers across productive scale, have contributed significantly to the low-road strategy in the commercial farming sector and to low production levels on farms that were transferred to Africans under land reform. However, the problems and deficiencies in policy and the shortcomings of the state in securing the conditions necessary for the development or movement towards the high-road approach in product and labour market is only one manifestation and one aspect of the broader capitalist accumulation processes.

The role of agrarian capital in perpetuating low wages and the totality of the low waged labour market are as important as agrarian regulatory frames and policies in perpetuating backward agrarian capitalism. To be sure, for a deeper understanding of the causal mechanisms of low agrarian wages, the role agrarian capital plays in creating and maintaining low wages and low-road approaches cannot avoid scrutiny. This is especially important for economic sociology in the context of the historical development of racial agrarian capitalism, and the state support and subsidisation of agriculture alongside the failure to develop the capacities, skills and wage levels of agrarian labour, combined with the values and norms that White farmers held/hold of African labour. Accounting for employers’ values, norms and beliefs about low-waged workers is a critical aspect in segmentation theory and institutional economics which insist on the necessity of understanding how employers’ values and ideology influence the propensity to adopt high or low-road approaches in employment strategies and labour relations approaches. In developing strategies to combat low-road agrarian production and employment strategies, it is necessary to isolate the discriminatory

²⁰ The policy framework in the South African agrarian political economy reflects the operations of the uneven and contradictory outcomes of neoliberalising processes. The policy and the support mechanisms for farming in large measure is shaped by economic doctrines driving industrial agriculture, where corporate monopolisation of agriculture and food production - from production, to distribution and finally to consumption - have gained in ascendancy. An important manifestation of market-disciplinary measures that in turn indicates the level of state support to agrarian producers is the near total privatisation of research and development that enhance production methods and quality of commodities. For example, agricultural extension services are almost totally privatised and offered by a range of private national and international facilities, such as multinational seed and fertiliser companies or by the “strategic partnership” or mentorship programmes as spelt out in the Recapitalisation policy. In the citrus sub-sector, growers established the citrus academy, which offers bursaries to botany students who assume employment in the sub-sector to enhance technical skills that in turn improve quality of citrus fruit. These strategies effectively absolve the state from investing resources and time for research and human resource development on the sector.

beliefs and undemocratic values and norms that encourage agrarian capital to compete on the basis of low wages and to remain in a low-road frame of thinking.

Nevertheless, Sender argues for stronger regulatory frameworks and institutional arrangements that are state administered to encourage and nurture the growth of “dynamic” agrarian capitalism, facilitated by high-road strategies. However, an automatic link between state support, the adoption of high-road approaches and improvements in working conditions and wages cannot be assumed. Dynamic agrarian capitalism and the widespread use of high-road approaches in the sector is only possible if the necessary conditions exist, within labour and valorisation processes.

There may be limits to agrarian capitalist dynamism as natural forces and the objective conditions of production may place a ceiling on the extent to which sub-sectors can innovate. In this regard, the export categorisation offered by Steenkamp (2004) is a useful barometer of the subsectors with scope and opportunities for innovation, quality enhancement and investing in the skills and capabilities of the agrarian labour force and those that are unable to change in these ways because of the nature of the task, or the type of work activity.

As alluded to above, the nature of work and sub-sector dynamics is important in assessing the relationship between statutory wages and employers’ scope to adopt high-road approaches and their propensities to deploy low-road approaches. This becomes patently clear when data on the labour processes in this research is discussed in chapter 9. The varying dynamics in labour processes and product markets, in spatial and temporal contexts, raise questions about the compositions and make-up of labour demand and supply. Applying this logic to agricultural production means that variations in the nature of farm work and in the technical composition of the labour process led to differentiations in agrarian capital’s labour demand. Following this trend of thought, labour market segmentation theory argues that demand for labour of varying types facilitates segmentation, hence inequalities in terms of employment patterns and ultimately in wages, in the labour market.

However, given the paucity of qualitative and quantitative data on the agrarian labour market and labour process in South Africa, it is not possible to delineate patterns of segmentation along the export categorisation above, with definite certainty. The same applies to tracing or correlating segmentation in the work-force with the labour demand

patterns along the economic performance of domestic producers. Moreover, pronouncing on the correlations between patterns of labour market segmentation and fractions within agrarian capital is only realistic and possible through further empirically grounded research in concrete spatial and temporal settings. In the next section, agrarian capital's responses to liberalised product markets is sketched at an aggregate level to gain a sense of how fractions of agrarian capital are adjusting to restructuring, and to tease out the implications for employment conditions, labour relations, and wages.

4.3.3 Agrarian Capital's Responses to Product Market Restructuring

Changes to the economy, sectors of the economy and in individual firms do not follow a linear course with undifferentiated and even outcomes. Capital's responses to regulatory shifts in political economies including product (and labour) markets vary, producing heterogeneity and contradictions. In line with this, South African agrarian restructuring processes drew diverse responses from farmers as they adjusted to the changes including, "diversification, e.g. on-farm agro-tourism, off-farm employment; farm diversification, e.g. different products, different regions; and farm consolidation and expansion" (Sandry and Vink 2008:248). Regulatory restructuring, therefore, wrought on multiple changes along the entire food production system. As established, there were significant changes in the orientation, philosophy, and business strategy of South African commercial farming to enable participation in the globalised food network as exporters and importers. In the quest to remain competitive, commercial farmers have opted for industrial farming methods (a farming framework that contrasts with agro-ecological farming and other similar methods) indicative in the increased use of chemicals, pesticides, fertilisers, fuel and irrigation and highly mechanised labour processes in certain subsectors.

Another response in primary agriculture was the shift from maize production to livestock, a rapid expansion of chicken farming and the expansion of intensive farming, particularly in horticulture. This trend began in the 1960s and 1970s (Marcus 1989, Davies 1990) and intensified rapidly from 1994 onwards. As part of the adjustment process, farmers made a move away from field crops to horticulture, especially wine and fruit. This switch led to increases in product expansion and technological innovation to sustain positions in the global food markets. For example, the enhanced export value of horticultural products stems from investments in product enhancement

through the use of improved cultivars and the application of methods to increase yields, as opposed to widespread expansion of cultivated land (Bernstein 2013:25).

Overtime, agrarian capital paid more attention to improving products to maintain competitive in global and national markets. Attempts to enhance the quality of agricultural commodities often entails botanical based research to develop certain essential natural properties of various horticultural and animal husbandry products. Resorting to product enhancement mirror high-road adjustment strategies to cope with product and labour market restructuring, as agrarian capital diverts attention to enhancing product quality, alongside quantity. The switch to mechanisation in the 1970s, as noted above, facilitated the expansion in quantities of production.

South Africa's incorporation into the global capitalist regime of accumulation and the trading conditions that flow thereof, combined with the national regulatory frame of a variegated neo-liberal agrarian project in transition, stimulated an increased use of research and development among agrarian capital. In many respects this means that agrarian capital is forced to compete on the basis of product enhancement and not only on low wages. However, it will become clear as this study unfolds that a disjuncture exists between product enhancement (in selected agricultural commodities) and enhancement of labour standards and employment conditions. In other words, improvements to the quality of agricultural produce does not necessarily result in improvements to employment conditions and labour standards, in accordance with the high-road approach. Nonetheless, to compete in the global food regime, agrarian capital in South Africa developed vigorous marketing campaigns, using modern day communication networks, through which various commodities are advertised. For example, Agri Eastern Cape and the respective producer bodies have websites showcasing agriculture and the various commodities in the Eastern Cape, with a stress on farmers' use of updated production techniques for product enhancement.

The adoption of high-road approaches in contemporary times, however, has much similarity with the past because it continues to be deployed in the technical aspects of certain labour processes and products or commodities in certain aspects of production only. Agrarian capital, as will be become clear in chapters 8 and 9, remained inert in terms of changing archaic labour relations until the state introduced labour market regulations. It is important to bear in mind, as pointed out above, the application of high-road approaches is heavily dependent on sub-sector dynamics and the nature of

commodities under production which influences the scope for changes in production processes.

Moreover, and crucially, the overall quality of agrarian jobs, entry levels and skills have not been dramatically and fundamentally enhanced, as will be shown in sections 4.5 and 4.6 below, at the national level, and in chapters 7 and 9 from this research, in comparison to strategies to improve the quality of agricultural produce, especially commodities geared for export purposes. To be sure, the impetus for changes in the technical aspects of such agrarian labour processes, with a focus on quantity and quality of commodities, contrasts with the lack of impetus for changes in employment practices and labour standards in the sectors. Changes to the technical areas of the labour process including quality of produce were deployed by agrarian capital in response to the wide and sweeping neo-liberal restructuring in the agrarian political economy, product markets and trade systems.

In addition to the changes above, there was also a distinct shift in power in commodity value chains from primary agriculture and agro-processing to distributors and retailers. Value chain research increasingly reveals the power that retailers have in the markets and the downward pressures exerted on primary agriculture and agro-processors, leading to a pyramid effect with retailers at the apex (see Humphrey 2006, Bek *et al* 2007, Bain 2010). As Daya (n.d.) points out, greater amounts of profits are earned in distribution and not with primary agriculture and agro-processing. In other words, distribution of agricultural commodities, through retailers, generate higher profits than farmers and agro-processing sites involved in production of goods. Integration into the global food productive system, consequently, exposes South African agricultural producers to varying depths and degrees of inequalities and asymmetrical power relations between the various actors in the value chains from worker to employer, to retailer and consumer.

Large companies dominate the “supply chain in which low pay is concentrated” (Sachdev and Wilkinson 1998:19, Deakin and Wilkinson 1999:565). As Sachdev and Wilkinson (1998) observe, low paying sectors such as agriculture, fishing, food and beverages, and clothing are major suppliers to retailers. A large body of international literature exists focussing on the power that large retailers, at the top of the pyramid of the low pay system, command by virtue of their global mobility. Globally, the positions that primary agriculture and pack-houses occupy in the backward and forward chains within and across the sector, mirror the uneven and unequal positions

of different social agents in the various stages of agricultural production, especially that of agrarian labour (and primary agricultural capital) as borne out by several studies (Barrientos and Kritzinger 2004, WFP 2017, SANPERI 2008, Bain 2010, Stringer *et al* 2016, Visser and Ferrer 2015).

It is not necessary for the purpose of this study to dwell on the value chain literature, as all that is required for the current purpose is to point out that low waged sectors and firms are linked in various uneven and contradictory ways to other enterprises within the sector and across sectors of the global economy through common and different commodity value chains (i.e. value chains comprising primary agriculture and the various value added stages of production, to packaging, storage and shipping and finally to retail and consumption, as well as, value chains in the backward and forward links agriculture has with other sectors of the economy, in particular manufacturing). The positions of power and/or lack thereof of agricultural enterprises in the respective commodity value chains signify the balance of forces in the global food production, distribution and consumption regimes. As Visser and Ferrer (2015:2) argue,

The combined processes of market deregulation and supermarket consolidation have served to weaken producers' collective bargaining power in the market place. As a result, some of the agricultural value chains, which were previously controlled by South African producers, are now controlled by international retailers. In the process, most South African producers have become price takers.

Global integration will have uneven, multiple outcomes for both labour and capital, in much the same way as labour market regulatory shifts will elicit differentiated and manifold responses from labour and capital.

Now, the treatment of agrarian employment within global value chain analysis tends to be missing (see Ware Barrientos 2013). But the interest in global downstream linkages of agricultural producers in the South African horticultural sector, tends to focus on employment composition and patterns and labour recruiting in horticultural enterprises supplying large global and regional customers, where labour is hired via a third party, known as labour brokers (see Kritzinger *et al* 2004, Barrientos and Kritzinger 2004, WFP 2017, SANPERI 2008, Barrientos 2011, Ware Barrientos 2013). These works offer insights into the nature and composition of labour recruiting strategies, for seasonal labour, in the era of global neo-liberal food production and, by implication, the global regulation of employment contracts in the horticultural sector. Works of this type shed light on contemporary global forces shaping employment

patterns and trends in local labour markets. In so doing, these works pose questions on the employment assumptions pertaining to job losses held by neoclassical economics in the wake of statutory wages.

Whilst such works are illuminating from the point of view of the status of the employment of seasonal workers through labour contractors, in the context of South Africa's horticultural sector's integration in global value chains, questions on the role that firms higher up the value chain play in sustaining low-waged and low-road conditions that ultimately lead to agrarian statutory wage settings, remain under or unexplored. As Ware Barrientos (2013:1059) points out, the focus on the "commercial aspects" within the global food production regime propelling labour brokers in "global production networks", is one aspect of the system of labour brokering. Further research is required on how labour brokering relates to class relations between agrarian capital, agrarian labour and labour brokers.

Extending Ware Barrientos's point, but working within a heterodox AMW study perspective, scrutiny of global agricultural value chains gains importance, not only from the point of agrarian labour's employment prospects, labour recruiting strategies, and the outcomes for workers' quality of life. Scrutinising and unpacking the structure and composition of global value chains are essential to deepening understanding of the drivers shaping the distribution of power in the chains between agrarian labour and agrarian capital. The distribution of power in agricultural value chains is inseparable from the distribution of power between labour and capital in local agricultural labour markets and in labour and valorisation processes, as the balance of forces are pivotal to bargaining power over wages and working conditions. Equally important, the balance of forces in the value chains fundamentally shape valorisation processes and the social relations of production in the various work-sites. In this frame, the contributing role that large buyers at the top of the chain play in encouraging the growth and perpetuation of low wages and inequalities in bargaining becomes a key area of inquiry in future statutory wage studies.

In summary, from the above discussion, on the contemporary economic indicators, material composition, and structure of South African agriculture, it becomes evident that the sector is configured in and through a variegated and complex fusion of global, national and local conditions and dynamics, which profoundly shape the politics of production, wage determination processes, and wage levels (as will be seen in this research in chapters 6 to 13). The context and terrain of low agrarian wages is no

longer confined to local and national boundaries. With South African agriculture's integration into the global capitalist regime, agrarian wages increasingly comprise a global dimension. As may be gleaned from the discussion above, the agricultural sector forms an integral part of the wider capitalist productive system because of its strong backward and forward capacities. Scientific social inquiry into statutory wage settings for sectors like agriculture will have to be sensitive to the combined roles that global, national and local forces play in influencing labour demand and supply in spatial and temporal contexts, and the forms that labour regulation assumes in local labour markets.

The fact that agriculture is integrated into a wider global system of production means that low wages and labour standards cannot be exclusively attributed to national conditions and sector or enterprise specific dynamics; the nature of agrarian labour's and agrarian capital's incorporation into the respective commodity value chains – i.e. how they are located or positioned in the value chain in terms of bargaining power to set the terms of sale and purchase – also shapes employment conditions, labour standards, and above all, wages and the level of agrarian labour's social reproduction. These areas deserve more qualitative and quantitative research in local labour markets to enhance knowledge of the workings of the agrarian political economy. The social relations of agricultural production, distribution and consumption along global commodity chains strongly influence wage settings and working conditions.

The other pertinent aspect to a study of the AMW that flows from the data presented, is the extent and nature of heterogeneity in the product market conditions and positions of the different fractions of agrarian capital. This implies that neo-liberal regulatory shifts in the agrarian political economy will stimulate a diverse and mixed set of responses from the critical labour market actors – workers, capital and the state. In addition, it is clearly evident that agrarian labour processes, the nature of work, and hence labour demand, will not be standardised and uniform in the local labour market. Following from this point, neo-liberal regulatory shifts in the agrarian political economy will also have differentiated outcomes for the different fractions of agrarian capital and agrarian labour.

Restructuring of product markets have a profound impact on the labour market, in particular on labour demand and supply patterns. Product restructuring, in turn, not only impinges on employment levels; it also shapes the type and nature of employment in local markets for labour. In the next section, attention turns to agrarian employment

before and after the advent of the AMW, which in turn sheds light on the nature and composition of the agrarian labour market prior to and post the advent of the AMW, thereby facilitating an assessment of changes in the labour market states and positions. The period after the introduction of the AMW is henceforth referred to as post-AMW.

4.4 THE AGRICULTURAL LABOUR MARKET UNDER NEOLIBERALISM

Section 4.3 provides a glimpse into the broad economic and product market context of the agrarian system that shapes the demand side of the agrarian labour market in the era of neoliberal regulations. In this section, the outcomes of those labour demand requirements are explored, by highlighting key employment patterns and trends that speak to the nature and composition of the agrarian labour market. The discussion proceeds along two aspects. It starts with employment levels to reflect complexities and dynamism in the labour market as far as job losses and gains are concerned. The second aspect involves the nature of employment and the composition of agrarian labour. The second aspect is of particular interest to economic sociological MW works because it encourages thinking about and probing statutory wages at wider and deeper levels; therefore, going beyond employment levels to include dialogue on the nature of employment, agrarian wages, and agrarian labour's social reproduction.

With this plan, section 4.4 is divided into two sections. In section 4.4.1, attention is given to the employment levels in the sector, and section 4.4.2 discusses key agricultural labour market variables before the introduction of the ASD and statutory wages. The time period of analysis in section 4.4 is the 1990s, prior to the advent of the agrarian MW, when the government was in transition from the apartheid to the post-apartheid political dispensation. Key labour market variables or indicators, which are discussed in section 4.4.2, include the racial and gender dynamics in the composition of the labour force; the length of service; and occupational and skills composition of the labour force.

Key labour market variables examined here demonstrate the secondary and segmented nature of the agrarian labour market. Data used in section 4.4 is drawn primarily from various government statistical records on the state of the agrarian labour market, when the ANC assumed political control. It is important to note that the secondary and segmented conditions in the agrarian labour market are heavily shaped by the economic and product market conditions discussed in the preceding section,

acting in consort with socio-political forces and factors which are discussed in chapter 5. It is also important to bear in mind that the secondary and segmented agrarian labour market provided fertile ground for the cultivation of low agrarian wages that necessitated the advent of mandatory wages for the sector.

4.4.1 Employment Levels and Patterns

It is widely acknowledged that the South African agrarian sector has a track record of labour shedding predating the introduction of labour market regulations in general and the AMW in particular. Despite the dip in labour absorption rates in the sector, it is estimated that approximately “8,5-million people are directly or indirectly dependent on agriculture for their employment and income” (www.brandsouthafrica.com/investments 2013, 2017). The historical pattern of employment losses and job restructuring in the agricultural sector, before mandatory wages, must be underscored in a study of the relationship between the AMW and employment.

Statutory wages, as established in chapters 2 and 3, are often signalled out as the trigger for labour shedding or for retarding job creation in neoclassical economics and by opponents of legislated MW settings. Yet, for the purposes of understanding the significance of the AMW, it is worth pondering and problematising the decline of agrarian employment amidst extremely low wages, at a time when agrarian capital enjoyed various state support in product and labour markets. This set of conditions translated to profound levels of inequalities in agrarian employment relationships and aided the configuration of the totality of the low-waged agrarian labour market in South Africa.

The fact that, in the agricultural sector, job cuts preceded the advent of the AMW, and job cuts were on the rise when poverty wages were well entrenched, cannot be treated in a cursory manner, when examining employment issues after the advent of statutory wages. Any discussion on employment, therefore, in the era of the AMW cannot be ahistorical without any regard for employment levels, patterns and trends in the pre-AMW period. In the South African context, economists who tend to single out the AMW and labour market interventions, generally, as sole drivers of job losses, for example Conradi (2003), Murray and Van Waalbeek (2007), Vink and Tregurtha (2003), Development Policy Unit (2008), Pauw and Leibrandt (2011) often do not problematise pre-AMW employment shedding in their conceptualisation of the relationship between

statutory wages and employment. By neglecting to factor in declines in pre-AMW employment levels, it may be argued that such works display an ahistorical lens of employment shedding in the agricultural sector, stemming from the research orientation of standard economics based on scientism.

The issue for debate here is: how should employment be understood in the context of a historical record of labour shedding when statutory wages did not exist in the South African agricultural context? Does the historical record of dis-employment, prior to the AMW, not have any bearing or significance for deepening analysis and theory on statutory wages and employment? A full exploration of the ramifications of agrarian employment losses before and after the advent of the AMW, for theories and narratives on the relationship between the AMW and employment, is beyond the scope of this research. At best, here certain important issues, which surface through this research, are raised for further consideration and study. Nonetheless, data from existing works, highlighting the decline in the employment figures, when seen through the prism of the AMW, compel searching questions about the way the relationship between employment levels and composition and wages are construed in academic works and in common narratives on agricultural wages.

The search for, or inquiry, into the relationship between employment and wage hikes becomes vital more especially when contemporary discussions on agrarian wages and employment acknowledge (a) the background to agrarian labour shedding in the different waves of restructuring in South Africa before the introduction of mandatory wages, and (b) points of convergences with fluctuating employment levels in other sectors of the national and global economy. Seen through this prism, the research focus on employment and statutory wages becomes a focus for discussion and scrutiny. In other words, it is important and necessary to ask more penetrating questions on employment to include aspects of the nature and quality of employment, and not limit attention to levels or numbers. The focus in section 4.4 is on the first issue, that is, labour shedding in the sector. The second aspect is dealt with in section 4.6 when post-AMW employment trends are assessed for the agricultural sector at an aggregate level in relation to employment patterns for other sectors of the economy.

Now, as pointed out above, historical works trace the reconfiguration of agrarian employment to the 1960s and 1970s when labour processes and product markets also changed. Early in the 1960s, the state set in motion a series of processes to 'modernise' farming through the conversion from labour intensive farming to capital-

intensive farming and, in doing so, provided the impetus for the growth of industrial farming. This period marked the beginning of industrialised farming, entailing a wide spectrum of restructuring towards mechanisation and the use of fertilisers, chemicals and pesticides, with state subsidies and support. Both employment levels and contracts of employment and employment composition were affected in the process. In terms of employment levels, FRRP (1996:16) reports a 25 per cent decline in the number of agrarian workers between 1975 and 1992, whilst employment fell by 18.3 per cent between 1985 and 1992.

The absence of statutory wages and comprehensive labour legislation in the agricultural sector, hence, did not alter the downward spiral of employment in these years. The South African unprotected agrarian labour market, characterised by declining and/or stagnating employment levels, has semblances with employment trends in Britain's low waged sectors. In this regard, and to recap from chapter 3, Machin and Manning (1994) found no evidence for employment increases when the "toughness" in the Wages Council settings declined. Indeed, many British studies point to the failure of unprotected labour markets, in the form of the abolishment of statutory wage settings when the Wages Council was dismantled in the 1980s, to generate employment in the economy as whole (Deakin and Wilkinson 1992, Dickens *et al*, 1994, Rubery and Edwards 2003:460). Considering this, the search for the triggers of employment losses is prised open to explore the relationship between structure and composition of capitalist production set within sub-sector dynamics and employment patterns.

With regards to South African agriculture, in a 13-year period between 1983 and 1996, the sector shed an estimated 25 per cent of jobs (SSA and NDA 2000:21). In 1983 the sector was the third largest employer, employing an estimated 1.2 million workers. By 1996, agriculture's national share of employment dropped to fourth place, after services, manufacturing, trade and private households. White commercial agriculture nationally employed 10 percent of the labour force, whilst the sector in the Eastern Cape employed 6.9 percent of the provincial labour force (SSA and NDA 2000:20, 22). The October Household Surveys (OHS) records the number of farm workers as 1 238 million in 1995 dropping to 1 098 million in 1999 (in SSA 2002:75). However, Census 2001 shows that employment in the agricultural sector increased to 11 per cent, as a percentage of total labour force, in that year (SSA 2004:66).

Apart from providing a comprehensive aggregate picture of the sector between 1988 and 1999, the Table 4.6 sheds light on the rate at which employment in agriculture shrunk. Employment levels have been on the decline amidst the oscillating demand for casual labour, combined with modest increases in average wages and arguably higher increases in gross farming income. From the Table 4.6, it is learnt that, between 1988 and 1996, average agricultural wages increased by R277.08 whilst gross income increased by R18 783 million alongside the shrinkage in farming units.

Table 4.6: Key indicators for the agricultural sector in the Eastern Cape, 1988 to 1996

	Agricultural Census (1988)	Agricultural Survey (1992)	Agricultural Survey (1996)
Number of Farm Workers*	1 218 688	1 068 831	914 473
Average Monthly Wage**	R141.92	R222.25	R419.00
Casual Workers (%)	43.3	37.5	31.4
Farming Units	62 428	61 564	60 938
Average Size (hectares)	1 355	1 319	1 349
Gross Income (R1 million)	14 148	17 859	32 931

Source: Naidoo *et al* (2007:28).

* Excludes the former bantustans.

** All wages include payment in kind.

Fluctuating employment levels and pre-MW employment declines signal the need to exercise caution when the relationship between the MW and employment levels is considered. This thought crystallises as the thesis progresses and when empirical data on employment patterns in the AMW era, in the research sites is presented in chapter 6, revealing information on the nature and quality of employment, that in turn encourages deeper thinking on employment quality and not just employment quantity in terms of losses and levels. The discussion returns to aggregate employment levels (in section 4.6) in the years just before and after the introduction of the AMW in order to further demonstrate vacillating employment levels, which pose difficulties with drawing unambiguous conclusions about the impact statutory wages have on jobs. For now, it is necessary to pursue assessing the composition of the agrarian labour market, before the introduction of the AMW, to enable a fruitful engagement with explaining the outcomes and responses that follow once it is inserted in the labour market.

With this in mind, in the next section, the racial and gender composition of the agrarian labour market together with structure of employment, gauged through length of contract, are assessed. The objective in doing this is to illustrate the extent and forms of secondary and segmented conditions in the agrarian labour market before the introduction of the AMW. The significance of such an exercise, to a cogent study of the AMW, cannot be underscored. It alerts researchers to the value of incorporating pre-existing employment structures and, by implication, the extent and forms of pre-existing inequalities in employment and job allocations in the labour market, to explain the uneven, mixed and contradictory outcomes of the AMW on labour and capital. The difficulties of analytically disentangling the AMW from socio-economic and political phenomena become clear. As it is not possible to disentangle the outcomes of the AMW from other measures and processes impinging on the agrarian labour market, it is safe to say that mandatory wage rates will mesh in intricate ways with pre-existing arrangements in the agrarian labour market to produce, at once, spatially and temporally differentiated and common outcomes for agrarian labour and fractions of agrarian capital.

4.4.2 Agrarian Labour Market Segmentation

The secondary and segmented agrarian labour market was well established in the political economy late into the 1990s, before the advent of statutory wages and other mandatory labour standards. In South Africa, inequalities in labour markets manifest on multiple levels with clear racial, gender and spatial dimensions. Some of the key labour market variables, that have a bearing on MW studies and how low-waged labour markets are conceptualised, include wage dispersions and disparities; differentiations in wage determination processes; skills level; and the extent to which core labour standards are applied throughout the productive system. These aspects of the labour market are explored in the substantive chapters in this study.

Labour market segmentation in the agrarian context, like the rest of South Africa, has distinct class, racial, gender, ethnic and spatial dimensions. Differentiations in agrarian jobs, employment contracts, wages, working conditions, and labour relations often mirror segmentation along race, gender and ethnicity. The particular trajectory of capitalism in the South African agrarian political economy, which is dealt with in the next chapter, not only created racially skewed ownership patterns of land and commercial farming units. The rise of agrarian capitalism was accompanied with multiple levels and layers of secondary conditions and varying degrees of

segmentation in the markets for agrarian labour. Key labour market features, demonstrating the secondary and segmented nature of the agrarian labour market, are discussed below particularly in relation to the racial and gender composition of labour and allocation of jobs, and the duration of employment contracts, available in the sector. Employment contracts are important indicators of the demand side of labour because they illuminate the requirements of agrarian employers and the jobs on offer in local labour markets.

In the agrarian labour market, racial inequalities manifest in several ways. One is the racial composition of agrarian labour relative to the racial composition of agrarian capital. Census '96 reported that, whilst nine in every 10 Africans (95 per cent) or coloureds (96 per cent) in the agricultural and hunting sub-sectors were employees, nearly two in every five whites (39 per cent) were employers (SSA and NDA 2000: viii). In South Africa, agriculture accounts for a larger percentage of total employment among Africans and Coloureds than among either Indians or whites. Africans and Coloureds, therefore, make up the bulk of low waged jobs in the agrarian sector, which is explained in part by the relatively lower percentage of Indians and Whites in the country.

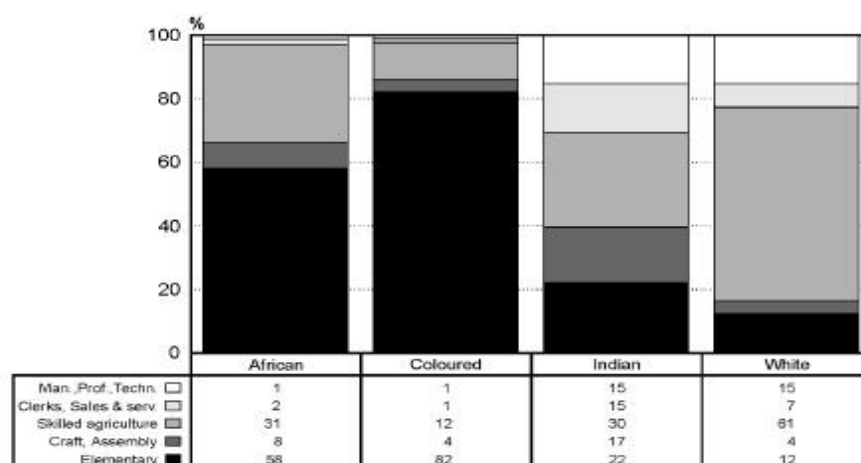
Another manifestation of inequalities is the gendered composition of agrarian labour. The labour force in 1996 continued to be male dominated - Census '96 reported that for every 100 males, 42 females were employed in agriculture and hunting. Moreover, a higher proportion of women were employed on a part-time basis – 19 percent compared to six percent of men on part-time employment. The Eastern Cape emulated national trends in the employment of part-time agrarian labour, employing 10 per cent of the workers on seasonal contracts. Of this, 21 per cent of women and seven per cent of men were employed on a part-time basis, making agriculture in the province the fourth highest as far as part-time female employment is concerned, after the Northern Cape, Free State and the Western Cape (SSA and NDA 2000:26).

African women employed on farms in rural areas often tend to concentrate in the lower ends of labour markets (shown below), hence women, invariably, receive lower wages than men. Gender wage disparities are not unique to the agricultural sector and are reported in studies for industrialised countries and economic sectors. In this regard, Dex *et al* (1999:512-515) observe that married women with children, even in a country with strong wage setting mechanisms and labour market institutions, such as

Germany, are more likely to be paid lower wages than men, thereby making them a vulnerable group. By contrast, married men were the least likely to be low paid.

In South Africa, race and sex intertwined in the allocation of low-waged jobs, such that Black women workers invariably occupy such posts. This explains why more Coloured and African women tend to be employed in agriculture, hunting, forestry and fisheries than White and Indian women. According to Census '96, 12.5 percent of Coloured women were employed in the sector, followed by 7.5 per cent of African women, 1.7 percent of White women and 0.4 percent of Indian women (SSA 2004:68). Full-time agrarian employment patterns also assumed racial and gender differentiations. Census data records that in 1996, 97 per cent of White males occupied full-time jobs compared with 83 per cent of African women and 75 per cent of Coloured women (SSA and NDA 2000:31). Overall, Census '96 estimates that 90 per cent of the agricultural labour force were employment full-time and the remaining 10 per cent worked on a part-time basis.

Figure 4.1: Occupations in the agriculture and hunting sub-sector by population group, October 1996



Source: Census '96

Source: SSA and NDA (2000:45).

The gendered and racial patterning of employment, and duration of employment, in the commercial agricultural sector means that African women are under-employed exposing them to greater pressures to secure adequate levels of subsistence and social reproduction. Moreover, more Black women, compared to Black men and White women and men, tend to be employed in atypical or non-standard contracts that serve to reinforce their secondary positions in low waged labour markets, heightening

vulnerabilities. In addition, African and Coloured agrarian labour tended to comprise of more youth and young people than adult, older people (SSA and NDA 2000:26).

Skills sets and occupations in agriculture and hunting were also delineated along racial and gender lines, as depicted in Figure 4.1. Prior to the introduction of the AMW, an overwhelming number of Africans and Coloureds constituted the menial and semi-skilled agrarian labour force in the commercial farming sector which was and is still largely owned and controlled by Whites. Census '96 reported that 82 per cent of Coloured workers were employed in rudimentary jobs, such as weeding and harvesting fruit. Of the other racial groups, 58 per cent of African workers, 22 per cent of Indians and only 12 per cent of Whites were employed in elementary jobs.

African women constituted 70 per cent of the elementary agrarian labour, while African men made up 55 per cent of elementary workers. Similarly, African males made up 32 per cent of skilled workers, whilst African women made up 22 per cent of skilled workers (SSA and NDA 2000:46). Demand for workers with technical, managerial and professional skills was insignificant in the agricultural productive system in the mid-1990s. Other skills in the agrarian labour market at the time with limited demand were clerks, sales, services, craft and assembly. This contrasts with the high percentage of workers employed in elementary positions, indicating agrarian capital's demand for labour that is not highly skilled. This type of labour demand means that most jobs on offer in the agricultural productive system were essentially of a low skill level, and were occupied, predominantly by particular population groups, that being Africans and Coloured population groups.

In large measure, historical processes linked to racially discriminating labour market arrangements account for the racial and gender allocation of skills development and jobs in the sector. In this regard, Leyburn (1944:135) notes the aversion White farmers had towards having a skilled African labour force. Farmers' attitudes in terms of skills training for the African workforce resonated with the policies of White workers' trade unions which prevented Africans from gaining skills, hence better paying jobs in the urban centres. Skills acquisition is aided and abetted by a complex mix of institutional factors in the labour market and cannot be attributed exclusively and simply to workers' individual characteristics. In the final instance, skills are socially constituted.

Nonetheless, labour demand interacts with labour supply to shape the level of wages. Educational qualifications and skills training and development influence the jobs and

occupations that people assume, that in the final instance determine what people earn. Often workers with low educational qualifications are found in jobs that require elementary skills levels. In terms of educational qualifications, the 1996 data indicates significant discrepancies in educational qualifications across racial groups employed in the agrarian sectors that mirror the racial allocation of jobs in the sector. Of the total agrarian labour force, 41 per cent of Africans employed in the agriculture and hunting sub-sector did not go to school, contrasting starkly with 77 per cent of Whites employed in the sector with a matric or higher educational qualification (SSA and NDA 2000:26). Positions in the labour process reflect segmentation or inequalities in pre- and in-labour market positions and conditions of workers with distinct racial and gender patterns.

Differentiations in educational qualifications also assumed spatial variations. The Western Cape had the lowest number at 17 per cent, with the highest number recorded in the North West – at 45 per cent – of workers having no schooling. In the Eastern Cape, 27 per cent of farm labour had not received any schooling, which is less than the national average but higher than most other provinces. Educational qualifications, the nature of work, occupations and positions in the labour process, and employment contracts, combine with ideology and political beliefs to determine and influence employment and jobs, and ultimately the rates of wages in the agricultural sector.

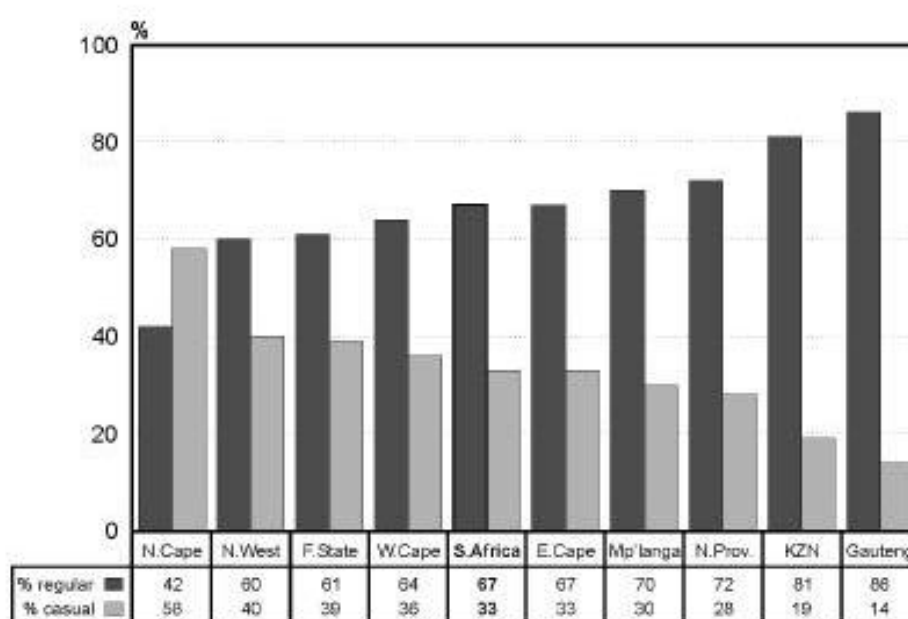
Agrarian labour is not only segmented along class, race and gender; agrarian labour is also segmented along employment contracts and positions in the respective labour processes. In the main, employment on farms is distinguished between regular and casual contracts, and between the level of job security, wages and benefits, and overall terms and conditions of employment. At a broad and general level, regular workers occupy permanent, full-time jobs with greater job security, better wages, worker benefits and overall employment conditions; casuals invariably are linked to short-term duration contracts, with tenuous links to employment security combined with low wages, little to no fringe benefits, and poor working conditions. However, the boundaries between the two types of employment contract, with respect to wages and working conditions, and fringe benefits, may not always be stark and clear and must be borne out by concrete data in local agrarian labour markets. This, however, should not detract from the segmentation in the labour market that results because of different employment contracts and employment duration. These are crucial variables or

conditions in agrarian employment that illustrate the nature and depths of secondary and segmented states and positions in the agrarian labour market.

The terms and application of casual agrarian labour in the existing literature, tend to refer to seasonal labour and/or workers supplied through labour brokers. In this sense, qualifying working experiences and conditions for casual workers and regular workers becomes important in order to attain a nuanced assessment of segmentation and secondary work conditions in respective work-sites.

However, it is not always applicable, nor analytically sufficient, to use casualisation to refer to seasonal workers and/or workers hired through labour brokers/contractors because of the presence of non-standard or atypical workers in localised labour markets, who are not employed seasonally and who are not recruited through labour brokers. I return to the issue of casualisation in section 4.6. For now, it is necessary to continue with an outline of the nature and extent of secondary and segmented positions in the agrarian labour market before the AMW, based on employment contracts.

Figure 4.2: Regular and casual employment on commercial farms by province, 1996



Source: Annual commercial agricultural surveys

Source: (SSA and NDA 2000:33).

As such, Figure 4.2 reveals that in 1996, of the 914 473 workers, 67 per cent were employed on standard or regular contracts, whilst 33 per cent were employed in

various forms of temporary labour capacities. The Eastern Cape mirrored national trends in the employment levels of regular and seasonal workers with 33 per cent of the labour force on seasonal/casual employment contracts. The use of casual labour was reported to be the highest in the Northern Cape and lowest in Gauteng in 1996.

The level of regular and seasonal employment is non-static, fluctuating between production cycles and seasons and is sub-sectorally determined. Data shows that the oscillations in the employment of regular and seasonal work were informed heavily by sub-sector requirements (SSA and NDA 2000:38). For example, seasonal work increased in the horticultural sector and decreased in the animal husbandry sector, at a time when vegetable and fruit production and markets expanded in the country, thereby demonstrating the link between employment trends and patterns, sub-sector labour demand requirements, and product market conditions.

The availability of agricultural atypical work began and continued to rise before the introduction of AMW in South Africa, stemming, as may be gathered, by changes in agricultural production and consequent labour demand requirements. Atypical work is also aided when labour market flexibility exists, wherein there is an absence of labour laws and in particular collective bargaining. In this regard, South African agriculture shares similarities with other economic sectors in other contexts, for example with low-waged sectors in the British setting, where casual and part-time work increased in the retail and hospitality sectors when those labour markets were unprotected (see Sachdev and Wilkinson 1998:21, Rubery and Edward, 2003:459).

However, atypical work is not necessarily and automatically connected to the absence or presence of labour market interventions, because such employment exists in varying degrees, extents and forms in protected and unprotected labour markets, arising in part by the nature of production. For example, the seasonal nature of certain types of agricultural production opens the sector to short-term, hence atypical contracts. Ultimately, employment in its various forms and durations are the outcomes of the dominate accumulation processes and strategies with ebbs and flows in levels, as will be gleaned in section 4.6, and in chapter 6 where employment patterns in this research sites will be assessed. Be that as it may, as will become apparent in chapter 5 and in the substantive chapters of this study, the nature of employment is also fundamentally shaped by the balance of forces and the distribution of power in the capital-labour dynamic.

To sum up, section 4.4 presented key labour market variables prior to the introduction of the AMW which reveals the secondary and segmented jobs, positions and conditions in the agricultural labour market. In particular, fluctuating employment levels, mutations in employment contracts, variations in job allocations between racial groups and between women and men, and the racial and spatial differentiation in skills and education qualifications, before statutory wages, reveal the nature and forms that secondary employment conditions assumed in the agrarian labour market. The question to address now is the extent to which such labour market conditions changed with the introduction of the AMW. Another way to pose the question is to ask about the potential and power of the AMW to transform or keep intact pre-existing jobs, positions and conditions in the agricultural labour market after the imposition of statutory wages. Attempts to deal with these questions are made in the final section, after an outline of restructuring in the agrarian labour market.

4.5 RESTRUCTURING THE AGRARIAN LABOUR MARKET

The genesis and restructuring of the agrarian labour market in South Africa will be dealt with in earnest in the next chapter. For the current discussion, it is necessary to set up the background of and outline the restructuring process in order to assess agrarian employment patterns before and after such processes. It is important to bear in mind early in the discussion that, in segmentation labour market theory, state regulation in labour markets combines with labour supply and demand factors to shape labour market segmentation. In South Africa, agrarian labour market restructuring began to emerge in the 1990s, when the removal of barriers that privileged farmers at the expense of workers in the employment relationship began with a phased extension of labour laws to the sector. Early in the 1990s, and before the advent of a post-apartheid political dispensation, the Basic Conditions of Employment Act (BCEA) and the Unemployment Insurance Act were extended to the sector followed by the Agricultural Labour Act in January 1994. The introduction of basic labour standards set out in labour legislation displaced the regulation of agrarian capital-labour relations through common law, which largely governed employment relations in the sector. Applying common law in the regulation of agrarian capital-labour relations “reinforced inherent inequalities between employers and employees at the time of contracting and in the subsequent employment relationship” (Centre for Rural Legal Studies 1994:499).

The BCEA sets out important conditions of work pertaining to the length of the working day and working hours, leave provision, among others. The appearance of statutory labour standards of this nature in the agrarian labour market meant that, for the first time in the history of South African capitalist farming, agrarian capital did not have the sole and complete power to set basic terms and conditions of employment. With the coverage from the Unemployment Insurance Act, farm workers had a short-term safety net in case of job losses²¹.

Through the Agricultural Labour Act, opportunities and scope became available to farm workers to: (a) form and/or engage in trade union activity without fear of victimisation from the employer, and collective bargaining as well as consultations with workers on issues affecting their employment were encouraged; (b) challenge unfair and arbitrary actions of employers; and (c) lodge disputes with the agricultural labour court and other dispute resolution mechanisms (Centre for Rural Legal Studies 1994:499). The extension of labour laws to the agricultural sector meant that for the first time in the history of the agrarian labour market, farm workers were defined as employees paving the way for the regulation of the agrarian employment relationship and service contracts through certain basic labour standards.

Labour market restructuring was intensified, much like product market restructuring, in the post-1994 years. The significance of state-led efforts at altering the agrarian labour market is demonstrated in the various employment, labour, and tenure/land legislation and policies introduced by the ANC. The Labour Market Commission was set up to provide a diagnosis of the state of the South African labour market and its various sub-markets. The Labour Market Commission (1996) identified the agrarian sector as one sector that required and that could potentially benefit from statutory wage setting.

In 2003, Sectoral Determination No. 8 or the agricultural sectoral determination (ASD), was implemented through which the first statutory wage for the farming sector was implemented, changing the power that agrarian capital had over the setting of wages irrevocably in determining the conditions of the sale and purchase of agrarian labour power. As will be shown in chapters 10 to 13, the ASD not only had a direct impact

²¹ . The Unemployment Insurance Act makes it compulsory for employers to register their business and employees with the relevant statutory bodies in order to contribute to the unemployed insurance fund which is administered through the Department of Labour. Both the employer and employee contribute a per cent to the fund. The employer is mandated by law to deduct the appropriate amount from all workers' wages each month.

on wages; it also made an impression on segments of workers who were emboldened to act against employers.

As will become clear in chapter 5, the dismantling of the apartheid state and the ushering in of a democratically elected government signified a radical departure from the previous dispensation under which agrarian labour was secured and regulated. In this light, state led reconfiguration of the agrarian labour market may be seen as constituting a pivotal component of the ANC led government's programme to re-orientate and re-regulate relations and processes of agricultural production and valorisation.

By instituting statutory wages for low waged workers, the ANC was acting in accordance with its mandate as a signatory of ILO Minimum Wage-Fixing Machinery Convention, 1928 (No. 26), in the same fashion as other Global South and Global North countries that introduced mandatory wages. Viewed through this lens, labour market regulations and socio-economic protections are not paradoxes of neoliberalism but may be seen as “flanking mechanisms” that shore up and secure the conditions for capitalist accumulation processes. Essential to securing conditions for production is regulating wage levels and employment conditions to ensure that the working class is protected from super-exploitation. Alongside the extension of labour laws and statutory wages to the sector, market-driven land reform and redistribution policies were introduced in the late 1990s that sought to address the racial inequalities in land access and ownership. As part of this process, the Extension of Tenure Security Act (ESTA) was passed in 1997, to regulate tenure relations and conditions between land/farm owners and workers/occupiers living on farms.

Another notable state intervention, of direct significance to a discussion of statutory wages, in the agrarian sector is the establishment of the Agricultural Sector and Training (AgriSETA), which is a statutory body set up specifically to oversee and administer skills training and development in the sector. The significance of skilling and training was established in the discussion thus far, with respect to (a) links with low wages and low-waged labour's unequal relationship with capital, combined with the socially devalued status of skills and work of low-waged jobs, and (b) the propensity for the deployment of low- and high-road approaches in the social and technical aspects of labour processes.

Like skilling and training in other economic sectors, the AgriSETA derives its legal mandates from the Skills Development Act. In accordance with the Skills Development Act, the AgriSETA is indicative of an important mechanism in the labour market intended to develop a combined set of outcomes comprised of the following:

- workers' skills so as to improve productivity and "competitiveness of employers";
- skills training and development by increasing both the level of investment and returns on education and training in the agricultural labour market;
- encourage the "use of the workplace as an active learning environment to provide opportunities for new entrants to the labour market to gain work experience"; and
- develop "employment prospects of persons previously disadvantaged by unfair discrimination and redress those disadvantages through training and education" (DHET 2012:7).

Investment in work-place training and continuing skilling programmes are not only essential for workers' productivity, tied indelibly to employers' competitiveness; they are also important for analysing the forms of and extent to which low- and high-road methods are deployed in the labour processes, and the possibilities and scope for migration from low- to high-road approaches. In this regard, Agell and Lommerud (1997) argue that a positive association exists between a MW and training, that in turn increases productivity (see also Even and Macpherson 2003:680). As such, labour market initiatives aimed at increasing investments in education, skills training and development are important in assessing the outcomes for agrarian labour in these areas before and after the advent of the AMW. It must be borne in mind that skills development in the sector is related to the nature of agrarian employment and capital's labour demand requirements. It is, therefore, useful to ask questions on the extent to which agrarian capital taps into the AgriSETA as a way of assessing employers' contribution to skills development and training in the work-places. This forms part of understanding restructuring processes in the agrarian labour market towards the high-road.

Improving agrarian working conditions and agrarian capital-labour relations, and creating jobs in the sector, recur in various economic plans formulated by the post-apartheid government. For example, the 2010 New Growth Path commits to "creating

more and better jobs [and] must lie at the heart of any strategy to fight poverty, reduce inequalities and address rural underdevelopment” (Economic Development Department 2010:11). Essentially, the New Growth Path invokes ILO declarations on the notion of decent work. The 2012 Integrated Growth and Development Plan, for the sector, endorsed the call for decent work in the sector made in the New Growth Path.

Seen in this light, agrarian restructuring and shifts in the labour market and in product markets, cannot be eschewed from discussions on redressing the legacy of racial and gender-based discrimination, poverty and inequality wrought on by the racial agrarian capitalist order. However, the restructuring is anchored within a fundamentally capitalist accumulation project. In this frame, it is argued that restructuring in the agrarian labour market is a vital component to securing the necessary conditions for capitalist production and accumulation processes in post-apartheid South Africa.

Labour market interventions are not only led or driven by the state. The export of agricultural commodities has led to the imposition of the global social compliance programme initiated by Northern based companies and used by Northern based retailers to set core labour standards in work-places. Private companies, hence, draw on and adapt national and international conventions and provisions on labour standards which agrarian work-places are obliged to implement in order to engage in trade relations. The inclusion of core labour standards is captured under the notion of ‘ethical social’ standards in the work-place. For example, the British based retailer TESCO, is a founder of the Ethical Trading Initiative (TESCO 2017). The South African equivalent for agricultural and food production is the Sustainability Initiative of South Africa, comprising of producers in the horticultural sector (SIZA 2017) Subsequently, employment and labour relations in certain agrarian sub-sectors are regulated by public and private labour accords and standards.

The fact that such standards apply selectively in the agrarian labour market, as it is geared towards exporting enterprises, translates to an uneven spread of core labour rights across the sector. A consequence of a selective application of private sector led labour protocols is the persistence of segmentation in the agrarian labour market as certain workers in exporting work-sites may experience improved working conditions, or at least have better chances of securing such conditions, compared to workers who work in work-sites lacking in such standards.

Now, the question that arises from that labour market restructuring process is the outcomes on agrarian employment patterns. This is dealt with below.

4.6 THE AGRARIAN LABOUR MARKET AND AGRARIAN EMPLOYMENT AFTER THE INTRODUCTION OF THE MINIMUM WAGE

This particular section attempts to problematise the agrarian labour market in relation to the overall South African labour market, with a focus on employment patterns, in light of the presence of the AMW and other labour standards. The time period roughly covers 2003 to 2013. From data presented below, it is clear to see that the agricultural sector has much continuity with the past in terms of employment patterns, the composition of labour and the secondary positions of jobs and occupations in the sector. In 2011 the racial composition of the agrarian labour force was estimated to comprise 64.8 per cent Africans, 19.9 per cent Coloureds, 0.4 per cent Indian and 14.4 per cent Whites (Visser Ferrer 2015:10). This breakdown shows the continuities in the racial composition of the agrarian labour force in pre- and post-AMW periods. In the main, the secondary and segmented characteristics of the agrarian labour market, discussed in section 4.4, filtered, or seeped into the AMW era, becoming pronounced in certain contexts and mutating in other contexts. The macro-economic programme pursued by the ANC, combined with pre-existing conditions contributed to the secondary and segmented conditions and states in the agrarian labour market.

As indicated in section 4.4, considering employment conditions and employment declines and oscillations in the agricultural sector, in relation to employment trends in the national economy, is essential to charting a nuanced understanding of the relationship between employment and the AMW. Put differently, it is useful to situate employment and job losses in the agricultural sector in the AMW period within a national context to ensure that labour shedding and job contractions are not treated as unique to the agrarian sector. The rise and fall of employment levels in the agrarian sector is not dis-similar to other sectors of the economy. That is, the rise and fall of employment levels in the agrarian sector is not unique to the sector because employment levels fluctuate in all sectors of capitalist production and valorisation processes.

When employment levels in the agricultural sector are considered in relation to employment patterns in other sectors, theorising the relationship between the AMW

and employment levels is enhanced. This is because an engagement with agrarian employment levels combined with employment levels in the national economy, leads to different approaches to the subject matter, allowing for deeper and wider research questions to surface. Such an approach to agrarian employment steers the research focus and debates away from the neoclassical economic model's erroneous premise that statutory wages automatically result in job losses. Abandoning the neoclassical economic model's false assumptions, on the relationship between statutory wages and employment levels, opens the path for researchers to ask more searching questions on the nature, form and conditions of employment (elaborated below).

The tables below illustrate various employment patterns and changes in the main sectors of the economy after 2003 when the AMW came into effect. As such, a brief comparison of employment patterns is presented from 2008, five years after the ASD and AMW were in place, up to 2013.

Table 4.7: Employment by industry, 2008 to 2013 (thousand)

Industry	2008	2009	2010	2011	2012	2013
Agriculture	819	715	665	644	696	740
Mining	354	340	327	334	375	411
Manufacturing	2 091	1 954	1 893	1 871	1 817	1 810
Utilities	103	105	95	91	102	128
Construction	1 215	1 189	1 109	1 109	1 091	1 145
Trade	3 316	3 120	3 071	3 148	3 145	3 132
Transport	823	800	816	811	860	914
Finance	1 782	1 862	1 748	1 818	1 902	1 995
Services	2 776	2 814	2 875	3 027	3 202	3 351
Private households	1 303	1 291	1 237	1 214	1 232	1 236
Other	3	5	4	5	4	3
Total	14 585	14 194	13 788	14 070	14 425	14 866

Source: SSA (2014:4-3).

To commence the discussion, an overview of employment is provided for the key economic sectors in South Africa. In this regard, Table 4.7 reveals that in a span of five years, between 2008 and 2013, 79 000 jobs were lost in the agricultural sector, having dropped from 819 000 to 740 000 jobs. As can be seen, agriculture records fluctuating and declining employment levels, like manufacturing, the other goods producing sector between 2008 and 2013. In both sectors, employment levels in 2013 were lower than in 2008, unlike in the services sectors where employment levels, in 2013 were higher than 2008 levels.

As the various tables show, jobs contracted in other sectors as job creation shifted from goods producing sectors to the services sectors. Statistics on unemployment reveal that South Africa's levels surpass global and regional unemployment levels (see Altman 2006:9). Unemployment generally, in the 2008-2013 period, was unevenly rising or continuing across sectors of industry, thereby posing questions on the approach used to explain the AMW and employment patterns and trends. Questioning assumptions and approaches to the AMW and employment levels gains credence when the cumulative employment losses across economic sectors are considered between 2008 and 2013.

To demonstrate the point further, consider Table 4.8 which shows that the number of job losses in the manufacturing sector was more than the number of jobs lost in the agricultural sector, between 2008 and 2013, when wages in the agrarian sector were fixed through statutory means.

Table 4.8: Changes in employment by industry, 2008 to 2013 (thousand)

Sector	2009	2010	2011	2012	2013	2008-2013
Agriculture	-104	- 50	-21	52	44	-79
Mining	-14	-13	7	41	36	57
Manufacturing	-137	-115	32	-54	-7	-281
Utilities	2	-10	-4	11	26	25
Construction	-26	-80	0	-18	54	-70
Trade	-196	-47	75	-3	-13	-184
Transport	-23	16	-5	49	54	91
Finances	80	-114	70	84	93	213
Services	38	61	152	175	149	575
Private households	-12	-54	-23	18	4	-67
Other	2	-1	1	-1	-1	0
Total	-391	-406	282	355	441	281

Source: SSA (2014:3-4).

In fact, as Tables 4.7 and 4.8 show, the agricultural sector not only shed fewer jobs than the manufacturing sector with the AMW in place, it created more jobs than this sector, between 2008 and 2013. In this regard, the figures in Table 4.7 show that agriculture created 44 000 more jobs in 2013 (740 000) from the 2012 (696 000) figure, whilst manufacturing shed 7 000 jobs in 2013 (1 810) from the 2012 figure (1 817 000). In these circumstances, where jobs are contracting and expanding across sectors of the economy, it is counter-productive to attribute sole responsibility to the AMW for job losses or for retarding agrarian employment, as argued by Pauw and Leibbrandt (2011:780, 781) and Lotriet (1999:909-10), among others. Instead, vacillating

employment levels across economic sectors compels the search for alternative ways to construct narratives on wages in general and statutory wages, in particular, and job creation and losses for particular economic sectors.

The comparative data on employment creation and losses show that job creation has contracted in the goods producing sectors, as a whole, as other non-goods producing sectors increased their labour absorption capacities. This pattern appears to be common in other low-waged contexts, as it manifested in Britain when skilled jobs associated with the production of goods began to recede, as jobs in the non-good producing sectors, such as the trade and services sectors, began to expand (see Sachdev and Wilkinson 1988). This suggests that there are inherent features within global capitalism and the structure of production that encourage conditions that spawn low wages. Nonetheless, returning to South African shores, the growth of the non-goods producing sectors and their share of employment are illustrated in the next table.

Table 4.9: Share of employment by industry and province, 2013 (percentage)

Industry	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Agriculture	6.9	6.0	14.3	9.6	3.9	4.6	1.0	8.7	10.1	5.0
Mining	0.1	0.1	6.3	3.2	0.8	18.4	0.7	7.5	6.3	2.8
Manufacturing	14.3	12.2	3.3	8.3	14.0	8.5	14.2	8.4	6.7	12.2
Utilities	0.8	0.6	0.7	0.7	0.4	0.6	0.9	2.2	1.3	0.9
Construction	7.4	10.8	7.3	6.8	*8.9	6.1	6.3	7.8	9.7	7.7
Trade	21.3	20.7	15.7	18.6	20.9	18.2	21.7	22.2	23.1	21.1
Transport	6.3	5.4	4.8	4.7	7.7	3.5	7.3	4.3	3.6	6.1
Finance	16.4	8.4	8.5	8.5	11.5	8.2	19.1	9.9	5.4	13.4
Services	20.7	26.3	30.1	27.7	22.8	23.7	20.8	19.8	24.8	22.5
Private households	5.8	9.3	9.0	11.9	9.1	8.1	7.9	9.1	9.0	8.3

Sources: SSA (2014:4-5).

Table 4.9 illustrates the overall shifts in employment creation away from goods producing sectors to services and, trade, marking a contrast to the previous era when agriculture, mining and manufacturing were the major sources of employment. The decrease in employment in the agricultural sector, therefore, is not unique as it affected other previous key labour absorption sectors, as in mining and manufacturing. Overall, table 4.9 also illustrates lower employment levels in all goods producing sectors in South Africa. At a broad but fundamental level, the downward spiral of employment in the goods producing sector and the simultaneous rise in employment in services, finance and trade are outcomes and depictions of neo-liberal macro-

economic shifts, as fractions of capital alter and adjust employment and business strategies to cope with restructuring processes.

Nevertheless, by 2013 the agricultural sector's (direct) labour absorption potential sunk to great depths from the 1980s, when it was to the third largest employer in the country, to the ninth highest employer in 2013, employing five per cent of the total labour force, which was slightly more than mining but considerably less than manufacturing. Although job creation in the sector was sluggish, agriculture demonstrated its importance as a source of employment in the country and among the goods producing sectors, when the ratio of job dispersion across economic sectors is considered. Employment trends and patterns are complex and dynamic, contingent upon many factors that shape productive systems and the various local labour markets. The question of the relationship between employment levels and regulatory shifts in labour markets is complicated further when consideration is given to the employment statistics released by DAFF (2017b:4) which reports on an increase in agrarian employment between September 2013 from 740 000 workers to 881 000 in September 2016. The rise in employment levels may be attributed to the employment of seasonal workers to harvest fruit, 72 000 of whom were classified as skilled agricultural labour.

Nonetheless, this data importantly shows fluctuations in employment in the agrarian and other economic sectors with periods of growth and decline. This trend casts doubts on the assumptions made by opponents to a MW about the constant dis-employment and job retardation effects of statutory wages (for example Pauw and Leibbrandt 2011). Instead, as labour market segmentation theory teaches, employment patterns are the result of a complex blending of socio-economic and political dynamics, prevailing in spatial and temporal conjunctures, which shape the structure and relations of production. This means that employment levels may increase and decrease in response to such dynamics.

The intricate and intimate fusion of socio-economic and political phenomena in relation to the structure and composition of employment, in local labour markets at a particular time, gives shape to and configures the supply, demand and regulation of labour. Under these circumstances, it is difficult to disentangle the impact of the AMW on job losses and creation from other factors prevailing in particular spatial and temporal dimensions. Indeed, it is necessary to ask if a closed focus on employment losses with

the introduction of mandatory wages is useful in strengthening theories on statutory wage increases and employment patterns, trends and conditions.

The complexities of agricultural employment, as noted above, come to light in works on agrarian labour in South Africa which document the rise of differentiated employment contracts available in the sector, as discussed earlier in section 4.4.2. Moreover, and as pointed out earlier, fluctuations in employment levels compel researchers to search for alternative approaches to explaining the relationship between mandatory wages and employment that move away from a narrow focus on job losses, as in neoclassical economics. An important part of an attempt at exploring the relationship between statutory wages and employment is to examine the duration of employment, length of the working day, and the types of jobs on offer.

Table 4.10: Nature of employment contract or agreement by industry, 2013 (percentage)

Industry	Permanent	Limited Duration	Unspecified
Agriculture, Forestry and Fishing	43.8	21.6	34.6
Mining and Quarrying	91.9	4.3	3.8
Manufacturing	72.2	14.3	13.5
Utilities	87.1	8.7	4.2
Construction	39.3	27.3	33.4
Trade	63.7	14.4	21.9
Transport, Storage and Communication	63.5	8.8	27.7
Financial, Insurance, Real Estate and Business Services	72.0	15.1	12.9
Private Households	24.0	5.4	70.7
Community, Social and Personal Services	76.1	13.3	10.6

Source: SSA (2014a: xii).

Reflecting on these aspects of employment in the wake of statutory wages not only challenges the core assumptions held by neoclassical economics, on the links between mandatory wages and employment losses. Considering patterns in the duration of employment and length of working days across various sectors allows the degrees of precariousness in agrarian employment to surface, in turn posing questions for the conceptualisation of atypical, secondary and segmented work in the sector. Equally significant, gaining a nuanced insight into agrarian employment is crucial to engaging with agrarian wage patterns in the context of the AMW.

At a general level, short-term employment contracts are notable characteristics of present-day agriculture, and is different from pre-AMW employment contacts, where, as pointed out in section 4.4.2, the majority of agricultural workers had full-time employment and a minority were employed on a part-time basis. The growth in short-term agrarian employment reflects the changes in and nature of production in the sector, under neo-liberalism. Nevertheless, the comparative ration of jobs of limited duration and unspecified contracts in the agricultural sector relative to other sectors or industries, is clearly illustrated in the Table 4.10 above. At the end of 2013, 21.6 per cent of workers in the sector were employed in jobs with limited durations, compared to 43.8 per cent for permanent workers, whilst 34.6 per cent were unable to specify their employment contract (thereby signalling their unequal and weak position in the employment relationship – a subject to be discussed in chapters to follow).

However, as may be gleaned, a dip in the use of workers on short-term contracts is discernible between the 1996 data when 33 per cent of the agrarian work-force was reported to be on casual contracts (see Figure 4.2) and the 2013 SSA data which captured 21.6 per cent of the work-force on limited duration employment periods. The decline in the figures on workers with short-term contract must be viewed with caution, as others, such as Visser and Ferrer (2015), report on the rise of casual labour with the simultaneous use of labour brokers/contractors to recruit and hire different sets of agrarian labour, a practice commonly referred to as the externalisation of labour²². Casualisation of labour with the concomitant increase in the use of labour brokers, as pointed out in section 4.4.1, has drawn a significant amount of attention from several writers (see Barrientos and Kritzing 2004, Barrientos 2008, Addison 2014, Visser and Ferrer 2015).

Casualisation and seasonality in the agricultural sector has its roots firmly entrenched in the past when labour market regulations were absent, and when state subsidisation and support measures to agrarian capital were in operation. The shift to atypical work and the use of fewer permanent workers gained rapid momentum with the expansion of horticultural production and changes from labour-intensive to capital-intensive agricultural labour processes in the 1960s and 1970s, as pointed out earlier (section 4.4). It is important to bear in mind that seasonal and part-time work and atypical

²² Much of this work is based in the horticultural sector, primarily in the Western Cape, for example, Barrientos and Kritzing (2004), Ewert and Hammon (1996), du Toit (1994) and Alford (2016). Hence, a fair amount of empirical information exists on agrarian labour in the Western Cape, alongside scant information from other provinces. This rings true for the state of agrarian labour in the exporting and domestically producing agricultural enterprises in the Eastern Cape.

contracts are not unique to the South African agricultural sector; this employment trend applies to global agriculture and reflects the dominance of seasonal based productive systems, such as flowers, fruit and vegetables, in the production and accumulation processes.

Moreover, the rise of workers on atypical contracts is present in other sectors of the national and global economy, unfolding roughly at the same time, but in uneven fashion and produced through specific spatial regulatory frames and rules. In other words, the emergence of casualisation in labour markets is a universal feature of global capitalism ebbing, flowing and at times surging, in tandem with the imperatives of capitalist production and valorisation processes in spatial and temporal contexts. Precarious forms of employment, therefore, arise out of a complex integration of socio-economic and political conditions in concrete political economies.

As mentioned above (section 4.4), casualisation of labour in the agricultural sector cannot be narrowly associated with seasonal workers hired with or without labour brokers. By implication, precarious or tenuous and secondary agricultural work may not only manifest in casualisation and seasonality and/or labour brokered workers. As will be shown in chapter 7 (section 7.3.3), precarious and insecure jobs manifest in varied ways in local labour markets with the presence of sub-segments of short-term employment, both in terms of employment duration and working hours, in this research. Precarious agrarian employment can also arise without the presence or involvement of labour brokers, as will become apparent in chapter 7 in this research. To be sure, this research identified a range of part-time work under the legalised maximum daily and weekly working hours, and in so doing, signals the need to pay attention to the multiple expressions of precarious agrarian labour beyond seasonal and labour brokered workers in the horticultural sector.

As will be shown in chapter 7, atypical, short-term, hence precarious jobs, were found in the animal husbandry and not only in the horticultural sectors in this research and impinged on workers on various lengths of permanent and fixed-term contracts. Precarious and atypical work, in this research, does not only encompass seasonal and contracted labour; such forms of agrarian work increasingly affect permanent workers in certain agricultural sub-sectors who are under-employed, in so far as they worked under the mandatory daily and weekly hours. Subsequently, theorising precarious jobs, and segmentation and secondary agrarian labour market conditions, entails assessing the conditions, positions and status of a range of atypical jobs, that extend

beyond length of employment (seasonal) and workers hired through labour brokers. A qualified understanding of the nature, form and extent of precarious, atypical, and segmented agrarian work in local labour markets aids in identifying the points of convergence and divergence in the status and position of agrarian labour across different agricultural labour processes. Approaching agrarian employment through a sub-sector lens aids in forging coherent explanations of the uneven, mixed and contradictory outcomes of neoliberal restructuring for agrarian labour.

The discussion thus far focussed on problematising agrarian employment with the advent of the AMW, with respect to the use, relevance, and feasibility of narrowly equating statutory wages in the sector with employment losses. An attempt, therefore, is made (in the above discussion) to encourage broader questioning of employment, statutory wages and wage increases, in the tradition of heterodox labour market models, where the focus is on wider employment trends pertaining to the duration, length and conditions of employment, as opposed to confined attention to employment losses as in neoclassical economics. Through this discussion, it is evident that the agrarian labour market retained much of its secondary and segmented employment contracts and conditions. In accordance with heterodox scholars, it is argued that a range of secondary employment conditions in the labour market often means that low-waged employers have or retain power in setting the terms and conditions in the purchase of labour power.

Table 4.11: Employment by industry and sex, 2013 (percentage)

Industry	Men	Women
Construction	88.2	11.8
Mining	86.9	13.1
Transport	80.6	19.4
Utilities	72.4	27.6
Agriculture	69.0	31.0
Manufacturing	67.6	32.4
Finance	58.9	41.1
Trade	51.2	48.8
Services	40.8	59.2
Private households	20.2	79.8
Total	56.0	44.0

Source: SSA (2014:4).

Agrarian employers' power in employment and labour relations in agrarian work-sites provide them with room to manoeuvre around labour market protection. This means that agrarian employers are in a position to mould employment practices and

arrangements, which in turn allows them to retain and even hire labour in the wake of the ASD and AMW.

In wrapping up the discussion on the continuation of the secondary and segmented nature of the agrarian labour market with the pre-AMW period, an overview is presented on the sexual composition of agrarian labour, after the MW was introduced. As Table 4.11 depicts, the gendered pattern of agrarian employment in 2013 bears many similarities with the past (as pointed out in section 4.4.2, in 1996 for every 100 males, 42 females were employed in the sector).

The majority of workers in the sector are men. However, this is the case for most other economic sectors, with the exception of services and private households. Nonetheless, a significant difference existed in 2013 with regard to the percentage of male workers (69 percent) and female workers (31 percent) in the agricultural sector.

Overall employment patterns and trends, the racial composition of agrarian capital and labour, and the distribution of occupations among different groups of workers, under apartheid, as discussed in section 4.4.2, manifest in the post-AMW period. The data in section 4.5 shows that, at a national level, many of the pre-AMW secondary and segmented features of the labour market, permeated and enveloped the agricultural labour market in the post-AMW years. Agrarian jobs continue to be filled by Africans, employed in menial jobs and the sector is still dominated by males; however, employment contracts and duration of employment have changed with the rise of short-term and unspecified employment contracts alongside the decline of permanent contracts.

With regards to occupational skills, as pointed out in section 4.4.2, prior to the introduction of the AMW, Census 1996 showed that the labour demand requirements of the sector gravitated towards elementary and semi-skilled labour, with minimal need for skilled and specialist technician skills. As argued, the reliance on unskilled and semi-skilled labour is in part strongly shaped by a combination of labour demand and supply side factors. Post-AMW data on skills requirements and composition for the sector suggests that whilst the sector might face problems with sourcing skilled labour in the future (Visser and Ferrer 2015), the sector continues to rely heavily on unskilled and semi-skilled labour. In this regard, several years after the AMW and despite the establishment of the agricultural SETA outlined in section 4.5, AgriSETA (2010:9) writes:

The sector is characterised by the need for highly skilled and qualified farm managers and technical staff on the one hand and large numbers of unskilled and semi-skilled workers on the other. Many managers of emerging farms are mainly untrained and unqualified.

The above characterises the low skilled base of most jobs in the agrarian sector. A hallmark of low-road approaches in labour processes and labour markets, that in turn spawn low-wages, is low skilled labour demands from employers, which in turn fosters the supply of such skills. In this way, the demand for low skilled workers and the supply of low skilled workers are mutually reinforcing, consequent to which is the totality of the low-waged agrarian labour market.

AgriSETA's (2010:27) records show (intriguingly) a trend where small to medium size farms have a higher registration level with the SETA for skills training of agrarian workers compared to the larger commercial agrarian ventures, which recorded the lowest registration rates. Based on such information, on the track record of employers' skills and training patterns, it is safe to argue that the agricultural sector did not make major shifts in changing the pre-AMW era's skill requirement composition in the post-AMW years, between 2003 and 2013. Instead, by and large the sector continued to rely on unskilled and semi-skilled labour in the core aspects of the labour and valorisation processes, thereby fuelling the demand for such labour and aiding in keeping the predominately low-skilled composition in the labour market. As established, low-skilled jobs are often concomitant with low wages.

AgriSETA (2010) lamented the lack of skilling and growth in the sector and identified this as a major contributor to the continuation of low wages and the sluggish economic growth in the sector as whole. For this reason, AgriSeta urged Department of Labour and other stakeholders to create the necessary regulatory farm work to "find ways of balancing the need for protection of vulnerable workers with the need to create a framework that encourages the creation of jobs and improved job security" (AgriSETA 2010:13). From this, it is safe to argue that many factors, in the structure and relations of agrarian production, work together and individually to encourage and/or reinforce the lack of widespread work-place training and reskilling initiatives, a topic which is explored further in chapter 9. Nevertheless, the lack of widespread work-place training and skilling programmes is symptomatic of a generalised national approach to the question of investing, supporting and nurturing the working class, or human capital in economics parlance. Sender (2013:6) captures this as follows, "[c]ompared to countries with similar or less favourable initial characteristics, South Africa's record in

developing the most important productive force – human labour – has been unimpressive”.

In summary, it is evident from the composition of agrarian production and the agrarian labour market that a high degree of secondary conditions prevailed after the ASD and AMW came into effect in the South African agrarian context, with respect to the types of skills required and the composition of the labour force. Given this state of affairs, it not unreasonable to conclude that material or technical conditions of agrarian production and the structure of employment, that make up the totality of the low-waged agrarian labour market, have not significantly transformed. Secondary labour market conditions have their genesis in the racial agrarian capitalist era, where pre-existing structures, processes and relations shape the implications and outcomes of state-led regulatory shifts for labour and capital. As a result of pre-existing conditions and arrangements in the labour market, regulatory shifts in the post-apartheid era have uneven, contradictory, and mixed outcomes for agrarian labour and capital.

4.7 CONCLUSION

This chapter attempted to provide an overview of the nature and composition of agrarian production and the agrarian labour market at a national level, which unfolded as a result of neoliberal restructuring in the sector. The selective blend of market-disciplinary strategies in product markets, coupled with market-constraining strategies in the labour market marks a radical shift from the apartheid era. It is imperative that the advent of the AMW is contextualised within the uneven neoliberal restructuring of the agrarian political economy in order to appreciate that labour market interventions and product market liberalisation form part of the macro post-apartheid growth and development project. Labour market restructuring through socio-economic protections are not paradoxes of neoliberalism but may be seen as “flanking mechanisms” that shore up and secure certain necessary conditions for capitalist accumulation processes, that involve the reproduction and supply of labour power. The selective use of market-disciplinary and market-constraining strategies has profound implications for agrarian capital’s production, business and employment strategies that in turn contribute to shaping wage setting mechanisms and wage levels.

As demonstrated in the chapter, market-disciplinary strategies in relation to product market liberalisation consolidated the concentration and monopolisation of the means of production in the sector, in the wake of the demise of state protection and subsidies

and inserted agrarian capital into the global food regime. Market-disciplinary approaches in agrarian product markets means that South African agrarian capital is unevenly integrated into the global food regime, as importer of agrarian inputs and exporter of agrarian commodities. Product market liberalisation resulted in an increase of imports and exports. Hence, it was argued that South Africa agrarian capital's import and export capacities makes it necessary to ask probing questions on the role that upstream and downstream agrarian linkages have to the secondary and segmented conditions in the sector, and ultimately on the sector's propensity to pay low wages.

The chapter intended to project important issues, following in the tradition of heterodox labour market and MW works, about the link between contemporary agrarian capital in South Africa and agencies in the global food regime and the relationship between that link and the creation and maintenance of low agrarian wages. These links, as argued, relate crucially to ideas on the social contribution and public interest of agricultural production in the context of the socially devalued status of the sector and its labour force. These questions crucially relate to the value of the AMW in relation to the value of labour power and the means of subsistence for agrarian labour, which are subjects of focus in chapter 7. Moreover, the uneven global connection of the different sub-sectors must be borne in mind when wages in this research are profiled in chapters 11 to 13, in order to assess the presence of marked sub-sector variations in wages that reflect variations in product market conditions. In the end, such academic projects contribute to strengthening heterodox agrarian MW theories in the South African context, as well as deepening thinking on wage levels, exploitation, and the social devaluation of agrarian work and workers.

The discussion on the agrarian labour market, pre-and post- the implementation of the AMW, demonstrates minimal transitions from the secondary and segmented states and positions for the sector at a national level. This is attributed to the structural conditions of production and the associated material or technical conditions governing and influencing labour supply and demand factors. Part of the inertia in changing from pre-AMW employment and labour relations is also strongly related to the social and political forces in the labour processes and in the local labour market, and more specifically the balance of forces, as will be become clear for the aggregate level in chapter 5 and in chapters 10 to 12, for the research sites for this study. For most part, secondary and segmented labour market conditions, stemming from racial agrarian

capitalism, continue to various extents, degrees, and forms in post-apartheid agrarian capitalism.

The chapter also showed the complexities of employment and wages that encourage deeper thinking on the nature of employment and wage increases. I engaged with employment in the sector alongside employment levels in other sectors of the economy in order to demonstrate that employment losses and gains fluctuate in the sector as in other economic sectors. In this regard, I attempted to broaden the debate about agrarian work beyond the narrow confines of employment levels in the context of the AMW, as per the neoclassical economics model, and proposed that due attention be given to the nature of employment and the type of jobs on offer and associated conditions.

In the following chapter, social relations and political components of the agrarian labour market are discussed. The socio-political or subjective dimension of labour markets cannot be dislodged from the material or objective and technical conditions of production. Conditions and relations in both dimensions act in consort to shape the demand and supply of labour in local agricultural labour markets. It is precisely because of the specific ways in which the material and socio-political dimensions of the agrarian labour market intertwined, that a set of conditions evolved to spawn extremely low wages leading to the establishment of agrarian statutory wages in the 21st century.

CHAPTER FIVE

AGRICULTURAL LABOUR MARKET AND STATUTORY WAGE SETTING IN SOUTH AFRICA

5.1 INTRODUCTION

In the previous chapter, discussion centred on the economic configuration, structural composition and conditions in the agrarian political economy, that included the composition of agrarian production, as well as the composition of the agrarian labour market, that shaped (and shapes) the demand and supply of agrarian labour, before and after the advent of statutory wage setting and labour standards. In line with heterodox labour market models, it was argued that there are seminal features in the very structure and composition of agrarian production, driving labour demand and supply, which orientate the sector towards low-wages, and that in turn have come to characterise its low-waged, secondary and segmented labour market. Such structural features in agrarian production contributed to the totality of the low-waged agrarian labour market.

The totality of the low-waged agrarian labour market was also created through a set of socio-political forces and conditions, which are examined in this chapter. As pointed out in the discussion thus far, socio-political factors, beliefs and ideology shape labour markets, which cannot be conceptually eschewed from the objective, material and structural conditions of production and employment. This is because both socio-political and economic and material factors and forces are intertwined in complex ways to weaken agrarian labour, on the one hand, and strengthens the power of agrarian capital on the other hand. Combined, the socio-political and economic and material dimensions of agrarian labour markets and labour processes impinge on the balance of forces and the level and extent of inequality in bargaining power in agrarian labour relations. On this basis it is argued that a set of socio-political and economic conditions informs the totality of the low-waged agrarian labour market. Needless to say, the balance of forces has profound outcomes on setting wages and working conditions, as will become clear from the wage levels shown in this chapter.

Institutional arrangements and workers' positions in labour markets, combined with the positions they hold in the labour process, shape labour's wages, working and living conditions, and relations with capital. In this light, how labour markets come to be and how waged-labour is constructed and configured, are important for understanding and explaining the rationale for and significance of the agrarian statutory wage in the South African context. The combined outcomes of the intermingling of socio-political forces and factors with the economic relations, and structural and material conditions of agrarian production and employment conditions, contribute to the totality of the low-waged labour market.

Cogent economic sociological works, as established in chapter 2, look to historical forces and conditions that configure and constitute low-waged labour markets to explain the occasioning of statutory wage settings. A historical materialist perspective is in accordance with critical realism and calls for a contextual setting that accounts for the trajectory of capitalist agrarian production in South Africa. This is pivotal to acknowledging the socio-political relations that engineered (a) the sale and purchase of agrarian labour, hence the relations that configured the low-waged agrarian labour market; (b) the capitalist technical and social relations of production, thereby mapping out and operationalising (low-road) agrarian labour and valorisation processes; and (c) a profoundly unequal employment and labour relations regime, based on a and b above, where the balance of forces rested in the hands of agrarian capital.

To reiterate, another crucial reason advanced for accounting for the historical progression of the South African agrarian labour market pertains to facilitating a deeper appreciation for the sway that pre-existing structures, social relations of production and institutional arrangements in the agrarian labour market have in determining and shaping the uneven and mixed outcomes of the AMW and other provisions in the ASD, for agrarian labour. In this regard, it is argued that pre-existing inequalities in power relations in agrarian employment, whereby agrarian capital retains considerable power in the employment relationship, combined with the low rates at which agrarian statutory wages are set, provide a cushioning effect sealing agrarian employers from a regulatory shock.

Set in this background, the discussion in this chapter deals with the political forces that gave rise to the agrarian labour market, and is organised into four broad areas as follows: (a) the political engineering of the low-waged agrarian labour market founded on racial capitalism and an authoritarian and despotic labour relations regime, (b)

agrarian wages and working conditions before and after the introduction of the minimum wages, and(c) processes pertaining to setting up and instituting agrarian statutory wages. The afore-mentioned areas, as discussed in chapters 2 and 3, are directly tied to key arguments pertaining to statutory wages in heterodox labour market models and to Marxist thoughts on wages and waged-labour.

With this outline, and drawing on historical works, the chapter begins in section 5.2 with a historical overview of the socio-political forces and factors responsible for the creation of the South African low-waged agrarian labour market. Section 5.3 examines the outcomes this context had for wages and employment conditions in the sector, before the advent of mandatory wages. A glimpse is provided of the extent of low wages in the sector, and the balance of forces in the agrarian capital-labour relationship before the advent of the ASD. This is followed, in section 5.4, by a reflection on the processes and institutional arrangements of establishing and enforcing the ASD and the AMW in accordance with the post-apartheid government's labour market restructuring processes. It is argued that a disjuncture exists between the analysis by government of low agrarian wages and the setting of the first and subsequent statutory settings that ultimately cast statutory wage setting along a low-waged path.

In section 5.5, discussion returns to the question of wages, where attention turns to shifts in agricultural wages after the inception of binding wages, and the dominant trend in setting wages. In this section, it becomes clear that whilst wages increased as a result of statutory settings, labour costs continued on a downward trajectory with no real corrosion of wage inequalities between agrarian workers and workers in other sectors of the South African economy. Section 5.6 dwells briefly on the De Doorns farm worker strike in 2012, with the aim of exploring the implications for statutory wage settings in the aftermath of the protest action, but also highlighting workers' dissatisfaction with low wages and their capacity to exert agency, in an overall context of deep seated inequalities in the employment relationship.

Section 5.7 deals with the balance of forces in the agrarian labour market and is concerned with problematising the notion of inequality of bargaining power in the agrarian capital-labour dynamic with the advent of statutory wages. Here the focus is specifically on portraying the weak status of collective bargaining over wages, trade union density, collective action over labour grievances, and the low rate of work stoppages, in the sector at a general level – a set of conditions that explains the

continuation of asymmetrical power relations between agricultural workers and their employers. The research point of interest in this regard is to assess the conversion strength of the statutory wage policy in shifting the despotic agrarian labour relations regime that characterised the racial capitalist order. Exploring the extent of collective labour action in the sector at an aggregate level provides a glimpse, at the national level, of the state of agrarian labour's bargaining power and strength.

5.2 UNPROTECTED LABOUR, PROTECTED CAPITAL: THE MAKING OF A LOW-WAGED AGRICULTURAL LABOUR MARKET

The rise of the secondary, low-waged agrarian labour market in South Africa stems from the development of White capitalist farming. White agrarian capitalism in South Africa is rooted in the conversion of African farmers into agrarian labour forced to supply labour power under compulsion in a labour repressive regime. Historical works bring to light the role of race, class, gender, culture, religion and ideology in configuring the agrarian political economy and in commanding the sale and purchase of agrarian labour (see Wolpe 1972, Legassick 1974, Bundy 1979a, Beinart 1991, Morris 1977, 1979, Lacy 1981, O'Meara 1983, Keegan 1985, 1989, Crush and Jeeves 1993, Jeeves and Crush 1997). Racial capitalist progression in the agrarian political economy began with British colonialist rule which played an instrumental role in crafting out and "securing from above the conditions" (O'Meara 1983) necessary for the rise of White agrarian capital and the subjugation of African agrarian labour. Accumulation from above was a hallmark of the transition from subsistence to industrial farming in the South African context.

White agrarian capital organised into a cohesive front to muster multiple levels of support from the racial capitalist state that propelled and cemented its economic and political power over African agrarian labour. To recall, the previous chapter alluded to the product market support and protection White farmers received from the state under racial agrarian capitalism. Equally significant to the creation of White capitalist farming was state support in controlling the supply of labour and configuring the agrarian labour market to suit the interests of White agrarian capital. Support and protection of agricultural product markets, as will be shown here, was tied to creating and protecting a cheap labour system for burgeoning White capitalist farmers. For this reason, Lenin's ideas on the "Prussian" route to agrarian capitalism is invoked in Marxist works on

agricultural capitalist development in South Africa (Morris 1979, Greenberg 1980, Bernstein 1996).

The idea of the Prussian path to capitalist agrarian production and/or farming in the South African context, more specifically encapsulates agrarian capital attaining critical interventions from the state for the development of racial agrarian capitalism. The critical state interventions that benefitted burgeoning White farmers include (a) securing abundant, cheap and easily available labour for farmers through a labour repressive system, (b) subsidising farmers' move from labour-intensive to capital-intensive methods of farming, including the use of pesticides and fertilisers, and (c) instituting market protective mechanisms and agricultural price controls, as discussed in the previous chapter (section 4.2).

Shortly after the Union of South Africa in 1910, and the beginning of racial segregation, the White government took concerted steps to solidify possession of, control over, and use of land and other resources central to the agricultural productive system. The quest to attain White dominance in the agrarian political economy resulted in a battery of policies, legislation and institutions to subjugate, discriminate, and exploit Africans in rural areas. As such, burgeoning capitalism was characterised by a "tenacious identification with unfree labour and race lines" (Greenberg 1980:71). From this brief outline it is clear that a set of socio-political relations and conditions were deployed to create the agrarian labour market.

Now, socio-political relations and conditions mesh with agrarian capital's economic positions that in turn fashion labour supply, demand and regulation. In this regard it may be postulated that the economic conditions and circumstances of White emerging capitalist farmers, in part, encouraged the expansion of cheap labour in the sector. Studies on the economic history of capitalist farming in South Africa reveal the fragile and weak economic position of emerging White capitalist farmers²³, which in part explains their calls for a cheap source of labour. Two significant factors, from a technical and material position, exacerbated farmers' economic predicaments – one the competition for land from African farmers; two, White farmers' inexperience with farming methods for South African conditions and the adoption of inappropriate land use practices and economic enterprises, that clashed with the natural forces including soils and weather.

²³ . See Roberts (1958), Houghton (1976), Lacey (1981).

Early works on the agricultural sector speak of the widespread use of inefficient, wasteful and generally backward farming methods by farmers – all of which maintained their weak economic positions. Such conditions resonate with low-road approaches in the technical aspects of labour processes, which arguably increased the propensity of agrarian capital to pay ‘starvation’ or sweated wages. The political imperatives of land encroachment by Whites did not always and neatly harmonise with the business strategy pursued, resulting in poor economic returns for the burgeoning White capitalist farmer²⁴. Hence early farming by Whites proved to be unsuccessful economically, due to their lack of skills and expertise to farm in the South African context. Consequently, White farming was generally financially weak and insignificant.

In large measure, the scale of production contributed to the financially weak positions of White farmers. White South African agriculture was largely subsistence in orientation with weak domestic and non-existent international markets. In fact, the first agricultural commodity to be traded in international markets by White farmers was wool in the mid-1800s. This provided the means for wool farmers to make the transition from subsistence to commercial farming (Houghton 1976:10). Economic fragility, the desire to seize and control land, in combination with racial discriminatory attitudes, beliefs and practices, encouraged the White agrarian capitalist bloc to seek refuge in the various segregationist and later apartheid led governments, to secure cheap labour as the necessary means to expand and maintain production.

To support the expansion of White agrarian capitalism, the first legislative measure was taken by the Pact government, in the 1900s, to regulate and control land access and ownership along racial lines, when the Natives Land Act was passed. The Natives Land Act of 1913 confined Africans first to seven percent and later to 13 per cent of the total surface area of South Africa, in reserves or Bantustans. With this Act, the regime wanted to entrench the spatial and territorial division between the different racial groups in the country.

²⁴ For example, the study by Roberts (1958:8) in the Albany and Bathurst areas in the Eastern Cape reveals how the 1820s European settlers introduced crops to dry areas suitable for live-stock and attempted farming on limited land size so that land parcels may be allocated to more Whites to create a barrier or buffer against Africans. This meant that livestock farming could not be undertaken with much success and crop farming ended up failing due to soil quality. Roberts provides useful insights on the economic trends and performance of agriculture in the Makana and Ndlambe municipalities which are two research sites of my study. Traditionally, farming in the Makana and Ndlambe districts have been fraught with difficulties and inconsistent prosperity. Profitability fluctuated with prices of commodities that are suited for the area, rendering the sector vulnerable to frequent periods of economic instabilities.

The 1913 Natives Land Act was explicitly designed to purge Africans off 'White land' and to terminate labour tenancy, sharecropping and squatting. The Act sought to finally eradicate all vestiges of African land ownership in White controlled areas, compelling them into fulltime wage-labourers or forcing their relocation to the Bantustans or reserves. Any land exchange between Whites and Africans, outside of the reserves was outlawed. Various measures were introduced such as taxing and increasing fees of African squatters and share-croppers to compel them into waged-labour, thereby restricting the number of African people who could reside on White owned land. However, the state was not entirely successful in eradicating labour tenancy so that, by the late 1930s, various forms of labour tenancy and land holding patterns together with waged-labour were the dominant forms of labour supply for the agricultural sector.

The Natives Land Act of 1913 is regarded as significant in regulating labour supply to various economic sectors in an attempt to balance the competition for labour between agriculture and the developing mining sector (see for example Davenport 1987:531) or addressing the shortage of farm labour (for example Wolpe 1972:71). From the above discussion, it is clear that the agrarian labour market in South Africa was created through political design by White farmers, first by dispossessing African farmers of their land, thereby separating them from the means of agrarian production and tying their social reproduction to waged-labour. The dispossession and expulsion of African farmers was followed by engineering the supply of African agrarian labour to developing White capitalist farmers. Agricultural capital actively campaigned for the immobilisation of labour in rural areas regarded as the domain of the White farmer, in order to ensure a constant supply of cheap labour. In this regard, Lacey (1981:120) writes that "... between 1924 and 1932 the Hertzog ministries backed by the rural electorate worked towards binding roughly two million resident Africans – officially classed as squatters, labour tenants and fulltime servants – to farmers in the white rural areas.

Now, at this stage it is useful to pause and reflect on the socio-economic positions of agrarian labour in the 1930s, which came under the spotlight with the establishment of the Native Economic Commission. The Native Economic Commission²⁵, set up in

²⁵ The Native Economic Commission is a useful record of the past; not only does it strongly and clearly reflect the racial and cultural imperatives that Whites used to justify the relations of domination and subjugation of African farm labour, it also provides important insights on agrarian capital-labour relations in the early stages of capitalist development. In many ways these relations (or their strong traces)

the 1930s to investigate the socio-economic positions of Africans residing on White owned capitalist farms and in the reserves, exposed the harsh working conditions and dire living conditions prevailing in the sector. Although the overriding concern of the Commission was with seeking means that undercut the various methods Africans used to retain access to White owned land, with the aim of finally ensuring that they supply their labour permanently to White capitalist farms, evidence provided at the hearings portray divergent views and experiences of, on the one hand, farmers and politicians, and workers, on the other hand.

The Commission reports on the aversion of White farmers to labour tenancy remarking that there was widespread condemnation for this practice as “uneconomical, as an evil, though a necessary evil” followed by a description of labour tenants as “unreliable, inefficient, and often insufficient in quantity” (Holloway *et al* 1932:53). Farmers and politicians who made submissions to the Commission insisted that the demand and need for farm labour could only be resolved, not by improving wages and working conditions, but through tighter and stricter measures to tie Africans to rural areas controlled by Whites.

The views of White capitalist farmers contrasted sharply with the voices of labour tenants and farm workers. They reported to the Commission on the harsh working conditions on the farms, the meagre cash wages they received for their labour, the reduction in land to run livestock, hence the reduction of their livestock, the limited food rations supplied by farmers falling short of feeding the household, and the poor quality of land for crop planting (Holloway *et al* 1932:53).

Given the above it is no surprise that over the years, a set of labour market institutions developed to control and channel labour to the various economic sectors with the state playing a major role in the labour supply chain. For example, in 1932 the Native Service Contract Act was passed which amplified the labour coercive measures of tighter pass controls and taxes on Africans. This Act bonded entire African families to White farmers and, if one member of the household failed to supply their labour to the farmer, the entire family could be evicted. Repression in the labour market translated into large numbers of Africans simply leaving White capitalist farms and relocating to towns. Consequently, in 1936 the Native Trust and Land Act was passed in an attempt to control the number of Africans on White-owned land. Chapter IV made it compulsory

continue to this day on many capitalist farms in South Africa. However, the extent and nature vary, having differentiated outcomes for workers along the labour process and labour market.

for Africans to register in areas designated as White areas and to pay increasingly higher licence fees²⁶. Restrictive labour supply chains served to heighten the racial power of White farmers paving the way for apartheid-capitalism.

When the National Party assumed political power in 1948, apartheid was institutionalised, White domination and Black subjugation were cemented, and the power of agrarian capital entrenched in the political economy through the Natives Law Amendment Act. According to Morris (1977:63), the Act is the most “important piece of legislation in the post-war era” because it provided the state with the liberty to manipulate the supply of labour and control labour distribution between urban and rural areas. It was generally accepted that the Act would implement the “Native policy” of organised agriculture and the South African Agricultural Union which was set out in a 1944 memorandum (Morris 1977). With and through the Act, the labour bureaux system was embedded with efflux and influx control measures to manage and control labour supply between the rural (regarded as the non-prescribed areas) and urban (prescribed areas) spaces. The entire system was singularly focussed on channelling or “canalising” labour. Hence, between 1952 and 197, institutional arrangements were enforced in the labour market to direct Black labour between urban and rural areas and between the different sectors of the economy.

It is increasingly clear that White capitalist control over African labour and the processes of capitalist development were not the result of purely economic laws, because the state used apartheid ideology to safeguard the economic interest, land interests and labour demands of farmers. The history of agrarian capitalism in South Africa cannot be downplayed in a heterodox study on the AMW, because at the centre lies the question of the balance of forces in the capital-labour relationship and in wage determinations. By extension, the evolution of agrarian labour sketched thus far strongly points to the unequal nature of exchange between labour and capital in the labour market. A recognition of and a strongly integrated understanding of the complex meshing of socio-economic and political phenomena comprising labour markets,

²⁶ To address the labour supply problems, farmers in the former Transvaal province in the Lydenburg district in 1937 invoked Chapter IV of the 1936 Native Trust and Land Act. Farm workers and peasants in the Lydenburg left the White-owned farms en masse. In effect the Act led to a shortage of labour in the area as labour tenants relocated to other areas where these requirements were not applied, and squatters demanded land in the reserve. The White farmers in Lydenburg tried in vain to force the state to apply Chapter IV across the entire country to cut off Africans' escape routes from the farms. It was only after 1948 with the institutionalisation of apartheid under the National Party that concerted measures were taken in line with White farmers' demands.

dispels the notion of voluntary and equal exchange relations in the labour market between South African agrarian labour and capital.

Inequality in the exchange relationship between labour and capital was exacerbated by the political power that agrarian capital commanded. As mentioned, White farmers relied heavily on the state to curb the mobility of rural labour, creating barriers to the free supply of labour power. Creating and maintaining a cheap and abundant source of labour fuelled the rise of White capitalist farming as much as it intensified the demise of African farming, through land dispossession and the imposition of waged-labour in various forms and degrees. Agricultural capital-labour relations were based on the Master and Servant laws that were effective from 1841 until 1974 when they were finally abolished (Haysom and Thompson 1986, Le Roux 2002). This in effect, meant that agrarian capital-labour relations were regulated in terms of the Common Law, marked by the presence of the contract doctrine and the absence of labour laws and work-place rights in the sector.

The contract doctrine, as Haysom and Thompson (1986:221) spell out, assumes voluntary and “reciprocal exchange between [atomised] equals”. The resonance with the neoclassical economics model of the labour market is vivid. Under common law and contract doctrine, it is a given that capital-labour exchanges are conducted among equals, willingly selling and purchasing labour power. It is assumed that the free and equal exchange in the capital-labour relationship is of mutual benefit to the parties, which in turn results in fair outcomes for the parties. On this basis, the contract doctrine regards labour regulations, collective bargaining and organisational rights for workers as superfluous.

As South African history teaches, the sale and purchase of labour power in the South African agrarian political economy was neither free nor equal. A liberalised labour market based on the assumption of voluntary and equal exchange between individuals translated into the direct opposite – a profoundly unequal capital-labour agrarian relations system. Such a labour relations regime is enmeshed in the creation and reinforcement of secondary, sweated, and segmented labour market and labour process conditions. Now, as discussed in chapter 3, the particular labour relations regime that unfolded, that sunk deep in agrarian production and valorisation processes, under apartheid-capitalism, is of immense importance to a lucid engagement with the AMW in a local labour market. This is because, as will be shown in this study, the contemporary labour relations regime remains firmly anchored to

apartheid-capitalist era, accounting for inequalities in bargaining power between agrarian labour and agrarian capital.

Nevertheless, the socio-political ensemble, under the National Party, gave no protection to farm labour to secure decent labour standards and fair wages, simultaneously safeguarding the interests of White farmers. Ultimately, opportunities and possibilities for organised and sustained resistance against harsh working conditions and poverty wages on White-owned farms were sealed off. Although there were attempts by the Industrial Workers' Union to mobilise in rural areas in the 1920s, rural resistance was not sustained in any concerted manner and by the 1930s agrarian protest dwindled in scale and intensity (Bundy 1984, Bradford 1987).

The application of the contract doctrine in the South African agricultural sector contrasted with industrial, urban based workers who enjoyed basic labour rights in the work-place, made possible in 1953 with the introduction of the Black Labour Relations Regulation Act. The Botha Commission was responsible for extending labour laws to urban workers but insisted that farm workers be excluded, claiming that the variety of jobs in the sector made it difficult to regulate through labour regulations (see Le Roux 2002:8). The common law ultimately excluded farm labour from the definition of workers placing them "outside the law" (in Davies 1990:11).

With the application of the contract doctrine and the common law, farmers had considerable power in determining the form and level of payment and in regulating terms and conditions of service for labour. In addition, farmers had discretionary powers to terminate employment without providing reasons or justification. The contract doctrine ultimately reinforced and legitimised asymmetrical power relations, granting White farmers enormous power and authority to command the labour force. The repression in the agrarian labour market embodied the totality of the low waged agrarian labour market emulating conditions associated with sweated labour in countries where MW campaigns were launched with the rise and expansion of industrial capitalism (Blackburn 2007, 2009).

The corollary of the application of the contract doctrine was the exemption of agrarian capital from implementing core labour standards that applied to economic sectors such as manufacturing and mining. Hence, agrarian capital not only enjoyed great power in setting the form and rates of pay, as it had as much power over determining and regulating the terms and conditions of work and service. This was fertile grounds for the flourishing of extremely low-wages determined through individualised pay setting

systems (discussed below). Agrarian labour's exclusion from national labour regulations, however, is not a uniquely South African phenomenon. For example, in America, farm labour was also excluded from labour regulations – a situation that was vigorously defended by farmers, translating into poor working and living conditions for workers (see Fuller 1972, Varner 1996).

The totality of the capitalist agricultural political economy, therefore, immediately removed (and continues to remove) the necessary conditions for freedom and equality in the exchange relationship between workers and farmers – nullifying the centrality of the narrow supply and demand precepts held by neoclassical economics. To the contrary, labour supply and demand conditions in the agrarian context heightened the levels of unfree labour among farm workers through a series of labour control mechanisms ascribing to workers the station of agrarian labour for indefinite periods. Ultimately, people on the nascent capitalist farms were immobilised and bonded to farmers.

Influx controls, land dispossession, and pass laws sealed the agricultural labour repressive regime on White-owned commercial farms from which flowed, what may be described as despotic and ultra-exploitative social relations of production. Agricultural labour processes experienced changes after the Second World War as mechanisation intensified with use of tractors and automated harvesters were employed on an expanding scale. As pointed out in chapter 4, agrarian labour demand began to dwindle from the 1960s when farmers shifted to mechanisation. Subsequently, during the 1970s, “super-exploitation” was “modernised” on commercial farms with the use of technology and mechanisation (Marcus 1989). The shift towards mechanisation stimulated the more liberal minded sections of white commercial farmers to call for higher farm wages and improved labour relations to maintain a competitive edge in the labour market (Lacey 1981 149-57). In the main, these calls were unheeded as farmers continued to operate on the basis of low-wages.

From the historical works, it is clear to see that a set of key conditions existed that encouraged, entrenched and perpetuated low-wages and a repressive labour market policy with an equally repressive labour relations system. A labour repressive system speaks of profound unfreedom in the labour market and inequality in bargaining power between agrarian capital and labour that in turn bolstered the totality of the low-waged agrarian labour market. Unfree labour in the agricultural sector is not unique to South Africa and manifests in various forms in different spatial and temporal contexts. For

example, Ramachandran (1990) discusses the changes that agriculture in India underwent after British rule when various forms and degrees of bonded and unfree, agricultural labour began emerging.

The difference between South Africa and India is that, in the former race-based discrimination dominated capital-labour relations and in the latter cast differences forms the basis of discrimination and exploitation on which capitalist agrarian relations developed. Importantly, studies from America (Fuller 1972, Varner 1996) and from India (Ramachandran 1990) point to common underlying trends in the development of low-waged agrarian production across the globe. Although spatial and temporal differentiations exist, the development of unfreedom and subjugation of agrarian labour appears globally, following common underlying patterns in capitalist social relations of production.

From the above discussion on the evolution of the agrarian labour market, it is clear that particular socio-political and ideological forces founded on race, class and sexual domination and subjugation, fused intimately and intricately with economic imperatives to configure and make possible, a state of unfreedom in farm labour supply. This contrasted sharply and starkly with the power, authority and control that White agrarian capital commanded in the employment and labour relationship. Consequently, inequality in bargaining power, defined along racial and sexual lines, in the agrarian capital-labour relationship became a defining feature of the agrarian labour market and dominated the conditions under which agrarian labour power was sold and purchased.

Inequalities in bargaining power and the overall totality of the low-waged agrarian labour market had profound outcomes for agrarian wages as well as for the social reproduction of agrarian labour. Inequalities in bargaining power entrenched unilateral wage determinations and the setting of terms and conditions of service, by individual employers. Attention turns to wage levels in the sector before the advent of the AMW, in the next section.

5.3 WAGES BEFORE STATUTORY MINIMUM WAGES

In the main, detailed and accurate information on agrarian wages has historically been scant (Wilson *et al* 1977, Bundy 1979b). Nonetheless, information that exists, attests to the low levels at which agrarian wages were set. As a result of inequalities in bargaining power, agrarian wages evolved with significant variances such that by the

1940s a highly differentiated and individualised form of payment came to exist, constitutive of a level of cash wage combined with payment-in-kind, comprising food and other amenities associated with the expanded social reproduction of labour. It is important to bear in mind the level of variability in low-wages prevailing in the sector before mandatory wages, when tracing the steps that led to advent of the AMW, as wage variances speak to the collective weakness of workers' bargaining power.

“On the subject of wages”, as Leyburn (1944:135) wrote about rates in 1941, “it is impossible to speak with any accuracy. Practice varies widely, and there is no proper means of translating wages paid in kind into a cash equivalent. Not even in a single district is there a standard wage”. The extent of diversity and differentiation in the agrarian wage systems made it impossible to arrive at a standard average wage for the sector in the early development of capitalist farming (Leyburn 1944, Wilson *et al* 1977). The provision of food rations, housing, and land for ploughing and grazing livestock, were difficult to quantify, compounding the determination of the average wage. In essence, wage variances depict the individualised, as opposed to the collective setting of payment in the sector, and this reflects the balance of forces in agrarian labour relations.

A recurring theme, then, in the literature is the extremely low cash wages, often referred to as starvation wages, and associated low standards of living for agrarian workers and family members – a trend that continues in much of the agricultural and agro-processing sector to this day. In the 1940s, cash wages were such that “[i]f a man receives only 5 (pounds) a year, he must work almost three months simply to earn enough for his poll tax; and in some districts the cash wage amounts to only two pence a day” (Leyburn 1945:136). This set of conditions on South African farms mirror the conditions experienced by sweated labour under Victorian capitalism – capitalist production based on the bare minimum pay to ensure the worker returns to the work-site. The practice of low wages became firmly entrenched, enduring and ubiquitous in the agricultural sector in South Africa.

Payment differentiations manifested provincial dynamics and sub-sector variations. For example, cash wages in the Free State in the 1940s were less than wages in the Cape. This was because, in the former, the standards of living were lower compared to the latter. This is partly attributed to various forms of “farming on the half” prevalent in the Free State but not in the Cape (Leyburn 1944:135-6). The rationale used for lower wages in the Free State was based on the provision of land to workers for small-

scale food production. The few early studies on farm workers in the Eastern Cape in the 1940s and 1950s reveal that payment comprised largely of rations combined with meagre cash wages (Roberts 1958, Antrobus 1984), corresponding with national trends (Marcus 1989:128). Information on wages speaks of varying depths of low and abject levels in the sector, across the country.

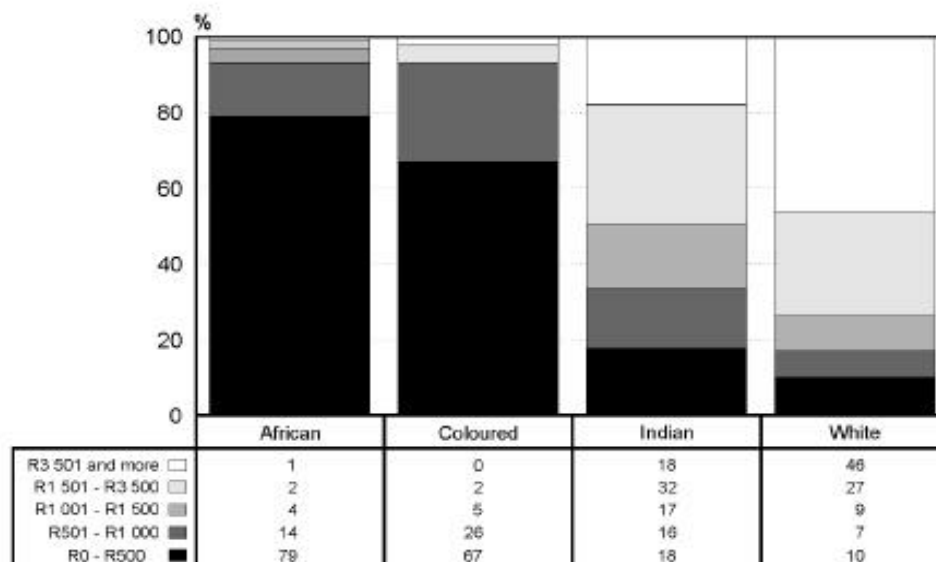
Well into the 1970s empirical research reveals the continuation of extremely low cash wages. This is clearly borne out by many of the papers in the SALDRU collection (Wilson *et al* 1977). A depiction is the former Albany area, now Makana, in the Eastern Cape, an area included in this study. A study incorporating 30 magisterial districts covering 299 farmers in sub-sectors ranging from livestock, wool, citrus, pineapple, maize and wheat, found in the north-eastern and central parts, to chicory, pineapples, citrus and dairy, along the coastal areas, reported that 15 per cent of farmers paid permanent workers a cash wage of R5 or less per month, 45 per cent paid between R6 and R10, 20 per cent paid between R11 and R15, and another 20 per cent paid between R16 and R30 per month ((Wilson *et al* 1977:12). Similarly, a study of farm wages in the Hex River Valley reported that cash earnings varied from R5 to R25 a week, averaging between R8 and R10 (Wilson *et al* 1977:10). In addition, and with respect to the racial composition of low-wages, a study on sheep farms in the Karoo, covering parts of the Eastern and Western Cape, reveals wage differentials between African and Coloured workers. African male workers employed on a permanent basis as sheep shearers earned a cash wage of R8,36 a week compared to their Coloured counterparts who received cash wages of R8,77 (Kooy 1977:106).

From the data on wages presented thus far, the varying depths of low-wages and wage inequalities characterising the sector emerge. Low-wages continued into the future. The low depths of agrarian wages, emulating sweating conditions, received attention in 1982 when a report on farm worker labour conditions was released, which stated that “[t]he only limit on how low S.A. farm workers’ wages can go is physical starvation” (in Haysom and Thompson 1986:221). The 1988 Agricultural Census reported that the average monthly wages in the farming sector was R141.92, increasing to R222.25 in 1992 (in FRRP 1996:11).

Inequality in bargaining power, low agrarian wages, and wage inequalities, were firmly entrenched in the agrarian labour market by the time the ANC assumed power in 1994. In this regard, Census ‘96 is a good barometer depicting critical information on wage levels and wage dispersions across race and sex in spatial and temporal contexts, in

the years after the ANC assumed state control and prior to the introduction of the AMW. The figure below, Figure 5.1 reveals the wage gap between the different racial groups in the labour market with 79 per cent of Africans at the lowest wage bracket earning R500 or less and 46 per cent of Whites in the highest bracket earning a wage of R3 500 and higher.

Figure 5.1: Monthly income of people employed in the agriculture and hunting sub-sector by population group, October 1996



Source: Census '96

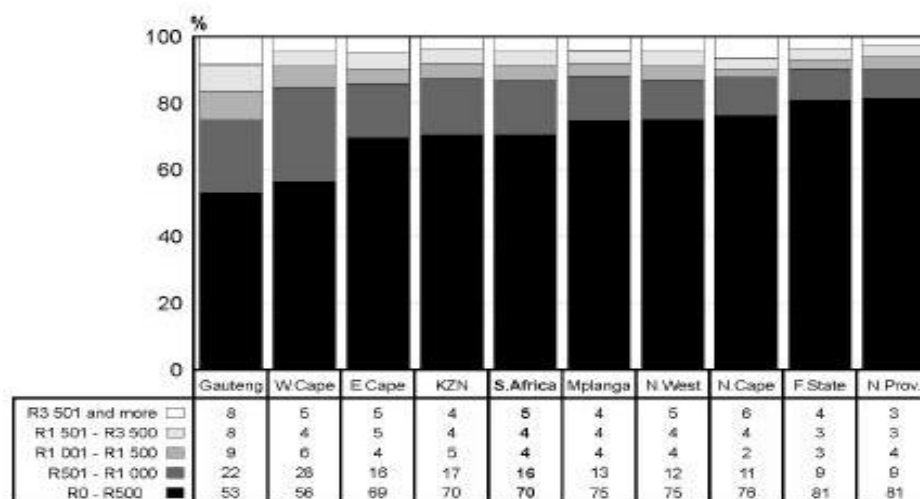
Source: SSA and NDA (2000:52).

The second largest population group earning R500 and less were Coloured workers, followed by Indians with Whites recording the lowest per cent of workers in this wage bracket. Merely 14 per cent of Africans earned between R501 and R1000, compared to 26 per cent of Coloureds, 16 per cent of Indians and 10 per cent of Whites. Very few Africans and Coloureds earned in the higher wage categories compared to Indians and Whites.

In corroborating the racial basis of low agrarian wages, the 1996 October household survey recorded 76 per cent of African men and 88 per cent of African women who received a monthly wage in the lowest wage bracket. This is a stark contrast with nine per cent of White men and 17 per cent of White women that earned in the lowest wage rank. In fact, a wider wage variance existed among Indian and White workers, however, the converse applies to African and Coloured workers, where just two starkly distinguished low-waged categories were recorded – one being the majority who earned R500 and below, and a minority who were paid between R501 and R1000.

Low-wages were demarcated along sexual lines where African and Coloured women workers had a dominant presence in the lowest wage bracket. However, race and sex are not the only determinations because spatial variations are discernible from the figure below. Figure 5.2 reveals the extent and depth of low-wages in the sector as a whole and across provinces.

Figure 5.2: Monthly income of people engaged in the agriculture and hunting sub-sector by province, October 1996



Source: Census '96

Source: SSA and NDA (2000:53).

At a national level, a paltry five per cent earned between R3 500 and more while 70 per cent of agrarian labour earned R500 or less. Gauteng, the Northern Cape, Western Cape, Eastern Cape and Kwa-Zulu Natal were above the average for workers in the higher wage category. The Northern Province (now Limpopo) had the lowest number of workers in the high-income group followed by Mpumalanga and the Free State.

With regards to the lowest wage level, the Eastern Cape is marginally lower than the national average, making it the third lowest province with 69 per cent of the labour force earning R500 or less in 1996. In the Western Cape and Gauteng, 56 per cent and 53 per cent of the labour force respectively received a wage of R500 or less, while the Free State and Limpopo recorded the highest per cent of workers earning in this category.

With some degree of modification, wage differentiated patterns demarcated along the higher waged Western Cape province and lower paying provinces followed historical trends recorded in the 1940s (see pg. 254). By 1996, the propensity to pay low-wages

assumed strong spatial features, in part shaped by commodities under production and their respective product markets, combined with the balance of forces in the employment relationship. The Labour Market Commission's (1996:16) examination of the state of farm workers revealed that 20 000 farm workers received no pay at all and that a significant number of workers received payment in kind that included limited land for grazing rights. The farm wage and payment system compounded efforts to establish the full monetary value of agrarian wages. The Commission (1996:16) further noted that:

Wage levels in agriculture are frequently determined by the power imbalance between farmers and farm workers, and not only by issues such as affordability. Anecdotal evidence suggests that there are many instances where similar farmers in one locality pay vastly different rates, with wealthier farmers sometimes paying less and poorer farmers paying more.

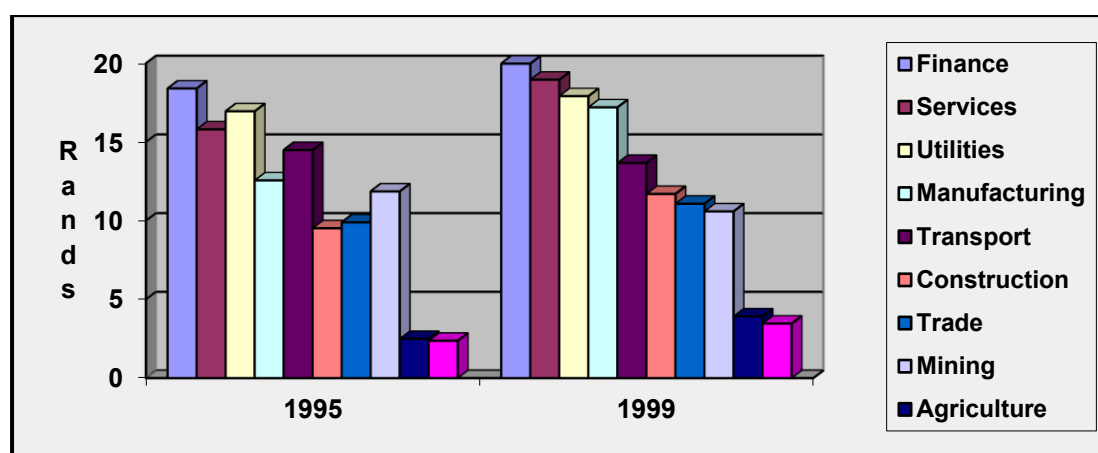
It is important to point out that the Labour Market Commission (1996) observed, at the dawn of the AMW, that low-wages and poverty were pervasive among employed South Africans. Low-wages, therefore, was not a uniquely agrarian phenomenon. The Commission noted, for example, that 10 per cent of regular workers in formal sector employment earned less than R250 per month whilst 38 per cent of regular workers earned less than the household Minimum Living Level (MLL) which was on average R970 per month at the time. The MLL reflects the costs of essential areas of the social reproduction of labour. Agricultural wages, however, were and are the lowest of all sectors in general and goods producing sectors in particular. This confirms the historical depth of low agrarian wages within the overall low-waged South African context.

Having noted the widespread practice of low-wages in the labour markets and the significance of statutory wage settings, the Labour Market Commission (1996:15) went on to mention that "special thought" is required for farm and domestic workers, in establishing wage fixing mechanisms because these sectors are amongst the lowest paid. This trend is depicted in the Figure 5.5 below. Various sources for wage data exist in South Africa, such as the Labour Force Survey, October Household Survey, Census, among others. Variances in wage levels for agriculture for the time period, as will become clear, are often found in the literature and may be due to differences in statistical modelling and mathematical calculations of the existing data. However, despite the differences in the level of wages in the literature, the common feature in studies on wages is the low level of agrarian wage and the consequent wage inequality between the agrarian sector and others. At an overall level, much of the literature on

wages in post-apartheid South Africa point to a deepening of wage inequalities in the country.

Statistics South Africa (among others) reveals consistent patterns of low-wages and wage inequalities across labour markets in post-apartheid South Africa for the 1995 and 1999 period. As Figure 5.3 depicts, at the lower end of the overall low-waged South African labour markets, agriculture was one of the lowest paying sectors in the country. The discourse on the validity of the AMW gains impetus when the wage gap and inequalities across labour markets are considered.

Figure 5.3: Real Average Hourly Wages of Employees by Industry, 1995 and 1999 (in constant 1995 prices)



Source: SSA (2002:150).

A year after the first non-racial elections, the hourly wage rate in 1995 was the highest in the finance sector with R18,40, whilst farm workers were paid R2.49 an hour, making them and domestic workers who earned R2.37, the lowest paid of all workers employed in what is regarded to be the formal economy. The data tells a tale of wide wage dispersion patterns in 1995, manifesting varying degrees of wage inequalities within higher waged labour markets and between these labour markets and low-waged labour markets, as in agriculture and private households. For example, a R1.45 per hour wage difference existed between the highest paying finance and second highest utilities sectors, whilst the wage gap between these sectors and others widens, as exemplified in the wage difference of R5.54 per hour between the higher paying finance sector and the lower paying manufacturing sector. The wage gap and hence wage inequality between other sectors of the economy, although varied, was not as significant as the wage gap between these sectors and agriculture (and private households).

The gap in wages between other industries/sectors and agriculture and private households is significant. Reflecting on agricultural wages, a wage gap of R7.31 per hour existed between agriculture and the construction sector, which was the lowest of the other sectors and immediately higher than agriculture, whilst a wage gap of R15.91 per hour existed between agriculture and the highest paying finance sector. Four years later, in 1999 a narrowing of wage dispersion between sectors paying higher wages than agriculture emerges in the data, yet wage inequalities between agrarian workers and workers in other sectors continued and even increased in 1999 from 1995 levels. For example, the wage difference between agriculture and services widened by 1.73 per hour, increasing from R13.31 in 1995 to R15.04 in 1999. The hourly wage rate in agriculture increased from R 2.49 in 1995 to R 3.92 in 1999, which is considerably lower than most other sectors. The rise in wages did not corrode the wage inequalities between agrarian wages and other sectors. On the contrary, wage data suggests that the wage gap has widened between the agricultural sector and other sectors.

With regard to the monthly wage in 1995 Rand value, equally low wage rates show up in the data. In this regard, the Labour Market Commission (1996:15) draws attention to an October 1993 survey of 1.3 million workers on farms, forests and fisheries in South Africa which found that:

73% of the regular, formal sector agricultural workforce earned less than R590 per month (expressed in 1995 Rands). The gross monthly cash wages of the median male worker, expressed in 1995 Rands, were just R303, while women received just R223 per month.

Low-wages combined with low levels of increase translated to and compounded wage inequalities between the agricultural and other sectors of the economy. By 1997, the average agricultural wages were 13 percent lower than the wages of domestic workers, 63 percent lower than the wages in the construction sector, 72 percent lower than wages in the manufacturing sector, and 80 per cent below wages in services (BFAP 2012:4). Wage inequalities between the agricultural sector and other sectors speak of a wide wage dispersion in the country, exacerbated by deep structural problems in the post-apartheid political economy. Deep-seated problems in the overall political economy, combined with unequal growth in wages, fuelled the expansion of wage inequalities in the South African labour market. Scholars attribute the rise in wage inequalities in post-apartheid South Africa, to the structure and composition of the economy and labour market during the racial-capitalism era that placed the brakes on employment creation and skills development (Altman 2006, Wittenberg 2015).

In an overall low-waged economy in the South African context, sectors with greater propensity to be low waged to extreme depths, are agricultural and private households, as the wage data presented thus far show. To ameliorate low wages and maintain conditions for capitalist production and valorisation, the post-apartheid state intensified efforts to introduce statutory wages in low waged sectors; agriculture being one such sector. The events leading to the establishment and implementation of the AMW is discussed in the next section.

5.4 FORMULATION AND IMPLEMENTATION OF SOUTH AFRICA'S AGRARIAN MINIMUM WAGE

The manifestations of uneven neoliberal agrarian restructuring by the end of the 20th century and the beginning of the 21st century, was explained in chapter 4, where the selective application of market-disciplinary approaches in agrarian product markets combined with market-constraining strategies in the agrarian labour market came to light. As alluded to in chapter 4, labour received some level of protection from unfair labour practices and sub-labour standards. For example, through the Basic Conditions of Employment Act (BCEA) (1997), working hours, leave, overtime pay, Sunday work, and the administrative requirements in the employment relations in the agrarian sector, were regulated. With the extension of the Occupational Health and Safety Act, it was mandatory for farmers to ensure that the workplace was a safe environment, and the Compensation for Occupational, Injuries, Accident, Diseases Act enabled farm workers to claim for compensation for any workplace illness, death or accident.

However, as Naidoo *et al* (2007) note, despite a battery of labour laws, legislation applicable to agriculture at the time did not regulate wages. This meant that wage settings were still the prerogative of the farmer, which was to be significantly altered with statutory wage fixing. In chapter 4, it was also learnt that the Labour Market Commission was set up in search for strategies that address labour market legacies of racial-capitalism, across South Africa's economy. Preparations for instituting mandatory wages in low waged sectors were laid by the Labour Market Commission's 1996 report, which focussed on the extent, nature and depths of racial and gender-based inequalities in the South African labour market.

In terms of the agricultural sector, the Labour Market Commission (1996:16) proposed that an appropriate agrarian MW, linked to a reduction in capital-intensive farming, "may eliminate extremely low-wages, encourage the more productive use of labour,

and increase total employment in agriculture”. The Commission recognised the seriously dysfunctional state of the agrarian labour market, which perpetuated extremely low-wages, poverty and inequalities, as well as the profound imbalance of power between workers and employers in setting wages and working conditions. On these grounds, statutory wage fixing for the agricultural sector was advanced by the Commission.

Now at this stage in the discussion, it is important to note that statutory wage fixing was not unique to the agricultural sector in South Africa. Given the overall high levels of low wages across the economy as illustrated in section 5.3, prescribed minima were deployed in other sectors of the economy with high propensities to pay low wages and where workers were weakly or unorganised. By 2005, two years after the introduction of the AMW, just over a million employers and 3.4 million workers across sectors of the economy fell under statutory wage settings (Godfrey *et al* 2005:59).

Table 5.1 Coverage of sectoral determinations

Sectoral Determination	Number of Employers	Number of Employees
Agriculture	65 000	850 000
Domestic	850 000	1 000 000
Private security	15 000	175 000
Contract cleaning	10 000	65 000
Civil engineering	1 500	147 913
Learnerships	---	86 205
Wholesale and retail	65 000	979 608
Taxi	---	130 000
Children in performance activities	---	12 000
Total	1 006 500	3 445 726

Source: Godfrey *et al* (2005:59).

Table 5.1 depicts the sectoral breakdown of statutory wages and the number of workers covered by prescribed minima. Agricultural workers constitute the only goods producing sector among the sectors covered by statutory wages, making up the third largest sector with MW coverage, after domestic workers, with a million workers, followed by wholesale and retail with 979 608 workers.

Now, the setting of different minima, based on sector dynamics in South Africa, represent industry specific MW fixing systems, as mentioned above. This system has semblance with the first statutory wage setting mechanism in Britain with the establishment of the wage council system and trade boards (Starr 1981 20, 22). The selective and restrictive role of the industry-based wage setting mechanism was

favoured by those who associated statutory wage determination systems with negative economic repercussions. The coverage of workers regarded as vulnerable meant that MW application was not widespread. Wage rates can be set in accordance with the ability of individual industries to pay the prescribed rates. In this sense adverse economic effects, assumed to result from MW fixing, are minimised. Against this background, industry or sector-based MW may be regarded as a compromise between opponents and champions of statutory wage fixing.

Returning now to statutory wage fixing in the agrarian sector, when the Labour Market Commission set out to determine the feasibility of an AMW, it received submissions from farmers and from trade unions in the sector. In their submissions, farmers objected to a system of setting binding rates, citing the standard negative claims that neoclassical economics raise about statutory wages. In this regard, organised agrarian capital argued that, apart from the dis-employment effects, an AMW will be difficult, almost impossible, to enforce (Labour Market Commission 1996). Farmers placed great emphasis on the level of differentiation in conditions between various sub-sectors and regions in setting out objections to statutory wages.

Agrarian capital, however, acknowledged that employment in the sector was on the decrease “even in the absence of minima, and attributed this to mechanisation, uncertainty around land reform and state assistance, as well as pressures to become more internationally competitive” (Labour Market Commission 1996:12). Agrarian capital, much like neoclassical economics and other MW adversaries, were (and are) unable to provide clear reasoning on the link between statutory wage fixing and employment losses.

In contrast to organised agriculture’s aversion to statutory wage fixing, the few unions with organisational presence in the agrarian sector strongly supported wage fixing for the sector. Trade union support for prescribed minima was well entrenched, firmly on the agenda of progressive labour movements which tied their support for statutory wages to campaigns on the living wage. Trade union support for statutory wages in South Africa contrasts with their counterparts in Britain where they argued against the passing of legalised minima on the basis that wages set by the state will impede collective bargaining and organising among low-waged workers (Rubery and Edwards 2003:453, Bain 1999).

In the post-apartheid political dispensation, the Labour Market Commission provided the rationale for the establishment of statutory wage settings that resonate with the

ANC government's restructuring agenda. To operationalise the establishment of statutory wage fixing, provisions were made in the BCEA for the Minister of Labour to legislate on MW in sectors deemed to require statutory wage fixing to prevent a further downward spiral of wages. This statutory frame provides the labour ministry in South Africa with the powers to fix wages in identified sectors of the economy.

Before the introduction and institutionalisation of a MW, the Department of Labour (DoL) is required to undertake an investigation to establish the level of the prescribed wages and the conditions to be introduced in the labour market where it seeks to make wages binding, through a statutory mechanism. In complying with this requirement, in 2000 the DoL commissioned a study on overall employment conditions in the agrarian sector and likely outcomes for labour, in light of statutory wage fixing for the sector. Comprising 62 case-studies across the provinces in South Africa, the particular areas of focus for the study covered (a) the living and working conditions of farm workers and their families, (b) the economic situation of farmers and the overall state of the sector, and (c) the desirability of a MW for the sector and the level at which prescribed wages should be set (DoL 2001b:9).

In the main, the report reiterated the historical trend of low agricultural wages coupled with considerable variations in the wage rate across the country, as discussed in section 5.3. The DoL (2001a) noted that the monthly average cash wage in the sector was R544. Payment in kind was significant comprising of a quarter of the agrarian wage. Female workers earned lower wages and had fewer benefits compared to their male counterparts. Extended working hours above the legal limits without compensation prevailed among 54 per cent of workers in the inquiry, while 27 per cent of workers did not receive annual leave. Farm workers recorded the lowest literacy rates in South Africa with 33 per cent of workers reported to have had no formal education. The DoL (2001a, b) also highlighted precarious levels of social reproduction among farm workers and their families with high levels of dependency on employers for the most basic needs of subsistence.

On the whole, the DoL (2001b) report stressed the poor working and living conditions of agrarian labour in the South African commercial sector, which for a Marxist approach to the AMW, raises separate but integrally linked questions on the value of labour and the value of labour power, where the value of labour power relates to the costs associated with sustaining and keeping labour alive; and the value of labour relates to the surplus value generated by labour. Agrarian wages, before statutory

wages settings, failed to secure the social costs of labour in accordance with necessary and basic standards. “Clearly”, write Naidoo *et al* (2006:4), “the post-apartheid government had to intervene to address the plight of the working poor”. Moreover, it may be argued that a downward spiral of agrarian wages is counterproductive to the future survival of agrarian labour that in turn poses threats to agrarian capitalist production in the country.

The ASD, far from being a paradox to the neoliberal project, is a critical and necessary flanking mechanism to prevent a race to the bottom. In this sense, this form of labour market regulation resonates with agendas to create and sustain constructive capitalism. As established in chapter 2, in heterodox MW studies, low wages and low-road approaches typify methods of destructive capitalism. To recall, Shaheed (1994:59), for example, argues the necessity and purpose of labour standards, generally and the MW in particular, is to encourage “constructive and deter destructive competition, ensuring that competition does not follow a downward spiral”. The promotion of the MW on the grounds that it shifts low-waged sectors from destructive competition towards constructive competition, resonates throughout the heterodox MW tradition, and it comprises of and raises critical questions on the link between economic efficiency and issues of wage and income in/equality, social justice and democracy.

The DoL and the Labour Market Commission saw the potential positive outcomes for the labour market, of an agrarian MW. By doing so, the Labour Market Commission and the DoL drew on the heterodox labour market models by championing or supporting statutory wages as a necessary labour market intervention. Both reports, therefore, argued that an AMW will be of benefit to the most vulnerable farm workers. The DoL also argued that a MW in the sector would reduce gender-based inequalities.

In the same breath, however, MW policy developers opted to set low MW rates in the farming sector. In the words of the DoL (2001a:3), “such a wage should not be set too high otherwise there would be a negative impact [on] employment’. The DoL’s idea of setting a wage that is not too high echoes the Labour Market Commission’s suggestion, as mentioned above. The dominant view was to set prescribed minima at “appropriate”, in other words, low levels, to soften the (perceived) dis-employment effects. Consequently, whilst the idea and objective of a MW articulated by DoL and the Labour Market Commission resonate broadly with heterodox labour economics’ calls for statutory wages, thinking on the final rates emulated views of neoclassical or

standard economics on mandatory wages, with emphasis on securing employment and at the same raising “extremely low” wages.

Raising extremely low wages, it may be argued, is clearly different from reducing and eliminating low pay. In this sense, a MW treated as an ameliorating tool resonates more closely with standard economics arguing for low MW settings, contrasting with heterodox labour economists who champion high statutory wage settings (see chapters 2 and 3). The econometric modelling followed by the DoL (2001a) showed that a MW of R500 will have a dis-employment effect of 8.6 percent, whilst a MW of R1000 will result in 17.6 per cent job losses in the agricultural sector. It was further estimated that a MW set at R500 may have indirect benefits for the economy in general, including raising both economic output by R53,7 million and “disposable income of households by R2,57bn” (DoL 2001a:3). Various other recommendations were made to address poverty among farm workers in recognition of the fact that the AMW will not be the sole anti-poverty device. One such mechanism was an Integrated Rural Development Strategy to combat poverty, which seemingly has not had a major positive impression on the overall socio-economic conditions of agrarian labour.

Nonetheless, the first MW for the agriculture sector followed a two-tier system with variation in the rates demarcated along Area A and Area B. Area A comprised of municipalities with higher income per household, whilst Area B included lower income municipalities.

Table 5.2: Minimum wages for farm workers in sectoral determination 8, March 2003 to February 2006

AREA: A					
1 March 2003 – 29 February 2004		1 March 2004 – 28 February 2005		1 March 2005 – 28 February 2006	
Hourly rate	R4.10	Hourly rate	R4.47	Hourly rate	R4.87
Monthly rate	R800	Monthly rate	R871	Monthly rate	R949
AREA: B					
Hourly rate	R3.33	Hourly rate	R3.66	Hourly rate	R4.03
Monthly rate	R650	Monthly rate	R713	Monthly rate	R785

Source: DoL (2003).

Table 5.2 illustrates the prescribed minima set for the first three-year cycle of the AMW. In Area A, the first monthly wage was set at R800 and was set at R650 a month for Area B. Prescribed minima were set out in what was known as the Sectoral Determination No. 8 (SD 8), and it applied to all farm workers and domestic workers

and security guards employed on farms. SD 8 not only laid down the prescribed minima for the sector, but it also set out the administrative requirements that employers/farmers must comply with, the terms and conditions of employment and the annual uprating mechanism. The uprating mechanism was/is the Consumer Price Index plus one per cent. The crafting of the two-tier wage system is a clear example of state regulation (unintentionally) creating or maintaining wage inequalities and segmentation in the agrarian labour market with the introduction of the AMW.

State rationale for statutory wages, as set out by the DoL and the Labour Market Commission, was broadly founded on certain key arguments of heterodox labour economics made in favour of statutory wages. One such argument supporting statutory wage setting is the corrosion of wage inequalities within the low-waged sector, among other objectives. However, with respect to the first format of statutory wage fixing, as in the two-tier system of fixing agrarian wages, between March 2003 and February 2008, it can be argued that the over-riding intention of the first set of prescribed agrarian minima was to increase extremely low wages without robustly combatting wage inequalities within the sector, and between the sector and others. Crucially and noteworthy is the absence of precise information on the redistributive potential and outcomes of the AMW of the distribution between wages and profits, and the share captured by capital and labour. This exposes the need for future research and discussion on the redistributive potential of the AMW to assess the extent to which profit margins for agrarian capital have been eroded by statutory wage settings, if at all.

It may be argued that the two-tier wage fixing system reflects the state's efforts to juggle labour and product market imperatives within a neoliberal regulatory frame. The two-tier system, combined with the low level at which wages were set, also importantly, reflects the balance of forces and the sway neoclassical economics has in shaping narratives on low statutory wage settings. Nevertheless, as illustrated in Table 5.3, in 2008 a single wage system was implemented that sought to standardise the agrarian MW across localities. With this system, differentiated wage fixing and prescribed minima, based on space, were abandoned at the end of February 2008. Prescribed minima applied for a year effective from 1st March to the end of February, when wages are increased based on CPI plus one percent. The switch to a single AMW system was accompanied by the ASD number 13, thereby abandoning ASD number 8.

Table 5.3: Minimum wages for farm workers in sectoral determination, March 2006 to February 2009

AREA: A					
1 March 2006 – 28 February 2007		1 March 2007 – 29 February 2008		1 March 2008 – 28 February 2009	
Hourly rate	R5.10	Hourly rate	R5.34	Hourly rate	R5.59
Monthly rate	R994	Monthly rate	R1041	Monthly rate	R1090
AREA: B					
Hourly rate	R4.54	Hourly rate	R5.07	Hourly rate	R5.59
Monthly rate	R885	Monthly rate	R989	Monthly rate	R1090

Source: DoL (2006).

The DoL recognised the central role of enforcement efforts to ensure that the prescribed rates are implemented by farmers, fearing that if enforcement is not strengthened “little would change in practice”. The labour inspectorate division of the DoL is responsible for ensuring compliance and enforcement of the provisions of the SD 8 and other determinations that followed. The Employment Standards and Conditions Commission (ECC) also undertakes a three-year cycle of public hearings and calls for submissions from the public in regard to matters pertaining to the agrarian MW. In an attempt to be consultative, the ECC holds public hearings in each of the nine provinces in the country with a specific focus on farm workers and farmers. After each hearing a report is compiled and made available to the public. Public hearings are pivotal platforms, if organised appropriately, as they provide workers with a forum to articulate their views and experiences of the AMW. They represent a means through which the MW can act as “workers voice”, to borrow from Levin-Waldman, in an overwhelming and stifling labour relations regime. As will be shown in chapters 11 and 15, the ASD combined with the AMW can inspire workers to use their voice in a variety of ways.

An assessment of wage trends after the introduction of the AMW is undertaken in the next section in an attempt to unravel shifts in agrarian wage levels since 2003. This is useful to enhance appreciation of, on the one hand, the significance of the AMW for the level of farm worker wages and, on the other hand, the AMW’s inherent limitations in corroding wage inequalities within the sector and between the sector and other sectors. Equally significant, knowledge of the first AMW settings are vital to a fruitful discussion of the conversion factor of statutory wages, in the chapters to follow, with

respect to changing agrarian labour's positions and states at the sites of production and social reproduction.

5.5 AGRARIAN WAGES MOVEMENTS AFTER THE INTRODUCTION OF STATUTORY MINIMUM WAGES

Of the labour market interventions and labour laws introduced in the agricultural sector in the post-apartheid period, statutory wages have direct and profound outcomes for both labour and capital. This is because prescribed minima have (potentially) immediate outcomes on the distribution of surplus value, impacting employers' profit margins and workers' wage levels. In the context of a history of low wages, the question on the extent of upward wage shifts in the sector is of immense importance and interest for social science inquiry in relation to several essential aspects pertaining to the agrarian labour market and the determination of wages. In the discussion below, shifts in agrarian wages in the wake of the AMW are assessed, between 2003 and 2012/13, in the context of historical low wage trends for the sector. This enables a comparison between pre- and post-AMW wage trends and the overall pattern in wages. The discussion also incorporates wage inequalities between agriculture and various other sectors of the economy.

Available data on key labour market variables for the agricultural sector in the post-AMW period, as discussed in chapter 4 (see sections 4.5. and 4.6), showed little to no significant changes in the secondary and segmented conditions of African and Coloured farm workers with respect to employment contracts, occupations and skills. Yet, the outcomes on overall wage levels in the sector, post the AMW, appear to be mixed. That is, whilst agrarian mandatory wages in the sector set a shop-floor above prevailing rates, the more important question or issue is the real movement in wages, after the introduction of the AMW, in relation to (a) pre-existing wage levels, (b) the cost of labour in relation to other costs incurred by employers, (c) labour's costs vs labour's output, (d) agrarian wages in relation to wage levels in other sectors, and (e) the social costs of low wages for labour. These factors intertwine and combine, and they lay the platform to critically engage with the shifts in agrarian wages since the inception of the AMW.

As pointed out above, in the DoL (2001a) report, monthly average agrarian wages were reported to be R544 in 2000 (three years before the implementation of the AMW). The Labour Market Commission (1996) reported that the average monthly wage in

1995 for the sector was R590 and the cash median male agricultural worker's wage was as low as R303 per month, in 1995 value, whilst women agricultural workers earned even lower monthly wages at R223. Based on the DoL's monthly wage of R544, the first AMW monthly rate for Area A (R800) was R256 higher, and – for Area B (R650) – R106 higher, than pre-existing rates (R544). Looking back a few years earlier (1995), and, considering the wage data used by the Labour Market Commission, the monthly AMW setting in Area A, using the national average agricultural wage of R590 (1995 Rand value), was R210 higher and only R60 higher in the case of the Area B monthly rate. The Area B wage was set at R347 higher than the median male wage (R303) and R427 higher than the median female wage (R223), whilst the Area A monthly wage was R497 higher than the median male wage and R577 higher than that of the female wage. Clearly, and taking both sets of wage data into account, at an aggregate level, the statutory wage floor increased agrarian monthly wages. The important consideration in this research, is the outcome the wage floor had and has on actual wage settings.

Table 5.4: Changes in prescribed monthly agrarian wages, 2003 to 2012

Year	Monthly Wage rate	Nominal increase	Percentage increase
2003	A: R800	-	-
	B: R650	-	-
2004	A: R871.58	R71.58	8.9
	B: R713.65	R63.65	9.8
2005	A: R949.58	R78.00	8.9
	B: R785.79	R72.14	10.1
2006	A:994.00	R44.42	4.7
	B: R885.00	R99.21	12.6
2007	A: R1041.00	R47.00	4.7
	B: R989.00	R104.00	11.8
2008	R1090	R49.00	A:4.7
		R101.00	B:10.2
2009	R1231.70	R141.70	13
2010	R1316.69	R84.99	6.9
2011	R1 375.94	R59.25	4.5
2012	R1503.90	R127.96	9.3
Average	R948.21	R86.54	8.5

Source: adapted from DoL (2003-2012).

The strength of the AMW in allowing workers to convert sub-standard conditions is crucially linked to uprating, as the formula to hike wages has a profound impact on the value of wages and the purchasing power of the different segments of workers. From Table 5.4, it is gleaned that statutory wage settings have, in the period 2003 to 2012, increased at an annual average of 8.5 per cent with a nominal increase of R86.54

annually. With the phasing out of the two-tier wage system, increments in Area A as Table 5.3 illustrates, were kept at minimal levels in 2006 and 2007 to take account of the single AMW system, mentioned above.

The shifts in wages with the increases are necessary to grasp as they relate to the wider question of the uprating system and value of agrarian wages relative to overall wage patterns and trends within the sector, and, between the sector and other sections of the economy. In this regard, it is argued that the low level of the initial and subsequent settings in the AMW perpetuates low-wages, instils wage inertia among employers and, preserves wage inequalities within the sector and between agricultural workers and workers in other sectors. Wage inertia, certainly surfaced in this research, which will become clear in chapters 12 and 13.

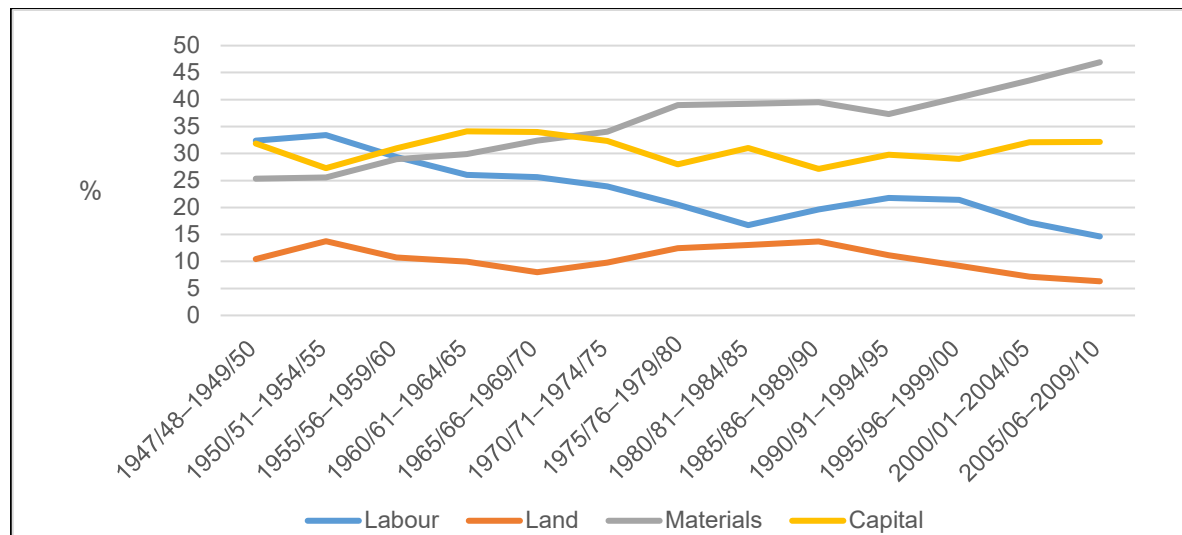
Variances in percentage increases of statutory wages show a significant difference between the constant 4.7 per cent increase in the 2006 to 2008 period, in Area A, and the slight rise and fall in the increases for Area B with 10.1, 11.8, and 10.2 per cent between 2005 and 2008. The largest increase under the single wage system was in 2009, as displayed in Table 5.4 above, with a 13 per cent wage hike, followed by 9.3 per cent in 2012. When the two-tier and single wage systems are considered, by these calculations, the AMW setting averaged R948.21 between 2003 and 2012. As indicated, this represents an average nominal increase of R86.54 annually and a 8.5 per cent average annual increase between 2003 and 2012.

Whilst statutory wages set a higher wage floor, which did result in nominal wage increases in the sector, economic calculations reveal a long-term declining trend in the unit cost of labour – the percentage of the total costs of labour in relation to the total value of labour's output. The extent of the decline in labour costs in relation to labour's output, over a period of time, is captured below.

In 1970, for every R1 of output, 16 cents was spent on labour. By 1980 this has dropped to 13 cents for R1 of output. By 1994 the figure had increased to 19 cents, declining to 17 cents in 1998 and to 11.7 cents in 2001. By 2007 it had reduced to 10.8 cents ... there is reason to believe that the decline has continued, with wages being very low both in terms of unit costs and in relation to other groups of workers in the economy (AgriSETA 2010:13).

The historical decline in labour's cost is depicted in the figure below in relation to employers' other costs for 1947/8 to 2009/10 – that is, in the pre- and post-AMW period.

Figure 5.4: Input cost shares for SA agriculture, 1947/48 to 2009/10



Source: Adapted from Liebenberg (2012:298).

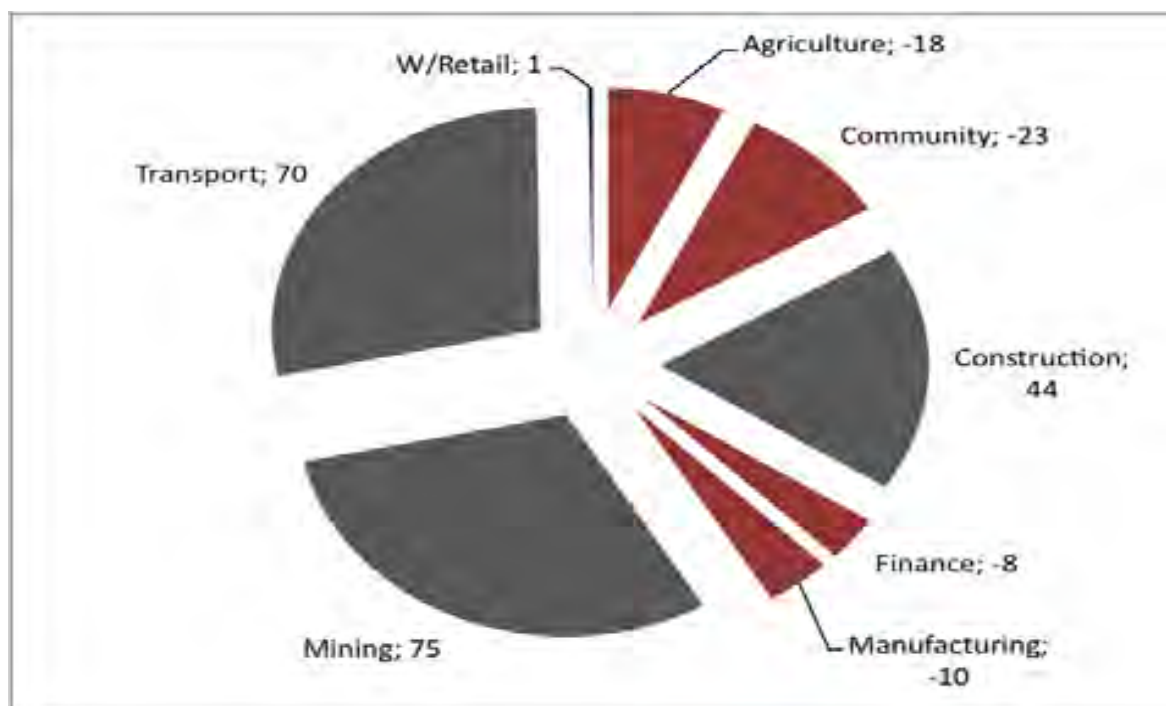
Over the period, land and capital costs were largely constant, whilst material costs increased and labour costs decreased. Labour costs, and by implication the wage bill, have been consistently lower than capital and material costs, except between 1950 and 1960 when they were higher than both capital and material costs. From the 1960s, as Figure 5.4 illustrates, wage costs continued to decline constituting less than 15 per cent of input costs between 2005 and 2010. This share of input costs is considerably less than material costs, which captured over 45 percent of agrarian employers' costs, and capital costs, which were slightly above 30 percent of all input costs.

From the above data, it is clear that despite the presence of the AMW and an increase in nominal wages, the share of other inputs costs exceeded that of labour's costs. The share of agrarian labour costs to material costs reinforces the point, made in chapter 4, that the nature and structure of agriculture's backward and forward linkages, or the trade conditions with enterprises in other parts of the economy, where inputs are sourced and where produce is sold, need to be incorporated when examining the drivers for low wages and secondary labour market conditions in the sector. To restate, given the global integration of South African agriculture, it is argued that low agrarian wages transcend local and national boundaries, to incorporate a global dimension.

Nevertheless, median real wage growth in the agricultural sector as well as in other sectors was in the negative between 1997 and 2013, in the post-apartheid era. Measuring wage trends between 1997 and 2013, Elsley and Mthethwa (2014:19) note that, apart from agriculture, median real wage declines were registered for community,

social and personal services, finance and manufacturing sectors, alongside growth in wages for transport, mining and construction, as illustrated in Figure 5.5 below. In fact, they also argue that above half of the sectoral determinations they examined had devalued in the face of “headline inflation” in the period under review.

Figure 5.5: Median real wage growth by industry, 1997 to 2013

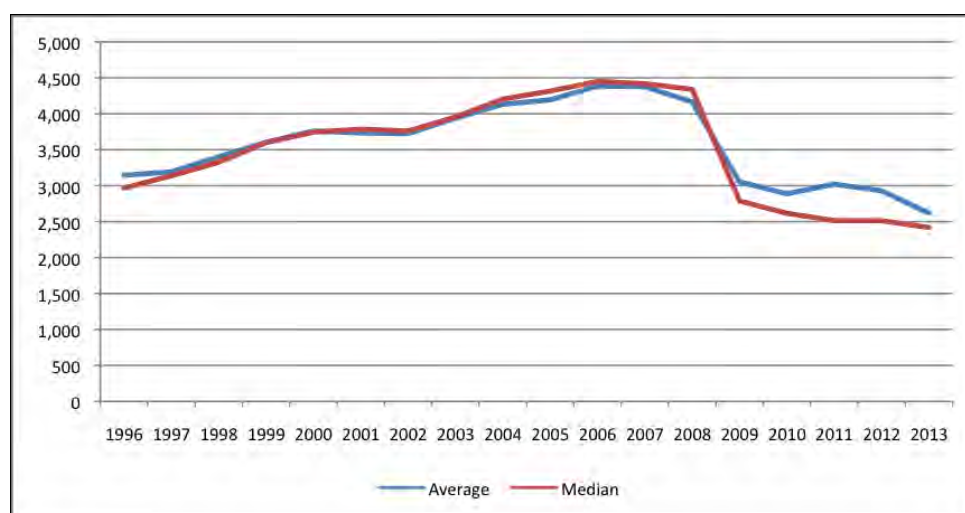


Source: Elsley and Mthethwa (2014:20).

Devaluation of wages is measured in relation to commodity prices and purchasing power. So, whilst wages may increase in real terms, they may simultaneously lose value in light of rising costs and lower purchasing power. In this light, over a 16-year period from 1997 to 2013, agricultural wages recorded a negative growth of 18 per cent, reflecting an overall devaluation of agrarian wages. Real wages, according to Elsley and Mthethwa (2014:20), “appear to have fallen in agriculture, from just below R2, 900 to a little under R2, 200 per month in 2013”. This is depicted in Figure 5.6 below, which shows falls in both average and median wages in the agricultural sector²⁷.

²⁷ The numbers in the left column of Figure 5.6 refers to monthly wage levels.

Figure 5.6: Agriculture industry average and median real wages, 1997 to 2013



Source: in Elsley and Mthethwa (2014:20).

The devaluing of agrarian wages manifest in wage inequalities between the sector and other sectors, which is depicted in Table 5.5.

Table 5.5: Median monthly earnings by industry, 2010 to 2013 (ZAR)

Industry	2010	2011	2012	2013
Agriculture	1 295	1 300	1 495	1 733
Mining	5 000	5 800	6 000	6 000
Manufacturing	3 250	3 500	3 500	3 672
Utilities	6 000	6 000	6 000	8 666
Construction	2 437	2 600	2 600	2 800
Trade	2 505	2 800	3 000	3 000
Transport	3 500	3 600	3 800	3 900
Finance	3 501	4 333	4 000	4 000
Service	6 000	6 000	6 500	6 000
Private households	1 000	1 200	1 200	1 300
Total	2 900	3 000	3 115	3 033

Source: SSA (2014:21).

As Table 5.5 shows, the monthly agricultural median level was, by far, one of the lowest in 2013 at R1 733, with a sizeable R1 067 lower than the construction sector which recorded the third lowest monthly median at R2 800. So, although Table 5.5 illustrates increases in nominal agrarian wages between 2010 and 2013, it also reveals wage inequalities across sectors.

Changes in median monthly wages and wage increases depict fluctuating, but continuing trends in wage inequalities across labour markets. Of the sectors recording increases, wages in the agricultural sector registered the lowest wage increase by a considerable margin, with 2010 levels increasing by only R5 in 2011. Comparative data on median wages across industries, for 2013 in Table 5.5, reflect the wage inequalities in the overall labour market and between the agrarian labour market and other labour markets. Although government wage calculations show a lower 2013 median monthly wage for agriculture than the calculations by Elsley and Mthethwa (2014), both data sources point to the extent of inequalities in wage growth and wage inequalities in the South African labour market, and between the agrarian labour market and the rest of the economy. In light of the wage data presented thus far, it is not unreasonable to wonder about the extent of wage inequalities between workers in various labour markets, and the depths of low wages, if the agrarian (and other) statutory wage fixing was not set up. As such, although the wage parity between the agrarian sector and other sectors persists, in the post-AMW era, the wage gap may have been wider with the absence of the AMW.

Table 5.6: Changes in median monthly earnings by industry, 2010 to 2013 (ZAR)

Industry	2011	2012	2013	2010-2013
Agriculture	5	195	238	438
Mining	800	200	0	1000
Manufacturing	250	0	172	422
Utilities	0	0	2 666	2 666
Construction	163	0	200	363
Trade	295	200	0	495
Transport	100	200	100	400
Finance	832	-333	0	499
Service	0	500	-500	0
Private households	200	0	100	300
Total	100	115	-82	133

Source: (SSA 2014:4-u22).

As Table 5.5 shows, agricultural wages were marginally higher (R433) in 2013 than domestic workers in private households, who earned the lowest in the country between 2010 and 2013²⁸. However, Table 5.6 also shows definite wage hikes between 2010

²⁸ Wittenberg (2015:30) sums up the outcomes of mutations in low wages in South Africa between 1994 and 2012 as follows: "The 'modal' sector for the low wage earners was agriculture at the beginning of the period and it was domestic service at the end. Workers in the retail sector ('trade') are also well represented among the low wage earners. The 'modal' sectors for the median earners are manufacturing and retail trade, while service workers are the single largest group among the high wage earners".

and 2013 in the agricultural sector, such that wages increased by R438 which is more or less in line with the level of wage increases in other sectors, except for mining and utilities. But, because of a history of low wages, the level of increase is unable to corrode the wage gap with most other sectors. Consequently, wage inequalities between the agrarian sector and other sectors persist. In this light, it is safe to say that low pre-existing agrarian wage levels combined with low prescribed minima, contribute to the income gap between this sector and others in the South African economy.

There is a direct correlation between low uprating levels and an increase in wage inequalities (see Sachdev 2003). As pointed out in the previous section, AMW rates are adjusted annually based on Consumer Price Index (CPI) plus one. This uprating method arguably results in low annual wage adjustments that in turn limits the purchasing power of prescribed minima and widens wage inequalities. Negative wage growth may, in part, be attributed to the uprating system and exclusive reliance on the CPI. International research on the implications of devalued real wages and weak uprating mechanisms of statutory wages, for wage inequalities, shows that wage dispersion widens when statutory wage levels decline below average wage rates.

A study by Machin and Manning (1994) for example, who examined the impact of MW set by the Wages Council, on wage dispersion in the 1980s in Britain, is useful for the South African context. They provide evidence of widening wage dispersion when the level and value of MW rates declined relative to the average wage. This came about because of the decline in the “toughness” of Wages Council settings. That is the Wages Council system weakened in the 1980s because it failed to increase MW rates in line with the average wage rate.

Similar to the weaknesses in the uprating mechanism in Britain under the Wages Council, the low rates of annual adjustments to prescribed rates, in the South African agricultural sector, may contribute to wage inequalities between the sector and other sectors, and within the sector. Data on wage shifts indicate uneven and mixed outcomes for different segments of agrarian workers, showing the continuation of income inequalities, which may well have been exacerbated within the sector, along racial, sexual and provincial lines. However, data generated in this research, and discussed in chapters 12 to 14, suggest a complicated wage picture, for, as wage inequalities surfaced alongside wage compression for women and men in the sample.

Nonetheless, unlike the period 1970 to 1998 when agrarian real wages increased annually at 1.65 per cent, the BFAP (2012:4) notes that between 2003 and 2011

wages in the sector, in real terms, increased at a more rapid rate – “increasing almost two thirds”, which is attributed to the AMW. Considering wage shifts for all categories of workers in the sector since the inception of the AMW in 2003, the BFAP reports that the MW for urban agricultural workers, increased in real terms by 10 per cent and wages for rural workers increased by 50 per cent. The rise in nominal agrarian wages, stemming from the statutory wage settings, however, does not detract from the long-run negative median real wage growth in the agrarian wages, as pointed out earlier in this section. Be that as it may, the rapid growth in real terms of agrarian wages, in the post-AMW era, however, as mentioned above, may not be uniform across segments of workers, as Visser and Ferrer (2015) observe. In their study, Visser and Ferrer (2015:33-34) found that wages increased more rapidly for workers in skilled and managerial positions than for unskilled workers. Regression analysis by Visser and Ferrer (2015:33-34) echo the broad trend of growing levels of wage inequalities within the sector incorporating gender and racial dynamics, and crucially wage variances based on skill, occupation and spatial dynamics.

Now, as mentioned above, the wage data generated in this research casts a complicated and hazy view of agrarian wages, skills, and occupation. As will come to light in chapters 12 to 14, wage levels converged up to certain points across different jobs and sub-sectors in the sample, but wage inequalities surfaced among segments of workers, for reasons that extended beyond skill or job positions. Wage patterns and levels of inequalities are also complicated and compounded by the balance of power in the agrarian capital-labour relationship, as well as by the level of social value accorded to agrarian work and workers, over and above skill and job positions.

Wage patterns and dispersion in the sector are shaped by multiple objective and subjective factors and forces, including the nature of work; the balance of forces in the capital-labour dynamic; the distribution of power in agricultural value chains; the initial AMW rates at the time of fixing, as well as the uprating formula; and beliefs of agrarian producers about agrarian workers, among others. These forces combine to cement the low wages offered in the labour market. As argued, with regards to initial low AMW wage setting and the uprating mechanism, where these are low and weak, there may often not be radical changes to real wages, in terms of expanding consumption and enhancing workers’ quality of life, although the AMW may effect changes compared to workers’ conditions prior to its inception, as will become clear in this research. Existing data, and data generated in this research, suggest that the AMW has mixed

outcomes for agrarian labour, which is unpacked further for sampled workers in this study.

A discussion on low wages and statutory wages cannot be limited to wage inequalities among low waged workers and eschewed from wage and wealth inequalities between the working poor and the financially resourced. As pointed out earlier, wage and wealth inequalities appear to continue and intensify, in post-apartheid South Africa, due largely to the loss of growth in wages as shown in the discussion above, and stagnating income in real terms for poor households. The ILO (2015:26) points out that expansion of inequality in the period 2007 to 2011 resulted from a decline in the income growth of households in the bottom decile, alongside the growth of income of households in the top decile at much the rate as in the previous period. Due to the disproportionate growth, in real terms, of wages and household income, contemporary South Africa is one of the most unequal societies in the world, where the richest 10 per cent of population accounts for 58 per cent of the country's income, while the poorest 10 per cent accounts for 0.5 per cent of income (NMWP 2016:7). The Panel also reported the country's Gini coefficient to be between 0.66 and 0.70 at the end of 2016.

In sum, the AMW settings have mixed outcomes for actual agrarian wages, because whilst it raised the wage floor, the low statutory setting and arguably a weak uprating mechanism failed to maintain the value of wages, in light of overall costs of living. Instead, various data sources show consistent declining labour costs amidst increases in material and input costs. As a result of these factors, wage inequalities between agrarian workers and their counterparts in other sectors of the economy did not erode to any significant extent. Low agrarian wages and the general plight of agrarian labour, which stems from the totality of the low waged agrarian labour market, were robustly challenged in December 2012 by agrarian labour in the Western Cape. This strike is briefly considered to reinforce agrarian labour's agency and their strength to challenge low wages, to highlight the balance of forces in determining processes and mechanisms to settle the wage revolt. Such aspects have relevance to the broader question on agrarian labour's voice and agency – areas that are explored further in this study in chapters 10, 11 and 15, in this research sample.

5.6 AGRARIAN LABOUR REVOLTS AGAINST LOW WAGES

Wage depressions and the overall devaluation of agrarian wages are acutely felt by agrarian labour. Telling and outright signs of despair and anger over the prevailing AMW rates, with a strong sense of the inadequacies of the agrarian wages in meeting needs, surfaced when the views of interviewees, in this research, about the AMW were canvassed (to follow in later chapters). Violent expressions of farm worker anger erupted in De Doorns in the Hex River Valley of the Western Cape, late in 2012. The protest not only placed the spotlight on poverty agrarian wages, but also crucially on the working and living conditions of workers, hence the status of agrarian labour's position at the sites of production and social reproduction in post-apartheid South Africa.

Organised by seasonal women workers, a strike ensued with protest spilling over into 2013. The protest started over a wage dispute on August 27, on the Keurboschkloof Farm, near De Doorns, when the farm was sold, the new owner issued workers with new contracts with a decrease in their wages (Christie 2012). The action rapidly spread to other farms and localities mobilising 9000 workers in the Hex River Valley, against both low AMW rates and sub-standard or poor working and living conditions. Workers' wage demand was for R150 a day, representing a 46 percent increase on the average daily rate of R69 in the area.

The protest action was a spontaneous action on the part of workers in that no trade union initiated the uprising. The strike action received much publicity as workers took to the streets, set orchards and vineyards alight, and sealed off sections of the national road in the Western Cape. The strike drew considerable support from certain quarters in South Africa, including the Congress of South African Trade Union (COSATU) and Non-governmental organisations (NGOs). Precisely because a strong united farm worker organisation or union continues to elude the sector, various Western Cape based unions and NGOs involved themselves in various aspects of the struggle launched by workers. This involvement extended to deliberations on deciding on the wage rate for the sector, in the wake of the farm worker protest. For their part, the DoL and the ECC held public hearings with employers and employees in the sector in all nine provinces, as part of its consultative processes.

When the strike broke out, the media reported, at the time, that the Minister of Labour and organised agriculture met “to discuss the principle of sectoral bargaining over agricultural wages and the raising of the minimum wage” (Paton 2012)²⁹. Intense discussions and debates followed the revolt, involving an alliance of trade unions, NGOs and workers with the state and a range of agricultural employer bodies, on how to set the revised uprated wage rates, and if workers’ demand for R150 a day is affordable by employers without shedding jobs. In addition, the revolt exposed certain weaknesses, not only in relation to statutory wage setting in the sector in the country; it also brought to light the limitations in international labour protocols developed by retailers in the Global North, discussed in chapter 4, to move the agrarian sector away from low wages and secondary working and living conditions, and improve agrarian labour relations.

Adjusting the AMW, in the context of the protest, shifted away from the state and the ECC, and did not follow the established uprating system. The agrarian wage determination, in the duration of the revolt, represented some semblance of collective bargaining with the involvement of a range of organisations working with farm workers, various regionally based trade unions organising on Western Cape farms, national union COSATU, organised agrarian capital, and the DoL. For all intents and purposes, the inclusion of civil society organisations working with farm workers and various trade unions, alongside agrarian employers’ association and the state, represents an alteration to the traditional processes in MW uprating in the sector. Under normal circumstances the ECC sets the rate based on the uprating system, explained earlier.

The strike wrenched wide open the nature of agrarian capital-labour relations in contemporary South Africa, exposing in particular the deep divide between workers’ and employers’ ideas on the wage rate. Equally important, the origins of the strike and the unfolding processes to address the revolt, signify the non-institutionalised state of conflict resolution between agrarian labour and capital that in turn reflects a dysfunctional and deeply divided labour relations regime. Nonetheless, throughout

²⁹ The discussion about the significance of the AMW with agrarian capital gains pertinence in the context of minimal significant changes to the living conditions and quality of life, and health, safety and working life of agrarian labour, in post-apartheid South Africa. In a country with massive wage and wealth inequalities, such as South Africa, the significance of the AMW for low-waged workers warrants further thought and theorising, based on events and dynamics in local labour markets. In many important ways, the “principle” of bargaining over wages and increasing the AMW are inseparable to questions on the value of labour power and workers’ ability to subsist, which is, from a Marxist perspective, distinct from the value of labour.

the battle, workers held their ground for R150 a day; clashing with employers who claimed that the rate was unaffordable and will result in labour shedding.

In the search for a wage rate that would settle the wage dispute, AgriSA's recommendation to the commission that the BFAP undertake an "agricultural economic analysis" that sets the boundaries for wage fixing, was adopted. In a press briefing, the Minister of Labour announced that the task team, set up to investigate the wage rate, "would engage the Bureau for Food and Agricultural Policy (BFAP), as proposed by AgriSA and supported by all parties, to provide an agricultural economic analysis that will inform the parties in their negotiations" (Oliphant 2012).

Through an econometric simulation, the BFAP concluded that a wage higher than R105 per day would have major dis-employment effects. It also conceded that the current AMW settings are not adequate for farm workers to secure essential areas of the expanded social reproduction of labour, such as a nutrient rich food supply. It went on to note that even at a higher daily rate of R150 farm workers would not be able to meet their daily requirements, but that wages at this level will lead to massive job losses. It is imperative to bear in mind that, alongside the calculations on wages and estimations of job losses, the BFAP (2012:49) noted that neither the R105, nor R150, a day would cover the cost of a nutrient rich and balance diet. In 2012 values, such a diet cost a household of two adults and two children R7 074 per month. This clearly demonstrates the cost-of-living shortfalls of agrarian wages and raises crucial questions about the conversion factor of the AMW.

The monthly AMW rate for March 2012 to February 2013 was set at R1503.90, which was well short of the R7 074 calculation deemed necessary for workers to source merely a diet of nutritional value. In the following cycle, that being March 2013 to February 2014, the AMW also did not come close to the R7 074. In this cycle, the monthly AMW was set at R2273.52, the hourly rate was R11.66, the weekly rate was R524.70 and, as a result of the De Doorns revolt, a daily rate was set at R105. These settings fell well below the R7 074 per month estimate for a decent standard of living.

The difference between the AMW rates mentioned above and the calculated wage for workers to consume an acceptable nutritional diet, is significant and cannot be treated glibly. The difference in the AMW rates and the amount required for workers to consume an acceptable diet, arguably reflects a crisis in agrarian labour's capacity to use their wages to reach a healthy subsistence level, and to meet the full costs of

labour's social reproduction. This means, in effect, that the value of agrarian labour power has remained low because of the low AMW settings, as the rates were/are well below the basic means of subsistence. As a consequence, questions arise about the foundations of and conceptual frames used in setting wages in low-waged sectors. At a fundamental level, agrarian wage settings reflect hegemonic ideas of agrarian capital and the balance of forces that remain in its favour.

Arguably, the setting of the revised AMW rates after the uprising in De Doorns, reflects a (narrow) cost benefit analysis, presented as being in the economic interests of the sector and the country, where wage hikes are assessed against calculated or estimated dis-employment outcomes. However, it may be argued further that a narrow cost-benefit analysis and the setting of a low AMW reflects largely class interests locked in the frame of capitalist relations of production where wages and ideas of 'morality' and 'fairness' do battle with ideas on economic interests and economic efficiency. In these circumstances, a pro-labour and high statutory wage policy are invariably sacrificed for a pro-capital and low waged approach, that merely (barely) ameliorates the state of affairs, as opposed to transforming conditions. In this regard, the inherent tensions, contradictions and complexities of juxtaposing morality and fairness and economic interests and efficiency are clearly articulated by Thornley and Coffey (1999:531) when they pose the following question, for the British context:

On what basis are 'morality' and 'economy' to be constituted? By the inegalitarian standards of the very society which it is intended to improve by legislation? Legislating on pay is not simply a question of economic engineering, since at every step decisions are mediated by power relationships ... Is it the ultimate intent to move towards a system of literal pay equality, or to 'tamper at the edges'? Since it seems safe to assume that radical social experiment is not compatible with 'progress with prudence', in what way does the state's policy agenda on low pay differ from the Victorian notions of ameliorating the position of the 'deserving poor'?

In opposition to a radical statutory wage programme, and in settling for "ameliorating the position of the 'deserving poor'", both the DoL and the BFAP followed the established pattern of setting low AMW rates, after the De Doorns wage protest, reasoning that it is more desirable to have many low waged agrarian workers (whose wages will be inadequate to meet healthy subsistence levels) compared to the number that are predicted to lose their employment, as a result of a higher wage. It is safe to conclude that this version of statutory wage settings has not jettisoned the neoclassical economic version of wage setting and employment. As established, the South African approach to statutory wages, arguably, departs from heterodox labour market models

that ground arguments for statutory wages in the social cost of labour rationale which ties statutory wages to low-waged workers' standards of subsistence, economic efficiency and fairness.

To restate, in heterodox MW approaches unlike neoclassical approaches, high wages that allow the work force to sustain socially acceptable standards of living in line with the notion of fairness, is a necessary pre-requisite for economic growth and innovation and the development of quality goods and services. As established in chapters 2 and 3, heterodox labour economists caution against setting low MW rates for a variety of reasons including the minimal impact on corroding wage inequalities, reducing poverty among the working poor, and in switching from low-road to high-road approaches in labour processes. In circumstances where a crisis in the social reproduction of agrarian labour is present, it becomes increasingly necessary to question the conversion factor of a low AMW setting on low-waged workers' ability to enhance their quality of life and secure the basic means of subsistence. In chapter 8 of this research a snapshot is provided of the inabilities of the AMW in meeting workers' basic and other needs to subsist and live decent lives, as workers in the sample related tales of hardships in meeting their needs based on their wages.

Whilst low rates may not have adverse impacts especially on employment, low wages do not benefit low-waged and poor agrarian workers and, equally important, low statutory wages contribute significantly to employer inertia in raising wages closer to living wages. This is apparent in the aggregate wage data presented in the previous section. Wage inertia recurs in this research which becomes clear in chapters 12 to 14. Moreover, as established in chapters 2 and 3, low wages are not stimuli to increase efficiency (Heyes and Gray 2001:96, Lucas and Langlois 2003:33-34, Grimshaw and Carroll 2006:23, Kaufman 2009:311), or change labour relations approaches based on informality (Adam-Smith *et al* 2003, Arrowsmith *et al* 2003). In fact, low MW settings are counter-productive to deep level transformation in low waged sectors and merely reinforce the destructive tendencies inherent in capitalism. Low prescribed wages, in other words, ultimately maintain the status quo and instil inertia to change along the high-road approach. The tendency to maintain low-road approaches in the labour processes and to lean towards inertia in wage increases are discussed in detail based on empirical data generated in this study in chapters 9 to 14.

The wage fixing of R105 a day after the De Doorns worker protest, as argued above, reflects a narrow cost benefit model, because economic interests of agrarian capital

took precedence over initiating deeper and wider level structural changes in the agrarian productive system through a higher AMW. In this respect, it is noteworthy that a trade union and civil society alliance was unable to launch alternative frameworks on the principles and levels of AMW fixing in line with workers' calls. This is due in part to the dominance of neoclassical economics in developing, fixing and uprating policies on statutory wages, and relatedly to the lack of alternative frameworks, theories and analytical constructs among champions of agrarian labour, to counter the assumptions of standard economics. This, in turn, relates to the under-theorised position of wages in general and statutory wages in particular in the South African context, which worker organisations and their supporters can use in forging alternative narratives to neoclassical economics.

The same level of inertia from farmers with respect to embracing significant changes to the labour process and to labour relations, may be contrasted with the responses of workers in wake of the low agrarian MW, as the overt form of protest by the Western Cape seasonal workers shows. Worker mobilisation with the advent of the MW will be elaborated on in chapters 10 and 15, with reference to sampled workers in this research, where emerging mobilisation among workers was identified. Here it is important to appreciate the different responses to the AMW between agrarian labour and capital with respect to the conflict over wages. The AMW and other labour standards, it is argued here, provide agrarian labour with a mobilising and organising platform to open the dialogue on the constituents of the capitalist agrarian wage. The strike action and other worker strategies to increase wages present important spaces to widen the discourse of the MW and wages under capitalism. Such a discourse is crucial in the context of low MW settings, as in the case of agriculture, where very few positive changes are discernable in the period spanning the research (2003 to 2014).

The De Doorns protest is not just significant for exposing and forcing public awareness on low wages and conditions of neo-sweating in the sector. The action also exposed, as mentioned above, the balance of forces at the negotiating table. This surfaces in the debates and the final resolution on dealing with the gridlock between workers and employers on the wage rate. It may be argued that the adoption of AgriSA's recommendation to appoint the BFAP to conduct an economic analysis of the sector (that would be used as the foundation for setting rates) reflects employers' power over workers, the alliance set up during the protest and the state, in regulating and controlling processes of wage fixing. In this light, it may be further argued that the

balance of forces in the agrarian political economy, in general and in processes to determine wage fixing in post-apartheid South Africa, continue to tilt in agrarian capital's favour at multiple levels, from individual work-sites to national multi-stakeholder negotiations.

The tipping of the balance of forces in favour of agrarian capital stems, to a large extent, from the labour relations regime and the weakly organised position of agrarian labour, combined with specific dynamics in the structure of agrarian production systems and associated labour markets that create and entrench low wages (see chapter 4). Understanding low wages in the South African agricultural sector will be superficial and incomplete if consideration is not given to the labour relations regime and the strength of worker voice in articulating demands and addressing transgressions of work-place rights. The section below provides an overview of the aggregate status of labour relations in the sector that in turn illuminates the capacity for workers to challenge employer actions and/or implement work-place rights.

At the core of the debates about what a fair or 'suitable' AMW should be lies the clash of class interests; hence, wages are not isolated from ideological presuppositions on the operation of the economy in which they apply. Given the ideological foundations in conceptualising statutory wages, setting MW rates, as Thornley and Coffey (1999:525) remind us, is therefore, difficult to achieve through "detached objectivity".

5.7 INEQUALITY IN BARGAINING POWER IN AGRARIAN LABOUR RELATIONS

From the above discussion, it is clear that inequalities in bargaining power run deep in the agrarian sector. Gaining a picture of the aggregate state of agrarian labour relations, after the introduction of the AMW, is important for contextualising wage determination processes and labour relations in the local labour market of this research. In addition, it is useful in a discussion on the AMW to compare work-place action in the agricultural sector with work-place action in other sectors. Such an exercise places agrarian labour's weak position in relation to agrarian capital into perspective, thereby raising questions on the strength of agrarian labour's voice in the wake of statutory wages³⁰. To recap, pivotal to arguments in favour of statutory

³⁰ A related and important question that springs forth from the historical dearth in trade union activity in the agricultural sector is appropriate forms of organising in the sector. As trade unions in the sector do not enjoy a robust presence amongst agrarian labour, the search for alternative forms of organisation and mobilisation gains heightened pertinence.

wages, is the fact that low-waged sectors are often unorganised, placing workers in such sectors in a distinctly weaker position with employers in the employment relationship. Specific structural conditions of employment and jobs, combined with socio-economic and political relations and phenomena, cement inequalities in bargaining power between workers and low-paying employers, thereby giving the latter the power to unilaterally decide on wages and terms and conditions of work.

In the discussion that follows, a cursory comparison of the status of agrarian labour relations in the post-AMW era, is undertaken to enable an assessment of shifts and changes in the balance of agrarian forces. This section assesses the balance of forces at the aggregate level, and in chapters 9 to 13 the balance of forces is examined in detail in this research.

In the opening section to this chapter, an overview of the rise of the oppressive and coercive agrarian labour supply system in South Africa was presented, where the power and control of agrarian capital over agrarian labour surfaced at several levels. One such level, which lies at the foundation of agrarian capital's power in the employment relationship, is the now established unequal power relations between workers and employers, translating to inequalities in bargaining power in the labour market and labour process. Inequality in bargaining power, for workers, means that they are unable to secure the most favourable outcomes from the employment relationship with respect to wages and working and living conditions. For this reason, as pointed out throughout the discussion thus far, the exchange of labour power in the labour market, especially for low-waged workers, is an exchange based on inequality.

Chapter 2 discussed the centrality of the notion of inequality in bargaining to heterodox labour economists' understanding of the drivers of low-wages, that in turn has overall adverse outcomes for economic growth. To recap, the Webbs in Britain and later institutional economists, such as Commons in America, placed due emphasis on inequality in bargaining power and the adverse outcomes for labour, linking this tightly to the social cost of low wages and the burden low wages places on low-waged families, communities and the tax system. In the main, heterodox labour economists see clear links between low wages and inequality in bargaining power, the social costs of low wages to society and economic inefficiencies in labour markets and productive systems. As such, a comprehensive reading of the AMW in the South Africa agrarian sector as whole would entail an account of the balance of forces and the extent of asymmetrical power relations between labour and capital.

The deliberations on the De Doorns revolt and the setting of the revised AMW rates, showed agrarian labour's weakness at the negotiating table. This is characteristic of the sector wherein inequalities in bargaining power mean that wage adjustment and increases remain the prerogative of agrarian employers. This is borne out in official data, as reflected in the Table 5.6. Although agrarian employers' power to unilaterally set wage levels is dented by the presence of prescribed minima, they retain the power to set wage levels in accordance with the mandatory rates. This is clearly reflected in Table 5.6. According to Table 5.7, with 73.6 per cent of wage increases were unilaterally determined by agrarian employers in 2013 in the sector.

Collective bargaining and negotiations through a trade union or bargaining council were minimal in 2013, with 5.2 and 2.6 per cent respectively. Individual negotiations on wages between workers and employers applied to 6.2 per cent of workers. Notably, 12.3 per cent of workers reported on irregular wage hikes. The Labour Market Commission (1996:13), in advocating for statutory wage fixing for the sector, was clear, however, that statutory wage fixing should not be regarded as a substitute for collective bargaining. From the data in Table 5.7 it is safe to say that negotiation and collective bargaining over wages stills eludes the sector.

Table 5.7: Negotiation of annual salary increment per industry, 2013 (percentage)

	Individual and employer	Union and employer	Bargaining council	Employer only	No regular increment
Agriculture	6.2	5.2	2.6	73.6	12.3
Mining	2.0	77.0	6.5	12.6	1.6
Manufacturing	9.9	27.8	5.2	51.9	4.6
Utilities	9.1	43.1	12.7	25.7	4.0
Construction	10.6	9.8	3.8	66.3	9.3
Trade	12.1	18.1	2.1	61.7	5.3
Transport	14.9	28.1	16.5	43.7	5.4
Finance	16.8	16.1	4.7	57.6	3.6
Community	6.3	31.7	27.2	31.2	3.4
House-holds	12.2	0.6	0.0	74.5	12.3
Total	10.4	22.2	9.4	51.7	5.7

Source: SSA (2013: xiii).

As may be gleaned from the table above, agriculture, after private households, recorded the lowest levels of joint determination on wages in comparison to other sectors of the economy in 2013. However, Table 5.7 reveals differential inequalities in

bargaining power over wage determination, as unilateral wage setting by employers accounted for 73.6 per cent in agrarian work-sites and 51.7 per cent in the total sample. This does not mean that, for example, agrarian employers can decide what wage they pay, as their choice is limited by the wage floor, set through the AMW. What the data portrays is the lack of joint regulation or collective agreements between workers and employers about wage levels. Be that as it may, vital statistics on the status of agrarian labour relations portray historical trends with respect to inequalities in bargaining power between agrarian capital and labour in the determination of wages and working conditions. In chapter 10, inequality in bargaining power in the research sites in this study will be examined to identify convergent and divergent trends between the local labour market and the national agrarian labour market.

The absence of collective bargaining and joint regulation of wages between agrarian labour and capital raises questions about the status of unionisation in the sector. Although, in the post-apartheid years, trade unions began to make a stronger appearance in the agricultural sector, due to the extension of labour laws extending the rights associated with freedom of association, unionisation in the sector is insignificant and fraught with problems in terms of models and methods of organising (see Klerck and Naidoo 2003, Naidoo 2011a). Consequently, collective capacity has reduced significantly by the late 2000s and this raises critical questions about the form and content of organising in the agricultural and global food regimes. The table below provides an indication of the lack of collective bargaining in agriculture, hunting, forestry and fishing, with the low level of worker coverage compared to other good producing and distribution sectors.

Table 5.8 Number of trade union members by sector, 2000 to 2006

Sector	2000	2002	2004	2006
Agriculture, hunting, forestry and fishing	70 000	69 000	66 000	52 000
Mining and quarrying	370 000	378 000	316 000	288 000
Manufacturing	521 000	551 000	506 000	531 000
Electricity, gas and water	36 000	41 000	53 000	54 000
Construction	60 000	64 000	55 000	91 000
Wholesale and retail trade	255 000	297 000	286 000	383 000
Transport, storage and communication	157 000	159 000	149 000	153 000
Finance, insurance, real estate and business services	156 000	207 000	196 000	283 000
Community, social and personal services	1 050 000	1 196 000	1 162 000	1 116 000
Private households	17 000	21 000	31 000	18 000
Total	2 704 000	2 992 000	2 976 000	2 969 000

Sources: Adapted from SSA (2000:65), DoL (2004:7), SSA (2004:44), SSA (2006:38).

Trade union membership numbers declined between 2000 and 2006, with highest levels recorded, before the AMW in 2000 with 70 000 unionised workers, declining intriguingly to 52 000 in 2006, three years after the MW was introduced (Table 5.8). With the exception of the private household sector, agricultural workers recorded the lowest levels of trade union membership by 2006. This too is a continuation of a historical trend. The percentage of agricultural workers covered by bargaining council agreements was also amongst the lowest with 1.5, after finance, insurance, real estate, and business services, as Table 5.9 illustrates.

Table 5.9: Bargaining council coverage by industry, 2004

Industry	Number of Employees Covered	Percentage of Employees Covered
Agriculture, Hunting, Forestry and Fishing	10 555	1.5
Mining and Quarrying	---	---
Manufacturing	526 185	42.8
Electricity, Gas and Water	---	---
Construction	47 052	7.9
Wholesale and Retail Trade	192 026	14.4
Transport, Storage and Communication	286 116	71.9
Finance, Insurance, Real Estate and Business Services	10 543	1.6
Community, Social and Personal Services	1 285 568	68.0
Total	2 3588 012	32.6

Source: Adapted from Godfrey *et al* (2005:20-2).

The absence of trade unions and the narrow application of bargaining council agreements meant that agrarian labour remained outside of mainstream collective bargaining processes, hence setting wages and workplace rules remained the prerogative of employers, although this power is circumscribed by the prescribed rates set by the AMW. The weak organisational capacity of farm workers is a characteristic feature of the contemporary South African landscape, meaning that AMW has not stimulated growth in trade union mobilisation in the sector, nor has it inspired collective regulation of wages and working conditions. In fact, the data on trade union density depicted in Table 5.8 points to a decrease in trade union membership and warrants further research to test for a link between AMW and declining membership. However, although Table 5.10 portrays fluctuations in the proportions of union density between

2011 and 2013, union density in the agricultural sector remained one of the lowest amongst all sectors, after private households.

Table 5.10: Proportion of employees who are members of a trade union within industry, 2011 and 2013

Industry	2011	2013
Mining	75.4	80.0
Utilities	49.1	58.5
Services	56.3	53.6
Manufacturing	34.7	32.2
Transport	31.0	30.1
Finance	20.7	18.4
Trade	17.6	18.1
Construction	10.9	10.1
Agriculture	5.9	6.0
Private households	0.5	0.4
Total	29.3	28.7

Source: SSA (2014:26).

By 2013, a mere six per cent of the labour force in the farming sector was unionised, which represents a slight increase from the 5.9 per cent registered for 2011. In the main, this demonstrates oscillations in trade union membership.

Table 5.11: Proportion of trade union membership by agricultural occupation, third quarter 2014

Occupation	Trade Union Membership (%)
Farmhands and labourers	11
Motorised farm and forestry plant operators	13.4
Hand-packers and other manufacturing labourers	19.3
Forestry labourers	33.7
Heavy truck and lorry drivers	53.9

Source: Adapted from Visser and Freer (2015:30).

Despite the 2013 increase in trade union membership from 2012, the proportion of workers who were unionised remained the lowest of all formal sector employees in the goods producing sector of the South African economy. In addition, agricultural trade union activity correlated with job occupations, as is illustrated in the Table 5.11. Unionisation was strongest amongst truck and lorry drivers and weakest among workers in primary agriculture employed as labourers, although forestry labourers are

a notable exception to this trend as 33.7 per cent of these workers were unionised. Pack-houses and assembly type manufacturing plants captured the third highest number of workers with union membership, with 19.3 per cent. This demonstrates the uneven character of collective capacity and bargaining in the sector, where it is limited in concentrated fashion among segments of workers, and weakly established among other segments of workers, especially unskilled and semi-skilled workers on farms or primary agriculture.

This pattern of trade union concentration in sub-sectors of agriculture may be attributed to specific strategies deployed by unions to organise in the sector. This in itself requires further and deeper scrutiny. The uneven collectivisation of the agrarian working class reflects the fracturing of the agrarian working class in contemporary South Africa, which in turn influences the nature and extent of segmentation in the labour market. The overwhelmingly weak status of organisational and collective capacity of agrarian labour, in part, explains the minimal extent to which workers engaged in work stoppages. Table 5.12 shows that, apart from electricity, gas and water, agriculture, together with construction, recorded the lowest number of work stoppages in 2011 and 2012. Yet, Table 5.13 shows a significant increase in the number of working days lost to worker action in 2011 and 2012. The De Doorns revolt may have contributed in a major way to the rise in lost working days in 2012.

Table 5.12: Distribution of work stoppages by industry, 2011 and 2012

Industry	2011	2012
Agriculture	3	5
Mining and Quarrying	11	19
Manufacturing	14	18
Electricity, Gas and Water	2	3
Construction	2	5
Wholesale and Retail Trade	12	6
Transport, Storage and Communication	5	15
Finance	3	1
Community, Social and Personal Services	15	28

Source: DoL (2012:12).

On the whole, there is an established pattern of low worker strike action in the agrarian sector. The low occurrence of work stoppages in the agricultural sector is a manifestation of the absence of strong and effective worker voice, which also contributes to the existing power imbalances in agrarian capital-labour relations, in the context of labour standards.

Table 5.13: Number of working days lost due to industrial action per year, 2011 and 2012

Industry	2011	2012
Agriculture, Hunting, Forestry and Fishing	16 037	123 369
Mining and Quarrying	370 473	2 728 359
Manufacturing	826 123	188 804
Electricity, Gas and Water	70	1 484
Construction	28 034	10 124
Wholesale and Retail Trade	50 315	13 210
Transport, Storage and Communication	53 505	135 186
Finance, Insurance, Real Estate and Business Services	976	964
Community, Social and Personal Services	1 461 123	108 384
Total	2 806 656	3 309 884

Source: DoL (2012:13).

Many objective and subjective factors arising from the totality of the low-waged agrarian labour market reinforces the pattern and cycle of unequal power relations in the agrarian capital-labour relationship. The totality of the low-waged agrarian labour market translates to limited worker protest and overt challenge to employers. In such contexts, it is of immense significance to ascertain the coping devices workers deploy in such work-places in concrete labour markets. In this frame, how workers deal with grievances and the labour relations regime in the research sites in this study is examined in chapter 10. With this, deliberations on agrarian labour relations and the balance of forces come to an end. The discussion also brings, to a close, the presentation and deliberation on the role socio-economic and political phenomena play in creating and cementing low agrarian wages. The section below draws the chapter to close.

5.8 CONCLUSION

This chapter traced the evolution of the low-waged and secondary agrarian labour market against a set of socio-political phenomena, which must be analytically combined with the economic factors and material structure of agrarian production, as discussed in the previous chapter, for a fuller understanding of the underlying drivers of the low-waged agrarian labour market. Equally significant, I argue that understanding historical forces and relations enhances appreciation for the significance that pre-existing conditions have in shaping the socio-political and economic outcomes of the AMW and other labour laws for agrarian labour. From the

overview of the evolution of the agrarian labour market in South Africa, it is patently clear that labour markets arise through the intricate fusion of socio-political factors, forces and relations (as discussed in this chapter), in consort with economic conditions and relations and the material structure of production (as discussed in chapter 4). The development of racial capitalism in South Africa bears clear testimony to the specific way in which socio-political and economic phenomena intertwined to create a cheap agrarian labour supply system, and by extension a firmly entrenched low-waged agrarian labour market.

In reflecting on the evolution of the low-waged agrarian labour market in South Africa, several seminal issues emerge for the study of wages, in general and particularly for statutory wages. Given the complex interaction of socio-economic and political phenomena in configuring labour markets and capital-labour relations, wages are not only the price of labour in the marketplace; wages also comprise of social values, norms and ideological inputs, which condition societal views on agrarian labour and the social groups occupying the different occupations in the sector. In this light, it is safe to say that socio-political beliefs on race and gender condition the socially devalued status of agrarian workers and agrarian work.

Following a historical outline of the evolution of the low-waged agrarian labour market and the profound imbalance of power between agrarian labour and agrarian capital, the chapter provided an overview of wages before and after the AMW. For a fuller comprehension of the depth of low agrarian wages, I undertook a comparative reflection of wages across sectors to reflect wage inequalities in South Africa as a whole and to locate agrarian wages in a national context. This facilitates an enhanced appreciation of the significance of statutory wage-setting processes for low waged sectors generally in the country, and the agrarian sector in particular. In this respect, the chapter shows two sides to the AMW's outcome on actual wages, thereby suggesting a layered or mixed impact or outcome on agrarian labour's economic positions and states. On the one hand, statutory wage setting raised the floor for wages. In this sense, then, the AMW had a positive outcome in terms of raising extremely low-wages in the sector. On the other hand, however, a sense of wage inertia developed, keeping wages low as labour costs continued on their established downward pattern, and in the process devaluing wages.

It is argued here that the low AMW initial and subsequent settings contribute significantly to the continuation of low and devalued wages in the sector, which signals

the need to assess, through empirical research, the extent to which low AMW settings became/becomes the maximum wage. The subject of wage inertia, and the AMW becoming the maximum wage, are picked up again in chapters 12 and 14, with reference to the empirical wage data generated in this research. For now, it is important to appreciate that the low settings in AMW rates, over the years, work in tandem with pre-existing structures, found in the totality of the low waged agrarian labour market, to maintain core foundations of the agrarian employment and labour relations regime. As a result of pre-existing conditions in the labour relations regime, agrarian capital-labour relations continue to be characterised by inequalities in bargaining power, where capital retains considerable power over the determination of wages and working conditions in the post-apartheid era. From a labour relations perspective, the chapter showed that the agricultural sector, nationally, has not fundamentally departed from the previous political dispensation. This is demonstrated in the aggregate data, presented in the above discussion, on wage settings and the low percentage of joint regulation over wages and working conditions; a situation that is fuelled by the widespread absence of low union density in the sector, and/or alternative forms of collectivisation.

As shown, trade unionism in the sector is minimal, and worker action, challenges and protest are rare compared to other sectors where such action is frequent. Inequality in bargaining power is clearly reflected in the pre- and post-AMW trend of falling values of real wages and lower labour costs compared to other input costs, especially materials. The deep-seated power imbalance between agrarian labour and capital contributes to the wage inertia pattern especially in low and semi-skilled occupations in the sector. Wage inertia and declining labour costs mean that wage inequalities within the sector, between population groups and sex, have not altered to any significant extent. However, this needs to be tested empirically in concrete local labour markets, as is done in this study in chapters 12 and 14. In addition, based on the comparative wage data presented in the chapter, it is safe to conclude that the depreciation in the value of wages and the associated negative wage growth also widens the wage gap between agricultural workers and workers in other sectors of the economy, thereby exacerbating overall income inequalities in the country.

The chapter featured the De Doorns worker revolt against low wages, the balance of forces and the implications for setting the revised wage in the wake of the protest. The strike showed unorganised or weakly agrarian labour's capacity to exert agency and display their wrath against low wages. However, the process also showed up labour

and civil society's respective weaknesses and constraints in negotiating higher wages or winning workers' wage demands at the time. The power of agrarian capital comes through as organised agriculture's suggestion on how to settle the wage dispute was adopted and implemented. It was argued that the wage settlement did not jettison the neoclassical tradition of pegging wages at low levels in anticipation of job losses.

This chapter ends the contextual discussion of the agrarian political economy in South Africa, whereas the focus in chapters 4 and 5 was on identifying the underlying causes of low agrarian wages, and examining the manifestations of secondary, segmented and sweated labour. This is the context which gave rise to the establishment of the agrarian statutory wage fixing process in South Africa, in the post-apartheid era. This contextual background sets the scene for the engagement with the empirical data of this study. The first and necessary task in the process of engaging with the AMW in a local labour market is to gain a sense of the nature of agrarian production in the research sites. This is dealt with in the next chapter, together with an outline of the research design.

CHAPTER SIX

EASTERN CAPE AGRARIAN POLITICAL ECONOMY

6.1 INTRODUCTION

In chapter 4, the national context of South African agricultural composition and production was portrayed, shedding light on the factors that shape agrarian labour supply and demand in the sector at a national level and in the Eastern Cape. In this chapter attention turns to the make-up of agrarian production in the Eastern Cape since neoliberal agrarian restructuring, where the product market conditions are outlined and problematised for a study of the AMW. It is important to note that a discussion of agrarian production in the Eastern Cape provides the back-ground to an assessment of employment patterns and trends in the research sample. This assessment of employment in the research sites follows in chapter 7.

A few important opening points need to be made before proceeding to align the discussion with the themes outlined thus far in the thesis. A key argument or theme weaving through the chapters is the uneven and differentiated outcome of neoliberal agrarian restructuring for agrarian producers' competitive advantages (more often, disadvantages) and labour relations strategies. Casting attention momentarily, to the discussion in section 4.3.2, emphasis was placed on two related aspects that, when considered, allow the variegated outcomes for agrarian capital and labour to surface. One is the wide range of agrarian production, translating to diversified agrarian labour processes and product market conditions, which are structured along diverse dynamics in backward and forward linkages, which is the second aspect that was/is emphasised. Together, these have spurred the uneven and differentiated outcomes of neoliberal restructuring in the agrarian labour market in South Africa.

In this chapter, these themes and associated areas are pursued in relation to agrarian production in the Eastern Cape where light is shed on the variances in product market conditions for key sub-sectors. Differentiated outcomes for agrarian employers imply that certain aspects of employment and business strategies will not be uniform when labour market interventions are introduced. In this regard, and more specifically, it was

argued that it is erroneous to unquestioningly accept the neoclassical assumption of job losses when MW policies are introduced. In sections 4.4 and 4.5, this caution was stressed when the complexities of agrarian employment came to the surface. Analysis of the AMW should not only be sensitive to the variances in product markets to appreciate differentiations in employment and business strategies, because it is as crucial to assess actual wages along the different product market conditions and value chains, hence sub-sectors. In this light, this chapter provides background information on the broad economic context of different agricultural commodities which must be borne in mind when a comparative analysis of wage data collected in this research is undertaken in chapter 14, to assess critically the role of the AMW and the role of agrarian capital in setting actual wages in the sample.

In sections 4.4 and 4.5, key labour market variables at the national level and for the Eastern Cape were presented, where the labour absorption capacity of the agricultural sector was assessed against that of other sectors. In discussing the configuration of Eastern Cape agriculture, this chapter also deals with a few specific labour market variables pertaining to the province, that were not covered, for the national level in chapter 2. Provincial data on employment and agriculture's labour absorption rate demonstrate the sector's importance to the Eastern Cape and livelihoods for workers in the sub-sectors and for others employed along the respective value chains in backward and forward capacities.

The profile of agrarian production in the Eastern Cape sets the scene for the presentation of the research process followed and methods used to collect empirical data for this study. The chapter opens with outlining key features of the Eastern Cape, where the significance of agrarian production to employment and livelihoods are highlighted. This is followed in section 6.3, with a profile of the product market conditions of selected sub-sectors, where questions are posed about the relationship and relevance of economic data to a study of wage setting in low waged sectors. Key themes pertaining to the structure and composition of South African agrarian capitalist production and the value and contribution agriculture makes to the economy with its backward and forward links, raised in chapter 4, recur in this discussion. Section 6.4 deliberates on the use and relevance of economic data on agrarian production and distribution to a study on MW and in unravelling the implications for wage setting in the sector. Section 6.5 deals with the research design, methods and sample of workers who participated in the research. This chapter, in the main, sets the scene for the local agrarian labour market where this research is based.

6.2 PROFILE OF EASTERN CAPE AGRICULTURE

The Eastern Cape covers 169 580km², constituting 13.8 per cent of the total land area of the country making it, in surface area, the second largest province of the country. In 2011, the province had a population of 6 562 053, representing 12.7 per cent of the South African population. This makes the Eastern Cape the third most populous province after Gauteng and KwaZulu-Natal (SSA 2014b:11,16, 17).

According to the Living Conditions Survey, administered by Stats SA, in the 2014/2015 period, the Eastern Cape recorded the second highest head count of adult poverty, at 67.3 per cent (SSA 2018:15). Furthermore, the Living Conditions Survey also noted that the 54.2 per cent of households in the Eastern Cape lived in poverty in 2015 (SSA 2018:18), and that 80 per cent of children in the province lived below the upper-bound poverty line (SSA 2018:32). High poverty rates are not only fuelled by low waged sectors and jobs, as it also stems from a lack of employment. In fact, labour force participation in the Eastern Cape is lower and unemployment higher compared to national figures. For example, Statistics South Africa (2015: xiii) reports that, in the first quarter of 2014, the provincial unemployment rate stood at 29.4 per cent while the national unemployment rate was 25.2 per cent. The western part of the province plays a major role in formal employment but is still relatively small compared to other bigger metropolitan cities. It is not surprising then the province is saddled with the highest levels of households that are food insecure. The table below (Table 6.1) depicts the extent and degree of food hunger in the province relative to other parts of the country.

Table 6.1: Provincial comparison of the extent of and threat to hunger (percentage)

	Eastern Cape	KwaZulu-Natal	Mpumalanga
Food secure	31.4	37.3	55
At risk of hunger	32.4	34	15
Experience hunger	36.2	28.3	29.5

Source: HSRC and DoH (2012:10).

There are high levels of inequalities in the Eastern Cape, borne out in declines in the Gini-coefficient from 0.636 in 2007 to 0.646 in 2010. The Gini co-efficient in South Africa stood at 0.62 and is one of the worst in the world (ECSECC 2012a:17). From

these figures it is clear that inequalities in the Eastern Cape are much higher compared to the national trend. Studies on MW policies and wage setting, therefore, gain added impetus and value in the context of high levels of inequalities in the province.

The narratives on wages take on added significance when inequalities, poverty, and the status of expanded social reproduction is considered. In 2012, 42.6 per cent of the population in the Eastern Cape reported no income, whilst pensions, grants and Unemployment Insurance Fund pay-outs were the main sources of income for 29.5 per cent of the province's population (HSRC 2014:3, 4). In this regard, official statistics indicate low levels of access to basic services across the province. The province has the lowest proportion (63.2 per cent) of people in formal dwellings (ECSECC 2012b:3). One in eight households has no toilet with 46 per cent of households with flush toilets. Although 75 per cent of households have electricity, only 32.79 per cent of the population have piped water (ECSECC 2012b:5). The state of housing and access to requisites of expanded social reproduction, in the research sites are discussed in chapter 8. For now, it is important to note that the uneven spread of basic services reflects the compromised levels of Eastern Cape communities' access to the expanded social reproduction, resulting in low living standards. In most cases, housing and living conditions for agrarian labour are often below average standards. An inability to access essential elements of the expanded social reproduction, such as proper housing and services, land and sufficient nutrient rich food, adversely affects peoples' productivity levels and general health and well-being.

Part of the Eastern Cape's growth challenges is the province's vast rural character. It is, indeed, a largely rural economy with a heavy reliance on farming and the agricultural sector. Of the 2,9 million households that were actively engaged in agriculture in South Africa in 2011, 20.7 per cent were located in the Eastern Cape (SSA 2013:2). In this context, agriculture plays a pivotal role as a means of livelihood for a significant portion of the province's population.

Agrarian production, nonetheless, in the province, much like the national economy as mentioned in chapter 4, has two sides. On the one hand, there is a fully developed commercial farming and food production sector, that is well connected to export markets, and that is predominantly White owned and concentrated in the western part of the province. On the other hand, and to the east of the province, in the former bantustans of Ciskei and Transkei, subsistence and/or small-scale production, primarily undertaken by African farmers, is the primary form of agrarian production and

marketing. Provincial capitalist agrarian production and capacities to remain globally and domestically competitive are demarcated by racial and sexual characteristics, whereby White men own, control and direct the agrarian means of production³¹. As argued in chapter 4, neoliberal regulatory shifts in the agrarian political economy have variegated outcomes on South African food producers that, likewise, stimulate differentiated responses from capital and labour.

In section 4.3.1, aggregate information was presented on the composition of agrarian capital together with the sector's overall value produced and contribution to the total GDP. In Table 4.1, the decline in the number of farming units at a national level is displayed. The table below (Table 6.2) depicts similar trends for the Eastern Cape Province.

Table 6.2: Number of Farming Units in the Eastern Cape

Year	Total Farming Units
1993	6 106
1996	6 338
2002	4 376
2007	4 006

Source: DAFF (2017b:6).

As the table reveals, the number of farming units in the province declined by 34 per cent over a 14-year period, between 1993 and 2007 from 6 106 to 4 006. This is attributed to the overall concentration and consolidation of farming units among fewer larger operations, as explained in chapter 4.

In Table 6.3, the key role that agriculture played in the provincial economy in 2010 and 2013 is evident, despite fluctuations to GDP and employment creation. Although agriculture's share to the province's GDP declined to an extent, the sector's share of employment increased in 2013 from 2010 levels, absorbing seven per cent of the provincial labour force.

³¹. Other work by the researcher at ECARP indicates emerging patterns of change in the local agrarian political economy between primary producers and the agro-processing sector, especially in the horticultural sector. Increasingly, agro-processors based in the province attempt to set up supply chains among land reform beneficiaries for the processing of primary goods. For example, Cape Concentrate (a tomato paste manufacturer) is using both the land and labour of people who acquired communal use of land from the state for food production for tomato production, which is processed into paste for export markets. A land conflict is emerging between landless communities, farm workers and dwellers, and large capitalist farmers operating in the province (ECARP 2015: Valencia Field Report).

Table 6.3: Contribution to GDP and employment in the Eastern Cape, 2010 and 2013

Industry	Contribution							
	GDP				Employment			
	Rand million		Per cent		Number (000)		Per cent	
	2010	2013	2010	2013	2010	2013	2010	2013
Agriculture	2761	2 722	1.9	1.8	66	92	5.0	7.0
Mining	169	135	0.1	0.1	-	2	-	0.2
Manufacturing	23703	23 650	16.3	15.3	163	176	12.3	13.4
Electricity	1353	1 372	0.9	0.9	2	1	0.2	0.1
Construction	3389	3 650	2.3	2.4	129	128	9.7	9.8
Trade	16825	18 948	11.6	12.3	313	275	23.6	21.0
Transport	11510	12 115	7.9	7.9	70	64	5.3	4.9
Finance	28677	31 021	19.7	20.1	110	112	8.3	8.5
Community	13704	14 148	9.4	9.2	356	331	26.8	25.2
Government	27493	29 427	18.9	19.1	-	-	-	-
Taxes less Sub	15708	16 869	10.8	10.9	-	-	-	-
Private h/holds	-	-	0.0	-	120	131	9.0	10.0
Eastern Cape	145291	154 107	100.0	100.0	1329	1 312	100.0	100.0

Sources: ECSECC (2011:3, 2013:3).

Table 6.4 reflects slight increases in Eastern Cape agriculture's contribution to provincial and national GDP. Between 2011 and 2014, agricultural production in the Eastern Cape is estimated to have expanded by 3.7 per cent per annum, which was higher than the province's manufacturing sector with a record of two per cent per annum expansion (Makgetla 2016:7).

Table 6.4: Eastern Cape agriculture's contribution to provincial and national economy, 2015

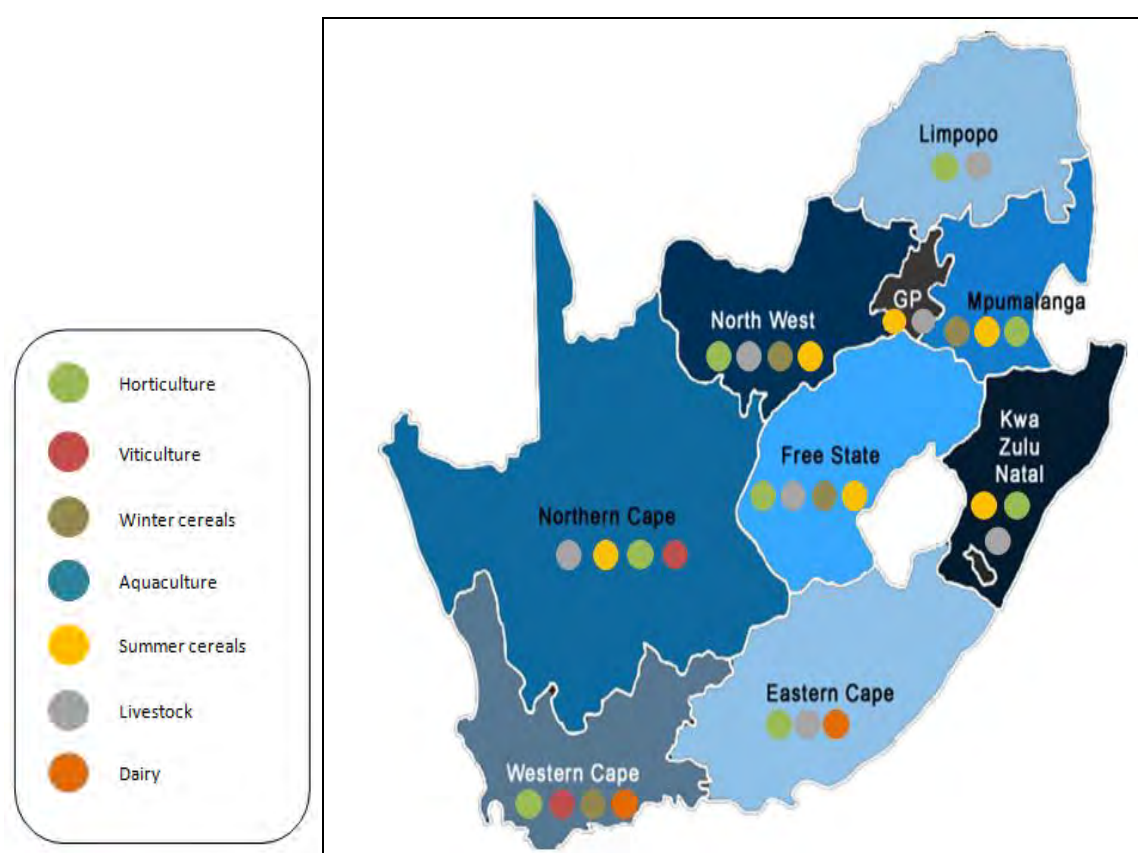
Sector	Per cent of Contribution to Provincial Economy	Per cent of Contribution to National Economy
Manufacturing	11	7
Construction	4	9
Agriculture	2	6
Mining	0.2	0.3

Source: adapted from Makgetla (2016:6).

Agricultural production contributes six per cent to the national economy, and two per cent to the province's economy. Although the Eastern Cape agricultural sector contributes unevenly to the provincial and national economies, it is clear that the sector plays a significant role, although future growth is impeded by serious obstacles as discussed in chapter 4.

The Eastern Cape has one of the most diversified agricultural enterprises in the country, encompassing a variety of animal husbandry and horticultural production. Examples include livestock, wool, mohair, dairy, game farming, citrus, deciduous, vegetables and field crops. With the exception of game farming or ranching and certain field crops which are fairly recent to the province, production in the other commodities has a long history (see Roberts 1959). The figure below (Figure 6.1) portrays some of the main agricultural production activities in the province. Eastern Cape agrarian production revolves primarily around livestock, horticulture and dairy. In addition to direct production of agrarian commodities, the Eastern Cape is also popular for game farming and ranching.

Figure 6.1: Dominant agricultural production in South Africa and Eastern Cape



Source: KPMG (2012:7).

As mentioned in chapter 4, citrus, wool and mohair production are geared for export and the Eastern Cape contributes significantly to the export share of the country's volumes. Agrarian capitalist production in the Eastern Cape, as with the South African wider economy, is connected to global markets through exports and imports of intermediary goods.

The diversity in agricultural commodity production in the province, and the backward and forward linkages in the various value chains within the sector and between the sector and others in the economy, raise crucial questions in heterodox MW works, as explained in chapters 2 and 4, about the links between low waged companies and firms in other sectors where trading relations exist. Important and salient clues, revealing aspects of the nature of the relationship between agrarian producers and their upstream and downstream linkages, are found in the economic data compiled by government departments and agricultural employers' associations. Against this backdrop of agriculture in the Eastern Cape, attention shifts to a brief profile of selected agricultural commodities produced in the province.

6.3 PROFILE OF EASTERN CAPE AGRICULTURAL PRODUCT MARKETS

It is not possible nor necessary to deal with all aspects of the economic profile of each agricultural sub-sector here. The purpose of highlighting (selective) economic data of (selective) agricultural commodities in this discussion, is to demonstrate the (potential) value of including economic data on agricultural commodities, compiled by DAFF and employer agricultural bodies, in a study of statutory wages. For the purpose of this study, the existing economic data is selectively drawn upon to sketch or provide a snapshot of the economic and structural conditions of capitalist production and distribution in agricultural sub-sectors in the Eastern Cape, and South Africa.

The discussion looks at economic and production data for selected sub-sectors in the animal husbandry and horticultural sectors that correlate with the sub-sectors featured in the research sample. In this respect, this section sheds important background information on some features of product markets of agrarian sub-sectors that are prominent in the research sample, meaning that it does not include a profile of every sub-sector where interviews were conducted for this study. The sub-sectors profiled in this section are animal husbandry, with a focus on livestock farming with cattle for beef and dairy, as well as sheep for mutton and wool, goats for mohair, and game farming/ranching; and horticulture, comprising citrus and pineapple. Workers from these sub-sectors featured more prominently in both the intensive and extensive phases of this research, and these agricultural activities are important to domestic and global markets. Non-profiled sub-sectors are chicory, peaches, vegetables, cut flowers, goats, and pig and poultry. In these sub-sectors, more workers were

interviewed in the extensive phase, and fewer workers or no workers participated in the in-depth interviews from these sub-sectors.

Against this backdrop, key features and economic performance data of selected sub-sectors that comprise the sample in this research are displayed below, beginning with the livestock sub-sector. However, it must be borne in mind that comprehensive economic data on a provincial basis is not always available for each commodity, due to an absence of detailed (provincial) disaggregated data in official statistics data bases. Consequently, it is not possible to always isolate product market features, for example, gross farm income, for the Eastern Cape from aggregate data.

6.3.1 Beef

In chapter 4, it was pointed out that livestock farming and animal husbandry constitute the dominant mode of agricultural production in South Africa, due to ecological and land type factors that make to stock farming favourable. In fact, DAFF (2016a) assesses the livestock sub-sector to be the fastest growing in the South African agrarian economy. According to DAFF (2015b:4), the total amount of beef produced in South Africa between 2004 and 2014 amounted to 8.4 million tons. Within the livestock sub-sector, cattle accounted for 80 percent of stock, reared for beef production, in the country. DAFF (2015b:5) estimates the number of commercial beef farmers in South Africa to be 50 000, whilst there are roughly 100 commercial feedlots in South Africa and 431 abattoirs.

Inequalities and unevenness in livestock and beef production is evident between commercially established and commercially non-established farmers. In 2014, DAFF (2015ba:6, 23) estimated that the 50 000 cattle commercial farmers owned 11 million cattle in South Africa. This segment of farmers was responsible for the bulk of production and distribution using production methods comparable with developed countries. In contrast, 'emerging' farmers numbered 240 000 and communal farmers 3 million who according to DAFF (2015b:23) owned roughly 5.69 million cattle. Despite these stark inequalities in ownership of livestock, it appears that livestock sub-sector plays a critical role in job creation and livelihood strategies. In this regard, DAFF estimated that the sub-sector employed 500 000 people, whilst a further 2 125 000 South Africans relied "on the livestock industry for their livelihood" (DAFF 2015b:6).

In 2011, Mpumalanga was the largest beef producing province in South Africa capturing 23 per cent of the total volume or production, followed by the Free State with

19 per cent, with Eastern Cape trailing behind at a mere six per cent (DAFF 2012b :4). The Eastern Cape, however, expanded its beef production since then to capture the largest volume of production in 2014, producing 24 per cent, followed by Kwa-Zulu Natal with 20 per cent and the Free State with 17 per cent of total volume of production for that year (DAFF 2016a:4).

At a national level, there has been a steady rise in the gross value of beef production since 2004 typified in the increase from “R7.3 billion in 2004/05 to R22.7 billion in 2013/14. The average gross value of beef produced during this period amounted to R15 billion per annum” (DAFF 2015b:3). To be sure, gross value represents the quantity of produce sold and the price producers received on the market, or what consumers pay. In the case of beef, prices clearly increased such that consumers were paying R14.90 more per kg in 2013/14, than they did in 2004/5 (DAFF 2015b:6). Nonetheless, gross farm income from all livestock products increased by 6.2 per cent from R109.842 billion in 2014/2015 to R116.658 billion in 2015/16, and there was a 13,4 per cent rise to R30.389 billion, from R26.792 billion in the income of slaughtered cattle (DAFF 2017a:4).

However, DAFF (2015b:5) also notes that South Africa was a net importer of beef because production has been consistently lower than consumption, despite the increase in the gross value of beef production. It must be pointed out, that the crippling drought across South Africa between 2015 and 2016 affected the volume of production, as grazing areas shrunk in size with a rise in livestock deaths (DAFF 2017a:66). Although beef production is geared for the domestic market, export of beef, primarily to Africa increased in 2014 with a volume of 28 000 tons yielding an export value of R1.11 billion (DAFF 2015b:7). Lower volumes of beef were exported to Asia and Europe. A brief profile of dairy and other key sub-sectors follows.

6.3.2 Dairy

In contrast to livestock production, South Africa’s global output of milk, is minimal, demonstrated in its 0.5 per cent contribution to global milk production (DAFF 2014b:1). Whilst the country’s dairy sub-sector is insignificant to global production volumes, the sub-sector is a key agricultural activity in South Africa and especially in the Eastern Cape. For one, and in terms of its national importance the sub-sector provides a range of diversified commodities that are consumed locally to a large extent, but with increasing export capacity. The sub-sector was the seventh largest agricultural industry in the country, in the 2012/13 production cycle. According to DAFF (2014b:3),

the sub-sector comprised over 1961 milk producers who employed 60 000 workers, and an additional 40 000 jobs were created through value adding processes in the chain.

Diversity in the sub-sector is realised through variegated milk production, leading to the trading of raw milk, and a range of by-products including cheese, butter, fermented milk, cream yogurt, among others (see DAFF 2012d:1, 2014b:1 for a more comprehensive list of dairy products produced in South Africa). Within the sub-sector, therefore, a range of production processes and activities exist leading to “significant differences ... between farming methods and processing of dairy products” (DAFF 2014b:1). It is important to note for the purpose of this research, that the level of variability within the sub-sector translates to differentiated working hours, employment conditions and ultimately wages for workers in the different positions. A glimpse of the level of variation in working conditions and hours of work for the sub-sector is provided in this research in chapter 8.

In 2011, the Eastern Cape was the second largest milk producer, contributing 24 per cent to the national output (DAFF 2012d:2). The province’s milk production increased to 27 per cent of national milk production in 2013, making it the largest milk producer in the country. The Eastern Cape’s dairy production and contribution to national output increased to 30 per cent in 2015 and, with that the province retained its position as the largest supplier of milk in the country (DAFF 2017a:74). Over the 10 years from 2003/4-2013/14, national milk production experienced an upward trend of 26 per cent (DAFF 2014b:2). Between 2003/4 and 2012/13, the gross value of fresh milk experienced rapid expansion, peaking at R11.6 million during 2012/13 but averaging at R8 million for the 10 year-period between 2003/4 to 2012/13 (DAFF 2014b:1). In 2015, the gross value of milk produced was estimated at R14.357 billion, which is 3,4 per cent higher than the R13.890 billion produced in 2014 (DAFF 2017a:74).

Despite the marginal contribution to global world milk production, South Africa is the sixth largest dairy producer in the world. Partly due to international trade agreements, milk is expensive to produce in South Africa (see DAFF 2014b:6). This combined with a rise in local and regional demand for milk and dairy products encourages the growth of imports and exports of South African produce. From the DAFF (2014b:6-7) data between 2004 and 2013, the oscillations between the ratio of exports to imports of dairy products are clearly evident. But what is also clear is that imports of dairy were higher than exports. For example, between 2005 and 2007, and in 2012, South Africa

was a net importer of dairy. Despite the growth in local milk production in 2015, “South Africa imported 69 354 tons of dairy products in 2015, compared to 40 205 tons imported in 2014, which is an increase of 72,5%” (DAFF 2017a:75). The high imports are attributed to a rise in local demand for dairy products, hence suggestive of demand for produce outstripping local supply.

South African dairy, in spite of its relatively low export volume, is a major earner of foreign exchange (DAFF 2014b:6). Export quantities, in terms of DAFF records, saw an increase from a low point in 2004 to a peak in 2012 with the export of 71 million kilogrammes of dairy produce valued at over R1.101 billion. A decline in dairy products registered again in the 2014 and 2015 period when dairy exports dipped by 13,8 per cent in 2015 to 61 296 tons from 2014 when 71 109 tons of dairy was exported (DAFF 2017a:75). Exports of South African dairy is absorbed primarily by African countries with Mozambique capturing the largest share at 39 per cent in 2013, followed by Zimbabwe with 27 per cent. A marginal quantity of dairy was imported by Japan at two per cent. In 2015/16, milk producers earned R14. 002 billion which was a fall in income of 6.6 per cent compared to the previous year (DAFF 2017a:4). The decrease in farm income for dairy in 2015/16 was different for livestock as shown above, and for wool and mutton as is noted below.

In considering the economic performance of South African agriculture, in particular the import/export relationship, attention needs to be drawn to the arguments made by Sender (2016) with respect to the lack of dynamism in the sector overall. Putting aside market structure and value chain configuration, the import of dairy in relation to exports gives support to the overall argument by Sender, as discussed in chapter 4, section 4.3.2, about the under-production of agriculture in the country’s key commodities. As will become clear with the unfolding commodity profile, this trend is found in other sections of agricultural production and trade. The saliency of this is depicted in the lack of dynamic and forward-looking capitalist agriculture to the point where imports increase more than exports. This phenomenon requires further consideration and debate to tease out the implications for wage determinations, in general, and the AMW hikes in particular. Attention now turns to the wool and mutton sub-sectors.

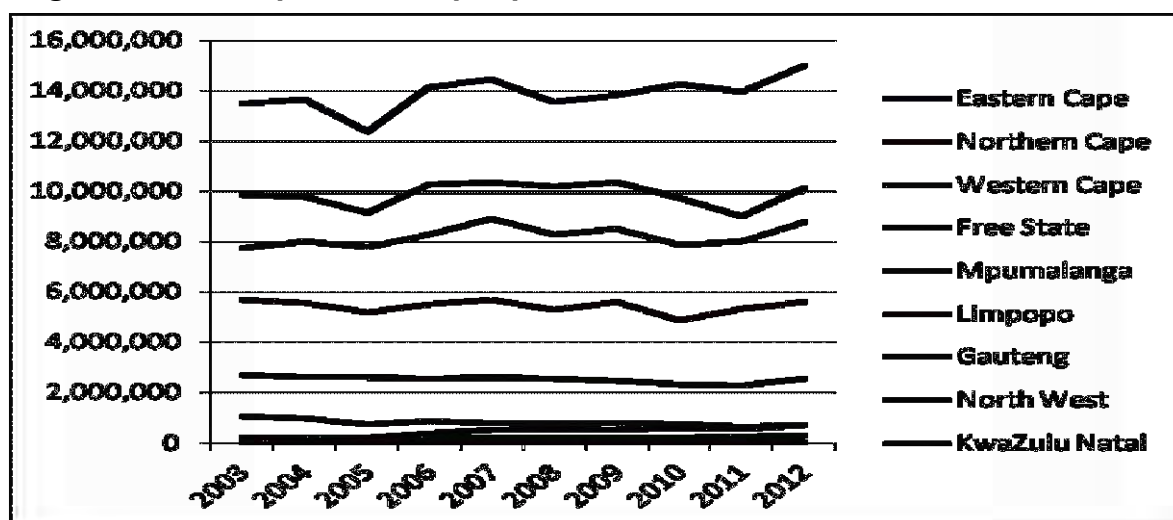
6.3.3 Mutton and Wool

Mutton and wool is derived from sheep, which is reared in more arid parts of South Africa, in provinces such as the Northern Cape, Eastern Cape and Free State (DAFF 2015c:3). Between 2011 and 2014, the Eastern Cape had the country’s highest

number in sheep stock in the country, commanding 29 per cent of the total share of sheep in South Africa, followed by the Northern Cape with 25 per cent, and the Free State with 20 per cent (DAFF 2012c:4, DAFF 2017a:66). By 2016, the number of sheep stock in the Eastern Cape increased to 30 per cent of the national share (DAFF 2017c:3). DAFF (2012c:3, 2015c:3, 5, 2017c:5) reports that there are 8 000 commercial sheep farmers, who employ 35 000 workers, and 5 800 communal farmers. Sheep is reared for mutton and wool. Mutton is consumed locally, with an insignificant export volume.

Between 2005 and 2014, the average gross value of mutton production was R 3.4 billion per annum, with a total gross value for the past 10 years of R 33.8 billion (DAFF 2015b:3). A further increase in the total gross value of production was recorded for the 2006 to 2016 period, at R 41.6 billion (DAFF 2017c:3). The DAFF notes, that whilst gross value of mutton production increased over the 10-year period, the decline in sheep numbers, combined with population growth and an increase in the demand for mutton, meant that demand outstripped supply. The inability of local producers to supply the domestic market meant that South Africa had to import mutton. As it exports a minimal amount of mutton, the country is a net importer of this meat (DAFF 2015b:6-7).

Figure 6.2: Wool production per province, 2000 to 2012



Source: DAFF (2015b:7)

In terms of wool production, the Eastern Cape maintained its position as the leading producer between 2012/13 and 2015/2016, although data shows a drop-in production between 2012/13 and 2015/16 periods. Whereas in the 2012/13 period the Eastern Cape produced 15 million kg of wool, followed by the Free State with 10 million kg (DAFF 2013a:66), as is displayed in the figure below (Figure 6.2), in the 2016/17

period, the province produced 13.6 million kgs, followed by the Free State with 7,6 million kgs (DAFF 2018:74).

As the Eastern Cape has the highest volume of production in the country, it also means that, between 2005 and 2014, the province was the country's highest contributor to global wool supplies. According to DAFF (2015d:17), export of Eastern Cape wool to the world market began to expand significantly in 2011 amounting to R2.1 billion, reaching a peak in 2013 at approximately R2.9 billion. Despite a decrease in production, as mentioned above, the Eastern Cape held its position as the leading wool producer in South Africa, amidst national decline in wool production, capturing 34 per cent of the total volume of wool produced in the country in 2014 (DAFF 2015d).

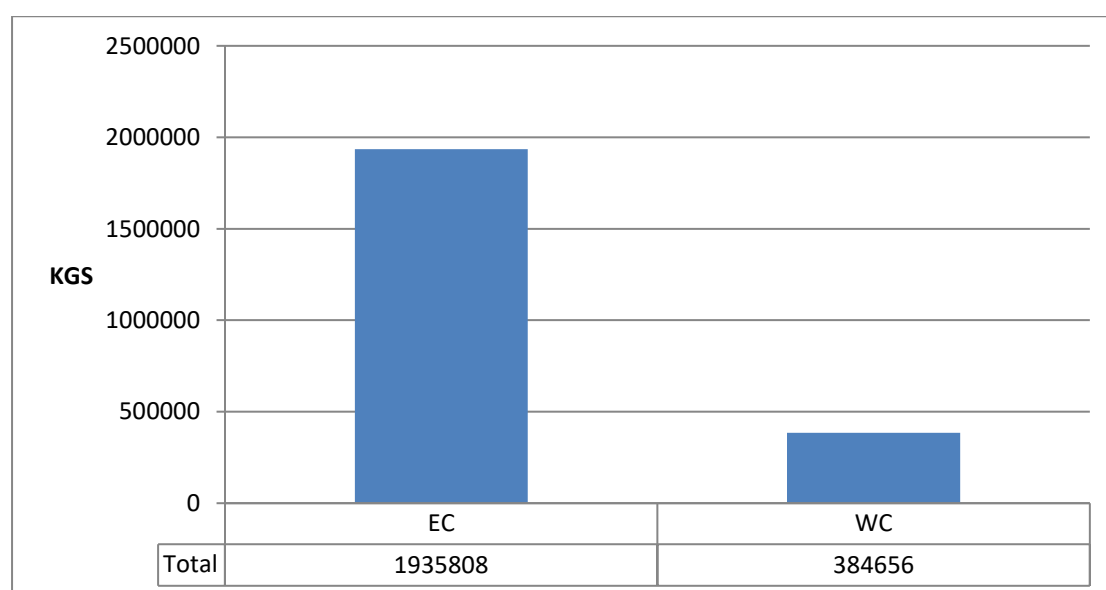
Income from wool increased in the 2014/2015 to 2015/16 period by 27,8 per cent to R3.547 billion (DAFF 2017a:4), and a 5.9 per cent increase in income from wool sales, translating to R3.559 billion, was recorded in the 2016/17 cycle (DAFF 2018:4). The major importers of South African wool are China, with 78 per cent, Czech Republic 11 per cent, India at 14 per cent and Italy at 3 per cent (DAFF 2015d:9). Wool is used extensively in the textile and apparel industries, which often share low-waged characteristics with the agricultural sector. The implications of the relationship between low-waged firms and sectors at local and global levels, also needs to be unpacked as part of the process to deepen the search on statutory wages and low waged work and low-waged workers.

Wool produced in South African is of a high quality, easily satisfying the requirements of the textile and fashion industries. The clothing and apparel sector has a global record of being a low-waged sector – a point returned to below. Of interest here is that trade of wool exports to the countries sighted above do not include fair and ethical labour protocols regulating their business dealings with wool producers. The absence of labour protocols between wool producers in South Africa and wool buyers in the countries cited above, contrasts with the export orientated horticultural sub-sector in South Africa which sells produce to European markets where the presence of consumer bodies in Northern countries demand that retailers source produce from labour compliant producers. Similar trends are discerned for mohair trading. Attention now turns to the mohair sub-sector.

6.3.4 Mohair

According to DAFF (2013b:3, 2016d:6, 2018:75), South Africa is responsible for the largest share of global mohair production and is regarded as the most reliable supplier of the produce internationally, because angora goats grow their fleece all year round. This makes it possible for farmers to auction mohair in the winter and summer seasons. Like wool production, the Eastern Cape is the largest mohair producer in the country³². However, it was only in 2012 that production gained momentum with the Eastern Cape capturing the major share of 1 935 808 kgs, as displayed in the figure below (Figure 6.3). DAFF (2016d:3,6) reports that, by 2015, the province captured 52 per cent of national mohair production. Towns close to Port Elizabeth, such as Willowmore with 20 per cent, Aberdeen and Somerset East with 17 per cent, and Jansenville on 10 per cent, among others, were responsible for most of the province and country's mohair produce in 2015.

Figure 6.3: Mohair production in South Africa, 2012



Source: Cape Wools (2013).

³² According to AgriEC, the commercial farmers' union in the province, the Eastern Cape is regarded as the "mohair capital of the world" because "more than half of the mohair on the planet is produced in the province" (<http://www.agriec.co.za/commodities/3> downloaded 20 December 2017). This claim, however, needs to be assessed carefully against global patterns of mohair production and trade, to assess congruency with data on the global competitive competencies of South African, and Eastern Cape mohair performance. Such an undertaking for mohair, as with all other agricultural commodities featured in this research, falls outside this specific study. The overall point of the significance of raising economic and production data for agriculture, in a study of the AMW, relates to the composition of agrarian production and the connections the agricultural sector shares with backward and forward trading partners. South African mohair's strategic global position reinforces the point made pertaining to encouraging critically engaging questions about this relationship between the low-waged agricultural sector's multiple trading relations with and ownership by enterprises within and outside the sector, at global and domestic levels.

Although production levels of mohair have fluctuated with declining volumes between 2006 and 2015, the gross value of production has increased over the period to peak in 2015 at R529.504 billion (DAFF 2016b:4). The export value of mohair out of the Eastern Cape began to increase from 2006 (recording R36 million) and peaking in 2015 at 67 million (DAFF 2016b:11). The three main South African mohair importers in 2012 were Italy (32 per cent), China (20 per cent) and the United Kingdom (19 per cent) (DAFF 2013b:8). Exports to China increased in 2015 to 35 per cent, while stocks to Italy and the United Kingdom declined to 25 per cent and 12 per cent respectively. Despite the fluctuations in production volumes and export quantities, gross farm income from mohair sales increased 11,2 per cent to R414 million between 2011/12 and 2015/15 (DAFF 2017a:4). Mohair is auctioned at the market and, on average the auction price increased by 12,1 per cent in 2016 (to R239.40 per kg) from 2015, when it fetched R213.51 per kg (DAFF 2018:76).

Mohair, like wool as pointed out above, is used extensively in the textile and apparel industries, which often shares low-waged characteristics with the agricultural sector. The implications of the relationship between low-waged firms and sectors at local and global levels are thus also relevant to mohair in research on statutory wages and low waged work and low-waged workers. As with international wool trade, the labour relations regimes in countries that import South African wool also may influence the extent of wage compliance and non-compliance of mohair farmers/producers.

However, in the case of mohair, it is not only the country and the labour relations framework that matters, because dynamics in sub-sectors importing mohair may explain the absence of ethical and fair labour protocols for workers in this sector. This is the case of the United Kingdom which imports both mohair and citrus, and in the latter, as will be shown in chapter 9, labour protocols do exist for citrus growers and pack-house operations that trade with retailers based in the United Kingdom, especially Britain. However, such protocols do not exist for mohair (and wool) producers. As pointed out, these questions are important to enhancing the potential to move from low-road to high road approaches in the social and technical relations of production in low-waged enterprises. Moreover, differentiated labour market protections for agrarian workers employed in enterprises in the different exporting sub-sectors and between workers employed in companies producing for the domestic markets, indicate the presence of varying degrees of segmentation and varying depths of secondary conditions in the wider agrarian labour market.

It is noteworthy that South Africa has areas such as the Eastern Cape that commands a strategic global position in the mohair trade, yet it has recently emerged from a low production base. It is also of interest that South Africa imports a minimal amount of mohair which is processed further in the country (DAFF 2017a:7). Late momentum in increasing the volume of production, and imports of a commodity for value adding, with the status that mohair has in the country, raises questions about the production and business strategies of the sub-sector, as well as the market structure and composition of the value chain. The extent to which the mohair sector lacks dynamism in line with Sender's (2016) impressions of South African agriculture's trade performance, given the position South Africa holds globally in the mohair, as well as the wool, markets, may apply here but does require more investigation for this to be clearly identified. The next profile is the final in the animal husbandry sector, and that is the game farm sub-sector.

6.3.5 Game Farming

Game farming has become a major enterprise, as has mixed farming where diversified agricultural production co-exists on a single farm. Game and mixed farming are adjustment strategies that agrarian capital pursued to cope with regulatory shifts. The Eastern Cape has the third highest number of game farms in the country, after Limpopo and Northern Cape (Van Der Merwe and Saayman 2003:104). The rise of game farms stems from the demise of traditional livestock farming in the Eastern Cape. The proliferation in game farms, in the western part of the Eastern Cape, occurred in the 1990s, hence before the introduction of the AMW in 2003, with livestock farms making the switch to game farms³³. The switch from traditional livestock farming to game farms or game reserves symbolises changes in product market strategy, prompted in large measure by the wider neoliberal shifts in the commodity markets in agricultural sector.

³³ . ECARP has documented cases on shifts to game farms and the impact on workers' jobs and tenure security. The rapid pace of farm conversions surfaced in the Makana municipality, where ECARP is based, in the course of the documentation process. However, the number of game farms spread throughout the Eastern Cape after 1994 to take advantage of the rise in international tourists, mostly from the Global North, visiting the South Africa under a post-apartheid state. Corporations, public sector departments and private companies based in the Middle East, Norway and the United States respectively own game farms in the Makana municipal districts. When farms are converted to game farms, neighbouring farms are bought and consolidated to form a game park providing large tracts of land for animals to roam around. The researcher has documented the negative outcomes such conversions have on farm workers and dwellers living and working on farms prior the shift to game farms.

Three broad types of game farms have come to exist – one dealing with trophy hunting, another specialising in the sale of game meat or venison, and the third offers game viewing and no hunting. Tourists are charged a price for each animal they shoot; prices vary depending on the type of game. Apart from offering game viewing or trophy hunting, game farms may also breed game animals as a supply link for other game farms. It is also not uncommon for game farms to practice mixed farming, offering services and produce seasonally. For example, trophy hunting or game viewing combines with livestock, or with horticultural produce. Mixed farming of this type was also reported in this research by workers who were interviewed.

6.3.6 Citrus

The Eastern Cape has a mixed horticultural industry where fruit such as citrus, deciduous and cayenne pineapple, and vegetables such as cabbage, chicory, butternut and potatoes, to name a few, are produced. The profile here will focus on the citrus sub-sector as a whole, with a level of focus on oranges because this produce is key to Eastern Cape citrus production and export. To recap, the intention is to reinforce the argument made on the value of incorporating and refocussing thinking of key economic data with respect to statutory wage settings and low waged workers. As such, the first salient point to make at the start of the citrus profile and to bear in mind is that the sub-sector is “one of South Africa’s most important fruit group by value and volume” (DAFF 2016d:4). As was pointed out in Table 4.5, the citrus sub-sector is a major exporter for South Africa and earns a fair share of foreign income for the country. South Africa produces a variety of citrus ranging from oranges, lemons, limes and grapefruit, to name a few; the majority of produce is exported. The variety of citrus produced signals important questions pertaining to the nature and cycle of employment, which is picked up again in chapter 87. For the purposes here, the profile will focus on the economic data of the sub-sector at the aggregate level.

Although citrus production is spread across the country, it flourishes in certain provinces. The table below (Table 6.5) displays the three most prolific citrus production areas in South Africa, based on available data. The largest citrus producing province is Limpopo, followed by the Eastern Cape, which is followed by the Western Cape and other provinces.

DAFF (2016d:5) points out that climatic features play a key role in configuring citrus production, so the Eastern and Western Cape with their cooler temperatures provide fertile conditions for the production of oranges, lemons and easy peelers (for example

clementines and satsumas). Due to natural conditions, most easy peelers are produced in these two provinces, with the Eastern Cape ahead of the Western Cape. According to the DAFF, the cooler environment for the production of easy peelers enables primary producers' ability to meet consumer demand. As such, these spatial locations hold strategic importance in citrus production, on account of their natural endowments, to meet global demand for particular types of citrus. The other important point to note is the size of citrus operations.

Table 6.5: Gross production areas of citrus in hectares, 2013 to 2015

Year	Province	Percentage of Production
2013	Limpopo	37
	Eastern Cape	23
	Western Cape	14
2014	Limpopo	42
	Eastern Cape	26
	Western Cape	16
2015	Limpopo	42
	Eastern Cape	26
	Western Cape	16

(Sources DAFF 2014c:5, 2015f:5, 2016d:5).

According to DAFF (2016d:5), farm sizes are small, but “most citrus in the Western and Eastern Cape is packed by privatized cooperatives in huge facilities that are amongst the largest in the world”. This signals important questions for further research on local and global power relations between primary citrus producers, privatised pack-houses, and retailers, as elaborated in the earlier discussion. Nevertheless, the above synopsis of the major production zones of the citrus sub-sector in South Africa, provides a glimpse of the significance of the Eastern Cape's contribution to the country's citrus production, and in regard to global markets. In chapter 8, the strategic importance of citrus to the Eastern Cape will be picked up again, with respect to employment.

With respect to gross value of production, the citrus subsector is the third largest horticultural sector after the deciduous and vegetable sub-sectors (DAFF 2016d:4). In a 10-year period, between 2005 and 2015, DAFF (2016d) reports on an increase in the gross value of production for the sub-sector as a whole. With the exception of 2010, each year in the 10-year period saw an increase in the gross value of citrus produce. The largest record was for the period 2002 to 2011 when gross value of all

citrus products increased by a significant 156 per cent. In 2012/13, the citrus sub-sector contributed 18 per cent of the total gross value of horticultural produce, amounting to R8.3 billion (DAFF 2014c:4). The sub-sector increased its contribution to the total value of agricultural production in the 2014/15 season, to R11 billion, which constituted 20.6 per cent the total gross value of horticultural produce (DAFF 2016d:4).

Data shows that in 2013 and 2015, of all the citrus production, oranges captured the largest share of total citrus gross value when their production accounted for 70 per cent and 65 per cent respectively (DAFF 2014c:4, DAFF 2016d:4). Of the orange variety, navels had the second largest volume of production. The Eastern Cape is the biggest producer of navel oranges in the country, and hence made (and makes) a substantial contribution to the total gross production value of horticultural produce in the country, in addition to the export value the produce holds.

As reported in chapter 4, citrus was one of the five major agricultural export sectors in South Africa in the 2012/13 and 2015/16 periods, racking in R83.022 billion in export value in the latter period (DAFF 2017a:10). However, this is only marginally higher than the volume of citrus imported into the country, and in fact imports of citrus increased by 22,1 per cent between 2014/15 and 2015/16. Here it is noteworthy that the increase in the volume of imports was higher compared to the volume of exports in the 2014/15-2015/16 period. Nonetheless, the Eastern Cape made a significant contribution to South Africa's export volume. DAFF (2016d:46) reports that the province's export capacity increased by 32 per cent in 2015, from 2014, when it exported R2.4 billion worth of produced.

The highest contributor to the total volume of South African citrus exports between 2006 and 2015 was oranges (DAFF 2016d:22). In 2015, oranges comprised 70 per cent of citrus production (DAFF 2016d:18). As pointed out above, the Eastern Cape is the largest navel orange producing zone in country, making the province strategic with respect to supplying global markets. In 2015, South African orange exports amounted to 13.64 per cent of world exports and it ranked second in the world's citrus exports (DAFF 2016a:60). Nevertheless, at an aggregate level with the export of 1 159 411 tons, oranges contributed 65 per cent to total citrus exports, worth R7.6 billion, followed by lemon and lime with at 246 293 tons, constituting 13.8 per cent of the total citrus export volume (DAFF 2016d:28). In terms of orange prices in 2015, the average price per ton on the export market was R6 576, which represents a 14 per cent increase on the average price per ton on the export market from the previous year (DAFF 2016d:22).

The export price contrasted with the price per ton for oranges sold on the local market which was R2 535.00 per ton, and far less for processing which was R652.00 per ton in 2015 (DAFF 2016d:22). The figures reveal the variances of market conditions for suppliers of South African oranges, hence variances within the citrus sub-sector and among individual enterprises. The price for oranges, from the different annual profiles of the citrus sub-sector compiled by DAFF, shows a general, but unequal, hike in orange prices in export and local markets and in the processing sector.

On the whole, nonetheless, gross farming income from citrus fruit increased by 12,4 per cent and totalled to R14.817 billion (DAFF 2017a:3) in 2014/15. In the 2015/16 season, the sub-sector experienced a slight income increase of 1,2 per cent, which amounted to R18 377 million (DAFF 2018:3). In addition, DAFF (2018:10) notes that the value of citrus exports for 2016/17 amounted to R16.989 billion, making the sub-sector one of the most important agricultural exporting sub-sector in the country, followed by wine (R8.731 billion), apples, pears and quinces (R7.161 billion), wool (R4.158 billion) and nuts (R3.568 billion).

As with other citrus, oranges are exported primarily to European countries, but the major importers in the 2015/16 period also included the Russian Federation and United Arab Emirates (DAFF 2017a:55), as well as established importers such as the Netherlands and the United Kingdom. The same questions on labour standards and audits raised in the discussion with the export of wool and mohair surface for the export of citrus. In the case of exports to Europe, citrus producers supplying Northern retailers are bound by global agreements, as pointed out in chapter 4. It is noteworthy that, unlike wool and mohair, retailers in central Europe and in the United Kingdom have established various protocols attempting to regulate labour and employment relations on farms and pack-houses.

However, like wool and mohair, exports to Russia, United Arab Emirates and China and Japan, who are also major importers of South African citrus, as well as other African importers, do not have labour protocol agreements with suppliers in South Africa. This means that protocols exist for a section of the citrus labour force, specifically for those who work in enterprises that export to central Europe and Britain. From this, it may be concluded that a large section of the workforce may fall outside of global labour protective measures simply because importing countries in Eastern Europe, Africa and Asia have not established such measures. This maybe the outcome of the absence of consumer bodies in those countries with a focus on ethical

and fair trade. Labour protocols in terms of GlobalGap is picked up again in later chapters. It is also important to point out that domestic retailers also do not have such standards with local suppliers of citrus, meaning that private sector led social and ethical trade is absent. The final sub-sector to profile is pineapple, which brings this snapshot to a close.

6.3.7 Pineapples

South Africa does not contribute substantially to global pineapple volumes. However, in South African agricultural production, pineapples are highly regarded, because they are “one of the most commercially important plants grown in South Africa, taking into consideration their foreign exchange earnings, employment creation and linkages with support institutions” (DAFF 2015e :3). In this light, the Eastern Cape is significant to the country’s pineapple production and, from the annual profiles on the sector compiled by DAFF, it is evident that the province has an established record for producing over three quarters of the country’s pineapple production. Northern Kwazulu Natal is the other pineapple producing province in South Africa. Pineapples thrive in climatic conditions which are warm with temperatures of a maximum of 25°C and with appropriate humidity levels (as found in the Eastern Cape and northern Kwazulu Natal).

The Smooth Cayenne is the main variety of pineapple grown here, and largely for the canning industry. “The pineapple industry is highly linked to the processing industry with approximately 80% of pineapples being absorbed by the processing market” (DAFF 2011:3, DAFF 2016c:3). This relationship, again, draws attention to the themes raised in this research pertaining to the role or contribution that agriculture’s backward and forward linkages have in generating and/or cementing low agrarian wages and inequalities in bargaining power in the agrarian capital-labour relationship, and along commodity value chains.

Now, similar to the other agricultural commodities featured in this profile, the gross value of pineapple production has increased over a 10-year period from 2005/6 to 2014/15. DAFF (2016c:3) reveals that the gross value of pineapple production increased between 2005 and 2010, declined in the 2011/12 period, only to recover in the 2013/14 and 2014/15 seasons when increases in gross value were registered. The gross value of pineapple production peaked in 2014/15 at R219 million. The gross value of production reaped in 2014/15 is a 12.3 per cent increase in gross value from the 2013/14 volume. The rise in the gross value of pineapple production occurs alongside declining volumes of production, as pointed out by DAFF profiles. In this

regard, DAFF (2016c:4) highlights several interwoven factors that may explain the increase in gross value of pineapple production, alongside the decline in the volume or tonnage of pineapples between 2005 and 2015. These include, as DAFF states, “among other things, increased demand, fluctuations in the exchange rates, improved prices resulting from lower production volumes, as well as the effects of inflation”.

Unlike other sub-sectors featured in the profile, with records of fluctuating production volume, the pineapple sub-sector has experienced consistent declines in production in the decade under profile. Declines in production are exemplified in annual records where the volume of produce reduced by 0.1 per cent in the 2013/14 period compared to production volume in 2012/13 (DAFF 2015e:4), and, in the 2014/15 period, production dipped by a further 0.97 per cent, in comparison with production volume in 2013/14 (DAFF 2016c:4). The sub-sector, arguably is in a fragile state, afflicted by a long-standing problem emanating from the sub-sectors’ upstream relations and the sourcing of zinc sulphate fertiliser used to dose pineapple crops.

According to DAFF (2016c:4), a multinational fertiliser supplier, (Protea Chemicals which is owned by Omnia Holdings³⁴), “operating in the Eastern Cape [p]rovince sourced low-cost zinc sulphate from China”. The zinc sulphate was found to have higher levels of toxic heavy metal cadmium, than the acceptable standards, resulting in the cancellation of shipment to the European Union (see Gosling 2007, for details). The application of the fertiliser lead to a plummet in exports, and damage to South African pineapple’s global reputation. Moreover, the fertiliser left a lasting negative impact on the productive capacity of farmers because future produce may be affected. Hence, the pineapple industry has not significantly improved since the adverse outcomes on trade with the application of the fertiliser.

The bulk of pineapple production, as mentioned earlier, is passed on downstream for processing into largely pineapple juice. In the 2014/15 period, 73 per cent of the produce is estimated to have been processed (DAFF 2016c:6). A lesser volume of the fresh fruit is sold on the local market, and a marginal proportion (2 981 tons in 2014/15) is exported. Pineapple sales on the local market also appear to fluctuate. The sale of pineapple in domestic markets increased by 2 per cent between 2012/13 and 2013/14, only to decline by 3.5 per cent in 2014/15 (DAFF 2016c:7). Fluctuations in the quantity of sales in the local market were met with marginal increases in prices. For example, in the 2014/15 season, the average price of pineapples sold in the local markets for

³⁴ Source: Gosling (2007).

R5 067 per ton. “This was 2% higher than the average price during the previous year (2013/14) and 102.5% higher than the average price five years ago (2005/06)” (DAFF 2016c:7). Most pineapples produced in the country are consumed locally, hence exports are insignificant. However, processed pineapple juice is regarded as being highly competitive.

With this brief outline of the pineapple sub-sector, the profile of the selected key agricultural commodities produced in South Africa and in the Eastern Cape, and that correlate to the sub-sectors that are featured in this research, comes to an end. It is useful to reflect on the significance of economic data such as the above for research on the AMW. Such an exercise is undertaken below.

6.4 AGRICULTURAL PRODUCT MARKETS AND THE MINIMUM WAGE

The diversity in agricultural commodity production in the province, and the backward and forward linkages in the various value chains within the sector and between the sector and others in the economy, profiled above, raise crucial questions in heterodox MW works, as explained in chapters 2 and 4, about the links between low waged companies and firms in other sectors where trading relations exist. These questions gain heightened significance when statutory wage studies focus on low-waged workers. Important and salient clues, revealing aspects of the nature of the relationship between agrarian producers and their upstream and downstream linkages, are found in the economic data compiled by government departments and agricultural employers’ associations. The gross value of products and gross income, indeed, raise critical questions about power relations in agricultural commodity chains and the distribution of wealth that cannot be ignored in studies on statutory wage settings in low-waged sectors, such as agriculture.

This depth and nature of probing of low-waged labour markets raise questions, in line with Marxist readings of capitalist political economies, about the core tenets of waged-labour and capitalist valorisation processes, the distribution of surplus value and the value of labour, not only that of the value of labour-power. For a thorough assessment of inequalities in capitalist social relations of production, it is critical to consciously apply the distinction between the value of labour and the value of labour power (as developed by Marx) and to examine the concealing effect that wages, even when raised, have on class inequalities and exploitation. This reverts to key themes raised

in the works of heterodox MW scholars on the relationship between statutory wages and issues of justice and democracy. To do justice to such issues, it is imperative for critical studies on statutory wage fixing in low-waged sectors to anchor analysis of wage-setting processes within an overall understanding of the structure and composition of capitalist valorisation and the profit imperative. In other words, as established in chapters 2 and 3, a Marxist perspective strengthens explorations in MW studies on issues linked to the social devaluation of low-waged work and issues central to justice, equality, and democracy, by encouraging an analytical confrontation with issues of class exploitation and discrimination in wage setting processes.

Through a selective profiling of the agrarian productive system in South Africa and in the Eastern Cape, several key issues emerge or are suggested, from a radical political economy perspective, with implications for the way minimum wages in the sector are conceived and researched. Notwithstanding the variances in gross value of production, gross farm income, and gross value of exports and imports, it is proposed here that the monetary values in the economic profiles of agricultural commodities, in the above sketch, have pertinent links to an analysis of the relationship between agrarian statutory wages and agrarian labour. When the AMW is explored in relation to agrarian labour, the monetary values revealed in the data raise questions about the distribution of wealth generated in the commodity value chains and in the global food production (and consumption) regime. From this questioning, other equally important questions surface, this time relating to the role that power relations in the value chains between agrarian labour and agrarian capital, and the upstream and downstream linkages in the sector, have in shaping, creating and cementing low wages in the sector.

The economic data on agrarian volume of production, gross value, exports and imports and prices, therefore, cannot be eschewed from market structures and power relations within the value chain. Forward and backward linkages of agriculture, whether global or domestic, indicate the inter-dependent relationship between the low waged agrarian sector and an assortment of enterprises found in both primary and secondary labour and product markets. As a result of the relationship with agrarian producers, firms in such backward and forward linkages, it can be argued, share a link with low waged workers in the local agrarian labour market. Likewise, such relations also connect low waged workers with higher paid workers along the commodity value chains. Hence, workers in primary and secondary labour markets and firms do not operate in isolated

and unconnected ways. Questions then emerge about the extent to which multinational companies and primary sector firms benefit from the relationship with secondary productive systems where low wages prevail. Questions also arise about the possibilities for solidarity among workers along value chains in low-waged sectors.

From the profiles of the different value chains, a 'messy' picture of product market and value chain conditions emerges, lacking in uniformity across commodity production. An extensive network has developed between the primary producer and the consumer of agricultural products (See DAFF reports on the various commodity value chains). Whilst there is great diversity in the respective commodity value chains, producers across agricultural sub-sectors sell to a range of agents further up the chain for processing and final production before distribution, in domestic and international markets³⁵. This further illustrates the uneven and variegated links between the primary agricultural sector, and the agro-processing and manufacturing sectors, and between agriculture and other sectors, such as clothing and textiles.

Much of the data in the DAFF reports and profiles are used for forecasting economic performance. Whilst that is relevant to assess future growth prospects, it is also essential to conduct a comprehensive scrutiny of economic data highlighted above, including and not limited to shifts in producer and consumer prices of produce, for a deeper engagement with MW policies. Economic data on agricultural production, marketing, income, and similar issues, must be assessed in relation to workers' wages and the AMW settings, to strengthen research, theories and narratives on the causal mechanisms of low wages and the significance of statutory wage settings in low waged sectors. When statutory wages are considered from the stance of low-waged labour, economic data, described above, take on a different meaning and significance, from mere economic forecasting, to problematising the connections in the variations in product market performances and market structure, with variances in agricultural production, the technical and social relations of production, and the outcomes for wage setting in the sector.

The consideration of economic data on agricultural commodities facilitates the problematisation and theorising of the AMW and its relationship to the states and positions of agrarian labour. Considering economic performance data through such a

³⁵ As pointed out earlier, certain produce, such as citrus is found on the shelves of major retailers in Britain such as TESCO and Sainsbury. Wool and Mohair from the Eastern Cape are used in the global textile and garment industries. Field crops are supplied to multinationals, for example chicory from the Eastern Cape is supplied to multinationals such as Nescafe.

prism encourages a different set of questions, from the standard practise of economic forecasting, to the examination of economic information in light of wage setting in low waged sectors and the states and positions of workers employed in those sectors. This angle of inquiry resonates with and contributes to developing some of the central themes raised by heterodox MW scholars in terms of securing and ensuring wage levels that are consistent with what is regarded as constructive, as opposed to destructive, capitalism where employers compete on the basis of low wages. It is proposed here, that extending the use of economic data to reflect on low wages and the nature of production serves in enriching research on statutory wage settings in low waged sectors from the question of labour, and in this case agrarian labour in South Africa.

A deep reflection on the economic data and the relationship to wage settings in the sector, by implication not only necessitates sub-sector scrutiny; it also requires data collection on economic conditions and product market dynamics at enterprise level. Key variables in this regard are farm or enterprise size in terms of volume of production and labour force; capital and intermediary costs in relation to labour costs; level of market participation with respect to domestic and international dynamics; prices that enterprises receive for goods sold on the market, among others. The collection of economic data at enterprise level in different sub-sectors will illuminate objective and structural conditions, forces and relations of production and trade, that in turn influence labour relations, wage settings and the balance of forces, at the individual enterprise, sub-sector, and sector wide levels.

The collection of economic data of this nature must be combined with the collection of data on the subjective and social dimensions of production and labour relations strategy in the work-sites. Disaggregated data at enterprise level contribute to the expansion of empirical information on the production, marketing and labour relations strategies of individual agrarian enterprises, that in turn facilitates the identification of (a) the subjective and objective factors, at enterprise and sub-sector levels, encouraging the practice of low wages, and (b) broad patterns and trends in the structure of political economies fuelling propensity for enterprises and sub-sectors to be low-waged. Through disaggregated data of this nature, information is available on the inclinations and capacities for firms to (a) be compliant with AMW settings, (b) pay higher than the mandatory wage rates, and (c) pay sub-minimum wages.

Much more research, thought and debate is needed on the relationship between the economic data and wage settings in a heterodox, and specifically a Marxist approach, in studying statutory wages. Incorporating and questioning agricultural economic performance data in a study of the AMW not only encourages deeper questioning about the sector's backward and forward linkages' contributions to the practice of low wages, and influence on wage settings. This angle also encourages a critical and comprehensive engagement with the socio-economic and political phenomena that sprout low wages and inequalities in bargaining power in the employment relationship, that in turn prompt state intervention in wage setting. Crucially, this entails scrutinising commodity value chains to clarify the extent to which the composition of, and power relations in, the chains between and among workers and employers, retailers and consumers, contribute to low wages and inequalities in bargaining power, that in turn cement secondary, segmented and sweated labour market conditions.

To be sure, this line of thinking about statutory wages is in accordance with heterodox labour economics, where it has a long and firmly established tradition, exemplified in the works of Beatrice and Sidney Webb. Such a 'MW quest' of necessity requires attention to sub-sector dynamics and a focussed scrutiny on the composition of and power relations in domestic and global commodity value chains, as much as it requires an alternative analysis of the global food chain from standard economics interpretations. In going down this analytical path on wage setting in low-waged sectors, it is imperative to be sensitive to the global configuration of the food production regime and the unequal power relations between Global North and Global South countries in setting the terms and conditions of international trade. In this regard, it is important to understand how both domestic and international forces, pressures and power relations shape production and marketing and trade in the South African food production regime (see Anderson *et al* 2007), and how forces and factors in those domains shape the capital-labour dynamic and wage setting processes. The causal mechanisms of low wages, in local labour markets, are shaped by a complex intermingling of multiple socio-economic and political phenomena with uneven pressures and varying degrees of influence over the actions and choices of labour market agents.

Discussion on the economic data, product markets and statutory wages concludes here. The final section displays the research sample with agrarian sub-sectoral breakdowns and explains the research methods used in data collection.

6.5 RESEARCH DESIGN

The methods of data collection are fundamentally informed by the object of inquiry as well as the philosophical foundations of the research and the meta-theory adopted by the researcher. The philosophical foundation for research appropriate for social phenomena was covered in chapter 1. As explained in chapter 1, this research is set in a critical realist meta-theory of the world, which is founded on a stratified ontology, where emphasis is on seeking underlying causes of phenomena to explain why things happen or unfold in the ways that they do. Research that is orientated towards identifying underlying causes of phenomena in the social world, so as to explain why they occur, requires particular data collection techniques commensurate with the subject matter being investigated.

As discussed in chapter 2, a major weakness of neoclassical economics, which prevents the model from explaining labour markets and why events and phenomena occur, is the scientist meta-theory upon which it is based, which informs its focus on statistical modelling and mathematical calculations to make predictions about events in the social world. Works that focus on predictions and forecasting are not informative with respect to causation, and therefore lack explanatory powers. Moreover, a focus on statistical modelling and predictions has a distinct bias on quantitative data to the neglect of qualitative data that facilitate explanations. A comprehensive study on MW policies, set in a critical realist meta-theory, where focus is on explaining phenomena, will use research methods that elicit qualitative, and, where relevant, quantitative data to unravel and explain developments and trends in the work-place and in a particular labour market, with a MW policy in place. As such, it is not unusual to use both methods in social science research. In other words, data collection may selectively combine techniques that generate qualitative and quantitative information to support arguments and points in the overall research. In line with this, the collection of empirical data for this research entailed both intensive and extensive techniques, to generate qualitative and quantitative data, respectively.

6.5.1 Research Context and Constraints

As established, this study is focussed on labour, so the research design is premised on engaging with workers, meaning that appropriate data collection methods had to be deployed to gather data on the states and positions of agrarian labour in the study. Appropriate data collection methods, for this study, entailed in-depth interviews, case

studies, use of a questionnaire, field-trips, and attendance at meetings and workshops with farm workers where issues pertaining to labour laws, wages and labour relations, were discussed/workshopped. Accessing agrarian labour for research purposes is often fraught with difficulties, some of which include: (a) the remote location of farms, (b) agrarian capital-labour relations, which often results in worker reluctance to share or divulge information on the politics of work to strangers, who could even be “spies” for employers, and (c) awkward working hours, times and periods, which affects arranging and conducting interviews.

This research, as mentioned earlier, focused on agrarian producing areas that are within 150km radius to Grahamstown, and in these areas several agricultural workplaces are in operation. Remote distance was not an encountered difficulty, although distance did consume research time in travelling to and from data collection points. In terms of the second issue, and interviewees’ willingness to be interviewed and provide detailed information, difficulties were experienced in certain sub-sectors. Access to workers in sub-sectors, where a relationship between workers and the researcher and/or ECARP was not established, posed certain constraints for securing access to interviewees in terms of the sample frame. This particular situation was felt in the pineapple and chicory farms in the Ndlambe municipal area, where workers felt insecure about divulging information to the interviewers about their working conditions. This played a major role in accessing workers for interviews and affected the number of workers from these two sub-sectors in the overall extensive research sample.

Nonetheless, for the most part the researcher’s established relationships with groups of workers in geographical areas, where ECARP had/has existing programmes, paved the way for workers to speak freely and divulge information on the key themes in the research without fear of reprisals, during interviews. Established networks with workers also allowed access to other workers fitting the requirements for the sample. In addition, the meetings and workshops with farm workers, which the researcher either facilitated or attended, proved to be critical to information collection and verification of data already collected, given the constraints with accessing farm workers. In many cases, these fora were used to validate patterns and trends identified in the intensive and extensive data collection processes, and to establish consistencies around the prevalence of particular employment practices and labour relations systems. Nevertheless, even in cases where trust was established, several

workers would request that what they divulged should not be repeated to other workers or the employer.

However, although the researcher was able to establish a relationship of trust in most cases in the intensive phases of the research, it was not possible to control for workers' working hours and periods. So, the third issue, linked to awkward working hours and scheduling of work, did affect the sample of workers, and which categories of worker were interviewed in the field. In this regard, the overtime shift system and the allocation of overtime work to workers in the dairy and game farm sub-sectors, affected the number of interviews in these sub-sectors, and importantly the availability of workers to be interviewed. In the dairy sub-sector, the shift system entails workers working seven days for two weeks and then five days the following two weeks, or for one week, thereby rotating the week-end off for the labour force. In the game farm sector, overtime work and week-end work was determined largely by customer bookings and arrivals. It is usual, therefore, for workers to be on standby. As a result, several instances were encountered during the data collection phases, where arrangements would be made to interview segments of workers according to the sample, on specific week-ends, but in fact workers were called to duty on the day of the interview. In the cases where the sampled worker could not be interviewed, adjustments were made to the sample accordingly.

It is not possible to access workers during working hours. Although most in-depth interviews were held over week-ends, several were conducted on weekdays when workers had a day off, or in off-season periods. Intensive interviews were conducted at the ECARP offices in Grahamstown, and the extensive research or survey was administered at workers' places of residence. A major disadvantage of interviewing workers at their place of residence, over week-ends, is alcohol consumption. A significant number of workers, especially males, were often inebriated by the time interviewers arrived in the areas, making the interview difficult and longer than expected, or impossible to conduct. In the case of the former, extra time was spent verifying information with respondents at the interview, and after, either telephonically, or, in meetings and workshops if the workers were in attendance.

Access to workers, therefore, is critical to the quality and quantity of data collected and plays a major role informing the sample in agrarian labour studies. Despite the challenging and constraining research context with agrarian labour, the researcher

found ways to mitigate, accommodate or address them. Access and availability of workers will be picked up as the discussion unfolds below. Here it is important to note that the challenging research environment does not compromise the overall arguments and conclusions drawn in the study.

6.5.2 Data Collection and Selection of Interviewees

The bulk of the data used here was collected between 2003 and 2014, using specific data collection techniques at different stages of the research. However, two interviews were held in 2017, around particular aspects relevant to this research, which is explained later. Empirical data, obtained from agrarian labour in this research, incorporate a wide range of aspects, including employment patterns, the nature of work, working and living conditions, labour relations, as well as wages, and covers the aforementioned years. This data is profiled and analysed in the substantive chapters to follow. The bulk of the intensive data, used in the research, was collected in 2004, 2006, 2007, 2011 and 2012. Extensive data on employment conditions, labour relations and wages was collected through a survey, referred to as the SD 13 Survey, which was administered between 2010 and 2014. In total, two focus group interviews, comprised of 10 workers, and 51 in-depth interviews were conducted in the intensive phase of the research, whilst 501 workers were interviewed in the SD 13 Survey.

The researcher developed the interview schedules for the focus group, individual in-depth interviews, case-studies, as well as the questions in the SD 13 survey. But conducting the interviews required research assistants for translations as the researcher is not fluent in IsiXhosa, which is the dominant language among agrarian labour in the Eastern Cape. The researcher conducted a series of interviews with each of the research assistants, who provided translations during the interviews. These interviews were also training sessions for the research assistants to enable them to conduct in-depth interviews to the standard and depth required by the research inquiry, without the researcher being present. The researcher coached the assistants on probing key areas in the interview schedule to ensure that qualitative details surface during the interviews on working and living conditions, labour relations and wages of sampled workers, as well as workers' impressions and views of their working lives and the AMW and ASD. The researcher was available when research assistants conducted the interviews to, where necessary, address issues, give guidance or clarify aspects of the data collection, as the interviews progressed.

Whilst translations during in-depth interviews make it possible for researchers to conduct interviews via a translator, translations break the flow of interviews and draw out the time of lengthy in-depth interviews. Extended lengths of time in in-depth interviews due to translations, in turn could have adverse outcomes on the concentration and interest of both interviewer and interviewee. For these reasons, the research assistants conducted independent interviews, after the necessary number of training and coaching sessions with the researcher. A group of trained research assistants, therefore, made it possible to conduct multiple interviews simultaneously on a given date. This approach ensured that each research assistant, on a particular day, interviewed one worker at length and in-depth. All in-depth and both focus group interviews were conducted at the ECARP offices in Grahamstown to prevent any intimidation from farmers and to create a free and secure environment for workers to participate. Interview dates were arranged and conducted with interviewees from clustered geographical areas and sub-sectors, mostly over weekends.

Regular contact was maintained with several workers in the geographical sites in the research sample during the research time period, through the researcher's other work with agrarian labour in the municipalities comprising this research sample. Such contact made it possible to clarify areas of the interviews and to gather details on particular aspects or areas of focus for the different chapters. The extensive interviews, were, however, conducted in the field with the aid of interviewers who were trained by the researcher on administering the questionnaire. Details on the design and implementation of the SD 13 Survey are presented later in this section.

For the most part and based on the researcher's prior knowledge of agricultural production in the research sites as well as updated information obtained in the initial field visits and exploratory interviews, stratified sampling was used to identify interviewees and the work-sites, that led to samples of workers for both intensive and extensive data collection. In other words, a stratified sample was developed based on the researcher's understanding and knowledge of agrarian production and the composition of labour in the research sites. Key criteria used in developing the sample frame included geographical location, the prevalence of agricultural sub-sectors in the research sites, gender composition of employment, workers' employment contract, workers' positions in the labour process, and age. The research looked specifically at workers who were employed in jobs regarded as menial, unskilled and semiskilled. However, during certain in-depth interviews, it came to light that workers employed in such jobs also acted as supervisors and foremen, who were male interviewees.

Hence, in this sample, men only held supervisory and foremen positions. Stratified sampling was augmented by purposive sampling, which was used to garner additional information or seek clarity on events and processes from interviewees on particular areas of inquiry. In this regard, and although the focus of this research is on agrarian labour, purposive sampling was used to canvass the views and feedback on certain issues from a few agrarian employers. Otherwise, purposive sampling was used to obtain information from workers on specific issues.

Prior to the development of the sample used in the research, between 2003 and 2005, the researcher led a team that conducted extensive field visits to the various geographical locations in the western part of the Eastern Cape, which included locations that fall within and outside this project's field sites. In this period, in 2004 to be precise, the focus group interviews were held. Nonetheless, the overall intention of the initial field visits was to gain a sense of trends and developments in working conditions, labour relations and compliance trends with prescribed rates, in various parts of the Eastern Cape in the first three years of implementation of the ASD and AMW, and to enable the selection of the geographical areas for the gathering of data for subsequent empirical research. These initial field visits were of immense importance for a further reason because they enabled an understanding of the composition of agrarian labour in local production zones that were previously unknown to the researcher.

Such field visits provided valuable background information on the terrain and socio-economic conditions of agrarian labour, and they enabled direct observation of living conditions, and listening to and recording the narratives of farm workers regarding states and positions of workers before and after the advent of the AMW. These sessions served as portals to agrarian labour's independent critical assessment of the AMW along a range of issues, viz. working and living conditions, changes in wages, relations with employers, labour inspections, and similar points, without the procedures and etiquette associated with the formal research agenda. In many ways, the trends and patterns in employment, wages and labour relations identified in this early stage surfaced in the forma information gathering processes. Equally significant, field trips provided the grounds for the identification of workers to participate in the in-depth interviews.

Unstructured interviews with workers at workshops and meetings pertaining to ECARP's other work, were also conducted between 2003 and 2017 and shed much

light on the nature of agrarian production processes, the nature of work and the living conditions of labour, and labour relations in the research sites, thereby strengthening the conceptual framework for exploring the implications of the MW in a localised agrarian labour market in the Eastern Cape. The interactions at this level were hugely significant in shaping the areas, depth and scope of inquiry in this study and enabled the researcher to develop the areas of inquiry and sub-themes in the various semi-structured interview schedules and the SD 13 Survey. The researcher was also offered the opportunity to keep track of the latest developments in the sub-sectors in the sample, at a general level, due to the regular contact with agrarian labour through her work at ECARP.

A sample frame, containing disaggregated statistics of the composition of agrarian labour in the various agrarian sub-sectors in various sub-sectors, does not exist due to patchy official data collection on agrarian labour. As a result, no documented data is available on the number of workers, the sexual composition of labour and gendered pattern of job allocations, and the number of workers employed on permanent and atypical contracts, in local geographical farming areas where this study is based. The initial site visits, therefore, were key exploratory sessions to gain and/or deepen understanding of the composition of agrarian labour and production, over and above gaining a sense of how the AMW was received and perceived in the first years of implementation.

By the time of the exploratory field visits, ECARP had an established presence in the Makana municipality, hence the field visits extended to other areas in the Little Karoo, namely Camdeboo and Blue Crane Route municipalities, where livestock and game farming/ranching are dominant sub-sectors. Contact with farm workers was established through advice offices stationed in these areas, and which provide labour advice services to farm workers in those areas. This process culminated in a study of 604 workers across nine municipalities (Naidoo *et al* 2007). The first set of in-depth interviews began in 2006 and continued into 2007, which is explained later in this section. In the meantime, between 2007 and 2009, in-roads were made in the citrus producing regions in Addo and Fort Beaufort areas, with the researcher and a team contacting workers employed in citrus orchards and pack-houses. Various engagements with workers in different positions in the labour processes were held, facilitating the development and refinement of the sample for in-depth interviews in 2011 and 2012 and the SD 13 Survey.

As alluded to earlier, field visits and direct interaction with workers also allowed the researcher to gain a sense of the dominant agricultural labour processes within the spatial location of the research inquiry. In this respect field work quickly brought to light the dominance of livestock and citrus production, amidst a diversified agrarian production process in the research areas. The strong presence of livestock and citrus labour processes, in the research sites, played a critical role in designing the sample for the survey and in-depth interview phases of the research. Due to logistical matters, such as distance, time and funding for the field research, and because areas in the Little Karoo are largely stock and game farming, the research sites in this study are within the Sarah Baartman and Amathole districts of the Eastern Cape, where a richer mix of horticultural and animal husbandry enterprises prevail. In addition, areas in these districts (that are covered in this research) are within a 150km radius from Grahamstown, where the researcher is based.

In section 6.2, the significant role that agriculture plays in creating jobs and livelihoods in the largely rural Eastern Cape came to the fore. In addition, a profile of selected sub-sectors in the Eastern Cape was presented in section 6.3, wherein the significance and strategic importance in product markets and to employment of the livestock and, particularly, citrus sub-sectors was highlighted. The citrus sub-sector is a dominant export orientated sub-sector in the Sundays River Valley and has achieved global prominence. Although detailed comparative statistics on the sub-sector spread in the research sites are not available, field work for this research combined with prior knowledge of agrarian sub-sectors in the area, verify that citrus production dominates the horticultural sector in the research sites. Similarly, of the sub-sectors in animal husbandry, livestock has the largest presence in the geographical areas of this research. The citrus and livestock sub-sectors, therefore, act as anchor sub-sectors, in the research sample, to the other sub-sectors that have varying degrees of presence and product market prominence. The livestock and citrus sub-sectors, as anchor sub-sectors, applies to the SD 13 Survey where the aim was to gather information on a set of key labour market and labour process conditions, and wages of workers in these two sub-sectors, but to also assess them in relation to other sub-sectors with varying degrees of strategic presence in the research sites. However, in exploring qualitative aspects of work, such as the nature of work, the social relations of production, labour relations, and similar themes, equal treatment is given to workers across the various sub-sectors in the intensive, or in-depth interview stage. Through this, similarities and variances in employment conditions and relations and nature of work, between the

anchor and other sub-sectors arise, thereby providing a glimpse of the spread of similar secondary and segmented employment conditions in the research sites.

The geographical location of this research is opportune for a sub-sectoral engagement with the agrarian labour market, labour process and wages, with the incorporation of workers employed in various agrarian animal husbandry and horticultural work-sites. No known sub-sector analysis of the AMW exists, making this study relevant because, not only does it provide empirical data on agrarian labour conditions and wages across sub-sectors in previously un-researched areas in the Eastern Cape; a sub-sector approach also sheds light on the causal mechanisms of secondary, segmented and sweated conditions in the local labour market, that in turn result in low wages. In this process, the characteristic features of the low-waged agrarian sector as whole, comes to the surface. This means, then, that analysis of the casual mechanisms of low wages is obtained from a range of sub-sectors to arrive at a sector wide understanding of the drivers of low wages, and importantly of wage patterns across sub-sectors with the advent of the AMW.

Chapter 3 highlights the tendency in South African agrarian studies to have focus on one sub-sector (for example Conradie 2003, Murray and van Waalbeek 2007, Du Toit 1993), and chapters 2 and 4 show agricultural economics' tendency to treat the sector as a homogeneous mass. Whilst research focussing on single sub-sectors is important, it does not provide opportunities to assess convergences and divergences between different agricultural sub-sectors, thereby limiting knowledge on employment conditions and social relations of production in the sector as whole. By incorporating animal husbandry and horticultural enterprises in this research sample, this study allows for comparisons to be made about employment patterns, working conditions and wages across several different sub-sectors that can be used to strengthen understanding and theory of the agrarian labour market and the role of the AMW.

The following sections present a breakdown of the interviews that were conducted in this study. The first phase of the in-depth interviews and focus groups, from 2004 to 2007, was conducted among workers from a mixture of sub-sectors in animal husbandry and horticultural sectors. Several enterprises combined both forms of farming, focussing on some form of livestock farming, usually beef, mutton, or dairy, conjoined with horticulture, mostly citrus and vegetables. The breakdown begins with details of the participants in the in-depth interviews, followed by the sample of workers in the SD 13 Survey.

6.5.3 Sample of Interviewees in Intensive Research Phases

As alluded to above, data collection began in 2004 with the intensive phase, a year after the introduction of the AMW, with the Makana focus group interviews. This involved an open-ended and unstructured framework to explore broadly shifts in working conditions, employment standards and labour relations; changes in wage levels; and outcomes for workers' social reproduction (see Appendix one). Two focus group interviews were conducted with 10 workers in total, over the weekend of 16 and 17 October 2004. The focus groups comprised five workers each. Males and females from different sub-sectors, across job descriptions employed on different farms, were part of the focus group interviews. Interviews were organised on the basis of workers' availability and not working on that specific week-end. The tables below (Tables 6.6 and 6.7) provide a breakdown of the details of the focus group interviews.

- Makana Focus Group One:16 October 2004

Place of Interview: Grahamstown

Geographical area and sub-sectors covered in the interview: Carlisle Bridge.

Dominant sub-sectors in the area: livestock and mohair.

Males:3

Females:2

Table 6.6: Makana focus group one, 16 October 2004

Name	Gender	Age	Sub-sector	Job Description
Fezile	Female	45	Livestock/mohair	Domestic worker
Joel	Male	84	Livestock	General labourer
Khanyiso	Male	42	Livestock	General labourer
Mandla	Male	39	Livestock	General labourer
Nomonde	Female	35	Livestock/mohair	Wool sorter

- Makana Focus Group Two:17 October 2004

Place of Interview: Grahamstown

Geographical areas and sub-sectors covered in the interview: Douglas Heights and Many Flats

Dominant sub-sectors in the area: Livestock, wool and mohair (Douglas Heights) and pineapple (Many Flats)

Males:1

Females:4

Table 6.7: Makana focus group two, 17 October 2004

Name	Gender	Age	Sub-sector	Job Description
Bulelawa	Female	46	Livestock, mohair	Mohair sorter
Mandisa	Female	27	Pineapple	Picker/Harvester
Nomsa	Female	45	Livestock, mohair	Mohair sorter
Margaret	Female	46	Livestock, mohair	Mohair sorter
Sinathemba	Male	30	Pineapple	General labourer

In-depth individual interviews followed in 2006 and 2007 with a focus on exploring a broad range of labour process and labour market conditions of workers and their relationship with employers. A semi-structured interview schedule was developed along themes linked to workers' labour market participation in the sector; the nature of their work and organisation of labour processes; the social relations of production, and control and power in the labour processes; the balance of forces in the work-places, wage setting processes, and workers' capacities to animate changes in the working conditions or terms; and the states and standards of living of the sampled workers. In other words, the interview schedule, found in Appendix two, was designed to explore dynamics in agrarian labour supply, demand and regulation with the advent of the ASD and the AMW. Subsequent in-depth interviews followed these themes.

In 2011, data collection took the form of interview-based case studies, where workers from the citrus and livestock sub-sectors in the municipalities in the Sarah Baartman and Amathole recounted their lives as farm workers and their experiences at work. This was to augment the data gathered up to that point and in the in-depth interviews to follow. In 2012, the in-depth interviews focussed on citrus workers because detailed data from workers in other sub-sectors was obtained in earlier rounds of the intensive data collection phases. The citrus interview schedule is found in Appendix three. In 2017, two in-depth interviews were conducted to gather additional information on working conditions and wage systems from workers in the wool and citrus sub-sectors.

In total, 51 workers participated in the intensive interview stages, comprising 21 women and 30 men. The details of the timing of the interviews and demography of workers in the sample are set out in Table 6.8. As Table 6.8 shows, workers were employed in various animal husbandry and horticultural sectors across four municipal areas with an established record of commercial farming/agrarian production. Job descriptions in the table below are depicted in general terms, in most cases where

workers performed multiple tasks. Further details on job specifications for all sampled workers in intensive and extensive data collection stages, are illustrated in tables in chapter 9.

Table 6.8: Sample of respondents for in-depth interviews, 2006 to 2017

Date of Interview	Name and Sex	Age	Sub-sector	Job Description/ Employment Status	Area/Municipality
6 May 2006	Ntom: Female	33	Dairy	Milker Permanent	Grootvlei/Ndlambe
	Nelson: Male	34	Dairy	General Labour Permanent	Grootvlei/Ndlambe
	Mandile: Male	39	Vegetable	General Labour Permanent	Kenton-on-sea/ Ndlambe
	Nomusa: Female	29	Vegetable	Planter Permanent	Zuney/Ndlambe
7 May 2006	Bongi: Female	34	Livestock Sheep and Wool	Wool sorter/Domestic Worker Atypical	Adelaide/Nxuba
	Mary: Female	35	Mixed Game and Livestock Sheep Wool	Wool Sorter Atypical (Seasonal)	Carlisle Bridge/Makana
	Zola: Male	34	Mixed Livestock Cattle, sheep, and game meat	Sheep herder Permanent	Carlisle Bridge/Makana
13 May 2006	Zuki: Female	36	Diary	Milker, Domestic Worker Permanent	Paterson/Sundays River Valley
	Khaya: Male	39	Game	General Worker Permanent	Paterson/Sundays River Valley
	Andile: Male	28	Dairy	General Worker Permanent	Collingham/Makana
	Joyce: Female	38	Dairy	Processes and bottles yogurt Permanent	Collingham/Makana
	Robert: Male	42	Livestock Beef farming	General Worker Permanent	Carlisle Bridge/Makana
14 May 2006	Peter: Male	22	Mixed Livestock Wool	Sheep herder Permanent	Adelaide/Nxuba
	Alfred: Male	44	Game Farm	Maintenance Permanent	Fort Brown/Makana
	Eric: Male	32	Vegetables Flowers	General Labour Permanent	Belmont Valley/Makana
18 May 2006	Thabo: Male	36	Pineapple	General Labour Permanent	Kenton/Ndlambe
	Ziyanda: Female	34	Pineapple	Harvester Atypical Seasonal	Kenton/Ndlambe
	Koliswa: Female	33	Pineapple	Harvester Atypical	Kenton/Ndlambe
2 June 2007	David: Male	29	Peaches	General Labour Permanent	Collingham/Makana
	Tommy: Male	38	Vegetables Mixed Livestock	General Labour Permanent	Committees Drfit/Makana

	Lindiwe: Female	29	Citrus Vegetables mixed with chicken	Planter, slaughter chickens Atypical Seasonal)	Fort Beaufort/Nkonkobe
	Luvuyo: Male	41	Game	General Labour Permanent	Fort Brown/Makana
12 June 2007	James: Male	46	Mixed Citrus Vegetable Livestock	General Labour Atypical Seasonal)	Addo/Sundays River Valley
	Maria: Female	37	Game	Office clerk Permanent	Paterson/Sundays River Valley
	Nora: Female	43	Mixed Citrus Vegetable Poultry	Planter Harvester Atypical Seasonal)	Addo/Sundays River Valley
	John: Male	42	Livestock	General Labour Permanent	Paterson/Sundays River Valley
	Colin: Male	40	Game Livestock	General Labour Permanent	Paterson/Sundays River Valley
	Zamxolo: Male	52	Game	General Labour Permanent	Paterson/Sundays River Valley
	Thomas: Male	43	Dairy	General Labour Permanent	Paterson/Sundays River Valley
11 August 2007	Vumile: Male	45	Mixed Farming Citrus Livestock	General Labour Permanent	Fort Beaufort/Nkonkobe
	Mildred: Female	42	Mixed Farming Citrus Livestock	General Labour Permanent	Fort Beaufort/Nkonkobe
	Sylvia: Female	38	Flowers and Vegetables	General Labour Permanent	Belmont Valley/Makana
5 March 2011	Mavis: Female	35	Mixed Livestock Mohair	General Worker, Preparing goats for shearing Atypical (Seasonal)	Fort Beaufort/Nkonkobe
	Amos: Male	47	Mixed Livestock	General Labour Permanent	Fort Beaufort/Nkonkobe
	Xolani: Male	34	Citrus	Fruit Picker Atypical Seasonal)	Addo/Sundays River Valley
	Xola: Male	37	Mixed Livestock Dairy	General Labour Permanent	Fort Beaufort/Nkonkobe
9 March 2011	Nosipho: Female	33	Packhouse Citrus Vegetable	Machine Operator that peels fruit and vegetables/ Atypical (Seasonal)	Addo/Sundays River Valley
	Sipho: Male	19	Packhouse/orchard Citrus Mixed fruit	Forklift Driver Permanent	Addo/Sundays River Valley
	Nomilile: Female	34	Packhouse Citrus	Packer Atypical (Seasonal)	Palletizer Atypical (Seasonal)
11 August 2012	Ronald: Male	31	Packhouse Citrus	Palletizer Atypical (Seasonal)	Addo/Sundays River Valley
	Patricia: Female	29	Citrus	Sorter Atypical (Seasonal)	Addo/Sundays River Valley
	Monwabisi: Male	42	Citrus	General Labour Permanent	Addo/Sundays River Valley

12 August 2012	Paul: Male	28	Packhouse/orchard Citrus	Palletizer Atypical (Seasonal)	Fort Beaufort/Nkonkobe
	Mzi: Male	29	Packhouse Citrus	Ticket Counter Atypical (Seasonal)	Fort Beaufort/Nkonkobe
	Patrick: Male	36	Citrus	Tree pruner Atypical (Casual)	Fort Beaufort/Nkonkobe
18 August 2012	Zanele: Female	32	Citrus	Picker Harvester Atypical (Seasonal)	Addo/Sundays River Valley
	Sofia: Female	27	Citrus	Picker Harvester Atypical (Seasonal)	Addo/Sundays River Valley
	Lonwabo: Male	35	Citrus	General Labour Permanent (Casual)	Addo/Sundays River Valley
8 September 2012	Joe: Male	20	Citrus Livestock Game	General Labour Permanent (Casual)	Fort Beaufort/Nkonkobe
17 August 2016	Aster: Female	53	Livestock Mohair	Mohair Sorter Atypical (Seasonal)	Carlisle Bridge/Makana
21 September 2017	Sindiswe: Female	27	Packhouse Citrus	Packer Atypical (Seasonal)	Addo/Sundays River Valley

Interviews were also held with selected agrarian employers when it was necessary to clarify aspects of the empirical data of relevance to the arguments or points raised in the study. Details of these interviews are presented in Table 6.9.

Table 6.9: Interviews with employers

Year of Interview	Employer/Management interviewee, Date of Interview and Municipality
2004	12 August Mr AB Commercial livestock/mohair farmer in the Carlisle Bridge area
2006	9 May Employer of Mary (1) 10 May Employer Mandile (2) 16 May Employer of Joyce (3)
2010	28 July Mr DP Managing director: Packhouse B in the Sundays River Valley 14 September Mr JP Operational manager: Packhouse A in the Sundays River Valley
2015	10 June Ms Zwede Perishable Products Export Control Board 12 August Mr LK Citrus Transformation Officer

	18 September Mr WS Wool Growers Association
2016	11 March Mr GJ: Pack-house A in the Sundays River Valley Mr CR: Pack-house C in the Sundays River Valley

6.5.4 Sample of Workers in Extensive Research Interviews

Parallel to the administration of the qualitative interviews and case studies, a questionnaire and a sample were drawn up by the researcher and administered to 501 workers from different animal husbandry and horticultural sectors, with citrus and livestock as anchor sub-sectors in the respective sectors, by a team of interviewers proficient in IsiXhosa. As mentioned earlier, the interviewers were trained on the administration of the questionnaire and were overseen and supervised in the field by the researcher and an experienced research assistant.

The SD 13 questionnaire (Appendix four) covers a range of issues including wage levels, employment and working conditions, labour relations, and the social reproduction of agrarian labour, before and after the implementation of the MW. The data from this survey is used to get a wider sense of key aspects of labour supply, demand and regulation, and wage-setting processes and levels, beyond the data obtained in the intensive information gathering stages. In this way, findings generated through the SD 13 Survey reinforced findings in the focus group, in-depth interview and case study phases of this research. The questionnaire was coded and data from completed questionnaires, was captured using Excel. Data was analysed and collated. The tables and figures on employment contracts (chapter 7), living conditions (chapter 8), contracts of employment (chapter 11), and wages (chapters 12 to 14), were drawn from the collated data.

Now turning to the selection of workers who were surveyed, as mentioned earlier, a stratified sample was used based on sub-sector prevalence in the geographical areas, workers' sex, job positions, contract of employment, and geographical location. Between 2010 and 2014, 501 workers participated in the SD 13 Survey. The 501 workers were absorbed in 190 farms. Table 6.10 paints a more detailed breakdown of the sample by sub-sector, sex and employment contract. The citrus sub-sector is dominant in the sample, followed by the livestock sub-sector. This is in line with the dominant presence that these two sub-sectors have in the research sites, and generally in the Eastern Cape.

Moreover, apart from its dominant presence in the local labour market in this research, citrus is dominant over livestock in the sample because of the sub-sector's strategic and commanding position in the global value chain. Livestock production, to recall from section 6.3, is orientated for the domestic and local markets. The product market conditions of the citrus sub-sector, with its global market position, combined with particular labour market and labour process conditions (explored in the substantive parts of the thesis), therefore, make it a sub-sector of interest for deeper examination on wage-setting processes and wage levels, with the advent of the AMW. For this reason, the number of citrus work-sites and workers are higher in the sample than livestock.

Administering the SD 13 Survey was done exclusively over weekends, because of worker availability, and entailed travelling to areas where workers lived, which had a bearing on the spread of workers from different work-places. The research team would arrive in particular settlements and townships, seek out and approach workers who matched the variables in the stratified sample for interviews. For the most part, interviews would be held on the street, or in workers' homes. The initial aim was to get at least two and a maximum of three workers from each enterprise. However, this was not always possible due to material circumstances, falling outside the control of the researcher. To illustrate, most citrus workers live off the site of production, in townships or informal settlements; in contrast, most livestock and dairy workers live at the site of production (which becomes clear in chapter 8). On the one hand, having access to workers, living off the site of production reduced the difficulties associated with contacting workers for interviews. On the other hand, going into townships or informal settlements to identify workers for interviews poses questions for matching and managing the stratified nature of the research sample, which reared in this research, in terms of the spread of workers from respective work-sites. For most part, it was not possible to get more than one worker from the same citrus work-place, precisely because of the difficulty with matching workers from the same work-place with other variables in the stratified sample, in particular areas of residence.

The opposite applies for workers living at the site of production, because researchers have access to a group of workers tied to a common employer. In most cases, that made it possible to interview more than one worker from the same work-place, combined with other factors such as availability and willingness of workers to be interviewed. In the main, the SD 13 Survey in the animal husbandry sector was

administered over weekends, similar to interviews in the citrus sub-sectors, in the geographical areas where farms were located. Interviews were usually conducted in churches or schools within the areas where workers resided and worked. Established contacts in the animal husbandry sector played a critical role in facilitating the researcher's contact with workers fitting the sample that enabled the researcher to pre-arrange interviews on definite days, in areas where people lived. Being in the areas for the interviews, meant that the research team had possibilities to access several workers from the same farm. Due to this situation and the working times and schedule of work for livestock workers, it was possible, or at least easier to interview three and at times more workers from the same farm, unlike other sub-sectors, such as dairy and game farms where working schedules at time clashed with interview dates, in the respective areas.

Workers in the game farm and dairy sectors often had awkward working hours and last-minute scheduling of work, making workers unavailable for interviews and the arranged day of the interviews. This material terrain ultimately was key in determining the number of workers across animal husbandry work-places and sub-sectors that were available for interviews on pre-arranged days. In addition, the material terrain also shaped the spread of workers per work-place between citrus and livestock, whereby it was possible to match and incorporate more than two workers in the latter sub-sector from one work-place, unlike the case for citrus. This, therefore, explains the difference in the number of workers per work-place between citrus and livestock, in particular.

Of the 501 workers, 298, or 59 per cent males and 203, roughly 40 per cent female workers, were interviewed. In terms of sub-sector labour absorption dynamics in the sample, 253 workers, representing just over 50 per cent of the sample were employed in the animal husbandry sector, and 248, translating to roughly 49 per cent of the SD 13 Survey, were employed in the horticultural sector. Table 6.10 illustrates the dispersion of workers in the two anchor sub-sectors and others in the sample. As may be gleaned from the table, 156 citrus workers, representing 31.1 per cent of the 501 sampled workers, formed the largest segment of surveyed workers, followed by 25.3 per cent for livestock workers.

Table 6.10: Employment contracts by sub-sector, sex and employment

Sub-Sector	Number of agricultural production processes	Permanent		Seasonal		Casual/ Part-time		Total	Per cent of sample
		Male	Female	Male	Female	Male	Female		
<i>Horticulture</i>									
Citrus	96	31	10	33	62	12	8	156	31.1
Pineapple	17	23	8	0	1	3	3	38	7.6
Vegetables	19	9	9	3	1	6	8	36	7.2
Peaches	1	1	0	0	2	0	0	3	3.0
Chicory	2	2	2	1	3	2	5	15	0.6
Livestock	24	76	20	2	11	13	5	127	25.3
Dairy	13	29	18	0	0	4	8	59	11.8
Game	14	26	6	1	4	6	3	46	9.2
Pigs & Poultry	4	10	5	1	0	4	1	21	4.2
Total	190	207	78	41	84	50	41	501	
		285		125		91			

The focus on workers in the research, translates to an under-representation of employers in the sample. As such certain aspects of the employment relationship was not pursued fully, as particular employment aspects were pursued with workers. For example, employment gains and losses from employers' perspectives are not included because of the focus on workers. So, this research does not claim to categorically pronounce on increases or decreases in employment levels in the respective work-sites. Instead, it attempts to highlight labour absorption trends and the nature of employment for sampled workers.

In terms of the SD 13 sample, permanent workers numbered 285 and comprised roughly 57 per cent of the research sample, 125 seasonal workers made up 25 per cent of the interviewees and 91 workers constituting 18 per cent of the 501 sample were employed on casual or part-time contracts. In precise terms, the 91 workers comprised 80 on casual contracts and 11 on part-time contracts. Combined, atypical workers accounted for 216 interviewees, comprising 43 per cent of 501 workers surveyed. Employment patterns and contracts in the sample will be picked up in

earnest in chapter 7. The intention here is to merely provide a broad overview of the SD 13 sample.

In a nutshell, the sample emulates national trends in the gender composition of agrarian labour, where the sector tends to absorb more males than females, and where, as became clear in chapter 4, growing levels of atypical, in particular seasonal work, is on the rise. Although the sample emulates national trends in the gender and employment contracts, it also reflects the sub-sector considerations of the research, hence a particular sampling design, wherein the number of seasonal and atypical workers in the citrus sub-sector are higher in the sample. This was designed in order to gain a wider number of workers' narrations about work, labour relations, wages and social reproduction, among other issues, of atypical citrus labour, so as to identify trends and patterns in the aforementioned areas in a sub-sector with a strategic position in the global citrus value chain.

The presentation on the research design, sampling and data collection methods used in this research draws to a close at this point. The question of representativity of the data is worth mentioning. This study focusses on structures and relations that shape supply, demand and regulation of the labour, employment and labour relations, and wages. It is concerned with explaining why the AMW came into being and the outcomes it has for agrarian labour at the sites of production and social reproduction, in a particular place and time. It, therefore, does not claim to be representative of the working conditions, labour relations, and wages in the agrarian sub-sectors, featured here, and for that matter, the sector as a whole. Instead, the data throws light on the states and positions of agrarian labour in the sample in the local labour market, and in this way, reveals how causal structures and relations configuring the national and local agrarian political economy affected the sampled workers and their wages. What is left, before concluding the discussion on research methods, is a reflection on the limitations to the study.

6.5.5 Challenges to and Limitations of the Research

Conceptualising an economic sociological study of the AMW, that is based in critical realism and the Marxist notion of wage labour, meant charting a new approach from existing works on the AMW in particular and MW in general. This means that such a research agenda has to distinguish itself from neoclassical economics, particularly, and economics generally. However, in South Africa, existing studies in economic

sociology on MW policies, generally, and the AMW in particular, do not exist. This meant that a reference frame that provides paths and routes to pursue in researching the MW was not available to the researcher. Consequently, the researcher attempted to weave together the seminal arguments made by the Cambridge labour market segmentation theory and institutional economics in support for MW policies as necessary interventions. The absence of heterodox AMW studies, meant that the researcher had to forge an approach and define the scope that leads to a cogent and comprehensive economic sociological perspective of the phenomenon. Whilst this presents opportunities to develop ways to deepen sociological works on statutory wages in South Africa, it also means that several areas are explorations that require further and deeper excavations, as attempts are made to construct an authentic research agenda on the AMW, in accordance with a Marxist paradigm on wages and heterodox scholars' ideas on low wages and the value of statutory wages in low-waged labour markets.

The research could not do justice to several key areas in labour and valorisation processes with fundamental significance for framing narratives on statutory wage setting. For example, more work is required to build Marxist interpretations of statutory wages, indeed wage in general, that places statutory wages in the context of the distinction between the value of labour power and the value of labour. In this regard, more work is required to strengthen the links between various ideas or notions, developed by heterodox labour economics, such as social devaluation of low waged work, and the conversion factor potential of interventions, with questions on the value of labour, the value of labour power, and levels of justice.

Ultimately, the objective of this research is with exploring the outcomes of the AMW and ASD on sampled agrarian labour in a local labour market. To reiterate, in no ways does this research suggest or claim to be representative of the agrarian sector in South Africa. Instead, it sheds light on developments or trends in the research sample and, by extension, provides insights on agrarian work and the social relations of production in the local agrarian labour market.

6.6 CONCLUSION

The chapter dealt with the economic and product market context of agrarian farming in the Eastern Cape as a backdrop to the research setting, and it presented the design, sample, and data collection methods used in the research. As the chapter showed,

agriculture is vital to the Eastern Cape's economy for employment and livelihoods. The profile of agrarian production in the province reveals the Eastern Cape to be an agrarian production zone specialising in key national and global commodities in the animal husbandry and horticultural sectors. Producers in the province, similar to their counterparts in other provinces, are connected to local, national, and global food productive systems, through downstream and upstream linkage, in uneven fashion. The variegated product market structure is reflected in economic data tracking production value, export and trade, input cost, consumer prices, and gross farm income. Agrarian wages and the social and political relations of agricultural production are shaped by a complex mixture of domestic and international forces, pressures and power relations. A point of interest in MW studies is to understand the extent to which variegated product market conditions are reflected in actual agrarian wages. Moreover, diversity in production means that agrarian labour processes will be variegated, giving rise to differentiations in employment and labour relations and conditions. Under these circumstances, labour laws and statutory wage fixing may not have uniform outcomes on employment and labour relations and conditions.

The chapter highlighted the need to further problematise economic data for elucidating theory on wage settings in the sector. This is especially pertinent to Marxist studies that seek to refine analysis on statutory wages in relation to the value of labour as distinct from its relationship to the value of labour power. Hence solidifying conceptual links between the economic data and forecasts with wage levels facilitates deeper questioning of wealth accumulation and distribution along commodity chains and, with this, the agrarian political economy. This point gains credence when real wages of sampled workers are considered, alongside their working and living conditions in substantive chapters that follow. In other words, when considering the economic data on performance of key agricultural products, in terms of agriculture's upstream and downstream links (and contributions), against wages and working and living conditions of agrarian labour, this research brings to the fore the relevance of problematising the relationships between enterprise/farm and sub-sector agricultural dynamics (and diversities), economic trade and growth and wage setting processes, for a cogent economic sociological study of the AMW.

The chapter also presented the research design and methods used to collect empirical data from the field. In so doing, the chapter shed light on the context of research in the local agrarian labour market, and constraints that arise from that. Detailed accounts

were provided on collection of data, over and above the methods used. In line with a critical realist approach, qualitative and supporting quantitative data collection methods were used in the research, in order to explain events and phenomena in the local agrarian labour market, labour processes and agrarian labour's social reproduction. Finally, the sampled workers in the intensive and extensive interview processes were presented.

The presentation of the research setting, design and sample leads into an examination of the empirical data generated in this research. The first aspect to come under the spotlight is the question of employment and associated labour market participation and absorption of the sampled workers. This is dealt with in chapter 7.

CHAPTER SEVEN

AGRICULTURAL MINIMUM WAGES AND EMPLOYMENT TRENDS IN THE EASTERN CAPE LABOUR MARKET

7.1 INTRODUCTION

An intention in the context chapters (4, 5, and 6) was to lay the national and provincial agrarian contexts, and the labour market settings, that prompted the introduction of the agrarian statutory wage. Understanding the historical context of the AMW, as shown in chapters 4 and 5, is necessary for engaging in AMW research in local contexts to facilitate a deeper probe into the significance and implications of statutory wages for agrarian labour in the research, and to understand the outcomes for employment, workers, labour relations and wages. Towards this end, part of chapters 4 and 5 focussed on the pre-AMW minimum wage period, at the aggregate level, and the socio-economic and political context of South African agrarian production, including the associated low waged agricultural labour market. As was shown in chapter 5, African agricultural labour was compelled to provide labour power to White capitalist farmers through various repressive labour market measures and was forced to expend their labour within an equally oppressive labour relations regime.

In broad brushstrokes, the nature of the production processes required rudimentary skills for vast sections of agrarian labour, which consequently led to the demand for a largely low skilled or semi-skilled workforce that could be easily dispensed with if required. What subsequently developed was the tyrannical character of the pre-AMW labour market on which labour supply and demand, and the unequal sale and purchase of labour power, rested. In this light, it may be said that a particular set of labour market conditions, embodied in agrarian workers' low skills base, combined with low to non-existent alternative employment prospects and agrarian labour's weak bargaining position in the employment/labour relationship gave rise to the totality of the low-waged labour market that prompted statutory wage setting in the sector.

Following the historical trajectory of the low-waged agrarian labour market, and the neoliberal regulatory shifts, chapters 4 and 5 also dealt with labour market

developments after the implementation of the AMW, wherein the absence of a dramatic shift in employment levels and composition was patently clear. In chapter 6, attention turned to a profile of agriculture in the Eastern Cape, where this research is based. That chapter, among other things, highlighted the variances in the product market conditions of different agricultural production processes in the province. By doing so, chapter 6 provides information on the economic and product market context of the agricultural sub-sectors that feature in this research. By doing so, chapter 6 sets the context for engaging with the substantive issues raised in this research in terms of the relationship of the AMW to (a) employment, (b) the nature of work, (c) wage settings, and (d) the balance of forces, in the sector.

Against the background information supplied in the context chapters and set in a critical realist frame (as discussed in chapter 1), this chapter begins to steer the discussion in the direction of the local agrarian labour market of this study. This chapter analyses the empirical data, generated through this research, on the nature and forms of workers' labour market participation and absorption in the local agricultural labour market, in 19 geographical areas, in the Sarah Baartman and Amathole districts in the Eastern Cape, since the inception of the AMW, between 2003 and 2014.

In this study, agrarian labour market participation³⁶ refers to the various options in the local agrarian labour market that shaped workers' choices in the supply of their labour power in the local agrarian labour market. It is basically a reference to the agrarian jobs to which workers contracted themselves, and the associated employment contracts and terms of services. Agrarian labour absorption refers to workers acquiring employment or being hired by different enterprises. Chapter 7 is primarily concerned with understanding employment patterns and trends for workers in the sample, through which it attempts to portray key features of the local agrarian labour market with respect to labour supply and demand patterns in the research sample. For this reason, different aspects of employment data in the sample, such as the period when workers acquired jobs and the employment contracts they secured, are broken-down and unpacked in pre- and post-AMW periods. This is to bring forth variegations in

³⁶ Labour market participation, used here, is dissimilar to the labour market participation rate which is a quantitative measure of the number of people employed or are actively seeking employment. In this study, labour market participation refers to and embodies workers sale of labour power on the local market, and the possibilities available to them to supply their labour power. Likewise, labour absorption in this study refers to the enterprises and sub-sectors that hired workers interviewed and is not to be confused with the labour absorption rate, which is used to denote the proportion of the population of working age who are employed.

employment requirements between and within the animal husbandry and horticultural sectors in the sample. The overall intention of unpacking employment patterns in pre- and post-AMW years is to illustrate the intricate interaction of labour demand and supply factors in the research sites, in accordance with labour market segmentation theory. To recap from chapter 2, for labour market segmentation models, labour markets and employment, in part, are configured by the intricate fusion of a diverse set of labour demand and supply factors, as well as by the labour regulatory regime prevailing in spatial and temporal contexts.

As established, this research is centred on agrarian labour. As such, the chapter provides a snapshot of labour supply and demand trends in the local agricultural labour market from workers' experiences and perspectives. Importantly, workers' narratives expose employers' labour demand requirements and employment strategies, over and above the sub-sectors in which they supplied their labour power, and the conditions under which labour power was provided. Information used here is drawn from the SD 13 survey and the in-depth interviews. A few interviews with employers are also included where necessary, as explained in chapter 6.

In many respects, this chapter is concerned with identifying and unpacking the relationship of the AMW to employment, by exploring the labour market participation of interviewed workers. To be clear, the chapter does not make any claims about increases or decreases in employment levels. As pointed out in chapter 6, because employers were not interviewed about employment gains and losses after the implementation of the AMW, in this research, it is not possible to make definite claims regarding a reduction or increase in employment levels, in the respective work-places. The data on workers' labour participation and absorption patterns, however, indicate a buoyant local labour market, where jobs were on offer. This suggests that jobs did not totally dry up when the AMW came into effect, and the data strongly indicates the need for more rigorous research on agrarian capital's hiring capacities and strategies. The central thrust in the chapter, for reasons already established in chapters 2 and 3, is not confined to an examination of the economic impact of the AMW on employment levels. Rather, this chapter is concerned more with investigating and understanding the nature of employment on offer in a local agricultural labour market, after the inception of labour standards, especially the AMW.

In this frame, this chapter assesses agrarian employment, in the research sample, to firstly get an indication of the movement and extent of changes in employment levels

in the enterprises where workers, interviewed in this study, were employed. The direct point in this regard is to trace/identify the number and extent of job losses in the enterprises that employed workers in the research sample. The second intention in the chapter is to identify the nature and quality of employment that workers, in the sample, assumed in the local agricultural labour market. In so doing, the chapter provides a snapshot of the labour market participation and absorption patterns of workers in the research sample.

The data, in the main, reveal the secondary and segmented employment conditions based on racial, sexual, sub-sector and enterprise specificities. Through this discussion, this chapter explores the manner in which the secondary and segmented nature of the national and provincial agrarian labour market conditions, discussed in chapter 2, manifest in the local setting of this research. As will be shown, the local context bears many similarities with national trends, documented in various South African works on agrarian labour and employment, but also displays local peculiarities.

Given the employment findings in this research on agrarian employment in a local setting, important questions come to the fore here, about how the forces and factors that create agrarian employment, themselves create or at least contribute to the evolution of the totality of the low waged agrarian labour market, and hence contribute to the practice of low agrarian wages. In this sense, an economic sociological review of employment in the research sample brings out two central issues in a discussion of employment and statutory wages: (a) the centrality of pre-existing conditions and institutional arrangements in the local agrarian labour market and labour processes in shaping enterprises' employment practices, and (b) sub-sector and enterprise level diversity and variations with respect to employment practices and labour requirements. These two aspects combined translate to uneven, mixed and contradictory outcomes of statutory wages and labour standards for workers and employers.

Based on the empirical findings in this research, it is argued, in the tradition of heterodox MW scholars, that pre-existing structures combined with low statutory wage settings nullify the dramatic and regulatory shocks that are consistently predicated prior to a statutory wage setting and subsequent hikes. More precisely, it is argued that pre-existing structures, conditions and relations, coupled with the low AMW settings, have a cushioning effect for capital, enabling low-waged agrarian employers to continue operations without effecting fundamental changes to employment, in the research sample. Combining pre-existing conditions with low AWM rates when

analysing the absence of massive employment shedding on the occasion of binding wages in the sector, induces questions about the nature of agrarian employment, the composition of labour, and the role they play in determining labour market participation and absorption of agrarian labour in the research setting.

In addition to the cushioning role that pre-existing conditions combined with low AMW rates have for agrarian capital's' employment strategies, it is argued that pre-existing conditions in the local labour market, as well as differentiations in the nature of structures of production, translate to variances in enterprises' employment practices, which continue after statutory wages were introduced. As alluded to above, the presence of heterogeneity within the agricultural sector, within and across sub-sectors, and between individual enterprises, discounts uniform employment outcomes across the agricultural labour market. Ultimately, the data on employment strongly suggests that the AMW did not prevent employers from offering jobs and workers from finding and acquiring employment in the local agrarian labour market, after 2003 when the wages became binding.

Against this frame, the chapter examines employment patterns, specifically movements in workers' propensity to retain or gain jobs and the type/s of employment contract on offer in the research sample with the implementation of the AMW in the immediate and subsequent years, between 2003 and 2014. In this process, a comparative sketch is drawn on the labour absorption trends of workers, in the sample, before and after the AMW. This chapter therefore examines and deepens the probe into the secondary and segmented structure of labour demand and employment configuration with a deliberation on the variations in working periods and lengths for workers in the sample, which also incorporates the distribution of agrarian contracts between women and men workers.

The chapter is divided into various employment themes with an examination of various sub-themes linked to employment and labour supply and demand side factors that speak to the sphere of production. This chapter comprises eight sections – each section deals with an aspect of employment that surfaced in the research. However, before delving into empirical data on employment patterns generated in this research, it is first necessary to outline a provincial outline of employment. With this in mind, the chapter begins, in section 7.2, with a brief outline of employment in the Eastern Cape agrarian labour market, to supplement information presented on the province's labour market presented in chapters 4 and 5.

In section 7.3, various sub-themes of employment are examined, using a before and after AMW implementation lens, as follows: 7.3.1 explores job losses after the introduction of the AMW with participants in the in-depth interviews. Sub-section 7.3.2 discusses the labour market participation of workers, before and after the introduction of the AMW with the employer at the time of the interview, to gauge employers' employment strategies with the implementation of the AMW. In section 7.3.3, the labour absorption patterns of workers on permanent and atypical employment contracts in the pre- and post- AMW phases are examined to assess trends in the labour requirements of the enterprises that feature in this study.

Drawing on the employment data presented in section 7.3, in section 7.4 an outline of the labour profile and nature of employment contracts of workers in the sample are portrayed. In section 7.5, an analysis of the employment periods of workers on atypical contracts is provided and, in section 7.6, the chapter concludes with a brief assessment of the length of the working day for workers in the research sample. In sections 7.3 to 7.6, the intention is to display the nature of employment, the cycles and periods of employment, and the working hours in the sub-sectors. Profiling employment nature and cycles of employment, on a sub-sector level, enables an enhanced understanding of the absence of significant job losses due to statutory wages, because data show the employment options open to agricultural employers to hire labour in the presence of mandatory wages.

Finally, and notably, familiarity with employment patterns in the research sample provides a pivotal frame for exploring and problematising the relationship of AMW to agrarian labour in the substantive chapters that follow. In this light, gaining an insight into the employment patterns of agrarian labour in the research sites provides an important contextual backdrop to the chapters that follow, in terms of the nature, quality and composition of the employment in the research sites. The nature, quality and form of employment play instrumental roles in shaping working terms and conditions, wage settings and the bargaining power of workers. The nature and status of work, importantly, are key variables that speak to and set the scene for assessing the totality of the low-waged agrarian labour market. As such, unpacking the nature, quality and composition of employment in the research sample is of value to the exercise that follows in situating low-waged employment in its wider and crucial context.

7.2 EASTERN CAPE AGRICULTURAL LABOUR MARKET

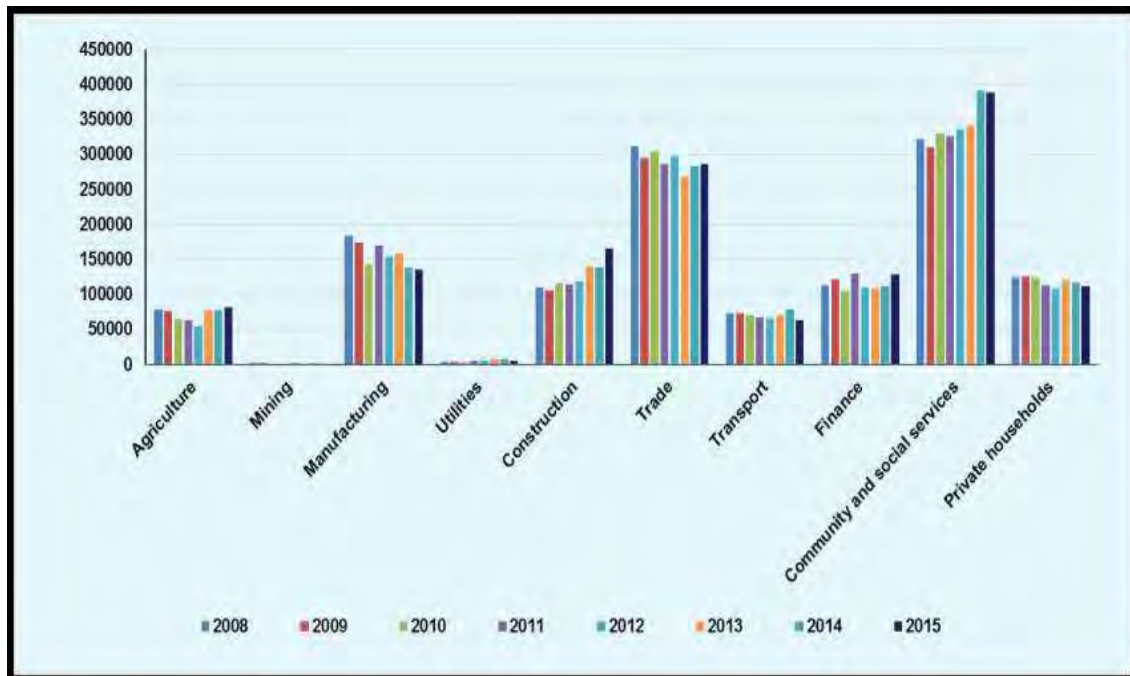
A striking feature of the data on agrarian matters is the hiatus in detailed and disaggregated information on agrarian labour, in comparison to the economic data available on agricultural production. That is, the absence of a disaggregated body of information on agrarian employment contrasts with the volume of economic data collected on the economic production and performance of agriculture, as sketched in chapters 4 and 6. More specifically, detailed and disaggregated employment data for each sub-sector, and the agrarian labour market participation of various segments of workers on a provincial and local basis, is not available. In light of the lacuna of empirical information on sub-sector employment trends and patterns, this research begins to fill a gap by providing insights into employment patterns of workers in the various agricultural sub-sectors that feature in the research, in a local labour market. In so doing, snapshots are provided on the labour demand patterns of agrarian employers in the local labour market. In this way, this research contributes to empirical knowledge on agrarian employment across sub-sectors in the western part of the Eastern Cape between 2003 and 2014.

As shown in section 6.2, in a province with high rates of unemployment, poverty and food insecurity, the agricultural sector in the Eastern Cape plays a major role in absorbing labour. To recap from section 2.4.1, agriculture in the Eastern Cape employed 6.9 per cent of the provincial labour force in 1996. At a national level at the time, the sector employed 10 per cent of South Africa's workforce. However, by 2013, the province employed six per cent of the provincial labour force which was marginally higher than the five percent absorbed by the sector at a national level. As the figure below (Figure 7.1) shows, the provincial share of agricultural employment remained stable at six per cent of the total provincial work-force between 2008 and 2015.

The figure above portrays several features about employment that emulate national employment trends. One such feature is oscillations in employment levels, with increases and decreases in the number of jobs available in the sector between 2008 and 2015. Employment levels remained stable between 2008 and 2009 but declined in 2010 and 2012. Employment levels record an increase in 2013 and 2015. The other aspect that comes to the fore is that employment patterns across sectors of the economy in the province did not depart fundamentally from national trends, depicted in the low share of employment in agriculture and manufacturing compared to trade and community and social services. As part of the national employment trend

discussed in chapter 4, employment in the goods producing industry based in the province is not as high as employment in the non-goods producing sectors of the economy.

Figure 7.1: Trends in the number of persons employed per sector of the Eastern Cape Economy, 2008 to 2015



Source: DRDAR (2016:9).

Nonetheless, agriculture's lower labour absorption rates compared to other sectors does not detract from the fact that the sector is a major employer along the food and commodity production regimes. The critical position agriculture has for employment and livelihoods in South Africa is borne out in the DAFF data on employment structure for most commodity value chains. In this context, the empirical data on employment trends and patterns among the workers interviewed is explored. In this regard, and as will be shown below, the period of sampled workers' labour market participation corresponded closely with labour absorption as depicted in the figure above, although variations are present in that, in the sample, several workers began employment in the sector before 2003 and the research period incorporates 2014, not 2015. Nonetheless, from the data generated on labour market participation and absorption of labour in this research, it is safe to say that groups of workers interviewed for this study constitute part of the labour force who supplied their labour to the agricultural sector in the Eastern Cape between 2008 and 2014.

7.3 EMPLOYMENT TRENDS AND PATTERNS

Before proceeding to an analysis of employment patterns and trends in the research sites, crucial points need to be reiterated to anchor the discussion that follows. The question of employment levels towers above other employment and labour market considerations for economists studying statutory wages. Indeed, as discussed in chapters 2 and 3, an automatic and unambiguous link exists between the MW and employment losses and the lack of job creation, in the orthodox neoclassical model.

To recall from chapter 2, the main thrust of the neoclassical economics model is that labour laws merely bring about adverse outcomes for employers and workers because they (a) increase employers' cost, hampering their ability to conduct their business efficiently and effectively, as well as driving them to cut down on workers to avoid cumbersome compliance with labour laws, and (b) lead to job losses as labour demand becomes increasingly price elastic due to the presence of labour laws, meaning in turn that employers will shed labour, and not hire new or additional workers in wake of additional costs of labour, that are associated with labour laws. Ultimately, employers decide the type and number of workers they will hire at wage levels that will allow them to conduct their business profitability. Labour laws and statutory wages, artificial and unnecessary as they are, merely cause dis-equilibrium between the demand and supply of labour, thereby resulting in dis-employment. This reasoning, as pointed out, resonates in the agricultural economics works in South Africa, for example Sparrow *et al* (2008:56-57).

As argued in chapters 1 to 4, and established in chapter 5, given that the labour market is a human and social construct unfolding in an open system, it is not possible to imagine the link between agrarian statutory wages and labour standards, and employment, in the way neoclassical economics does. Employment and labour demand are not driven purely by economic factors and considerations. Instead, employment and labour demand are shaped by an uneven and variegated combination of prevailing socio-economic and political factors, forces and relations in labour markets, in spatial and temporal conjunctures. This implies that event regularity and constant conjunctions of events, as in event A (statutory wages/labour standards) leads to event B (dis-employment), occurring across time and space, are rarely found in the social world. The empirical data generated on agrarian employment in this research, as will become clear, does not fit the neoclassical mould of event regularity.

Relatedly, it is important to bear in mind that, by isolating labour laws as the single cause of the decline of permanent and atypical agrarian labour, agricultural economics in South Africa tends to disregard the contributing role that product market conditions, and sub-sector and enterprise level dynamics, play in determining labour requirements and levels, hence employers' employment strategies. The data in this research, discussed in this chapter, strongly manifest sub-sector and enterprise level variations in employment practices that in turn shape a varied labour force at enterprise, sub-sector and geographical levels. In this context and based on a critical realist frame, it may be argued that by isolating labour laws as the trigger for declines in employment levels, agricultural economics forces closure on the labour market. The forced closure of labour markets, which are intrinsically open systems, obscures from analysis the decisive roles other factors and forces play in defining employers' labour hiring practices and employment relationships.

An assessment of certain indicators presented for the national and provincial agricultural labour markets in chapter 4 (sections 4.4 and 4.5) are discussed in a local agricultural labour market context with reference to the empirical data generated in this research. The indicators discussed here include the composition of the agrarian labour force, employment patterns, contracts of employment, and employment allocation between workers. The data is disaggregated along sub-sector and gender lines primarily, because these two variables played a significant role in shaping differentiations, over and above racial structuring, in the local labour market. This chapter, therefore, assesses employment patterns and trends in a local labour market, pre- and after the implementation of the AMW (hereafter referred to as post-AMW) and, in so doing, assesses the extent of changes to and continuities in employment patterns of the racial capitalist agricultural labour market regime in the post-apartheid capitalist regime.

The discussion in section 7.3 comprises three sections starting with (a) shifts in job losses by assessing employment losses of workers after the AMW became binding; it then moves onto (b) a comparative snapshot of pre- and post-AMW trends in the labour absorption rates of workers, and concludes with (c) a reflection on the pre- and post-AMW employment trends of the interviewed workers, with a specific examination of the labour absorption patterns of workers on permanent and atypical contracts. In the discussion that follows, sub-sector and to some extent enterprise level differentiations emerge, thereby discounting uniform responses from employers in

terms of employment and labour relations matters. In important ways, the discussion in section 7.3, exposes the force that pre-existing employment structures and composition have in cushioning the potential AMW shock on the labour market. However, as mentioned earlier, it is argued here that pre-existing structures and low AMW rates soften the 'blow' of wage hikes for employers.

7.3.1 Employment Shifts: Job Losses and the Agricultural Minimum Wage

Prior to the development and implementation of the AMW, organised agriculture in South Africa, through the national body – AGRI-SA – predicted negative employment outcomes in the sector, as employers, in response to further regulatory shocks, will reduce their labour force following binding wages. The AGRI-SA spokesperson claimed that “[j]ob opportunities will be lost ... [because] farmers really are battling to survive and ... all these minimum wage prescriptions ... [are] making it impossible for commercial farmers to make money” (in Klerck and Naidoo 2011:300).

Commercial farmers and organised agricultural bodies were not alone in anticipating job losses in the agricultural sector due to the AMW, as economists, as discussed in chapters 2 and 3, also predicted accelerated job cuts and employment retardation following binding wages. They based their predictions, as discussed in chapters 2 and 3, on various statistical modelling and mathematical calculations to postulate the levels of job losses with wage hikes, based on the core tenets of neoclassical economics, to explain the negative impact of labour laws and statutory wages.

Yet, conversations and interviews with workers in the intensive research phases in 2004, 2006 and 2007 do not correspond with the job loss predictions made by organised agrarian capital, academics and economists, prior to the introduction of the first AMW in 2003. In the 2006 and 2007 in-depth interviews, the 32 interviewees were asked about other workers, on the farms where they were employed and neighbouring farms, who may have been laid off because of the AMW. In pursuing this line of inquiry, to determine the employment effects of the AMW, workers were specifically asked to provide details on the reasons for any retrenchments. This was deemed necessary to identify if the relationship between statutory wages and employment losses is as clear cut as the neoclassical economists claim it to be.

The interviewees are reliable sources of information on changes to employment because they not only worked together but, in most instances, they also stayed together on the farm of employment. This proximity lends itself to accessing reliable

information on shifts and changes occurring on the farms. In addition, most of the workers were employed on the farm, at the time of the interview, before the AMW became mandatory and had acquired many years of service upon being interviewed. As such, these workers' accounts of employment losses and gains and changes in employment status are reliable and insightful.

Of the 32 in-depth interviewees (conducted in 2006 and 2007), 29 workers said that no employment losses occurred on their farms because of the AMW; only three reported job losses as a direct result of the increase in labour costs after the introduction of the AMW. Joyce (13 May 2006), a 38-year-old employed on a small sized dairy farm on a fulltime and permanent basis, was one of the three workers interviewed that reported lay-offs on the farm due to the wage hikes occasioned by the AMW. The dairy farm provided milk to the major dairy distributor at the time, Clover Dairy, and the farm also produced yogurt for local retailers in Grahamstown in Makana municipality. According to Joyce (13 May 2006), in 2004, a female milker, living off the farm, was laid off work: "The farmer said there are many workers on the farm, and he doesn't have money to pay her" (Joyce 13 May 2006). The fact that a worker living off the farm was selected for the layoff signals one of the criteria at farmers' disposal when labour reduction becomes necessary. In this case, the farmer did not reduce labour that lives on farm, but terminated the services of labour living off the farm. Hence, on-farm labour was protected from job losses by virtue of living at the site of production, which is not out of the ordinary in the agricultural sector.

Similarly, Mandile (6 May 2006), a 39-year-old, male permanent worker employed on a small vegetable farm supplying local markets, said that when the AMW came into effect, five workers employed to harvest vegetables and till the soil were laid off because "he [the farmer] said he has many employees and there is no more work available". Although Mandile (6 May 2006) was unable to clearly state if the labour shedding occurred as a direct result of the AMW, he elaborated on other employment changes that occurred when the AMW came into effect. In this regard, Mandile spoke of changes in employment status for workers from permanent to casual workers. For example, as Mandile explains:

There is a lady called Zoleka and she is amongst those who lost their jobs, because the owner said there is no more work available. But when there is a lot of work to be done on the farm, he will call them, and again if there is no more work, they will stop [employment]. So, those people are treated as casuals, even though they were permanent before.

Mary (7 May 2006) a seasonal worker, 35 years of age, employed on a medium size livestock farm specialising in goats and cattle for the local market, related a mixture of responses from her employer to the increased labour costs that resulted from the introduction of the AMW. On the farm that Mary worked, a male worker, employed as a gardener, lost his job because the farmer was unable to pay the mandatory wage. As opposed to shedding more jobs due to the AMW, the farmer selectively complied with the statutory wage rate for monthly paid workers, which was a widespread farmer response to wage increases in the years immediately following the implementation of the AMW. Mary (7 May 2006) recounted that “the employer consulted with workers and told them that the government has set the minimum wage, which was R800.00 per month. He told the workers that he couldn’t pay that amount”.

To cope with the increased wage rates without shedding more labour, the employer increased the wages of certain workers to the prescribed level. So, “he told us that he will only pay five males [the prescribed rate of] R800.00 and 12 males will earn R500.00”, Mary (7 May 2006) continued. She added that, following the retrenchment of the worker noted above, “he [employer] employed two males and he told them that he is going to pay them R500.00 as a start, but now they earn R800.00” (Mary 7 May 2006). This case evinces the complexities and oscillations in both employment levels and wages arising from employers’ circumstances and enterprise level features. Across key provincial agrarian sub-sectors in the research sites, such cases provide a glimpse into the variances in employer responses to employment in the context of wage increases that dispel the assumption of the standard and uniform job shedding reaction.

The common denominators in the three job loss cases cited above are the size of operations combined with tight product market conditions. All three farms were small or medium size, producing for local markets, and all operated in highly competitive product markets (Personal communicate with employers:9, 10, 16 May 2006). Although job losses and employment changes occurred when the AMW was introduced, the rise in wages acted with other factors cited above in these work-places to shape employers’ employment strategies. Consequently, in these circumstances, it is difficult, indeed impossible, to single out the AMW as the sole perpetrator for job losses. As such, the research findings reveal the difficulties of disentangling and isolating the AMW outcomes on employment and in so doing corroborate the findings identified by Hayes and Grey (2001:91) in their study of the clothing sector in Britain

when the national MW took effect in that country. Similarly, the few job losses that followed soon after the SD 8 came into effect cannot be attributed exclusively to statutory wages.

The three cases of job losses, due to the farmers' inability to pay the mandatory rates, were the exceptions, as employers on the farms where the other 29 workers were employed did not shed labour when the AMW came into effect in 2003. In most cases, farmers used other means to cope with the increase in wages, apart from reducing the number of workers. Other coping mechanisms used by farmers included selective and/or late compliance with the mandatory setting (as on the farm where Mary (7 May 2006) worked). In another study, the researcher and colleagues identified selective compliance as a widespread response by employers in the agricultural sector in certain parts of the Eastern Cape when the AMW came into effect in 2003 (Naidoo *et al* 2007).

Selective and/or late compliance strategies were adopted by farmers in the local labour market, as alternatives to reducing their labour force in the first year of application of the AMW. Workers in the first round of in-depth interviews spoke of lay-offs, not because of the AMW, but because of disciplinary action taken against workers, between 2003 and 2004. Of the 32 workers interviewed, 12 spoke of dismissals on the farms due to various worker misconducts, such as stealing; being drunk at work; not coming to work over week-ends; and fighting with other workers at the workplace. There were also workers from four farms who spoke of "many workers" known to them who resigned of their own volition, citing poor wages and harsh working conditions as primary reasons for terminating their employment on the farms.

Workers who were dismissed or resigned were replaced by new recruits on nine out of the 16 farms. In other cases, dismissed workers, or workers who resigned, were not replaced by others. An example is the farm where 29-year-old David (2 June 2007) was employed as a permanent worker. The medium size farm is situated just outside Grahamstown and has a varied labour process comprising planting and harvesting peaches; processing oranges (acquired from Port Elizabeth) and pineapples (acquired from Bathurst) into juice once a year (10 days for the Standard Bank National Arts Festival); clay mining; and operating a tent hiring business. All activities are operated on or from the farm.

David (2 June 2007) spoke of the resignation of seasonal workers before the AMW became applicable:

People got other jobs and left. ... The number of seasonal workers dropped over the years. There used to be 42 seasonal workers, but now there [are] 35 only because the number of fields that are being planted and harvested have also been reduced. But since 2003, we have the same number of permanent and [35] seasonal workers.

It was pointed out earlier in the discussion that changes in the employment status of workers from permanent to atypical or non-standard contracts and vice versa surfaced and were probed in the in-depth interviews. Apart from developments on Mandile's (6 May 2006) farm, none of the other interviewees reported shifts from permanent to casual/seasonal work contract. In fact, the reverse trend prevailed where casual workers were employed on a permanent basis in the post-AMW period, thereby exhibiting employment gains with the advent of statutory wages. Andile (13 May 2006), a 28-year-old male worker on a dairy farm near Grahamstown, assumed employment on the farm as a casual, working on weekends only, in 2003. According to Andile (13 May 2006), "another young male who was working on the farm left and the farmer employed me permanently soon after this man left in 2004".

On three other farms, casual workers became permanent after the AMW came into effect. For example, Lindiwe (2 June 2007), a 29-year-old female worker on a vegetable, fruit and chicken farm situated in Fort Beaufort in the Amathole District of the Eastern Cape, said that she knows "one casual worker on the farm who became permanent after March 2003". Likewise, on the farm where David (2 June 2007) works, "five seasonal workers became permanent in 2003". Khaya (13 May 2006), a 30-year-old permanent male working on a game farm that recently turned operations from a dairy farm in the Paterson area (Sunday's River Valley municipality), reported the same trend. He said that "in 2004 three casuals...became permanent" a year after the introduction of the AMW (Khaya 13 May 2006). A pattern is present on the farms where casuals or seasonal workers changed employed status to permanent. The examples show that irrespective of farm size, when farm production processes are diversified as on the farms where Lindiwe (2 June 2007) and David (2 June 2007) were employed, or when operations expand like they did on the farm that Khaya (13 May 2006) worked on, greater possibilities are present for atypical workers to assume fulltime and/or permanent contracts in the context of mandatory wages.

The evidence generated from the intensive research shows that employment losses stemming directly from the introduction of the AMW was not significant and widespread. In certain work-sites, as demonstrated above, a few workers on atypical contracts in fact gained permanent contracts after the AMW came into effect. In this sense, the data poses challenges to economists, economics as a discipline and organised agriculture who hold that job cuts, always and everywhere, follow mandatory wages. Such a position does not apply to the research findings, as the high levels of job losses predicted prior to the introduction of the first AMW in 2003 did not materialise.

Termination of employment, in this research, in most instances was due to labour disputes or workers leaving the enterprise of their volition. Indeed, in the first year of the AMW implementation, an insignificant number of jobs were lost on the researched farms, as a direct result of the increases in wages. These findings corroborate the benign outcome of the first AMW identified in other studies (see Conradie 2005, Murray and van Walbeek 2007). Typically, employment was shed on farms that did not have a strong product market presence and where the farm business was financially fragile. In this light, it is not possible to unequivocally conclude that the AMW and labour standards were solely responsible for these job losses. Clearly, employers' responses to wage increases and the coping mechanisms they adopt are uneven and varied, as shown in the above data.

Moreover, discussions held with farmers show that wages are not always the overriding consideration shaping employment levels and patterns. Mr AB (12 August 2004), a commercial livestock/mohair farmer in the Carlisle Bridge area in the Makana municipality, was not concerned with the wage hikes introduced by the AMW. In his words, "I don't have a problem with the MW – everybody is entitled to earn a living wage. I am more worried how the Rand is performing, what animal feed will cost, what mohair will fetch at the market...". Mr AB (12 August 2004) sheds light on the varied factors, over and above wage rates, that inform and shape employers' labour hiring practices and choices. The very act of operating a farm production or labour process is informed by a range of forces and factors, making it difficult to isolate and single out the individual impact of particular labour market events/phenomena in definitive and predictive fashion. Contrary to Sparrow *et al* (2008), farmers are, more often than not, unable to unequivocally differentiate the impact of the AMW from product market conditions and other labour laws, given their complex interaction. In their study of the

impact of the AMW on the sugar cane sub-sector, Murray and van Walbeek (2007) also found that farmers were unable to single out the AMW impact from other labour laws, in particular on their employment decisions.

The above evidence, of the benign outcome on employment levels, in that employment shedding was not the common response from employers when the AMW came into effect, raises critical questions on the way research on the AMW is conceptualised and implemented with respect to employment. In light of the absence of the predicted massive job cuts in the agricultural sector, after the advent of the AMW in 2003, a point of interest and significance for a critical realist, economic sociological study of agrarian statutory wages, is to seek explanations for such trends and tendencies in the agrarian political economy. This includes paying attention to the character of the labour market, product market conditions (including the configuration of commodity value chains) and the balance of forces in the agrarian capital-labour relationship, as set out in chapters 4 and 5. Forces and conditions at these levels are constitutive of the myriad socio-economic and political phenomena, acting in combination, to influence employers' employment strategies.

Sociological perspectives on the MW are enhanced when there is a conscious attempt to move away from the narrow and limited focus that neoclassical economics has on correlating employment losses and other negative outcomes with MW settings and wage increases. A confined focus on employment losses and the MW blocks out important features of employment in low-waged sectors, and further obscures from view how key features of employment facilitate employers' coping abilities when statutory wages are introduced. In this regard, a narrow focus on employment levels diverts attention away from the sway or influence that pre-existing features of employment and labour composition have in easing employers' employment strategies when statutory wages are implemented.

Continuing along this analytical path, the section below examines when agrarian labour in the sample gained employment and the nature of labour absorption with respect to contracts of employment. This information sheds light on the labour market participation and labour absorption rates of interviewees, at the time of the research, before and after the occasioning of the AMW. The data on employment trends and workers' entrance into the labour market further defy the commonly held assumptions of neoclassical economics on the direct and unambiguous link between employment losses, job stagnation and MW settings.

7.3.2 Pre- and Post-Agricultural Minimum Wage Employment

To determine how employment gains were distributed between the pre- and post-AMW periods, the in-depth interviews and the SD13 survey explored and plotted workers' employment in the workplace, at the time of the interview. This enables an assessment, or a comparison, of the number of workers who gained employment, before and after the AMW came into force, with their particular employer at the time of the interview, thereby illuminating an aspect of workers' participation in the local labour market. Towards this end, workers were asked to provide the year that they started employment with the employer, at the time of the interview, to trace pre- and post-AMW employment trends. Tracing the commencement year of employment at the workplace with workers enables a reliable assessment of the number of interviewees who gained employment before and after the advent of AMW. The overall intention of the discussion in section 7.3 is to tease out the type of employment outcomes that followed the AMW.

The data is assessed for employment patterns from 2002 and earlier to determine the number of interviewees that were employed in the sector before the AMW became binding. Through this exercise, light is shed on the labour market participation of workers, which is a central feature of the supply side of labour markets. Moreover, the exercise also sheds light on the hiring trends of agrarian employers before and after the introduction of the AMW. In this process, the labour absorption features in the sample surface, thereby indicating if there was a radical or benign impact on employment patterns and trends. Similarly, examining employment patterns from 2003 up to 2014 provides a glimpse of the number of workers interviewed who gained employment in the sector after the AMW was introduced. Ultimately, the point to reinforce is that employment levels are complexly co-determined; this means that the size of the labour force is informed by an intricate mingling of multiple forces, relations and institutional arrangements in productive systems and value chains, in spatial and temporal contexts. Finally, this proposition means that the AMW does not have the power and capacity to single handily lead to job losses.

Of the 501 workers in the SD 13, employment data on 500 is used here. This is because a 58-year-old male worker in the livestock sub-sector, in the SD 13 Survey, was not able to provide the year he started working for the employer at the time of the interview; therefore, this particular interviewee is not included in discussions on pre- and post-AMW employment. Turning to the research data, of the 500 interviewees,

171, or 34 per cent, were employed with the employer in 2002 or earlier. This means that they were employed before the AMW came into force. The table below (Table 7.1) depicts the pre-AMW employment trends among workers interviewed and is disaggregated by sub-sector and gender.

Table 7.1: Number of interviewees employed in pre-AMW period by sub-sector and sex

Sub-Sector	Total Number of Workers	Women	Men	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	24	11	13	14.03	15.38	4.8
Pineapples	17	4	13	9.94	44.73	3.4
Vegetables	13	6	7	7.60	36.11	2.6
Peaches	1	0	1	0.5	33	0.1
Chicory	0	0	0	0	0	0
Livestock	61	17	44	35.67	48	12.2
Dairy	31	13	18	18.12	52	6.2
Game	15	2	13	8.7	31	3
Pig & Poultry	9	2	7	5.2	43	1.8
Total	171	55	116			

Source: SD 13 Survey.

*n=171

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=500

Of the interviewees, men (116) constituted approximately 68 per cent of the 171 workers who were initially employed in the pre-AMW period with women (55) making up roughly 32 per cent of interviewees employed in the period. However, men (116) who acquired pre-AMW employment constituted roughly 39 per cent of all male workers (298) in the sample, and women (55) made up approximately 27 per cent of the overall sample of women workers (203). Moreover, in terms of the overall SD 13 sample of 500, roughly 23 per cent of the sample consisted of men who acquired jobs in the pre-AMW period, while women employed before the AMW comprised 11 per cent of the sample. A difference in the labour market participation of women and men is discerned in the data.

In addition, sub-sectoral variations in employment patterns are discernible within and between animal husbandry and horticulture, at various levels. Of the 171 workers, 116, or approximately 68 per cent, were employed in the animal husbandry sector in the pre-AMW phase, with horticulture accounting for 55, or roughly 32 per cent of

workers who were employed in this period. This means that roughly 46 per cent of the 253 animal husbandry workers in the sample acquired pre-AMW employment, whilst an estimated 22 per cent of the 248 horticultural workers were employed in this period. In terms of the overall sample of 500, 23.2 per cent consisted of workers who were employed in animal husbandry prior to the AMW, and 11 per cent were horticultural workers who acquired pre-AMW employment.

Workers in the livestock sector (61) accounted for roughly 36 per cent of the 171 employed in the pre-AMW period, followed by the dairy sub-sector (31) with 18 per cent, game (15) with 8.7 per cent, and pig and poultry (9) 5.3 per cent. In the case of horticulture, the citrus farms/pack-houses (24) accounted for roughly 14 per cent of workers employed in pre-AMW years, followed by the pineapple and vegetable farms, respectively. On the peach farm, one of the workers interviewed was employed before the AMW came into force. Importantly, none of the workers interviewed on the chicory farms were employed on the farms in the pre-AMW period. The citrus workers who acquired pre-AMW work accounted for 4.8 per cent of the overall sample of 500. In the overall sample, livestock workers who gained employment in the pre-AMW years accounted for 12.2 per cent, a rate higher than any other sub-sector.

At the sub-sector level, for pre-AMW employment, the 61 livestock workers constituted 48 per cent of the 127 livestock workers interviewed, whilst the dairy workers comprised 52 per cent of the 59 dairy workers interviewed. In terms of workers on game and pig and poultry farms, 31 per cent and 43 per cent respectively gained employment in the pre-AMW era. The majority of workers in the dairy sub-sector in the sample were employed in pre-AMW period, compared to the other animal husbandry sub-sectors and the horticultural sub-sectors. However, a significant number of workers in other sub-sectors in animal husbandry also gained employment before the introduction of the AMW, as shown in the figures for livestock, pig and poultry and game in Table 7.1. Similarly, 44.73 per cent of workers in the pineapple sub-sector, 36.11 per cent of vegetable workers and 33 per cent of workers on the peach farm were already employed by the time the AMW came along. A level of congruence is observed in this display of employment gains in the pre-AMW period across sub-sectors; the notable exception is the citrus sub-sector where roughly 15 per cent of the 156 workers were employed prior to the AMW, and chicory where no worker was employed in this time.

The overwhelming majority of the interviewees in the SD 13 Survey, as the data shows, gained employment at the workplace in the post-AMW period, with an uneven dispersion across sub-sectors. This is exemplified in the fact that 66 per cent (or 329) of the 500 workers in the sample gained employment between 2003 and 2014. Hence, the majority of the sampled workers interviewed started working in the workplace in the post-AMW period. Nonetheless, sub-sector variations are identified between workers' gaining employment in pre- and post-AMW years.

Of the 329 workers to gain post-AMW employment, men accounted for roughly 55 per cent and women comprised roughly 45 per cent of those workers who gained employment after the AMW came into effect. Males who acquired work after the AMW came into being account for 60.73 per cent of all men in the sample, and 36.2 per cent of all workers in the sample of 500. A higher percentage of women gained post-AMW with 72.90 per cent of all women interviewed, and they account for 29.6 per cent of the 500 sample. On the whole, however, these figures indicate stronger post-AMW employment, than pre-AMW for women, as well as men in the sample.

Table 7.2: Number of interviewees employed in post-AMW period by sub-sector

Sub-Sector	Total Number of Workers	Women	Men	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	132	69	63	40.12	84.61	26.40
Pineapples	21	8	13	6.38	55.28	4.2
Vegetables	23	12	11	6.99	63.88	4.6
Peaches	2	2	0	0.6	66.66	0.4
Chicory	15	10	5	45.59	100	3
Livestock	65	19	46	19.75	51.18	13
Dairy	28	13	15	8.51	47.45	5.6
Game	31	11	20	9.42	67.39	6.2
Pig & Poultry	12	4	8	3.64	57.14	2.4
Total	329	148	181			

Source: SD 13 Survey.

*n=329

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=500

At broad sector levels, horticulture recorded 193 workers, or roughly 78 per cent of all horticultural workers interviewed, who gained employment at the workplace between 2003 and 2014; whilst 136 workers, roughly 54 per cent, started working for the

employer in the animal husbandry sector after the AMW came into effect. As Table 7.2 shows, citrus workers accounted for the most workers in the 500 sample (with 26.40 per cent) who acquired work in the post-AMW period, whilst 13 per cent of the sample consisted of livestock workers who gained work in this period. This data, therefore, reflects sector and sub-sector variations with respect to pre- and post-AMW employment. In this regard, a dramatic difference is discerned for workers in the citrus sub-sector, compared to workers in the livestock sub-sector, with respect to pre- and post-AMW gains. More livestock workers in the sample, it may be argued, appear to have a longer employment relationship with the employer, than citrus: nearly 85 per cent of citrus workers became employed post-AMW, while the figure for livestock workers is just over 50 per cent. However, to recap, most dairy workers worked for the employer prior to the inception of the AMW. Hence, these workers may be said to have longer employment histories with the employer compared to other sub-sectors in the sample. Nonetheless, Table 7.2 reveals that, of the 329 workers who acquired jobs in the sector (post-AMW), 19.75 per cent were livestock workers, 9.42 per cent workers were employed on game farms, 8.52 per cent came from the dairy sub-sector, and 3.64 per cent from pig and poultry.

Generally, an insignificant difference is discernible between the pre- and post-AMW labour absorption rates among the workers interviewed in the animal husbandry sector. As noted above, 116 workers in the animal husbandry sector reported that they gained employment at the workplace in the pre-AMW period, with 136 for the post-AMW period. As such, a marginal difference of 20 is recorded between pre- and post-AMW labour absorption of workers employed in various animal husbandry labour processes. At an overall sample level (500), 27.2 per cent of workers who gained work after the AMW came into effect were in animal husbandry, compared to 23.2 per cent who were employed prior to its arrival.

However, as learnt from data on pre-AMW employment trends, the broad patterns described for post-AMW employment in animal husbandry conceal sub-sectoral variations in terms of propensities in pre- and post-AMW employment trends of interviewees. For example, all the chicory workers interviewed gained employment after 2003. Likewise, 31 workers interviewed in the game sub-sector (or 67 per cent of the sampled game farm workers) gained employment after the advent of the AMW, thereby accounting for the largest sub-sector share of workers in the animal husbandry sector to gain employment in the post-AMW period. The majority of pig and poultry

workers (with 57 per cent) were employed in the post-AMW years, followed by 51 per cent of livestock and 47 per cent of dairy workers. As can be gathered, the majority of workers employed in animal husbandry work-places gained employment in the post-AMW period, except the dairy sub-sector where a slight majority (52 per cent of workers) were employed before 2003, at the particular work-place.

In many respects, the labour absorption rates of workers in the animal husbandry sector has some level of correlation with the volumes of production for the different sub-sectors discussed in chapter 6. As was shown in chapter 6, livestock production, in particular beef production and slaughter of cattle, increased between 2003/4 and 2013/14. However, the Eastern Cape did not make major contributions to the country's total volume of production over the years, until the 2013/14 season when the province captured the largest share of the country's livestock production. The low volume of production from the Eastern Cape may explain the marginal differences in the pre- and post-AMW employment trends, but it did not negate hiring labour in the research sites for the livestock sub-sector, in the post AMW. This is exemplified in the 51 per cent of the sampled livestock workers who gained post-AMW employment.

One possible explanation for this could be the low level at which the AMW was initially set, and the fact that livestock requires fewer workers than other agricultural labour-intensive sectors. Although it is not possible to categorically state if this employment represents additional labour, hence more jobs in the enterprises, or replacement labour (for reasons already discussed in chapter 6), the data for the animal husbandry sub-sectors show that new employment after the AMW came into effect did not terminate, because the majority of sampled workers gained employment after 2003. In fact, for dairy and livestock, which are dominate in the research sites, the differences between pre- and post-AMW employment rates are insignificant, suggesting a level of symmetry in the labour absorption of workers between the two periods, in these two sub-sectors. In contrast to these two sub-sectors, significant variances are discerned in pre- and post-AMW labour absorption among sampled workers for the game and pig and poultry sub-sectors, because higher percentages of post-AMW employment was recorded in these two sub-sectors, compared to the other two. Again, this may correlate with the expansion of game farms and chicken and pig production as agrarian enterprises diversify or venture into new product markets as a response to neoliberal restructuring.

Whilst the animal husbandry sector in this research sample displayed mixed sub-sector differences in pre-and post-AMW employment hiring tendencies, a different scenario emerges from the research for workers in the horticulture sector. For, in this sector, variety and significant shifts appear in the pre-and post-AMW employment trends across the horticultural sector in this sample. For the overall sample level of 500, 38.6 per cent of all workers were horticultural workers (193) who gained employment in the post-AMW years, compared to 11 per cent of horticultural workers who got employed before the AMW came into effect. The majority of workers in all the horticultural work-places gained employment in years after the advent of the AMW, with clear and dramatic sub-sector differences in pre- and post-AMW employment patterns of interviewed workers employed on farms in the vegetable, chicory and citrus sub-sectors. All chicory workers interviewed acquired employment after the AMW was introduced. Likewise, a significant 85 per cent of citrus workers were hired by the employer in the post-AMW period, followed by 67 per cent of workers on the peach farm, 64 per cent on vegetable farms, and 55 per cent on pineapple farms. The differences in pre- and post-AMW employment gains for horticultural workers shows, at the least, that employers did not stop employing in the post-AMW years.

By all accounts, the starkest difference in pre- and post-AMW job acquisition, or labour absorption patterns, in the horticultural sector, is the citrus sub-sector. As established, the majority of the interviewees from the citrus sub-sector, with 85 per cent of the 156 workers interviewed, were employed in the post-AMW period. A marginally higher number of women citrus workers (69), accounting for 86.25 per cent of citrus women workers (80) interviewed, started working for the employer in the post-AMW period; roughly 83 per cent of citrus male workers (76) were employed post-AMW. Nevertheless, the difference in pre- and post-AMW employment trends of interviewees in the citrus sub-sector may, in part, be attributed to the growth in the export capacity of the sub-sector and concomitant increase in the demand for labour, specifically seasonal labour, to meet export requirements.

Much ground on the economic and production profile of the citrus sub-sector was covered in chapter 4 (section 4.3) and chapter 6 (section 6.3). Since the acceleration of neoliberal restructuring in product markets and agricultural trade liberalisation under the post-apartheid political dispensation, South African citrus orchards and pack-houses rose to prominence in the global food chain, having significant implications for the type of employment on offer and the composition of labour in the sub-sector. Whilst data

show that the majority of sampled workers gained employment with the enterprise in the post-AMW era when the export capacity of citrus increased, it will be of value and interest for future research to explore employment levels and hours of work at work-site levels to establish if employers in the sub-sector reduced the number of workers but increased the rate of production. The need for this type of probing becomes clear when working hours versus production targets are taken into account later in the chapter.

The citrus sub-sector is essentially labour-intensive making it a major employer, particularly in orchards and pack houses. The DAFF (2016d:19) estimates the employment figures on South African citrus orchards and pack houses to be 100 000 but goes further to note that the sub-sector is responsible for additional jobs along the value chain. Taking the entire citrus value chain into account, South African citrus enables an estimated million households to derive a livelihood. The sub-sector, therefore, is vital to employment beyond the farm gate and, as such, has a bearing on the discussion in chapter 4, section 2.3, on the contribution of agrarian production, in this case citrus, to value chains in terms of employment and wealth creation. The position that South African citrus currently holds in global markets, combined with the Eastern Cape's strategic position in the production of navel oranges, and the resultant expansion in demand for produce, as discussed in chapter 6 (section 6.3), may be possible explanations for the significant difference in pre- and post-AMW employment trends.

There are strong correlations in the pre-and post-AMW employment patterns between the SD13 Survey and the in-depth interviews. In the in-depth interviews, workers were also asked to provide information on the year that they started employment at the workplace. The interview data is divided into four phases in terms of the year in which workers started employment on the farm at the time of the interview viz. (a) 1960 and 1977, (b) between 1989 and 1997, (c) 2000 to 2002, and (d) between 2003 to 2012, to enable a better appreciation of length of service at the workplace, and for assessing pre- and post-AMW labour absorption. These are precise years recounted by workers on when they started employment. As the table below (Table 7.3) depicts, the in-depth sample incorporates workers with wide-ranging employment histories and lengths of service with the employer at the time of the field research, ranging from 1960 to 2012.

Over and above this, Table 7.3 illustrates greater movement in terms of job acquisitions of interviewees at the workplace in the immediate years leading up to the

implementation of AMW and after. In fact, when the number of interviewees who gained employment at the workplace between 2000 and 2012 are combined, it is clear that the majority of the workers gained work in the respective production processes just before and after the AMW became binding. To be precise, 33 or 64.70 per cent of the 51 workers who participated in the in-depth interviews gained employment at the workplace in the immediate years leading up to the AMW and after its implementation (11 between 2000 and 2002 and 22 between 2003 and 2012).

Table 7.3: Pre-AMW and post-AMW employment trends in the in-depth interviews

Year	Women	Men	Total
1960s and 1977	0	3	2
1989 and 1997	7	9	16
2000 and 2002	3	8	11
2003 and 2012	9	13	22
Total	19	33	51

Source: In-depth interviews:2006, 2007, 2011, 2012.

The fact that 64.70 per cent of workers acquired employment in the immediate three years prior to, or after the implementation of, the AMW paints a more complex employment picture than the one portrayed by neoclassical economics. The data shows that, far from retarding or preventing employment in the agricultural sector, employers may have experienced little disruption to employing labour, and instead continued to hire workers prior to and after the AMW became binding. In so doing, the trends in employment gains in the post-AMW period in the in-depth interviews corroborate the trends in the employment findings of the SD 13 Survey. Put differently, the trends in the labour absorption of workers in the intensive and extensive phases of data collection in this research correspond.

Two key features of the local agricultural labour market come to the surface through the data on labour absorption trends for the workers in the SD 13 Survey. The first to note is the apparent buoyancy in the local agricultural labour market well after the advent of the AMW, as reflected in the labour market participation and labour absorption trends of the workers interviewed. Second, the variegated character of the market for agricultural labour is illustrated in the pre-and post-AMW employment gains in the different sub-sectors. The vast majority of workers across the sub-sectors gained employment at the particular work-site in the post-AMW period. As shown above, sub-sector pre- and post-AMW differences in job acquisitions were

pronounced. For example, when considering the two anchor sub-sectors in this study, that being livestock and citrus, the data shows that 51 per cent of livestock workers gained post-AMW employment, contrasting with 85 per cent of citrus workers. In the livestock sub-sector, the variation is, arguably, marginal between pre-and post-AMW employment levels. In contrast, citrus reflects concerted and increasing post-AMW labour absorption rates in the local agriculture labour market. The employment data presented, thus far, indicates the pull that product market conditions have on enterprise and sub-sector employment requirements, hence on employment levels in local labour markets.

The findings not only indicate the agricultural labour absorption of workers interviewed; they also show that, despite the variations in pre- and post-AMW employment trends across the sub-sectors, employers did not resort to massive job cuts on the farms and enterprises that feature in this research. The data strongly suggests that agricultural employers continued to employ workers in the immediate period leading up to the implementation of the AMW and after it became binding. Although it is not possible to assess if workers were replacement labour or if enterprises increased or decreased the size of the work-force, the data shows that agrarian employers continued to employ after the AMW came into effect. In this sense, it may be argued that the AMW did not retard the propensities of the interviewees, in this research, to gain employment in the local agricultural labour market.

This is not to deny that job losses follow when a MW becomes binding in certain workplaces, which occurred in an insignificant number of cases in this research, or in other spatial and temporal contexts. Instead, in the research sites for this study, the massive job losses predicted by neoclassical economics did not occur. As pointed out in section 7.3, a negligible number of job losses, arising in the post- AMW period, were reported by the workers. In this light, it is more useful to articulate the relationship between the AMW and employment as part of complex, dynamic and uneven processes prevailing in the local labour market. On this logic and contrary to neoclassical economics, it is not possible to hold constant the dis-employment outcomes with the introduction of statutory wages and hikes to the rates.

Like agrarian product market conditions, employment shifts and patterns were extensively discussed for the national and provincial contexts, especially in chapter 4 (sections 4.4 and 4.5). Upon reflection of the cumulative data, on the existing national and provincial employment data and the employment data generated for the local

labour market in this research, clear evidence exists that poses searching questions on the neoclassical economics model of MW wages and the model's conceptualisation of the relationship between statutory wages and employment. As the economics tradition, and the neoclassical model in particular, continues to dominate narratives, research and policy on statutory wages, it is of vital importance that the challenge and scrutiny of the model's assumptions of labour markets and wage setting mechanisms are intensified (as per Levin-Waldman's ideas, see chapter 2).

In this light it is necessary to finally reinforce the critical thoughts on employment and statutory wages as this discussion draws to a close. The fluctuations in employment levels in the sector, as depicted in the national and provincial data, combined with the data on the number of workers who attained employment in the post-AMW years in this research, raise many challenging questions about the real relationship between wages and employment, thereby reinforcing caution against the simplistic notion held by neoclassical economics. Aggregate employment statistics for the sector and the empirical data in this research portray employment as an intricate and dynamic phenomenon shaped by multiple and varied socio-economic conditions prevailing in the local labour market at a particular time. This translates to uneven, contradictory, and mixed outcomes for workers and employers, leaving the labour market in a sort of 'organised chaos', or 'regulated chaos' – a 'messy' site, where pristine and uniform laws do not apply. Instead, socio-economic and political forces and factors intertwine in complex and intricate ways to configure and condition labour markets and jobs on offer.

In such contexts, event regularity and constant conjunctures are rare; and, instead, employment outcomes are expected to be dynamic, complex and contradictory as will be shown further in the sections that follow below. Moreover, the historical dis-employment trend in the sector predating the advent of the AMW cannot be denied, glossed over and treated glibly. As discussed, in chapter 4, the fact that jobs in the agricultural sector had a track record of decline prior to the AMW, and in an era when extremely low wages prevailed in the sector, makes it impossible to single out statutory wages as the reason for job losses and prevention of job creation. In this frame, it is more useful to view the AMW as part of a wider ensemble of socio-economic phenomena shaping labour market participation and labour absorption rates. Through this approach, a deeper appreciation is gained of the difficulties, indeed futility, of isolating the impact of the AMW in unambiguous terms, on employment losses.

Nevertheless, in the main, the findings of this research encourage thinking and probing beyond dis-employment to pay as much attention to other important areas shaping employment, such as changes in employment patterns, nature of employment contracts, and length of service, among other aspects, that impinge on low-waged work and the lives of low-waged workers. Motivation for extending the focus of MW research beyond employment levels to interrogate the nature of employment (and work) is provided in sections 4.4 and 4.5.

It is vital to reiterate that, exploring employment at local levels allows an economic sociological research focus on the MW to probe beyond the surface appearances of employment levels, thereby opening the path towards asking questions about (a) the nature of employment, and by extension jobs on offer in the local labour market, and (b) the drivers that shape employment levels and labour composition and their relationships to low wages and inequalities in bargaining power. Questions around wages and inequalities in bargaining power are dealt with in chapters 10 and 11. But, the salient point to bear in mind here, is that the size of the work-force in enterprises may often be linked to the overall composition of the work-force and employment strategies of business. Employment numbers and the size of the work-force at enterprise level may be more closely tied to agrarian capital's employment and labour relations strategies in the context of neoliberal restricting in the agrarian political economy.

Given the historical decline in agrarian employment and oscillations in employment levels, combined with the structural configuration of agrarian production and the largely low-road approach in agrarian production (see chapter 4 and Sender's (2015) diagnosis of the sector's performance post-apartheid South Africa) and the variations in product market conditions for various agricultural commodities (discussed in chapters 4 and 6), the task of assessing how employment numbers are affected by statutory wages exclusively becomes a daunting task. This raises the question about the futility and significance of this type of research for developing a deeper economic sociological perspective of employment. Employment numbers and the size of the work-force at enterprise level may be more closely tied to the nature of the labour process conjoined with, as indicated, agrarian capital's employment and labour relations strategies in the context of neoliberal restricting in the agrarian political economy. This means that product market conditions, the nature of the labour process, labour relations regimes, and the balance of forces, combine to influence employment

levels at enterprise levels. In other words, employment levels and the size of enterprises' labour force, in the context of statutory wages, is multiply determined, shaped by product market conditions, production capacity, labour market interventions (such as a MW), and the balance of forces in the capital-labour relationship. In the next section, attention turns to a critical aspect of agrarian employment, that being the types of employment contracts of sampled workers.

7.3.3 Trends in Workers' Employment Contracts in Pre- and Post- Agricultural Minimum Wages

In the previous two sections, the focus was primarily on employment trends and the labour absorption rates of workers who were interviewed. The data showed a level of buoyancy in the local labour market with a significant number of sampled workers gaining employment in the post-AMW years. Labour absorption in the local agrarian labour market was disaggregated along sub-sector lines; and sub-sectoral influence on employment creation correlates strongly with product market conditions of both sub-sectors and enterprises. The discussion on agrarian employment, thus far, has stressed the point that statutory wages alone do not cause job losses, and that employment entails much deeper issues, other than job levels – issues such as the nature of employment and the periods or length of employment, both of which are embodied in the contract of employment. With this background and having established that the predictions of massive job losses and retardation made by economists (academic and non-academic) and commercial farmers were false and inapplicable to the research sample, the question turns to the nature of employment and the composition of jobs and contracts in the agrarian political economy.

The types of employment, the period of employment, the number of working days, and the length of the working day and week in the agrarian labour market, and other aspects of agrarian employment, *prior* to the introduction of the AMW in 2003, may be pivotal clues, combined with other dynamics that speak to established social relations of production and the labour relations regime (to be discussed in chapters 10 and 11), that explain the absence of massive labour shedding in the sector in the wake of the AMW. Moreover, the conditions prevailing in the labour market before the AMW – the pre-existing conditions – work in conjunction with the level at which mandatory wages are set to influence employers' employment, labour relations and business strategies.

In this section, the focus switches to the types of employment contracts workers interviewed for this research acquired in the pre- and post-AMW periods. It therefore continues to identify the labour absorption patterns of agrarian labour in the sample, this time in relation to the dispersion of permanent and atypical employment contracts, among the sampled workers. In this discussion, two aspects surface from the data, the one being the sub-sectors with the tendencies to absorb labour on permanent and atypical contracts, the other being the sub-sector variances in terms of workers acquiring pre- and post-AMW permanent and atypical contracts. An analysis of the types of agricultural employment contracts on offer facilitates an assessment of secondary and segmented conditions in the local agricultural labour market, and sheds light on the types of employment on offer with the advent of the AMW.

In chapter 4 (sections 4.4 and 4.5), data on the secondary and segmented character of the agrarian labour market at a national and provincial (Easter Cape) level was presented, before and after the introduction of the AMW. The employment strategies of agrarian capital did not change between the pre- and post-AMW eras; rather, pre-existing conditions and employment practices merely continued, in uneven fashion, across the sector after wages became statutory binding. The remainder of the section focusses on an assessment of the labour market participation of workers in relation to the type of employment contracts sampled workers acquired, which mirror, in broad terms, national and provincial trends for the sector. As such, the secondary and segmented nature of employment in the sample corroborates aggregate data, but deviations were identified in employment practices for segments of workers.

In many ways, the spotlight falls on labour demand requirements of agrarian capital in the local agricultural labour market. In this sense, this section deals with one manifestation of segmentation, that being segmentation in labour demand. Labour demand patterns, as alluded to earlier, are pivotal in shaping labour market differentiations and segmentation. This is accomplished through the different contracts of employment on offer and the allocation of contracts and jobs among women and men. Exposure to the types of employment contracts, in turn, facilitates an understanding of the extent and forms of segmentation in the local agricultural labour market with respect to the employment of permanent workers and non-standard/atypical workers. In this way, appreciation for the role agrarian capital plays in crafting secondary and segmented labour market and employment conditions is enhanced.

As with the treatment of employment above, with a pre- and post-AMW discussion, the pre- and post-AMW trends of the interviewees' employment contracts are also assessed here. Exploring shifts, movements and tendencies in the employment contracts, before and after the implementation of the AMW, provides a deeper insight into the nature of the employment relationship and the type of labour that agrarian capital requires in the wake of the statutory wages. Moreover, a probe into employment structure and relations in the pre- and post-AMW periods facilitates a deeper assessment of continuities and changes with the racial capitalist agricultural labour markets in the post-apartheid era. In turn, this aids in locating the AMW in its socio-economic and political context and within pre-existing structures in the local agricultural labour market. At important levels, a deeper sense of the totality of the low-waged agrarian labour market is gained through a profile of employment contracts.

The data sources for this section are the SD 13 Survey, due to the longitudinal data on employment contracts generated from interviews with the 500 workers, and the 51 in-depth interviews because they shed light on the experiences and conditions of the interviewees on the different employment contracts. For this discussion, the employment contract status of 500 workers³⁷, distinguished on their pre- and post-AMW employment acquisition, continues. Employment contracts of interviewees fell into two broad categories – permanent and 'atypical' or 'non-standard' contracts³⁸. Workers on atypical contracts fell into different categories comprised of part-time, casual and seasonal.

7.3.3.1 Trends in Permanent Employment Contracts in Pre- and Post-Agricultural Minimum Wage

Of the 500 workers who supplied the year in which they commenced employment at the workplace, 142 or 28.4 per cent of respondents said that they started working for the employer on permanent contracts before the AMW became binding. This is illustrated in Table 7.4. Comparisons in the employment contracts in the pre- and post-AMW periods, however, reveal little difference in the hiring patterns of permanent workers because, as shown in Table 7.5, another 142 (translating to 28.4 per cent of

³⁷ As mentioned at the beginning of the previous section, because one of the male respondents in the SD 13 was unable to supply the year he started working with the employer at the time of the interview, he was not included in the discussion on pre-and post-AMW employment trends. Hence, the sample covered 500, and not 501 workers.

³⁸ This classification of workers into the two employment contract categories is based on the responses of workers. Later in the chapter, it will be shown that permanent workers were either full-time or part-time employed, whilst a percentage of atypical workers were full-time employed.

the 500 workers) also gained permanent employment contracts after the enforcement of the AMW. In the pre-AMW period, 104 males, or roughly 35 per cent of the 298 males in the sample, acquired permanent employment contracts, compared to 102 males (shown in Table 7.5), or 34 per cent of males, who started on permanent contracts in the post-AMW period. In the pre-AMW period, males constituted 73.23 per cent of (142) workers with permanent contracts, and roughly 72 per cent of workers who acquired such contracts in the post-AMW years. A majority of men held permanent contracts of employment, representing roughly 69 per cent of the 298 men interviewed in the SD 13 Survey. This contrasts with the propensity for women workers in the sample to secure permanent contracts. For example, as Table 7.4 shows, an insignificant number of female workers in the sample (with 38) gained pre-AMW permanent work, or roughly 27 per cent of all workers who gained such employment.

Table 7.4: Number of interviewees on permanent contracts in pre-AMW period by sub-sector and sex

Sub-Sector	Women	Men	Total	Percentage of workers*	Percentage of workers by sub-sector**	Percentage of overall sample***
Citrus	2	10	12	8.45	7.6	2.4
Pineapple	4	13	17	11.97	44.73	3.4
Vegetable	4	5	9	6.33	25	1.8
Peach	0	1	1	0.70	33.33	0.2
Livestock	12	40	52	36.61	40.94	10.4
Dairy	13	18	31	21.83	52.54	6.2
Game	2	11	13	9.15	28.26	2.6
Pig & Poultry	1	6	7	4.9	33.33	1.4
Total	38	104	142			

Source: SD 13 Survey.

*n=142

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=500

Women workers who were employed on fulltime contracts before 2003 constituted 19 per cent of the 203 women interviewed, and few women workers in the sample gained permanent employment contracts in post-AMW years. In this regard, the 40 women workers, shown in Table 7.5, signify an insignificant rise in numbers from the pre-AMW time, such that 19.70 per cent of the sampled women workers reported gaining post-AMW permanent employment contracts. The 40 women who obtained permanent contracts in the post-AMW period represent an estimated 28 per cent of all workers acquiring such contracts in that time. Women who held permanent contracts of

employment accounted for roughly 38 per cent of women interviewed in the SD 13 Survey.

When gender and the number of pre- and post-AMW permanent contracts are considered in relation to the 500 sample, men with permanent contracts account for 41.2 per cent of the overall sample, and women with permanent contracts represent 15.6 per cent of the sampled workers. The disparity between the number of men and women in the sample, who were employed on permanent contracts in pre- and post-AMW years, emulate national data, discussed in chapter 4, which show the distinct and established feature in the sector for males to acquire (or are allocated) such agrarian positions more than women. In other words, the local trends in terms of the employment contracts and jobs corroborates national agrarian employment practices, whereby male workers tend to have better job security in the sector than female workers.

As can be gleaned from Table 7.4, most of the interviewees in this research sample who acquired pre-AMW permanent jobs with the employer were employed in the animal husbandry sector. Of the 142, 103 workers were in animal husbandry, accounting for 72 per cent of workers who gained permanent posts before the arrival of the AMW. This is in stark contrast with the 39 horticultural workers, who constituted 27.46 per cent of the 142 who had permanent jobs in the pre-AMW period. At a sector level, 41 per cent of all animal husbandry workers interviewed were employed on permanent contracts before the AMW was introduced, contrasting with the 15.75 per cent of all horticultural workers in the sample. A greater portion of workers in animal husbandry in the sample secured pre-AMW permanent jobs compared to workers in the horticultural sector.

It is of interest to understand the dispersion of employment contracts regarding pre- and post-AMW employment gains within the sub-sectors in the sample, as this facilitates a nuanced understanding of sub-sector employment hiring and labour absorption patterns in the local labour market. In addition, this exercise further illuminates hitherto unknown employment features in the local agrarian labour market.

Closer examination of Table 7.4 shows that livestock captured 36.61 per cent of workers who reported pre-AMW permanent employment contracts. Similar to the animal husbandry sector as a whole, roughly 41 per cent of all livestock workers interviewed were employed on pre-AMW permanent contracts at the workplace, and

these livestock workers (with permanent pre-AMW employment contracts) account for 10 per cent all workers interviewed. Dairy workers accounted for roughly 22 per cent of the 142 workers who had permanent contracts of employment prior to the inception of the AMW. Most dairy workers in the sample reported pre-AMW permanent employment contracts, compared to workers in most other sub-sectors, as 52.54 per cent of dairy workers secured such contracts, in that time. However, dairy workers with pre-AMW permanent employment contracts account for 6.2 per cent of all workers in the SD 13 Survey.

Game farms account for roughly nine per cent of workers to gain permanent employment before the AMW came into effect. However, these game farm workers constitute 28.26 per cent of game farm workers in the sample, and they represent 2.6 per cent of the workers in the SD 13 Survey. Workers in pig and poultry make up 4.9 per cent of workers to gain pre-AMW permanent posts in the work-place, but they account for roughly a third of all pig and poultry workers interviewed, and 1.4 per cent of all workers interviewed in the SD 13 Survey. This illuminates sub-sector variations within the animal husbandry sector, and also reveals employment histories of permanent workers in the respective animal husbandry sub-sectors. The same emerges from the data on permanent employment trends for horticultural sub-sectors.

The pineapple sub-sector accounted for the highest share of workers in the horticultural sector to report pre-AMW permanent employment, accounting for 11.97 per cent of workers who secured such work in that time, which was close to 45 per cent of pineapple workers interviewed in the SD 13 Survey, and 3.4 per cent of all workers in the SD 13 Survey. Workers in the citrus sub-sector represent 8.45 per cent of workers to gain pre-AMW permanent contracts, and these pre-AMW permanent workers account for only 7.6 per cent of all citrus workers interviewed and 2.4 per cent of all workers in the SD 13 sample. Vegetable workers who reported permanent pre-AMW employed account for 6.33 per cent of workers who gained such work in this time, 25 per cent of all vegetable workers interviewed, and 1.8 per cent of workers in the SD 13 sample. Just one worker from the peach farm reported securing permanent work in the pre-AMW period. The sub-sector variances with respect to pre-AMW employment and permanent contracts within the horticultural sector, and between sub-sectors in the animal husbandry sector in the research, is plain to see in the above. As the data discussed above shows, workers in the livestock sector account for the

highest percentage of all workers in the SD 13 Survey (10.4 per cent) to gain pre-AMW permanent jobs compared to workers in the citrus sub-sector (2.4 per cent).

Table 7.5 shows that, generally, horticulture also recorded lower rates of post-AMW permanent employment contracts, in the sample. As such, a greater number of post-AMW permanent workers was recorded for farms in the animal husbandry sector, compared to horticulture. The 142 workers who gained permanent employment contracts in the sector in the post-AMW period, further indicates labour demand for permanent workers in the local labour market. These (142) workers are a reminder that such posts did not vanish from the local labour market after the AMW came into effect.

Table 7.5: Number of interviewees on permanent contracts in post-AMW period by sub-sector and sex

Sub-Sector	Women	Men	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	8	21	29	20.42	18.58	5.8
Pineapple	4	10	14	9.8	36.84	2.8
Vegetable	5	4	9	6.3	25	1.8
Chicory	2	2	4	2.8	26.66	0.8
Livestock	8	35	43	30.28	33.85	8.6
Dairy	5	11	16	11.26	27.11	3.2
Game	4	15	19	13.38	41.30	3.8
Pig & Poultry	4	4	8	5.6	38.08	1.6
Total	40	102	142			

Source: SD 13 Survey.

*n=142

**Percentage based on the total number of workers interviewed per sub-sector

***n=500

From the breakdown in Table 7.5, it is gleaned that 86 animal husbandry workers and 56 workers employed in the horticultural sector, from the sample, acquired permanent employment at the place of work, in the post-AMW period. These animal husbandry workers constitute roughly 60 per cent, and horticultural workers represent roughly 40 per cent, of the 142 workers who got permanent employment contracts after the arrival of the AMW. The 86 animal husbandry workers with post-AMW permanent contracts represent roughly 34 per cent of the 253 sampled animal husbandry workers, and the 56 corresponding horticultural workers signify just over 22 per cent of the 248 sampled workers in this sector.

When rates of permanent employment acquisition are considered for both pre- and post-AMW periods, the sample reflects sector variances, whereby a considerably higher percentage of workers in the animal husbandry sector reported having permanent contracts, compared to workers in the horticultural sector. In this respect, from Tables 7.4 and 7.5 it is gathered that a total of 189 workers from animal husbandry, accounting for roughly 75 per cent of the 253 animal husbandry workers interviewed, had permanent contracts. In contrast, 95 horticultural workers, who represent roughly 38 per cent of horticultural workers interviewed, had permanent jobs in the sample.

Now turning specifically to the sub-sector breakdown of the distribution of post-AMW permanent employment contracts, Table 7.5 demonstrates that livestock workers, as with pre-AMW permanent job acquisition, account for most of the workers who gained such posts in the post-AMW years, accounting for 30.28 per cent of workers who reported gaining permanent work in that time. These livestock workers make up roughly 34 per cent of all livestock workers interviewed, and they represent 8.6 per cent of workers in the SD 13 Survey. However, a drop in percentage in the pre- and post-AMW job acquisition rates is discerned for livestock, as roughly 41 per cent of livestock workers gained pre-AMW permanent contracts, dropping to the 34 per cent who reported gaining post-AMW permanent contract.

Similarly, fewer dairy workers reported gaining post-AMW permanent jobs, compared to pre-AMW permanent job acquisition, as 27.11 per cent of dairy workers interviewed said they got permanent work contracts in years following the AMW, compared to 52.54 per cent who obtained such a post in years prior to the AMW. Dairy workers account for 11.26 per cent of workers who obtained post-AMW permanent contracts, and post-AMW permanent dairy workers are 3.2 per cent of all workers interviewed in the SD 13 Survey. In contrast, the largest percentage of workers to gain permanent contracts of employment, in terms of all sub-sectors, worked in the game sub-sector. Although workers in this sector account for 13.38 per cent of workers who secured permanent work in post-AMW years, they accounted for 41.30 per cent of game farm workers interviewed, and post-AMW permanent game farm workers were 3.8 per cent of the 500 sampled workers in the SD 13 Survey.

Pig and poultry workers recorded the lowest percentage of animal husbandry workers to acquire permanent posts in post-AMW years, accounting for 5.6 per cent of workers who gained such employment in this period, and these post-AMW permanent workers

were 1.6 per cent of all workers sampled in the SD 13 Survey. However, pig and poultry workers who secured post-AMW permanent posts account for 38.08 per cent of all workers who were on such farms in the sample. To varying extents, work-sites in pig and poultry and game recorded higher percentages of workers who secured permanent contracts in post-AMW years.

Turning attention to horticulture, Table 7.5 shows that citrus captured 20.42 per cent of workers who gained permanent work in post-AMW years, making the sector the dominant sub-sector in the horticulture sector to register such contracts. But citrus workers who gained permanent contracts after the introduction of the AMW represent only 18.58 per cent of all citrus workers interviewed, and 5.8 per cent of the sampled 500 in the SD Survey. Although workers in other horticultural sub-sectors recorded lower levels of accessing permanent posts in post-AMW years, they account for higher percentages of workers in their respective sub-sectors to gain such contracts in these years, compared to citrus. For example, although pineapple workers account for 9.8 per cent of workers who secured permanent posts, after the AMW came into effect, the post-AMW permanent contract pineapple workers accounted for 36.8 per cent of all pineapple workers interviewed and 2.8 per cent of the 500 workers in the SD 13 Survey. Similarly, chicory accounts for 2.8 per cent of workers who got permanent jobs in post-AMW years, but post-AMW permanent contract chicory workers accounted for 26.66 per cent of all chicory workers interviewed, but 0.8 per cent of the 500 workers in the SD 13 Survey. As noted earlier, no chicory worker in this sample was employed in the pre-AMW years. Whilst vegetable workers accounted for 6.3 per cent of workers who gained permanent posts in post-AMW years, the post-AMW permanent contract vegetable workers accounted for 25 per cent of all vegetable workers interviewed, much like for this sub-sector's share of workers to acquire such posts in the pre-AMW years.

Whilst livestock dominated over citrus with respect to the distribution of permanent workers, described above, there is a marked difference in relation to pre- and post-AMW employment contract acquisitions between the two sub-sectors. In this respect, the pre- and post-AMW employment of permanent workers in the citrus sub-sector is of interest. A comparison of employment of workers on permanent contracts in pre- and post-AMW in citrus shows a notable rise in the permanent employment of workers in the latter years, compared to livestock, and other sub-sectors (with the possible exception of the game farm sub-sector). This is indicated in the fact that 7.6 per cent

of the 156 citrus workers said they were employed on a permanent contract before the AMW came into effect, increasing to approximately 19 per cent who said they got permanent employment in the post-AMW years. Moreover, citrus workers on permanent contracts increased the sub-sector's share of these workers within the overall 500 sampled workers from a pre-AMW percentage of 2.4 per cent to 5.8 per cent in post-AMW years. The reverse applies for livestock workers, as noted earlier.

The data not only show variances in the spread of permanent employment contracts between animal husbandry and horticulture, as variance within sectors are highlighted in the data. Moreover, the data also shows the differences in terms of when workers in the different sub-sectors gained permanent contracts. To be clear, sub-sector variations are discernible in the employment of permanent workers in the pre- and post-AMW periods. The noticeable difference, as pointed out above, is in the employment of permanent workers in the citrus sub-sector where a significant majority started their employment at the workplace in the post-AMW years. In contrast, the majority of permanent workers in the livestock, dairy, and pineapple farms commenced their employment at the work-place in the pre-AMW years. The other noteworthy difference between pre- and post-AMW employment of workers on full-time contracts is the two farms in the chicory sub-sector. As indicated in the previous section, all the interviewed workers on the two chicory farms gained their employment at the workplace, at the time of the interview, in the years after the implementation of the AMW. Of the 15 workers interviewed, four were permanent and all acquired permanent employment in the post-AMW years.

These variations stem from several factors, but a prime reason for sub-sector differences in contracts of employment is tied to the type of production and associated work as well as product market conditions. As such, the discussion above brings to light the diverse labour demand requirements interacting with an equally diverse set of labour supply features. The nature of work is discussed and unpacked in chapter 9, but for the discussion here it is important to recognise, as labour market segmentation theory teaches, that contracts of employment, the configuration of the labour force and the demand for permanent workers are integrally tied to the type and nature of agricultural production. For example, sub-sectors that are of a seasonal nature, such as horticulture, tend to rely on fewer full-time workers, as will become clear later in the chapter. Animal husbandry sub-sectors, that are often not wholly seasonally shaped, tend to employ more full-time/permanent workers all year round, such as meat and

dairy, and to an extent game farming. The nature of work in these sub-sectors may inform employers' requirements for permanent, often full-time, workers compared to other sub-sectors.

For example, the particular conditions in the nature of the labour process in certain animal husbandry sub-sectors, such as livestock and dairy, and the size of operations, may necessitate a greater number of full-time and permanent labour, directly linked to production of commodities, compared to certain operations in game farming and horticultural production. Livestock and dairy farms often require permanent and full-time workers to, for instance, tend to animals and milking cows throughout the year, unlike horticulture which is a seasonal operation and has different employment requirements and periods, relying more on seasonal and temporary workers. Employment contracts and labour demand, therefore, are often based on the nature and length of agricultural production, and hence on sub-sector and enterprise level dynamics. However, red meat and game farms generally do not require large numbers of unskilled and semi-skilled workers hence, whilst they may require more permanent workers, the overall numbers of workers required in the animal husbandry sector may often not be as large as seasonal workers in horticulture, in peak production periods. As a result, jobs and employment contracts are significantly shaped and informed by the nature of the agricultural commodity and related labour processes. Consequently, local labour markets are reflections of diverse sets of labour demand requirements interacting with diverse sets of labour supply conditions.

Whilst the nature of production and sub-sector dynamics shape the propensity for employers to hire permanent workers, power dynamics are often instrumental in allocating permanent contracts among the work-force. As will become clear later in the chapter, a growing cohort of workers were employed on atypical contracts, but worked the same periods as permanent workers, which may indicate a coping mechanism used by agrarian employers in the wake of uneven neoliberal shifts with the arrival of the AMW and the liberalisation of product markets.

Now, the sample in this research is in line with employment contract trends in the national agricultural context, indeed in international trends in broad terms, with respect to the ratio of permanent and atypical jobs available in the sector. It was established in chapter 4 that South African agrarian capital nationally, since the 1960s and 1970s, has come to rely on a smaller permanent workforce alongside larger numbers of seasonal and other non-standard contract workers. The changing composition of

agrarian labour is attributed to a shift from field crops to horticulture production, and the reduction of workers due to mechanisation that unfolded (see chapter 4). The mutating structure and composition of agricultural capitalist accumulation shapes and configures the jobs on offer and the types of employment contracts available to workers in the local agricultural labour market. The demand for permanent workers (and others) is also crucially tied to production capacity, size of the enterprise, and product market conditions.

To be clear, job structure and employment contracts arise through the combined interaction of a multiplicity of factors and forces in the agrarian political economy, including the nature of production, product market conditions and power dynamics in the agrarian capital-labour relationship. In this regard, the determination of employment contracts is driven by labour demand, that in turn stems from the configuration and structure of agricultural production and in the way primary agriculture and pack-houses are integrated into global food regimes. The rise in the number of workers who acquired atypical contracts in the post-AMW era, in this research, may in part be attributed to the wider product market conditions and structure of agrarian accumulation in the local labour market. Discussion now turns to an examination of atypical employment trends in pre- and post-AMW periods, in an attempt to deepen insights into the configuration of secondary and segmented labour market conditions in the research sites.

7.3.3.2 Trends in Atypical Employment Contracts in Pre- and Post- Agricultural Minimum Wage

In this research sample, there were more permanent (and full-time) employed workers who started working in the work-place in the pre-AMW period compared to atypical workers, with the reverse trend prevailing in the post-AMW years. For example, of the 329 workers who gained post-AMW employment at the workplace at the time of the interview, roughly 57 per cent (187) were employed on atypical contracts. This contrasts significantly with the 29 atypically employed workers who constituted 17 per cent of the 171 workers who gained employment in the pre-AMW years. In contrast, the 142 permanent contracts in the post-AMW period accounted for about 43 per cent of jobs gained after the introduction of the AMW; 83 per cent of workers who gained employment pre-AMW were on permanent contracts. By the same token, as the earlier discussion on labour absorption on permanent contracts in the pre- and post-AWM era showed, that a stark difference in the dispersion of permanent contracts between

the two periods did not prevail in the data. The difference in the allocation of pre- and post-AMW permanent and atypical employment contracts reflects broader trends of production and product market conditions of sub-sectors in animal husbandry and horticulture, which were discussed in chapter 6.

To recap from Table 6.10, 216 atypically employed workers formed part of the SD 13 Survey, of which 125 were seasonal and 91 were employed on a casual or part-time basis. As Table 7.6 illustrates, 29 workers gained atypical contracts in the pre-AMW years, and these comprise roughly 13 per cent of the 216 workers employed on atypical contracts, in the sample. Workers who gained atypical contracts in the pre-AMW period were a minority in the SD 13 Survey, accounting for roughly 5.8 percent of the 500 sampled workers.

Table 7.6: Number of interviewees on atypical contracts who gained employment in the pre-AMW period by sub-sector and sex

Sector and Sex	Part-time	Casual	Seasonal	Combined Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Livestock							
Women		1	4	5	18.51	3.93	
Men	-	4	-	4	13.73	3.14	
Sub-total	-	5	4	9	31.03	7.08	1.8
Citrus							
Women	-	3	6	9	33.33	5.76	
Men	-	2	1	3	11.11	1.92	
Sub-total	-	5	7	12	44.44	7.69	2.4
Vegetable							
Women	-	1	1	2	7.40	5.55	
Men	-	2	-	2	7.40	5.55	
Sub-total	-	3	1	4	14.81	11.11	0.8
Game							
women	-	-	-	-	-	-	
Men	-	1	1	2	7.40	4.34	
Sub-total	-	1	1	2	7.40	4.34	0.4
Pig & Poultry							
Women	-	1	-	1	3.70	4.76	
Men	-	1	-	1	3.70	4.76	
Sub-total	-	2	-	2	7.40	9.52	0.4
Total	-	16	13	29			

Source: SD 13 Survey.

*n=29

*Percentage based on the total number of workers interviewed per sub-sector

***n=500

In the pre-AMW period, a small majority of atypically employed worked on a casual basis with 16 or roughly 55 per cent of the 29, whilst 13 or roughly 48.15 per cent were

employed as seasonal labour. No worker in the sample acquired part-time employment contracts in the pre-AMW period. In many ways, atypical employment contracts signify the degrees of job insecurity or precarious employment in the local labour market. Women account for approximately 59 per cent of the 29 workers on atypical contracts in pre-AMW years; males account for roughly 41 per cent of workers who had atypical contracts in this period. By all accounts, however, atypical contracts of employment in pre-AMW years in the sample were insignificant.

The anchor sub-sectors in this research, not surprisingly, captured the majority of atypical workers in the pre-AMW years. Citrus work-places absorbed a higher percentage of the sample with 44.44 per cent compared to 31.03 per cent employed in the livestock sub-sector. Atypical contracts in the pre-AMW period were not as statistically strong across other sub-sectors, although vegetable and pig and poultry farms showed their propensity to offer such contracts, in the pre-AMW years, in this sample. At a general level, the horticulture sector recorded the largest number of post-AMW atypical labour, compared to sub-sectors in the animal husbandry sector that rely on such labour, as depicted in Table 7.7.

From Table 7.7, it is gathered that, of the 187 workers employed in the post-AMW period on atypical contracts, 137 (constituting approximately 73 per cent of these workers) were absorbed into the horticultural sector, leaving the animal husbandry sector with about 27 per cent of workers (or 50 workers who gained post-AMW employment on atypical contracts). The citrus sub-sector accounts for the majority (55 per cent) of the 187 workers who were employed on atypical contracts after the AMW came into force. In contrast, the livestock sub-sector had 11.76 per cent of the workers who acquired atypical contracts in the post-AMW era. To be sure, as a percentage of all atypical workers in each period, more atypical workers in the livestock sub-sector were employed in the pre-AMW than in the post-AMW years, whilst more atypical workers in citrus work-places gained atypical work in the post-AMW period, compared to the pre-AMW period. The higher atypical employment rates identified in the citrus sub-sector, in the post-AMW period, compared to any other sub-sector that features in this research, may be due, as pointed out earlier, to multiple factors which include product market conditions and competitiveness, size and scale of production, and the growth in the sub-sector's export capacity.

Table 7.7: Number of interviewees on atypical contracts who gained employment in the post-AMW period by subsector and sex

Sub-sector and Sex	Part-Time	Casual Basis	Seasonal Basis	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus							
Women	-	5	56	61	32.62	39.10	
Men	-	10	32	42	22.45	26.92	
Sub-total	-	15	88	103	55.08	66.02	20.6
Pineapple							
Women	1	2	1	4	2.13	10.52	
Men	-	3	-	3	1.60	7.8	
Sub-total	1	5	1	7	3.74	18.42	1.4
Vegetable							
Women	-	7	-	7	3.74	19.44	
Men	-	4	3	7	3.74	19.44	
Sub-sector	-	11	3	14	7.48	38.88	2.8
Chicory							
Women	-	5	3	8	4.27	53.33	
Men	-	2	1	3	1.60	20	
Sub-sector	-	7	4	11	5.88	73.33	2.2
Peaches							
Women	-	-	2	2	1.06	66.66	
Men	-	-	-	-	-	-	
Sub-sector	-	-	2	2	1.06	66.66	0.4
Livestock							
Women	-	4	7	11	5.88	8.66	
Men	1	8	2	11	5.88	8.66	
Sub-total	1	12	9	22	11.76	17.32	4.4
Pig & Poultry							
Women	-	-	-	-	-	-	
Men	1	2	1	4	2.13	19.04	
Sub-sector	1	2	1	4	2.13	19.04	0.8
Dairy							
Women	5	3	-	8	4.27	13.55	
Men	-	4	-	4	2.13	6.77	
Sub-sector	5	7	-	12	6.41	20.33	2.4
Game							
Women	1	2	4	7	3.74	15.21	
Men	-	5	-	5	2.67	10.86	
Sub-sector	1	7	4	12	6.41	26.08	2.4
Total	9	66	112	187			

Source: SD 13 Survey.

*n=187

**Percentage based on the total number of workers interviewed per sub-sector

***n=500

Citrus workers who obtained atypical contrasts in post-AMW years account for 66.02 per cent of citrus workers interviewed, and they constitute 20.6 per cent of the 500 workers in the SD 13 Survey. The 22 livestock workers who gained atypical contracts

in years following the AMW represent 17.32 of all livestock workers interviewed, and 4.4 per cent of the sampled workers in the SD 13 Survey. This is a clear indication of the sub-sector variations in the requirements of agrarian labour, consequent to which is the interaction of diverse forces of labour demand and supply in the local labour market. The interaction of labour demand and supply forces/factors emerge in the data on the gender composition of atypical contracts, and by extension the distribution of work between women and men agrarian workers.

The column displaying percentages of workers per sub-sector, in Table 7.7, sheds light on the distribution of atypical contracts among women and men within sub-sectors. In many respects, the data presents an uneven and variegated distribution of atypical contracts between women and men, at sub-sector levels; but it shows that more women workers in most sub-sectors in the sample, relative to male workers, were employed on atypical contracts. The starkest difference is the chicory sub-sector where the majority of workers (53.33 per cent) in the sub-sector are women employed on atypical contracts in post-AMW years. Although not as glaring as chicory work-sites, 39.10 per cent of the workers in the citrus sub-sector are women who were employed in the post-AMW period on atypical contracts; the corresponding figure for post-AMW atypical contracts for men is 26.92 per cent. As is shown in Table 7.7, other sub-sectors that recorded higher percentages of women workers in post-AMW atypical employment to varying extents, relative to men, are pineapple, dairy and game farms. The livestock and vegetable sub-sectors, in departing from the established trend in the sample, employed an equal number of women and men on atypical contracts of employment in post-AMW years.

The above presentation on the distribution of atypical contracts between women and men within and between agrarian sub-sectors amplifies key features of the low-waged agrarian labour market. In this respect, the data reflects the extent and nature of secondary and segmented labour market conditions in the local context. At an overall level, the data reflects the gendered pattern of the distribution of permanent and atypical contracts of employment in the sample, and hence segmentation with respect to job security between women and men. Putting aside the different rates at which atypical contracts of employment were acquired in pre- and post-AMW years, women outnumber men with respect to atypical work. To illustrate, recall table 6.10 again which shows that, of the overall SD 13 Survey sample, 125 women workers in total were employed on atypical contracts (84 had seasonal contracts and 41 had casual

or part-time jobs), whilst 91 males were in atypical employment, comprised of 41 workers with seasonal contracts and 50 with casual or part-time contracts.

Women atypical workers constitute 61.57 per cent of the 203 women interviewed, and they made up 57.87 per cent of the 216 workers on atypical contracts. Atypically employed males constitute 30.53 per cent of the 298 male workers in the sample, and they represent 42.13 per cent of the 216 workers on atypical contracts. Of the 298 male workers, 207 (symbolising 69 per cent of males interviewed) compared to 78 women (representing 38.42 per cent of the 203 women interviewed) had permanent contracts of employment. A larger percentage of male workers had permanent contracts, compared to women in the sample, the corollary being that more women in the sample held atypical contracts, compared to men in the sample.

However, Tables 7.6 and 7.7 show variations between men and women taking up atypical contracts. Whilst women tended to assume more seasonal contracts than men, more male workers on atypical contracts said they were employed on a casual basis, than women workers interviewed. Of the 50 male workers in part-time/casual category, 48 were on casual contracts across work-places in the animal husbandry and horticultural sectors, and two were employed on part-time contracts³⁹. In many instances, as mentioned earlier and will be shown in the sections that follow, for segments of workers employed on casual and part-time contracts, there may be very little distinction between their working conditions and workers on permanent contracts, in terms of the duration of employment and in the length of the working day.

The employment of workers on casual contracts in such contexts epitomises a disguised form of additional permanent and often full-time workers (discussed later in the chapter). This is not an uncommon employment strategy in the local agricultural labour market in the animal husbandry and the horticultural sectors, resonating robustly where labour is weak in enforcing rights and/or may lack knowledge of labour

³⁹ In 2015, amendments were made to the BCEA and Labour Relations Act on temporary employment, preventing employers from using non-standard employment to evade their statutory responsibilities with respect to this segment of workers. As a result, workers become permanent after three months of employment, thereby extending protection to workers and regulating employers' employment strategies and conditions of service to allow for labour standards on a pro rata basis. These amendments did not apply at the time when the research was conducted, and hence they do not have a bearing on the overall discussion on employment contracts and labour absorption patterns in the sample. The amendments take account of the necessity of temporary work as a result of operational requirements arising from the nature of work or production, such as seasonal work in the agricultural sector, and regulate conditions and statutory obligations pro rata.

laws and rights, as is the case for large segments of agrarian labour. Casual employment contracts that apply for close to a year may form part of agrarian employers' coping strategies in certain sub-sectors, which are seasonal in nature, such as horticulture. The other noteworthy feature is the variations in terms of the distribution of atypical work between women and men in the sample, whereby the former tends to assume seasonal contracts and the latter, casual or part-time contracts of employment. This data suggest that male farm workers may increasingly share more common secondary and precarious employment conditions as their female counter-parts in the agrarian sector.

Nonetheless, it is important to appreciate the differences in atypical contracts in pre- and post-AMW years in the sample. From the data it is evident that atypical employment in the sample increased across the three non-standard contracts in the post-AMW period. That is, a larger number of the workers in this research took on jobs in each atypical employment contract category, in the post-AMW period compared to the pre-AMW period. The greatest difference is the pre- and post-AMW employment figures for seasonal labour, as close to 90 per cent of interviewees on seasonal contracts started at the workplace in the period following the enforcement of statutory wages. Of equal interest are the variances in the data on the number of interviewees who were employed on a casual basis in the pre- and post-AMW periods, where Table 7.6 shows that 66 workers gained work after the AMW, compared with 14 in the pre-AMW years.

The post-AMW employment figure for interviewees employed on a casual basis increased by 52 from the pre-AMW figures and constitutes 35 per cent of the 187 atypical workers in this sample who were employed after statutory wages became binding. By the same token, part-time employment was not reported by workers in the pre-AMW period but was reported by nine workers across five sub-sectors in the post-AMW phase. The fact that atypical contracts were available in post-AMW years across all categories of non-standard employment reflects the demand for such labour in sub-sectors relying on temporary work and this, broadly speaking, could also act as a coping strategy for agrarian employers with the advent of the AMW combined with the overall uneven neoliberal changes in the agrarian political economy. This, however, will need more work in the future to fully determine the extent to which temporary or fixed-term contracts can and do provide agrarian employers with coping strategies to

offset increases to labour costs. The empirical data in this study highlights this possibility and encourages further probing into the subject.

Be that as it may, as far as job offers in the local agricultural labour market is concerned, the above data reinforces the overall findings of this research that employment did not cease in the post-AMW years. Instead, the data shows that agrarian capital's appetite for a variety of labour continued in the research sites after the implementation of the AMW. The differentiated labour demand patterns in the research sites surface, casting light on the sub-sectoral dimensions of employment relations and contracts. The tables on pre- and post-AMW employment trends and contracts of employment clearly show that permanent positions in the horticultural sector were fewer than atypical jobs in the research sample. In contrast, animal husbandry production sites tended to (and still do) have fewer workers, but they also tend to employ more full-time and permanent workers than seasonal labour.

The variances in contracts of employment reflect the differentiation in labour demand and in, so doing, highlight the role that agrarian capital plays in shaping segmentation and differentiation in the local agricultural labour market. This discussion poses searching questions on the role/s that local agrarian capital plays in creating and cementing secondary and segmented employment conditions, that translates to low wages in the local labour market. In keeping with the dominant trend in the agricultural sector, the data identifies distinct gender differentiations in the allocation of permanent and atypical employment contracts across the farms and sub-sectors that feature in this research.

In summing up, section 7.3 was primarily concerned with painting employment patterns and trends in the sample, thereby conveying some of the labour demand requirements of agrarian capital, and labour supply characteristics of workers in the local labour market. The overall intention was to portray key features in the local agrarian labour market, through labour supply and demand patterns in the research sample. Towards these ends, the section profiled job acquisition or labour absorption with respect to pre- and post-AMW employment as well as the spread of permanent and atypical contracts of employment among the sampled workers. A comparative analysis of employment gains and the spread of employment contracts shows sub-sector variances between the pre- and post-AMW years, and the gendered allocation of employment contracts, for animal husbandry and horticulture. This, therefore,

means that uniform employment strategies may not always prevail with the advent of statutory wages.

Moreover, the data reveals the nature and extent of secondary and segmented forms of employment, stemming largely from the jobs on offer. Equally important, and in support of labour market segmentation theory, the data shows the local agrarian labour market as a composition of diverse forces of labour demand interacting in complex, uneven and contradictory ways with supply side factors. In the next section the focus turns to the dispersion of atypical work, in particular seasonal labour in the sample, to deepen knowledge of secondary and segmented conditions in the research sites, as well as of the nature of employment in the research sample and the configuration of the local agrarian labour market.

7.4 ATYPICAL LABOUR AND LABOUR COMPOSITION

Atypical employment was not only differentiated in the sample according to gender, as may be gleaned from the data presented thus far, as atypical employment also projects sub-sector dimensions. The trends in the allocation of employment contracts and jobs between women and men that emerge from the intensive and extensive interviews are well entrenched in the local labour market. The citrus and livestock farms, in this research, employed most of the atypical contract workers due to the seasonal nature of (or part of) the labour processes. Of the 41 male seasonal workers (both pre- and post-AMW), 33 were in the citrus sub-sector. Of the 84 seasonally employed female workers, 62 were employed in the citrus sub-sector. The livestock sub-sector followed at a distance in terms of the employment of female seasonal workers. Seasonal work was common on livestock farms specialising in mohair and wool. In the SD 13 Survey, 11 women workers and two men employed in the livestock sub-sector had seasonal contracts.

Livestock and citrus enterprises, as the above figures suggest, had difference levels of requirements for seasonal labour in the sample. Mavis (5 March 2011), who participated in an in-depth interview said that on the livestock and mohair farm that she worked on, the total number of workers in the shearing season was “12 full-time male workers, one full-time female domestic worker, six seasonal females and nine men from Lesotho working on the farm as shearers”. Mavis (5 March 2011) describes a standard phenomenon on livestock farms that produce wool and mohair, with regard to job structure and employment contract, as discussed in the previous section.

Seasonal labour on the livestock farm described above, and which will be unpacked in more detail in the next section in terms of duration of employment, displays strong characteristics associated with secondary and segmented agricultural labour market conditions.

The remainder of the section focusses on seasonal labour in the horticultural sector and citrus sub-sector in particular, in order to shed light on employment on offer and the employment practices of one of the biggest fruit-exporting sub-sectors in the research sites and in South Africa. In profiling employment for seasonal citrus labour, the nature and form of secondary and segmented employment conditions came to the fore. An engagement with seasonal employment in the citrus sub-sector is directly linked to narratives and research on wage settings in general and in this case statutory wages, specifically in relation to value chains and backward and forward linkages in the agricultural sector, as set out in the discussion in the agrarian context chapters – chapters 4, 5 and 6. To recall, those chapters sought to project the context of low wages, so as to understand and appreciate the significance of the agrarian statutory wage. In the process, the chapters argued that the structure and relations of production along commodity value chains are strong incubators for the causal mechanisms of low wages in the sector. A key part of the research is to explain why low agrarian wages came to be in the first place, in order to understand why the AMW came into being, before unpacking the implications for agrarian labour.

As such, throughout the discussion, and following in the tradition of heterodox MW scholars (for example Sachdev and Wilkinson 1998, McNabb and Whitfield 2000, Grimshaw and Carroll 2002, Arrowsmith *et al* 2003, Ram *et al* 2004, Edwards *et al* 2006, Edwards and Ram 2006), emphasis has been placed on the role that labour demand and employer labour hiring strategies play in shaping employment and jobs on the labour market. These strategies in turn and in part influence working terms, wage rates, and the balance of forces in the capital-labour relations. However, and equally important, it has been argued that it is necessary to ponder the question of the nature of employment further to appreciate the variety in employment requirements and strategies. The level of heterogeneity in employment requirements and strategies means that enterprises' employment strategies, in the wake of mandatory wages, is expected to be varied.

It is useful to dwell on the nature of employment in the context of a discussion on (low) statutory wages, using the citrus sub-sector to reflect on the key employment theme

raised in terms of the nature of employment and its relationship to the AMW. The citrus sub-sector may be singled out to problematise the relationship between employment and the AMW for several reasons. Amongst the reasons, is the well-established fact that it is of major strategic importance to the agrarian political economy on account of its export status. Moreover, the sub-sector is a major employer in the local labour market and comprises the largest number of workers in the research sample, thereby necessitating careful consideration of labour supply and demand conditions in the sub-sector. Given these factors, it is of interest and significance to a study of the AMW to ascertain working and employment conditions in the citrus sub-sector in the local labour market, because the sub-sector may act as a barometer of contemporary working and employment conditions for the agricultural sector in the province. Of equal significance, the reliance of the citrus sub-sector (and horticulture generally) on large numbers of seasonal and atypical labour, at the centre of production and valorisation, poses challenges to neoclassical economics' assumptions that labour laws result in declining numbers of permanent workers. In the citrus sub-sector, and other similar production processes, the employment of fewer numbers of permanent workers, alongside larger numbers of seasonal workers, may also have more to do with the nature of work, combined with other factors such as product market conditions. In this light, then, the use of seasonal labour does not necessarily depend on increases in wage levels and labour laws, but on production requirements.

To restate, the citrus produce in the Eastern Cape and from the Sunday's River Valley in particular, as noted in chapter 6, is highly prized in the global market because of its location and climate, which create the appropriate summer and winter temperatures, resulting in the high sugar content and "great tasting citrus" (SRCC 2016). The demand for South African citrus in the global market, in turn, is a key driver stimulating labour demand in the post-AMW era. Interviews, field work and various interactions⁴⁰ with workers and employers in the citrus sub-sector illustrate key features of employment dynamics during the citrus season beginning roughly in March and terminating in October in the province.

Providing insights into employment levels, Mr JP (14 September 2010), the operational manager of Pack-house A, said that approximately 2 300 people were employed with

⁴⁰ Regular contact was (and is) maintained with workers in the geographical sites in the research sample, as explained in chapter 6, giving the researcher a vantage point from which to explore the central research themes in this study.

the company in the July 2010 peak season. In dialogues, in 2016 with representatives from this company, the researcher was told that the labour force employed with this particular company will increase significantly after the completion of an additional pack-house in the Sundays River Valley (Mr GJ 11 March 2016). Mr DP (28 July 2010), the managing director at Pack-house B, said that the company employed 960 people during the 2010 season. To meet present day export volumes, according to Mr CR (11 March 2016), who was employed at Pack-house C, the combined citrus workforce on the orchards and the different pack-houses in the Sundays River Valley, is estimated to be 41 000 workers at the height of the season. By this account, primary citrus production and pack-houses in the Sundays River Valley are major creators of (low waged and low skilled) employment in each citrus season. Now, the nature of work and the labour-intensive character of the labour process in the sub-sector make citrus highly dependent on seasonal labour. Consequently, more workers on atypical contracts are employed in the labour process in peak season compared to permanent and full-time workers.

As to be expected, the size of the work-force is differentiated along scale of production. In this regard, demarcations in the enterprises, in the research sample, was discerned along three categories. One is citrus agrarian enterprises that combine orchards and pack-houses, such as Pack-house A and Pack-house B, that employ a larger number of workers during the season in their orchards and pack-houses, compared to production sites with only orchards. The second category includes citrus orchards only and the third category is made up of mixed farming enterprises. Varying scales of production combined with diversity in production played a major role in determining the differentiations in the size of the work-force in the citrus enterprises. To restate, a significant number of workers in the sample worked on mixed farms, producing a variety of citrus, alongside vegetables and some animal husbandry enterprises. Such agrarian enterprises contribute to the variegated labour demand and supply patterns in the local labour market, which come to light with respect to periods of employment and working hours in sections to follow. For now, the task is to deepen understanding of the operation of seasonal employment within the overall operations of production in respective work-sites.

Workers brought to light the extent of reliance on seasonal labour and the dynamics of seasonal employment, which are illustrated below. At the time of the interview, Ronald (11 August 2012) was in his fourth year of employment as a seasonal palletiser

at one of the larger citrus companies that has its own orchards and pack-houses in the Sundays River Valley. He said that during the season the workforce, just in the pack-houses, “is close to 1 200 to 1 500 [when] I combine the two shifts and the three pack houses” (Ronald 11 August 2012). Although “I can’t be absolutely sure”, continued Ronald (11 August 2012), “but I think the full-time workers, including managers are not more than 200 and the seasonal workers are between 1000 and 1050...there are few part-time workers serving the management structures”. According to Ronald (11 August 2011), women workers, in season, outnumber men workers in this workplace.

As is to be expected, the demand for seasonal labour in the pack-houses synchronises with the demand for seasonal labour in the citrus orchards when the fruit is ready for picking, sorting, packing and distribution, outstripping the number of permanent, full-time workers in the labour process⁴¹. Joe (8 September 2012) and Patricia (11 August 2012) also attested to there being more women employed during the citrus season compared to men on the farms that employed them. In this regard, Joe (8 September 2012) said that “I am not sure about the exact numbers, but I know for a fact that there are more women than men working in the citrus”. As a result, women seasonal workers often outnumber permanent male workers at the height of the season, in most citrus work-places in this research. However, there were exceptions to this rule, as outlined below.

Patricia (11 August 2012), a 35-year-old seasonal worker, provided insights on this when she said that the citrus farm she was employed on, comprised 204 workers, five of whom were permanent, full-time workers; the others were all seasonal workers. Although Patricia (11 August 2012) was unable to provide the exact number of women to men workers, employed during season, she said that “there are about 100 men and 104 women”. The seasonal labour force on this farm is almost split in half between women and men. In this regard, the farm may be seen as a deviation from the standard gender divide in seasonal employment contracts prevalent in the sub-sector. The strategy though to employ less female and more male seasonal labour was also identified on other citrus farms in this research. Monwabisi (11 August 2012), a 37-year-old permanent worker on a citrus farm, also points to a reversal in the gender composition of seasonal labour on the farm as only six women were employed

⁴¹ Barrientos and Visser (2012) write of similar developments in the horticultural sector in the Western Cape of South Africa.

compared to 50 seasonal men. For the most part, however, more women assumed seasonal contracts, and men held permanent contracts, in the citrus sub-sector.

Turning our focus towards the east of the province (to the Amathole district), similar trends are identified, where a higher ratio of seasonal women workers to permanent/full-time male workers in the labour process was also reported by citrus workers who participated in the in-depth interviews. In common with Ronald (11 August 2012), Paul (12 August 2012) was a seasonal palletiser, at a pack-house, in the Fort Beaufort area, that also has its own orchards, although on a smaller scale. In Paul's (12 August 2012) work-place, the labour force increased to around 450 to 500 workers in peak season and is not as large as the labour force at Ronald's (11 August 2012) workplace. Paul (12 August 2012) estimated there were 15 permanent workers in total – the other 400 to 500 workers were on seasonal contracts, primarily women. Mzi (12 August 2012) was employed as "ticket fetcher" on a seasonal basis at a pack-house in Fort Beaufort that employed an even smaller labour force to the one where Paul (12 August 2012) was employed. At Mzi's (12 August 2012) work-place there were "around 120 workers, most of them are seasonal. There are very few permanent workers employed there". Mzi (12 August 2012) elaborated that:

All the workers who work in the pack house are seasonal workers. ... Most are women. The permanent workers can be found among the workers who are working outside the pack houses. However, not everyone who works outside is a permanent worker. There are some seasonal workers among them.

Alongside interviewees employed on large corporate orchards and pack-houses that require seasonal workforce in excess of a hundred workers, the in-depth interviews also included workers employed in the second category of citrus production, which is citrus farms that employed smaller number of seasonal workers. For example, as mentioned above, Monwabisi (11 August 2012) was employed on a citrus farm, on a permanent/full-time contract alongside 29 others and, during the citrus season, he said that the labour force on the farm increased to "around 80 workers, including the seasonal workers". Likewise, 32-year-old Zanele (18 August 2012) worked on a smaller citrus farm in the Sundays River Valley as a seasonal worker. This farm employed 27 workers in total in the season, six of whom were on full-time/permanent contracts.

The data on employment trends of seasonal workers for the citrus sub-sector highlight points of convergences and divergences. Similarities prevail in the type of labour required, that being seasonal due to the nature of production. However, variations are

discerned in terms of the size of the labour-force, largely due to scale of operation and diversification in production. The similarities in the employment of seasonal labour throughout horticulture more generally in the research sample was striking. This is reiterated and borne out in the interview with 46-year-old James (12 June 2007), who worked on a mixed, family-owned farm, specialising in citrus, vegetables, and animal husbandry, which exemplifies the third category of enterprises producing citrus. James (12 June 2007) was employed on a casual/seasonal basis since 2005 and he described a typical mixed horticultural agricultural labour process in the following way: “[t]hat farm produces a whole variety of things. It has two *inezimbiwa* [quarries], it produces milk, meat, fruit and vegetables. It produces a lot of things. Let me put it like this, they are a company ... They work as a *sambou* [company]”.

From James (12 June 2007), it is learnt that this family-owned farm is divided into different business operations administered by different family members. Each business specialises in particular agricultural commodities incorporating horticulture, and animal husbandry (dairy and livestock). Hence, the labour requirements entail a wide range of agricultural labour for various time periods incorporating full-time/permanent and a range of atypical employment contracts. By James’s (12 June 2007) calculation, approximately 102 seasonal workers may be employed on the fruit and vegetable sections of the farm, according to the harvest cycles of produce.

Fluctuations in the number of workers required by the employer in the fruit and vegetable labour processes on this farm are not uncommon and may vary from 16 to 70 depending on the harvest cycle. As in the other cases discussed here, at James’s (12 June 2007) place of work, the number of workers on atypical employment is significantly higher than the number of permanent workers. In total, there were 27 fulltime/permanent workers across the various labour processes on the different farm sections; 15 were permanent workers employed in the dairy production part. Nonetheless, in the horticultural section, women seasonal workers outnumbered their male counterparts. Other horticultural labour processes, in this research sample, exhibited similar employment trends. Nora (12 June 2007) worked seasonally on a farm producing vegetables with between 10 and 12 other seasonal workers, depending on the employer’s labour requirements during the season. Here just two full-time workers were employed at the time of the interview. Yet, again, the seasonal labour force comprised women and the permanent workers were men.

The data conveys both the similarities in terms of the workers' labour supply and enterprises' labour demand patterns, and the variegated pattern of employment contracts and jobs on offer in the local agricultural labour market, signifying both subtle and stark differentiations in the research sites, between women and men workers and across the different horticultural enterprises. More precisely, the snapshot provides a glimpse of the gendered and sub-sectoral patterning of the local agricultural labour market, and hence the segmented allocation of jobs between women and men in the agricultural sector, in the research sample, is brought forth.

As alluded to earlier and will be shown below, although the tendency to employ more women in seasonal jobs is still the prevalent trend in the horticultural sector, an increasing number of men are employed as seasonal and casual labour. Nonetheless, the number of seasonal workers in the horticultural sector is differentiated along vegetable and fruit and along primary producers and pack-houses. From workers' accounts of the labour process, it appears that the number of workers required for the season on the farms and pack-houses vary and may be attributed to fluctuations in farmers' productive capacity or variations in the orders from retailers or both.

As with global agrarian trends, permanent and full-time labour at the point of production is fewer than workers on atypical contracts. In many respects, permanent and full-time contracts are the new atypical, in light of the declining numbers alongside the expansion of non-standard contracts in the current regime of uneven neoliberal agrarian restructuring, as explained in chapter 2. Indeed, it may be argued that for the horticultural sector in particular, but also in certain animal husbandry enterprises as shown in this research, atypical contracts become the regular norm or form of employment, as employers adjust to labour market protections alongside product market liberalisation. In summing up the section, it is imperative to emphasise that the decline in permanent agrarian workers and the concomitant rise in the use of atypical labour predates the advent of statutory wages, as shown in chapter 2 (sections 2.4 and 2.5). Such employment strategies represent pre-existing and embedded practices, that speak to the totality of the low-waged agrarian labour market and which may be instrumental enablers for agrarian employers to absorb the presence of legalised wage hikes. To be clear, the very structure and nature of production combined with the labour relations regime that coalesce to form the totality of the low-waged labour market, may be important cushions that soften the blow of wage hikes for agrarian low-waged employers. In addition, low prescribed rates in conjunction with

the totality of the low-waged labour market also aid low paying employers to cope with hikes in labour costs.

With that being the case, penetrating beyond and beneath the differentiated employment contracts, to identify the employment periods associated with the different employment contracts, reveals further layers and levels of labour demand segmentation in the research sites. This amplifies the diversity in labour demand and supply in the local agrarian labour market. An assessment of the data on the length of employment contracts not only shows the varying degrees of segmentation; the data also depicts the general state of secondary conditions in the local agricultural labour market. In turn, the exercise opens up the space to develop and broaden alternative and more appropriate and relevant ways to construct thoughts, conceptions and research on statutory wages in general and in this case the AMW.

7.5 PERIODS OF EMPLOYMENT OF WORKERS ON ATYPICAL CONTRACTS

A point mentioned throughout, and which is important to bear in mind for the discussion below, is that labour supply patterns of workers (or their labour market participation) provide important insights into the labour demand requirements of agrarian employers and the types of employment on offer, in the local labour market. Indeed, an analysis of workers' labour market participation and absorption are windows into the labour demands and requirements of agrarian capital. Recognising the role of labour demand in creating low-waged jobs shifts focus on the drivers of low wages away from the neoclassical economics' idea that low-waged workers are to blame for their own misery, to embrace heterodox labour market models. In particular, this entails labour market segmentation model's conceptual approach to low wages, which encourages scrutiny of the structure of production, including processes and relations of production, that in turn uncover their leading roles in ensuring the existence of low wages. To reiterate a central argument in this study: the prevailing nature, structure and composition of agrarian production, prior to the AMW, assist employers to cope with the presence of the AMW, and continue operating without dramatically changing how production occurs, and hence no or little changes to employment strategies.

The nature, structure and composition of employment on offer, in the research sample, come to the fore when attention is paid to the duration of employment contracts. To restate, the question of employment is much more than job creation and job losses. As such, the probe into employment and the AMW, in this chapter, extends beyond

the narrow confines of job losses and gains to incorporate the nature and terms of employment and the experiences of workers in the local agricultural labour market. With that said, attention turns primarily to the data on the length of service of atypical workers, and briefly displays variances in the length of the working day from mandatory working hours. This is undertaken to highlight layers of secondary and segmented conditions, and to project the contributing roles that pre-existing conditions and relations play in informing agrarian employment contracts.

Considerable variation was identified in the length of service for the 216 workers on the three different types of atypical contracts in the research. Ultimately, the variations reflect forms of segmentation and inequalities with respect to duration of employment and the consistency with which workers received a wage, and this has profound outcomes for wage levels as will be shown later in chapters dealing with wages. Equally significant, employment contracts and the periods of employment reflect the balances of forces between agrarian employers and agrarian workers in terms of determining terms and conditions of service. Nonetheless, the period of employment for an atypical worker varied (and continues to vary) from one month to 12 months in a production cycle. As such, the length of employment for atypical workers ranges from under-employment to extended periods of work in a year that bears strong resemblance to the employment period of permanent and full-time workers.

Limited or short-term employment periods ranged from one to seven months and is another form of under-employment to surface in this research, alongside time-scale under-employment whereby workers worked fewer hours than the mandatory daily and weekly hours (discussed in the next section). Limited employment duration, either on a time-scale or by way of length of employment, is used to illustrate forms of under-employment in the sample. In this section, deliberations focus on the limited length of time, measured in months, which workers in the research sample spent on the job in a year. Table 7.8 depicts the variances in the employment period of atypical workers interviewed in the SD 13 Survey, disaggregated along gender and sub-sectors. As may be gleaned from the table, varying degrees of under-employment by duration was identified in the research sample – the chronic case being one month.

The data shows that workers on atypical contracts in the SD 13 Survey tended to congregate at the top and bottom ends of the table, in that 25.46 per cent of the sample in Table 7.8 were employed between one and five months in the year, and roughly 30 per cent worked for 11 and 12 months in the year. Roughly, 21 per cent of atypical

workers had to work for six months, a further 14.81 per cent worked for seven months, and a smaller number (8.7 per cent of atypical workers) had employment for eight to nine months in a year. At a cumulative level, the total number of workers who worked in the one-month to seven-month duration, hence fewer than eight months, is 133, representing 61 per cent of (216) atypical workers in the sample and accounting for 26.54 per cent of all (501) workers in SD 13 sample. The 133 workers in the one to seven months employment duration range (the majority of atypical workers) faced greater degrees of under-employment, simply because of the shorter employment duration, relative to those who held jobs for eight to 12 months.

Table 7.8: Duration of employment for workers on atypical contracts by sub-sector and sex

Duration of Employment	Sub-Sector	Female	Male	Seasonal	Casual	Part-Time	Total
1 - 5 Months	Citrus	12	8	19	1	-	20
	Pineapple	1	2	-	3	-	3
	Vegetable	2	4	2	4	-	6
	Peaches	1	-	1	-	-	1
	Chicory	4	2	4	2	-	6
	Livestock	10	3	9	4	-	13
	Dairy	4	-	-	1	3	4
	Game	-	2	-	2	-	2
Sub-total		34	21	35	17	3	55
6 Months	Citrus	18	17	33	2	-	35
	Pineapple	1	-	1	-	-	1
	Vegetable	1	1	1	1	-	2
	Peaches	1	-	1	-	-	1
	Livestock	3	2	1	3	1	5
	Game	1	-	1	-	-	1
	Pig & Poultry	-	1	-	1	-	1
Sub-total		25	21	38	7	1	46
7 Months	Citrus	19	6	25	-	-	25
	Vegetable	-	1	1	-	-	1
	Game	4	-	3	-	1	4
	Pig & Poultry	-	2	1	1	-	2
Sub-total		23	9	30	1	1	32
8 to 9 Months	Citrus	11	5	14	2	-	16
	Livestock	1	-	1	-	-	1
	Game	1	1	1	1	-	2
Sub-total		13	6	16	3	-	19
11 to 12 Months	Citrus	10	9	4	15	-	19
	Pineapple	2	1	-	2	1	3
	Vegetable	6	3	-	9	-	9
	Chicory	4	1	-	5	-	5
	Livestock	2	10	2	8	2	12
	Dairy	4	4	-	6	2	8
	Game	1	4	-	5	-	5
	Pig & Poultry	1	2	-	2	1	3
Sub-Total		30	34	6	52	6	64
	Grand Total	125	91	125	80	11	216

Source: SD 13 Survey.

A significant percentage of women workers, compared to men workers, in the SD 13 Survey, were employed for between one and seven months. Women number 82, accounting for roughly 61 per cent of the 133 atypical workers whose employment lasted between one and seven months, and these women represent more or less 40 per cent of the 203 women in the overall SD 13 sample; men, who worked between one and seven months, total 51 and they represent approximately 38 per cent of the 133 workers, and roughly 17 per cent of the 298 men in the overall sample.

Overall, women are more likely to be atypical workers compared to men, as the 125 women in Table 7.8 constitute 57.87 per cent of the 216 workers on atypical employment contracts, and 61.57 per cent of 203 women in the overall sample; the 91 men represent 42.12 percent of the 216 atypically employed workers and 30.53 per cent of the 298 men in the sample. However, amongst the atypical workforce, differences between women and men with respect to durations of employment should not be overplayed, as similar secondary employment conditions seem to exist. To illustrate this, consider the distribution of short-term employment among women and men workers, in the one to five months range, in Table 7.8. This shows women to be dominant among the 55 workers, accounting for roughly 62 per cent of workers, while men constitute roughly 38 per cent of workers whose employment lasted between one and five months in a year. In teasing out the gender dimensions of under-employment on a durational scale, it is gathered though that men who worked between one- and five-months account for roughly 23 per cent of male workers on atypical contracts, while women constitute 27 per cent of women employed on atypical contracts. By these calculations, the difference between women and men is marginal.

Similarly, although women account for roughly 54 per cent of workers who worked for six months, these women account for 20 per cent of women on atypical contracts. Men account for roughly 46 per cent workers with six months of work, but these men represent 23.06 per cent of all men with atypical contracts. As such, a marginally higher percentage of men on atypical contracts worked for six months, compared to women in the sample. Gender disparities in the sample are starker for workers who held jobs for seven months, as women represent roughly 72 per cent of these workers, compared to roughly 28 per cent of men who worked for seven months. Women with jobs that lasted seven months account for 18.4 per cent of women workers on atypical contracts, whilst men (working for seven months) represent close to 10 per cent of males with atypical contracts.

It is noteworthy that a minority of workers in the sample of atypical workers, accounting for 8.7 per cent of these workers, worked eight to nine months in a year. Women form the majority of the workforce with such employment duration, comprising 68.42 percent, and men 31.58 per cent of this segment of workers. Women who worked for eight to nine months constitute 10.4 per cent of atypical women workers, while the corresponding male workers comprise 6.59 per cent of atypical male workers. Here again, a marginal difference is observed in the spread of this employment duration between the sexes. Finally, male workers comprise the majority of workers who worked for 11 to 12 months (at 53 per cent), and these workers account for 37 per cent of male workers on atypical contracts; women constitute roughly 47 per cent of the sample who worked this duration, but these women comprise only 24 per cent of women on atypical contracts.

As the data depicts, though the propensity for women to experience under-employment is greater than it is for men, a significant number of men also assumed atypical employment contracts of short-term periods. This tendency may be tied more closely to a diverse set of factors acting in tandem, including the question of the nature of jobs on offer in the local labour market, the selective blending of market-constraining and market-disciplinary measures in the wider agrarian political economy, and the balances of forces in agrarian employment relationships, than to the presence of the AMW exclusively.

From this data, therefore, it can be argued that under-employment on durational lines, and, as will be shown, under-employment on time-scales (discussed in section 7.6), portray an aggregate state of employment insecurities not only touching women, but also increasingly affecting men participating in the local agricultural labour market. This is not to deny the existence and persistence of sexual and gender-based inequalities in relation to job allocation and employment contracts in the agricultural labour market; rather, the data suggests that a certain level of convergence among women and men agrarian labour is emerging in the local agricultural labour market with respect to under-employment on time and duration levels. Convergences at this level also suggest expanding precariousness in the local agrarian labour market affecting both women and men, which is itself a reflection of low-road employment strategies in the context of uneven neoliberal shifts in the agrarian political economy.

Casting attention to sub-sector considerations, Table 7.8 highlights the extent of under-employment on a durational scale in the anchor sub-sectors. The table shows

the citrus sub-sector as fairly well represented in each of the employment duration ranges from one to seven months (80 workers), accounting for roughly 60 per cent of the 133 atypical workers who worked for such periods in a year, and 37.03 per cent of all atypical workers (216) in the sample. In fact, atypical citrus workers had significant representation in all duration periods. Livestock workers on atypical contracts in the sample who worked for one to five months (18 workers) account for roughly 18 per cent of workers with jobs for such periods in a year, and they represent 8.33 per cent of all 216 atypical workers in the sample. Livestock workers were also well represented in the longer (11 and 12 month) duration.

Livestock workers thus tended to work between one to five months and for 11 to 12 months in a year. Of the 31 atypically employed livestock workers, 18 workers accounting for 58.06 per cent of these livestock workers, worked for one to five months, and 12 of the atypically employed livestock workers, representing 30.70 per cent of atypically employed livestock workers, worked for 11 to 12 months. Atypical workers in the citrus workplaces were spread more evenly across the periods of employment, as reflected in Table 7.8.

Differentiations in employment duration, therefore, assumed gender and sub-sectoral patterns in the sample. Furthermore, differentiations in terms of contracts of employment also surface in the data in that seasonal workers congregate in the one month to seven-month employment duration ranges and casual workers tend to be employed in the 11 to 12 months range. Such data shows the level and extent of variegation in the hiring and use of atypical agrarian workers in the sample.

For a nuanced understanding of agrarian employment and the totality of the low-waged agrarian labour market in the sample, it is of value to dwell on the type of work atypical workers performed for the duration of employment. Male workers in the livestock sub-sector who worked in the one to five-month range were employed to perform maintenance and repairs to farm infrastructure (such as fixing fences), although one male worker was employed as a cook for migrant shearers. All 10 women workers employed on livestock farms in the SD 13 survey, in the one to five months employment duration range, worked during the shearing season to sort and clean wool. In the wool-sorting labour process, employment can last from two weeks to a month, and it is repeated over the year. Women employed to sort wool on livestock farms, therefore, did not only find themselves amongst other workers with the shortest employment periods; they also had extended intervals between periods of

employment, hence the wage they earned was far less steady and regular compared to other atypical workers. Mavis (5 March 2011) explained the operations of the mohair trade and the employment of seasonal workers, which brings this phenomenon to the fore:

There are four shearing periods in one year. The first shearing season starts in the beginning of January and ends at the end of January. [T]he second shearing season...starts at the beginning of March and ends at the end of March. The third shearing season starts at the beginning of July [and lasts] until the end of July, whilst the fourth shearing season starts at the beginning of August [and lasts] until the end of August. Each shearing season lasts for a period of one month.

Likewise, 48-year-old Bongi (7 May 2006) spoke of the same employment pattern as Mavis (5 March 2011). She (Bongi 7 May 2006) said: “I sort wool. I work during seasons in January, June, September and December. Each time I work the whole month”. Mary (7 May 2006) works as a wool sorter “twice a year” unlike Mavis (5 March 2011) and Bongi (7 May 2006) who work four times in a year to sort wool. Mary (7 May 2006) added that her period of employment “normally takes 2-weeks at the start of the year, and then in December it takes 3 weeks”. This pattern and duration of employment for wool sorters and others employed in the shearing season is a well-established practice, predating the AMW and is linked indelibly to the nature of the work and level of production, as well as to seasons.

Now, in contrast to the above illustration of extreme under-employment and long intervals between employment periods characterising wool sorting and cleaning, limited employment duration in the horticulture generally (and citrus in particular) followed consecutive periods in accordance with seasonal patterns. In the main, workers on limited contracts were employed for various short-term, continuous periods in the large orchards and pack houses to harvest, sort, grade and pack fruit during the different phases of citrus production.

Most of the seasonal workers (in citrus) in the one to five months duration range worked for five months for an uninterrupted period, whilst others worked for either one, two or three months. A few seasonal workers employed on citrus orchards, and who participated in the in-depth interviews, worked for four months in the year (also on an uninterrupted basis). For example, Zanele (18 August 2012) and 27-year-old Sophia (18 August 2012) both said that they worked between June and September, during the citrus season, to sort and harvest oranges and lemons. It is often the case for seasonal workers in the large citrus orchards and pack houses to be employed for six and seven months in year.

On farms producing vegetables, or vegetables and fruit and other agricultural produce, and even on smaller citrus orchards, interrupted periods of employment, albeit with shorter intervals compared to wool sorters in livestock, is not uncommon. In this regard, similar patterns of employment to seasonal work on livestock farms was reported by seasonal workers, in the in-depth interviews, on some of the vegetable farms. The interrupted patterns in employment in the vegetable sub-sector may in part be attributed more to production methods and organisation of work, than to the nature of work as in mohair and wool production. Nonetheless, 43-year-old Nora's (12 June 2007) form of employment is an example of the erratic and interrupted nature of seasonal work on the vegetable/dairy farm that employed her. In response to the question how often she works, Nora (12 June 2007) responded as follows:

The farmer would call us after the fields are planted when there are weeds on the plantation fields. [The farmer] also calls us during harvesting time. After harvesting, we would be unemployed again. I spend more or less three months working on the farm. We don't work for the whole three months.... Sometimes there wouldn't be work for the entire month. But I spent around three months working [for the farmer].

James (12 June 2007) provided similar insights on his employment experience as an atypical contract worker working on the mixed farm mentioned earlier:

I work as a casual worker. My work would normally last for six months when we are planting the oranges. We would stop for one month and maybe in September we would be called again to clean the [vegetable] gardens. We would do this from September to December and sometimes in January. You see now we are going to harvest the butternut. After that, we would harvest the potatoes. When we finish with the potatoes, we would go back to the butternuts. When we finish with the butternuts, we would make sure that all [weeds]in the plantation fields [are] removed. That can last us six months.

The quote above illuminates the nature and extent of under-employment and the precarious forms of jobs on offer in the local agricultural labour market. By implication, the data and examples cast the spotlight on the discontinuous and non-regular patterns of income for workers employed on atypical and limited employment duration contracts.

The data raises questions about the nature, structure and relations of production that propel job creation in the agricultural sector, such as the types of employment and degrees of under-employment reviewed here. Under-employment, reflected in the variances in limited employment duration periods, epitomises heightened degrees of secondary and segmented labour market conditions in the local context. Under-

employment of a durational nature is also a pointer to agrarian labour's weakness concerning bargaining for better working conditions and higher wages. In addition, the vulnerabilities and weaknesses of agrarian labourers are exposed in their reliance on such employment for their survival, due to their skills base, and the lack of alternative and better paying employment in the local sites of this research, combined with high levels of excess labour. These factors combine to reinforce the totality of the low-waged agrarian labour market that in turn aid in explaining the objective and material conditions, in the labour market, that maintain agrarian workers' weak bargaining position in the employment and labour relations with agrarian employers, as will become clear in chapters 10 and 11.

The other duration of employment range in the SD 13 Survey sample, presented in Table 7.8, was 8 to 12 months ranges, which signifies another dimension of the employment and labour relations dynamics in the research sample. Atypical workers who work close to, or for 12 months with the same employer, exposes another dimension of secondary agrarian employment conditions and inequalities in bargaining power between capital and labour over determining the terms of employment. Atypically employed workers with employment for 11 and 12 months in a year often perform the same tasks as workers with permanent employment contracts, and they work the same hours as permanent workers for wages that may be the same and, in some instances, higher than permanent workers.

In addition to the 19 workers in the SD 13 Survey, who worked in the eight to nine months employment duration range, several workers in the in-depth interviews also reported on the same employment duration. As with the workers in the SD 13 Survey, the majority of the workers in the in-depth interviews, who worked for eight to nine months on atypical contracts, were employed in the horticultural sector, on citrus orchards, pack-houses and vegetable fields. Paul (12 August 2012), who, as mentioned, worked for a citrus pack-house in the Fort Beaufort area, explains the employment duration periods for workers in the eight to nine months range. His duration of employment is "nine months in total. I start in January and stop in September; however, the season ends in July. From July to September [I do] piece jobs" (Paul 12 August 2012). Piece jobs in the citrus sub-sector is associated with the ordinary tasks of sorting, clearing fields, harvesting and packing that are undertaken towards the end of the season when the yields of produce are much smaller.

Likewise, Ronald (11 August 2012) is another example of a seasonal worker who worked beyond eight months. He explains: “I am a seasonal worker. My contract lasts for one season only. We start [working in] March and finish early October, but our contracts can be renewed if there is still work that has to be done. We can work until November”. Echoing similar trends is Lindiwe (2 June 2007), a seasonal worker on a mixed vegetable and fruit farm that also farms chicken. She said “[u]sually I work 10 months in a year planting and harvesting cabbages, butternut, oranges, peas [and] naartjies. I also hoe the plantation fields and slaughter chickens” (Lindiwe 2 June 2007).

In many ways, Paul (12 August 2012), Ronald (11 August 2012), and Lindiwe (2 June 2007) share a similar experience with the other workers on atypical contracts who worked in the 11- and 12-months employment duration period. As noted above, 64 workers on atypical contracts worked in the 11 to 12 months employment duration; the majority were regarded as casual workers. All these workers worked in core aspects of the valorisation process making their jobs, hours of work, and length of service indistinguishable from the duration and hours of work of permanent and full-time workers.

These workers constituted a significant 30 per cent of the 216 workers employed on atypical contracts in the SD 13 Survey. As the above table depicts, this phenomenon was most prevalent in the horticultural sector, which captured 36 of the 64 workers who worked for 11 to 12 months each year, with citrus dominating at 10 workers, followed by the vegetable sub-sector with nine women regarded as casual workers with such working periods. Likewise, 28 workers on atypical contracts were employed in the animal husbandry sector, including 10 men, eight of whom were regarded as casual workers and two were regarded as part-time workers.

Workers on atypical contracts, who work for extended durations in the year, highlight a long-standing practice identified by ECARP as far back as the 1990s whereby workers, particularly male workers, were regarded as ‘casuals’ but worked throughout the year. They have no discernible distinctions in their working hours, the number of days they worked in the week, and their length of service from those of full-time and permanent workers. However, and importantly, often employment security for casual workers in these cases were tenuous, as it was easy for farmers to dismiss them or terminate their services without following mandatory processes. As pointed out earlier (in footnote 39), protection for workers on fixed-term contracts, as in atypical workers

in this research, was extended in 2015 providing for various benefits pro rata. A key amendment was the conversion of fixed-term contracts to permanent employment after three months consecutive employment with the same employer, each year. Nonetheless, and whilst these provisions were extended to atypical workers after the time period of this research, meaning that they did not apply to workers in the sample at the time of the research, a distinction can be made between the *de jure* and the *de facto* situation. For, on the one hand, in terms of *de jure*, atypical workers qualify for pro rata benefits and protection, in reality; on the other hand, *de facto*, these regulations may not be enforced by employers, nor claimed by workers, for various reasons including inequalities in bargaining power and lack of awareness of such provisions. The tendency to employ workers on casual contracts with extended employment durations was well entrenched in the livestock, game and dairy farms in the western part of the Eastern Cape in the pre-AMW agricultural labour market and existed alongside low wages in the sector.

It is apparent from the data presented in this section, that the practice of employing workers on atypical contracts for close to 12 months each year is increasing in the local agricultural labour market, particularly with the expansion of horticultural sub-sectors in the area. Essentially such workers were disguised permanent workers, before the amendments were made in 2015. As mentioned above, this employment condition was prevalent among workers in the livestock, dairy and game sub-sectors. In the case of atypical workers employed for 12 months or for most months in a year, their permanent position in the workplace was veiled by the casual employment contract offered by the employer. In certain ways, they were similar to workers who worked overtime hours that are concealed as ordinary hours, to be discussed in the next section.

The deployment of such workers in the agricultural labour process indicates an additional response adopted by employers to cope with combined developments in the global food regime and in the local agricultural labour markets. However, wage data in the SD 13 Survey for atypical workers employed for eight to 12 months in a year paints a complicated picture about their status in the workplace and labour market when considered against the situation of workers on permanent contracts. This is because, on the one hand, although atypical workers with 8 to 12 months employment duration earned monthly wages below workers on permanent contracts, several permanent workers, in the research sample, earned lower than atypical workers with

8 to 12 months employment period. On the other hand, wage convergences between workers on permanent and atypical employment contracts appeared in the sample, as will be shown in chapter 13. For example, the lowest paid permanent contract was for a domestic worker on a game farm who earned R331 a month between March 2011 and February 2012. At the same time, the lowest paid atypically employed worker, who worked for eight months or more in a year, was also a woman worker, who looked after cows on a dairy farm and who earned R270 a month, in the same period. Many variables may account for low wages for permanent and atypically employed workers one of which is fewer working hours for permanent workers (as will be discussed in detail in chapter 13), and the prevailing relationship between workers and employers in the respective workplaces. It is important to note the role of employment contracts and wages here because employment contracts provide markers of agrarian employers' employment strategies and ways of adjusting to statutory wage settings.

The position of atypical agrarian workers warrants thorough examination to deepen our understanding of whether and the extent to which informality and unequal power relations in the agrarian labour relations regime condition the duration of employment and working conditions, and thus segmentation in local agrarian labour markets. It is equally important to establish more fully the underlying causes of such labour demand tendencies in further research, thereby enhancing understanding of how the AMW and the material and social relations of agricultural production and distribution relate to each other, and how they aid and inhibit workers' conditions and positions in the labour market. Such research is increasingly necessary in light of the amendments to fixed-term contracts, as employers may terminate segments of workers on atypical contracts only to employ others in the same jobs with the same conditions to avoid making them permanent workers. This means that employers will not have to apply benefits and protections to such workers.

To my knowledge, the employment status and conditions of workers employed on different atypical contracts, who provide their labour to the same employer for 12 months or close to 12 months on a continuous basis, has not received much attention in the literature on farm labour. As pointed out in chapter 2, scholars writing on agrarian labour tend to conflate casualisation and seasonality, treating them synonymously. To recall, for example in their writings on agrarian labour in the horticultural sector in the Western Cape, Barrientos (2008), Barrientos and Visser (2012), and Ware Barrientos (2013) tend to homogenise and treat all forms of atypical employment as casual work,

and specifically where the labour force is outsourced through labour brokers. The process of casualisation, in these works, is associated with seasonality, with seasonal workers acquired through labour brokers. The data in this research cautions against a blanket approach to casual and atypical agrarian labour, in terms of the forms that atypical work assumes and how segments of workers are recruited to such jobs. In the local agricultural labour market where this research was conducted, distinctions are evident between the different atypical contracts on offer to workers, particularly between seasonal workers and workers employed on casual contracts in the animal husbandry and horticultural sectors. Atypical contracts of employment do not necessarily and neatly fit the description of seasonal labour exclusively, as my research shows a range of atypical workers, such as casual and part-time workers, across the local agricultural labour market.

As the table above (Table 7.8) demonstrates, atypical employment is differentiated along seasonal, casual and part-time contracts of employment. Casual employment contracts, therefore, are not necessarily and automatically extensions of seasonal work or workers hired through labour brokers in the horticultural and animal husbandry sectors, in this research sample. In fact, this study found that a casual employment relationship in the agricultural sector was camouflaged permanent and full-time employment. Moreover, as will be shown in chapter 8, atypical workers in this study were not recruited by labour brokers. The existence of workers on casual contracts who were employed throughout the year or for most of the year, on a continuous basis, calls for caution in the way casual and atypical labour is conceived in agrarian labour studies. In the majority of instances in this research (corroborated by other work in the field by the researcher), workers employed on casual contracts were not clear on why they are regarded as casuals because, as mentioned, such workers were assigned the same tasks and they worked the same hours and duration as permanent and full-time workers. Moreover, as the wage data presented above suggests, they may earn the same or even more than permanent workers. In fact, the highest paid worker in the SD 13 sample – an outlier – was a male worker on a casual contract who worked on a game farm for 12 months and who earned R7000 a month. In addition, certain segments of permanent workers, usually women who were domestic workers earned less than atypical workers working between eight to 12 months.

To reiterate, the conditions of casual workers on extended employment durations warrant further research to assess the extent to which they constitute or may constitute

an under-paid and precarious agrarian workforce. In the same vein, the presence of such workers in the agrarian labour market must be investigated to also understand if and how such employment practices work as coping mechanisms for agrarian employers under an uneven application of neoliberalism in agrarian accumulation processes; therefore, enabling them to craft employment strategies and practices that allow them to continue operating without shedding labour. Irrespective of the causal mechanisms propelling casual agrarian contracts (that entail the same employment duration and job functions as permanent workers), the existence of this segment of workers demonstrates what is arguably a low-road employment approach that merely reinforces secondary conditions in the contemporary local agrarian labour market(s). It is, therefore, erroneous to homogenise and treat all atypically employed agricultural workers in the Eastern Cape agricultural labour market in an undifferentiated manner, in both the horticultural and animal husbandry sectors.

To homogenise atypical labour as casual employment obscures from sight the presence of segments of equally and, in certain cases, much more intensely vulnerable agrarian labour on casual employment contracts, who may fall outside job security and benefits that are associated with permanent workers. In this case, casual workers on extended employment durations with the same employer may act as a form of cushion for agrarian employers, because of their lower labour costs compared to permanent workers. As argued earlier, given the balance of forces in the agrarian capital-labour relationship, this may occur even with the introduction of mandatory protective measures for atypically employed workers. A disaggregation of atypical employment contracts in this research sample thus brings to the fore an alternative device used by agrarian employers in the wake of neoliberal shifts: restructuring employment as opposed to simply shedding labour.

Approaching the notion of atypical contracts in an undifferentiated fashion results in a failure to grasp the variations and segmentation within and among the agricultural labour force in contemporary low-waged local labour markets. Atypical contracts of employment and jobs, therefore, need to be unpacked in spatial and temporal contexts to illuminate the valorisation processes and the associated institutional arrangements and relations giving rise to multiple forms of “casualisation” and precarious employment in the agrarian political economy.

The variance and range in employment periods for atypical workers indicate the heterogeneity in employment strategies and practices, thereby portraying agrarian

employers' capacity to hire labour, on their own terms, with the prescribed AMW in place. Differentiations in employment practices, based on sub-sector and enterprise dynamics as shown above, in turn indicate the varied labour hiring responses agrarian enterprises are able to deploy when statutory wages are introduced. These employment strategies represent one of many enabling mechanisms for agrarian employers to continue hiring labour with the presence of mandatory wages, thereby mitigating the much-anticipated job losses predicted by neoclassical economics due to prescribed wages. Finally, employment strategies, as assessed here, reflect the joint pressures that agrarian employers face in the wake of both market-constraining labour markets and market-disciplining product markets. In the final section, working hours are sketched to show another way in which agrarian employers hire labour that speak to the joint pressures faced by employers and their ability to determine working hours amidst workers' secondary position and low levels of bargaining power.

7.6 WEEKLY WORKING HOURS

It is imperative for this study to gain a sense of working hours in the sample, as hours of work have significance for engaging with wages in later chapters. In the opening of section 7.5, it was indicated that variances in the length of the working day (from mandatory ordinary and maximum overtime hours) were identified in this research sample. Further deliberations on the outcomes of the AMW and statutory limitations on the working day of workers in the sample follow in chapter 13, where a disaggregated examination of wages and weekly working hours of sampled workers is found. However, a discussion on the secondary nature of working conditions of workers in the sample will be incomplete if the length of the working day is not examined here, albeit briefly. As such, the discussion here on working hours acts as a backdrop to wage profiles that follow.

In fact, under-employment on a durational scale, as discussed above for atypical workers, is heightened when considered in conjunction with under-employment on a time scale (hours of work) that workers experience. This trend becomes evident when consideration is given to workers who were not employed throughout the year and worked fewer than five days in a week, and for fewer than mandatory ordinary hours in a day. Hence, here the focus on working hours is meant to bring forth further secondary characteristics of agricultural work that in turn contribute to the secondary and segmented nature of the contemporary agrarian labour market.

Similarly, and as another manifestation of the secondary nature of work in the sample, the length of the working day for segments of mostly permanent, but also atypically employed workers in the sample extended beyond the mandatory working hours. This trend too needs to be highlighted in the deliberations on low waged work and statutory wages. Long working hours, beyond mandatory hours often goes unrewarded, as workers are not compensated monetarily or with time-off for their extra labour. Both under-employment by time and durational scales, and extended working hours beyond the maximum allowed, project agrarian labour's weak bargaining power in the employment relationship, which is reinforced by and which in turn reinforces the totality of the low-waged agrarian labour market. Moreover, and of immense significance to this study of the AMW, is that variations in the length of the working week, as atypical employment discussed above, show the variegated forms of employment prevalent in the local labour market, dispelling the notion of a uniform and generalised outcome of the AMW on employment.

In terms of the regulations on the length of the working day and week as set out in the SD 13 or the ASD, the maximum daily working hours for farm workers working between one and five days in a week is nine hours, with three hours of overtime totalling to 12 hours a day. The ordinary working hours for those who work six or seven days in the week are eight hours, with four hours of overtime, totalling to 12 hours in the day. Irrespective of the number of days worked per week, the maximum ordinary weekly hours for the sector is 45 hours and the maximum amount of overtime work in a week is 15 hours. Therefore, the maximum weekly hours including overtime work for the farming sector is 60 hours, for workers working between one and five days per week and six or seven days per week.

Wide variations in the number of days worked, working hours and overtime work are clearly evident in this research with sub-sector variations. The number of working days in the week for workers in this research ranged from one day to seven days with a wide-ranging hourly timeband of two hours to 13 hours in a day. Daily working hours for workers fell into different timebands, which were further differentiated for individual workers. In addition, working hours varied between summer and winter periods where, for the summer, working hours tended to be longer and shorter in winter. This applies largely to workers in the livestock and game farms who were interviewed. The following time categories are discernible in the daily working hours for workers at the

time of the research: (a) less than five, (b) five to seven, (c) eight, (d) nine and (e) 10 to 13.

To arrive at the weekly hours that workers worked, the number of days they worked was multiplied by their daily hours. Based on these calculations, the weekly working hours, for workers in this research, ranged from (a) less than 45 hours a week, to (b) 45 hours a week, and then to (c) in excess of the 45-hour ordinary week and 60 hours overtime.

Unlike the recent study on South African agrarian labour (Visser and Ferrer 2015) which found that most workers in that research sample worked 45 hours, in this research the majority of workers worked less than 45 hours – with a segment chronically under, and a segment slightly under, the prescribed 45 hours ordinary working week. Reductions to working hours following statutory wages is not an unusual low-waged employer response, as it appears across low-waged sectors. As will become clear in chapter 9, working hours in certain sub-sectors and jobs are open to adjustment, thereby enabling employers to restructure employment without shedding jobs. Adjusting working hours and restructuring employment more broadly are consequences of the balance of forces and surfaces in different low-waged workplaces. For example, Rowson (2002) shows that small hotels are able to adjust to the MW before its introduction by not only adjusting wage rates to be more in line with the rate set by statutory wages, but crucially by restructuring employment through the increased use of part-time labour and decreased use of full-time labour. Such adjustments, in Rowson's and in this research, meant that the MW did not produce the effects that the anti-MW lobby predicted (among the research sample), as employers were able to shape their employment strategies to accommodate the AMW and the ASD.

Table 7.9: Distribution of working hours among sampled workers

Weekly hours	Number of workers	Percentage of overall sample*	Percentage of all women**	Percentage of all men***
4 to 39	86	17.16	28.57	9.39
40	157	31.33	36.94	27.51
41 to 44	44	8.78	6.89	10.06
45	100	19.96	16.25	22.48
49 to 91	114	22.75	12.31	30.53
Total	501			

Source: SD 13 Survey.

*n=501

**n=203

***n=298

Weekly working hours in the sample are clustered, based on the actual weekly working hours provided by workers, to enable analysis and presentation of the data (depicted in Table 7.9), which shows that roughly 57 per cent of the workers interviewed in the SD 13 Survey worked below 45 hours a week. In disaggregated terms, 31.33 per cent of the overall sample worked for 40 hours, 17.16 per cent worked in the four to 39-hour time range, whilst 8.78 per cent worked in the 41 to 44-hour range. Just 19.96 per cent worked the ordinary maximum of 45 hours a week, and 22.75 percent of workers in the overall SD 13 sample worked beyond the ordinary and maximum overtime hours because they worked between 49 and 91 hours per week.

In the discussion which follows, the different weekly working hour timebands are profiled, to provide a disaggregate outline of working hours for workers in the sample. This exercise illuminates the allocation of working hours across the different work sites and among women and men employed on permanent and atypical employment contracts. This level of examination provides deeper insights into the nature and composition of agrarian work in the research sample, bringing to the fore manifestations of secondary, segmented and sweated employment conditions.

Table 7.10: Weekly hours between 4 and 39 hours by sub-sector, sex and employment contract

Sub-Sector	Total Women	Permanent	Atypical	Total Men	Permanent	Atypical	Total
Livestock	15	9	6	4	4	-	19
Dairy	21	14	7	6	4	2	27
Game	2	2	-	1	1	-	3
Pig & Poultry	2	1	1	2	-	2	4
Citrus	12	-	12	7	2	5	19
Vegetable	4	1	3	-	-	-	4
Pineapple	2	2	-	6	4	2	8
Chicory	-	-	-	2	1	1	2
Total	58	29	29	28	16	12	86

Source: SD 13 Survey.

This cohort of workers (86) constitute roughly 17 per cent of the SD 13 sample of 501 workers, with women in this cohort (58) accounting for 28.57 per cent of all women workers interviewed (203), and men in this cohort (28) being 9.39 per cent of all men

labourers interviewed (298). The gender dimension to the allocation or distribution of agrarian working hours becomes clear, then, when Table 7.10 is considered.

As the table implies, women account for 67.44 per cent and men 32.58 per cent of the 86 workers who worked between 4 and 39 hours in a week. Tables 7.9 and 7.10 indicate more women than men in the SD 13 Survey sample worked weekly hours that were chronically below the ordinary weekly hours. In this way, the gender dimensions of working hours below the 45-hour weekly work broadly corresponds with other studies (for example Visser and Ferrer 2015). Fifty per cent of female workers in this working hour category were permanent, while 57.14 per cent of the male workers who worked between 4 and 39 hours in a week had permanent employment contracts. Further, permanent women workers in this working week timeband comprise 37.17 per cent of all permanently employed women interviewed. Atypical women workers in this timeband make up 23.2 per cent of all atypically employed women interviewed. Men employed on permanent contracts in this working week timeband constitute 7.72 per cent of all permanent male workers interviewed; and 13.16 per cent of all atypically employed men interviewed are in this timeband.

Table 7.11: Weekly hours between four and 39 hours by sub-sector (percentage)

Sub-Sector	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Livestock	19	22.09	14.96	3.79
Dairy	27	31.39	45.76	5.38
Game	3	3.48	6.52	0.59
Pig & Poultry	4	4.65	19.04	0.79
Citrus	19	22.09	12.17	3.79
Vegetable	4	4.65	11.11	0.79
Pineapple	8	9.30	21.05	1.59
Chicory	2	2.3	13.33	0.3
Total	86			

Source: SD 13 Survey.

*n=86

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

An almost reverse trend is discerned with respect to gender and employment contract in the 4 to 39 working timeband. This is so because permanently employed women appear to be more prevalent than atypically employed women workers in this band,

contrasting with men in that atypically employed male workers outnumber male workers on permanent contracts in this working hour timeband. Findings such as these alert researchers to the possibility that stark distinctions between under-employment in terms of time scale, between workers on permanent and atypical contracts, may not be present across the different working timebands. This observation is reinforced when it becomes clear that the 45 permanent men and women combined (in this band) represent 15.78 per cent of all permanent workers interviewed in the SD 13 Survey worked, while the 41 atypical workers (in this band) comprise 18.78 per cent of all atypical workers interviewed. Arguably, the difference in the number of workers with permanent and atypical contracts of employment who worked in the four to 39-hour work band is not stark.

Consideration must be given as well to sub-sectors, type of jobs and farm level specificities for a nuanced understanding of working hours that are drastically below the ordinary hours. The 86 workers in the 4 to 39-hour work week were dispersed primarily across dairy, livestock and citrus sub-sectors. As displayed in Table 7.11, the dairy workers whose weekly working hours ranged from four to 39 hours a week account for 31.39 per cent of workers with these work hours, almost 46 per cent of dairy workers interviewed in the SD 13 Survey and 5.38 per cent of workers in the overall sample.

Workers in the citrus sub-sector comprise 22.9 per cent of workers in this working timeband, 12.17 per cent of all citrus workers interviewed, and 3.79 per cent of the workers in the overall sample. Livestock workers account for 22.09 per cent of the segment of workers who worked in the 4 to 39-hour time range, and they represent 14.96 per cent of livestock workers interviewed and 3.79 per cent of workers in the overall sample. Workers in the above sub-sectors are followed by pineapple workers who make up 9.30 per cent of workers in this working timeband, 21.05 per cent of pineapple workers interviewed, and 1.59 per cent of all workers in the sample. Underemployment in terms of time scale, then, may be attributed to the interaction of variations in sub-sector conditions such as nature of work and the labour process, product market conditions and firm-level dynamics, and vital to all this is the balance of forces in the employment relationship between workers and employers.

These findings in the SD 13 Survey were corroborated by the 2007 in-depth interviews where sub-sector and gender variations with respect to drastically low ordinary hours were identified. Consider for example working hours for dairy workers, where

permanent women workers reported fewer working hours than permanent male workers, even when the latter worked less than the standard 45 hours. Joyce (13 May 2006) worked 23 and a half hours in the week, making and bottling yogurt and sour milk. Ntom (6 May 2006), a 46-year-old permanent worker, and 37-year-old Zuki (13 May 2006), also on a permanent contract, were employed on a 35-hour working week, compared to Andile (13 May 2006) who worked 42 hours. Zuki and Ntom, like Andile, were employed in the core aspects of the production process which, in the dairy sector, involved milking, feeding, herding, and dipping cows; planting and tending to lucerne fields; and cleaning milking sheds. These workers were employed on permanent contracts but did not work the full mandatory 45 hours' ordinary weekly hours.

In the dairy sector, the nature of work often dictates that workers start their working day in the early hours of the morning; they perform their tasks for four hours or less and then stop work, to return later in the afternoon for a few hours. Joyce worked five days a week and had different starting times which varied according to her tasks. On Mondays when Joyce bottled yogurt, she started "work at 5:30 until 8:30. I go home after that and go back to work at 2.30 until 4.30". Zuki, who milked cows on the farm of employment, related similar work times in the following: "I work from 5:30 until 9:00. Then again from 15:30 to 17:00 from Monday to Sunday". The nature of work combined with the size of the dairy production and product market conditions, tends to influence production volume and scale. Labour demand and working hours are crucially shaped by the interactions of these factors. The researcher is very familiar with the farms on which Zuki and Joyce work, and can confirm that they are small to medium size dairy operations, which is a factor that may contribute to the length of the working-week. The dairy sub-sector is one example, thus, of how the nature of production plays a crucial role in shaping and manipulating working hours in ways that suit employers' requirements.

Attention now turns to the 40-hour work week in the sample which is disaggregated in Tables 7.12 and 7.13. Workers who worked for 40 hours in a week constituted the majority in the SD 13 Survey, accounting for 31.33 per cent (157) of the 501 workers interviewed. By the same token, a significant minority of women workers interviewed in the sample, representing 36.94 per cent of all women interviewed, worked a 40-hour work week. Men who worked such hours accounted for 27.51 per cent of all men interviewed in the SD 13 Survey. Women workers (75) constituted 47.78 per cent of

the 157 workers who worked 40 hours a week, while males made up the majority as they account for 52.22 per cent of these workers.

Table 7.12: Weekly hours of 40 by sub-sector, sex and employment contract

Sub-Sector	Total Women	Permanent	Atypical	Total Men	Permanent	Atypical	Total
Livestock	9	1	8	13	8	5	22
Dairy	1	1	-	1	1	-	2
Game	1	-	1	9	7	2	10
Pig & Poultry	3	3	-	8	5	3	11
Citrus	38	2	36	34	9	25	72
Vegetable	9	3	6	10	5	5	19
Pineapple	3	1	2	5	4	1	8
Peach	2		2	-	-	-	2
Chicory	9	2	7	2	1	1	11
Total	75	13	62	82	40	42	157

Source: SD 13 Survey.

Of the 75 women working 40 hours per week, only 17.34 per cent were permanent workers, as a significant percentage (82.66 per cent) were on atypical contracts. These permanent women workers account for 16.66 per cent of all permanent women workers, and the atypical women workers in this band constitute 49.6 per cent of all atypically employed women interviewed in the SD 13 Survey. Of the 82 men who worked 40 hours a week, 48.79 per cent were employed on permanent contracts of employment, whilst 51.21 per cent had atypical contracts. Permanent men in this working time range comprise 19.32 per cent of all permanent male workers interviewed, and the atypically employed males who worked 40 hours a week represent 46.15 per cent of all atypically employed men.

Table 7.13: Weekly hours of 40 by sub-sector (percentage)

Sub-Sector	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Livestock	22	14.01	17.32	4.3
Dairy	2	1.2	3.3	0.39
Game	10	6.36	21.73	1.99
Pig & Poultry	11	7.00	52.38	2.19
Citrus	72	45.85	46.16	14.37
Vegetable	19	12.10	52.77	3.79
Pineapple	8	5.09	21.05	1.59
Peach	2	1.27	66.66	0.39
Chicory	11	7.00	73.33	2.19
Total	157			

Source: SD 13 Survey.

*n=157

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

Combined, women and men permanent workers, who worked 40 hours a week, represent 18.59 per cent of all permanent workers interviewed. Atypically employed workers, who worked these hours, account for 48.14 per cent of all workers on atypical contracts. In this time range, there are significant differences between the number of employed permanent and atypical workers, compared to the previous time range, with atypical workers (both male and female) strongly represented amongst those working 40 hours a week. As may be gleaned from the table below (Table 7.13), the larger share of atypically employed workers in this time range may be attributed to employment in the citrus sub-sector.

Citrus thus captured the greatest share of workers, accounting for 45.85 per cent of the segment of workers who worked for 40 hours a week, compared to workers employed in other sub-sectors. The citrus workers who worked a 40-hour work week comprised 46.15 per cent of all citrus workers interviewed, and account for 14.37 per cent of all workers interviewed in the SD 13 Survey. Other sub-sectors showed a significant percentage of workers in this timeband, compared to total workers in the sub-sector, such as pig and poultry at 52.38 per cent. However, compared to the anchor citrus sub-sector, the livestock anchor sub-sector accounted for only 14.01 per cent of workers who worked 40 hours a week, which amounted to just 17.32 per cent of all livestock workers interviewed (and just 4.3 per cent of the overall SD 13 Survey). Overall, citrus dominated in this weekly hour of work band.

From Table 7.14 it is seen that there were 44 workers whose hours fell within the 41- to 44-hour timeband, which constituted 8.78 per cent of all workers in the SD 13 Survey. Women with these working hours represent 6.89 per cent of all female workers interviewed, and men whose hours of work fell in this time range account for 10.06 per cent of all male workers interviewed. Men make up the bulk of workers in the sample of 44 (constituting 68.18 per cent of these workers), with 86.67 per cent of them on permanent contracts and 13.33 per cent on atypical contracts.

Table 7.14: Weekly working hours between 41 and 44 hours by sub-sector, sex and employment contract

Sub-Sector	Total Women	Permanent	Atypical	Total Men	Permanent	Atypical	Total
Livestock	5	5	-	23	22	1	28
Dairy	3	3	-	1	1	-	4
Game	2	1	1	2	1	1	4
Pig & Poultry	1	1	-	-	-	-	1
Vegetable	3	3	-	3	1	2	6
Pineapple	-	-	-	1	1	-	1
Total	14	13	1	30	26	4	44

Source: SD 13 Survey.

These permanent male workers signify 12.56 per cent of all permanent male workers, while atypically employed male workers in this working hour time range represent 4.39 per cent of all male workers on atypical contracts of employment. The overwhelming majority of women in this working hour time range had permanent contracts, and these permanent female workers constitute 16.66 per cent of all interviewed women on permanent contracts in the SD 13 Survey. Women on atypical contracts are insignificantly represented among workers whose hours of work fell within the 41- to 44-hour timeband, and these women account for a mere 0.8 per cent of all interviewed women in atypical contracts of employment. In this time range, women and men permanent workers constitute 13.68 per cent of all permanent workers interviewed; atypically employed workers who worked in the 41- to 44-hour range account for a mere 2.31 per cent of all atypically employed workers interviewed. Overall, permanent work dominates this timeband, for both men and women.

Table 7.15: Weekly working hours between 41 and 44 hours by sub-sector (percentage)

Sub-Sector	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Livestock	28	63.63	22.04	5.58
Dairy	4	9.09	3.14	0.7
Game	4	9.09	8.69	0.7
Pig & Poultry	1	2.27	4.76	0.19
Vegetable	6	13.63	16.66	1.19
Pineapple	1	2.27	2.63	0.19
Total	44			

Source: SD 13 Survey.

*n=44

**Percentage based on the total number of workers interviewed per sub-sector in the
***n=501

Workers employed in animal husbandry enterprises feature strongly among the segment that worked in the 41- to 44-hour timeband, with the livestock sub-sector dominating others. It accounts for 63.63 per cent of workers in this working hour category, while both dairy and game workplaces account for 9.09 per cent, and pig and poultry a marginal 2.27 per cent of workers in this timeband. In terms of the horticultural sector, vegetable workplaces account for 13.63 per cent of workers in this timeband, and pineapple 2.27 per cent. In terms of percentage of workers in this band per sub-sector, livestock was highest at 22.04 per cent followed by the vegetable sub-sector at 16.66 per cent. The citrus sub-sector does not feature at all for this timeband.

Up to here, I have profiled weekly working hours under the ordinary maximum limitations of 45 hours set in the ASD. In summary, 287 workers worked below 45 hours a week, comprised of 147 women, or a significant 72 per cent of all women interviewed in the SD 13 Survey, and 140 men, or 46.90 per cent of all men interviewed. They constitute the majority of total workers in the SD 13 Survey. Of the 287 workers, 137 workers had permanent contracts, accounting for 47.72 per cent of all workers with fewer than 45 hours a week. Additionally, these permanent workers (working less than 45 hours per week) represent nearly half (48 per cent) of all permanent workers interviewed. Atypically employed workers constitute 52.28 per cent of all workers who worked fewer than 45 hours a week, and atypical workers with less than 45 hours per week comprise 69.44 per cent of all atypically employed workers interviewed in the SD 13 Survey.

The position of the 150 atypical workers who work less than the ordinary 45 hours a week, in particular workers who work for seven months and less, draws attention to a segment of workers who may be underemployed both on time and employment duration scales, thereby widening divisions and inequalities in earning wages, and in turn exacerbating segmentation in the local agricultural labour market. Although workers on atypical contracts tend to hold agrarian jobs that entail fewer than the ordinary weekly hours, this research sample contains a significant percentage of permanent workers who worked fewer than 45 hours.

The data shows that, although women continue to dominate in agrarian jobs that are under the ordinary hours, male farm workers working fewer than the ordinary hours are also prominent in the sample. This is evident in the fact that 140 males constitute

48.78 per cent of the total 287 workers working under 45 hours per week and, as pointed out above, 46.90 per cent of the total number of males interviewed in the SD 13 Survey reported working less than 45 hours. Women workers, however, continue to dominate the segment of agrarian labour employed for under ordinary working hours, accounting for 51.21 per cent of the 287 workers who worked fewer than 45 hours a week.

Although women workers more often than not continue to work less than the ordinary hours, it is evident from the data that varying degrees and intensities of underemployment may be extant for men and for workers across the different employment contracts. Growing levels of underemployment among males and its expansion across the labour market, irrespective of employment contracts, may be attributed broadly to overall changes in product markets alongside labour market regulations. In other words, varying degrees of underemployment among women and men agricultural workers, on both permanent and atypical contracts of employment, reflects agricultural employers' coping strategies in the wake of product and labour market restructuring. Importantly, layers and depths of underemployment in the local agrarian political economy reveal the strategies used by agricultural employers as they position themselves to compete in the local, national and global food regime.

The above discussion, on working hours in the research sample, points to the myriad time ranges falling below the ordinary weekly hours and, in so doing, demonstrates the differentiations between women and men employed in the various sub-sectors on permanent and atypical contracts of employment. This level of heterogeneity in working hours contributes to the variegated patterning of employment in the local agricultural labour market. The profile brings to light the variegation in working hours across the sample, and one that has sub-sector, gender and employment contract patterns of differentiation, that in turn reflect employment strategies of agrarian employers in the context of uneven neoliberal restructuring in the agrarian political economy.

Importantly, the significant percentage of workers in the sample who reported working hours below 45 hours is a key clue to the lack of employment shedding, as employers can adjust, in this case, by shortening working hours to varying degrees across the labour processes, to suit their requirements. However, when considering the reduction of working hours, several factors must be accounted for, and not simply the rise in wages occasioned by the AMW. Discussion on these aspects is picked up in more

detail in chapters dealing with wages and working hours. Suffice to say here that working hours appear to be closely related to the nature of work and the balance of forces in the agrarian capital-labour relationship.

Considered on a cumulative level, it is more plausible to see the AMW as one of many labour and product market variables, acting together in complex and uneven ways with the nature of production, to shape employment strategies and practices in the local labour market. Labour and product market variables, and hence employment strategies, are influenced by both pre-existing and new sets of structures, processes and relations. In terms of questions around employment and wage increases, the agrarian workplaces under study demonstrate the type of agrarian employment on offer, not because of the AMW, but because of the complex and uneven interaction of forces linked to the nature of production, product market conditions and the capital-labour relationship in enterprises.

In many ways, the dispersion of work below 45 ordinary hours in the week signal the inequalities in bargaining power in terms of setting the terms and conditions of employment as well as the presence of varying degrees of informality in the agrarian capital-labour relation, as much as it reflects the product market pressures that employers may face. Of equal significance is that workers are often powerless to extend the length of the working day and/or the period/duration of employment, particularly in geographical locations with a reserve army of labour and few to no alternative employment opportunities. In addition, workers who expend their labour beyond the mandatory working hours lack the political muscle to reduce their hours and/or claim compensation. Nevertheless, the data presented above paints a picture of a generalised state of precarious work and underemployment in the local agricultural labour market, reinforcing the need to establish the generative mechanisms giving rise to short working hours.

Attention now turns to a profile of the 45-hour and beyond work week which will complete the profile on working hours in this research. In the main, the number of working days for these workers ranged from five, six and seven days with ordinary working hours per day of nine, eight and seven hours. In the segment of workers working 45 hours per week, there were 100 workers, or 19.96 per cent of the total survey sample of 501. The workers worked a 45-hour week, hence up to the maximum ordinary weekly hours of work stipulated in the BCEA. The vast majority of the 100 workers, 89 to be specific, worked nine hours a day for five days in the week, while 10

workers worked eight hours from Monday to Friday but worked five hours over weekends. A male worker, employed in the livestock sub-sector, reported working seven hours over five days and 10 hours on Saturdays. The breakdown of the 45-hour work week is presented in Table 7.16.

Table 7.16: Weekly working hour of 45 hours by sub-sector, sex and employment contract

Sub-Sector	Total Women	Permanent	Atypical	Total Men	Permanent	Atypical	Total
Citrus	20	4	16	25	12	13	45
Pineapple	6	5	1	15	14	1	21
Vegetable	-	-	-	1	1	-	1
Chicory	-	-	-	1	-	1	1
Livestock	5	3	2	16	12	4	21
Game	2	1	1	8	8	-	10
Dairy	-	-	-	-	-	-	-
Pig & Poultry	-	-	-	1	1	-	1
Total	33	13	20	67	48	19	100

Source: SD 13 Survey.

Of these workers, 33 were women, constituting 16.25 per cent of all women interviewed in the SD 13 Survey, while the 67 men working 45 hours accounted for 22.48 per cent of males interviewed. Women workers make up 33 per cent of the 100 workers, with 60.61 per cent of these workers on atypical contracts, and 39.39 per cent on permanent contracts. Permanent women workers in this timeband represent 16.66 per cent of all permanent women workers interviewed and, similarly, atypical workers in this band constitute roughly 16 per cent of all atypically employed female workers. The 48 permanent male workers account for 23.18 per cent of all permanent male workers interviewed, and atypical male workers in this band constitute 20.87 per cent of all men on atypical contracts in the SD 13 Survey.

Combined, women and men on permanent contracts of employment and who worked 45 hours a week, account for 21.40 per cent of all permanent workers interviewed, and atypically employed male and female workers who worked such hours represent 18.05 per cent of all atypically employed workers interviewed. It seems clear, then, that a significant percentage of atypical workers have working hours and schedules similar to those of permanent workers and work according to regulations set out in the BCEA.

Table 7.17: Weekly working hour of 45 hours by sub-sector (percentage)

Sub-Sector	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	45	45	28.84	8.98
Pineapple	21	21	55.26	4.19
Vegetable	1	1	2.63	0.19
Chicory	1	1	6.66	0.19
Livestock	21	21	16.53	4.19
Game	10	10	21.73	1.99
Pig & Poultry	1	1	--	0.19
Total	100			

Source: SD 13 Survey.

n=100

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

Turning to sub-sectoral differences (see Table 7.17), workers employed in the horticultural enterprises form the bulk of the segment of workers who worked 45 hours a week, accounting for 68 per cent of the workers who worked such hours. Citrus workers dominated, accounting for 45 per cent of workers followed by pineapple at 21 per cent. But livestock workers also represent 21 per cent of workers who worked 45 hours a week. A closer examination of Table 7.17 shows that, as a proportion of workers in a particular sub-sector, the pineapple sub-sector is dominant in that 55.26 per cent of pineapple workers are found in this band. The respective figures for the citrus, game and livestock sub-sectors are 28.84, 21.73 and 16.53 per cent. In general, Table 7.17 thus highlights the sub-sectors with the propensity to operate labour processes within the 45-hour ordinary weekly hours provided in the BCEA.

Moving on to the final time range in the research sample, this entails workers with working hours above the 45 hours' ordinary weekly hours (114 in total). In this case, the extension of the length of the working day and week was clearly evident for such workers in the sample. As pointed out at the beginning of this section, the maximum ordinary weekly hours for the agricultural sector is 45 hours and the maximum amount of overtime work in a week is 15 hours. Therefore, the maximum weekly hours including overtime work for the farming sector is 60 hours. The boundaries between the ordinary hours and maximum overtime hours becomes an issue for workers who

work (a) seven hours a day over a seven-day period, (b) eight hours a day over a six- or seven-day period, and (c) nine and 10 to 13 hours over a six- or seven-day period.

The boundaries between the ordinary and overtime working hours appeared to be murky for these 114 workers (as part of the SD 13 Survey) and this murkiness reverberated among a significant number of workers who participated in the in-depth interviews. Based on the daily hours and the number of days worked, workers who worked for extended hours ended up working within a range of 49 to 91 hours a week, as part of their ordinary hours in a week. In addition, 87 of the 114 workers were required to work over these 'ordinary' hours, in that they were required to work overtime (beyond the 'ordinary hours') as per the requirements of the operation, and/or on public holidays. Further, of the 87, 28 received no compensation, four received time off equal to the overtime hours they worked, and one worker received time off less than the extra hours worked. Finally, 54 workers (of the 87) were paid various hourly rates ranging from R2.00 to R26.00. There were no consistent patterns between the hourly overtime rates for permanent and atypical workers. Longer extensions on the working day, it must be noted, was seasonal in that the length of the working day was extended in the summer.

In relation to Table 7.18, workers who worked extended hours account for 22.75 per cent of all workers in the SD 13 Survey. In terms of gender, they comprised 12.31 per cent of all women interviewed and a significant 30.53 per cent of all men interviewed.

Table 7.18: Weekly working hour of 49 to 91 hours by sub-sector, sex and employment contract

Sub-Sector	Total Women	Permanent	Atypical	Total Men	Permanent	Atypical	Total
Livestock	2	2	-	35	30	5	37
Dairy	1	-	1	25	23	2	26
Game	6	2	4	13	9	4	19
Pig & Poultry	-	-	-	4	4	-	4
Citrus	10	4	6	10	8	2	20
Vegetable	2	2	-	4	2	2	6
Chicory	1	-	1	-	-	-	1
Peach	-	-	-	1	1	-	1
Total	22	10	12	92	77	15	114

Source: SD 13 Survey.

A breakdown of workers, sub-sectors and contracts for extended working hours is provided in Table 7.18, where it is shown that women comprise 19.29 per cent of

workers who worked extended hours, contrasting with men who account for 80.71 per cent of workers who worked hours in the range of 49 to 91 hours a week.

Women permanent workers constituted roughly 45 per cent of the 22 women in this timeband; and atypically employed women make up roughly 55 per cent of the women in this working hour time range. Nonetheless, the 10 permanent women workers who worked extended hours represent 12.82 per cent of all permanent workers interviewed, and the 12 atypically employed women workers in this weekly working hour category account for 9.6 per cent of all female atypical workers.

Table 7.19: Weekly working hour of 49 to 91 hours by sub-sector (percentage)

Sub-Sector	Total	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Livestock	37	32.45	29.13	7.38
Dairy	26	22.80	44.06	5.18
Game	19	16.66	41.30	3.79
Pig & Poultry	4	3.50	19.04	0.79
Citrus	20	17.54	12.82	3.95
Vegetable	6	5.26	16.66	1.19
Chicory	1	0.87	6.66	0.19
Peach	1	0.87	33.33	0.19
Total	114			

Source: SD 13 Survey.

n=114

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

The 92 male workers who reported working extended hours were primarily permanent workers, accounting for roughly 83 per cent of this segment of male workers. The 77 permanently employed male workers with extended weekly working hours account for a significant 37.19 per cent of all male workers with permanent contracts, and 16.48 per cent of all atypically employed males end up working these extended hours. So, there is a small but significant percentage of atypical workers labouring over extended hours.

In relation to sub-sectors (see Table 7.19), animal husbandry sub-sectors feature strongly as sub-sectors with jobs that entail extended hours per week, beyond the ordinary and maximum overtime allowed in the BCEA. Livestock workplaces dominate, as 32.45 per cent of all workers who worked extended hours were employed in this sub-sector sector, followed by dairy and game with 22.80 and 16.66 per cent of

workers respectively, whose working hours ranged from 49 to 91 hour a week. The citrus sub-sector is also noticeable, accounting for 17.54 per cent of workers who reported extended weekly working hours. The percentage of workers in this timeband, in relation to total workers in particular sub-sectors, is also pronounced in the animal husbandry sub-sectors, with dairy and game over 40 per cent and livestock just under 30 per cent.

The extended working day and week also clearly emerged in the 2007 in-depth interviews for workers employed in the livestock sector, for both women seasonal workers and male permanent workers. Ordinary working hours for permanent male workers were as follows: 49-year-old Vumile (11 August 2007), employed on a mixed horticultural and animal husbandry farm, worked 51 and one-half hours; 32-year-old John (21 June 2007) worked 58 hours on a livestock farm; 42-year-old Robert (13 May 2006) worked 66 and one-half hours; and 22-year-old Peter (14 May 2006) worked 77 hours in the summer and 55 hours in the winter months, on a livestock farm specialising in meat production. In terms of seasonal women workers employed to clean and sort wool, the situation is illustrated by the following: Bongi (6 May 2006) worked for 54 hours, Mavis (5 March 2011) worked for 50 and one-half hours, whilst Mary (7 May 2006) worked 48 hours per week in the shearing season.

Extensions in the working day and week, as presented above, depict the deep-seated and intense power imbalance in the agrarian capital-labour relationship that resonates with low road approaches to employment and labour relations. Inequalities in bargaining power are rooted firmly in the historical development of racial agrarian capitalist farming, as established in chapters 2 and 3, allowing agrarian employers to retain their power over workers studied in this research, which will become clearer in chapters to follow. Ultimately, this power imbalance translated into agricultural employers' ability to (a) extend the working day and amount of time workers spend at work, and (b) not pay for the full hours that they work. Wages and compliance with prescribed wage rates will be unpacked in chapters 12 to 15, against working hours. In any event, in cases of deep and intense inequalities in bargaining power, where the workers' collective capacities are weak, the potential for the AMW to improve working hours and rates of pay is also weakened.

In summing up the discussion on the length of the working week for workers in the research sample, it is clear from the data presented above that a variegated time range existed (and exists) among workers, with the presence of degrees and intensities of

underemployment as well as extensions on the length of working day and week. Underemployment, working hours less than the 45 hours, or 45 hours, or over the 45-hours ordinary week and the 60-hours maximum overtime in a week, stem from a combination of objective and subjective factors, that ultimately point to the combined influence of labour and product market conditions prevailing in local contexts in relation to working hours. As argued in the previous section, in these circumstances, it is not possible to disentangle the impact of the AMW from other socio-economic and political phenomena and events impinging on employment choices, strategies and practices.

The non-materialisation of the predicted scale of labour shedding (as indicated by for example AgriSA) may be attributed, in part, to agrarian employers' power and ability to determine the length of the working day or hours of work. In this regard, agricultural employers need not necessarily shed labour or reduce labour because they can adjust working hours and periods to suit their operations, allowing them to cope and/or continue production in the wake of the AMW. An interest in working hours, therefore, is not only relevant to the nature of employment and the absence of labour shedding as a response to statutory wages, because working hours and employment gains have immense importance when agrarian wages are considered. As will be discussed in chapter 13, actual wages were tied invariably to workers' working hours and to the rates of prescribed wages, and chapter 15 will show that working hours in certain worksites became points of contestation between workers and employers, with the implementation of the AMW.

Based on data shown above, on underemployment on a time scale and extensions on the length of the working week, it may be argued that the AMW does play a role in regulating working hours within the prescribed limits for many workers. However, employers in the horticultural sector, in particular, have the power to intensify the pace of work in a working week that is less than the 45 hours ordinary week (for example, by setting production targets and paying piece rates, as discussed in later chapters). Employers in animal husbandry also still have the capacity to extend the length of workers' working hours so that overtime hours are clocked, and hence masked as ordinary hours. Both the compression of the length of the working day into shorter hours at more intense rates of production, as in the citrus sub-sector, and the extension of the length of the working-day, found on animal husbandry farms (as shown above), depict low-road approaches in production and labour relations. Work intensification in its myriad forms is a common response identified in the literature on

low-waged employers' coping mechanisms in the wake of labour market interventions, alongside competitive product market conditions, with little to no protections for employers operating in liberalised trading market (see Rubery and Edwards 2003:462, Heys and Gray 2001:91).

Agrarian employers are also tied unequally to global food and agricultural chains that exert pressures on employment, labour and business strategies. Agrarian employment and the nature of contracts (including the duration of employment and length of working day/week) are therefore shaped by established and new forces, relations and pressures. In this way, employers in the agricultural sector, and in the commodity chains in which employers have backward and forward linkages, are instrumental in creating and cementing the secondary and segmented labour market conditions examined in this chapter. In the context of commodity chains, working hours under and over the mandatory hours, much like the allocation of employment durations (examined in section 7.5), are reflections of the joint pressures that employers face and which encroach on the labour market. In the end, this set of conditions makes it impossible and unwise to single out the direct and unequivocal influence of the AMW on employment practices and working hours in enterprises featured in this study.

Employment and an enterprise's labour demand requirements are informed by the complex interaction of the nature and size of farming operations, product market conditions, and the presence/absence of labour standards including binding wages, among other factors. These specific conditions/dynamics exert varying degrees of influence over employers' decisions over the size and composition of the labour force, at enterprise levels. Product market conditions, as noted in chapter 4 (section 4.3) for the national level, and in chapter 6 for the provincial (Eastern Cape) level, are different for agrarian commodities, thereby signalling the heterogeneity in production, hence in labour demand requirements.

7.7 CONCLUSION

From the data on the different employment themes explored in this chapter, it is evident that the local agricultural labour market, which is characteristic of an open system, is an ensemble and reflection of dynamic, complex, contradictory and unequal positions, relations and conditions that in turn shape and regulate the sale and purchase of labour power. In this light, the local agrarian labour market is a reflection of power relations and the balance of forces that tilts in agrarian capital's favour to

shape the duration of employment and the length of the working day and week. The AMW and the ASD were implemented in this (already existing) terrain – in pre-existing conditions of employment, within a firmly entrenched labour relations regime, and within existing labour and valorisation processes. The nature and forms of agrarian employment, in the local labour market in the post-AMW period, provide crucial indicators of employers' varied employment strategies that, in turn, explain the absence of widespread dis-employment in the sector when wages became binding. In this regard, the intensive and extensive data in this research on the employment patterns of workers reveal a dynamic relationship between mandatory wages and employment that discount uniform and generalised employer responses to employment in the wake of statutory wages. At the same time, the data raises searching questions on the nature of agrarian employment in relation to the collective security of agrarian labour, in light of neoliberal restructuring and the conversion factor potential of the AMW to improve employment and labour relations in the sector.

The data on workers' labour absorption tendencies, largely, nullifies the occurrence of event regularity in the form of substantial job losses in the wake of the AMW in the local agricultural labour market; hence, negating the widespread labour shedding that neoclassical economics attributes to the MW. To be sure, from the evidence presented in section 7.3, it is clear that the job losses predicted by neoclassical economics and opponents of statutory wages did not materialise in the research sites. Instead, employers found other ways to accommodate the increases in wages, aided in large measure by pre-existing conditions in the agrarian labour market which, together with low AMW rates, softened the potential regulatory shock or blow that statutory wages could have had on employment strategies of agrarian employers. In many ways, the data indicates the dynamic and non-static character of labour participation and labour absorption rates and patterns in the local agricultural labour market, following the rhythms and dictums of the labour process and product market status of farms and pack-houses. The data shows that the outcomes of MW policies in an open-system labour market are diverse, affecting labour market agents in different ways, thereby producing varying degrees of labour market segmentation. In such a context, constant conjunctions of events are not the norm.

The research data discussed in sections 7.5 to 7.6 indicate the various options available to agricultural employers in allocating employment contracts across the different segments of agrarian labour and among women and men. The data portrayed

the rhythms and trends in labour absorption of various segments of workers in the sample and, in doing so, not only shows rates of labour absorption. It also raises searching questions about the nature of contemporary agrarian employment, in relation to the wages in the sector. In this regard, the vulnerabilities in the form of underemployment for fragments of labour, intense production paces for workers on 40 or 45 hours per weeks (to be discussed in relation to citrus workers in later chapters), extensions on the working day, and inequalities in bargaining over the determination of their contracts and employment period, surfaced strongly. Precarious agrarian employment, therefore, is not only found among seasonal workers hired through labour brokers, as the data shows vulnerabilities across segments of workers employed on permanent and atypical employment contracts. Moreover, the data cautions against narrowly equating casualisation in the sector with seasonal workers hired through labour brokers, as a range of atypical employment options surfaced. Failure to recognise this undermines the extent of secondary, segmented and sweated employment in local settings, and obscures from sight the sub-sector dimensions to precarious employment irrespective of permanent and various atypical contracts.

Sub-sector variances came to the fore as workers in horticulture tended to work less than 45-hours per week, have secure employment for shorter periods in the year, and hold atypical employment contracts. Workers in animal husbandry, in contrast, were dispersed more widely across the different working timebands, and they tended to hold more permanent than atypical employment contracts. The data on atypical employment contracts bring to the fore the extent of precarious employment, as a sizable majority of workers worked for seven months or less in a year, while a significant per cent of atypical workers in the sample also worked between 8 and 12 months in year. This data sheds new light on the range of segmentation within atypical employment contracts, and between such contracts and permanent employment contracts.

Moreover, while women workers tended to be underemployed in terms of both time and durational scales, male workers were also found to be employed for shorter periods in a year, especially in the citrus sub-sector. Convergences between women and men with respect to underemployment suggest expanding precariousness in the local agrarian labour market, and this is the outcome of neoliberal restructuring, agrarian employers' propensity to adopt low-road approaches, and agrarian labour's weakness in securing better job prospects. Ultimately, the set of conditions identified

in the local labour market of this research reflect key elements that create and cement the totality of the low-waged labour market. In this light, it is concluded that employment relations and contracts in the research sample did not experience a complete and total overhaul from past employment strategies in the wake of the AMW. In this sense, therefore, it can be argued that the contemporary agrarian employment structure and employment contracts continued along the trajectory prevalent in the pre-AMW and racial capitalist production regime; however, with new pressures wrought on by uneven neoliberal regulatory shifts in the agrarian political economy. The nature of employment in the sample, in the end, reflects the labour demand requirements of agrarian capital, and reveals the role employers play in creating and maintaining segmented and secondary labour market conditions, through the jobs they offer.

In the course of this contemplation, crucial aspects of the status of agrarian labour's social reproduction are signalled in relation to, and as a direct outcome of, the secondary and segmented conditions in the agricultural sector. In essence, the vulnerabilities and precarious forms of employment among low-waged agrarian labour in the research sample surface strongly. To restate, the question of employment is much more than job creation and job losses. As such, the probe into employment and the AMW, in this chapter, extends beyond the narrow confines of job losses and gains to incorporate the nature and terms of employment and the experiences of workers in the local agricultural labour market.

In raising manifestations of continuity with the racial capitalist accumulation regime, the chapter attempted to bring to the fore the nature, level and extent of secondary and segmented labour market conditions in a local agricultural labour market in the Eastern Cape, with the advent of labour market restructuring. The data overwhelmingly reveals the dominance of a secondary and segmented local agricultural labour market, resonating with conditions associated with sweating and low-road approaches in the production of agricultural commodities and in the capital-labour relationship. The vulnerabilities and extent of poverty associated with low-waged workers are further exposed in the research when living conditions of workers and their access to the expanded social reproduction of labour are examined in the post-AMW era. This is the topic for deliberation in the next chapter.

CHAPTER EIGHT

SOCIAL REPRODUCTION OF AGRARIAN LABOUR AND THE AGRICULTURAL MINIMUM WAGE

8.1 INTRODUCTION

In chapter 7, discussion centred on the composition of employment and the demand side factors in the local agricultural labour market before and after the introduction of statutory wages, wherein attention fell on the labour market participation and absorption of workers in the research sample. The data on employment contracts, allocation of positions in the enterprises among women and men, and the respective periods of employment and hours of work revealed the different layers and extent of secondary and segmented states of female and male workers in the sample. In many respects, the employment of workers on various permanent and atypical contracts (that were examined in the previous chapter) are formative indicators of certain features affecting the supply of labour and the employment and livelihood options available in the local agrarian political economy. This chapter, therefore, is concerned with wider aspects of the supply of agrarian labour, key to which is labour's expanded social reproduction.

As pointed out in chapters 1 and 2, studies that pay detailed attention to the outcomes of minimum wage policies on low-waged workers, from the perspective of labour, are rare. In the main, such works tend to emphasis the workplace by examining workers' employment conditions, particularly labour relations; wages settings; and work methods and organisation. They neglect to explore conditions outside the workplace, which comprise the wide ambit of the social reproduction of low-waged workers. The social reproduction of labour, to restate, instrumentally and strategically shapes the supply of labour. In this regard, it was suggested that, by neglecting to pay attention to workers' social reproduction and living conditions, such works tend to be enterprise- or work-place centric, thereby providing a partial view of the state of low-waged workers in labour markets. By extension, a workplace centric approach provides a partial or incomplete picture of the outcomes that statutory wages have on low-waged

workers, thereby preventing knowledge generation on key features of the supply side of low-waged labour markets. Moreover, a failure to deal with key features of low-waged labour's social reproduction, prevents the growth of debates and theories on the relationship of a minimum wage to the value of labour-power in low-waged labour markets.

It is important to reiterate that this study, therefore, marks a departure from the focus adopted in the enterprise- or employer-centred minimum wage research by combining an exploration and analysis of workers' states and positions at the site of production and valorisation with developments at the site of workers' social reproduction, when mandatory wages apply in labour markets. In the main, and considered individually and together, the data on employment and on the social reproduction of labour bring to the fore the secondary and segmented character of the local agricultural labour market. Given this finding, questions arise about the outcome of the agrarian minimum wage on the quality of life of agrarian labour, which are explored in this chapter. In so doing, deeper questions surface about agrarian wages and workers' capacities to expand the level of their expanded social reproduction with the advent of the agrarian minimum wage.

An assessment of social reproduction of agrarian labour gains heightened significance given (a) the historical sub-standard or poor living conditions of agrarian labour (discussed below), and (b) the scope and objectives of the agricultural statutory wage in relation to improving workers' lives, hence in the conversion factor of the AMW (as deliberated on, in chapter 2) in enhancing workers' quality of life. As discussed in chapters 2 and 5, these areas of inquiry relate to the strength of the agrarian statutory wage as a conversion factor that stimulates change or improvements to agrarian labour's social reproduction. It is, therefore, necessary for a study of the AMW from labour's perspective to assess the potential and strength of the agrarian statutory wage, as a conversion factor, to effect qualitatively enhancing level of changes in labour's social reproduction. In important ways, the conversion strength of the agrarian minimum wage relates to its ability to perform as a flanking mechanism that contributes to securing the overall conditions and relations of capitalist production and valorisation.

Exploring the social reproduction of agrarian labour gains added importance when the centrality of agriculture to employment in the Eastern Cape is considered; as pointed out in chapter 6, this is a province with high unemployment and high poverty levels. The question of agrarian labour's social reproduction is amplified further when the

strategic importance of agricultural sub-sectors operating in the Eastern Cape, and the configuration of power in agricultural product markets and value chains, is taken in account. Through this lens, configuration of – and relations in – commodity value chains become critical points of interest when probing the social reproduction of low-waged agrarian labour.

As mentioned above, it needs to be noted as well that, tied to the agricultural minimum wage and the standard and quality of the expanded social reproduction of agrarian labour, lies the question of the relationship between the value of statutory wages, (indeed non-statutory settings too) and the value of labour-power. To restate in a Marxist frame (see chapter 2), wages relate to the value of labour-power or the value of the necessary means of subsistence and reproduction for workers. In this sense, wages are connected to necessary labour time, or the cost of the total goods workers need to consume in order to return to work. For the purpose of this study, then, it is imperative to gain a sense of the extent to which agrarian statutory settings (i.e. wage levels) enhance or devalue labour power, or cover the costs of social reproduction. The data on social reproduction of labour, presented in this chapter, is also vital to bear in mind when engaging with actual wage levels in this research, presented in chapters 12 to 14, and the ability for agrarian labour to subsist. In this way, it is relevant to the debates on the significance of statutory wages to low-waged workers and questions on justice and democracy, and to earnestly explore if the subsistence notion of wages, held by Smith, Ricardo and Marx, or the neoclassical version of a low-waged doctrine, best applies to the AMW.

The aspects of the social reproduction of agrarian labour discussed in this chapter include educational levels of workers in the sample, the manner in which they were recruited into employment, and their material resources, such as housing, basic services and consumption of goods essential to human survival and sustenance. Educational levels and labour recruiting were explored more so in the in-depth interviews and not in the SD 13 Survey. Therefore, data on educational levels and labour recruitment are drawn from the in-depth interviews, whilst data on living conditions will be drawn from the SD 13 Survey.

It will be argued here, based on the empirical data gathered in this research, that although the agrarian minimum wage expanded workers' purchasing power and material resources, it still fell short of comprehensively enhancing the overall social reproduction of labour. This is because it was originally set at low levels with weak

uprating mechanisms. In this light, it argued that the agrarian statutory wage is a weak conversion factor for workers in the research sample, because it is limited in improving the social reproduction of agrarian labour. Low agrarian wages, combined with other aspects that contribute to the totality of the low-waged agrarian labour market, may compromise and threaten the flanking role of statutory wages to secure the processes of capitalist production and valorisation. Considered as whole, and at a broad level, the question of the agrarian minimum wage and its relationship to agrarian labour's social reproduction is directly linked to the question of the value of labour-power.

Against this background, a sketch is provided of the quality of life and standards of living of workers in the sample, with a focus on educational levels, ways in which labour was recruited into the enterprises, and the living conditions of workers. The chapter opens in section 8.2 with educational demographics of workers, which is followed, in section 8.3, by a snapshot of labour recruiting strategies and the ways in which workers in the sample acquired their jobs. Section 8.4 portrays the living conditions of workers and is divided into two parts. The first part looks at living conditions for workers living and working on farms, and the second part looks at living conditions for workers living off-farms. The final section looks at the consumption patterns and trends, of workers in the sample, and poses questions about the value of the agricultural statutory wage in relation to workers' capacities to live above subsistence levels. To gauge subsistence levels, consumption patterns and levels of workers are sketched, offering insights into the purchasing power or stretch of the agrarian minimum wage.

8.2 LEVELS OF EDUCATION AND QUALIFICATIONS

In the main, educational levels and qualifications in the research sample mirrored national trends for the sector, as reported on in chapter 4 (section 4.4.2), wherein the Census of 1996 reported that 27 per cent of agrarian labour in the Eastern Cape, before the advent of the AMW, had no schooling. Years later, this trend surfaced in the Department of Labour (2001) investigative report into farm worker conditions which, as noted in chapter 5, found that 33 per cent of workers interviewed in that research had no schooling. This trend subsequently and regularly surfaced in other work by the researcher and was identified in this research sample. For example, nine workers (cumulatively accounting for 17.67 per cent of interviewees) across the in-depth interviews in the 2006, 2007 and 2011 phases, reported to have not attended school while four workers (representing 7.84 per cent of workers), including one

interviewee from the 2012 phase, achieved matriculation passes. The matriculants in the sample include: Khaya (13 May 2006), Maria (12 June 2007), who went on to attain a diploma in administration at a local college, Nosipho (9 March 2011), and Ronald (11 August 2012). With this breakdown, an even split between women (Maria and Nosipho) and men with matriculation is present in the sample.

The vast majority of workers who participated in this study did not have a matric qualification and were therefore in possession of low educational qualifications. Several workers attained a level of high school education, for example Andile (13 May 2006) and Thabo (18 May 2006) obtained a grade 11 education, while Bongji (7 May 2006), Mary (7 May 2006) and Sophia (18 August 2012) obtained grade 10 certificates, as did Perter (14 May 2006), John (21 June 2012) and Lonwabo (18 August 2012).

Workers related their experiences and difficulties with completing their school education. Consider Sipho's (9 March 2011) situation:

I started school on Sunland Farm in Addo and my highest level of education is Standard Six. I come from a very poor family. My parents struggled a lot. This prompted me to abandon my studies at an early age in search of employment. I started working as a farm worker in 2000.

Peter (13 May 2006) found himself in a similar situation, as he explained: "I passed standard eight, so I was going to do standard 9, but I had to stop because my father is earning very low wages. It was even difficult to buy me a school uniform". A salient feature, therefore, to emerge from workers' narratives, is the difficulties with continuing their school education, as a result of poverty in the family. Apart from this, workers face similar challenges with pursuing further studies after completing grade 12, with the exception of Maria to some extent. Even so, the presence of a labour force with a generalised low standard of education reinforces secondary conditions from the supply side of the labour market. As pointed out, education is a pivotal aspect of the supply side of labour markets, preparing citizens for participation in the labour market and influencing where they are absorbed in the job market. The low educational standard and position of agrarian labour, historically, and which continues as borne out by the data above, is an important cog in the totality of the low-waged agrarian labour market.

The quality of jobs and education levels often reinforce each other such that low educational qualifications often translate into secondary labour market positions as well as employment in positions that comprise of low skills sets, as in the core of agrarian work which will become clear in chapter 9. The possession of menial and

limited skills act against agrarian labour, debarring them from participating in non-agricultural and higher-waged labour markets. The skills base of agrarian labour, the absence of further training in the sector, as shown in chapter 4, and the chronic lack of alternative employment opportunities, combine to compel workers into accepting secondary employment conditions (such as in agriculture), typified in the varying employment contracts and conditions available at the time in the research sample.

The termination of schooling and discontinuity in education cannot be attributed solely to low agrarian wages, because the non-availability of schools in remote rural areas beyond primary grades, catering for higher grade students, is an additional factor that places enormous hardships on agrarian workers' endeavours to educate their children. It is not uncommon for agrarian labour, working and living in remote areas that are covered in this research study⁴², to rent accommodation in townships with high schools for their children to continue with their education. The cost of a room combined with food, electricity, and other essentials are additional expenses that low-waged parents have to endure. Over and above this, the safety and security of young teenagers is raised as they reside away from their parents without adult supervision and protection.

Compounding the problems with access to educational facilities for children on farms is the Eastern Cape Education Department's decision to shut down farm schools catering for primary learners, as part of a rationalisation process. In 2017, it was reported that 508 farm schools across the Eastern Cape Province were shut down by the department based on the assumption that such schools are not cost effective due to the number of learners, poor infrastructure and poor state of roads, among others (Fuzile 2017).⁴³ These developments with respect to education and agrarian labour point to several related factors that combine to constrain and hamper workers' efforts to educate themselves and their children. As the discussion suggests, the contributing factors are not solely low agrarian wages, as indicated by the lack of educational facilities in rural areas for children on farms, coupled with the education department's drive to close down schools to save costs saving.

Finally, it must be noted that even when schools do exist in remote farming districts, these may not always be to workers' and their children's advantage, due in part to

⁴² Other research projects and field work undertaken by the researcher in areas such as Carlisle Bridge reveal that farm workers in that area rent out rooms for their children in Grahamstown, which is the nearest city to the area with high schools.

⁴³ <http://www.dispatchlive.co.za/news/2017/01/23/rationalisation-programme-sees-500-schools-close/> accessed on 5 April 2018).

material and objective conditions such as the school's location and distance from homes. The distance issue becomes an important factor to consider as agrarian labour invariably does not own vehicles, meaning that they rely on others to provide transport for students, for which parents pay a fee. The situation for farm workers and their families in Carlisle Bridge, where game, meat, wool and mohair enterprises dominate, highlight the multifaceted problems associated with education for children on farms. Khanyiso (16 October 2004), who worked on a permanent employment contract on a livestock farm in the area, related some of the problems with educating children on farms in the following:

That school is built of corrugated iron – it gets very hot in the summer. It is also far from most of our houses. We would like the government to have a look at this. ... Also, when the children go to school, they have to cross the river. Sometimes the river overflows. The children would end up not going to school. Sometimes the river gets full while the children are still at school, and they can't come back home.

Such conditions not only add to the complexities of educating children on farms, as they also compromise the learning experience, and ultimately grades, of students. The problems of the Carlisle Bridge community have not abated but have instead worsened. This is because, currently, workers and their families are engaged in a twin struggle to prevent evictions stemming from the private sale of land and to stop the education department from closing the school down, in line with its rationalisation programme mentioned above. In the next section, attention turns to the way in which workers attained their employment, and hence provides a snapshot of agrarian employers' various forms of labour recruiting in the local area.

8.3 LABOUR RECRUITING AND JOB ACQUISITION

Labour recruiting forms an essential component of labour supply, and hence consideration must be given to where and how labour is drawn to the respective workplaces. The recruitment of agrarian labour in the local labour market vividly shows the ease of entry workers have to agricultural jobs. That is, workers were recruited on the basis of no prior training and skilling in the respective jobs. This particular trend, whereby workers can easily assume employment without prior training, reflects a certain level of homogeneity in skills required in the local agricultural labour market at the time of the research. In heterodox labour market theories, this level of skills' homogeneity coupled with the over-supply of labour, contribute to inequalities in

bargaining power and cements the totality of low-waged labour markets (Deakin and Wilkinson 1992:385).

With regards to this research, labour recruiting mirrored strong sub-sector dimensions, that in turn were shaped by the presence or absence of the production/reproduction nexus. As will become clear below, workers' networks and relations within the labour-force was a key artery in the labour supply chain in this sample. The first aspect to determine when examining the sources of agrarian labour supply and the means through which labour is recruited, is to identify the link between the sites of production and social reproduction as it relates to the sampled workers. In this regard, a distinction in labour recruiting strategies is made between workers with spatially-bonded sites of production and social reproduction, from workers without the production-social reproduction nexus. In other words, in instances where workers lived and worked at the same workplace, the employer drew labour from the pool of people residing on the land. As soon to become apparent, this phenomenon was prevalent in the animal husbandry sub-sector in the sample, where the majority of workers live at the workplace. In many cases, workers are born on the farm with other family members already in the employment of the enterprise.

Such workers were invariably recruited through the farm's internal processes whereby the employer employed wives and children of male workers, as and when needed. The majority of workers in the SD 2004 Focus Group interviews, as well as in the 2006 and 2007 in-depth interviews, and who were employed on livestock and dairy farms, were also in this position. In certain spatial locations in this research, workers remained on the land and continued production each time farms were sold and bought. In these transactions, workers were absorbed into the sale and purchase agreement, and hence were viewed as part of the business transaction, like other farm inputs/resources. Nonetheless, they were the constant drivers of both production and valorisation as the farms changed ownership. This phenomenon is illustrated in a SD 2004 Focus Group interview, when 84-year-old Joel (16 October 2004), working and living in Carlisle Bridge⁴⁴, shed light on the passing of workers from one employer to the next. In Joel's (16 October 2004) words:

⁴⁴ Carlisle Bridge lies outside Grahamstown, specialising in livestock – particularly beef, goat meat production and mohair and wool, and ostrich rearing; this propelled the area and the farming sector towards economic prosperity and led to the development of the ostrich barons in the Eastern Cape (see Roberts 1958).

Our first employer was treating us very good. We were free. We worked together for 32 years. ... He then left and then came Reggie Bowker. We worked with him for five years. He also treated us well. Then came this Chris Bowker and the lights went off Our lives became very difficult from then onwards.

Joel (16 October 2004) reveals many important features of a farm worker's life in the above, one of which is the many years of service on the farm with different owners and employers. His children and their children also assumed (and they still assume) employment on the farm. This tendency, for people residing on the land to gain employment on the farm of residence, also applies to farms in the horticultural sub-sector, though to a lower extent. While not gaining employment through a family member residing on the farm, Ronald (11 August 2012) acquired his job by virtue of living on the land owned by the pack-house that employed him. Ronald (11 August 2012) explains:

The general manager [of the pack-house] informed me of upcoming jobs since he knew that I was not going to study further. I live on one of the farms that is owned by this company, DB Estates, and they take names of job seekers from time to time so that they can employ them when there are jobs available.

James (12 June 2007) complained about the tendency for agrarian horticultural producers to offer seasonal employment to people residing on the land, and who invariably may have relatives already in the enterprise's employ. In James (12 June 2007) words, "most farmers there have 'apartheid'. For example, if they have some plantation work, they would take only people who are living on their farms and give those jobs and [not employ] people from other farms".

In other labour processes in the research, with severed links between the sites of production and social reproduction, workers were recruited through different means. This involved workers (a) queuing at the gates; (b) approaching employers directly for employment; (c) recruited through social networks and clubs; (d); recruited through employers actively seeking labour at various localities; and (e) recruited through supervisors, either through social networks as in (c), mentioned above, or other through other relationships.

Exemplifying elements of the first recruiting method, which is queuing at the gates, Patricia (11 August 2012) explained that she came to know of vacancies on the citrus farm through "my brother, who was a foreman there, [who] told me that the employer was looking for workers". She joined other workers who queued at the farm gate when

the season started and was hired. She went on to describe the enterprise's labour strategy which was still in use at the time of the interview:

At the start of the season, workers queued at the gate and the employer chose the number of workers that he wanted. He would randomly pick 20, or 30 people, depending on how many workers he wants. He calls some people that he knows by name. Some people he knows personally because they have worked there before. He would call all those that he knows and, if he is happy with the number he was looking for, he would send the rest back home. The ones he has chosen would come back the following week. I've been working there for a long time now – but that's how I started working there.

Zanele (18 August 2012) used the second method to acquire employment, which entailed approaching employers directly for employment. In many cases, workers are informed of job vacancies through various networks, where after they approach employers directly for employment. Zanele (18 August 2012) exemplifies this in the following:

I went there [the enterprise] personally and asked for a job; but I was told that the trees have to be sprayed first before people can be employed. I approached two males on the farm, and one by the name of Phindile told me that the farm owner will start hiring workers and that he will tell me if people are needed. Indeed, he was the one who informed me that the farmer was looking for workers. I immediately went there, and I got the job.

Like Zanele (18 August 2012), Patrick (12 August 2012) and Joe (8 September 2012) approached the employer personally for employment. In Patrick's (12 August 2012) case, he "was informed by the permanent workers that are working there. They informed me that the farmer was looking for workers; so, I went there and asked for a job. They gave me a six month's contract". Monwabise (11 August 2012), learnt of employment opportunities at the citrus farm through a colleague who worked with him at another worksite in the area, and who recruited him into the enterprise.

This recruitment strategy is the third type of labour recruiting, mentioned above (c), and typifies the use of social networks in the sourcing and securing of agrarian labour. According to Monwabise (11 August 2012), his colleague "told the farmer that there was someone whom he knows who was looking for a job. I got the job through my colleague". Similar to Monwabise (11 August 2012), Paul (12 August 2012) learnt of employment opportunities in the citrus pack house through people who worked at the enterprise. Mzi (12 August 2012) was recruited to work in the pack house through the fifth strategy noted above, through his social network and via a supervisor. Mzi (12 August 2012) explains:

I was playing for a local football team called Teenagers. The president of the team, who is also a supervisor at Pack-house C, recruited all members of the team who were not working because he feared that, if we are not busy, we might end up resorting to crime and end up in jail.

It appears that having relationships with workers already in employment at enterprises, is advantageous to job seeking in the local areas. Several workers in the sample gained employment through strategies (c) and (e) listed above, that involved personal contacts. In this regard, Sofia (18 August 2012) also reported that she acquired her employment at the citrus farm through her sister who was employed at the enterprise. In her words, "I was employed there through my sister who worked there before me". Lonwabo (18 August 2012), in explaining how he was recruited, revealed the fourth type of labour recruiting strategy deployed by employers in the horticultural sector. This involved employers directly seeking out workers. As Lonwabo (18 August 2012) recounted:

The farm owner came here to look for prospective employees on this side; it was a long time ago. That is how I got employed on the farm. It is very common for employers to come and look for people each season. My employer also comes here to look for workers, each season. Like now the season is going to start, so he is going to come fetch people every Monday and bring them back on Fridays.

Adding to this, James (12 June 2007) supplies important information on this matter when he recounted other means through which labour is recruited directly by employers, which resembles the fourth strategy mentioned above. According to James:

When people know that the farmer wants workers, they will tell others. They would go and wait at the pick-up point in case something comes up. There is no guarantee that the farmer will pick you. And, for example, sometimes if there are more than ten people on the road, the farmer would take only five and the rest would have to go back to their farms.

It is also common practice in the citrus pack-houses and on orchards for workers to be recruited through supervisors who act as labour brokers. This typifies the fifth labour recruitment strategy listed above. The double role that supervisors play as labour brokers and middle managers in the labour processes will be deliberated on in chapter 10. For the purpose of this discussion, it is necessary to note that supervisors, in many citrus work-sites in the geographical areas of this research, are responsible for recruiting workers. They do this through bribes, gifting, and sexual favours, which brings to the fore types of transaction costs that workers incur in acquiring jobs in the local agrarian labour market. These findings on labour recruiting through supervisors

by way of bribes and favours, calls for in-depth research into the strategy in the sub-sector in the Eastern Cape, to establish its operations, the agents involved and their roles, and the costs to workers and employers.

In the meantime, a glimpse of the reserve army of labour surfaces in various ways in the research, which is epitomised in James' account of labour recruiting across the horticultural sub-sector in the Sundays River Valley. James (12 June 2007) recounts a typical labour recruiting strategy which evolved in the 1990s whereby, for each season in the horticultural sub-sector, people wait at roadsides, each morning, in anticipation of getting picked up by farmers to be hired for the day or season. James (12 June 2007) elaborates:

Since 1996, during the season of chicory, the season of fruit, the vegetables season, you'll see people at the road all the time. They come from other farms along the way, where there is no job – say livestock or dairy farms. They wait at the road and leave only after 10am when it is obvious that no farmer would come to pick them up. Sometimes the transport would take only five people from Dayskloof (farm), three from Modder River (farm), and six from Dikomfarm (farm), four from Soetkloof (farm), and one from Groentuin (farm) – things like that. Most people would go back.

From the above, an impression arises of the number of people residing on neighbouring farms that actively seek employment on horticultural enterprises during the respective commodity seasons. By James's (12 June 2007) account, the number of people seeking jobs on a daily basis outweighs the numbers that are hired. With this, both the rate of unemployment in the area and the apparent plight of the reserve army of labour, surface. Through such information, insights are gained on the constituents of the totality of the low-waged labour market in the research sites.

The above accounts shed light on the mediums through which information on job vacancies is disseminated in the local labour market, and how agrarian labour is recruited to the workplaces. Workers' accounts of their recruitment into enterprises, presented above, illuminate key aspects of the structure of recruitment and provide glimpses of the ease of entry into agrarian workplaces, whereby very little to no prior formal skills or qualifications are a job requirement. This makes it possible for workers to be recruited through personal relationships and networks, and by powerful supervisors who are 'rewarded' for workers gaining employment. These factors, combined with the reserve army of labour in the research sites, are manifestations of the totality of the low-waged, secondary and segmented agrarian labour market. Ultimately, this set of conditions weakens agrarian labour in the exchange with

agrarian capital, of labour-power for a wage. As will be shown in the rest of the chapter, the totality of the low-waged labour market, combined with the low rates at which statutory wages were initially set, constrain agrarian labour's capacity to improve their levels and standards of social reproduction. This discussion begins with living conditions in the next section.

8.4 LIVING CONDITIONS

As discussed in chapter 5, a major contributor to the totality of the low-waged agricultural labour market was the tight spatial bond between the sites of production and social reproduction, designed to ensure a ready and cheap labour supply. The inextricable links between the sites was crucial in creating and shaping un-freedom in the agricultural labour market, from which flowed the profound inequalities in bargaining power between agrarian capital and agrarian labour. Ultimately, this set of conditions, in part, intensified workers' dependency on farmers for housing and other areas of the expanded social reproduction of labour. Accommodation on farms is often seen as a form of payment-in-kind. Yet, the state of housing and living conditions for agrarian labour, in most cases, arguably were (are) undignified, uncomfortable and a health risk. As will be shown below, the abysmal state of housing and living conditions of agrarian labour prompted the Department of Labour (DoL) to clarify the standard of housing and services qualifying as payment-in-kind, in the sectoral determination for the agricultural sector.

The DoL report (2001a, b) mirrors Sen's capability model when it argued for improved conditions to the living conditions and standards of farm workers, as a means to enhance capabilities that in turn would improve the quality of life and "functionings" of agrarian labour. In fact, the DoL regarded the quality of housing and the standard of living as crucial to human dignity. In this regard the DoL (2001b:31) recognises that: "[t]he quality of housing symbolises the dignity of workers. People find poor quality housing inconvenient and unpleasant, and also degrading and dehumanising". The DoL (2001b:59) investigation into the farming sector, prior to the setting of the AMW, concluded the following:

The evidence ... is clear: most South African farm workers live in circumstances of absolute poverty. Moreover, when their standard of living is compared to that of other urban and non-urban workers, their relative poverty is also evident. Some form of policy intervention is therefore needed to redress the situation. Whether intervention is successful will depend on the extent to

which the capabilities of these workers are improved. ... [T]here is a clear correlation between farm worker income categories and their access to housing and household services, as well as between income and literacy levels. Thus, policies such as a minimum wage or an income supplement aimed at increasing the incomes of farm workers in South Africa could at the same time improve their capabilities.

In reflecting on the state of housing and general living conditions for agrarian labour, it is useful to bear in mind the link made by DoL between a MW and improvements to housing, services, and other aspects of the expanded social reproduction of labour. Of relevance and interest, in this regard, is assessing the strength of agrarian wages, and by extension the strength of the conversion factor of the AMW, in enhancing the living conditions of agrarian labour. In the discussion that follows, the living conditions of farm workers, in the research sample, and the material changes that they may have experienced with the introduction of the AMW, are analysed. Through this exercise, the extent and nature of changes to the conditions under which labour is replenished and sustained is assessed against conditions in the pre-AMW periods.

Data gathered through the in-depth interviews is used to accentuate data generated in the SD 13 Survey. The latter provides a general picture of the state of housing in the sample, while the in-depth interviews allowed workers to articulate their views about their living conditions and state of housing. Towards this end, discussion starts with conditions in the production-social reproduction nexus, or on-farm settings, followed by a discussion on the delinked sites or off-farm settings. The sub-sector variations with respect to the spatial bond between the sites of production and social reproduction are clearly illustrated in the data, with animal husbandry dominating in terms of the twinning of the two sites, in contrast to horticulture where the two sites were often separated, in the sample.

8.4.1 On-Farm Living

In this section, attention focuses on the living conditions, and quality of housing as well access to basic services essential for decent living, for workers who live on the farm or place of employment – that is, workers with tied production/social reproduction sites. A larger number of workers in the sample worked and lived on the site of production. For example, all participants in the 2004 focus group interview lived on the farm of employment. Similarly, 26, or 81.25 per cent of the 32 workers interviewed in 2006 and 2007, lived and worked on the farm of employment. In the same vein, the number of interviewees with combined sites of production-social reproduction, in the SD 13

Survey, amounted to 291, accounting for roughly 58 per cent of the 501 sample. All these workers, therefore, lived and worked at the same work-site or farm. However, a sizeable number of workers, in the SD 13 Survey, lived away from the site of production, totalling 210 and representing 42 per cent of the sample.

The production-social reproduction nexus continues to be a strong feature in the neoliberal era, informed by sub-sector, production process and possible enterprise level dynamics. As such, the production-social reproduction bond will not always be possible for certain enterprises and sub-sectors, as will become clear from the discussion below. Nonetheless, and considered as a whole, the margin between workers who lived off the farm of employment and those who lived on the farm of employment, in this research sample, was not very significant as only 81 more workers lived on the site of production.

On-farming living is a complex phenomenon especially in the South African context due, in part, to the ascendancy of racial capitalism (as discussed in chapter 5) that resulted in a racially-skewed land ownership/access pattern. By implication, there are multiple reasons for workers living on capitalist farms and at the site of production, that may be work related or non-work related⁴⁵. With respect to the former reason for workers living at the production site, in contemporary capitalist agriculture, is the nature of work in certain sub-sectors that requires workers to be in attendance. For example, it is common for workers working in the animal husbandry sub-sector to have the sites of production and social reproduction combined, because important aspects of the work often involve caring and tending to sick and young livestock, as and when necessary; and milking and tending to cows in the dairy sub-sector. This becomes clear in chapter 9, when the nature of work in the different workplaces are discussed.

Table 8.1 shows the significant difference with regard to on-farm living between workers employed in horticulture and animal husbandry broadly, in that the number of interviewees living in the workplace was higher in the latter. In total, workers from

⁴⁵ . Two primary reasons exist for people living on capitalist farms in contemporary South Africa. One involves the historical processes linked to land disposessions and forced relocations in the making of the racial capitalist political economy. This in part contributed to a general and acute level of landlessness in areas formerly regarded as 'white' South Africa. Many farm workers were born on farms – either the farm they currently work on or on a different farm. The second reason relates directly to the nature of work in primary agriculture, which drives the need for labour to stay on the farm for the duration of the employment. This is a global phenomenon of agriculture. In contemporary South Africa, people who live on capitalist farms comprise farm workers and farm dwellers. Dwellers may work on the farm on a seasonal basis, or they may be employed on another farm, or they are unemployed in which case they are old and retired farm workers or children of permanent workers.

livestock, dairy, game and pig and poultry enterprises cumulatively recorded 221 workers or 75.94 per cent of the 291 workers with combined sites of production and social reproduction. This clearly indicates the tendency for animal husbandry workers to live at the site of production, although certain sub-sectors in horticulture, such as vegetable farms, in this sample, also display such tendencies. Men living at the site of production make up 63.57 per cent of the 291 workers, and 62 per cent of all males interviewed in the SD 13 Survey. Women constitute 36.43 per cent of workers living at the place of employment, and these on-farm female workers constitute roughly 52 per cent of all women interviewed. So, male workers have a greater tendency to live at the site or production.

Of the 291 workers living at the site of production, 39.17 per cent were employed in the livestock sub-sector. These livestock workers account for 89.76 per cent of all livestock workers, and 22.75 per cent of all workers interviewed in the SD 13 Survey. The dairy sub-sector followed livestock accounting for 18.55 per cent of all workers with on-farm living, but the vast majority of dairy workers in the sample, or 91.52 per cent, live at the site of production. Dairy workers living at the place of employment account for 10.77 per cent of all workers interviewed in the SD 13 Survey. Overall, all animal husbandry sub-sectors registered a high percentage of workers living on the farm, including the pig and poultry sub-sector at 80.95 per cent of all workers. The majority of workers in the game farm sub-sector (at 78.26 per cent) also lived at the site of production. In the case for all animal husbandry sub-sectors, over 78 per cent of workers lived at the site of production.

Table 8.1: On-farm living by sub-sector

Sub-Sector	Number of workers	Males	Females	Percentage of workers*	Percentage of all workers in sub-sector**	Percentage of overall workers***
Citrus	31	18	13	10.65	19.87	6.18
Pineapple	11	6	5	3.78	28.94	2.19
Vegetable	25	11	14	8.59	69.44	4.99
Peach	3	1	2	1.03	100	0.59
Chicory	0	0	0	0	0	0
Livestock	114	79	35	39.17	89.76	22.75
Dairy	54	29	25	18.55	91.52	10.77
Game	36	28	8	12.37	78.26	7.18
Pig & Poultry	17	13	4	5.84	80.95	3.39
Total	291	185	106			

Source: SD 13 Survey.

*n=291

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

The citrus sub-sector accounts for just over 10 per cent of all workers who live at the worksite and, notably, only 19.87 per cent of all citrus workers live at the site of production. While the vegetable sub-sector accounts for a mere 8.59 per cent of workers who reported living at the work-place, the vast majority of workers in this sub-sector (69.44 per cent) lived on the farms of employment. All the workers on the peach farm lived at the place of work, as Table 8.1 illustrates. None of the workers interviewed from the chicory sub-sector lived at the site of production. Further, a greater proportion of workers in primary agriculture in the horticultural sub-sector tend to have combined sites of production and reproduction, compared to workers who work in pack-houses, where the twining of both sites is not often found.

Of the 291 interviewees who lived on farms, 114 or 39 per cent were between 36 and 49 years old, while 99 or 34 per cent were between the ages of 18 to 35. Workers over 50 years old constituted 26 per cent of the interviewees that had their sites of production and social reproduction tied. Similarly, three of the four interviewees between the ages of 14 and 17 worked and lived on the same farm.

In total, 178 workers, or just over 61 per cent of the 291 workers, said that they prefer living on the farm where they work, compared to 113, or 38.83 per cent, who said they prefer to live off the farm of employment. Reasons for preferring to live on or off the farm of employment were explored with workers in the in-depth interviews. Ziyanda (18 May 2006), a 34-year-old who worked on a pineapple farm, cited a fairly common reason for opting to live at the place of work – that is, job opportunities on the farm. According to Ziyanda (18 May 2006), “I prefer to live on the farm because on the farm it’s easy to get [a] job; in the township you have to sell whatever or do something in order to survive”. Lindiwe (2 June 2007) said that she preferred to live on the farm because of the proximity to work, which is often cited by workers who favour residing at the place of work. In Lindiwe’s (2 June 2007) words, “I prefer to live on the farm, because I work there”. When asked how she feels about living on someone else’s land, Lindiwe (2 June 2007) response was: “I do not feel bad, but I would like to have my own land where I could plant and do other things as well”.

Thomas (12 June 2007) was another respondent who said that he preferred living on the farm, “because I am close to work. If I live off the farm, I have to travel a long

distance and we don't have transport". Other reasons cited by interviewees for their preference for on-farm living were linked to certain services or support that they derive from the employment relationship. Zamxolo (12 June 2007) a 52-year male employed on a game farm, for example, sheds light on this in the following response: "One of the things that makes me to like to live on the farm is that I have a garden, [as well as] cattle. I like to cultivate and [the employer] also provides me with the tractor to cultivate my garden, and I also don't have to buy a dip for my cattle, [the employer] does that for me". Others, such as 40-year Colin who worked on a mixed game and livestock farm, simply said, "I prefer to live on the farm because I was born there, and I grew up there".

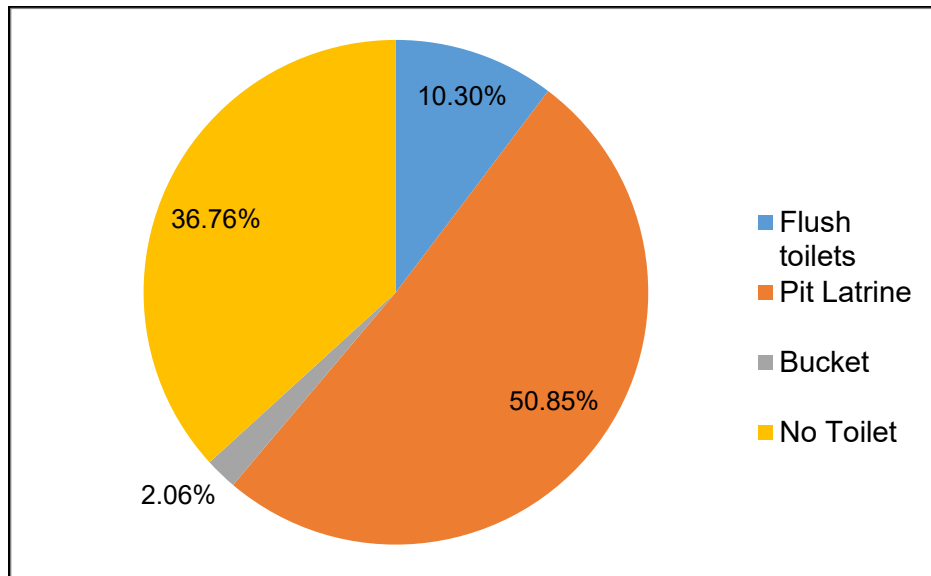
The reasons advanced for wanting to live off the farm were as multiple and varied as those forwarded in favour of living at the place of work. One reason relates to a sense of belonging and security of tenure. For example, Mary (7 May 2006) said that, "I like to live off the farm because I want my own place so that when I die my children could have a place that belongs to them". Others, such as 28-year-old Andile (13 May 2006), who worked on a dairy farm, said that he preferred living off the site of employment to avoid deductions from wages for housing. In his words, "there are some deductions for housing if you live on that farm. The farmer is also deducting for wood and water. Recently the farmer built a house for one lady and he told her that she is going to deduct R50.00 every month from her wages". Nonetheless, the reasons for wanting to live on and off the farm may not always be simple and straightforward responses. For example, Maria (12 June 2007) relates the complexities of living on the farm in her context when she said:

It's not nice to stay on the farm but it's just that I have a piece of land there, but no one signed anything saying that this is your land; it is just that I know that. If I can leave now, I will not have anything there so that is why I live there and also work there. ... There is no future there, no electricity, its only funny houses, the houses are not proper structures. It is just that I was born there, and my father was also born there.

Maria's (12 June 2007) account of living conditions and quality of life on farms for agrarian labour gains credence when services for workers are considered. An indication of the type of services and basic amenities available to workers living on farms follows. Most workers who lived and worked on the same farm used pit latrines constituting roughly 51 per cent of workers who lived at the workplace, while a significant 36.76 per cent of interviews in the SD 13 Survey reported not having any toilet or ablution facilities (see Figure 8.1). A marginal 10 per cent had flush toilets,

while two per cent used the bucket system. In the 2006 and 2007 in-depth interviews, approximately 53 per cent of workers, who lived at the site of production, reported that they did not have access to an ablution facility and were forced to use bushes on the farms.

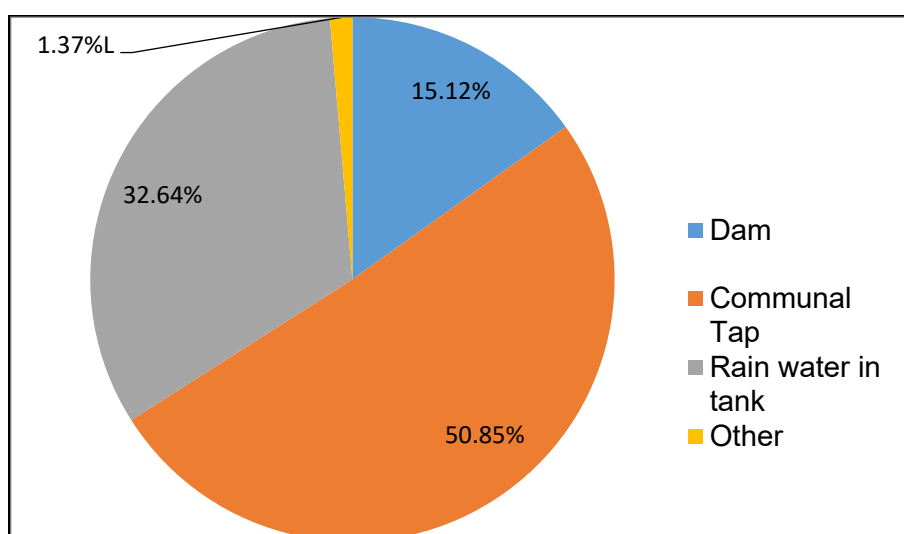
Figure 8.1: Type of toilets on farms



Source: SD 13 Survey.
n = 291

Most of the interviewees in the SD 13 survey sourced their water requirements through communal taps on the farms (50.85 per cent of respondents), and 32.64 per cent of workers, who lived at the site of employment, relied on water collected in the rainy periods from tanks; 15.12 per cent said that they accessed water from dams on the farms (See Figure 8.2).

Figure 8.2: Water sources on farms

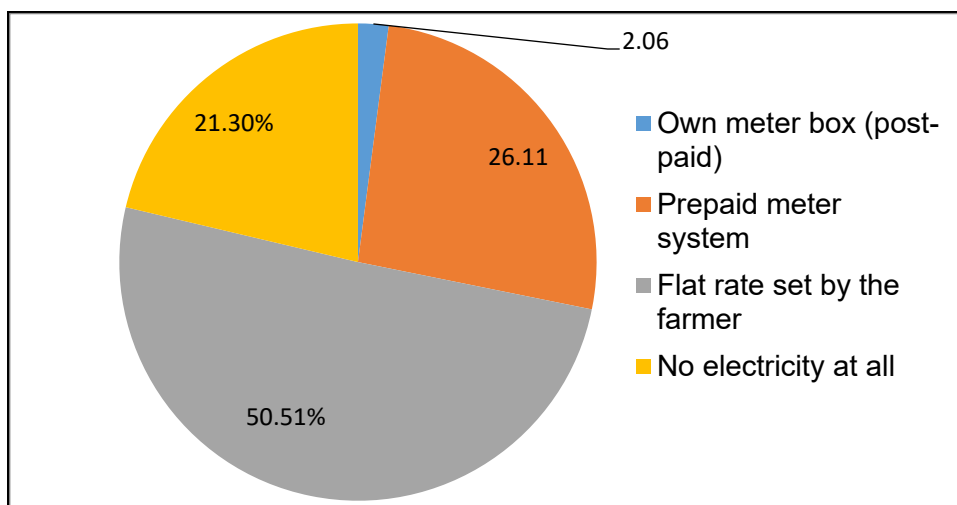


Source: SD 13 Survey.
n = 291

A small minority, 1.37 per cent, made use of other sources which included water delivered by the local municipality and water obtained through boreholes. In many respects, the in-depth interviews broadly corresponded with these trends found in the SD 13 Survey. In the 2006/2007 in-depth interviews, 53.12 per cent of workers said they accessed water from taps on the farms, whilst 46.88 per cent of workers collected water through various means including from dams, rivers, rainwater tanks and boreholes.

Electricity was largely supplied by the employer or farmer who set a flat rate, for usage, for the majority of the SD 13 Survey respondents. This applied to roughly 50 per cent of workers who lived at the site of production. In this system, farmers buy a set amount of electricity which is installed or logged onto meter boxes in the houses that workers occupy. If this electricity has been consumed, workers have to find alternative sources for lights and energy (see Figure 8.3).

Figure 8.3: Sources of electricity on farms



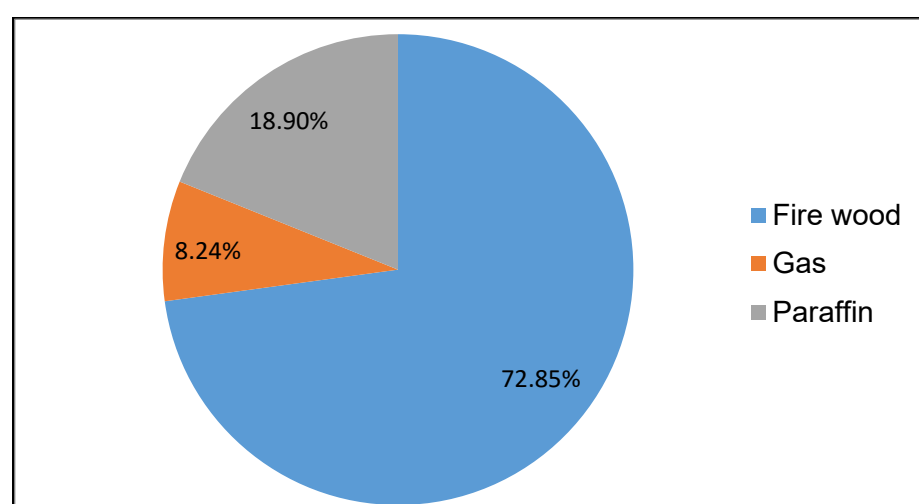
Source: SD 13 Survey.
n = 291

The pre-paid meter system was the second widely used source of electricity, whereby 26.11 per cent of workers living at the place of employment reported having access to a pre-paid electricity facility. Very few workers had access to their own electricity supply through an installed meter box in the house, as just two per cent of workers reported having such facilities. Finally, 21.30 per cent of workers of the 291 who lived at the site of production reported not having any of the above methods of electricity

supply. However, all workers, including those who had access to the three different electrical supply systems, relied on alternative sources of energy.

Most of the workers said that they had to resort to the use of firewood, as shown in the 72.85 per cent of workers in Figure 8.4, followed by 18.90 per cent who used paraffin. A minority of workers, accounting for 8.24 per cent of workers living at the workplace, made use of gas. Similarly, in the 2006/2007 in-depth interviews, 53.12 per cent of workers living on the site of production access energy and lights through firewood, 25 per cent of respondents made use of paraffin and 12.5 per cent reported that they had no source of energy.

Figure 8.4: Other sources of energy on farms



Source: SD 13 Survey.
n = 291

In the main, the status of the essential amenities that shape and inform the social reproduction of farm labour, living on the site of production, paints a dim picture of the living conditions on the farms in the research areas. However, living on agrarian production sites also impinges on the personal spaces and freedoms of agrarian labour. In this research, and other works undertaken by the researcher, workers often related infringements to their rights to family, receiving visitors and practicing customary functions, as regulated in the Extension of Tenure Security Act. In addition, workers in remote areas related the difficulties with transport and mobility, reflecting their exclusion from a range of social and economic services and possibilities. This, in turn, merely reinforces agrarian labour's physical and socio-political isolation as well as their marginal and near invisible positions in contemporary South Africa.

The degrees of isolation of agrarian labour not only resonate at the socio-political and economic levels, because such states and positions have profoundly negative

outcomes for agrarian labour's social reproduction. In addition, owing to their ownership of land, agrarian employers have the power to unilaterally determine workers' access to and entry and exit off the farm with direct consequences for workers. In this regard, Mavis (5 March 2011), who worked on a livestock farm in Fort Beaufort, related a major disadvantage and discomfort of living on farms in the following:

[The employer] does not provide workers with transport to buy groceries in town at the end of the month. Workers must hire their own transport ... When we hire our own transport, it is difficult for people who transport us to get onto the farm, as the employer does not want cars on his farm. The cars are not allowed beyond the gate which is the main entrance to the farm. There is a long distance between the gate of the farm and our houses. We must walk a long distance with loads of groceries to our houses.

The narration above, is typical for a significant segment of the agrarian labour force, especially those who live in remote rural districts and who invariably suffer heightened levels of vulnerabilities with endure hardships in accessing aspects of expanded social reproduction. With this, discussion on living conditions of workers, residing at the site of production, concludes. Attention below turns to the living conditions and amenities of workers who lived off the farm or place of employment, at the time of being interviewed.

8.4.2 Off-Farm Living Conditions

Living off the site of production applied to 210 workers in the sample, accounting for 41.91 per cent of all workers interviewed in the SD 13 Survey. Males make up 53.89 per cent of the 210 workers, and male workers living off-farm constituted 37.91 of all men interviewed in the SD 13 Survey. Females account for 46.11 per cent of all workers living off the site of production. Women living off the place of employment constitute 47.78 per cent of all women interviewed. Hence, there is a greater tendency for female workers, compared to male workers, to live off-farm.

Of the 210 workers, 101, or roughly 48 per cent of respondents, were in the 18 to 35 age group, 34.76 per cent of the 210 workers were in the 36 to 49 age range, 9.04 per cent were over 50-years old and one worker was in the 14 to 17 age group. In comparing on-site and off-site living in terms of age, and thus in considering the combined data on the production-social reproduction link in this regard, there is a tendency for younger workers to live off the site of production, compared to workers in middle age and over 50 years.

An interesting trend is discernible when considering the nature of employment contracts in relation to off-site and on-site living. More permanent workers in the entire SD sample had a common spatial bond in the sites of production and social reproduction: 206, or, 72.28 per cent of the 285 permanent workers in the SD 13 Survey, lived on-site, while 79 permanent workers, constituting 27.71 per cent of permanent workers, lived off the site of employment. In the case of atypical workers, 130 of them representing 60.18 per cent of the 216 atypical workers in the SD 13 Survey, lived, off the site of employment and 86 atypical workers, constituting 39.81 per cent of atypical workers, lived on site.

Overwhelmingly, 92 per cent of workers who lived off the site of production said they preferred living off the farm that they worked on. Multiple reasons were provided in favour of living off the farm ranging from: paying for services on farms, or not having services on farm; the freedom to pursue alternative livelihoods; poor relations among people living in the workplace; and not being familiar with living on farms. Patricia (12 August 2012), a 29-year-old who worked seasonally in the citrus season and who lived off the farm, gave reasons for her choice to live off the farm: namely, farmers deducting money from wages for services, amongst other reasons. In this regard, Patricia (12 August 2012) said:

I prefer living here in Langbos⁴⁶ because here, I wouldn't buy electricity. On the farm, people buy or rather pay for electricity, even though they are employed by the farmer. On the farm, people are not allowed to fetch wood from the fields. If they do, the farmer gets very angry.

Similarly, 27-year-old Sofia (18 August 2012), who worked seasonally during the citrus season, and who lived in Bersheba⁴⁷, cited the difficulties with accessing services on farms, as her reason for staying in the township. In her words, "I prefer to live here in the township. There is no water, electricity and shops on the farm". Zanele (18 August 2012), a 32-year-old female who also worked in the citrus sub-sector, spoke of strained relations with people living on the land and the owners of the farmlands in particular, as a reason for not wanting to stay at the site of employment. She said that:

⁴⁶ Langbos is an informal settlement where evicted farm workers and their families usually end up erecting structures for homes, after being ejected off the farm and land they resided on. It is in the middle of the citrus producing zone in the Sundays River Valley, hence is an abundant source of readily available labour for the citrus sub-sector in the area. It was previously a municipal dump site, which has subsequently become an informal settlement.

⁴⁷ Bersheba is a more formal township also in the Addo area, in the Sundays River Valley. This township also feeds citrus employers with a readily available source of labour.

I live here in Bersheba, and it is better here in the township. There is a difference because on the farm at which we were living, life was very unpleasant life. We didn't have good relations with the owners of the farm. They were treating us badly. They didn't want us to work on the farm. They used to tell us that we should go look for work on other farms.

Monwabisi (11 August 2012) preferred off-farm living because of the possibilities to diversify his income, combined with lack of familiarity with living on farms. In his words:

I prefer to live off-farm because I am not used to staying on the farm and at least in the township I'll be able to do building piece jobs during weekends. I can also do burglar doors and so it would be much easier to market myself living in the township. I cannot market myself on the farm because there is nothing to do there. On the farm, you do not have anything to do after work besides drinking.

The majority of the interviewees living off the site of production were in the horticultural sector and constituted 178, or 85 per cent, of the 210 workers, as displayed in Table 8.2.

Table 8.2: Off-farm living by sub-sectors

Sub-Sector	Number of workers	Males	Female	Percentage of workers*	Percentage of all workers in sub-sector**	Percentage of overall workers***
Citrus	125	58	67	59.52	80.12	24.95
Pineapple	27	20	7	12.85	71.05	5.38
Vegetable	11	7	4	5.23	30.55	2.19
Chicory	15	5	10	7.14	100	2.99
Livestock	13	12	1	6.19	10.23	2.59
Dairy	5	4	1	2.38	8.47	0.99
Game	10	5	5	4.76	21.73	1.99
Pig & Poultry	4	2	2	1.90	19.04	0.79
Total	210	113	97			

Source: SD 13 Survey.

*n=210

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

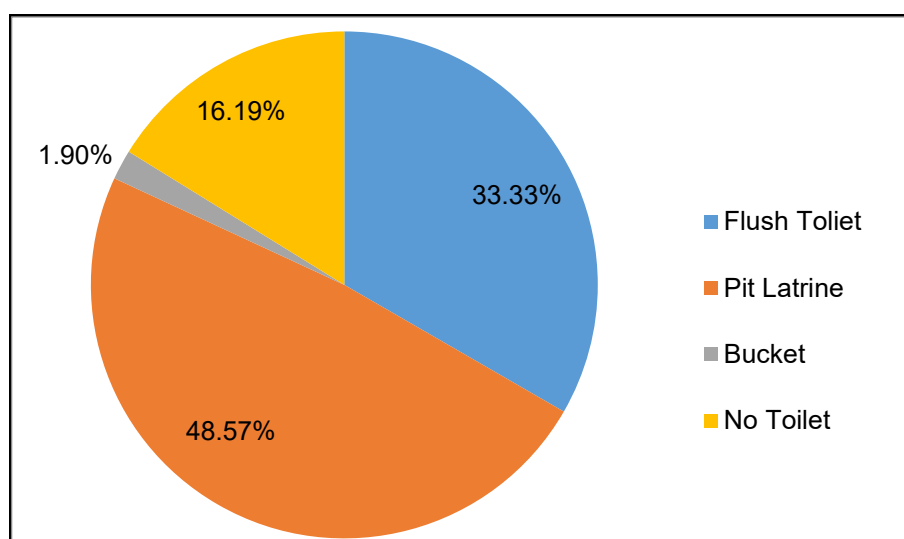
***n=501

In contrast, only 32 workers in the animal husbandry sub-sector, accounting for 15.23 per cent of the 210, lived off the workplace in the sample. This reinforces the findings on the sub-sector variations with respect to the spatial bond between the sites of production and social reproduction, with animal husbandry dominating in terms of the

twinning of the two sites, in contrast to horticulture where the two sites are separated. Table 8.2 vividly shows that the majority of citrus workers lived off the site of production, constituting 59.52 per cent of workers who lived off the place of work, and a significant 80.12 per cent of all citrus workers interviewed. Almost 70 per cent of the citrus workers interviewed in 2011 and 2012 lived off the farm or pack-house, either in formal townships or informal squatter camps, where citrus employers sourced their labour force.

Workers living off the place of employment shared similar living conditions as workers living on the site of production, but also fared better than the latter in terms of access to certain services. From Figure 8.5, it is clear that more workers living off the site of production had access to some form of ablution facilities, compared to those in the SD 13 Survey who worked and lived at the site of production. A larger percentage of workers living off the employment place reported having flush toilets, in this case 33.33 per cent of workers, compared to 10.30 per cent of workers who lived on the production site who had access to this ablution facility.

Figure 8.5: Type of toilet off farms



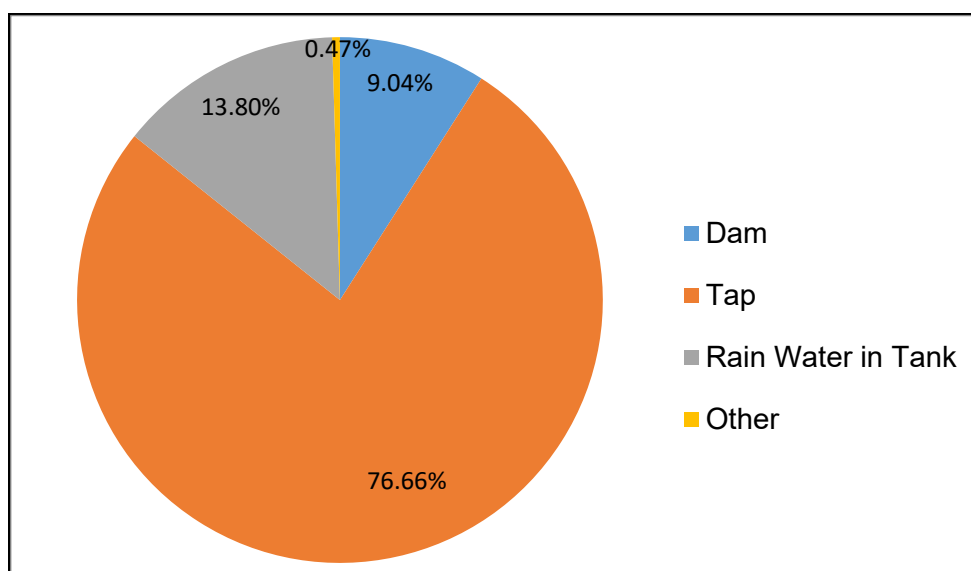
Source: SD 13 Survey.
n = 210

However, the majority of workers, who lived off the site of production, used pit latrines, while 16.19 per cent reported not having access to ablution facilities. Considering on- and off-farm residence together, a minority of the 501 workers interviewed in the SD13 survey had access to decent and dignified ablution facilities with a mere 19.96 per cent of workers reporting having access to flush toilets. This compares to 260 or roughly 52 per cent of workers who used pit latrines or the bucket system, and a further 141

or approximately 28 per cent of workers who said that they did not have access to any form of ablution facility at their place of residence.

In terms of the water sources at workers' disposals at sites off the place of employment, a slightly higher number of workers (76.66 per cent of workers in the sample living off the work-site) compared to 50 per cent who lived at the site of production, had water on tap (See Figure 8.6). This is due to the number of citrus workers in the sample who lived either in squatter camps or townships within close proximity to the orchards and pack houses. In these cases, communal taps or taps near farm workers' homes are available. Other sources of water were nearby hostels, where workers accessed water.

Figure 8.6: Water sources off farms



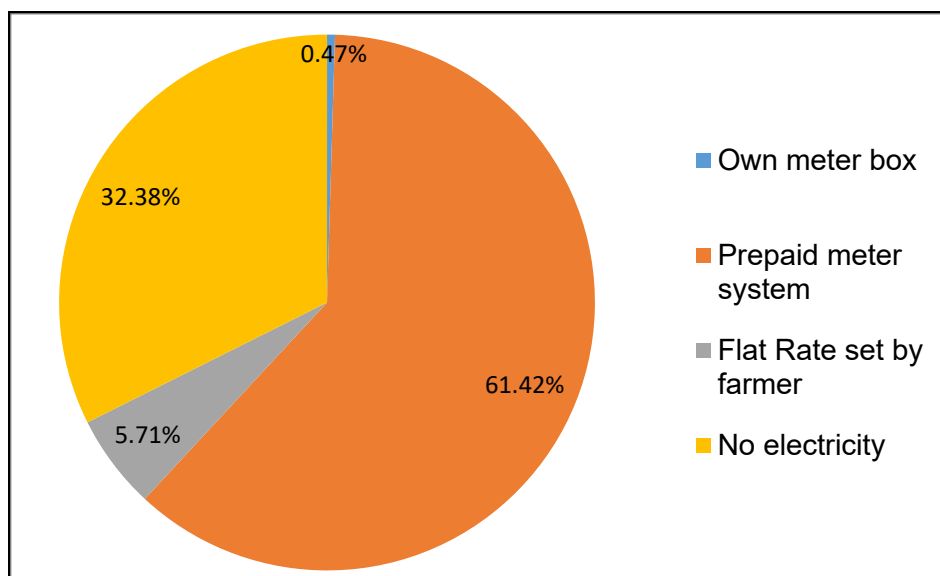
Source: SD 13 Survey.
n = 210

When workers living on- and off-farms are considered jointly with respect to water sources, the majority of workers in the overall SD sample of 501 workers had access to water on tap. These workers account for 61.67 per cent of all workers interviewed. Overall, 24.75 per cent of workers in the SD 13 Survey sourced water through rain tanks, 12.57 derived water from dams, and 0.99 used other means to access water, such as hostels.

The pre-paid meter system was the dominant source of electricity among workers living in townships or settlements, as 61.42 per cent of respondents said they made use of this system. Notably, however, a higher percentage of agrarian labour in the sample, living off the site of production, reported having no electricity, depicted in the 32.38 per cent in Figure 8.7, compared to the 21.30 per cent of workers living at the

work-place who reported the same, as displayed in Figure 8.3. Similar to workers living at the sites of production, the majority of the workers living off the place of employment also made use of firewood, accounting for 56.66 per cent, while 40 per cent used paraffin and 3.33 per cent used gas to supplement their sources of energy and light (see Figure 8.8).

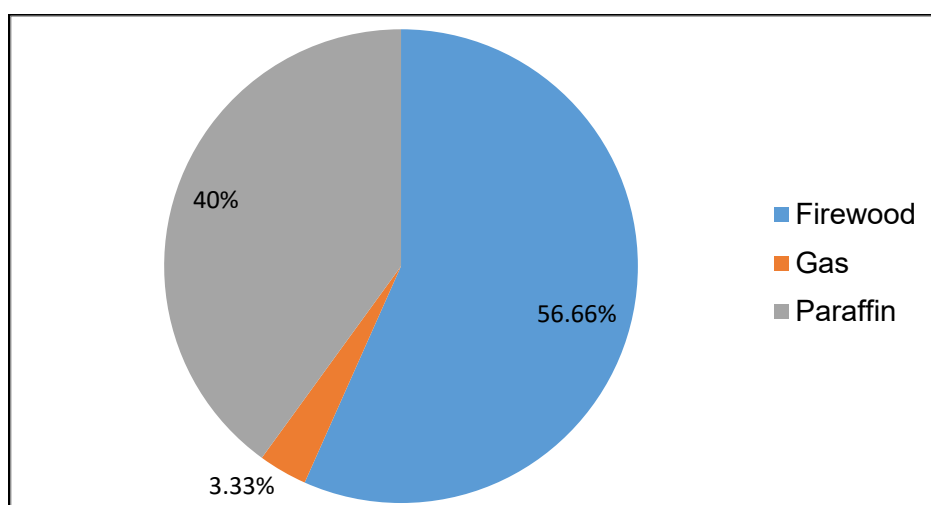
Figure 8.7: Sources of electricity off farms



Source: SD 13 Survey.
n= 210

Considered as whole, 40.91 per cent all workers living at and off the place of employment (that is, of the 501 workers in the SD 13 Survey), had access to a pre-paid system, followed by 31.73 per cent who used a flat rate system of electricity source supplied by the employer.

Figure 8.8: Other sources of energy off farms



Source: SD 13.
n= 210

A significant percentage of sampled workers, constituting 25.94 per cent of the 501 workers, reported having no electricity. However, by and large, even when workers did have access to some form of electricity supply, they invariably made use of other sources of energy, notably firewood. In this regard, 66.06 per cent of the 501 workers used firewood to supplement energy or electricity supply, 27.74 used paraffin and a mere 6.18 per cent of all workers interviewed used gas.

From the data above, it is clear that the general level and standards of living for agrarian labour in this research sample are of a poor and sub-standard quality. Workers continue to lack comprehensive access to basic and essential amenities necessary for the social reproduction of labour. The generally poor and sub-standard quality of access to and availability of essential amenities applies to both farm workers with combined sites of production and social reproduction and to those where the two sites are de-linked. In many ways, the data on living conditions in this research shows that overall conditions for agrarian labour have not fundamentally shifted since the DoL (2001b) report on the conditions of farm workers, prior to the establishment of the AMW, and subsequent reports. In light of the data on workers' living conditions, it is reasonable to conclude that the optimistic relationship between the AMW as a conversion factor in enhancing the capabilities of farm workers, as DoL (2001a, b) envisaged, has yet to materialise to any significant scale and depth.

To a large extent, the provision of the material resources such as housing and basic services to farm workers and their families is regulated for on-farm residence but is not a compulsory requirement in the employment relationship. Regulating the standard of housing, in terms of the law, is linked to deductions from workers' wages for accommodation provided by the employer. As such, it may be said that the sectoral determination for the agricultural sector attempts to regulate deductions from workers' wages in lieu of accommodation on the site of production, and in the light of low agrarian wages combined with the overall chronically depressed state of agrarian labour's social reproduction. With this in mind, the DoL (2001b) set out stipulations on the quality of housing and services that qualify as payment-in-kind. As such, deductions, from workers' wages by employers, for accommodation is allowed provided that rent is charged, and housing conditions meet the following standards:

- Roof which does not leak is in place.
- Glass windows have been installed and can be opened.

- Electricity is available inside the house.
- Water is available on tap inside the house.
- A flush toilet or pit latrine is available in, or in close proximity to the house.
- The size of the house is not less than 54 square metres or 10 square metres per adult resident, whichever is greater.

The specifications for housing qualifying as payment-in-kind did not apply to the majority of workers interviewed in this research. This is depicted in the fact that, for roughly 80 per cent of workers in the SD 13 Survey, deductions for housing were not made by employers. Deductions for housing affected roughly 20 percent of the 291 workers who lived on the farm. Likewise, only 6.25 per cent of workers living at the workplace in the 2006/2007 in-depth interviews said that deductions were made from their wages for accommodation. Deductions for housing among the 20 per cent of the workers in the SD 13 Survey and for the 6.25 per cent of workers in the in-depth interviews were less than 10 per cent of their wages. The fact that most employers did not make deductions from workers' wages for housing, and that deductions for accommodation were lower than the 10 per cent stipulation, strongly indicates that farm worker housing on farms does not meet the standards prescribed in the ASD.

Employers in the sector, as a whole, are not prepared to provide workers with decent and dignified accommodation at the place of employment, nor are employers willing to invest in housing and living conditions of workers in informal and squatter settlements. In the case of the latter, as shown in the previous section, citrus employers recruit labour from informal settlements close to the orchards and pack-houses, which they do not subsidise in terms of bulk infrastructure and services. Yet, questions on housing standards and quality of daily living for low-waged workers, and the conversion factor of statutory wages, are central to ideas and projects to create highroad approaches in low-waged sectors and firms. This is because living conditions and related aspects of the expanded social reproduction of labour, such as education facilities, health care, recreation, and related issues, are seminal to shaping supply-side factors in labour markets. These facilities are resources for workers as they influence their labour market participation, the type of employment they obtain, and their ability to bargain in the labour market and in the labour process.

However, the data in this research shows that, in the main, employers who recruit labour residing on the farm, and employers who recruit in townships, and informal and squatter settlements, do not have any compulsion to improve housing on the farms.

Amos (5 March 2011), who worked on a livestock farm in Adelaide on a permanent contract, not only sheds light on a not uncommon attitude of agrarian employers towards housing and living conditions for workers, as he also highlights the underlying racist tendencies of white agrarian capital towards black farm workers:

My ... employer does not care about the type of house that I live in on his farm. My house is leaking and has no windows. I use wood as a substitute for window glasses. I asked the farmer to fix my leaking roof and to buy me window glasses, but he refused, saying that those things cost a lot, that even if they were cheap, he would not buy such luxurious things for a baboon.

On a general level, irrespective of living on- or off- the site of production, workers who participated in the in-depth interviews reported no changes and improvements to their living conditions, after the introduction of the AMW. Instead, they spoke of the hardship, inconvenience and discomfort they endured with sub-standard housing and living conditions, as will be gathered from the narratives below. The poor state of housing and discomfort of workers recurred across all phases of the in-depth interview process, from interviewees in the 2004 focus group to those interviewed in the 2012 in-depth interviews. "Houses haven't changed. We have no electricity", said Nomonde (16 October 2004), a seasonal wool sorter, in the SD 2004 focus group interview. These descriptions of the quality and standards of housing went as far back as 2004, in terms of this research, when they surfaced in the focus group interviews. Likewise, Sinatamba (17 October 2004), who worked and lived on a pineapple farm, on a permanent basis, reported no changes to the standards of living when he said: "Houses have not changed – all houses are of mud ... they are all the same. There is no electricity, no toilets, or anything ... We use firewood and paraffin for cooking. There are three taps [on the farm] for the whole farm". These descriptions of the poor state of housing and services recurred in subsequent interviews, as pointed out.

Ziyanda (18 August 2007), who lived and worked on a casual contract on a pineapple farm, said "[w]e have not practiced our rights Our houses are not in good condition and our houses don't have windows. We don't have toilets". Sub-standard housing and living conditions recurred in subsequent interviews. Xolani (5 March 2011), who worked and lived on a mixed dairy and livestock farm in the Fort Beaufort area, described in detail the challenges and extent of discomfort endured by large segments of agrarian labour. He said:

We struggle a lot to get water. We have a *pitsi* [some kind of tank] that he [employer] used to fill with water. It has cracks and thus does not retain water. [The employer] promised to mend it a long time ago but he has not done so.

We now rely on rainwater from our tanks. He went and mended the bath from which his livestock drinks and he has not bothered to mend the tank that gives us water. So, when our tanks run out of water, people have to go very long distances carrying water on their heads to bring to the households. We have lots of problems with our electricity. We are concerned about the main cable which connects our electricity as it is very thin and burns every time it rains. The farmer bought it from a neighbouring farmer, and it is quite old. When it rains, we normally do not have power [electricity]. [The employer] keeps promising to fix the problems but he does not do it. We have all the above problems, but he charges us R130 a month for the housing and electricity he provides.

Monwabisi (11 August 2012), who lived on the site of production at the time of the interview, related a common way of life for farm workers:

I live in a brick house I am sharing my house with another man. It's one big room but we use curtains to divide it. The house is in a good condition because it used to be a power station, but it doesn't have water. So...I am forced to go fetch water from the employer's tap ... I do not have electricity in my house. You see, like now I am talking to you I am already thinking about going to fetch wood from the bush so that I can have something to warm my house tomorrow morning. I cannot eat when it is raining ... When it rains, I have to make sure that there is bread for five days, at least in the house, otherwise I wouldn't have something to eat.

Ronald (11 August 2012), who worked for one of the bigger citrus pack-houses in the Sundays River Valley and who lived on one of the company's farms, spoke of similar living conditions: "I live in a mud house ... with six people ... [We do not have] water. We don't even have [water] tanks. We get water from a nearby stream, and it's not clean water".

The data on living conditions and standards for workers with delinked sites of production and social reproduction are broadly similar to those living on the sites of production. Hence, the data clearly shows that depressed and undignified housing and living standards of farm workers and their families are a generalised phenomenon in the research sites. Nevertheless, farm workers with delinked sites of production and social reproduction, in this research, either lived in established settlements, commonly known as townships where low-cost housing is provided by the state. However, the provision of infrastructure and services is uneven and unequal within and between these settlements. Otherwise, these workers lived in informal or squatter settlements with rudimentary housing structures and with no services and basic amenities, much like the significant number of dwellings for workers with combined sites of production and social reproduction.

In terms of townships, there are cases where evicted farm workers or those who voluntarily left the farm have secured low-cost housing in townships. Zanele (18 August 2012), as noted earlier, worked on a citrus orchard during the harvest period, and exemplifies such a trend. She moved off the farm and moved to Bersheba, an established settlement in the Sundays River Valley, where she secured a low-cost house provided by organs of the state, commonly referred to as an RDP⁴⁸ house. Zanele (18 August 2012) explained that “I was born on Kapidar farm. I now live here in Bersheba in a RDP house”. She shares her home with three family members, and the house has all the necessary amenities including a flush toilet, water and pre-paid electricity. Like Zanele (18 August 2012), Paul (12 August 2012) works on a seasonal basis in a citrus pack house, in the Nkonkobe Municipality. Paul (12 August 2012) said that he lives “here in the township in a concrete house with eight other people”. He also has a flush toilet, water on tap and pre-paid electricity. The data, hence, shows that segments of agrarian labour lived in formal or established townships, and most of these workers tended to be employed in the citrus sub-sector, particularly pack-houses where the workforce tends to live off the site of production.

However not all workers with delinked sites of production and social reproduction have access to proper dwellings in townships. Sofia (18 August 2012) is one such example of a worker who lives in a township but not in state-provided housing. In her words:

I ...live with my mother, my grandmother, and the child of my sister who passed away... I live in a mud house. I used to live in a concrete house, but it was destroyed because it was no longer okay to live in it. It was falling... [We use] a pit latrine. [I have electricity] ... We do have water in the yards, but it has been cut off because the houses have been destroyed. For now, we get water from a community tap that is placed in the street. We don't have taps in our yards.

Lonwabo (18 August 2012) also lives in the Bersheba township when he is not working seasonally on the citrus farm. In Bersheba, he lives in “a mud house with his wife and two children. It has two rooms - a bedroom and kitchen” (Lonwabo 18 August 2012). He does not have access to other amenities such as water, ablution facilities and electricity. During the citrus season he lives on the farm where he works, between Monday and Friday. He described the house he lives in and his living conditions, on the farm. His house is “a corrugated iron house. The toilet is a pit latrine used by

⁴⁸ RDP is the acronym for Reconstruction and Development Programme, which was initiated by the ANC government, after 1994, to bring about comprehensive and far-reaching socio-economic transformation. In this programme, low-cost housing was to be rolled out throughout South Africa. However, the RDP was abandoned and replaced by a neoliberal agenda pursued under the GEAR. Nevertheless, farm workers living off farms acquired homes in townships in the early years of the RDP.

everyone who lives on the farm. There are about five households [on the farm] and we all use the same toilet” (Lonwabo 18 August 2012). Water is obtained through a communal tap and firewood is used for energy and lights. Lonwabo’s (18 August 2012) situation is not unique because many workers from surrounding towns and cities supplying their labour power to the citrus producing zones, as well as foreign workers from Zimbabwe or Lesotho, are provided with rudimentary housing quarters on farms with little to no services (Mr CR 11 March 2016).

The above cases show the uneven distribution of housing, infrastructure and access to basic and essential amenities for farm workers living in established townships and settlements that fall under the responsibility of the state in terms of housing delivery. These examples depict the state’s uneven and, by implication, unequal distribution of resources. As discussed in chapter 2, state policies and social security programmes also play a significant role in the development and exacerbation of segmentation in labour markets. This observation is reinforced when consideration is given to the conditions of agrarian labour living on farms, and in townships, and squatter or informal settlements.

As pointed out earlier, a significant and increasing number of the agrarian workforce supplying labour power to the citrus sub-sector, live in squatter or makeshift settlements. In this regard, Patricia (11 August 2012) related a fairly common experience of workers living in informal or squatter settlements in the Sundays River Valley. She said:

We were evicted by white people from those farms. They said they don’t want us anymore on the farms. They don’t want people on farms. They dumped us in places like Langbos; that’s why we are staying here even today...I live in a wood structure. We have a pit latrine and I do have access to a public tap that is situated on the roadside. I do not have electricity.

The data on living conditions for workers with delinked and linked sites of production and social reproduction reveal the depressed, sub-standard and low-quality housing and living conditions of agrarian labour. The overall state of housing and chronic lack and absence of essential amenities for comfort, and for safety and security, reflect the nature, forms and degrees of secondary pre-market conditions as well as the difficult and undignified living conditions of the majority of agrarian labour in the research sites currently. The data also shows the differentiations with access to housing and amenities for workers living in the townships, squatter settlements and on the sites of production. This reflects the prevalence of pre-market segmentation as access to

housing and amenities are unequally spread among the interviewees, in particular given the existence of workers who have formal dwellings in established townships. Here pre-market segmentation, through the state's delivery and provisions of social security and well-being of the citizenry, becomes visible.

At the same time, the data in this research does not reveal significant and stark patterns of gender, age or sub-sector differentiation and segmentation in the quality of housing and standards of living of workers. To be sure, sub-standard housing and living conditions are ubiquitous throughout the agricultural sector affecting women and men, young and old, and workers across sub-sectors. This observation suggests that depressed conditions linked to low levels of social reproduction is gender-blind as low levels of social reproduction apply to both women and men farm workers, as well as young and older workers. Sub-standard housing, and aborted learning and opportunities for further education, reflect a crippling condition in the local agrarian labour market, raising questions on the conversion factor of the AMW to enhance workers' capacities and functioning. This thereby casts doubt on bolstering the flanking potential of statutory wages to secure the overall conditions of capitalist production and valorisation.

Decent and dignified housing/shelter and access to all the basic amenities are central to workers' capacity to participate in labour markets and deploy their labour in the labour process. Indeed, these are also central to the development and growth of mental capacities, potentials and capabilities essential to human development and progress. The portraits of living conditions presented above pose critical questions pertaining to the value of agrarian wages in respect of agrarian labour's housing and living conditions. As the data demonstrates, the overall living conditions, of workers in the SD 13 Survey, remained largely the same in the post-AMW years, with little to no material changes in the quality and standards of housing and essential services compared to the pre-AMW years. Access to decent housing and dignified living conditions are not only tied to the level and value of agrarian wages, crucial as they are. Housing is tied as well to tenure security and access to land, as well as to the availability of municipal services and infrastructure. The empirical data in this research indicates that municipal services are equally lacking in off-farm settlements, as they are on on-farm settlements. As such, agrarian labourers residing on private land, owned by agrarian capital, or in townships, and informal and squatter settlements,

which is often categorised as municipal or state land, all had minimal access to quality services and infrastructure.

In the South African context, and in relation to agrarian production, the production-social reproduction nexus was and remains significant in certain sub-sectors, as shown above with reference to animal husbandry enterprises. Given the legacy of land dispossession in the South African countryside, in conjunction with the production-social reproduction nexus, land redistribution for landless agrarian labour is pivotal for establishing a house and attaining security of tenure. However, the post-apartheid state-led land reform programme is fraught with tensions, complications, and contradictions that stem in part from the fundamental neo-liberal thrust of the land reform programme. This has resulted in the government falling short of meeting its own land redistribution targets, which was to redistribute 30 per cent of the country's agricultural land by 2014⁴⁹. Land reform and redistribution remain emotive and tension-ridden subjects between political parties and ordinary White and Black South Africans because of the racial imbalances in land ownership⁵⁰.

This area of research is beyond the scope of this study, and an overwhelming body of contemporary literature exists, on the failures of land reform agrarian labour (Wisborg *et al* 2013), alongside a broader dearth of studies on agrarian labour relations and labour processes. The main point about land and services, of relevance to this study on the AMW and agrarian labour's social reproduction, is that agrarian labour's social reproduction revolves around a combination of agrarian wages and access to land and services. As such, nuanced studies on the social reproduction of agrarian labour, in the South African and similar contexts, need to be sensitive to both the level and value of wages, and access to land and services such water, sanitation and electricity, as opposed to analytically privileging one over the other when it comes to the social reproduction of labour.

⁴⁹ . However, government has not achieved this target in the allocated time frame. Instead, government estimates that a mere 10 per cent of land had been redistributed from Whites to Blacks by 2017. Debates and discussions on land reform, particularly land redistribution, have escalated around the country, across levels and political affiliations, after the ANC, led by Cyril Ramaphosa, announced in February 2018, in his state of the nation address, that his party would consider expropriating land without compensation to fast-track land redistribution.

⁵⁰ . The Land Audit, released in November 2017 by the Minister in the Department of Rural Development and Land Reform, reveals, for example, that individual Whites own 72 per cent of farms and agricultural holdings, followed by Coloured who own 15 per cent, Indians five per cent and Africans who own 4 per cent of such property (DRDLR 2017).

From this position, it is safe to argue that substantial increases to statutory wages on their own, may or will advance workers' access to material goods, thereby changing a certain aspect of their social reproduction. In the same breath, access to land and housing will afford tenure security to workers, thereby ending the threat of evictions and providing permanent shelter – a significant change for landless workers. However, decent wages are pivotal to the maintenance of workers' assets and their own well-being and health and safety. Consequently, it may be concluded that, to secure a decent living and dignified housing, agrarian labour faces the twinned requirement of higher wages and access to land, housing and services.

Nonetheless, and returning to the outcomes of the AMW on the quality of life of agrarian labour, the discussion below analyses the consumption patterns and levels of interviewees. This exercise facilitates a deeper appreciation of the ways in which the AMW impacted workers' lives, and also illuminates in greater depth the secondary and sweated nature of work in contemporary capitalist agricultural and food production. In so doing, the data demonstrates the pressures placed on agrarian labour to meet their basic needs. By the same token, and equally pertinent to bear in mind, is the failure of the food and agricultural production and distribution systems to account for the full social cost of labour. This point is reinforced by the empirical data generated in this research on the consumption patterns and levels of workers, and by their narratives on the extent to which they were able to comprehensively secure their social reproduction through the AMW. This is the subject of discussion in the section below.

8.5 STRETCH OF AGRARIAN WAGES

The stretch of agrarian wages is a reference to the extent to which wages satisfy workers' immediate and basic and future needs. This area of inquiry pertains to the purchasing power of agrarian wages, further typified in the type of consumables workers use their wages to procure and the amount they spend on their needs. This line of inquiry provides a snapshot of the purchasing power of agrarian labour in the sample, in the era of the AMW, and in so doing highlights the complexities in the relationship between an agrarian statutory wage setting and agrarian labour's capacity to expand their purchasing power.

Before engaging with the research findings on the stretch of the AMW, or the material resources that agrarian wages enable workers to procure, it is useful to recount the

wage theory held by Marx, classical political economists, Smith and Ricardo, and heterodox MW scholars, in order to appreciate the significance of the subsistence notion of wages or the notion of wages as a living wage. In all these models, there is recognition that labour needs certain minimum requirements for sustenance and maintenance that involve range of costs. These costs incorporate, among others, expenditures for food, shelter, clothes, healthcare, old age support, and support for non-working spouses and children – essential aspects of social reproduction whereby the labour force reproduces itself into the future. As pointed out in chapter 2, this defines labour as a fictitious commodity. Unlike markets for true commodities, such as cars, washing machines, computers, and the like, markets for labour power are socially and politically charged, at least in a unique way.

As discussed in chapter 2, Marx referred to labour-power as a “special” commodity that is embodied in human beings. By referring to labour-power as a “special” commodity (that is found in humans who have to exchange or sell it on the labour market to subsist), Marx recognised the quasi-commodity character of labour. Scholars to follow, such as Polanyi, refer to labour (and land and money) as a fictitious commodity. To be sure, labour is unique as a commodity because, as Picchio (1992:13) writes, “other commodities do not subsist, they exist; they do not die, they are either consumed or destroyed; they are not born but they are produced. Last but not least, they do not acquire habits and tastes and are not politically active”.

The very act of subsisting has enormous significance for narratives on wages, which is obscured when labour is treated like any other commodity. By recounting these versions on wages offered by Marx, Smith, Ricardo, and heterodox MW scholars, the notion of labour as a fictitious commodity is reinforced, which in effect contrasts with neo-classical economics’ version of labour as a pure commodity, like other commodities produced for sale on the market.

It is important for a discussion on statutory wages to appreciate the implications of a commodified view of labour. By commodifying labour, neoclassical economics not only reduces capitalist relations of production to quantitative relationships, between units of capital and units of labour, which informs the idea that wages represent the true worth of workers. A commodified notion of labour also de-politicises capitalist relations of production and wealth distribution. Importantly, a commodified notion of labour and a conceptual separation of the politics of capitalist production from ideas about wages, prevents discussion and debate on wages in general and low wages in particular as:

(a) expressions and representations of prevailing social values and beliefs on low waged work and the workers who are employed in such jobs, thereby obscuring the notion of wages as (b) a living, enabling low waged workers to earn a decent living and live dignified lives. Of interest to the inquiry, given the two aforementioned points that arise about the AMW and social reproduction from agrarian labour's perspective, centres on the material changes to workers' capacity to subsist, and hence replenish their capacity to labour on subsequent days.

As the data in this research will reveal, for agrarian labour with a history of institutionalised low wages, the AMW tended to have mixed outcomes as a conversion factor in terms of enabling low-waged agrarian workers and their families to expand their material resource base and enhance their standards of living. On the one hand, a segment of workers reported improvements to their purchasing and saving capacities, as their wages increased after the AMW was introduced. More permanent workers reported on this outcome, although a few seasonal workers had similar responses. However, in the same breath, these workers raised concerns, reservations and objections to the low level of the prescribed rates which prevented them from making fundamental changes to their quality of life. This response appears to be time-bound, as it emerges in the 2004 SD focus group interviews and in the 2006, and to some extent 2007, in-depth interviews – hence, in years soon after the implementation of the AMW, which was in 2003. On the other hand, and in terms of the larger sample of the SD 13 Survey, the vast majority of the 501 workers, and workers who participated in the in-depth interviews, regarded the AMW as limited and weak, because agrarian wages were not sufficient for them to subsist, to comprehensively meet their basic needs, and to set funds aside for their retirement or for emergencies. In short, the AMW was inadequate and weak in terms of enabling workers to improve the standards and quality of life.

It is noteworthy that a marginal number of workers (totalling 39), translating to 7.78 per cent of workers, in the 14 to 17 and 18-35 age ranges, in the SD 13 Survey sample of 501 workers, said that the AMW was sufficient for their needs. This suggests that young people or youth, without other responsibilities, may derive more value from low AMW rates, compared to adult and older workers. Yet, the vast majority, 462 or nearly 93 per cent of the respondents, across all age groups, said that the AMW was inadequate to meet their needs and the needs of their families. In addition, the overwhelming majority of workers in the in-depth interviews said the AMW was not

sufficient to meet their needs comprehensively. In the light of workers' accounts of the stretch of their wages, it is argued that, while the AMW (set out in SD 8 and SD 13), increased agrarian wages, it lacks the power to cover the full cost of sustaining labour at adequate levels and, as shown in the preceding section, at dignified, decent and comfortable living standards. As such, it is argued that the low prescribed rates of the AMW weakens its potential as a conversion factor in expanding the material base of agrarian labour, beyond the basic level.

Final but vital points need to be made before engaging with the data, in particular about the level of agrarian wages in relation to prescribed rates when assessing the conversion factor of the AMW and the purchasing power of workers. In this regard, a distinction must be made between the actual wage workers earned and the mandatory wage in a given cycle. This distinction is important to note in the search to understand the link between workers' wages, prescribed wage rates, and the level of social reproduction of agrarian labour. This is so because agrarian wages may be below or above the mandatory rates; that is, not all workers will be or are paid the prescribed rates. Hence, in such cases, it is not possible to speak about the direct link between the prescribed wage rate and the outcome on workers' level of social reproduction. Where wages are below prescribed rates, caution must be exercised with respect to problematising the relationship between the agricultural minimum wage and workers' social reproduction.

At best, in cases where wages are below the prescribed rates, analysis has to take into account extant or actual wages, in the presence of mandatory settings, in assessing outcomes on the level of workers' social reproduction. This is not to suggest that there is no link between prescribed wage rates and the actual wage earned by workers. On the contrary, as will be gleaned from chapter 12, the majority of workers reported a rise in wages in the post-AMW era, even if the rates were below the mandatory wage, thereby demonstrating the positive outcome of statutory wage settings in pushing wages upwards. The outcome of the AMW as a conversion factor in enhancing agrarian labour's purchasing power and overall social reproduction may be assessed in relation to the wage shifts that unfold when there are changes in the prescribed rates. In other words, the conversion factor of the AMW at the site of social reproduction of labour can only be assessed at broad levels, and only through knowledge of actual wages. Subsequently, the uprating mechanism and the value of the AMW in relation to the cost of living become relevant points of research and debate.

Compliance with statutory wages is a subject of focus in chapters 12, 13 and 14. For the purpose of the discussion here, which is concerned with the outcome of the AMW on workers' purchasing power and overall social reproduction, it is important to recognise that agrarian wages increased with the introduction of statutory wages. Hence, it is possible to explore the purchasing power of both actual wages and the AMW rates, thereby allowing analysis of the overall conversion factor of statutory wages for agrarian labour in improving living standards. In this research, the shifts in wages (or wage movements) with the inception of mandatory wages is used to engage with workers' purchasing capacity, with the qualification that statutory wages had/have an influence in employers' decision on the wage levels they paid their workers.

Table 8.3: Amount spent on essentials

Amount in Rand	Groceries	Clothing	Furniture
100-400	178	158	149
401-700	226	28	65
701-900	45	8	10
901-1100	27	2	3
1101-1500	25	1	3
Total	501	197	230

Source: SD 13 Survey.

With this backdrop, the discussion begins with a presentation of the consumption patterns and levels of interviewees, followed by workers' views and impressions of the AMW in meeting and securing food and other provisions. The tables below depict what agrarian wages were used for, and the amount/s spent on essential provisions, for workers who participated in the SD 13 Survey. As the table below (Table 8.3) displays, agrarian wages were spent on three main items essential to subsistence, those being groceries, furniture and clothing. After groceries, which were purchased by all workers, furniture was the most widely purchased item in the SD research sample. Of the 501 respondents, 230 or 46 per cent used their wages to pay furniture accounts, whilst 197 (or 39.32 per cent) of workers spent a portion of their wages on clothing.

The expenditure on groceries and food concentrated in the R401.00 to R700.00 a month range, with 35 per cent of the sample surviving on less than R500.00 worth of groceries. Expenditure on clothing and furniture involve invariably paying off accounts to stores on a monthly basis. The vast majority of the 501 workers spent R900.00 and less per month at the time of the interviews (2010 to 2014), on groceries. This situation

affected 449 workers, or 89.62 per cent of the sample, while 52 (or 10.37 per cent of workers) purchased food and groceries for R901 to R1500.00 a month. From the empirical data, it is clear that agrarian wages were used to meet the basic and essential needs. Because of this, greater scrutiny is required of the AMW settings, as agrarian employers invariably use the settings to determine the wages they pay.

Another set of products on which workers spent their wages covered insurance and burial services. From the table below (Table 8.4), it is gleaned that, of the 501 workers in the SD 13 Survey, 135 (representing 27 per cent of the sample) contributed a portion of their wages to either a funeral policy, a saving scheme, or a life cover policy. The vast majority of workers in the sample, constituting 73 per cent, therefore, did not have a saving or security plan, and this may be indicative of the inability of agrarian wages in securing financial safety nets.

Table 8.4: Amount spent on insurance

Amount in Rand	Funeral Policies	Savings	Life Cover
100	78	8	2
101- 200	19	7	1
201-300	5	5	3
301-600	--	6	--
1401-1500	--	1	--
Total	102	27	6

Source: SD 13 Survey.

As the table shows, of the 135 workers who contributed towards a future plan, the overwhelming majority (102), or 20.39 per cent of workers, had funeral policies, followed at a distance by 5.38 per cent of workers (27) who reported on saving schemes and a mere 1.19 per cent of workers who had life cover policies. At a broad level, a disjuncture is discerned between investing for retirement and paying for funeral services, in that a greater portion of agrarian wages, in the sample, went to burial arrangements compared to securing finances for retirement.

Workers in the SD 13 Survey, and in the in-depth interviews, rarely contributed to a pension scheme or provident fund that caters for their and their families' requirements upon retirement or death; in the latter event, workers' families will be without income. For example, among the 32 workers who were interviewed in 2006 and 2007, a mere four, or 12.5 per cent of workers, were contributors to an enterprise-based pension fund, whereby the employer and employee jointly contribute to the scheme. For such workers, the employer contributes an amount that either matches or is lower than the

workers' contribution. A workers' contribution is the amount deducted from their wages each month, which is paid over into the fund together with employers' contribution. Likewise, among the 501 workers in the SD 13 Survey, a mere 44, or 8.78 per cent of workers, were part of an enterprise scheme to which they made monetary contributions each month. Monthly deductions from the 44 workers' wages ranged from R38.00 to R200.00 per month as contributions to the pension fund. None of the workers interviewed in 2011 and 2012 contributed to a pension scheme.

Of note in the data are (a) sub-sector dynamics in the provision of enterprise-based pension funds, (b) the gendered pattern that characterised the provision of such benefits, and (c) the nature of workers' employment contract with the employer. Of the 44 workers, 34 were employed in the animal husbandry sub-sector, of whom 28 were men with six women. All 34 workers were on permanent contracts of employment. Fewer workers in horticulture, only 10, reported being part of an enterprise pension fund. This reflects sub-sector variations in the provision of such schemes, whereby more animal husbandry production sites compared to enterprises in horticulture provide this measure, albeit for a select few. Like the animal husbandry sub-sector, the 10 workers in horticultural enterprises were on permanent contracts of employment, comprising nine men and a single woman. It is noteworthy that the 10 workers in the horticultural sub-sector were employed in primary agriculture, meaning that they worked in fruit orchards and vegetable fields, mainly in the citrus, pineapple and vegetable sub-sectors. In terms of this research sample, of interest therefore is that none of the workers employed in citrus pack-houses had the safety of a pension fund.

Nonetheless, the fact that only 48 workers, or an insignificant 8.89 per cent of workers across the intensive and extensive interviews, had a pension plan means that the vast majority of workers in the intensive and extensive data sets did not have financial safety nets⁵¹. This, in turn, means that the majority of workers in the sample had no financial security when they retire, or if they are dismissed or retrenched. Consequently, such workers have to rely on state grants, such as old-age grants or child support grants, thereby demonstrating the social cost of low agrarian wages on the tax system.

⁵¹ The Department of Labour at times has been investigating the establishment of a pension fund for the agricultural sector (Notes from Meeting with Mr Nkalipi Director: Labour Relations Directorate, held in 2013 in Grahamstown).

Two noteworthy features, therefore, surface when the data in tables 8.3 and 8.4 is considered together. The first is that agrarian wages were used, mostly, to secure the basic and essential needs entailing food, furniture, and clothing, followed by payments for funeral policies. This means that agrarian wages were able to secure partial needs, falling short of covering the full costs of agrarian labour and their house-holds. The second feature is the low monetary value spent on procuring the essentials. This meant that workers were not only constrained to comprehensively meet their basic/essential requirements, as the figures in the tables show that they used meagre amounts to procure goods and services, because of their low wages. Agrarian labour in the sample, consequently, retained its weak purchasing power, although agrarian wages have lifted with the wake of the AMW. Cumulatively, the data is indicative of an overall crisis in agrarian social reproduction that is vividly illustrated in workers' narratives, to follow later in the section.

As mentioned above, workers had mixed responses to the AMW, noting that, while it improved their purchasing power to an extent, it was simultaneously inadequate to comprehensively meet their needs. As pointed out earlier, several workers who were interviewed in the 2004 focus group interviews and in the 2006 and 2007 in-depth interviews reported greater improvements in their purchasing and saving capacities after the AMW came into effect, compared to workers who were interviewed between 2010 and 2014. More research is needed to determine the precise reasons for such differences. However, tentative reasons may include the level of the actual wage earned, and workers' own habits and customary practices with regard to spending and purchasing, as well as the cost of commodities linked to inflation. However, for the purpose of this study, the salient point is that, despite a percentage of workers confirming improvements in purchasing and saving capacities, the ubiquitous impression is that the AMW was too low to comprehensively meet essential aspects pertaining to the social reproduction of labour.

The AMW rates, to recall from chapter 5, were set at differential rates for areas classified as A and B, between 1 March 2003 and the end of February 2008, after which a single wage system applied from 1 March 2008. Under the two-tier system the monthly AMW rate, between 1 March 2004 and end February 2005, for Area A was R871.00 and R713.00 for Area B. The monthly wage in March 2006 to February 2007 was R994 and for Area B the mandatory wage was R885. In the March 2007 to

February 2008 cycle, the monthly wage for Area A increased to R1041, and the monthly wage in Area B rose to R989.

In 2006, at the time of the interview, Nomusa (6 May 2006) a permanent worker on a vegetable farm (in Area B), who earned roughly R760.00 per month, said that “in the past, I was unable to save money because the wages I was getting were too low”. Another worker on a permanent contract of employment on another horticultural farm (Area A), who reported positive financial outcomes and an expansion of purchasing power stemming from the AMW, is Sylvia (11 August 2007), whose estimated monthly wage was R800 per month. She said that after the first AMW was introduced, “we are able to save money in our banks; we are also able to buy more food and pay our accounts”. (Sylvia 11 August 2007).

In a similar vein, Mandile (6 May 2006), who also worked on a vegetable farm (Area B), on a permanent contract, and earned R1100 per month at the time of being interviewed, said that “at least now I am able to buy the things that I want”. Nelson (6 May 2006), on a permanent contract on a dairy farm (Area B), said that “I could say yes that the [AMW] has improved conditions, because since the sectoral determination was introduced, I am able to buy things. But I think it is not enough, the government should increase the minimum wage”. At the time of the interview, Nelson (6 May 2006) was earning R1300.15 per month, when the AMW was R994 per month in Area B.

Similarly, Maria (12 June 2007), who was employed on a permanent basis on a game farm in Area B, spoke of increasing her buying power in the post-AMW years because she was able to open accounts with clothing and furniture retailers. Opening accounts and paying monthly installments to clothing and furniture stores is a common practice among agrarian workers. When Maria (12 June 2007) was asked if she was able to buy more things now with her wages after the AMW, she responded “yes, ... because I can open accounts now, before I was not able to open accounts”. In these cases, the AMW enhanced/enhances workers’ capacity to acquire goods on credit, which were previously denied to them.

The ability to buy on credit, on the one hand, signals a positive outcome of the AMW; but, on the other hand, it reflects the inability of the AMW to allow workers to pay for goods in full. This also means that workers use their meagre wages to service the debt that they took on in order to finance much needed basic resources, such as clothing and household furniture. Consequently, even with the increase in wages, workers had no funds left after servicing their debt. This meant as well that they were often not in a

position to save. Maria (12 June 2007), who earned R1300.00 in 2007, captured this trap as follows: “After paying my accounts, I have nothing left. I have no money left to save. I also don’t think the AMW is enough to meet all my needs”.

The shortcomings of the AMW lie in the low initial and subsequent rates combined with the low rates of agrarian wages before its inception. Given the low levels of agrarian wages, before the introduction of the AMW, even the low prescribed rates brought much relief to workers, especially those who earned extremely low wages. The simultaneous strength and weakness of the rise in agrarian wages and the prescribed rates is captured by Khanyiso (16 October 2004), who worked on a livestock farm in the Carlisle Bridge area, in the following:

The MW has changed lives ... It is better now ... when you get better wages, you can do a lot of things yourselves. You can take the money and visit the doctor. When we were paid less, and getting only ration, we couldn’t have money to see the doctor ... But is it enough? No, we need more [wages] ... I think farm workers should earn R1200 a month.

The farm that Khanyiso (16 October 2004) worked on was classified as Area A, so he was paid the prescribed monthly wage for the March 2004-February 2005 cycle, at the time of the interview, which was R871 per month. Nonetheless, Khanyiso (16 October 2004) provides a stark picture of the role the AMW played in securing critical aspects for survival and well-being, as in obtaining medical services, despite the low settings. In these contexts, where workers were unable to afford the most basic of services, the significance of the AMW cannot be underestimated. Yet, workers readily conceded the limitations of the wages they earned, even when they earned the prescribed rates, as did Khanyiso (16 October 2004), at the time of the interview.

The above sketch of workers’ accounts of their purchasing capacity, since the introduction of statutory wages, reveals a complex and uneven outcome regarding the link between social reproduction and the AMW. The complex and uneven outcome is typified in their narratives on wage increases allowing them to expand material expenses. However, in the same breath, workers often spoke of the inadequacies of the wage increases, occasioned by statutory wage settings, to comprehensively enable them to meet basic and essential levels of subsistence. The uneven and complex outcome of statutory wage fixing, on actual wages earned and the purchasing power of agrarian labour, is further highlighted by workers who expressed no changes to their purchasing power, and spoke about tougher times in making ends meet, with agrarian wages which fell behind commodity prices and their increases.

James (12 June 2007), who was employed on a casual contract of employment on a vegetable farm in Area B, spoke of the inability and limitations with the wages he earned to satisfy his needs. At the time of the interview, James (12 June 2007) earned roughly between R660 and R720 per month, and he succinctly explains the dilemma of low statutory wage settings for large segments of agrarian labour:

We can't save money because things are very expensive now. Everything is expensive, paraffin ... everything. No, we can't increase our food supplies. We are oppressed now ... Eish, I don't know how to put it so that you could understand.

For James (12 June 2007), oppression was identified with a devalued wage considering the rise in the cost of living, although it must be borne in mind that he was paid sub-minimum wages at the time of the interview. He should have earned R989 per month, but received around R700 per month. Despite this, James's (12 June 2007) explanation, in conjunction with other workers' narratives on the inadequacy of the prescribed rates in respective years, provides important insights on the devalued status of both actual wages and the AMW. James (12 June 2007) explains:

Look in the past. We used to get very low wages, but things were also cheap, so you couldn't feel the pressure. Now that farm workers are earning high wages, things are also expensive. So, getting a high wage doesn't mean your life will improve because things are just too expensive out there. What you buy depends entirely on how much you have and what you can afford. We can't afford anything with the peanuts that we are earning.

The overwhelming majority of workers in the subsequent in-depth interviews, and in the SD 13 Survey, spoke of similar experiences as James (12 June 2007) and the inability of the AMW to comprehensively cover their needs and that of their families and dependents. This was the dominant theme to emerge from the in-depth interviews in the citrus sub-sector, even when wages were raised as the AMW rates were increased in subsequent cycles. With the single AMW system, the prescribed monthly wage, in the March 2012 to February 2013 cycle, was R1 500, and the weekly wage was R347.10. Despite the actual rise in wages, wrought on by the uprated prescribed rates, workers' wages were still used strictly for subsistence. For example, Patrick (12 August 2012), employed on a casual contract on a citrus farm in the Fort Beaufort area to prune citrus trees, said that he "normally [is paid] R700.00, but sometimes I get R600.00" fortnightly. In some cases, Patrick (12 August 2012) would earn above the weekly rate and in other instances he would earn below the rates. Nevertheless, Patrick (12 August 2012) used his wages as follows: "[f]urniture instalment, buy food

for my family and buy groceries for my mother. Most of the money is spent on food. My food consumption stays the same, even though wages increase. I don't see any difference at all".

Mzi (12 August 2012), who worked in a citrus pack-house in the Fort Beaufort area, and who earned R690 a fortnight, echoed the above, in saying that "[f]ood prices are very high these days. In other words, I try to strike a balance. All in all, the money that I get paid is far too less to keep up with food prices". In the same vein, Zanele (18 August 2012), who also earned R690 per fortnight for her labour on the citrus farm, felt that "[t]he wage increases are very minimal; whereas food prices increase drastically, so at the end of the day I cannot afford to buy more food". Zanele's (18 August 2012) interview also exposes the lack of financial security and resilience among low-waged agrarian labour often lacking in sufficient reserves. She explained:

I'll be earning a full wage of R690.00 during the coming fortnight, which is next week. Therefore, I think I am going to take R400.00 and buy clothes and pay my child's school fees with R200.00. There'll be nothing left. All of it will be finished.

The above accounts from workers on how far their wage stretched in securing the basic needs strongly reflects a devalued AMW, and/or the actual wages earned, as prescribed rates are marginally increased. This makes it difficult, indeed impossible, for workers to afford the necessary commodities on their wages. Worker after worker continued to speak of the inadequacies of the wage that were (are) compounded by other structural obstacles in the agricultural sector. For example, Patricia (11 August 2012), who supported 10 family members on her wage, draws attention to the continuation of worker dependency on employers to make provisions available, due to the lack of retailers within close proximity to workers. As a seasonal worker on a citrus farm, Patricia (11 August 2012) earned R700 a fortnight, "but it does decrease if I have bought something on credit from the farmer's shop on the farm. Say for example, if I bought airtime". She elaborates, below, on the negative financial consequences of workers' dependency and indebtedness to employers that in turn compromises workers' overall quality of life. In Patricia's (11 August 2012) words:

I cannot afford to buy other necessities. If I had bought things on credit [from the employer] I would obviously earn far less than my normal wage. Say for example, if I've earned R500 after deductions and payment of my debt at his [employer's] grocery store, I would take R100 and buy maize meal, put aside R200 for my child's school necessities, buy electricity with R100 – I would end up not getting everything that I would normally have gotten had I received the whole fortnights' wages. However, even then, I always struggle to get

everything for my household; as a result, soon after pay day, I am forced to go back to the employer and take certain food stuffs on credit to supplement what I managed to buy with my wages.

The data thus far presented reveals the chronic limitations of agrarian wages in securing workers' subsistence levels. This, in turn, has profound implications for low-waged households, communities and the state, all of which may be forced to step in to act as a buffer against starvation and death.

In this light and following in the tradition of the Webbs and heterodox economists, it is argued that low agrarian wages that fail to meet all of labour's costs, essential for subsistence, represent a social cost that is passed from agrarian capital, along commodity value chains from producer to retailer and consumer (and not just the immediate and direct employer), to others – including low-waged workers, their families, poor working-class communities and society at large. The provision of various forms of support by low-waged households, poor working-class communities and the state, towards the survival and subsistence of low-waged workers, as discussed in chapter 2, represents the different ways in which agrarian employers are subsidised, that in turn allowed (and still does allow) them to continue paying low-wages. The fact that agrarian wages often do not meet all the needs of agrarian workers and their families, means that employers do not bear the full cost of labour, forcing poor workers to rely on state grants or community and family support. In this way, these support structures subsidise low-paying agrarian employers.

Consequent to the low wages they received, workers in the sample relied on state funded grants and saving groups to supplement income. State funded grants and saving groups, therefore, were the safety nets that workers drew on for social reproduction. The social cost of low wages manifests in the various social grants made available to indigent citizens with revenue collected through the tax system. Examples include a child support grant and an old-age grant. Patricia (11 August 2012), together with other low-waged and indigent workers and households in South Africa, qualify for state child support grants to cover the costs of children up to the age of 18 years. For each qualifying child, parents receive R380 per month, in 2018. This subsidisation forms a critical and vital source of income for households, providing low-waged parents with some, although limited, measures to cater for their children. In this regard: "I buy clothes with the child support grant money", said Patricia (11 August 2012).

Sofia (18 August 2012) related similar pressures and spoke of her attempts to bolster her financial resources. As mentioned earlier, a vital life-line and safety net for agrarian

workers are saving groups. In this regard, when asked if she was able to save money, Sofia (18 August 2012) said “I save some of my wages in the club”. The “club” is a reference to a group of people who combine to save money, which is distributed to members in accordance with agreed upon rules. These clubs are commonly known as stokvels in the South African context and are saving clubs that act as local/community banks, in poverty-stricken areas. In Sofia’s (18 August 2012) club, the money saved during the year is shared among members at the end of the year: “We get R4000.00-R5000.00 per person”, she added. In other stokvels, workers’ pay-outs are rotated among the contributors, meaning that one member will receive a lump-sum of money in a particular cycle, and another will be the recipient in the following cycle, and so on. The stokvel plays a critical role, in that they allow workers to expand their purchasing power, albeit temporarily, but they do offer a measure of safety for workers⁵².

However, contributing to the stokvel or saving club is not always easy and possible with agrarian wages. For her labour as a seasonal worker on the citrus farm, Sofia (18 August 2012) is paid “R730.00 per fortnight” which was insufficient for her to save and meet the household needs: “I don’t buy any groceries when I have to put money away for savings”, she said. Sofia explained the difficulties with saving and satisfying household social reproduction on her wage, in the following way:

We [saving club] save one thousand per individual every month. I must combine my wages for two fortnights in order to come up with this R1000. Sometimes I also take my child’s R280 social grant to get the R1000 at the end of the month. This is not easy because sometimes I don’t buy groceries and, if this happens, my mother would have no choice but to go to the loans sharks to borrow money for food⁵³.

The above accounts provide graphic pictures of the hardships agrarian labour endured and continue to endure. Agrarian wages were so low that they both restricted workers’ purchasing power and compelled them to rely on the state and their own networks within their communities to subsist. On the whole, the consumption patterns and levels of agrarian labour in this research tell a tale of difficulties and challenges to secure an existence beyond material and basic items. Agrarian labour continued to live under such conditions at the time of writing, as borne out by workers’ narratives, above. There are clear indications that the AMW and the actual wages were devalued in the context of the costs associated with the social reproduction of labour. This is gleaned

⁵² ECARP reports on stockvels illustrate the significance of such schemes to workers and their families. There is a clear gender dimension to stokvels, as they tend to concentrate among women workers with few men participants.

⁵³ The child support grant in 2012 was R280.00.

from the BFAP's calculations on variances between the prescribed AMW rates and the estimates of a decent wage that affords the minimum level of living, at the very least (see Chapter 5). The inadequacy of the AMW and its weak conversion factor is well established and is vividly displayed in the wage settings that followed the 2012/13 farm worker revolt against low wages. As discussed in chapter 5, in 2013, following the De Doorns wage revolt, the monthly AMW was uprated to R2 273.52, representing a R769.62 increase from the 2012 rate.

Despite this wage hike, the AMW settings remained significantly below the basic living wage calculated at R7 074 by the BFAP. Subsequent hikes were also low, translating to wages below this level. The monthly 2018 AMW is R3 169.19, which continues to lag behind the 2013 BFAP calculations. In addition, the 2018 prescribed rates are below the minimum living level estimated to be R6 000 for a family of four to meet household essentials, at 2018 values. The historical low settings of the prescribed AMW, and the significant gap between these and the different estimates for households to meet the minimum living levels, is considerable, and indicative of the devalued status of prescribed rates. The devaluation of the AMW, over the years since its inception, raises critical questions on how statutory wages are conceptualised, what significance is attached to state wage settings in relation to macro-economic objectives and goals, and the uprating mechanisms. At fundamental levels, the low AMW reflects the devaluation of agrarian labour power. In this respect, it is argued that the initial and subsequent AMW settings, and wages paid to agrarian labour, do not resonate with the subsistence notion of wages as espoused by Smith, Ricardo and Marx. Instead, the AMW levels are more appropriately reflections of the low-waged neoclassical economics doctrine.

The testimonies from workers are clear evidence that the AMW is devalued in the face of the rising cost of living. One conclusion, based on the research data, is that, at an aggregate level, the collective insecurities of agrarian labour have been exacerbated and expanded under uneven neoliberal restructuring. Pre-existing conditions, intermingling with new forces and pressures wrought on by neoliberal regulatory shifts, produce various intensities and states of depressed living conditions among agrarian labour. The depressed state and status of agrarian workers' abilities to access essential areas of the social reproduction of labour portray conditions reflective of sweating and has major implications for the health and well-being of agrarian workers, as well as their abilities to execute tasks and meet production targets.

This raises critical questions on the relationship of the AMW to agrarian labour's overall position in the labour market, in terms of conditions shaping labour supply and demand. The data on the standards of living and overall quality of life of workers, in this research sample, clearly show the desperate and precarious lives of workers employed in the sector. In this light, the following challenge that Levin-Waldman (2004:146-147) poses to opponents of MW is relevant. Opponents must explain why the MW is

specifically, bad for them. This might then require engaging in a discussion of why their concerns, that is, their desire not to have labour costs eat into profits, should take priority over the rights of workers to earn a liveable wage. To have this discussion would entail raising the policy discussion to a more philosophical plane ... Reliance on the model, or we should say seeking refuge behind the orthodoxy, has effectively absolved individuals and interests of their responsibility to engage in this level of discussion.

The above opens discussions on statutory wages much wider than the neoclassical economics' model on wages, encompassing a profoundly moral aspect. As Wood (1997) argues, debates about the MW forces itself into the "public consciousness" raising moral questions and issues about its significance. Approaching a MW from a moral stance encourages searching questions related to wages as representations of a living wage; and, from a Marxist perspective, a moral grounding of wages is central to democratic values and principles of equality and fairness in society, taking into consideration the class-based character of production, valorisation and exploitation. Equally crucial and related, a shift from the neoclassical version of MW policies and a firm grounding in the moral dimensions of wages, facilitates a de-commodified notion of labour and a profound appreciation of the intensely political character of capitalist relations of production, and the unequal exchange in the labour market and labour process between capital and labour. Yet, it is important to bear in mind that, in a Marxist paradigm, MW policies are concerned with matters relating to labour power; they do not address the value of labour, hence exploitation of workers in the creation of surplus value or profits.

Nonetheless, failure to recognise the politics of capitalist production, ultimately stifles debate on the social costs of low agrarian wages and the subsidisation of low-waged agrarian employers by others, as explained above, who are compelled to support workers' subsistence. Setting the subject matter in this frame, makes it possible to recognise that the drivers of expanding insecurities among low-waged agrarian labour lie with the structure and relations of production and distribution. These are the drivers

that shape the jobs on offer in the local labour market, which in turn shape the nature and level of the expanded social reproduction of labour. Ultimately, a commodified notion of labour obscures class conflict and inequalities, and it projects the belief in a self-regulating market where labour supply and demand move towards equilibrium. The impossibility of self-regulating labour markets comes through starkly in the South African context where race, class and gender fused in various ways and degrees across the countryside. This creates a profoundly unequal and brutal racial agrarian productive system, which has far reaching consequences for agrarian labour's social reproduction.

Recognition that labour as a true commodity is fictional, broadens thinking and inquiry into the significance of statutory wage setting mechanisms and labour market interventions for agrarian labour in post-apartheid South Africa (and enables wider and deeper inquiries into labour market transformation). In other words, reflecting on the socio-economic and political conditions encouraging the sale and purchase of labour power and the growth of low wages, enables an appreciation of the significance of the AMW for agrarian labour and the agrarian labour market, in the context of workers' meeting and satisfying their material needs, habits and tastes – crucial qualities that set labour apart from true commodities.

8.6 CONCLUSION

This chapter provides a snapshot of labour supply factors in the research sample with the advent of the AMW. It dealt with various aspects of the expanded social reproduction of labour, such as educational qualifications, quality of living conditions, and consumption patterns and levels of workers. In the main, the data exposes a crisis in agrarian labour's social reproduction, in the sample, that strongly suggests a devaluation of agrarian labour power. Ultimately, this means that agrarian labour in the sample earned wages that provided for the bare essentials and not much else.

The chapter demonstrated the chronic lack of decent and proper housing and basic services to farm workers participating in the local agricultural labour market, as key indicators of the weak conversion ability of the AMW at the level of agrarian labour's social reproduction. On- and off-farm living for workers assumed sub-sector differences, whereby the majority of workers in animal husbandry had spatially bonded sites of production and social reproduction, contrasting with workers in horticulture who generally tended to live off the place of employment. Although workers living off

the sites of production may have had access to better services, they shared the poor living conditions and standards as their counterparts who lived at the place of employment. The devalued status of AMW surfaced strongly in the interviews with workers, who said that their wages did not stretch wide enough to meet household and family needs. In many ways, the outcomes of the AMW at the sites of production and social reproduction are centrally linked to pre-existing structures, relations and conditions, thereby making it possible for much continuity with the past agricultural labour market to re-surface.

The AMW, in its current form, does not have the power to transform the historical legacy in the low levels or standards in the social reproduction of agrarian labour; neither does it have the power to avoid the continuation and exacerbation of the crisis in the social reproduction of labour, typified in the sub-standard housing for the vast majority of workers and the inability of agrarian wages to secure the means of subsistence. The rates are set at significantly low levels, devaluing the wage and constraining workers' capacities to enhance the quality of life. In this regard, it may be argued that a disjuncture, therefore, is present in the outcomes of neoliberal agrarian restructuring in the agrarian labour market (Naidoo 2011a, 2011b). For, on the one hand, the state moved to set out clear regulations and standards pertaining to the site of production and labour relations; on the other hand, there are weak mandatory regulations on housing and living conditions for agrarian labour, as is evident from the data on the absence of widespread delivery and provision of housing and amenities for agrarian labour living on farms or off farms. The overall conclusion, therefore, is that the AMW has a weak conversion factor, in so far as the social reproduction of agrarian labour is concerned, as it has thus far failed to expand the levels and standards of agrarian labour's social reproduction. In this light, therefore, the AMW in the context of this research sample, is a reflection of the low-waged neoclassical economics doctrine, contrasting with the subsistence idea of wages imagined by classical political economy, and Marx.

The findings in this research, on the implications of the AMW for actual wages show the mixed and uneven outcome for workers' socio-economic conditions and states – while wages have increased, workers felt the prescribed rates were too low and were unable to satisfy all their essential needs. In light of workers' narratives on purchasing capacity after AMW adjustments, the shifts in pre-existing and subsequent wage levels and in AMW settings deserve more attention, and rigorous debate and thought, in

order to strengthen understandings and theories on the roles that statutory wage settings and associated uprating mechanisms perform and ought to perform in the future. Much of this type of work requires empirically generated data on the dynamics in local agricultural labour markets and in agricultural labour processes. In this process, it becomes increasingly important to juxtapose the subsistence notion of wages with the neoclassical economics low-waged doctrine, so as to fully comprehend the implications of the latter position for society and economy at large. A deeper appreciation of the chronic problems of low agrarian wages, in relation to the social reproduction of labour and in relation to the unequal exchange between labour and capital, is obtained when attention turns to the nature of work and the execution of tasks in agricultural labour processes. The nature of work and a breakdown of tasks in the respective agricultural labour processes is the subject of focus in chapter 9. The data presented in chapter 9, reinforces the call that future rigorous work is required in unpacking and deepening discourses on the AMW and its relationship to agrarian labour's social reproduction in light of the nature of work, and in light of the value that agrarian labour creates for agrarian capital.

CHAPTER NINE

AGRICULTURAL MINIMUM WAGE AND OBJECTIVE CONDITIONS OF LABOUR

9.1 INTRODUCTION

The previous two chapters focussed on the conditions or terrain in which agricultural labour power was bought and sold on the local labour market – that is, the conditions of agrarian labour supply and demand and the conditions that sustain the low-waged local agricultural labour market in the research sites. In chapter 8, a snapshot was presented of workers' overall quality of life, where the inadequacies of agrarian wages and the AMW settings in securing the full costs of labour's subsistence was the dominant trend in the data. Chapter 7 dealt with employment patterns, including employment contracts, duration of employment and the length of the working day. The employment data, and data on the social reproduction of labour, as discussed in chapters 6 and 7, draw attention to the type of tasks that workers executed, the positions that workers occupied in the labour process, and the conditions under which they expended their labour in exchange for the wage they received. This chapter, therefore, sets the context for the profile of wages in chapters 12 to 14, and sets the tone broadly for appreciating the length of the working day and rate of production sketched in chapter 15.

Given the above outline, in this chapter, examination of the labour processes in the research sample is the priority, where analysis shifts to the nature of work and by extension to the working day and life of workers who were interviewed. As established in chapter 3, examination of labour and valorisation processes form a critical dimension in this study of statutory wages. Indeed, examination of labour processes is a core aspect of an economic sociology-based study of work and wages, for reasons set out in chapter 3. Analysis of low-waged agrarian labour processes is a core aspect of developing a political economy perspective on MW fixing. In this fame, a critical engagement with the AMW, to recap from chapter 3, cannot eschew agrarian labour processes and the way work is technically organised and executed. At one level, exploring the nature of work and technical division of labour sheds further light on the

demand for labour, thereby exposing the links between labour market configuration and demand for labour.

Both the labour market and the labour process harbour certain conditions conducive for the growth and institutionalisation of low wages, forcing the state to intervene in pay setting. Glimpses of this were provided in chapters 7 and 8, where the secondary and segmented employment conditions, and the penurious quality of life for workers in the sample, respectively, were dominant findings. The sites of production and social reproduction of labour, therefore, work in consort in shaping capital's propensities to pay low wages and workers' capacities to escape or challenge low wages. In addition, the site of production also provides low-waged employers with strategies to cope with or manage employment relationships when a MW and wider regulatory shifts are introduced.

While the labour market is the site in which labour power is bought and sold, the labour process is the site where labour power is converted to labour. As Marx (1967:537) points out, the capitalist does not meet labour in the marketplace, but the labourer – the person possessing labour capacity. The capitalist, therefore, sources labour power “in order to use it; and labour-power in use is labour itself” (Marx 1967:177). From this angle, this chapter focusses on the technical dimensions in the conversion of labour power into labour, paying attention to the nature of work and jobs, and it entails a description of the breakdown of work. Subsequently, chapter 10 examines the social relations of production and the management and regulation of labour in the respective labour processes in the research sample.

As outlined in chapters 2 and 3, the demand for labour is crucially embedded in the labour process where commodities and value are created to realise individual profits. Approaches to MW studies that incorporate and/or reflect a Marxist analysis of valorisation processes in concrete spatial and temporal contexts, not only distinguish themselves from approaches in neoclassical economics (and to a degree heterodox MW studies). They also enrich studies on statutory wages by broadening the inquiry into wages in general and statutory wages in particular, to seek out the generative mechanisms responsible for compelling state intervention in the setting of wages.

The labour process is a crucial indicator of the type of skills, competencies and knowledge of work, which informs capital's labour requirements, that in turn sheds light on types of employment on offer. However, exploring the technical composition of low-

waged labour processes is equally fundamental to a key theme raised in the heterodox labour market model's analysis of statutory wages. That theme is the social devaluation of both low-waged jobs *and* the workers who execute them. In this chapter, the nature of work is explored to portray the devalued status of agrarian work from the technical or material side of the labour process. Exploring the world of agrarian work in the sample allows for a deeper appreciation of the objective, structural and technical conditions of work, that workers in the sample executed, in relation to the AMW rates. This exercise facilitates an appreciation of the nature and quality of agrarian jobs, which in turn aids in framing the discussion on the social devaluation of agrarian work, at the technical or material level of work. The social devaluation of agrarian labour, it is argued, also encompasses social relations and conditions of agrarian production, which is dealt with in chapter 10. As such, to fully comprehend the social devaluation of agrarian work, both the technical aspects of work and the social relations of production must be considered.

When the data on the nature of work in the sample is considered, in relation to wages, the issues that heterodox labour market scholars raise with respect to wages, justice, democracy and equality, gain added impetus. Equally important and related to these questions and the notion of the social devaluation of low-waged workers and jobs, is the overall under-valuation of the contribution and value they add to society. At a certain level, the notion of wages in the public interest advocated by institutional economists, Veblen and Clarke, resonates with an analysis of low-waged labour processes, such as agriculture and food production and distribution – as work in the public interest that must be paid accordingly.

The labour process, therefore, is crucial for economic sociologists studying the AMW for several reasons. First, by understanding the nature of work at farm, or enterprise or pack-house level, data is shed on the extent to which the technical and social conditions in the valorisation processes, and the labour relations frame (to be discussed in chapter 11), not only shape employers' labour demand patterns, but also enable low-waged employers to ease into operations and continue production when a MW is introduced. In light of the technical dimensions of work that shape wages, low wages, contrary to the human capital logic school, cannot be attributed entirely to worker attributes and character traits, because employers play a major role in shaping work and skills composition through the jobs offered in local labour markets.

Both the technical aspects of the labour process, and the social relations of production, play major roles in shaping agrarian capital's labour demand requirements, based on the nature or type of work in the production of goods. In addition, pre-existing conditions in the labour process are important clues informing researchers about how low-waged employers continue hiring labour in the wake of statutory wage increases, thereby avoiding shedding labour, as shown in chapter 7 where negligible job losses were detected in the post-AMW era.

Technical factors of production cannot be eschewed from the social and subjective dimension of production, as the two share a symbiotic connection, conditioning and reconditioning each other, as changes unfold in labour and product markets. The technical and social conditions are important indicators of the possibilities and scope of statutory wages in igniting changes in low-waged and low-road productive systems. In this chapter, the focus is on the technical aspects of agricultural work in the different sub-sectors in the research sample, which have significant bearing on the discourse about the potential that statutory wages have on the way in which capitalist production is organised and how tasks are executed in the respective workplaces.

A sub-sector focus in the study of the AMW sheds light on the extent and nature of differentiation in labour processes stemming from the nature of the agricultural commodity under production. Agricultural production in animal husbandry and horticulture sectors entail a range of different products, as will be shown below. The variety of agricultural produce under production at a particular time and place may give rise to variegated production methods and social relations in the workplace, that in turn shape employment patterns as well as the terms and conditions of work, including the balance of forces. This set of factors combine to ultimately set the wage rate.

This leads to the second reason for why a focus on the nature of work and the labour processes across sub-sectors is crucial to the analysis of the implications of the AMW for agrarian labour. Sub-sector dynamics and differentiations caution against treating the agricultural sector as a homogenous mass that responds and relates to the AMW in uniform fashion. Natural and objective characteristics in the product itself fuse with the technical and social relations in the different valorisation processes, and with product market conditions; and all this combines to shape the variegated outcomes of the AMW on workers and employers. The variegated nature of work and employment relations between capital and labour encourages a deeper probe into the outcomes of statutory wages on agents in local labour markets. At the same time, excavating

beyond the surface layers of the AMW facilitates the expansion of the scope, areas of inquiry and factors of relevance to MW research, and this contributes to the development and strengthening of theories and analyses of mandatory wages.

The third and related reason as to why knowledge of labour processes is important for an engaging study of the AMW relates to problematising the 'impact' of the AMW with respect to the use of high- and low-road approaches in the valorisation processes. In other words, a keen insight into the nature of work and the organisation of labour processes in the different agricultural production sites, not only brings to the surface the variegated nature of the labour process in the agricultural sector, in turn showing why a differentiated AMW outcome on workers' employment patterns is to be expected. It also demonstrates the role that the nature of work plays in creating or inhibiting the adoption of high-road and low-road approaches. The extent to which shifts from a low- to a high-road were made in the period of the research needs to be unpacked at multiple levels that straddle the technical and social dimensions of the valorisation process.

Using this lens aids in teasing out the complexities associated with transforming low-road approaches into high-road valorisation processes. At the same time, exposing the nature of agrarian work allows for the combined and uneven application of low- and high-road approaches in labour processes to surface, and these in fact reflect the contradictory processes entailed in co-ordinating capitalist production, managing and directing labour, and marketing and distributing the produce, as set out in chapter 3. Recognising that capitalist production or labour processes are consequential to inherent contradictions within the overall system facilitates an appreciation of the combined and uneven deployment of low- and high-road approaches, based on enterprise and sub-sector dynamics. From a critical realist perspective, the combined and uneven application of low- and high-road approaches in production methods, marketing and distribution, and in managing labour, reflect the context in which labour processes occur, i.e., open systems where unevenness and contradictions are to be expected.

The fourth reason that analysis of labour processes and the technical aspects of work is important for MW studies is linked to arguments made in heterodox MW approaches about the social devaluation of low-waged work and the skills, competencies and knowledge of workers performing such work. Towards this end, this chapter attempts to provide deeper insight into the nature of work, skills and competencies of workers

so as to bring to the fore the very nature of work and tasks in the animal husbandry and horticultural labour processes in the study. As will be shown in the chapter, work on the farms, fields, orchards, and pack-houses was, by and large, arduous; in some instances, work was intense and fast paced and, in other settings, work was less rushed but stretched over a longer working day with irregular daily and weekly hours. Much about the nature of agricultural work and the skills, competencies and knowledge of workers in the local agricultural labour market of this study remain unexplored and understudied. Consequently, the study provides new and fresh information and data on the nature of labour and valorisation processes in the local agricultural labour market, thereby contributing to knowledge on the technical nature of agricultural work in the research sample in the Eastern Cape.

In the main, detailed and critical accounts of capitalist agricultural labour processes are largely absent in contemporary writings on South African agrarian labour, as the focus tends to be on land and tenure aspects of farm labour to the neglect of the context of valorisation under contemporary capitalism (for example, Wisborg *et al* 2013, Brandt 2016, Brandt and Ncapayi 2016). A bias towards land and tenure rights of agrarian labour arguably privileges aspects associated with the expanded social reproduction of labour over questions of labour conditions and jobs, and trends at the site of production where surplus value is created. It is argued here that, a fleeting consideration of agricultural labour processes and the nature of contemporary agricultural work, not only conceals the inherent class war and conflict of interests between workers and employers over wages and working conditions; it also merely serves to cement the under-recognition and near invisible contribution of tasks associated with food production and distribution make to humanity and societies.

An attempt at socially elevating agricultural work will contribute to undoing the socially devalued notion of work associated with the production and distribution of agricultural commodities and, in so doing, opens the dialogue on the combined significance and value of wages and work. On many important levels, the AMW provides the platform to ask probing questions about the nature of work and what capital requires of labour, against the wage that the former pays to the latter. In other words, the AMW provides the opportune platform/moment to ask questions about the level of wages in the context of the very nature of agricultural work and its contribution to society. To socially elevate agricultural work requires starting from the premise of the contribution such work makes to contemporary societies. The contribution and social use of agricultural

work cannot be overstated in the context of the discussion on AMW. Agricultural work is essential to human survival and sustenance by virtue of the fact that such work enables communities and societies to meet primary and secondary needs essential for their survival. This line of thinking has strong synergies with heterodox labour market scholars who pose critical questions on the depictions of wages in the context of work – that is, wages are not only reflections of price and subsistence, as wages are also reflections of values and norms associated with various types of work (Figart *et al* 2002, Peck 2000, Sachdev and Wilkinson 1998).

A deep and lucid engagement with the AMW will explore the ways in which work is executed and begins to expose conditions, relations and competencies prevailing in the production of agrarian goods and commodities necessary for humans. Through this exercise, the working experiences of, and demands made on, agrarian labour in the production of essential goods, such as food, begins to surface, enabling the development of approaches and theories of statutory wages couched in radical political economic perspectives. These points and areas of inquiry contribute to the development of ideas on the social devaluation/valuation of low-waged work and workers, forcing questions about the use and surplus value generated by labour, and about the social and public good of such labour in meeting human's needs. The process facilitates thinking and theorising on wages from a radical political economy perspective that stimulates reflections on wages as the price of labour as opposed to labour power, wages as meeting workers' needs and requirements, and wages as social values and norms associated with work and its contribution to society. In this context, this chapter provides essential data on the nature of agrarian work and working life which enhance notions of the devalued status of agrarian work, when discussing actual wages in the sample (in chapters 12 to 14). Equally significant, understanding the nature of work is crucial for appreciating the length of the working day and the rate of production in chapter 15, against the production of surplus value.

The following sections pick up these issues, with section 9.2 sketching the key tasks in each sub-sector in the research sample, to bring to the fore the social value of agricultural work and the contributions made by workers. The discussion incorporates a presentation of the nature of work, the working conditions, and the type of skills and expertise that workers possessed in the research sites. Section 9.2 sets the context for the discussion on the extent of shifts from low-to high-road approaches, which follows in section 9.3. Towards establishing migration from low- to high-road

strategies, section 9.3 assesses the extent to which shifts have occurred in relation to technical conditions and relations in the labour processes, where re-skilling and training, as key indicators of change in labour processes, are discussed. The aim of sections 9.2 and 9.3 is three-fold.

One aim is to bring to the fore the nature of work on farms and pack-houses in the sub-sectors in the research sample, that in turn aid in posing questions on the social value of agricultural work and on the value of agricultural skills and competencies of the workers who execute agricultural tasks. The second aim is to bring to the fore the complexities of, and unevenness in, the shifts from low-road to high-road approaches, and to show the combined deployment and co-existence of high- and low-road approaches in certain workplaces. The third aim is to problematise the potential and significance of the AMW in the transition from low- to high-road strategies, and from low-waged to high-waged agrarian workplaces.

Finally, the chapter examines the skills base and competencies of agrarian labour in the local labour market, which mirror national trends (see chapter 4, section 4.3.3). This is the case with reference to the dominance of menial and low skills requirements of employers and the racial imbalances in terms of skill development and technical expertise between Whites and Africans, as the two pronounced population groups in this study. As such, the final section, section 9.4, essentially attempts to tease out the links between skills, competencies and the socially devalued status of agrarian work.

Overall, then, this chapter offers information on a much-neglected aspect of agrarian production, which is in effect the cornerstone of the agrarian political economy – that is, information on different labour and valorisation processes in the research sample. At a cumulative level, taking account of the empirical data generated in this research (that was analysed in the previous chapters) and the data to be deliberated in this chapter, arguments made on the uneven, mixed and contradictory outcomes of MW policies for workers and employers are reinforced. The data therefore discounts neoclassical economics' simplified notions of labour markets, wage settings and employment levels. However, the data in this chapter also brings forth the complexities with transcending from low-road to high-road strategies in the production of goods. As such, it may be concluded that statutory wages and their outcomes are path-dependent, shaped profoundly by pre-existing conditions acting in conjunction with new conditions and arrangements brought on by regulatory shifts.

9.2 AGRICULTURAL LABOUR PROCESSES

The labour processes examined in this study fall into the different sub-sectors profiled in chapter 6 (the animal husbandry and horticultural sub-sectors). To recall, in chapter 6, the focus was on economic, production and marketing data of key sub-sectors in the research sites in the Eastern Cape. In this chapter, attention is paid to the nature and organisation of the labour and valorisation processes in enterprises that fall into the profiled sub-sectors. As pointed out earlier (chapter 7), the agricultural enterprises in the study fell into three broad categories, namely, animal husbandry, horticulture and mixed agriculture (combining horticulture with a marginal level of animal husbandry). For obvious reasons, the nature of work and the division of labour differed between the animal husbandry sub-sector and the horticultural sub-sector. The two sub-sectors deal with different commodities; the one specialising in animals, the other focussing on vegetation and fruit. They, therefore, will have dissimilar labour processes, that in turn shape and inform the differentiated employment trends and working conditions.

An examination of the nature of work and the division of labour in the research sites reveals some degree of similarities between the farms in the animal husbandry sub-sector, as much as it brought to the fore differences in their labour processes. The same observation holds true for the horticultural sub-sector. To gain a deeper appreciation of the nature of work and of working conditions, the animal husbandry and horticultural sub-sectors are dealt with separately, as the separate presentations allow for the similarities and variations in the valorisation processes to surface. The discussion begins with the nature of work and working conditions in the animal husbandry sub-sector, followed by the same discussion in the horticultural sub-sector.

9.2.1 Tasks in the Animal Husbandry and Horticultural Sub-Sector

To recap from chapter 6, the sub-sectors in animal husbandry incorporated in the SD 13 Survey and the in-depth interviews in this research are livestock, dairy, game, pig and poultry. Work in these sub-sectors entailed a wide range of tasks that are common and at the same time distinct. In animal husbandry, tasks directly linked to the valorisation processes revolved around four broad aspects⁵⁴: (a) livestock care and management; (b) extraction and processing of produce such as dairy, meat and wool

⁵⁴ Apart from tasks directly tied to the valorisation processes, work in the sector also entails domestic chores that are primarily performed by women.

and mohair; (c) maintenance of farm infrastructure and property; and (d) provision of hospitality services in the game farm sub-sector. Aspects one to three applied to livestock, dairy, and pig and poultry farms, while three and four pertain to game farms. Upon close inspection, however, it becomes clear that convergences and divergences in the nature of work and tasks exist in the animal husbandry sub-sector. Interviews with workers point to the variety of tasks associated with each of these areas of work.

Table 9.1: Tasks performed by men in the animal husbandry sub-sectors

Livestock	Dairy	Pig & Poultry	Game
Herding livestock	Herding cows	Herding pigs	Tracking game
Inspections of livestock	Inspections of cows	Inspecting pigs	Anti-poaching
Injecting sick livestock	Injecting sick cows	Counting pigs.	Hunter
Assist livestock in labour	Assist cows in labour	Sort piglets	Looking after young game
Taking care of pregnant livestock, and infant animals when they are born	Taking care of pregnant cows, and their calves when they are born	Ensuring pigs have enough clean drinking water	Skinning dead animals, cleaning skinning areas, removing dead animals
Counting livestock	Cleaning sheds	Cleaning pig sheds Cleaning chicken sheds	Searching for dead game in the reserve
Feeding livestock and changing water	Feeding calves	Feeding pigs	Capturing game for auctions
Preparing camps where livestock graze and sleep	Preparing camps where cows graze and sleep	Feeding chickens	Lay the foundations for building lodges Laying cables and pipes
Dosing and dipping livestock	Dosing and dipping	Ensuring chickens have water	Repairing roads
Branding livestock	Branding livestock	Mixing pig feed	Maintaining lodges
Performing artificial insemination	Performing artificial insemination	Artificial insemination on pigs	Maintaining grounds and gardens.
Assist with shearing	Operate milking machines	slaughtering chickens for sale	Checking that electric fencing is functioning
Erecting and fixing fences	Erecting and fixing fences	Mixing disinfectant	Erecting and fixing fences
Fixing damaged pipes	Checking that milking equipment is in order	Spraying shoes of workers when they enter shed in the morning	Fence patroller
Checking irrigation systems	Fixing damaged pipes	Fixing fences	Cleaning dams
Removing alien vegetation	Making lucerne bales	Repairing damaged property on the farm	Checking water pumps and pipes are working
Cleaning grounds	Plating Kukuyu grass or lucerne for feed	Mechanic	Driving
Repairing equipment	Applying fertiliser to grass	Working in the garden	Checking water holes
Driver			
Cooking for shearers			

Source: SD 13 Survey and In-depth Interviews.

Men were employed in jobs that are traditionally regarded as appropriate to their sex, such as certain tasks linked to animal care (dipping and dosing, branding, aiding livestock in labour, among others) and maintenance. As the table depicts, similarities in tasks existed among male workers on livestock, dairy, and pig and poultry farms with respect to animal care and management, and with reference to maintenance of farm infrastructure and equipment. Due to the nature of the products and services offered by game farms, their labour processes are clearly distinguished from other sub-sectors dealing with animals. However, game farms shared common maintenance tasks with farms in the livestock, dairy and pig and poultry sub-sectors.

The position of women in the labour processes in the research sample was heavily shaped by sub-sector and gender dynamics, portrayed in the table below (Table 9.2).

Table 9.2: Tasks performed by women in the animal husbandry sub-sectors

Dairy	Pig & Poultry	Game	Livestock
Domestic work in farmers' houses	Identifying pigs that are sick and injecting them	Cleaning guesthouses	Domestic work in farmers' houses
Herding cows	Herding pigs	Help prepare breakfast and dinner for guests	Cleaning wool
Feeding calves and cows	Feeding pigs	Weeding (katjie) in the fields	Sorting wool
Operate milking machines	Looking after the piglets	Washing dishes,	Cooking for shearers
Washing milking machines	Sorting pigs	Washing laundry	
Cleaning sheds	Cleaning pig sheds	Set tables in the dinning- room	
Making yogurt and fermented milk	Feeding chickens	Administrative clerk	
Plating Kukuvi grass or lucerne for feed	Ensuring chickens have water	Inspection of guest lodges Supervisory and quality check of cleaners	
Cutting grass for feed and to make bales	Cleaning chicken sheds	Nanny	
Making lucerne bales		Domestic work in farmers' houses	

Source: SD 13 Survey and In-depth interviews.

In the main, women were employed in the traditional roles deemed appropriate for their sex. However, in certain sub-sectors, such as dairy and pig and poultry, women

performed the same jobs as men in the valorisation process. The demand for female agrarian labour, therefore, meant that women occupied a wider range of jobs, especially in dairy, pig and poultry and to some extent livestock, compared to men. Of equal significance, the data also illustrates the tendencies and varying propensities of gender-based segmentation in the allocation of work across the sub-sectors.

As such, within the animal husbandry sector, certain sub-sectors such as livestock and game farms displayed a greater propensity for gender-based segmentation with respect to job allocations. On farms in these sub-sectors, as Table 9.2 depicts, women were employed in traditional jobs such as domestic workers, cleaners and office assistants or clerks on the game farms while, on livestock farms, they were employed as domestic workers and wool/mohair sorters during shearing seasons.

In contrast to livestock and game farms, women on dairy and pig and poultry farms performed the same jobs as men, as shown in Tables 9.1 and 9.2. These tasks revolved around animal management and care and, on dairy farms, women also operated milking machines and processed yogurt and fermented milk or maas. Similar trends in the convergence and divergence of work and the allocation of jobs to men and women were identified in the horticultural sector. Attention is paid to this sector below.

The horticultural sector in the research sample comprise of citrus orchards and pack-houses, and pineapple, vegetable, peaches and chicory farms. As shown in Tables 9.3 and 9.4 below, the horticultural sector has a series of essential tasks performed by women and men pertaining to cultivating, planting, hoeing and weeding in the first stages of the cycle, followed by spraying and fumigation, and then culminating in the third broad phase entailing harvesting, sorting and packaging of produce. On fruit farms, pruning follows the harvesting and distribution phases in the cycle, combined with irrigating and other tasks associated with care, protection and maintenance of orchards, pack-houses and property. Workers are needed at different times of the year depending on what tasks need to be done. The timing of the execution of tasks is essentially determined by ecological and natural factors, as the production of fruit and vegetables is largely season bound.

As mentioned above, and similar to the sub-sectors in the animal husbandry sector, the horticultural sub-sectors displayed convergences and divergences with respect to work. Although the tasks are listed separately in the tables below (Tables 9.3 and 9.4),

it is necessary to note that, in most instances, workers (especially in primary horticultural labour processes) were required to perform two or more tasks.

Table 9.3: Tasks performed by men in the horticultural sub-sectors

Citrus Orchards	Citrus Pack-House	Pineapple	Chicory	Peaches
Clear bush to open land for ploughing	Off Load citrus/Bin receivers	Plough	Plough	Plant
Plough fields	Grade and sort	Plant	Plant	Prune
Plant trees	Pack	Harvest	Harvesting	Harvest
Weed	Ticket count Line scan	Weed	Weed	Weed
Pick citrus off the ground	Ticket fetch	Irrigate	Irrigate	Irrigate
Fumigate	Palletise	Fumigate	Thin out crop	Fumigate
Scout for pests	Strap pallets	Repair fences	Clean and sort	
Harvest	Supervisor/foreman	Driver	Prepare chicory for the market	
Pack citrus	Driver	Security guard work- protect pineapples from baboons	Fence off chicory	
Prune trees	Mechanic	Mechanic	Change irrigation equipment	
Prepare manure	Operate box making machine	Cutting bamboo	Driver	
Store controllers	Drive fork-lift	Gardening		
Supervisor/foreman	Scan production	Looking after the livestock (dipping and dosing)		
Dig and prepare the trenches and lay water pipes.	Quality control	Herding cows		
Fix irrigation pipes	Sampler			
Weld	Inspector pallets			
Mechanic	Maintenance			
Driver				
Sweep the store				
*Livestock care				

Source: SD 13 Survey and In-depth interviews.

*On mixed farms with horticulture and degrees of animal husbandry

Interviews in this research show that some workers picked citrus off the ground and harvested citrus; others ploughed, planted, weeded and harvested citrus, pineapples, vegetables, peaches, or chicory; and still others irrigated and harvested or applied fertilisers and chemicals, or pruned citrus and peach trees. In other words, workers were not assigned a single task, but executed a range of different tasks, which may

be allocated unevenly to the labour force, in a production cycle. These workers, therefore, may be regarded as general workers in the horticultural sub-sector because they were employed to execute a range of different tasks in the employment period. In this regard, general workers in the horticultural sub-sector, as described above, are similar to general workers in animal husbandry who perform a range of different tasks. However, a minority of citrus workers, in this research sample, were employed in the orchards just to harvest, and a small number of workers in the citrus pack-houses were employed in single task positions such as ticket collectors, palletisers, and ticket fetchers.

A comparison of the tasks assigned to men and women in the horticultural sub-sector reveals a fair degree of overlap in the valorisation processes, exemplified in the same tasks to which men and women were assigned, in the different phases of production and post-production. In this respect, similarities are discerned in job allocations on farms in the horticultural sector as well as on dairy and pig and poultry farms (in animal husbandry), in that women and men were assigned the same tasks more often than was the case in livestock and game farms. These findings suggest that the nature of production and sub-sector dynamics may play a keen role in stimulating female and male access to the same job positions.

Nevertheless, it is clear that there is gender-based task allocation as much as there are overlaps, when it comes to the jobs assigned to women and men in the horticultural sector. The gender dimension to task allocation in the horticultural sector is evident in the fact that more women in the study were employed as pickers, harvesters, sorters and packers, compared to men in the orchards.

In the horticultural sector, as in animal husbandry, jobs linked to construction, maintenance, lifting, bulk packing and driving were assigned to men. However, on a few citrus orchards, women also pruned and fumigated trees alongside men. Additionally, in the pack-houses, certain tasks in the labour process were performed largely, but not exclusively, by women such as sorting, grading and packing citrus. By the same token, off-loading fruit, palletisers, drivers and mechanics of conveyor belts were the domain of male workers in the pack-houses, while men and women were employed in product quality and product outputs control positions – viz. line scanners, ticket counters and fetchers, samplers, pallet inspectors, and similar. Finally, in this research sample, for reasons explained in chapter 6 (see section 6.5.2), just men held supervisory and foremen positions.

Table 9.4: Tasks performed by women in the horticultural sub-sectors

Citrus Orchards	Citrus Pack-house	Vegetable	Chicory	Pineapple	Peaches
Plant citrus	Sort and grade citrus	Plant	Plough fields	Plough fields	Harvest
Weed orchards	Pack/pocket sorted and graded citrus	Weed	Weed	Plant	Sort
Fumigate citrus trees	Quality control	Fumigate	Fumigate	Weed	Pack peaches in boxes or crates
Pick citrus off the ground	Store controllers	Fertilise	Clean and sort	Pack pineapples in boxes	Prepare peaches be transported to the storeroom
Harvest	Operate box making machine	Irrigate	Harvest	Transport harvest to the factory	
Sort harvested citrus	Store controllers	Harvest	Prepare chicory for the market		
Pack citrus in bags	Clean pack-house	Prepare vegetables-cleaning and packaging vegetable			
Pack citrus n boxes	Clean the conveyor belt machine in the pack-house	Lay irrigation pipes			
Operate the machine that counts boxes of citrus packed	Production scan	Domestic work			
Weigh boxes of oranges	Samplers	Clean yard, cut lawn and flowers			
Check that stickers are placed on correct boxes according to grades.	Inspect Pallets	*Slaughter chickens			
Trim/prune trees	Ticket count Line scan				
Clean sheds machines	Palletiser				
Clean machines					
Domestic worker/harvester					
Office Assistant-preparing wages, co-ordinator, filing and record keeping and general office work.					
General worker - look after tools and sales. Check that trucks have diesel.					

Source: SD 13 Survey and In-depth interviews.

*On mixed farms with horticulture and degrees of animal husbandry

From the data on the types of jobs or tasks, it is safe to say that a certain degree of homogeneity was present alongside heterogeneity, in the types of work available to women and men across the animal husbandry and horticultural sub-sectors. Levels and extent of work and skill homogeneity and heterogeneity will surface in the next section. Nevertheless, each of the tasks shown in the tables above is central to each of the valorisation processes on the farms. Hence, workers executing these tasks played key roles in ensuring that produce and services were rendered, which in turn allowed the agricultural enterprise to operate as a business. In other words, these workers were directly involved in the creation of value. This immediately raises the question of the social use and value of the tasks that workers performed in each of the labour processes, in ensuring that produce reaches the marketplace for human consumption. A central aspect to the discussion on the levels and extent of homogeneity and heterogeneity in work and skills, and to the social value and social devaluation of agrarian work, lies in the execution of the tasks, in particular the conditions linked to the various agricultural tasks. This discussion follows immediately below.

9.2.2 Execution of Tasks in the Animal Husbandry and Horticultural Sectors

Gaining a more in-depth view of the way in which work is executed or carried out has several advantages for the theoretical project of analysing the AMW and the social value of agricultural work and, by implication, the value of agrarian labour power and labour. By probing deeper into the sites of production and delving into the working lives and experiences of workers, researchers are able to highlight key areas of the nature and conditions of farm workers. Unpacking the execution of agricultural tasks not only allows for the conditions of valorisation to surface; it also throws the spotlight on how labour power is converted into labour as workers carry out the various tasks assigned to them. This line of examination allows the operose, repetitive and often unpleasant nature of tasks associated with agricultural labour to come to the fore. By first presenting the empirical data on the nature of work, we are in a stronger position to further engage with debates about the social value of low-waged agricultural work and the deployment of low- and/or high-road approaches in the valorisation process. The detailed empirical data used is drawn from the in-depth interviews which offered the opportunity to ask searching questions about the nature of work. The execution of

tasks is provided for all sub-sectors, except pig and poultry and chicory farms, because workers were not available for in-depth interviews at the time of field research.

The presentation starts with the nature of work in the animal husbandry sector. The presentation of work in the horticultural sector is provided in relation to the different sub-sectors due to the detailed breakdown of production and number of tasks, compared to sub-sectors in animal husbandry.

9.2.2.1 Execution of Work in Animal Husbandry

Both the SD 13 Survey and the in-depth interviews show that male and female workers, employed on dairy farms, had the earliest start to the working day. More specifically, on dairy farms, early morning starts to the working day applied to cattle herders and milkers, which are key tasks linked to the valorisation process. Thomas (21 June 2007), who was permanently employed, illustrates a typical working day for general workers on dairy farms in the following:

My daily work routine starts at 5.15 in the morning. The first thing that I do is... fetch the cows from the camps where they are fed and [I] take them to the shed where they are milked. Also, during this time, I have to check if there are any pregnant cows that have given birth overnight. I also have to check if there are any sick cows.

A Fordist labour process is evident in the extraction of milk from cows, with milking occurring twice a day – one in the morning and one in the afternoon. As with commercial dairy farming, milking cows on the farm at which Thomas (21 June 2007) worked, was fully automated. Thomas was one of four workers who operated 16 machines that milked 275 cows: “The machines are in a row and each person would take care of four machines. When the milk is finished in a cow, the next four cows would come in”, Thomas (21 June 2007) explained. Due to the extraction of milk, farms in the dairy sub-sector displayed higher levels of mechanisation compared to others in the animal husbandry sector. Nevertheless, returning to Thomas’s (21 June 2007) working day, he said that after milking, the cows were herded back to their camps. Thomas (21 June 2007) had breakfast from 08:30, after the cows were placed in their camps, until 9.30. What followed was cleaning the dairy shed where cows were milked until 13.00 and, if the shed was cleaned before 13:00, Thomas (21 June 2007) cleared the grazing fields off alien vegetation considered inappropriate for cows to consume. Lunch followed from 13:00 to 14:00. Feeding the cows with pellets was undertaken from 14:00 until 14:45 when the cows were herded back to the milking shed for the

afternoon milk extraction. As Thomas (21 June 2007) said, “at three in the afternoon we are milking again, sometimes until 5.40pm”. When the milking process is complete, the cows are herded back to the camps for the night. At the time of the interview, Thomas (21 June 2007), was not sure what his wages were; although he said that, in 2006, he earned R500 per fortnight.

Jongile (21 May 2011), a 42-year-old male working on a dairy farm, and whose wage was R1400 per month, provided more details of the work of a general labourer on a dairy farm; and, in the process, he portrays the nature of the different tasks associated with milk production, when he was interviewed in the SD 13 Survey. He said:

I feed the cattle whilst they are being milked. Afterwards I take them to the fields to drink water and graze. I collect them from the fields at 2pm to be milked again. My job is to also look around the farm for damaged fences and fix them. I also dip the calves and the cows ... I also prepare the camps for the cows to eat. We divide the camps by 15 metres so the cows could graze in each area.

Female workers such as Ntom (6 May 2006) and Zuki (13 May 2006), both of whom were permanently employed, also worked as milkers, and both started their working day at 05:00 with milking and worked until 08:00 or 09:00. At the time of the interview, Ntom (6 May 2006) worked a 35-hour week and was paid R570 monthly, and Zuki's (13 May 2006) wage was R4.45 an hour, and she worked five hours in the dairy and three hours' domestic duties. In Zuki's (13 May 2006) case, she “milks the cattle, after that I wash the milking machines”. Both women also milked cows again in the afternoon from 15:00 to 17:00. As well, Zuki (13 May 2006) performed domestic chores for the employer in between milk production.

As mentioned in chapter 6 (section 6.3.2), the dairy sub-sector is further divided into various processing operations. Joyce (13 May 2006) worked in such varied operations and, in contrast to the above-mentioned workers, had a more varied work week because she worked in processing milk, where she bottled and prepared yogurt on different days in the week. For a 25-hour working week, Joyce (13 May 2006) earned R1000.00 monthly. She explained that on “Mondays I start work at 5.30am and finish at 7.30 with bottling yogurt. Then, from 7.30 until 8.30, I am cleaning the dairy, after that I go home”. Joyce (13 May 2006) returned to work from 14:30 to 16:30 to continue with the bottling processes. Her working times in the week varied depending on her involvement in the making of yogurt and sour milk. According to Joyce (13 May 2006), she produced “120 cartoons of yogurt and sour milk in the morning and also another 120 cartoons in the afternoon” on the respective days.

Unlike male workers on dairy farms, women who are employed to milk, and process milk by-products, often have very short working hours as depicted in the hours of work for Ntom (6 May 2006), Zuki (13 May 2006) and Joyce (13 May 2006). Due to the nature and requirements of their jobs, Ntom (6 May 2006), Zuki (13 May 2006) and Joyce (13 May 2006) constitute the cohort of underemployed agrarian workers who worked lower than the ordinary 45-hour week, as discussed in chapter 7. Nevertheless, as illustrated in Table 9.2 above, women employed on dairy farms (who were interviewed in the SD 13 Survey) reported performing multiple tasks over and above milking. In this sense, women employed in these posts may also be described as general workers, similar to their male counterparts employed as general workers in the dairy sub-sector.

The working day on livestock farms also begins early each morning for male workers. John (21 June 2007), a permanent general worker on a livestock farm specialising in beef production, provided a breakdown of his daily routine: “My work starts at six in the morning”. He continued:

The first thing that I do is to get around the camps to look for any damaged fences and fix any holes that need to be fixed. I do this from 6.00 until 8.00 or 8.30. Sometimes there won't be gaps in one part of the farm and there would be gaps in other parts of the farm. I must also look for and replace all old and broken poles.

John (21 June 2007), whose wages were R900 per month at the time of the interview, said that he had a half hour breakfast from either 08:00 or 08:30, after which he “would go and dig a trench for the pipe and do maintenance work. I do a whole variety of things after breakfast”. Similarly, Robert (13 May 2006), a permanent general worker on another cattle farm, whose monthly wage was R888, explained that his workday started at 06:30 with checking:

The water for the cattle; after that, I go around the grazing camps checking cattle. I must make sure that I check them every day so that if one of them is sick I have to inject it with an injection. After that, I go and dig up all the [vegetation] that [is] not good to be eaten by cattle. I go for lunch at 12.00 until 13.00. I return to weeding after lunch. At three or four in the afternoon, I must check the water for the cattle again because that is the most important thing. Then at 5pm I go home.

On average, Robert (13 May 2006) worked approximately 66 hours a week, and John (21 June 2007) worked an estimated 58 hours in a week. Work schedules and intensity varied from farm to farm. Zola (7 May 2006), for example, was employed as a general labourer, on a permanent fulltime contract specialising as a shepherd on a mixed

livestock farm, including game meat, cattle and sheep (shown in Table 6.8). His labour time was spent mainly on herding sheep and counting them; in his words, “I always deal with sheep and that is my job”. Zola (7 May 2006) was also required to assist when it was sheep shearing season. His workday was nine hours and began at 07:00: “What we do is fetch the sheep so that the owner could count them; after that we [take] them back to the grazing field”.

However, Zola (7 May 2006) did not have a set and defined pattern of work, as John (21 June 2007) and Robert (13 May 2006) did, and he was required to fill in wherever labour was needed at a particular time. After returning sheep to the grazing fields, Zola said that “sometimes we are dipping sheep. Sometimes we go and assist those who are hunting in the reserve. Sometimes I work in the garden... You have to be there and do something or assist others until 5pm”. He earned R485 per month at the time of the interview. Peter (14 May 2006) was also employed as a permanent, full-time general labourer on a farm that specialised in sheep, goats and cattle, and that sheared in season. He was “doing everything that needs to be done on the farm, but my main job is to count the livestock”. His working day also began at 07:00 like Zola (7 May 2006). However, for Peter (14 May 2006), his weekly hours of work changed in the summer and winter months. According to Peter (14 May 2006), in the summer he worked 77 hours a week and, in the winter, he worked 55 hours a week. He earned R800 per month when he was interviewed.

One day a week on livestock farms is reserved for dipping livestock, to protect them against external parasites in the form of ticks, fleas, mites and lice. Plunge dipping is the most common method to protect large numbers of livestock from external parasites, and involves submersing cattle, dairy cows, sheep and goats into a ‘bath’, that is a constructed channel, filled with liquid pesticides and other treatments, through which livestock pass. John (21 June 2007) provided a breakdown of tasks associated with dipping livestock that is more or less uniform across livestock farms. First, “we prepare the cows for dipping. We take the cattle to the forest and they would be sorted there”, said John (21 June 2007). He continued:

Two people would start dipping from 9am until 1pm. [After dipping, we] take the cattle back to their different camps. We also search for any lost cows if the number of cows that we have doesn’t correspond with the number of cows in our record books. We finish taking all the cattle to their camps between four or five in the afternoon, when we finish dipping them. We must take them to their camps. They can’t sleep ... in the forest.

Dipping days are especially challenging for John (21 June 2007) and his workmates, because on such days “we don’t take lunch ...; we would only have breakfast and no time for lunch”. This resulted from the fact that workers’ houses were a distance from the dipping site. John (21 June 2007) elaborated on the problem:

The employer told us to take our lunch boxes on Wednesdays. We did this for a couple of times, but we stopped because this inconveniences us. This was problematic in the sense that the cows are wild, and they would run long distances and, when they run, we are supposed to run after them and bring them back to where they are supposed to be. You were supposed to have your lunch box with you at all times even if you are chasing the cows. This irritated us and we told the employer about it, but he said our homes are too far from where we are working on Wednesdays so it’s not his problem if we don’t want to carry our lunch boxes with us all the time.

From John’s (21 June 2007) description, plunge dipping livestock was both demanding and inconvenient. Moreover, it is not unusual for cattle farms to have only two full-time and permanent male workers who are responsible for all chores on the farm. This is the case for both John (21 June 2007) and Robert (13 May 2006 who, for all intent and purposes, oversee the operations of the farm in the absence of the farm owners. On dipping days, John’s (21 June 2007) employer hires additional workers. In contrast, Robert’s (13 May 2006) employer relies on two workers to perform this task. When Robert (13 May 2006) goes on holiday, he was expected to be present on dipping days, much to his dissatisfaction (details to follow in later, in chapter 10).

Nonetheless, these examples point to important features of agricultural production with respect to variations in the way work was executed and how labour was deployed on farms in the livestock sub-sector. Heterogeneity in the objective conditions of production in the different sub-sectors, indeed in the agricultural sector as whole, therefore, can be said to have multiple drivers that include dynamics that are both internal and external to the production processes, and which combine with the nature of work, the organisation and execution of work, and employers’ employment practices and patterns.

In this research, full-time and permanent general workers on farms that specialise in wool and mohair assisted seasonally-employed shearers during shearing-time, who performed the major portion of the shearing⁵⁵. For example, on the farm that 51-year-

⁵⁵ Shearing requires special expertise and skills that are often scarce in the Eastern Cape, according to the Wool Growers Association (Mr. WS 18 September 2015). Consequently, shearers are also often required from outside of the municipal boundaries where farms are located and outside South Africa, from countries such as Lesotho, as noted by Mavis (5 March 2011) who, as pointed out, worked as a wool sorter on a livestock farm.

old Aster (17 August 2016) works as a mohair sorter (in the Carlisle Bridge area in the Makana municipality), a group of six shearers shear approximately 240 goats per season – each worker shears about 40 goats per day (depending on individual pace). Shearing too can be uncomfortable for shearers. Fezile (16 October 2004), a 45-year-old woman worker who participated in the 2004 Focus group interviews, and whose husband also sheared sheep, explained the taxing and uncomfortable nature of shearing on this particular farm in the following:

A sheep will be dipped today; tomorrow they are sheared. They [workers] inhale the smell of dip - that machine they are shearing with brings out that smell. My husband is coughing; ... he is still shearing; ... he is not here [at the interview] because he's got fever.

While it is not possible to verify a direct link between the shearing process and the worker's cough, the above description does shed light on what may be regarded as demanding and unpleasant work. Other jobs, such as aiding animals in labour, can also be gruelling at times. The demanding nature and conditions for such workers came to the fore in the 2004 focus group interviews with the women workers, from the Carlisle Bridge area. They were (and still are) employed as seasonal wool or mohair sorters on farms where their husbands were (and still are) employed on permanent, full-time contracts. In that area, a group of farmers assembled their sheep, about to birth, at a single point.

Fezile (16 October 2004) said that her husband was the only worker responsible for aiding sheep in labour. In her words, "my husband helps sheep to give birth alone – sheep that are owned by a group of farmers. For this, he works non-stop even on Sundays and Saturdays". It is clear that general labourers' work on livestock farms is arduous, requiring workers' capacity and ability to perform a range of different tasks, from caring and protecting livestock to maintaining and protecting the infrastructure and other farm assets. The labour processes and workers' tasks are designed to maintain and protect livestock, which also involved maintaining and protecting the farm property. These tasks are clearly essential to the valorisation processes on each of the farms. Hence, they deserve more attention and problematising in terms of the social use, value and contribution such work holds for societies and communities. As will be shown below, seasonally employed women's work in the livestock sector is also vital to the valorisation process.

In considering the working day of seasonal women workers in the livestock sector, it was found to be more or less the same as the work timetable for men. For example,

Mary (7 May 2006), who is employed on a seasonal basis, describes a typical working day for wool and mohair sorters in the shearing season as follows: “We start at 6.30; at nine we go for breakfast until ten. At 1pm, we go for lunch until two, then at 5pm we go home”. Her job entailed “sorting white (mohair), stain (mohair) and locks”. Mary (7 May 2006) was paid R 5.10 per hour, and she worked eight-and-a-half hours a day. Likewise, Bongi (7 May 2006) began her workday at 06:30, had her breakfast from 09:00 until 09:20, resumed work from 09:20 until 13:00, when she took lunch until 14:00, and then worked until 17:00. Bongi’s (7 May 2006) job, like the job of other wool/mohair sorters, required her “removing the thorns and stains from the wool”, for which she was paid R20 per day, at the time of the interview.

Mavis (5 March 2011) related the same work-time pattern as Mary (7 May 2006) and Bongi (7 May 2006), but her job was to remove “thorns from goats before they were sheared ... from 6am until 5pm, with two breaks: one for breakfast from nine to 9:30; the other lunch from 1pm to two”. Mavis (5 March 2011) said that she received roughly R1200 per month. Aster’s (17 August 2016) work is much in line with other mohair and wool sorters, as her job entailed pulling out sticks and thorns from the wool and cleaning out goats’ urine from the mohair. On her farm, Aster and two other women usually fill a 50 kilogrammes sack of mohair, “if we are lucky” she said, or they take two days to fill a 50 kilogrammes sack. Unlike the other wool and mohair sorters in this research, Aster’s (17 August 2016) workday begins later in the mornings – at 08:00 and ends work at 17:00, with an hour lunchbreak. Aster (17 August 2016) was also paid R1200 per month, similar to Mavis (5 March 2011).

While wool and mohair sorting are essential after shearing for use further into the value chain, the task is repetitive, unpleasant and uncomfortable for women. Workers complained about the difficulties with pulling out thorns from the mohair and wool, and the unpleasant task of cleaning off urine. Moreover, workers raised dissatisfaction with their working conditions. To illustrate, consider the complaints from wool sorters interviewed in the SD 13 Survey. An example is 52-year-old Beatrice (15 April 2012), employed as a wool sorter, who said “the shed where we work is very cold and we are getting sick because of the coldness sometimes”. Another worker, Nosakhe (10 May 2012), a 48-year-old woman employed on a different farm, spoke of similar conditions when she said: “I have a problem with the shed that we work in. There is a concrete floor, and it is making our feet sore. Labour inspectors came and told us we can't work in that place and [the employer] promised he will do something about it”.

From workers' accounts of their daily work routines in the dairy and livestock farms, it is clear that labour processes and the execution of tasks are different, with varying degrees of intensity, and this is shaped significantly by workers' positions in the labour processes and by individual employers' approach to hiring labour. Areas that manifest this variegation are the different working hours, the number of tasks allocated to men and women, and the flow of work tasks in both these sub-sectors. Moreover, variations are not only identified between the two sub-sectors; as shown in the data above, differentiations in the execution of tasks between farms within a sub-sector also surfaced in this research. These tendencies also emerged in the game farm sub-sector and in the horticultural sector, as will be shown below.

As mentioned in chapter 6, the rise and establishment of game farming and ranching led to rapid expansion in the Eastern Cape in the 1990s. As pointed out, three types of game farms have come to exist – dealing with trophy hunting, venison meat supply, while others offer game viewing and no hunting. In this research, the 46 workers in the SD 13 Survey, and the six in the in-depth interviews, worked in trophy hunting and game viewing enterprises. It is also not uncommon for game farms to practice mixed farming, offering services and produce seasonally. For example, trophy hunting or game viewing is combined with livestock, or with horticultural produce. Mixed farming of this type was also reported in this research by workers who were interviewed.

The working day on most game farms for males began between 07:00 and 08:00 based on farm-level dynamics. For example, Luvuyo (2 June 2007) and Khaya (13 May 2006) started work at 07:00, whilst Colin (21 June 2007) and Zamxolo (21 June 2007) started their working day at 08:00. These workers, as those in the SD 13 Survey, ended the workday at 17:00. All had an hour lunch, usually between 13:00 and 14:00 and, in Luvuyo's (2 June 2007) workplace, workers were allowed a 10-minute break: "We don't have a set time to take a break; we decide on our own, but we must not exceed 10 minutes", explained Luvuyo (2 June 2007), who earned R1840 per month, at the time of the interview.

In keeping with the varied nature of tasks, there was often no set pattern to the execution of tasks. The labour processes on many game farms do not follow a set pattern; there is no flow or assembly line to follow as the labour process comprises a series of disconnected work tasks conducted in primarily two separate but linked areas – one linked to the servicing of guests and the other linked to maintenance. Daily tasks

were often determined by the operations of the respective game farm and, in some cases, no fixed and definite pattern in the execution of tasks was present.

Take the case of Luvuyo (2 June 2007) – he was employed on a farm that had recently converted from an ostrich enterprise to a game farm providing game viewing only. He and other workers were absorbed into the game farm enterprise as general labours. At the time of the interview, the operations on the farm were expanding, thereby leading to different tasks in the week, related to the establishment and expansion of the business. As a result, Luvuyo (2 June 2007), as with other workers, executed tasks in the construction and maintenance sections. One aspect of construction involved road works – carving out roads on virgin ground to erect lodgings and demarcating roads to set up game drive routes and access points on game farms. Luvuyo (2 June 2007) provided insights into the establishment of game farms in the Makana municipality. Part of establishing a game reserve, on the farm that Luvuyo (2 June 2007) worked on, involved tasks such as “pulling electrical cables with tractors” from one location of the property to sites where new lodges were to be built. Building the game reserve also required workers to prepare the groundwork for the construction of lodges which was undertaken by building contractors. Luvuyo (2 June 2007) explained “we are not building the lodges; we get contractors from outside, but we dig the trenches and we also put in the cables - that is what we do as workers”.

Like Luvuyo (2 June 2007), Colin (12 June 2007) also worked on a game viewing farm when interviewed, which was previously a dairy farm. He earned R1700.00 per month when he was interviewed. Alongside the game viewing business, the farm also retained some cows from the ongoing dairy operation that also required attention from workers. Colin’s (12 June 2007) work routine began as follows:

In the morning, we start by changing the dustbins and cleaning the *stoep* [veranda]. After that we remove the fences from the camps to open up the cattle camps. After that we will report to [the farmer]; he will tell us what needs to be done next.

Tasks that followed were varied. According to Colin (12 June 2007):

It depends, for example, if there is something that needs to be built then we help to make the concrete and also to carry the bricks for the builder... Sometimes [the farmer] will tell us to fetch the cattle from the grazing fields or cut firewood. We also clean the storeroom.

Zamxolo (12 June 2007), whose wage was R1300 per month, related a similar work routine as Colin (12 June 2007), in the following:

I start at 8am. When I come to work in the morning, I clean the dustbins, I sweep the yard and then I go and check that the electric fence is working properly. After I finish that, I go and ask the farmer what needs to be done. Workers are doing different jobs, for example, sometimes I help to make the foundation because sometimes the farmer will extend the rooms when its summer and there are many guests, or sometimes I have to clean the storeroom.

Khaya's (13 May 2006) job description was similar to the others above, but he was essentially a gardener, tending to the lawn around the lodges and reception areas. For this, he was paid R1000 per month, in 2006. He, however, was required to perform other tasks when necessary: "For example, if there is a crack in the wall, then I must fix it or if there are some guests arriving then I must show them their rooms", he said.

As depicted in Table 9.4, jobs allocated to women on game farms also entailed a level of variety, essentially in the domestic sphere, and this is similar with work performed in the hospitality sector, such as hotels. Women's employment on game farms in the research sample was primarily around three areas of work: (a) domestic work and meeting guests' needs such as cleaning lodges, cooking, doing laundry and childcare; (b) waitressing and serving guests during meals times; and (c) administrative work. Domestic work on game farms was a mixture of seasonal and permanent employment, combined with a fusion of short-term and full-time working hours. Consequently, variations in the start and end of the working day for women involved in the domestic aspects of the game industry was picked up in the SD 13 Survey and in the in-depth interviews, with working hours starting between 6:30 and 8:00 and ending between 17:00 and 22:00 in the evening.

The length of the working day was influenced by the positions that workers occupied in the domestic labour process. For example, the SD 13 Survey shows that women who also washed dishes in the lodges and were nannies to guests' children, tended to have a longer working day than workers who cleaned the lodges and did the laundry. Tasks were executed according to more or less fixed times, based on the routines of accommodating and catering to guests, as is common for hospitality establishments across business sectors.

Maria (12 June 2007) sketched the breakdown of tasks that she executed in the day. Her tasks not only provide a glimpse into the daily workings of a game farm, but also shows how the execution of tasks at set times and rest periods are shaped by catering to guests. Maria (12 June 2007) worked on a game-viewing farm with her work straddling the second and third areas of work, as outlined above, that are assigned to

women. The first thing that Maria (12 June 2007) said when asked about her daily routine was, “I have the job description, but it is not working”, indicating some level of discontent with her task allocation. She explained her tasks as follows: “At 8:00, I do the filing for the accountant until 9:00 and in between that time I have to clean my office as well. From 9:00 until 11:30, I go to the dining-room and do the hosting for breakfast”. To host guests meant that Maria (12 June 2007) was a “waiter, but more than that, I have to be there when guests are coming in and I have to welcome them”, she added. Maria had a half-hour tea-break from 11:30 to 12:00 and, when she returned, she cleared the dining-room after the breakfast serving, until 13:00, in preparation for serving lunch to guests at 14:00. From 13:00 to 13:50, office tasks followed, whereby Maria (12 June 2007) said “I do everything, filing slips, letters; I enter everything on the computer, and I do the petty cash”. Maria (12 June 2007) said, “from ten to two, I have to go and welcome the guests for lunch... I host until ten to three or five to three [in the afternoons]. The guests leave at 3pm, and then I ... go to lunch until 4pm”.

Maria’s (12 June 2007) job description, unlike women employed purely as domestic workers, resonates with the general labourers on livestock and game farms in that the job position on that particular farm required the execution of a range of different tasks related to the hospitality and administration divisions of the game farm. The difference between this type of work, and that of male general labourers in livestock and game farms, is that Maria’s (12 June 2007) times were more set and followed a specific order of execution geared towards serving guests. In addition to the hosting and administrative functions that Maria (12 June 2007) was responsible for, she also performed inspections of the 16 bedrooms making up the lodge, from 16:00. This meant, in her words: “I have to check everything is in order for the guests when they come from the game drive”. Following the room checks, Maria (12 June 2007) had to “also see that the dinning-hall is set again”. At the time of the interview, Maria (12 June 2007) was paid R1300 per month.

The above sketch of the tasks, wages, and the breakdown of the working day of workers, employed in different labour processes in the animal husbandry sector, not only provides a glimpse of the working day and life of workers in the different workplaces. The sketch also brings to the fore key aspects or features of production pertaining to the organisation of production and the division of labour, as well as what tasks in the animal husbandry sector entail. In this sense, the physically demanding

nature of certain labour processes and job positions (with the early start to the workday), such as general workers in the livestock sub-sector, and to some extent milkers and herders in the dairy sub-sector, came to the fore. So, too, do the challenging aspects of work in livestock farms, such as dipping livestock, shearing, and wool/mohair sorting, among other tasks. Indeed, from the above workers' accounts of their working day, a deeper appreciation of the contribution and value of agricultural work in the animal husbandry sector is obtained. In this process, the social elevation of such work gains added impetus, opening the path to reconceptualise the worth and value of wages accorded to work in this sector and to the agricultural sector broadly.

The other salient point to surface in the research is what may arguably be described as a simple division of labour, in that the tasks necessary for the production of animal agricultural commodities are not multiple, or detailed, and may not be easily divided along a valorisation process. Livestock farms in this study exemplify this phenomenon, where the tasks pertaining to livestock care and management were not divided amongst a group of workers but were often performed by individual workers responsible for different camps where animals were housed. On cattle and sheep farms, generally, there tends to be fewer workers employed to manage and protect livestock, compared to the higher number of workers required on dairy, pig and poultry, and game farms, where often economies of scale and product market conditions play a role in determining the number of workers an employer is prepared to employ. More study, therefore, is required to unpack the prevalence of work intensification in the animal husbandry sector, where a marginal number of workers are employed to oversee farming operations and farm management.

Variances prevailed in the nature of work and the execution of tasks by workers in the different labour processes. For example, dairy farms deployed a level of mechanisation in the milk extraction part of the labour process, whereas herding, dosing and dipping on dairy farms and in other sub-sectors in animal husbandry relied overwhelming on workers' labour. The level and extent of heterogeneity within and across sub-sectors in the valorisation processes makes it difficult to expect generalised and uniformed outcomes of the AMW on employment and on the organisation and execution of work. Such trends are also discerned in the horticultural sector, which is examined below.

9.2.2.2 Execution of work in horticulture: Vegetable farms, mixed vegetable and citrus, and vegetables combined with animal husbandry

The horticultural sub-sector in this research comprised of primary agricultural production sites linked to fruit and vegetables as well as citrus pack-houses where citrus fruit was prepared primarily for export markets and for internal markets. Primary horticulture in this research fell into three broad trends with respect to commodity production. Consequently, there were primary agricultural production sites or farms that specialised in fruit or vegetables only, farms that focussed on a combination of fruit and vegetables, and farms that specialised primarily in fruit or vegetables alongside minor animal husbandry production. The three trends were identified in both the SD 13 Survey and in the in-depth interviews, thereby suggesting that product diversification is a strong feature of the local agrarian political economy, which in turn reflects employers' responses to post-apartheid restructuring in the agrarian sector.

This level of product diversity combined with the nature of work comes with a more detailed breakdown of tasks in the horticultural sector. As mentioned at the opening of the presentation of the working day in the sample, the nature of work in the horticultural sector is described by sub-sectors due to a more detailed breakdown of production, which leads to a greater number of tasks, reported by workers, relative to sub-sectors in animal husbandry. The presentation of work shows the division of labour in horticulture, generally, to be strikingly different from animal husbandry by virtue of the presence of more complex forms of the division of labour in the orchards, plantation fields, and in the citrus pack-houses. This does not mean that simple forms of labour division were not present in the research in the horticultural sector; rather, it simply means that horticultural labour processes showed a greater tendency for breaking up work into smaller tasks compared to the sub-sectors in the animal husbandry sector. This becomes clearer as the breakdown of the work, in the various horticultural enterprises, is presented below. The initial presentation focusses on vegetable and mixed vegetable farms: more precisely, farms that produce vegetables, farms that produce vegetables and citrus, and farms that mix vegetables with enterprises linked to animal husbandry.

To recall from chapter 7, the length of the working day in the horticultural sector for most workers was eight hours or nine hours, with an hour or half hour lunch break. The start of the working day on vegetable farms, as will become clear, tended to vary from farm to farm in both the in-depth interviews and in the SD 13 Survey, thereby

signalling the role that farm or production site dynamics play in shaping working conditions. The earliest recorded start to the working day on farms specialising exclusively on vegetables pertained to two women and two men, in the SD 13 Survey, employed on different farms who recorded the start of the working day to be 6.00 and 6.30. In the in-depth interviews on mixed farms, that combined vegetables with animal production, male general workers had similar starting times to these workers and to male general workers in the animal husbandry sector.

Tommy (2 June 2007), for example, lived and worked permanently as a general worker on a farm that produced cabbages and potatoes as well as goat, sheep and chicken meat. He performed tasks linked to both horticulture and animal husbandry where, as will be shown below, the execution of tasks linked to the latter were shaped by the cycles of production in the former. At the time of the interview, Tommy (2 June 2007) was paid an hourly wage of R5.00. In terms of the start to the working day, Tommy (2 June 2007) said that he commenced work “at 6.00. From 6.00 to 7.30 I change the irrigation pipes. From 7.30 to 8.30 I have breakfast”. In total, he worked nine and a half hours in a day, which translated roughly to R237.50 per week. After breakfast, Tommy (2 June 2007) cultivated. He detailed his work in the following way:

I drive the tractor to cultivate... We start planting cabbages in January to June. From June I would prepare the plantation fields for planting cabbages. In July, we start planting potatoes. I would cultivate until 12.00 and from 12.00 to 14.00 is my lunch break. After lunch, I cultivate the fields until 18.00... It takes me four weeks to cultivate.

After cultivation, Tommy (2 June 2007), as a general worker, “would be asked to help feed the chickens and I help other workers to dip and dose the sheep and goats”. During harvest times, Tommy (2 June 2007) said that he starts “harvesting at 6.00 until 7.30. We use knives to cut the cabbages from the stems. From 7.30 to 8.30, other workers pick up the cabbages and put them in the *bakkie* [pick-up truck]” that transports the produce to the market, while potatoes are placed in sacks to be transported later. According to Tommy (2 June 2007), he and his co-worker “harvest 2 000 cabbages a day”. Tommy (2 June 2007) said that the farm also employed the wives of the permanent workers, who all live on the farm, during certain times in the production cycle, “for a month or two months to remove the weeds and alien plants from the plantation fields”. Women employed in these job positions, for the duration noted by Tommy (2 June 2007), account for the varying degrees of underemployment across the horticultural sector discussed in chapter 7.

On other mixed farms producing vegetables and meat, a wider range of commodities was produced compared to the farm that Tommy (2 June 2007) worked on. For example, Lindiwe (2 June 2007) said she worked seasonally on a mixed farm that produced “cabbages, butternut, peas, oranges, naartjies, and chickens”. When Lindiwe was interviewed in 2007, she was paid R5.00 an hour. The hourly wage in this case translated to a daily wage of R45.00, for a nine-hour working day, and a rough estimated weekly wage of R225. Her working day, however, began at 8.00 in the morning with either “planting, hoeing or harvesting vegetables or naartjies until 12.00. From 12.00 to 13.00 is our lunch break and then we work from 13.00 to 17.00”. Lindiwe’s place of work was dissimilar in terms of rest periods and breaks, as workers on that farm had only a lunch break and no breakfast interlude. Apart from work related to vegetable and citrus production, Lindiwe also worked with chicken meat production. She explained: “We slaughter the chickens and pluck them on the farm. We would wash and clean the chickens and put them in the fridge”.

As noted in chapter 7, James (12 June 2007) worked on an extensively mixed farm that produced pumpkin, butternut, tomato, potatoes, watermelons and citrus fruits, combined with animal husbandry. James (12 June 2007) provides insights into the work of a general worker on a mixed farm, for which he was paid, as pointed out in chapter 8, between R660 and R720 per month roughly. In so doing, he sheds light on the shifting nature of task execution in the production and distribution of horticultural produce. With a workday beginning at 07:00 each morning, James (12 June 2007) explains:

You see we are doing different jobs there. You would dip the cows; you would look after the cows; you could be assigned to do harvesting work. You don’t do one thing where you can be sure that you are doing this kind of work. Like when we knock off, we would be told that we are going to harvest the following day. When you are busy harvesting the following day, all men would be taken to another place where they would be given orders to load crates of pumpkin or tomatoes onto the trucks for transportation to the market in East London. So, you don’t have a definite job that you are doing as a male.

Mixed farms, combining animal husbandry and horticulture, have diverse labour processes that entail the incorporation of tasks that are the same in enterprises that specialise either in animal husbandry or horticultural production. Consequently, workers on mixed farms perform the same tasks as workers employed on livestock, dairy, and pig and poultry farms and workers employed on fruit and vegetables farms. For this reason, as pointed out earlier, the length of the working day and employment

periods for workers in the horticultural sector, who are responsible for certain tasks in animal care and protection on the farm, may be the same as workers in the animal husbandry sector who are responsible for similar tasks⁵⁶. The relationship between the rise of mixed production sites in the local agrarian labour market and the expansion of various form of underemployment among agrarian labour requires further and deeper exploration to assess the extent to which underemployment, on a time (daily and weekly working hours) and period (length of employment) scale, discussed in chapter 7, results in work intensification, which in turn provides agrarian employers with means to adjust to neoliberal regulatory shifts. Many factors need to be considered, at enterprise levels, such as the agricultural commodities produced in the enterprise, number of workers, hours of work and product market conditions, in deliberating on the extent and degree of work intensification. This depth of examination on work intensification falls outside this study. However, by presenting a detailed breakdown of work in the respective workplaces, and considered against the working hours profiled in the previous chapter, this research indicates the presence of work intensification that signal the need for more research.

A common feature of the mixed horticultural or vegetable farms was the simultaneous planting of a variety of vegetables, which may be seen as encouraging degrees of work intensification. For example, Nora (12 June 2007) worked seasonally for three months in a year on a farm that produced “tomatoes, butternut, and pumpkins”, and both Nomusa (6 May 2006) and Mandile (6 May 2006), who were permanent workers, said their workplaces concentrated on the production of cabbages, beetroots, spinach, tomato and lettuce. Sylvia (11 August 2007) and Eric (14 May 2006) worked on permanent contracts on different farms that produced vegetables and flowers. Production was organised according to produce on individual plots. In this regard, Nora said that, at her workplace, “[t]he tomatoes have a separate field, the butternuts also have a separate field, and the pumpkins have a separate field, etc.”

Nora (12 June 2007) and her co-workers represent a growing trend where labour residing off the site of production is picked up each morning by the employer and transported to the fields daily. According to Nora, she and her co-workers were picked up at 8.00 each morning by the foreman. They arrived at the farm at 9.00 and ate what

⁵⁶ In the main, general male workers responsible for a number of different tasks residing and working on the same mixed farms tended to work longer hours than workers employed in the production and distribution of vegetable and fruit, irrespective if the sites of production and social reproduction were tied.

is regarded as their lunch because, from 9.30 when the 'break' was over, workers started harvesting and/or executing tasks linked to packing, including making boxes for tomatoes, until 16.30 when the working day ended. This means that on this farm: "You work from half nine in the morning until half past four, no break whatsoever", said Nora (12 June 2007). Nora gave more details about the working day on the farm of her employment in the following: "If we started [work] in the tomatoes garden, we will work there until knockoff time. We would sort the tomatoes ... [and] make the card boxes ourselves where the tomatoes that are sent to the market are packed in". Following the tomato harvest, "we would start working with either the butternuts or the pumpkins. We would harvest it, put it in the bags, load it onto the trucks ourselves and then it would be sent to the market" continued Nora. Her wage was R30.00 per day. She worked four days a week, hence earned an estimated R480 per month.

The above workday, to a certain degree, contrasts with other workdays where production was organised explicitly on demand. Several workers spoke of task allocation based on orders placed by retailers or consumers, thereby reflecting the stop/resumption feature of certain tasks in vegetable labour processes. When asked to describe a typical working day, Nomusa (6 May 2006) responded as follows:

It depends [on] the order; if there is an order, then the manager will ask us to harvest that order. We ... [harvest and do] planting and ... the hoeing, but it also depends on the orders. If there is an order that is needed, we are told to stop harvesting and attend to the order that is needed.

Nomusa was paid R38.50 per day, and she worked nine hours a day from Monday to Friday, which translates roughly to R4.27 per hour and R192.15 per week. In echoing Nomusa's (6 May 2006) account of her execution of tasks being shaped by the demand for produce, James also related the shifting nature of tasks on his farm due to product demand. In his words:

If there's an order from the market, for example, if the market has ordered tomatoes, we would work with the tomato. If the market has ordered pumpkin, we would harvest the pumpkin. If the market has ordered squash, we would harvest squash. Our work routine depends on the orders that we receive from the market.

On vegetable farms in production throughout the year, the different cycles of production from ploughing and planting to harvesting and distribution tended to occur on a more consistent basis for most of the year (in contrast to the production of citrus and peaches). As such, many of the workers, as seen in the interviews, were required to shift between tasks as and when required. James (12 June 2007) reinforced the

unpredictable nature of task implementation in any given working day when he said that:

For example, we would harvest tomato on this farm until 12.00. At 12.00 we stop harvesting the tomatoes and start harvesting the butternuts. We stop the butternut and harvest the pumpkin. We would also stop harvesting the pumpkin and go harvest the cabbages or watermelon. We don't do one thing the whole day.

It was tomato harvesting season when in-depth interviews were conducted with workers employed on the vegetable farms. Hence, the harvesting and the packing of tomatoes was the main commodity that workers, on the different farms, worked with at the time of the interview, interspersed with the harvesting and/packaging of other produce or other tasks that needed to be executed. For example, Nomusa (6 May 2006) said that:

The whole week we were harvesting tomatoes. On Friday morning, we first went to harvest the tomatoes at 7.30. It took us about two hours to harvest, then after that we went to our breakfast. After 30 minutes, we return to work and began to harvest chillies. We harvested the chillies the whole day until the time we stopped work ... until 16:30. We harvested 12 crates of chillies on Friday.

Nora provided details of tomato harvesting at her workplace in the following:

For harvesting the tomatoes, we would take big crates and fill them with the tomatoes. We would take the filled crates and transport them, using a van, to the store where the tomatoes would be kept. If it's late, we would leave the tomatoes at the store and go home. However, if it's still early, the tomatoes would be sorted out. There is a machine that does the sorting. The machine sorts the tomatoes according to quality and size. We do the boxes when the tomatoes have arrived when the machine has finished sorting the tomatoes. We would sort the tomatoes according to size. After that we would make the boxes and pack in the tomatoes. We would stop working when all the crates have been filled in with tomatoes. It depends on the number of crates. Sometimes it is 30, sometimes it is 40.

James (12 June 2007) related a more varied and erratic labour process that was dictated by the demand for produce, as noted above, that called for workers to handle a range of produce in a day. He explains:

We start to work at 7.00. We put the [tomato] crates in a line, one after the other. After that we harvest from 7.30 to 9.00. From 9.00 is our breakfast until 9.30. So, after 9.30 we pack the tomatoes into the crate. At 12.00 we must be finished there because all the crates must go to the market. When we are finished working with the tomatoes, we go to another side of the farm. Say if we are working with pampoen [pumpkins] or other vegetables or citrus, then we put these in the sak [bag]. The pampoen you're going to work with until 15.20 or 15.40 because they must go to the market in East London at that time.

The production sites where James (12 June 2007) and Nomusa (6 May 2006) were employed, displayed strong elements of a just-in-time production or business strategy noted in the on-the-spur demand and orders placed for particular vegetable commodities. As may be gleaned from the data presented thus far, the just-in-time methods applied to the harvesting phase of production and clearly distinguished the vegetable labour processes from the labour processes in the animal husbandry sector, and the fruit sub-sectors in this research sample. As will be shown in the next chapter, tasks executed on just-in-time principles tended to encourage direct and close forms of labour control and regulation as employers' interests lie with meeting the time frame of the orders.

Keeping broadly with the dominant employment trends and task assignments, Sylvia (11 August 2007) explained that her "job is to plant flowers and vegetables" for which she was paid R800 per month. She added that, at her work-place, "each person is given three types of jobs and [the employer] is expecting you to do all those jobs in one day. I plant vegetables, make fences, and take away the weeds". Sylvia's workday started at 8.00, and like Nora (12 June 2007), the employer picked her and a group of workers each day and transported them to the farm. Eric (14 May 2006) lived and worked, on a different flower and vegetable farm from Sylvia, and he earned R885 monthly. His workday started at 7.00 each morning and involved in Eric's (14 May 2006) words:

Driving; and I plant vegetables and flowers and use chemicals to kill insects from vegetables and flowers... I cannot say that my job is to drive only, because sometimes I must stop driving and deal with chemicals, after that I have to leave that job and plant vegetables and flowers. What I can say is that I don't have a specific job because I do all the work that is on the farm.

A striking feature in the presentations of the working day is the similarities of work and skill sets required for employment across the vegetable farms and mixed farms. This means that skill requirements are common across these types of enterprise, showing a level of homogeneity of skills that do not involve formal qualifications and which are classified as menial or unskilled and semi-skilled. This is a common feature in the research sample, as will become clearer later. Suffice to say here, that this level of skill homogeneity may make workers dispensable and may provide employers with the opportunity to hire alternative segments of labour from the local labour market that can be trained on the job.

It is also noteworthy that the tasks assigned to atypical seasonal/casual and permanent workers were not always distinguished, as both categories of workers often performed the same tasks across the different phases of production on the vegetable farms. For example, seasonally employed Nora (12 June 2007), James (12 June 2007) and Lindiwe (2 June 2007) planted, hoed, weeded and harvested, the same as Nomusa (6 May 2006) and Mandile (6 May 2006), who were employed on a permanent basis. This was also found to be the case among workers employed on vegetable farms in the SD 13 Survey. The major difference between atypical and permanent workers is the length of employment, whereby short-term employment is invariably for atypical workers, in contrast to regular and full employment for permanently employed labour. On the farms where workers in this research were employed, horticultural commodities were produced throughout the year, hence atypical workers such as Lindiwe and James worked for 10 and 12 months, respectively. These workers, as discussed in chapter 7, were disguised permanent workers, in contrast to Nora (12 June 2007) who was underemployed as she worked for only three months in the year, during the vegetable harvesting period.

Irrespective of employment contract, the above presentation sheds light on the nature of work and execution of tasks in vegetable farms and such farms mixed with citrus or animal husbandry. More specifically, the above portraits of work provide a glimpse into the nature of work, work allocation among workers, the timing in the execution of tasks and, significantly, the wages that workers earned. Workers' accounts of their jobs and how tasks are executed raise questions about the rate and pace of production and the level of wages in the different vegetable and mixed farms. The section below looks at the nature of work in pineapple and peach farms in this research sample.

9.2.2.3 Execution of Work in Horticulture: Pineapple and Peaches

Workers employed on fruit farms in the intensive and extensive phases of the research – pineapple and peaches – recounted the same phases in the labour process covering ploughing and planting to harvesting and distribution, as workers on the vegetable farms did. In terms of working hours and the length of the working day, most workers in the fruit sector, like their counterparts on vegetable and mixed farms in this research, worked eight hours a day which translated to a 40-hour work week. However, a few of the workers who were interviewed said that they worked nine hours a day over a five-day period, meaning that they worked a 45-hour work week.

On pineapple farms, workers in the research sample began their work at 7.00 and worked until 17.00. Breakfast and lunch times varied. For example, on the farm that employed Ziyanda (18 May 2006), an atypical female worker, there was an hour break in the working day. As Ziyanda said, “from 9:00 to 9:30, we rest for breakfast and from 13:00 to 11:30 we rest for lunch”. Her job, she said, was “harvesting, from the morning until 17:00”, for which she was paid R800 per month. Thabo (18 May 2006) a male permanent worker on a different pineapple farm from Ziyanda, in contrast had an hour and half break. He said that his wage was R849 monthly for “spraying pineapples with pesticides. ...I also harvest and drive”. His workday also began 7.00 and ended at 17.00, with an hour lunch break. As may be gleaned from Tables 8.3 and 8.4, there was some level of convergence in the work that men and women who worked on pineapple farms performed. This was largely in relation to planting, hoeing, weeding and harvesting. On some farms, women said that they also packed pineapples into boxes that were transported to the market. Tasks allocated to men only revolved around driving tractors for ploughing, spraying pesticides, deliveries, and maintenance.

Working conditions on the peach farm was similar for David (2 June 2007). As pointed out in the previous chapter, David (2 June 2007) worked on a permanent basis on a peach farm that also focussed on clay extraction, supplying and erecting tents, and making pineapple juice. So, his workday varied, involving putting up tents and working with peach trees, and performing tasks from planting and pruning peach trees to harvesting peaches. David (2 June 2007) described this shift in tasks in the following way: “If the peaches are not yet ripe then we would focus on the clay. When the peaches are ready then we would stop working with the clay and focus on the peaches; ... then if there is someone who wants a tent we would go and put up the tent”. He said that “we are working 45 hours per week”, that comprised a nine-hour working day from Monday until Friday: “There are [other] workers [who] are responsible for spraying and weeding”, added David (2 June 2007). His wage at the time of the interview was R1100.00 per month.

Women employed on a seasonal basis on the farm that employed David (2 June 2007), and who were interviewed in the SD 13 Survey, harvested and packed peaches. One of them, was 21-year-old Nokuzola (7 August 2011), who explained her job as follows: “I harvest peaches when they are ready, put them in boxes and prepare them to be transported to the storeroom”. For this work, she was paid R550.00 per

fortnight. Nevertheless, David (2 June 2007) said that peach production on the farm had expanded since 2003, meaning that the AMW was not a deterrent to increasing production. As a result, he said that “there is more work now. The farmer bought the neighbouring fields for planting the peaches. We are also working in that farm. He has more plantation fields now than before 2003”.

Between September and January, operations on the farm revolved around harvesting of peaches. David (2 June 2007) elaborated:

In October, workers would spray the peaches to make them grow and ripen. They are also testing the peaches to see when they would be ready for harvesting... The harvest season starts in September and goes on until January. The farmer hires a truck to transport the peaches to the market in East London.

A flow of the divided tasks was discerned in the peaches harvesting season. David (2 June 2007) explained the details of the peach harvest season as follows:

The harvesters would pick the peaches from the tree and put them on the ground. [Another group of] workers would pick the peaches and load them in the tractor when it passes. At 10.40 we go to have our lunch until 11. After lunch the workers would be divided. Some workers would remain at the shelter to do the sorting; the other workers would go back to harvest. The workers who are harvesting would also be responsible for transporting the peaches with the tractor to the shelter, offload the peaches, take them out of the boxes, put them into new boxes, and prepare the pallet frames where the boxes that are ready for transportation would be placed.

The above description of work depicts the detailed breakdown of tasks associated with peach production and the flow of tasks in the assembly line. In addition to the varied tasks that workers assume with harvesting, packing and palletising peaches, another key task in the valorisation process of fruit is sorting. Sorting essentially is the process whereby fruit is graded according to size and colour. David (2 June 2007) formed part of a group of three workers who were responsible for sorting. He described the task of sorting, which reflects the need for workers to recognise fruit size to enable required packaging. According to David (2 June 2007):

The peaches come in different sizes. My duty is to sort the peaches according to their sizes. There is size 16, 17, 18, 19, 20, 21, 22, up to 30. I have to sort the peaches according to size and to make sure that they are placed at their correct pallet frames for transportation. I must make sure that I know all the different sizes. Size 23 separately, size 13 separately. One pallet must have two hundred boxes of peaches. We use the jack to load the pallet on the truck. If the truck has arrived while I am still working, I would be asked to load the pallets on the truck. Someone else would load the truck if I have already

knocked off. We have three different groups of workers for loading the truck and we take turns.

The above depicts the many varied tasks involved in the production, packaging and distribution of peaches on the farm where the fruit is grown, harvested, sorted and palletised for transportation and distribution. It also highlights the need for workers to concentrate and focus their minds to recognise key features of fruit, such as size, for packaging. On this peach farm, primary fruit production was combined with packing, and so it shared common tasks with citrus orchards in primary production and with pack-houses.

Yet again, the varied contexts of agricultural production within the horticultural sector are displayed by the accounts that workers provided on the execution of their tasks. As the interviews reveal, variations are to be found in the way work is organised within sub-sectors, for example vegetable farms, and across sub-sectors, for example between vegetable and pineapple and peaches farms. Variation in the production of goods, and in the organisation and execution of work in the horticultural sector, is stretched further when consideration is given to the labour processes on the citrus orchards and pack-houses, although there are similarities in tasks related to the harvest periods. In the next section, work in the citrus sub-sector is portrayed through workers' accounts of their working day.

9.2.2.4 Execution of Work in Horticulture: Citrus

On the citrus farms too, a hive of activities is discerned as the various fruit mature. In the orchards that feature in this research, three varieties of oranges were (and are) produced (namely, valencia, delta, and naval), alongside other citrus such as naartjies, grapefruit, clementine and lemons. Citrus orchards are situated next to the pack-houses where produce is packaged for national and international retailers. As shown in Table 7.14, in most cases workers employed in the orchards and pack-houses worked a 40-hour week, with work beginning at either 7.30 and ending at 16.30 or beginning at 8.00 and ending at 17.00. Workers were allowed an hour for lunch. However, there were exceptions to the 40-hour week, as a few workers in the in-depth interviews, for example Vumile (11 August 2007) and Monwabisi (11 August 2012), said they worked a 45-hour week.

The citrus valorisation process, typical of horticultural enterprises, is determined largely by the maturation of the different varieties of fruit, with a clear distinction

between the orchard or primary producer, that being the grower of fruit, and the pack-house where produce is sorted, packed and transported to various retailers. From the interviews with workers, it is possible to distinguish two broad types of work – work in-season, when fruit is harvested, sprayed, packaged and transported to the market; and off-season tasks in the orchards centred on pruning, fumigating, irrigating and spraying trees, and ploughing, planting and weeding fields. General maintenance is also executed throughout the year, as well as tasks concerning animal husbandry on farms that combined citrus with production of livestock or dairy, or provided game hunting or viewing facilities.

Sofia (18 August 2012), who worked seasonally and whose wage was R730 per fortnight, provides a picture of the task breakdown on a mixed farm focussing on citrus as the main commodity, alongside a quarry and lucerne production:

I am a picker and I also harvest. There are sorters - those who are responsible for sorting the rotten fruit and fruit that has blotches. There are four sorters in total, but this number is going to be reduced during the harvesting of the lemon. The two of them are going to harvest and only two will remain as sorters. The other workers are drivers. Some workers are planting and cutting the lucerne. The others work in the quarry and one [woman] is a domestic worker.

The farm that Vumile (11 August 2007), who earned R813.74 monthly at the time of the interview, worked on was also a mixed farm, concentrating on citrus fruits as the main commodities combined with sheep, cattle and game hunting. In many ways, then, the division of labour and allocation of tasks were similar to that described by Sofia (18 August 2012) above. Diversification in commodity production is positive from the perspective of job creation, but it has to be scrutinised in light of the nature of the work and individual tasks, as well as in relation to the length of the working day and period of employment. Short-term employment periods, as examined here and in chapter 7, is representative of underemployment, in its various forms and intensities; and this consequently translates into low wages and/or sub-minimum wages, which raises crucial questions about the overall positive outcomes of diversified commodity production on job creation.

In important ways, an increase in labour demand for short-term workers (for work that comprises menial labour) brings into question the quality and quantity of jobs generated through agricultural diversification. Indeed, this also applies for the agricultural sector as a whole in the neo-liberalised agrarian political economy in South Africa. On both fronts, the nature of production and the associated labour demand

patterns, in relation to the wage that workers receive and set against the backdrop of workers' contribution to commodity value chains and society at large, gains added significance.

When the citrus season is at its peak, work in the orchards begins each day with picking fruit off the ground followed by harvesting. This work is performed largely by women; however, a number of men in the research also harvested fruit. Part of in-season work also involved sorting and separating fruit. Patricia (11 August 2012) worked on a seasonal contract on a farm that specialised in the production of oranges and lemons. She gave a breakdown of the tasks in the labour process that captures the overall division of labour on citrus producing farms. In her words: "There are sorters, there are harvesters, and some workers are responsible for spraying the trees. There are pruners; ...like now, the season is coming to an end, and the pruners have begun pruning the trees".

In most cases, in-season work such as picking, harvesting and sorting is assigned to atypical workers, whilst permanent workers, often employed as general workers, undertook supervisory or foremen roles to monitor seasonal workers and, in some cases, also harvested citrus alongside atypical workers. Workers are required to pick, sort, harvest and spray trees. Patricia (11 August 2012) shed light on the breakdown of her tasks in the orchards, for which she was paid R700 per fortnight, as follows:

In the morning when we arrive at work, the fields are wet with dew. So, the first thing that we normally do, at 7.30, is to pick the waste oranges that have fallen on the ground and crush them. At 11.00 it is our lunch time. Lunch time lasts until 12.00. From 12.00 we start harvesting. We also spray the trees with poison. We pour the poison around the trees...The workers would divide themselves into two groups. One group would pick the waste oranges and the other group would be responsible for pouring the poison around the trees. I am responsible for pouring the poison around the trees.

Lonwabo (18 August 2012), employed on an atypical contract, added that: "The first thing we do when we report to work at 7.30 is collect our bags and tools, and then we...pick the oranges that have fallen on the ground - the waste. We start harvesting as soon as the dew has evaporated". Lonwabo (18 August 2012) earned R1500 per month, at the time of being interviewed.

In providing insights into work on the orchard that employed her, Sofia (18 August 2012) said workers:

Pick oranges from the ground, put them into a drum and when the drum is full it is taken to the tractor to be emptied. We mainly pick the rotten oranges that fall from the trees and the ones that are being eaten by insects... The oranges are crushed with a machine that is attached to the tractor [in the fields] where we are working.

Standard and uniform methods of harvesting were found across the orchards. Zanele (18 August 2012) explained a typical harvest method when she said that “we remove the fruit from the trees and place it in our bags. We cut the fruit with scissors. When the bag is full, we empty it into the crates”.

Patrick (12 August 2012) often worked beyond the nine-hour day limit on a casual basis throughout the year, to prune and tend to citrus trees. He outlined his workday in the following:

I must start pruning the trees immediately when they have finished harvesting. When we arrive in the morning, we are given two scissors, a small one and a big one, and a saw...At 13.00 we take a 15-minute break and resume work at 13:15. They [management] say that we knockoff at 16.30, but we only finish at 17.00 or sometimes 17.45.

In the in-depth interviews, citrus workers were asked about what was enjoyable about their work. By workers' accounts of the working day in-season, picking, harvesting, sorting and spraying trees were not enjoyable tasks. These accounts not only convey workers' attitudes towards work, as they also provide insights into the demanding nature of work in the orchards. Zanele (18 August 2012), who earned R690 a fortnight, had the same feeling about both picking and harvesting: “I don't enjoy doing neither the one nor the other”. According to her:

I prefer harvesting. Harvesting is not as difficult as performing the other tasks. I can chat the whole day with my colleagues whilst I'm harvesting. Picking makes me more tired than harvesting because there are usually a lot of oranges to pick. When you pick oranges, you must always bend down - so your back hurts a lot in the process. You bend from the beginning to the end of the row. This is very tiring and the heavy bag on your shoulders makes things worse.

In contrast to Zanele (18 August 2012), Sofia (18 August 2012) said

I prefer picking. Picking is better than harvesting. Remember when you are harvesting you carry around on your shoulders that heavy bag.... that we are made to carry; it is heavy and makes my back soar and arms soar... It is strenuous work...but, when you are picking, the tractor comes, and you just empty your drum into the tractor's trailer.

In her explanation about her unhappiness with her work, Patricia (11 August 2012) gives an insight into the cumbersome nature of spraying trees at her place of employment. She explained:

I don't enjoy my work at all because I spray while the trees are wet in the morning; like, on Friday, I was wet by the time we had finished pouring the poison. Water drips from the trees and makes us wet because we must crawl under the trees when we pour the poison. There is no care. Nobody cares whether we get dry or not. They don't send us home to change the wet clothes. When we finish pouring the poison around trees in the morning, I must go straight to sorting the oranges.... [The employer] says he can't give us raincoats because we are casual workers.

These accounts clearly portray the strenuous and unpleasant work associated with citrus production and, in the quote immediately above, the nature of casual employment and unequal power in labour relations comes to the fore with the employer's refusal to provide raincoats for workers. In the research areas, harvested citrus was sent to nearby pack-houses in the next phase in the value chain, thereby raising questions about the relationship between primary producers and pack-houses in the perpetuation of low wages in the sub-sector. As argued in chapters 2 and 4, low-waged secondary sectors and enterprises, such as primary citrus producers, are connected to enterprises further up the chain, such as pack-houses and retailers, and multinational companies also supply agricultural inputs. Seen through this lens, it may be argued that the links that companies higher up the food production regime have with low-waged agricultural employers, encourage and cement the practice of low wages in the sector.

Nonetheless, workers employed in the citrus pack-houses related certain common tasks found in the orchards, where after a predominantly mechanised and Fordist labour process prevail(ed). In this sense, the division of labour in the pack-houses is far more detailed than in the orchards. Ronald (11 August 2012) worked on a seasonal basis at a pack-house, and provided a breakdown of the tasks that apply to the citrus pack-houses in the following:

There are sorters, forklift drivers, packers, sweepers, palletisers, strappers, line scanners, production scanners, quality controllers, box makers, maintenance workers, gardeners, general workers and cleaners and those who clean in the offices, domestic workers, samplers and pallet inspectors.

The above breakdown, provided by Ronald (11 August 2012), of the different workers employed in the pack-house conveys the detail in the division of labour and in turn in the labour process. Furthermore, the identification of the different workers in the labour

process points to the attention paid to ensuring quality and standards of commodities, and not only to packaging. Pack-houses displayed the highest level of mechanisation compared to primary producers in the horticultural and animal husbandry sectors. A clear Fordist assembly line was discerned in the labour processes at the pack-houses, as the varieties of citrus are sorted, graded and classified, packed, palletised, stored and transported to local and international supermarkets. The flow of tasks emulates an assembly line broadly in line with a Fordist and Taylorist frame. “The labour process in the pack house begins with the off-loaders”, said Paul (12 August 2012), who provided an overview of the operations of a typical citrus pack-house assembly line in the following manner:

[The off-loaders] load the fruit off the trucks into a dam-like container where it is washed in water and chemicals. From here, the clean fruit is sent to the graders via a conveyor belt. The work of the graders is to separate damaged and rotten fruit from the good ones. From here, the fruit is sent to other graders who also double check it just to make sure that the first graders did a good job. From here, the fruit is sent, again via the conveyor belt, to the packers. The packers are the ones who are responsible for packing the fruit in boxes. The packers also place tickets inside the boxes and send the boxes off to the ticket counters. The tickets have the clock numbers of the workers. Each box that you have packed must have your ticket on it. Each worker gets [a certain number of] tickets to place on each box that he/she has packed... From the ticket counters, the boxes are sent to the palletisers. The palletisers would put the boxes on pallets [a pallet is a wooden frame on which boxes of fruit are packed for export]. When the pallet is full, someone from the export department would come and take two sample boxes from the pallet. The fruit from the sample boxes would be tested for things like quality and diseases. The inspectors are responsible for testing the fruit.

All citrus pack-houses start with the washing of fruit. However, variations in terms of operationalising this task were observed in the different pack-houses. This in turn shapes the differentiations in labour demand. Put differently, the variations in the execution of the same tasks in the different labour processes translate to differentiations in labour demand. For example, in the pack-house where Paul (12 August 2012) worked, workers were employed as “off-loaders”, as the fruit came in to be washed as the first task in a chain of tasks in the assembly line. At the pack-house where Ronald (11 August 2012) worked, a different approach was adopted where “fork lift drivers, drive the fork lifts in order to transport crates of oranges to the basin where they are washed”, which is different to the pack-house where Paul (12 August 2012) worked – where off-loaders were employed to load the bins where citrus fruits were washed before moving along on the assembly line.

Each task in the labour process, as described by Paul (12 August 2012) above, contains a set of additional tasks that depict the detailed division of work in the pack-houses. In this regard, Ronald (11 August 2012) sheds light on the nature of work embodied in the various stages of the assembly line. For example, once the sorters separated the decayed fruit from the good ones, Ronald (11 August 2012) explained that the citrus was graded and classified. For example:

The oranges are sorted according to classes. There is class 1, class 2 and class 3. Class 1 is the good oranges. Class 2 is the oranges that have a few blemishes but is not completely damaged and can be sold in the market. Class 3 is the damaged fruit that is sold, say for example, to people who make juices.

Once citrus fruits have been classified and graded, they are sent through conveyor belts to the packaging section, where the fruit is packed into boxes. Nomilile (5 March 2011), who worked as a packer in one of the large pack-houses in the Sundays River Valley, detailed the work entailed in packing citrus fruit in the following comments:

The fruit comes through a conveyor belt from the area where it has been sorted and, as packers, we take the fruit and pack it in a box. There is a board with instructions in the area where we pack that provides instructions on exactly how we should pack the fruit. For example, we may be instructed to pack alternating rows of three and four oranges in a box. This will then take us to a total number of oranges per box.... Each conveyor belt has different sizes of fruit and this makes the packing order different from one belt to another. In an hour, I have to pack at least 1 500 pieces of fruit. I need to make sure that the fruit is properly packed as per instructions that have been given.

At the time of the interview, Nomilile (5 March 2011) was paid between R500 and R650 a fortnight. Nevertheless, from the workers' recounting of their work, it is clear that a fair level of skill and capacity is needed for workers to execute their tasks on the pack-house assembly line. This is exemplified in the nature of work, whereby workers have to keep their eye on the fruit moving through the conveyor belt, while at the same time recognising the different grades, shapes and sizes, and keeping an eye on the packing instructions. Such skills may not necessarily be easy, despite being regarded as menial or low/semi-skilled. The above accounts of work reveal the significant extent to which work in the labour process in a pack-house can be organised along Fordist and Taylorist principles, with the aim of extracting labour, hence, value from workers. Taylorism, in particular with respect to controlling and directing workers' output, played a strategic role in setting wage rates, as will be discussed in chapters to follow.

The next stage in the assembly line, after packing, involves preparing and packaging the boxed fruit for export. Boxes of citrus are assembled together into individual

palletisers by workers such as Ronald (11 August 2012) and Paul (12 August 2012). “The palletisers”, said Ronald (11 August 2012), “place boxes of fruit on pallets. My work is to pack pallets; say for example, with seventy boxes of oranges”. For his labour, Ronald (11 August 2012) earned roughly R900 a fortnight. Paul (12 August 2012), himself a palletiser, for which he was paid R700.00 per fortnight, detailed his work in the following way:

The work of a palletiser is to pack boxes of oranges on a ready-made wooden frame which is called a pallet. We place the boxes in order, in preparation for exportation. The oranges and naartjies are boxed in different sizes. There’s count 1, count 2, count 3 up to count 5. We take the boxes from the conveyor belt and pack them on the pallets, and then a worker comes with a heister and removes the finished pallet; and I would then take another pallet and put in place and pack another batch of boxes on it. This is what I do throughout the day.

The details of citrus packaging and palletising also surfaced in the interview with Paul (12 August 2012):

Count 1 is the biggest of all the sizes. Count 2 follows count 1 and so forth, with count 5 being the smallest size. The sizes also range from 1x to 1xx and 1xxx. There are many different sizes. There’s a lot of work and I can get very tired, that’s why I’m saying it is challenging.

After the palletising stage, quality checks are performed to ensure export quality. Quality control implies that a band of workers are employed in the pack-house to inspect pallets, thereby demonstrating the attention paid to the commodity to maintain the requisite standards. This begins with the quality controllers whose job, Ronald (11 August 2012) explained, is to “inspect the sizes of the oranges, measure the size and weight of the [citrus] boxes and the quality of the citrus”. At the tail end of the assembly line, when boxes of citrus have been palletised, the work of the samplers begins. “The samplers”, continued Ronald (11 August 2012):

Take two pallets from all batches that have been produced to the inspection room for inspections. There are inspectors...who inspect whether the pallets are of the right size, are correctly packed; basically, they make sure that the pallets meet all the pallet requirements before they are sent off to their destinations.

The findings of the pallet inspections are crucial, simply because it has important implications for workers and the labour process. This became clear during the interview with Paul (12 August 2012). “The inspector”, he said, “starts at Riverside [pack-house] and comes to us [the pack-house where Paul works] afterwards. He moves between these two factories”. Paul (12 August 2012) continues:

If the inspector finds out that the fruit does not meet the required standard, it would be sent back to the pallet where it was taken from and the whole pallet would be returned, either to be washed all over again or discarded if there was a serious problem with the fruit. If the instruction is to wash the fruit again, then we know that the labour process has to start all over from point A to point Z. The fruit that pass the test is transported in trucks to Port Elizabeth and Cape Town to be shipped overseas.

Like their counterparts in the orchards, workers in pack-houses also did not enjoy their work and often spoke of the strenuous nature of their work. Paul (12 August 2012) found that “the work is strenuous and very challenging because you pack these pallets all the time”. Ronald (11 August 2012) expressed this as such: “No, it is not an easy job. I have passed matric, so I do not think it is a job that is right for me. I find my work very challenging and tiring but I am used to doing it now”.

Workers’ recounts, above, of the labour processes in the citrus pack-houses bring to the fore the Fordist nature of the division of labour in terms of the order and flow in the execution of tasks. The labour process and the division of labour in the pack-houses raise several points of relevance and interest to the discussion of the valorisation process and the low- and high-road dynamic with the advent of the AMW. This is a subject that is dealt with in more detail in the next section. For the discussion here, it is important to note that the nature of work and the operationalisation of tasks in the citrus pack-houses reflect a blend of low- and high-road approaches. This blend manifests, in the first instance, in the use of high-road elements such mechanisation in the technical valorisation processes, depicted in the use of the conveyor belt, the fork-lift, the machine that makes boxes, the bar scanners and the computers that track workers’ output. In the second instance, these are deployed alongside low-road elements embodied in the capital-labour relations, and which are depicted in the inequalities in bargaining power between workers and employers, and in the secondary and sweated working conditions described above.

The data presented above provides insights into the nature of work, allocation of work, and how work is executed in citrus orchards and pack-houses. In addition, data on wages was provided in relation to the jobs that workers performed, and workers’ impressions of their work were presented to reveal work conditions in the citrus sub-sector. Working conditions in the sub-sector, as in other sub-sectors, need to be considered when problematising the social devaluation of agrarian labour in relation to actual wages and statutory wage settings. Equally significantly, given the nature of work, the 40-hour work week in the citrus sub-sector raises questions about degrees

of work intensification that need further research with respect to volume of production, number of workers and working hours, on order to unravel these phenomena in a highly regarded exporting sub-sector in South Africa. This subject will be picked up in chapters to follow.

The discussion on the nature of work and breakdown of tasks comes to an end at this point. The intention of presenting the nature of work and a detailed breakdown of the execution of tasks in animal husbandry and horticultural workplaces, was to enhance an appreciation for agrarian work that is often invisible and which by implication does not receive much attention. By providing a detailed breakdown of tasks in low-waged jobs, such as agriculture, key information comes to light when engaging with wages; in particular, the fairness of agrarian wages in relation to the type of work on offer and the contribution such work makes to societies. In other words, by examining agrarian work more closely, theory and conceptualisation of the social devaluation of agrarian work in relation to actual and statutory wages are strengthened, opening the door to searching questions on what wages reflect.

To sum up the discussion, it is useful to take note of convergences and divergences in the various sub-sectors in horticulture and animal husbandry so as to fully appreciate agrarian skills-sets in the local agrarian labour market, and the extent of secondary labour market conditions in the sector. This exercise, in turn, aids in assessing the shift from low-road to high-road production processes, which is considered in section 9.3. By the same token, such an exercise aids in deepening narratives on the social devaluation of agrarian skills, which is considered briefly in section 9.4. At a broad level, such an exercise aids in deepening an understanding of the totality of the low-waged agrarian labour market. The in-depth accounts and descriptions of the working day and work experiences in the horticultural sector, similar to the animal husbandry sector, as presented above, sheds light on the points of convergence and divergence in the labour processes on vegetable, citrus and mixed farms. In so doing, a sense of the general causal mechanisms of secondary work conditions and low wages across sub-sectors in concrete settings, is obtained. At the same time, examining the organisation and execution of production and the creation of surplus value bring forth the contradictory tendencies between the different aspects of co-ordinating production under capitalism, regulating and managing labour, and marketing and distributing commodities. As argued in chapter 3, contradictions and the lack of uniformity and coherence between the different functions of production and

valorisation often translate into combined and uneven applications of low-road and high-road approaches.

With respect to the streams of convergence, the data shows, on the one hand, that certain tasks involved in the different phases of production, depicted in Tables 9.1 to 9.4, are common across animal husbandry and horticultural worksites. Yet another significant and stark convergence in the data discussed above on the nature of work is the taxing and repetitive nature of agricultural work, which combine with other streams of convergence pertaining to the social relations of production, as will be shown in the next chapter. However, when the working day of the workers in the various positions in the labour processes is broken down, the variegated forms in the execution of work in the different labour processes, where similar tasks prevailed, is revealed.

It is vitally important that the points of convergence (hence homogeneity) and aspects of divergence (hence heterogeneity) are spelt out for a nuanced understanding of the relationship between the AMW, trends in the labour processes, and skills, competencies and wages. Homogeneity is observed in the set of tasks that are common across all sub-sectors, such as general workers and domestic chores and, within sub-sectors, such as planting, weeding, picking, harvesting and packing in horticulture, or livestock care and general farm maintenance in animal husbandry. Agricultural production in the research sites comprised of a core set of skills that were applicable within and between sub-sectors, thereby widening the pool of labour supply available to employers, as alluded to earlier.

A generalised state of skills homogeneity prevailed, and this meant firstly that workers could easily and quickly pick up the execution of tasks, as will be shown later, and secondly, that labour was dispensable and easily replaceable. This exposes labour's vulnerability and, in part, explains why workers stay with low-waged agricultural work. The ease with which labour may be replaced on account of the homogeneity of skills, combined with the reserve army of labour, gain added significance when alternatives to agricultural work are absent for workers in the research localities, thereby compelling them to take up and stick to jobs in the agricultural sector. Hence, the high rates of unemployment and poverty in the research sites, as pointed out in chapter 6, compel workers to seek low waged jobs in the agricultural sector. The lack of alternative employment opportunities, together with the ease with which workers can enter jobs, without prior training, either keep wages on or slightly above, or below, the

prescribed rates. The set of conditions, coupled with the reserve army of labour, merely serve to lower labour standards in the local agrarian labour market. Ultimately, this set of conditions often weakens labour and strengthens capital. Consequently, inequality in bargaining power and the totality of the low-waged agricultural labour market are institutionalised.

This leads to a parallel, to an extent, between the positions and states of agrarian labour in the research sample, and workers in low-waged work in Victorian England. This warrants mention at this point. The homogeneity of skills for the vast majority of low-waged workers, combined with the ease of entry into jobs (which also made it easy for employers to dismiss workers speedily and replace them with others) and the reserve army of labour, are hallmarks of sweating prevalent in Victorian times in Britain – the very conditions that sparked the counter-movements to low wages and campaigns for statutory wages.

Turning to divergence in the data, an immediately observable area of differentiation in the labour processes is clearly evident between primary agriculture and pack-houses, and across and among farms in the horticultural and animal husbandry sectors. The orchards and plantation fields in fruit and vegetable farms together with livestock, game, pig and poultry, largely required manual labour with minimal machinery and technology. This contrasted with the labour process in the citrus pack-houses where capital-intensive labour processes were observed alongside Fordist assembly lines. The dairy farms also operated technology in the extraction of milk as discussed above. A detailed division of labour was not found on the farms in the animal husbandry sector, compared to production sites in horticulture where a more detailed division of labour and task breakdown were identified. In addition, variations are noted, not only in the way in which tasks were executed, as differentiations also emerged in the data with reference to certain working conditions pertaining to working hours and breaks, and differentiated periods of employment, especially in horticultural enterprises.

The data on the labour processes presented, thus far, in part explains the employment patterns, durations of service, and lengths of the working day, that emerged in the research and presented in chapter 7. Ultimately, the data on employment contracts, length of service, working day, and the breakdown of tasks and the organisation of the labour processes, in both the horticultural and animal husbandry sectors, show the depth of variations in the technical dimensions of valorisation. This precludes generalisations and predictions about the impacts or outcomes of the AMW on

employment and work arrangements. The variegated valorisation processes, and the variety in the methods of executing tasks, within and across sectors and sub-sectors of agriculture, provide some light on the drivers – in the post-AMW period – of employment patterns and trends, and in the employment durations and working hours, discussed in chapter 7.

Workers' narratives of their working day, together with Tables 9.1 to 9.4, reveal a depth of information about the working life of agrarian labour and the objective conditions of valorisation in primary agricultural workplaces and in pack-houses that have a bearing on the way the discourse on AMW is approached and framed. There are three reasons for the interest and relevance of a discussion on the nature of work to the study of the AMW, which are: (a) the scope for the migration from low- to high-road approaches with the advent of statutory wages, (b) the conceptualisation and discourse on the skills, competencies and knowledge on which agricultural production rests, and (c) the social value and worth of agricultural work, skills and labour force. These aspects are dealt with in the following sections, where in section 9.3 attention is paid to the first aspect and, in the final section, b and c are discussed.

9.3 SHIFTS FROM LOW ROAD TO HIGH ROAD IN THE LABOUR PROCESS

As much as the data on the nature of work and the labour processes raise questions on the nature of employment, the data always poses searching questions on the way in which heterodox labour market economists view the relationship between statutory wages and the nature and organisation of work. More precisely, questions arise about the ability of the AMW to shift the nature of work and execution of tasks from low- to high-road methods and, in so doing, encourages deeper exploration on the technical or objective labour process conditions that aid, sustain and inhibit shifts between the two approaches. Over and above this, as noted previously, analysis of low-waged agrarian labour processes and the execution of tasks brings to the fore the combined and uneven deployment of low- and high-road approaches in managing and coordinating the different spheres involved in generating surplus value. As such, it is not unusual for certain labour processes, such as citrus pack-houses or certain parts of the dairy sub-sector such as milking, to combine high-road and low-road methods in production.

In the main, labour and valorisation processes in the sample showed strong correlations with pre-AMW conditions with respect to the way work was organised and

in the execution of tasks. So, while variations in the technical aspects of the labour processes are clearly discernible, the continuation of pre-AMW production methods, organisation of work and execution of tasks is a common feature for all workers interviewed. In this regard, the empirical data clearly showed that the execution of work in the various labour processes, documented above, remained the same for workers with the advent of the AMW. Worker after worker interviewed attested to no or negligible changes, in pre- and post-AMW years, to the way work was allocated, organised and executed. This is a clear indication that minimal or no changes were made to the way work is organised and how it is executed with the advent of the AMW. This was the case throughout the in-depth data collection period beginning in 2004. For example, 42-year-old Khanyiso (16 October 2004), a male worker on a livestock farm in the Carlisle Bridge area, who participated in the 2004 focus group interview, said: “I work the same as I used to,” when asked if there were any changes to the way work was done after the introduction of the AMW.

This response reverberated with the other workers interviewed in 2007 and 2012 across the various sub-sectors and production sites. In this regard, Zola (7 May 2006), who was interviewed three years after the advent of the AMW, said that “nothing has changed” on the livestock farm where he worked. Lindiwe (2 June 2007) too said “nothing has changed. We are doing the same thing throughout the years”, on the mixed horticulture and animal husbandry farm where she was employed. Likewise, Ntom (6 May 2006) said “I am doing the same thing; I am milking the cattle in the same way”, and Nelson (6 May 2006) confirmed that “no, there are no changes to the way I work”, on the dairy farm after the AMW was introduced. Even for wool and mohair sorters, work remained the same when the statutory wages were introduced. Bongzi (7 May 2006) confirmed this in the following, “I was doing the same work, nothing changed”, and Mandile (6 May 2006) said that “I am still doing the same work as before” on the vegetable farm where he was employed. Finally, citrus pack-house workers also said that there were no changes to the way work was executed with the introduction of the AMW. Mzi (12 August 2012) captures this when he said: “I can’t say things have changed because nothing has changed. The work is being done in the same way it used to be done five years ago”.

The execution of work remained the same, between the pre- and post-AMW years, for workers across the other sub-sectors, as described in section 9.2.2. As such, it is safe to say that the AMW did not shock or inspire agrarian employers to the extent that it

prompted them to make changes to the organisation and execution of tasks in labour processes. It is clear from the data presented thus far, on the objective and technical aspects of the labour processes, that the AMW was not a regulatory shock on the employment front or on the objective and technical side of labour processes. For this reason, it is argued here that the agrarian labour processes, where workers in the sample executed their labour, are continuations of the past by registering no cataclysmic technological shift in the organisation and execution of work between 2004 and 2014. It is safe to conclude that a sense of inertia characterises the enterprises, where workers in this sample were employed in the wake of the AMW, symbolised in the absence of change to the labour processes; hence, the lack of movement from low-road to high-road approaches in the organisation and execution of work.

Associated with this inertia in the labour processes and typifying continuities with pre-AMW valorisation processes, is the absence of training and continuous skilling. Here the question of the provision of training becomes pertinent, especially in assessing the prevalence of low- and high-road methods in labour processes. Training is often regarded as a benefit that employers provide to workers. It is also identified as a benefit that is removed when statutory wages are introduced, in neoclassical economics (as discussed in chapter 3). In this research, skilling and training proved to have a complex and uneven relationship with the AMW, thereby defying event regularity and the simple and direct relationship between MW settings and termination of worker training that is assumed by neoclassical economics (see chapter 3). A simple and linear correlation between training and statutory wages does not always exist, as this research shows for several reasons.

For a start, most of the workers interviewed did not receive any formal training upon employment and acquired on-the-job-training. This was the dominant trend in the data for workers across sub-sectors and enterprises, with a few exceptions highlighted below. All the women sorters interviewed did not receive any formal training in sorting and cleaning fleece. As Mary (7 May 2006) said, “when I arrived [on the farm] other employees were sorting the wool, and then I learned from others how to sort”. It appears that most sampled workers across sub-sectors acquired the necessary skills to perform tasks while on the job, by observing how tasks are performed from the existing workforce. Likewise, Zamxolo (12 June 2007) said that “no one has received any training; they employ people who already know the game reserve work”. For

workers such as Mary (7 May 2006), Zamxolo (12 June 2007), and a significant portion of agrarian labour, the discussion of training and the AMW is not about the withdrawal and/or possibilities of terminating the provision of training when mandatory wages are introduced. This is precisely because these workers did not receive any training before the AMW. Hence objections to MW settings and uprating minima, because they have negative outcomes for training, simply do not hold any truth for large segments of farm workers in the research sample.

As pointed out in chapter 4, the statutory body overseeing training in the agricultural sector, in the post-apartheid era, reported on the insignificant number of agrarian employers who applied to the body in terms of training their workforce. Agricultural employers are either unwilling or unable to invest in further training and skills enhancement of the labour force, due to a combination of factors. These may include the natural and technical composition of the labour process, economic considerations, and the presence of a reserve army of labour in the local labour market, as highlighted in chapters 6 and 7. The question of training and reskilling in the agricultural sector, therefore, is complex and multifaceted, involving employers' attitudes and beliefs on training and skilling their workforce, as well as the structural and economic opportunities and constraints.

Second, skills development on game farms complicates the simple event regularity made between statutory wage increases and training. This is so because certain tasks, within the general labourer job description, on game farms (as compared to tending to livestock) require a different set of skills, knowledge and expertise, such as tracking and spotting game, anti-poaching units/guarding game, and capturing game for auctions. Workers who performed general farm work on farms previously producing livestock and who now also track, guard and capture game, received training in these specific jobs when they gained employment on game farms. Pointing out examples of training and skilling at his workplace, Khaya (13 May 2006) in this regard noted that "trackers were trained to do that job on the farm", while Luvuyo (2 June 2007) said that "the game guards were taken to Port Elizabeth for training". Adding to the conversation on training, Maria (12 June 2007) said that she and others were trained on "how to service the rooms, and how to host guests". She said that, ordinarily, management employed trained and skilled trackers and rangers from outside the farms, "but in June they chose three guys who will be trained as trackers". Colin (12 June 2007) added

that on the game farm where he worked, “game rangers and the receptionist were the only ones who received training”.

The nature of work in the game farm sub-sector lends itself to training and skills acquisition, showing the influence of objective conditions in the determination of training and skilling prospects in the workplace⁵⁷. This also shows that, although workers may be separated from the conceptual skills of production, they acquire the requisite skills and training formally and/or informally on the job, to carry out tasks. In this sense, then, though workers have little to no control over the conceptualisation of production and associated components, they acquired levels of skills and competencies to execute various tasks.

Acquiring requisite skills and competencies on the job and learning how to perform tasks from the established workforce, does not detract from the fact that training programmes were not widely evident in the research. Similar to most workers in animal husbandry in this study, for the majority of workers in horticulture, training provision was also absent. Sofia (18 August 2012), Sylvia (11 August 2007), Lindiwe (2 June 2007), James (12 June 2007), Eric (14 May 2006) and many more workers employed in orchards and vegetable fields reported to have received no training. Similarly, Ronald (11 August 2012), Mzi (12 August 2012) and Paul (12 August 2012) who worked at pack-houses also said that they did not receive training for the jobs they performed.

Ronald (11 August 2012), however, said that although he did not receive training to perform his job as palletiser, “the maintenance workers, sorters and packers get training”. Patrick (12 August 2012) was one of the few orchard workers who received training as a pruner. He recalled that he was “trained on the farm by my supervisor”. From Patrick’s (12 August 2012) account, the training was not a lengthy and complicated process indicated in the fact that “the training lasted one hour”. Thabo (18 May 2006) was also part of the minority to receive training in the use of chemicals. As

⁵⁷ The training of unskilled and semi-skilled farm workers in certain game farm tasks, as described above, for those who worked as general labourers on livestock and dairy farms before the farms changed product market strategy and became game farms, is a complex and nuanced phenomenon in the local agricultural labour market. This is so because the monetary value of tasks and skills were still embedded in a low-waged paradigm. Hence, unlike Langholtz and Kurley (2005) who uncritically write about training on game farms in glowing terms, it is best to seek qualifications on the type and nature of training and if the newly acquired skills increased wages above AMW rates. What is the point of getting new skills or improving your skills in the agricultural sector if workers continue to be paid low wages?

noted above, Thabo (18 May 2006) worked on a pineapple farm. He explained that workers:

Were trained on how to use the spray. We went to another farm and there was an inspector from East London who explained about the dangers of using chemicals, and the way to handle them. He also told us that, when it is windy, we have to wear raincoats and boots when we are using chemicals.

The data on training and skilling in the labour processes in this study clearly shows the mixed responses of employers towards training, that in turn demonstrates the need for further research to understand constraints in labour demand and supply side factors that impede skills development and training. From sampled workers' accounts, it became clear that a minority of employers made training available to workers in certain job positions, and hence adopted a selective approach to training. But the vast majority of workers reported the absence of formal training processes. In these work-settings, strong affinities with low-road approaches were present, where skills and knowledge of the jobs and tasks were acquired on the job through informal methods, as in learning from others or receiving training that was of a short duration. In many cases, no prior knowledge and/or formal qualifications was required by employers. Therefore, the demand for labour, which is shaped enormously by the nature of work and the low level of technical development in agricultural commodity production, perpetuates the menial, unskilled and semi-skilled base in the agricultural sector. Ultimately, such conditions reinforce the application of low-road approaches and methods in the technical dimension of valorisation processes in this research, as well as in the social relations of production.

The absence of training and skilling in the research sites reflects two crucial aspects that individually and combined may have impeded the transition to high-road methods. One relates to the attitude and approach that employers adopt towards innovation and change in labour processes. In this regard, employers may be reluctant or unable to change to high-road approaches because of increasing costs. The second reason for the absence of training relates to the possibility or scope for further training through technological innovation given the nature or type of agricultural work.

The absence of training and the perpetuation of low-road approaches in the various labour processes signal possible defects or absences in the necessary institutional arrangements in the local labour market that, then, objectively erode possible opportunities to shift from low- to high-road approaches. These defects and absences

in the local labour market rest in pre-existing structures and relations that facilitate the perpetuation of continuities from previous eras.

The data shows that the AMW had no impact on the way that the labour processes were organised and how work was performed due to a complex interaction of multiple forces. These pertain to the nature or type of work, employers' labour demand for unskilled and semi-skilled workers, and constraints and institutional arrangements in the local labour market – such as the lack of training and skilling programmes due to, to a large extent, employers' need for unskilled labour. Regulations such as a MW are necessary, it is argued in the heterodox economics tradition, to ensure that firms do not survive on the basis of low pay, by encouraging them to enhance their labour quality, to manage and organise labour effectively and to invest in technology (Deakin and Wilkinson 1992:386, Sachdev and Wilkinson 1999).

The findings from this study, however, alert the researcher to the need to qualify the relationship between statutory wages and the migration from low- to high-road approaches in the technical and socio-political dimensions of valorisation. In qualifying the link between training and continuous skilling, it is important to understand the characteristics and composition of both the technical or objective spheres of valorisation combined with the social relations of production, so as to identify the opportunities or possibilities for, and scope and extent of, changes. In this regard, there may be key technical/objective conditions pertaining to the nature of work or job content that prevent or limit shifts by way of innovations in the production processes, thereby inhibiting training and skills development of the labour force. In the agricultural sector, it may not be possible for all low paying firms to invest in training and skills enhancement programmes, because the scope for training may not exist in certain jobs such as seasonal work on farms, as discussed above. In addition, the secondary labour market conditions and institutional arrangements typified in the lack of prior qualifications and on-going training, among other factors, signal blockages to the development of high-road methods. Therefore, these findings support other heterodox labour market researchers who find similar outcomes with respect to the lack of fundamental changes in the labour processes.

Low waged employers such as in agriculture often compete on the basis of paying low wages as opposed to product enhancement, thereby maintaining a predominately low-road outlook to labour processes and employment practices. This tendency, as alluded to earlier, may be fuelled by a combination of factors that include the qualities of the

agricultural commodity under production, employers' economic conditions, and the social values, ideologies and norms informing employment practices. The inertia in the way in which the labour processes were organised in the research sample relate to the enterprises' product market conditions, and to the fact that South African agricultural producers are price takers in a globally competitive food regime. The economic pressures that agricultural producers face may hamper employers' intentions to create niche markets. The scope for changes to be made to the economic organisation of work include investing in technology and work innovation alongside addressing ill-feelings, objections and apprehensions which employers hold about various labour rights and wage increases, so as to address exploitation, discrimination and vulnerabilities of workers.

Grimshaw and Carroll (2006), for example, found that it is not always possible for firms to shift gear towards the high-road due to the absence of the necessary institutional arrangements and processes in labour markets. As with the local agricultural labour market in this research, Grimshaw and Carroll (2006) point out that the ability of a MW to stimulate new and innovative work methods in their research, was constrained by three key factors relating to "[product] market conditions, employer norms and labour market institutions". Adjustments to a MW through the high-road approach are largely dependent on the nature of the labour process and the product market status of companies, on employers' value base with respect to skills development and training, and on the labour relations approach. There also cannot be an automatic association between wage regulating mechanisms and the high-road approach even if the conditions exist for firms to pursue this course⁵⁸.

Continuities in the technical relations and objective conditions in labour processes in accordance with low-road approaches, however, were also accompanied by elements of high-road approaches in the production of commodities. There has been little to no transition from low-road to high-road approaches in the organisation of labour processes and in the way in which work was performed, with the advent of the AMW. However, certain sub-sectors, such as citrus pack-houses and milk extraction on dairy farms, displayed elements of high-road methods in selected parts of the production process, as mentioned in the previous section. Such production processes, therefore,

⁵⁸ This would require enforcement procedures that are the responsibility of the state. It would also require a different form of inspection that aims to facilitate company restructuring through positive strategies, as opposed to merely inspecting for compliance with labour laws (see Piore and Schrank 2008). This will have large costs, which raises the question of who bears these costs – the employer, the state or consumers of final products.

combined low- and high-road approaches in selected parts of the valorisation process. For example, citrus growers pay a significant amount of attention to improving the quality of fruit through research and development, and through a network of international support systems for growers (Mr LK 12 August 2015).

Likewise, in the pack-houses and export facilities, storage facilities are equipped with highly developed technological equipment to maintain the standards and quality of fruit that are exported. In similar fashion, the wool and mohair sub-sectors invest in research and development to enhance the quality of produce (see NWRA). Even in the dairy sub-sector, milk producers are required to consistently test and check the quality of milk to maintain standards. The use of research and development in certain sub-sectors, such as wool and mohair, dairy and citrus, demonstrates an element of the high-road approach with respect to improving products as a means to enhance product market positions.

The wool and mohair sub-sector, and dairy and citrus sub-sectors, show that employers can use a combination of low- and high-road approaches in parts of the valorisation processes. In most cases, research and development work in the agricultural sub-sectors are undertaken by tertiary qualified individuals; not by MW workers. Hence, the opportunities and scope for further skills development at the assembly line are often limited for workers in AMW jobs. The extent to which capital invests in technology and innovation in the workplace is fundamentally shaped by sub-sector and enterprise level dynamics, including the socio-political beliefs of employers regarding employment conditions and standards, and the organisation of production and valorisation.

The research points to the co-existence of high-road with low-road methods in valorisation processes which, as discussed in chapter 3, reflects and depicts the complexities and contradictions of coordinating, managing and creating surplus value. To recall from chapter 3, central to a Marxist understanding of capital and management strategy in the labour process and in creating surplus value generally, is an emphasis on contradiction. As Hyman (1987:30) notes, in Marx's analysis of capitalism as a whole, emphasis is on internal contradictions, or between "tendential contradiction between forces and relations of production, between the production and realisation of surplus value". Consequently, employers may draw on and deploy a diverse set of strategies in the workplace to suit enterprise and sub-sector imperatives. In this regard, as pointed out in chapter 3, these research findings are similar to other

MW works, such as Heyes and Gray (2004), who also found from their research that employers deploy a combination of the two approaches.

Similar to Heyes and Gray (2004), in this study, high-road approaches were found at the level of products and commodities, where employers invested in research and development to improve the quality of produce hence, in the technical aspects of the labour processes. As will be shown in the next chapter, labour relations and the social relations of production were firmly embedded within the low-road framework, giving rise to workplaces that make combined use of high-road and low-road approaches in processes of valorisation. Ultimately, the selective use of low- and high-road approaches in the technical and social relations of production depicts the lack of uniformity and coherence among the spheres of production, labour regulation, and marketing and distribution of commodities, in the creation of surplus value.

Although sub-sector variations were discerned in the labour processes and in the way that work was organised and executed in the research sites, the empirical evidence presented thus far shows a fairly homogenous state of secondary jobs; these jobs typified by the lack of formal training and qualifications and the general absence of highly skilled jobs, at the site of production, with little to no potential for further training and skilling. Crucially, this set of factors contributes to cementing and institutionalising secondary work conditions in the local agricultural labour market, and in turn the perpetuation of low wages. The outcomes of this on wage setting and wage levels are profound, as will become clear in profile of wages later in the thesis.

In many ways, the widespread use of low-road approaches and the state of inertia that prevailed in the technical dimensions of the labour processes, in the wake of the AMW, stems from pre-existing conditions, social relations and institutional arrangements in the labour processes and in the local agrarian labour market. This inhibits the transition to more progressive ways of executing and organising labour processes reflective of high-road strategies. Spatial and temporal specificities, hence, will shape the outcomes of the AMW in so far as valorisation processes and labour market conditions are concerned. Context specific dynamics and conditions, as Deakin and Green (2009) observe, dictate that statutory wages will be path-dependent, meaning that pre-existing structures and relations will shape and be shaped by mandatory wages, resulting in variegated outcomes and implications for workers and employers, and for labour market and labour process dynamics.

9.4 SOCIAL VALUE AND AGRICULTURAL SKILLS, COMPETENCES AND KNOWLEDGE

The presentation of work above makes it necessary to dwell on the subject of agrarian skills and competencies in the context of low wages and social devaluation of such work and its contribution to society. Agricultural skills, generally, do not receive in-depth attention in the writings on agrarian labour in South Africa, precisely because labour processes and labour markets are not areas of interest in the standard economics, agricultural economics and rural development policy works. However, for economic sociologists studying the AMW, not only do labour processes (through which surplus value is created by labour) and labour markets (where unequal exchange takes place between the sellers and buyers of labour power) take centre stage. An economic sociological analysis of the AMW cannot escape the question of skills composition and the competencies and knowledge required in the various agricultural production sites. The subjective and social aspects of valorisation, set in context with the objective and technical dimensions of labour processes, need further unpacking in order to cogently understand the link between skills, competencies, social value/worth and wages. This exercise gains added impetus with the co-existence of high-road approaches in the objective and technical dimensions of labour processes with low-road practices in the socio-political spheres of production (discussed in detail in chapters 10 and 11).

Questions on the type of employment and jobs on offer in the agricultural sector, and the associated skills, competencies and knowledge, are of vital importance in the discussion of both the social value of agricultural work and the existence and persistence of low-road approaches. In addition, questions arise about structural dynamics in local labour markets, such as the use of technology and innovation, and employers' scope and willingness to invest in improving work methods, thereby improving skill levels. Further questions exist about the possibility of transcending to high-road relations and processes in the labour process, in order to encourage or stimulate high-waged labour markets in the agrarian context.

As noted in the previous section, a reason for the absence of training among workers interviewed relates to the limitations posed by the nature of work for further training through technological innovation. As Rubery and Edwards (2003:465) observe, skills structure affects the ability of a firm to innovate because the conditions to enhance and/or increase skills may not exist. Be that as it may, the question that arises is how

the social value of and pay for work, and positions in labour processes where little to no scope for further training and skilling prevail, should be conceived and rewarded. This would include reference to, for example, livestock handlers, wool sorters, hospitality workers on game farms, and workers in horticulture who plant, weed, pick and sort produce. The arguments and points made by labour market segmentation theory on the social value and worth of such jobs and associated skills, gains added significance at the level of the discourse on low wages and statutory wages.

The tasks associated with agricultural work in this research constitute a set of skills, knowledge and competencies that are often regarded as menial, unskilled and semi-skilled, all of which leads to their economic and socio-political under-valuation. This level of under-valuation intensifies the low regard for agricultural skills, because such skills lack formal certification and qualifications. It is, therefore, not unreasonable to argue that the social use, value and contribution of agricultural work ought to take precedence in wage determinations and in assessing the value of labour for all agricultural work and skills, including those found in agricultural labour processes that cannot be transformed in line with high-road approaches. This will elevate the status of low-skilled and menial jobs, shifting the determination of the wage to take account of the contribution made by jobs and workers who perform them, thereby not relying entirely on the level of skills of agricultural tasks and/or entirely on formal qualifications.

The socially-devalued status that agricultural work holds is a key driver perpetuating and cementing practices, beliefs and ideologies associated with low-road approaches in labour processes and low-waged labour markets. The overall socially-devalued perception of agricultural work is inseparable from the low regard accorded to the skills, knowledge and competencies associated with farm work. Menial work requiring low skill levels is regarded by orthodox neo-classical economics as the reason why workers receive low pay, as discussed in chapter 2. To be sure, for the orthodox model, low wages results from low skill levels. However, Sachdev and Wilkinson (1998:11) rightly argue that using the level of pay to measure the worth of workers is severely limited and narrow as no consideration is given to the job content, requirements and demands. It is, hence, imperative that skills – both their levels and formal qualifications – be distinguished from the nature of work and the associated competencies and knowledge acquired on the job. The nature of the job and the required competencies and knowledge have to be assessed on their own terms and in relation to the demands placed on workers by agricultural work.

On a general level, the above description of working life in both animal husbandry and horticulture, for male and female workers, raises important questions for the way in which such work is theorised and conceptualised in terms of the relationship between skills, knowledge and expertise on the one hand, and wages in general and the AMW in particular, on the other hand. With regard to the question of skills, it is argued here, in accordance with labour market segmentation theories, that the skills, knowledge and expertise that farm workers acquired on the job often go unrecognised or are downplayed, as is evident in the low wages that workers are paid. It is further argued that the low levels of the AMW do not reflect workers' contribution to the valorisation process, and that the skills and job requirements of agricultural work are not considered at all or are inadequately considered in setting wage minima for the sector. Yet, the detailed presentation of work in section 9.2.2 provided insights into the skills, knowledge, competencies and expertise that workers have come to acquire and use in the execution of their tasks.

This can be demonstrated in relation to the animal husbandry sector and the work of male general workers employed to manage livestock, for example. From male workers' accounts of their daily routine in section 9.2.2.1, it is clear that general labourers' work requires workers' capacity and ability to perform a range of different tasks – from caring and protecting livestock to maintaining and protecting the infrastructure and other farm assets. Work especially on livestock and dairy farms is arduous, which is borne out in the data on the breakdown of the working day above. The labour processes and workers' tasks were designed to maintain and protect livestock, which also involved maintaining and protecting the farm property. While the division of labour in the sector was not complex or detailed, the responsibilities described above are linked centrally to the valorisation process and the pursuit of profits.

Hence, while workers lack formal qualifications, they were skilled in a range of animal husbandry jobs, exemplified in tasks such as administering medication to sick animals; artificial insemination; overseeing the birth of animals; inspecting animals and detecting illnesses; and similar tasks. In addition, from the above accounts, it is evident that workers have certain competencies to work with animals, such as the ability to start the working day early in the morning, and to work on weekends and work long hours. The work linked to maintenance on the farms, which general workers execute, is of equal importance to the productive capacity and valorisation process on the

farms. Yet, again, workers often lack formal qualifications related to building and construction, fixing pumps and pipes, and the like. For all intents and purposes, the skills and competencies of a general farm labourer in the animal husbandry sector are under-valued. The same argument may be extended to the work of wool and mohair sorters, in that their labour and type of tasks they are required to perform are socially under-valued, as discussed above.

Another sub-sector where the knowledge, skills and competencies of workers are under-valued is with regard to exporting citrus. Sorting, grading and inspecting fruit, to ensure that commodities meet export standards, require concentration in ensuring that citrus fruits are in line with the required standards for eight hours, which is often the length of the working day. From the data presented in section 9.2.2.4, the work of pickers and harvesters in orchards, and packers and palletisers in the pack-houses, is both repetitive and strenuous – workers speak of sore bodies after a day's work; yet such tasks also require concentration and the ability to withstand or tolerate work of the nature described. Pruning trees, detecting diseased trees and scouting for insects also require certain skills, knowledge and competencies that are underrated. Labour market segmentation theories have long argued that low-paying jobs require considerable skill and place heavy “demands on workers: for example, work requiring considerable expertise, intense concentration, the undertaking of repetitive tasks at high speeds, or tolerance of unpleasant working conditions” (Sachdev and Wilkinson 1998:12). Assessing jobs in a wider context shows that low-paying jobs may often have greater demands, require more skills and have more responsibilities than higher valued and paying jobs.

Segmentation theory generally holds that the number of good jobs is dependent on the level of industrial and technological development that are largely independent of labour supply factors. However, as Peck (2000:231) argues, it is also important to recognise that there are other processes at work that produce the supply of labour regarded as suitable for secondary work. Thus, Peck (2000:231) points out that one reason for the existence of secondary work is the existence of groups of workers who can be employed in these jobs. “The processes of job allocation in the secondary sector”, writes Peck (2000:231), “are governed, not by direct measures of productive potential as orthodox theory would have it, but by ascriptive criteria connected to the distribution of economic, social and political power”. Skills, therefore, are constitutive of social processes and are historically contingent. In the South African agrarian

context, in accordance with the wider racial capitalist agenda of the apartheid political apparatus, race, class and sex exerted and continue to exert major influence on the distribution of socio-economic and political power between agrarian labour and capital.

9.5 CONCLUSION

Analysis of labour and valorisation processes is a critical component of a radical political economy perspective of the AMW and forms the fifth dimension in this study. As such, analysis of wage settings cannot be eschewed from the way in which labour power (that is bought and sold in the labour market for a wage) is converted to labour in accordance with the capitalist imperative of creating surplus value. This chapter argued for the necessity and relevance of delving into the labour process of agrarian production to (a) fully appreciate the conversion factor potential of the AMW, (b) problematise the notion of the social devaluation of agrarian work and workers, and (c) assess the technical and natural forces in agrarian production that aid or inhibit migration from low-road to high-road approaches.

This involved providing a snapshot of the working day of workers in the research sample. By displaying the work of workers, insights are provided on the structural and technical aspects of the respective agricultural labour processes. Several points emerge from this, which have a direct bearing on the AMW. First, agricultural production in the research sites comprised of a core set of skills that were applicable within and between sub-sectors, thereby widening the pool of labour supply available to employers. A generalised state of skills homogeneity prevailed that meant that workers could easily and quickly pick up the execution of tasks, thereby making them disposable and vulnerable. Such jobs and skills are demand-driven, stemming from the labour requirements of employers in the local labour market. At important levels, the type of jobs and the prevailing skills composition in the agrarian sector reveal key features forming part of the totality of the low-waged and secondary agrarian labour market.

Second, although a level of homogeneity is discerned, in skills and in the execution of tasks across labour processes, a fair degree of heterogeneity was identified in the nature of production and the way in which labour processes were organised. This translated to varying working conditions and arrangements across and within sub-sectors and enterprises. Heterogeneity in labour and production processes explains the variegated responses from employers when neoliberal restructuring occurs in the

agrarian political economy. Variegation and heterogeneity in the technical aspects of agrarian labour processes in the research, also manifested in the combined, yet selective, deployment of low-road and high-road strategies in the various spheres of generating surplus value. An uneven application of high-road approaches was identified in certain sub-sectors with attention paid to research and development to enhance quality, or the use of technology and automation in the assembly line, or in marketing and advertising commodities. As argued, this mirrors capital's tendencies to draw from diverse strategies to suit particular conditions in the enterprise and sub-sector. However, capital's use of high-road strategies was predominately at the level of enhancing product quality and workers' output because there was no evidence of training and skilling programmes for the sampled workers.

Third, the data highlights the instrumental role that pre-existing conditions, relations and arrangements in the labour processes play in allowing employers to manage and navigate production, without making dramatic changes to the organisation and execution of tasks, when the AMW was introduced. Such conditions, coupled with the low prescribed MW rates, significantly inhibit the migration from low-road to high-road approaches in the labour processes. Even where enterprises showed signs of high-road methods in production, they are deployed alongside low-road methods. Agrarian capital in the local labour market, like their counterparts at a national level, are locked in a low-road capitalist path, as argued in chapter 4. In many crucial ways, pre-existing conditions, relations and arrangements in the labour processes make it possible to continue operating without instituting dramatic changes to work and skills composition in the labour market. Ultimately, low-waged employers are eased into the era of labour market interventions precisely because of pre-existing conditions, combined with low MW rates.

Finally, the social devaluation of agrarian work and of workers who execute such work was vividly reflected. Social devaluation of agrarian work and workers is demonstrated in the type of work undertaken in the production of food and the conditions under which tasks are executed. When these are assessed in relation to the prescribed MW rates, it is clear that work in the agricultural sector and its workforce are socially degraded and devalued.

With these comments, the examination of the technical aspects of the labour processes comes to an end. In the next chapter, the focus turns to the social relations

of production and the social conditions under which labour power is converted to labour.

CHAPTER TEN

AGRICULTURAL MINIMUM WAGES AND SOCIAL RELATIONS OF PRODUCTION

10.1 INTRODUCTION

In the previous chapter, the technical conditions of various labour processes in the research sample were discussed with reference to the nature of work, the breakdown of tasks and the allocation of labour in workplaces in the animal husbandry and horticultural sub-sectors. At this level, the previous chapter dealt with the social devaluation of agrarian work in terms of the technical aspects of the labour processes with respect to the nature of work. As the chapter showed, agricultural production processes in the AMW era were organised and operationalised in accordance broadly with low-road methods. However, certain labour processes, such as the citrus pack-houses, displayed a blend of low- and high-road approaches in the technical composition of the labour process. Key aspects to emerge from the data are (a) the socially devalued status of agricultural work considering the arduous nature of much of the work in the sector, and (b) divergences as well as convergences in the way in which labour processes were organised and how tasks were executed, which in turn has implications for control and monitoring of workers at the site of production.

From the discussion thus far, it is being proposed in this study that the notion of the social devaluation of low-waged agricultural work may be unpacked and empirically grounded at three broad levels, namely: (a) the social value and contribution of agricultural work to the social reproduction of wider society – in the case of agriculture, the issue of contribution gains added significance when the state and standard of farm workers' social reproduction (of labour) is considered in light of the sector's and workers' role and contribution in securing society's food security; (b) the skills, knowledge and expertise required in agricultural jobs and, relatedly, the fact that the limited or, more aptly, lack of alternative employment compel workers to enter such occupations – the extent of the lack of alternative employment prospects for workers brings to the surface their ability and capacity to endure jobs that are largely arduous, menial and repetitive, and at times with socially awkward working hours with varying degrees of intensity and pace; and (c) sub-standard labour conditions, adversarial

labour relations and profound inequalities in power between agrarian capital and agrarian labour. All three areas are integrally linked and connected in the quest for broadening our understanding of low-waged agricultural labour processes and the social relations creating and sustaining valorisation processes. Reiterating these conditions and factors of production need to be borne in mind when actual agrarian wages are considered in chapters 12 to 14, and in relation to the length of the working day discussed in chapter 15.

In this chapter, attention turns to the social relations and arrangements of production which operationalise, manage and sustain valorisation processes in the research sites. This also illuminates the balance of forces in agrarian capital-labour relations. In other words, the social relations and social organisation of labour in the production of agricultural commodities, in the respective workplaces in the sample, are explored in an attempt to understand the social composition of work, authority and power in the different labour processes. The centrality of examining labour processes was detailed in chapter 3, with respect to teasing out the notions of the social devaluation of low-waged work and inequalities in bargaining power in low-waged employment, and with reference to the social relations of production as well as power and control in labour and valorisation processes. As noted in the previous chapter, the social devaluation of agrarian work has both a technical and social component pertaining to the nature of work and the social conditions under which work is executed.

The focus in this chapter, then, is on the social conditions under which agrarian labour executes tasks, in an attempt to further problematise and flesh out the notion of the social devaluation of low-waged agrarian work in the context of asymmetrical power relations in labour and valorisation processes. In this sense, assessing social relations of production translates to examining the social processes and interactions involved in the conversion of labour power into surplus value. In many important ways, the social relations and arrangements in labour and valorisation processes, much like the technical relations and arrangements in the labour processes, enable employers to absorb and cope with labour market interventions and product market changes, because they are able to draw on pre-existing relations and balances of forces. Closely related to, and following, this area of inquiry is the question of inequalities in bargaining power, which is dealt with in chapter 11.

Unpacking social relations of production is a mammoth task because of the complexities, depths and multiplicity of technical and socio-political phenomena

prevailing in spatial and temporal conjunctures that influence interactions in the workplace and the social organisation of work. For this research, key aspects and areas of interest of labour process theory, with an immediate and indelible link to AMW research, are used to understand and explain the social organisation of agricultural labour processes, in the research sample. Elaborations follow below.

As was discussed in chapter 3, crucial to deliberations on the capitalist labour and valorisation processes are questions pertaining to the conversion of labour power to labour, and the social mechanisms and interactions that unfold in turning the capacity to labour into productive labour. Given the open-ended nature of the employment contract, with respect to the impossibility of labour and capital agreeing on definite quantities of labour to be sold and bought, capital has to design strategies and methods to control, manage and regulate workers' productive activities and outputs. A range of labour control, regulation and monitoring methods came to the fore during the in-depth interviews with workers, and these caution against making generalised claims about such methods in secondary sectors such as agriculture. This is because data presented in this chapter show that methods such as responsible autonomy, which are normally associated with primary labour markets and jobs, were identified in this study on the agricultural sector – a secondary labour market offering secondary working conditions. Indeed, the data shows a range of labour control and surveillance strategies, including simple and (degrees of) direct control, different forms of technical and bureaucratic methods, and degrees of relative autonomy.

In this chapter, an attempt is made at demonstrating how forms of labour control and surveillance in the execution of work, like the nature of work and conditions under which workers execute tasks, contribute to clarifying and empirically grounding the notion of the socially devalued status of most low-waged agricultural jobs. In pursuing this line of argument, this chapter expands on the notion of the socially devalued position of these jobs based on the technical dynamics in the various labour processes, as set out in the previous chapter, to incorporate the socio-political spheres in the labour processes and the conditions under which valorisation occurred or was secured.

The purpose of undertaking this exercise is to reinforce the various degrees and manifestations of the social devaluation of most agricultural work and the workers who execute them, by shedding light on the nature, form and depth of control and surveillance of agricultural workplaces, as well as illuminating jobs and positions in

valorisation processes that commanded a high level of worker trust and responsibility to manage the functioning of the farm with minimal to no daily supervision and surveillance of workers. While all forms of labour regulation and control methods raise critical questions on the socially devalued status of agrarian labour and the distribution of power between capital and labour, responsible autonomy, in particular, clearly portrays the existence of the socially devalued status of agrarian workers and an under appreciation of their responsibilities and contributions to the enterprise. The level of worker responsibility in such cases, arguably, is not commensurate with the low level of wages they received, thereby suggesting that social devaluation may unfold unevenly across the agrarian sector, shaped partly as it were by workers' duties and general terms of employment.

Questions on labour control and surveillance, and workers' relative autonomy and responsibility in labour processes, have important links to discussions on wages in general and statutory wage settings in particular. Examining the social relations and organisation of production of agricultural worksites, illuminates the socio-political context of low-waged work and the institutionalised forms in which inequalities in bargaining power are created, reinforced and reinvented under neoliberal agrarian restructuring. In chapter 5, aggregate data on the absence of collective bargaining and joint regulation of wages and working conditions was presented, with low union density in the sector. Inequalities in bargaining power, as shown in the research sample in chapters 5, 7 and 8, stem from the totality of the low-waged labour market revolving around segmentation in labour demand and labour supply.

Unpacking the absence of collective bargaining and joint regulation, and the inequalities in bargaining power in the agrarian context, enables a deeper appreciation of a core idea in contemporary labour process debates, namely, the significance of the political economy of labour processes with special focus on valorisation and the politics of capitalist production (see Hyman 1989, Gall 2003, Thompson 2010). From Marx, we learn that production is not just a technical process; the production of commodities occurs within a set of social relations and institutional arrangements geared towards securing the processes of valorisation. Capitalist social relations of production are founded on a conflict of interest between labour and capital, typified in the wage-bargain effort, giving rise to a dynamic, complex, and variegated set of relations and structures and associated power and authority that manage, regulate and monitor labour and production, based on the context of enterprises. An important

part of the context of enterprises embodies employers' and workers' value base and personal assumptions about work and social relations and interactions within and among the different segments of the labour force.

In significant ways, interrogating social relations of production at enterprise level allows for an examination of social relations, norms and conventions that produce and inhibit cooperation and conflict between workers and bosses. To be sure, assessing the way/s in which relations of class, race and sex fuse in the management, control and regulation of employment relations provides critical indices to uncovering the manufacturing of consent and conflict in the workplace. By extension, this necessitates taking stock of labour control strategies and the positions and powers of workers and employers in the labour process. A focus on this process facilitates an enhanced appreciation for the context and drivers of inequalities in bargaining power in the agrarian capital-labour dynamic.

Labour control strategies, at the site of production, in the agricultural sector in South Africa are under-theorised and under-researched. As a result, and to a large extent, little is known about the division of labour and labour control strategies in agricultural valorisation processes in the South African context in general and in the Eastern Cape in particular. By the same token, scant empirical data is available on the social relations of production, and on agricultural enterprises' internal structures and hierarchies in the Eastern Cape commercial farming sector. In this sense, this chapter fills certain key empirical gaps pertaining to the nature of agricultural work and the processes of valorisation in respective worksites. Equally importantly, a focus on the social relations of production and the social organisation of work in concrete labour processes, opens analytical pathways to further explore the social arrangements that characterise valorisation processes, the social devaluation of agrarian labour, and the balance of forces in agrarian employment relations.

Social devaluation of labour and inequalities in bargaining power in production processes, assessed against the contribution and value made by workers, are critical to a Marxist reading of statutory wages, and in this research on mandatory wages for the agricultural sector. This was explained in detail in sections 3.6.1 and 3.6.2. Examining the social relations of production in the context of workers' value and contribution to labour and valorisation processes, entails exploring the social organisation of work, the nature, extent and depth of labour control methods at the production site, and the conduits that encourage cooperation and ignite conflict

between agrarian labour and capital. Such an exercise aids in bringing to the fore, the socio-political relations and layers of power and authority at enterprise level, acting in consort with economic forces and factors, that inform the balance of forces in labour and employment relations, and which in turn shape wage-setting mechanisms and working terms and conditions.

In the study of employment relations, as outlined in chapter 3, Marxists analyse and explain the ways in which “consent, compliance, cooperation, consensus, and conflict” (Gall, 2003:317), are produced. In other words, the social composition of work, together with the relations that unfold, provide a picture of the socio-political conditions that regulate and manage the extraction of surplus value from workers and, crucially, the labour relations regime within enterprises and sectors. The social relations of production in labour processes and the labour relations regimes in enterprises are key sites of inquiry for a comprehensive and deep-seated analysis of low wages and the significance of statutory wages. As such, a focus on the social relations of production relates directly to a seminal point made by early MW scholars and institutional economists, such as John Commons, who recognised the pervasive presence and deleterious outcome on wages that inequality in bargaining power has for workers in low-waged jobs. Against this back-ground, it is imperative to consider the social context, conditions and relations that sustain social relations of production and inequalities in bargaining power.

Like in the case of the minimal to non-existent change to the pre-AMW technical organisation of work and execution of tasks in the labour processes (in the post-AMW era), the data shows that the AMW did not institute a dramatic shift in the control and regulation of labour, and in the wider and deeper layers shaping social relations of production. In the main, the social relations of production (post-AMW) were encapsulated broadly and generally within racial and gendered moulds. Because of this, the core of the social relations of production and organisation of work replicated historical patterns. However, the data identifies changes and restructuring in the organisation and social division of labour within some enterprises, at least in relation to the development of internal hierarchies. Finally, it must be borne in mind that the social relations of production, as well as labour control and surveillance, are also indelibly linked to the labour relations regime and the balance of forces in the employment relations. Hence, this chapter sets the scene for a discussion on the

labour relations regime and asymmetrical relations in the capital-labour relationship, in the following chapter.

With these considerations in mind, the chapter opens, in section 10.2, with a discussion on control and management in the various labour processes in the research sample, in an attempt to portray the differentiated labour control strategies at employers' disposal. Section 10.2 deals with three sub-themes, beginning with the question of control and management of labour in the animal husbandry sub-sector, followed in the second section with a focus on control and management of labour in the horticultural sub-sector. The third theme explored in section 10.2 is the use of teamwork in certain worksites as a strategy to coordinate the execution of tasks and regulate labour. Not only does the data, in section 10.2, point to the myriad forms of control in the respective worksites, as it also raises questions on the social devaluation of agrarian labour in relation to workers' responsibilities, the social conditions governing production, and the processes regulating wage settings in the agricultural sector. In addition, the data raises questions on the use and application of control typologies to low-waged workers employed in largely secondary labour markets, such as agriculture. This is so because, as alluded to above, evidence of workers' autonomy and control in certain labour processes was found in the data, which calls into question the social worth or value accorded to such work and workers as well as the bifurcation of labour control systems into distinct patterns associated with primary and secondary work and labour markets.

Following this discussion, section 10.3 pays attention to the social arrangements and structures in the labour processes; particularly, the structuring of authority and power in the organisation and operation of work, where the racial structure of authority features robustly in the data. The existence of internal hierarchies had significant sub-sector connotations and represents employers' attempts to ensure that workers consent to the production targets – by employing African workers in middle management positions with the responsibility of overseeing workers. Other ways of gaining workers' consent to work and meet production targets is through various forms of piece-rate payments. In section 10.4, the arrangements and practices associated with supervisors as labour recruiters is explored as far as their expectations from workers is concerned. Cumulatively, the data on the social regulation, control and monitoring of workers in the execution of tasks provides a critical backdrop to the following chapter, which deals with the labour relations regime in the research site.

This is so because the social relations of production, at a general level, and the social processes and systems of directing and monitoring labour in production and valorisation, lay the foundation for the labour relations regime. As with the bulk of empirical data in chapter 9, the empirical data in this chapter is sourced from in-depth interviews.

10.2 AGRARIAN LABOUR CONTROL AND MANAGEMENT

Crucial to deliberations on the capitalist labour and valorisation processes are questions about the conversion of labour power to labour, and the social mechanisms and interactions that unfold in turning the capacity to labour into productive labour. To reiterate and further clarify, by reflecting on labour control strategies that revolve around the conversion of labour power into labour, important aspects of agricultural work, and of the workers who perform it, come to the fore that relate directly to (a) the notion of the social de/valuation of low-waged agricultural work, and (b) labour control in the execution of tasks and generation of surplus value. Identifying the nature of labour control strategies in the respective labour processes contributes to the development of theories that elucidate links between the social devaluation of agricultural work, the responsibilities entrusted to workers, and the social conditions prevailing on the production sites that condition the terms and conditions of work. The task in this section is to examine the forms and intensities of labour control and surveillance strategies, and labour's control in and of production processes, to pose questions about the social de/valuation of agricultural work in relation to agrarian wages.

As was discussed in chapter 3, labour as a fictitious commodity translates to an open-ended employment contract, rendering the employment relationship indeterminate at fundamental levels, due to the inability precisely to quantify the amount of labour a worker will provide to the employer, even though the wage rate is settled. Capital, therefore, has to devise ways to ensure that workers supply their labour. Critical to converting labour power into productive labour is the control and regulation of labour at the site of production: "Rather than agreeing to expend a given amount of effort", as Hyman (1989:21) writes, "the employee surrenders his/her capacity to work; and it is the function of management, through its hierarchy of control, to transform this capacity into actual productive activity".

From the debates on the labour process, dealt with in chapter 3, we glean that a variety of control strategies are available to capital, making it possible for employers to draw on elements of different strategies in accordance with the conditions and requirements of respective enterprises. What then were the forms of control in the different agricultural labour processes in the research? In the agricultural labour processes in this research, as pointed out earlier, the control and regulation of workers varied from levels of direct control to levels of relative autonomy, where workers had some measure of control in the labour processes, to elements of simple, technical and bureaucratic forms of control associated with Taylorism and Fordism. Furthermore, in many labour processes in this research, the social relations of production comprised a fusion of control strategies along a continuum of simple and direct to relative worker autonomy and responsibility. However, it must be noted early in the discussion that relative autonomy and worker responsibility were embedded within an authoritarian labour relations regime. The labour relations regime in the research sample, as mentioned earlier, will be discussed in the next chapter.

The variations discerned with regard to control and regulation of labour were indelibly tied to the type of labour process and employer-level approaches to employment relations. As Sayer (1995:145-6) points out, since economic activities and production vary significantly in their material properties, the various forms of regulation produce diverse types and scales of power, based on the types of commodities concerned. Put differently, the variegated composition, scale and cost of economic activities allows for different forms and extents of social regulation across workplaces. Equally significant, the conversion of labour power into labour crucially rests along a conflict-cooperation continuum.

To recap from chapter 3, although capital as owner of the means of production has overall control over the labour and valorisation process, capital cannot escape its reliance on workers' willingness to comply with production requirements, and their use of discretion in executing tasks. This means that the social regulation of labour, in production and valorisation processes, entails a mixture of coercion and cooperation, which reflects the contradiction inherent in capitalist social relations of production. At the core of labour control in production is a clash between the need to direct and monitor labour's output in the pursuit of profit, and the need to harness labour's willingness and cooperation in creating surplus value. As Hyman (1987:41) writes:

The notion of contradiction is again crucial: the function of labour control involves both the direction, surveillance and discipline of subordinates whose enthusiastic commitment to corporate objectives cannot be taken for granted; and the mobilisation of the discretion, initiative and diligence which coercive supervision, far from guaranteeing, is likely to destroy.

The coercive-cooperation dynamic that characterises social relations of production manifests in different ways in this research, shaped heavily by sub-sector dynamics and product market conditions. In the main, relaxed forms of control and elements of relative autonomy meshed with direct control strategies in the animal husbandry sub-sector, while an intermingling of elements of simple, technical and bureaucratic forms of control were found in the horticultural sub-sector. Minimal direct labour control and surveillance was found among certain job positions in the animal husbandry sub-sector, thereby demonstrating the weight which the nature of tasks and sub-sector conditions play in shaping and informing labour control strategies, and their layers and extent. Job positions exemplifying minimal direct control, and by implication supervision, include multiple tasks pertaining to the rearing, tending to and maintaining of livestock as depicted in Table 9.1. Such jobs show the necessity of employers' reliance on workers' willingness and cooperation to perform tasks without direct and constant supervision in agrarian workplaces.

Pinpointing and isolating one control strategy in this data was impossible as agricultural managerial and control strategies drew on a variety of methods to suit sub-sector, enterprise and product market dynamics, on the one hand, and the labour relations approach, on the other hand. As such, two salient points on control that come to the fore from this data ought to be mentioned upfront – one is the presence of various layers of control in the labour processes and, two, is the divergences in the application, scale and depth of managerial control strategies within and across sub-sectors and enterprises.

Against this background, in the discussion that follows, data on the various forms and manifestations of labour control and surveillance is presented for the animal and horticultural sub-sectors, drawn largely from data generated through the in-depth interviews. The discussion begins with labour control methods in selected farms in the animal husbandry sub-sector (that being livestock and game farms), and then proceeds to look at labour control in the horticultural sub-sector, with particular focus on citrus. The livestock sub-sector shares similarities with dairy and pig and poultry farms, while game farms tend to have different occupations from other animal

husbandry enterprises, and these require different labour control and surveillance strategies from other sub-sectors. Likewise, the citrus orchards and pack-houses have developed control and surveillance measures in accordance with the nature of production and division of labour. The intention of focusing on these sub-sectors is to demonstrate the variegated, uneven and context-dependent application of labour control strategies in sub-sectors and individual agricultural enterprises. To be clear, control and surveillance strategies prevailing in the local labour market and in individual agricultural enterprises, in the research sites at the time of the study, were variegated and multiple.

10.2.1 Labour Control and Surveillance in Animal Husbandry

In considering the livestock farms in the research sample, varying depths of labour control and surveillance were discerned across enterprises, from simple and direct chains of command passed on from owners/employer to workers, to bureaucratic and internal structures of hierarchies and authority. With regards to simple and direct control, on the livestock farm that employed Zola (7 May 2006), work instructions for each day was passed to workers by the owner. In Zola's (7 May 2006) words: "We go and report to him [employer], then after that he will tell you to do whatever needs to be done". Similarly, Colin (12 June 2007), who also worked on a livestock farm, related the same employment relationship at his workplace. In Colin's (12 June 2007) words, "the farmer will tell us in the morning what we are supposed to do". The direct contact between workers and farmers on these farms, as with the farms in other sub-sectors of animal husbandry, reveal the manifestation of a simple workplace hierarchy where workers are assigned their tasks by the owner in the absence of a middle management or supervisory structure. In these work settings, work instructions passed directly from the owner to workers, where a measure of direct control by employers over workers prevailed. However, the data also showed the existence of livestock farms where workers were not directly supervised and monitored daily, contrasting with the above examples.

There are many cases where farm workers on livestock farms, particularly farms specialising in meat production, manage the farm operations in the absence of owners for long periods of time. Such farms also feature in this research, where a degree of relative autonomy was found because absentee employers gave workers weekly instructions and left the operations to workers to manage and oversee. John's (12 June 2007) case is typical of such work arrangements. He said that his employer

“doesn’t come every day to the farm. He comes every Wednesday, also because this is the day for dipping, so he is forced to come to us”.

Whilst they were provided with instructions on what needs to be done, John (12 June 2007) and his co-worker had the latitude to decide what tasks should be performed after they carried out the instructions of the employer. In his words “we decide on our own what needs to be done after we have completed what we have been instructed to do”. Similarly, on a different livestock farm, Robert (13 May 2006) reported that his employer “is not on the farm most of the times”. In these cases, workers are entrusted with the protection and well-being of both livestock and infrastructure assets. For all intents and purposes, livestock workers in these circumstances are in control of the day-to-day operations of the labour process (and farm management, to a large extent), and they have a certain level of autonomy in regulating their labour time in the workplace.

Robert’s (13 May 2006) and John’s (12 June 2007) workdays were arguably, self-regulated – that is, they executed their tasks without direct and daily supervision because their employers did not reside on the farms; hence, there was no daily contact between workers and employers in these instances. Absentee owners meant that these workers did not take daily instructions from positions of authority such as a supervisor, manager, or the owner. They were, therefore, not under the constant, direct and immediate control of the farm management. In important ways, workers in these worksites are in a position to dictate and determine their pace of work, not the employer. Such workplaces in the livestock sub-sector point to the blurring of boundaries in control mechanisms between core and peripheral workers tied to primary and secondary labour markets, respectively. This is so because, on the livestock farms in the research, workers like John (12 June 2007) and Robert (13 May 2006), who worked in secondary labour markets, in secondary jobs, and in an agricultural enterprise with high levels of secondary characteristics, displayed a fair amount of independence and autonomy in the execution of tasks in the labour process – no and/or little direct and constant supervision and monitoring, over the intensity of their labour and their output, existed.

A key stimulant for the presence of worker autonomy and responsibility are sub-sector conditions, including nature of work, economies of scale, and size of workforce. John (12 June 2007) and Robert (13 May 2006) lived and worked on farms that specialised in beef production, which may provide the basis for some of the reasons for their

relative autonomy and responsibility in maintaining farm operations. On many cattle farms, and to a lesser extent on sheep and goat farms, the small size of the labour force required to rear, maintain and safeguard livestock, combined with the fact that farmers keep records of stock quantity in their possession, make it conducive for absentee livestock owners to pass over a fair degree of responsibility, trust, and autonomy to a few workers in overseeing their stocks.

To a certain extent, the relative autonomy experienced by livestock workers is possible because of a layer of direct control, exemplified in the handing down of weekly work instructions to workers, alongside “market despotism” and coercion (depicted in workers’ reliance on their employers for employment and housing) and the absence of alternative and better paying employment for agrarian labour. These examples, and others in the research, bring to the fore the existence of gradations of control, where some level of direct control and market despotism intermingle with responsible autonomy in the processes to manage production and operations of the enterprise.

Certain qualities in jobs/tasks in livestock farming, as may be gathered from the presentation about work in chapter 9, necessitate high levels of worker trust, responsibility and vigilance when tending to animals. Moreover, owners of livestock farms have to cultivate a high level of trust and faith in their workers to protect and safeguard their livestock and property, and hence their capital. Finally, much of the work/tasks mentioned above are executed by workers without the constant surveillance of employers. Through this process, capital confers a fair amount of trust in and responsibility to workers.

Consequent to the nature of operations on livestock farms, it is necessary for capital to gain a certain level of worker cooperation to ensure that the latter protects the assets of the former. For example, when animals are out grazing, employers rely heavily on the cooperation of shepherds and herdsmen to watch over stock, including being on the lookout for sick, injured or lost animals. Other jobs connected to animal well-being, that is reliant on cooperation from workers, include acting as mid-wives who are required to oversee the birth of animals at any time of the day and night; and, in related jobs, workers are required to tend to and nurse sick or injured animals, as shown in Table 9.1. These tasks, therefore, require employers to elicit workers’ co-operation for protecting their capital or assets, such as cattle, sheep and goats.

The nature of work in livestock farming, with jobs geared primarily towards producing, rearing and sustaining animals for meat production, resonate with important considerations raised in labour process and MW writings. The responsibilities entrusted to workers such as John (12 June 2007) and Robert (13 May 2006), and the work of shepherds, mid-wives and other similar jobs (listed in Table 9.1), lends support to the argument made by industrial relations and labour process scholars on the necessity for the establishment of worker cooperation in the operations of the labour process, as set out in chapter 3 (Burawoy 1979, Hyman 1987, Edwards 1986). In the livestock farms, discussed above, fostering workers' consent filters through to the objective conditions in the labour process (whereby the nature of production enables absentee farm owners to entrust production to workers). In such worksites, it is necessary, for production, that a fair level of worker co-operation and consent prevails. However, as labour process and industrial relations scholars insist, alongside cooperation and consent exists conflict in the capitalist labour process. This came through in John's (12 June 2007) case, over the conflict around lunch on dipping days (see chapter 9).

Robert (13 May 2006), nonetheless, shed lights on the dialectic between conflict and cooperation from labour's side; in this case, the conflict of interest is over working hours: "I work overtime most of the time", said Robert (13 May 2006). "But", he continued, the employer:

does not see that because he is not there and I cannot tell him that, because he does not see me. Sometimes it happens that on Saturdays I have to work overtime because, if there is a cow that has a problem, I must attend to it. For example, some cattle experience problems when they give birth so I must be at work even if it's Saturday or Sunday evening.

Robert (13 May 2006) expressed a grievance over his working hours and leave arrangement. In this regard, as discussed in the previous chapter, livestock workers – with the fixed production/social reproduction nexus – often work long and arduous hours ensuring the safety and protection of livestock. In many cases, this means minimal to no compensation for overtime and extended hours worked. Robert lamented the fact that "I don't get paid [for working overtime and on public holidays]; ... there is no money for overtime, nothing". Robert (13 May 2006) also reported that the farmer did not allow workers days off on public holidays: "No", said Robert (13 May 2006), the farmer "doesn't do that". Robert (13 May 2006) elaborated that the farmer "told us that we must not take time off because we have to look after the cattle and

make sure that they don't experience any problems. I am always at work". Yet, Robert (13 May 2006) must show a level of cooperation with the farmer amidst a level of conflict over sub-standard labour standards and difficult working conditions. These cases demonstrate the dialectic between consent/cooperation and conflict in the agricultural worksites that in turn originate from the contradictions in agricultural capitalist productive systems and the vulnerabilities experienced by agricultural labour.

The data in this research calls into question Friedman's (1977) ideas on a stark distinction in control, skills, capabilities and worth to the company. To recall from chapter 3, according to Friedman (1977), direct control applies to peripheral workers, and responsible autonomy applies to core workers (who are highly skilled workers and who have key capabilities to ensure high profit levels for the company). Workers in the animal husbandry sub-sector are, objectively, in possession of skills and capabilities that are central to the production of animal products, as discussed in chapter 9. In other words, the skills and capabilities of animal husbandry workers, such as John (12 June 2007) and Robert, who were entrusted with the daily operations of production by absentee employers, are arguably not peripheral to the production process.

From their accounts, John (12 June 2007) and Robert (13 May 2006) provide insights on the central role they play in the production process. In so doing, they raise questions about the link and relationships between managerial control strategies based on workers' skills, capabilities and value to companies' productivity and profitability. This is because evidence of such workers in secondary labour markets, and in jobs considered secondary, raises questions about the feasibility of looking at labour control strategies by way of a neat and clear-cut distinction between core and peripheral workers, and between primary and secondary labour markets. Labour control and surveillance, as well as labour's control in and over the labour process, are not locked into particular labour markets, firms and jobs in an exclusive and complete fashion.

Empirical data emerged in this research that reveals the presence of segments of agricultural labour with relative autonomy and responsibility in the labour process in co-existence with labour falling under simple, direct, bureaucratic and technical forms of control and surveillance. In this sense, then, the data cautions against the use of unqualified typologies to explain managerial control strategies; instead, the data shows that different control and surveillance strategies, in varying degrees and extent

across the labour process, can and does co-exist within particular agricultural enterprises. As will become clear, different jobs in the various workplaces displayed specific control methods necessitated, in large measure, by the nature of the job and enterprise and sub-sector characteristics and dynamics. Managerial strategies generally, and labour control methods in particular, displayed a variegated fusion of direct and relative autonomy within and across the livestock worksites in this research, transcending the conceptual bifurcation of control typologies, as in Friedman (1977) and Edwards (1979).

Following on from this argument is the socially devalued status of the responsibility entrusted to cattle workers such as John (12 June 2007) and Robert (13 May 2006). In this regard, the exploitative and unequal exchange between labour and capital surfaces in that workers lacking formal training and possessing supposedly low levels of skills are simultaneously low waged earners, yet they are entrusted with a fair amount of responsibility and control over the labour process. These cases, and indeed other cases in this research, necessitate deeper questioning on the social value of agricultural work and workers' responsibilities, skills, knowledge and capabilities, in order to strengthen discourses and theories on the links between statutory wages and the ongoing social devaluation of low-waged workers. This is over and above the considerations on the contribution and use value which agriculture and agricultural labour makes to the social reproduction of society, as a public good.

Nonetheless, workers in wool and mohair shearing and sorting in the livestock labour processes also reported an amalgam of managerial control strategies. Wool and mohair sorters in the research sample, by and large, were not constantly monitored and supervised by their employers. Only one of the sorters interviewed in the SD 13 Survey experienced constant monitoring. She said that "the farmer is always around me watching me when I work. I don't like being followed as if I am stupid" (Nosibulele 10 March 2012). Similar to the control and regulation of male cattle workers' labour time, direct control and constant supervision and surveillance over stringent worker targets are not a norm in sorting wool and mohair. Aster (17 August 2016), thus, confirmed that shearers are not directly controlled and constantly monitored. Here again, however, differences in the intensity of control and surveillance is discerned for individual farms, as in the woman worker who reported constant monitoring above.

These examples from the various livestock labour processes in the research sample point to the varying forms and the degrees and layers of control, from direct methods

and constant surveillance, to relaxed forms with measures of responsible autonomy. The application and the combination of the various forms and degrees of control in the livestock sub-sector are consequences of the material and objectives conditions of production combined with individual farmers' approach to managing production and labour.

Even when employers have a constant presence on the livestock farms, constant monitoring and work to targets are not the norm. Workers in certain job functions, such as herders and counters of livestock, do not require surveillance and constant and/or direct control with respect to herding; in reality, such posts are near impossible to control constantly and directly. Moreover, herders and shepherds have an acute sense of their abilities and capabilities in terms of job responsibilities. As Peter (14 May 2006), a shepherd on a livestock farm, said: "I know what I am supposed to do and there is no one who tells me to push the job or what to do". Peter's (14 May 2006) primary task was to keep track of the quantity and quality of sheep in the farmer's possession – and the significance of sheep counters cannot be underestimated for the safeguarding of farmers' capital. Although it may be menial and semi-skilled, it is nonetheless a necessary and important function in the meat production and wool industries, thereby raising questions about the value and contribution such a job makes to the enterprise. In the main, labour control methods and the surveillance of labour's output in the livestock farms in the sample were found to be diverse, combining different elements and depths of direct control and workers' relative autonomy. Is this pattern replicated in the game farm sector? In many respects, this was this case for the worksites in the game farming sector, whereby control and surveillance strategies were varied, mixed and unevenly applied across the workforce. Attention turns to the game farm sector.

Control strategies in the game farms included simple, direct and bureaucratic methods, but they were not always rigid and constant. Similar to the livestock farms, the nature of work combined with product market conditions and enterprise specific characteristics of game farms provide some of the necessary conditions for the deployment of minimal direct control and surveillance of labour's productive outputs⁵⁹.

⁵⁹ In the game farming sub-sector, the core business is on tourism and drawing travellers to visit or holiday at the establishment. In this sense, the game industry is not concerned with direct production with the focus on value creation. The focus of business is on hospitality and leisure. A slightly different set of skills criteria applies for particular jobs on game farms that differ to other sub-sectors in the animal husbandry sector, where the focus is primarily on quality and not necessarily on quantity and units of

Yet, unlike the livestock farms where responsible autonomy was found, no clear traces of this was found in the game farms. Zamxolo (12 June 2007) provided a glimpse of the extent and manifestation of simple and direct control in operation on the farm where he worked: “Before we start work”, he said, “the farmer is giving us instructions. We have to go to him, and he will tell us what to do. After we finish the task we have to go and report to him and he will give us another task to do”.

Although the daily execution of workers’ tasks was directed and controlled by the farmer, indications emerge where workers did not always necessarily and automatically implement the employer’s instructions to the letter, in terms of how work ought to be executed. In this regard, Zamxolo (12 June 2007) related instances where workers implement alternative ways to employers’ instructions in accomplishing tasks. In Zamxolo’s (12 June 2007) words:

There are times whereby the farmer will be aggressive, but he doesn’t hold grudges and he will realise that what he said was wrong and he will come and apologise. If for example something has to be done and you do it in a certain way and he will come and say what you are doing is wrong; but, after you finish and show him, then he would say sorry.

The amalgam of control and surveillance of workers is exemplified further by Luvuyo (2 June 2007) when he said that “before I start, I fill in the time sheet ... I clock my timecard, then I will go to the manager. Then it is the manager who will tell me the tasks to do for a day”. Luvuyo’s (2 June 2007) case exemplifies several noteworthy features pertaining to labour control in the workplace, as follows: (a) the development of internal farm procedures to record and monitor workers’ working hours through the time sheet; (b) this, in turn, depicts a level and form of direct control over labour’s time tied to managerial transfer of instructions to workers, combined with a level of bureaucratic control with the filling in of time sheets and clocking into work; and (c) an air of formality in the employment relation (in an overwhelmingly informal agricultural sector). This case, in revealing the combined use of direct and bureaucratic forms, points to the varied options open to capital in regulating and controlling workers in the labour process.

production. Labour surveillance will therefore be fundamentally distinct in the game farm sub-sector, relative to other sub-sectors.

Luvuyo (2 June 2007) went on to provide details on the moments of cooperation and conflict between labour and capital on the game farm. “Before 2003”, Luvuyo (2 June 2007), recounted:

We were working hard, and the manager will ask us to take half of our break time because of what work we need to do. For example, if there is a road that needs to be finished quickly, then the manager will ask us to take half of the break time.

The game farm was in the development stage, where infrastructure such as roads needed to be carved out and maintained in the name of tourism. In elaborating on the need for workers to intensify work and shorten their break period, Luvuyo (2 June 2007) demonstrated workers’ capacity to cooperate with capital under particular circumstances. As Luvuyo (2 June 2007) explained, when the “manager asks us [to take shorter breaks] we understand ... we see that this road needs to be fixed, and even if we are tired, we just decide to do it because we want to be fair to him”.

In important ways, the above shows that, although the balance of forces in the agrarian capital-labour relationship tilts normally in favour of the former, workers may accommodate and cooperate with employers to accomplish particular tasks under specific circumstances. By the same token, workers on the game farm, by Luvuyo’s (2 June 2007) account, did not always cooperate with management. According to Luvuyo (2 June 2007):

Sometimes [the manager] will ask us to work after 17:00 until 18:00, then we will say no, we are tired, we tell him that ... we will do this [task] tomorrow...[and] even if [the manager] accepts that, we see that he is not happy with our decision not to work overtime.

A key component in the hospitality section of a game farm enterprise is the quality of accommodation and services. In this context, quality checks on cleaning and maintaining sleeping, eating and leisure quarters and facilities catering for guests, takes precedence in business strategy. Inspecting and checking the quality of workers’ work in terms of preparing accommodation, dining and entertainment facilities become necessary for game ranch employers. Quality control and surveillance of domestic workers employed to clean the lodges, therefore, are critical to the future survival of game farms. Consequently, a layer of quality control and checks have to be set up as part of a reputable operation. On the farm that employed Maria (12 June 2007), the control and inspection of domestic workers in game lodges was done through the quality checks undertaken by workers in positions such as Maria (12 June 2007), who

was in the administrative and hosting departments in the game farm (see chapter 9). Quality inspection meant, in Maria's (12 June 2007) words, checking:

Everything is in order for the guests when they come from the game drive. ... I have to check all the rooms. If I pick up problems in a room, I have to speak to the worker to sort it out. If there is something wrong in one of the rooms, the management will tell me that [I] did not check the rooms.

In addition, when rooms were not cleaned to standards, Maria (12 June 2007) was responsible for speaking to "the person who was cleaning that room... If I didn't do that, I am the one who is in trouble". Social regulation and control of workers' labour in this case reflect a level of internal enterprise hierarchy in the quasi-supervisory function which Maria (12 June 2007) held.

The evolution of internal job hierarchies and the positioning of workers in various managerial and surveillance functions stems from, and is meant to accommodate, the various purposes/functions of the enterprise, from production to distribution to services. Internal hierarchies, with the development of supervisory functions and roles, was found unevenly in the animal husbandry sub-sector in this sample. This development, as the above depictions of the social regulation of labour show, was identified on certain game farms and not on livestock farms. This indicates that the pace, form and nature of the evolutionary development of internal hierarchies was contingent upon the nature of the labour process, the size of the workforce, the labour relations between workers and employers, and the product market conditions of the enterprise. In the main, and across all sub-sectors, these variables appeared to exert influence in defining the roles and powers of middle management positions, such as supervisors and foremen in agricultural enterprises.

The data presented thus far shows signs that even, in agricultural workplaces where conditions of capital autocracy, relative to labour's weaknesses, often characterise the politics of valorisation, varying depths and layers of control may prevail where labour exerts agency and finds ways to resist, challenge and adapt workplace rules and systems to adjust to and accommodate working conditions in the agrarian sector. In a similar vein, under specific conditions and periods, labour can and does cooperate with capital and consent to the imperatives of production and to prevailing working conditions and terms. In large measure, natural biological and environment as well as socio-economic and political forces and factors, acting in consort, shape the configuration and operationalisation of the form and depth of labour control and surveillance of enterprises in animal husbandry agricultural production. In important

ways, the evidence on labour control and surveillance, at the points of production, bring forth additional aspects of work that shed light on the social nature and conditions of work, the value and contribution of certain jobs to agricultural production and farm operations, and the cooperation and resistance dynamic on different farms in the animal husbandry sub-sector.

In much the same fashion, socio-economic, political, and natural features, dictating the nature of work in horticulture, played a part in informing the development of sub-sector and enterprise-level specific strategies to manage, direct and control labour and its productive capacities. A discussion on labour control and surveillance, and worker consent, cooperation and conflict in the horticultural sectors, follows below.

10.2.2 Labour Control and Surveillance in Horticulture

In general, labour control and surveillance in horticulture appeared to be more consistent and at times more detailed than labour control and surveillance in the animal husbandry sub-sector, as discussed above. From the data, a distinction may be made between labour control and surveillance in primary agriculture and pack-houses. This reinforces the suggestion that labour control and surveillance depended to a considerable extent on the nature and scale of operations and on product market conditions, particularly in downstream chains. The social relations and organisation of labour in the various parts of the labour processes bring to the fore different aspects of the cooperation-conflict dynamic between labour and capital, in the horticultural sector, conditioned by sub-sector and enterprise specific characteristics and factors. The evidence on the way in work was organised and the relations that develop between labour and capital and, vitally, among labour (in the fields, orchards and pack-houses in the horticultural sub-sector), brings to light the conditions and factors that distinguish it from the way in work was organised and the relations of production in the animal husbandry sub-sector.

A minority of workers in vegetable fields and orchards, i.e., primary agriculture, were directly managed and supervised by the owner/employer, whereby they took instructions on daily tasks and production targets from the latter. Alternatively, in the majority of horticultural work-sites, in both primary agriculture and pack-houses, workers were accountable to and managed by middle-management positions and layers, notably managers, supervisors and foremen. In section 9.2.2.3, data on the

nature of daily work on vegetable farms is discussed, in which the flow of task instructions from management to workers is highlighted.

To recall from the previous chapter, Nomusa (6 May 2006) and James (12 June 2007) spoke of work revolving around orders placed by customers for vegetables and fruit. In both places, elements of just-in-time production were visible, with workers receiving instructions directly from managers or foremen. In this regard, Nomusa (6 May 2006) confirmed that “it’s the manager” who gave workers the orders for harvesting and packaging vegetables, after he receives information from the “owner. The manager goes to the owner’s office, and after that he tell us that we have to do certain orders”, Nomusa (6 May 2006) added. Similarly, James (12 June 2007) reported that work was allocated to the labour force through foremen, employed in different parts of the labour process, in accordance with demand from the market and shifting priorities of production. “For example,” explained James (12 June 2007), the:

Foremen will tell all casual workers that they are going to be working fruits on a particular day. You would then go and do that, say, harvesting if that’s what he told us to do. But sometimes the foremen would disturb you while you are working and you’ll stop harvesting, because they want you to go work in the dairy ... They tell you in the morning that we are going to be harvesting fruit the following morning.

Nora (12 June 2007) also echoed the above, when she said that:

The foreman tells us what to do. Maybe he would say that we must split ourselves into four groups and gives us orders on what to do. But if, for example, we haven’t finished working with the pumpkins by knockoff time, we would start where we left the following day. We would then proceed to other things, the foreman tells us, once we finish working the pumpkins.

Unlike many of the farms in the animal husbandry sub-sector, particularly livestock farms, where simple and direct control over work and production are responsibilities carried out by owners, in horticulture there are layers of control that remove owners and senior level manager from the general workforce. Direct layers of control were identified in the above horticultural worksites, whereby employers and owners of primary agricultural enterprises directed and controlled valorisation processes through middle layers of control positions, strategies and methods. Citrus orchards and vegetable farms shared the layered form of control and supervision, as explained above, with pack-houses. That is, the pack-houses have similar patterns of control and authority typified in the flow of information from owners and top layer management to workers and vice versa through shop-floor managers, supervisors or foremen. The layered existence of capital control in valorisation becomes plain to see

in workplaces where different levels of authority prevail within middle-management structures. In the pack-houses, hierarchies of authority between supervisors and foremen prevailed, certainly in some of the labour process, such as the palletising division. In this respect, Paul (12 August 2012), who as pointed out in chapter 9 worked as a palletiser, explained that:

In the morning, when the supervisors arrive, the first thing they do is to meet with the foreman to give them instructions of all the work that should be done during that day. For example, the supervisors would say they want 20 pallets of count 1 of oranges or naartjies. The foreman would then pass on the instructions to us.

The above illustrates the chain of command and associated job hierarchies in the pack-houses, which is like the development of internal job hierarchies in the citrus orchards and vegetable farms, to an extent. A subtle but important difference is identified in the further stratification between and within managerial layers, as in foremen who account to supervisors as explained by Paul (12 August 2012) in the above. This warrants further research on the restructuring of the working class and the creation of managerial functions and jobs.

A further distinguishing feature between pack-houses and the animal husbandry farms and horticultural orchards and fields pertains to controls and surveillance of labour's production and outputs. In other words, worker control and surveillance in the pack-houses were distinctly different to such methods in primary horticulture and animal husbandry workplaces. This is because, of all the agricultural enterprises in this research, the citrus pack-houses showed the greatest propensity to track and monitor labour's output through the use of technology combined with the development of internal job hierarchies. These worksites showed a greater tendency to deploy technical and bureaucratic control and surveillance methods set within Taylorist and Fordist labour processes.

Unlike the livestock and game farms, and the farms in primary horticulture, there was a strong presence of jobs, in the citrus pack-houses, specifically and exclusively designed around surveillance of workers' output. This was accomplished through the employment of line scanners, who were employed in the pack-house that Ronald (11 August 2012) worked, or ticket counters who were employed in the pack-house where Paul (2012) and Mzi (12 August 2012) were employed. Positions such as line scanners and ticket counters were primarily geared towards tracking and monitoring individual workers' output essentially in the packaging department. As such, line scanners and ticket counters kept a track and account of the number of boxes that

packers completed, thereby enabling capital to monitor the rate of labour's output. Crucially, the recording of packers' output was linked to workers' wages, as will become clear in chapter 12, as they relate to piece-rate systems of pay. Such pay systems can be seen as employers' attempts to firstly gain the consent of workers to increase their rate of production (hence, to increase the rate of exploitation) and secondly, and related to the first, to control labour's output through wages.

Mzi (12 August 2012) was a ticket counter before assuming the job of ticket fetcher, and he provided insights into this method of monitoring workers' labour in the following account of the work of ticket counters:

The work of ticket counters is to receive tickets that come from the packers; and... [ticket counters] must make sure that all the counts on the tickets match with the count numbers on their registers. A box of fruit must pass through only if its ticket count appears. When the ticket counters receive those tickets, they must sort them according to the numbers of the workers. After every hour, the ticket counters must count the tickets to see how many boxes were packed during that hour. Secondly, we must count how many boxes each worker has packed and record the number in our registers.

A different form of tracking and recording of the number of boxes that workers pack was found in the pack-house where Ronald (11 August 2012) worked, where an automated system was in operation. He explained this as follows:

The line scanners scan the boxes... [T]hose ladies, when they are packing the oranges, they place stickers with their names and clock numbers, together with the line stickers where the oranges come from and then the scanner would scan it. The name of the workers and the line [conveyor belt] where the oranges go through, has barcodes. The computer reads those barcodes and workers get paid their incentives according to the reading of the computer. In order to get incentives, one has to fill about one thousand five hundred oranges per hour.

Line scanners and ticket counters are therefore needed in the pack-house labour process to monitor and track the rate of production of the packers on the assembly line. By virtue of the counting and recording of labour's output, workers in these positions are in effect (control and surveillance) foot soldiers of capital – a job function that reduces the need for direct and constant supervision on the assembly line, and hence the need to manage and control labour in a rigid and constant fashion. Why and how, then, does labour consent to and cooperate with capital and managerial requirements and the onerous work associated with citrus production, packing and storing? Equally important to bear in mind, when exploring this question, is the notion of the social devaluation of work in the citrus worksites.

Labour control in many respects correlated closely with gaining workers' cooperation and consent to expend their labour in the creation of surplus value. In the citrus orchards and pack-houses, not only was the material requirement of workers for a job and/or place of residence the only (robust) contributing force to workers' consenting to – and cooperating with – employers' demands. Wage determinations, in particular wage settings linked to individual and collective workers' productivity, it may be argued, are equally important attempts at fostering cooperation and consent from workers in expending their surplus labour.

In expanding on the idea that social regulation of labour, at the point of production, is a specific blend of coercion and cooperation, Burawoy (1979) looked at the central role that the piece-rate system of pay had in generating and fostering cooperation among workers. For Burawoy (1979), workers developed games based on the piece-rate system to coordinate production along the different sections of the shop-floor, where they manoeuvred the piece-rates wage system to serve their interests. While, in Burawoy's (1979) case study, workers along the different parts of the labour process "made-out" through engineering games relating to the piece-rate wage system, in this research the piece-rate wage and incentive systems in the citrus pack-houses generated uneven and varied outcomes for cooperation among workers and for the building of class unity and solidarity. In other words, in this research, where piece-rate pay systems were reported, no clear data emerged to indicate specific outcomes of piece-rates and incentives on workers' ability to use such wage-setting mechanisms to control production and manipulate wage levels. The data, instead, highlights the context and constraints associated with piece-rates of pay.

While piece-rates and incentives have the potential to increase workers' wages above the AMW rates, workers on piece-rates and incentive wages in this research did not report a marked increase in their wages, relative to other workers in the local agricultural labour market. Instead, as will be shown in chapter 10, workers on piece-rates in the orchards spoke of debilitating and poverty wages akin to sweated wages, alongside the challenges and obstacles for them in raising their output to secure higher wages. Even workers in pack-houses spoke of the difficulties, objective and subjective, in raising labour's output in accordance with incentive wage schemes as will be become clearer later.

Piece-rate payment systems and the conflict over wages that were evident in the citrus orchards and pack-houses in this research, are discussed in chapter 12⁶⁰. At this stage of the discussion, it is necessary to recognise that piece-rate and incentive wage systems are important pull factors that facilitate worker consent and cooperation in the production of commodities, bearing in mind that consent and cooperation in the agrarian capital-labour relationship may not always and necessarily prevail in the workplace labour relations regime.

Paying workers by their output, therefore, acts as both a control mechanism and facilitator of worker consent to satisfy production goals. Wage systems and wage settings, at multiple levels, may come to directly and indirectly influence – and set the tone and context for controlling – labour's output and production, and facilitate worker cooperation with employers. In this regard, and based on the data, it can be argued that piece-rate and incentive wage systems, in significant ways, acted in direct ways to control labour's output without the need for a supervisor or foreman (and similar jobs), in order to hurry workers along in chasing pre-determined production targets. For example, in the pack-houses, the presence of line scanners and ticker counters whose jobs were to keep count and track of each worker's output meant that labour's output was indirectly controlled, without constant supervision. The different piece-rate wage systems can be regarded as a strategy to elicit labour's maximum output, within the limits of the working day.

At a general level, in worksites where piece-rate and incentive wage systems prevail, labour's output is controlled and regulated by the prospects of increasing their wages, which is mediated through other conditions and relations, including the balance of forces and the extent of inequalities in bargaining power between workers and employers. Exploring labour control and methods of converting labour power into labour in agrarian worksites, where piece-rates and incentive rates existed, is significantly relevant to a study of the AMW. For one, attempting to understand labour control and methods of converting labour-power into labour links labour control and regulation strategies with workers' wages and productivity (and their contribution to valorisation), thereby drawing attention to the wage-bargain effort, surplus value extraction and power relations in the workplace. At a broader level, the relevance of

⁶⁰ The piece-rate system of pay came under the spotlight in the 2018 strike in the citrus sub-sector in the Sundays River Valley. The strike mobilised farm workers in the Sundays River Valley, primarily employed on citrus orchards and pack-houses, but also incorporated a few workers on dairy farms in nearby Ndlambe municipality. Workers demanded the R20 an hour proposed national minimum wage and an end to the piece-rate pay method.

the social organisation and institutional arrangements of labour control and surveillance, and the factors and forces eliciting labour's cooperation in production, relate to the socio-political context and conditions of agrarian valorisation processes (i.e., the prevailing social relations and systems in the conversion of labour power to labour). Empirical data on the processes, systems and relations that regulate and monitor the quantity and quality of labour's output, in this study, exposes the socio-political context of agrarian production. This, in turn, contributes to building theories on the social value of low-waged agrarian work and workers' contribution to production and society in the context of profound inequalities in bargaining power.

In the context of a discussion on labour control and cooperation, piece-rate and incentive wage systems act as direct levers of control over labour's output and as facilitators of workers' cooperation with employers. But, vital for this study, wage settings in the pack-houses and orchards, based as they were on piece-rates and incentive rates, not only depict the myriad ways in which labour's output is controlled and managed through multiple wage settings. As well, it is important to bear in mind that, in the agricultural sector, wage determination processes and wage levels are reflections of the balance of forces and the profound inequalities in the bargaining capacities between labour and capital. In such contexts, as in this research, where the balance of forces lies firmly on agrarian capital's side, workers have little room to manoeuvre to influence changes in wage settings in their favour in the local agricultural labour market. Inequalities in bargaining power and wages will be picked up in detail in Chapter 11.

The idea that labour control and surveillance are variegated and hybridised and applied in degrees and in layered fashion (Hyman 1987, Burawoy 1979, Thompson 2010), gains credence when consideration is given to the ways in which work was/is organised and arranged in teams on certain citrus orchards and pack-houses. In several citrus orchards and pack-houses, workers laboured in teams of two or more, based on the production process, the nature of the tasks, product market conditions, and enterprise specific strategies in deploying labour. The organisation of work and workers into teams, in the execution of tasks, in citrus work-sites set the sub-sector apart from vegetable farms in the horticultural sector and the animal husbandry sector, where teams were/are not present. The presence and absence of teams mirror differentiations among employers with respect to the way in which work is organised and allocated among the labour force. But teams also have elements of control, where

workers in a team can control each other's work effort or cooperate and provide work breaks for each other. This is a noteworthy aspect to sketch, because data on team work not only provides deeper insights into the social regulation of directing and managing labour at the site of production, as it also sheds light on processes propelling worker cooperation and consent. The worksites that made use of teams of workers to perform tasks is dealt with below.

10.2.3 Teamwork in Horticulture

At a general and broad level, teams are not only manifestations of strategies that organise workers with the aim of efficiently using labour, because teams also symbolise a process whereby labour power is converted to surplus labour. In so doing, this demonstrates the peculiarities of that "special commodity" that is labour power. The evidence brings to the fore the variability of labour and labour's output, thereby showing the impossibility of the parties, in the sale and purchase of labour power, agreeing on definite quantities of labour that workers give to capital, in exchange for a set wage. This in turn reveals the need for context-dependent strategies to direct, manage and monitor labour's output. In addition, as they are socially-constructed, teams will, subsequently, reflect group dynamics, intra-worker social relations and the micro-politics of production prevailing in spatial and temporal conjunctures. Group dynamics and intra-group relations, too, affect the rate of production. This becomes clear in the discussion below on team dynamics. Nevertheless, in this study, teams are important indicators of the social composition and social nature of working conditions, and they exhibit the variegated and hybrid nature of labour control and surveillance in agricultural worksites in the research sample.

Exemplifying a workplace where paired work within a team prevailed, Paul (12 August 2012) recounted that the "boss introduced it [teamwork]", in what appears to be prompted by the desire to efficiently use labour and maximise production. In this regard, Paul (12 August 2012) said that:

Previously there were many workers working with one pallet, but the boss reckoned that there were too many workers with very little work to do in one group. So, he said workers must rather work in twos. We work as partners. In my section - it comprises of 24 males and 2 females - we group ourselves into two. There are 15 machines in the pelletising section. Two people or partners are responsible for operating two of these machines.

Not all jobs were performed in teams or groups in all the pack-houses in the sample. This is evident from Ronald's (11 August 2012) account of the way in which teams on

the shop-floor of the pack-house were formed, with certain functions performed individually. According to Ronald (11 August 2012), certain workers:

Especially the sorters and packers work as individuals. The people that work in teams are the drivers; they work in teams of three. The palletisers also work as a team There are four team members in class 1, four in class 2 and four in class 3.

To recall from chapter 9, classes in the above quote, as well as counts, refer to the quality, grade or size of citrus. Nonetheless, in contrast to the pack-house that employed Ronald (11 August 2012), for the pack-house that employed Mzi (12 August 2012), “we do work in teams [including] the packers”, he said. As Ronald (11 August 2012) indicated in the above quote, packers in that pack-house worked as individuals, thereby differentiating themselves from the case of the packers in Mzi’s (12 August 2012) place of work, where worker teams prevailed. Team composition, from Mzi’s (12 August 2012) and Roland’s (11 August 2012) accounts, is crucially shaped by the section and work in the labour process. How teams are made up, in other words, “depends in which section you work”, explained Mzi (12 August 2012). In Mzi’s (12 August 2012) words:

Like the ticket counters, [they] work as a team ... Two of them work as a team in one table and the other two also work as a team in another table. The packers also work as a team because they form a line and stand around the chain [conveyor belt]. Normally each group of counters [workers who are responsible for sorting a certain size of fruit] has seven people in total.

On the citrus orchard where Patricia (11 August 2012) was employed, supervisors assembled teams. However, workers assigned themselves to the supervisor, as elaborated by her: “Workers are asked to choose where they want to work as soon as they are employed. It is up to you then to choose if you want to work under the supervision of William or Rala etc”. Patricia (11 August 2012) elaborated on a three-team system in the orchard as follows:

There is team 1, team 2 and team 3. Each team is made up of different numbers of workers. Like in my team there are 45 workers. Some teams have more workers than others; depending on how many workers the supervisors assign to a certain task.

Likewise, Monwabisi (11 August 2012) said that:

There are 30 members in my team. The makeup of the other teams differs. Some teams have more workers, while others have fewer workers. My team is the only one that is doing the picking, but we are also harvesting... The foreman is responsible for grouping workers together.

Teams developed internal dynamics that either worked against or in workers' interests, as will become clear below. Working in teams produced uneven and contradictory outcomes for workers in the respective labour processes. On certain worksites, workers complained about the uneven distribution of workload among workers, yet workers got the same wage rate. Other workers spoke about the lack of unity between workers when problems with supervisors are encountered; and still others mentioned in-fighting among workers in the team. In contrast, on a few worksites, workers used teams to their benefit.

On the orchard where Patrick (11 August 2012) pruned citrus trees in a team of 13 pruners, working in a team was used by workers to their advantage, in part due to the nature of work combined with the timing of tasks. Pruning trees is undertaken at the end of season – the off-season, which is commonly used to refer to the end of the harvesting and packing stages of production. The tree pruning period is not as intense and fast paced as harvesting, packing, storage and distribution of citrus, as production is geared for international and national markets. Patrick (11 August 2012) sheds light on the benefits that workers derived from being part of a team. In response to my question on how workers cooperate with each other, Patrick's (11 August 2012) rejoinder was:

We work well together; there is no problem. We take care of one another. Sometimes, some workers have a hangover and ask to rest during work hours. We wouldn't have a problem with that. We would allow them to rest for the whole day and those of us who feel like working would carry out all the tasks that are supposed to be carried on that particular day.

In season, the tasks on the orchards revolve around production and distribution to the markets based on set seasonal, hence time, cycles. Under these conditions, combined with the lack of unity and solidarity among workers, group dynamics and relations among workers may come under pressure. This appeared to be the case in Patricia's (11 August 2012) case when she narrated stories of conflict and tension among workers in the team:

There's no cooperation between team members. People don't get along in their teams. For example, sometimes when the supervisors mistreat certain workers, the others wouldn't stand up in solidarity with others. Supervisors find it very easy to dismiss workers because there is no unity among us.

Patricia (11 August 2012) not only sheds light on the power of supervisors, as she also highlighted other noteworthy aspects of the work environment and the outcomes that

teams can have on control and surveillance of workers' output and quality of work. Teams can act as control mechanisms when team members police each other. When asked if such dynamics prevailed on the shop-floor, Patricia (11 August 2012) responded:

Yes, that happens. The supervisors can be very rude sometimes; but I think there are certain workers [who] are worse than supervisors. These workers' behaviour towards other workers is appalling. I don't know what causes this. I think it is because some people can't work with others. They would argue about half bags and others not cutting the oranges in the correct manner; things that the supervisors wouldn't care to query about.

Monwabisi (11 August 2012) also related similar dynamics within his team when he said that, although:

we work well together, ... sometimes some team members don't want to work as hard as they should, so this causes problems sometimes. Sometimes the older people work very slowly, and this frustrates the younger workers, and they would therefore complain. We are able to sit down and resolve problems.

The above accounts from workers signal intra-worker relationships and the conditions that forge cooperation and sow conflict among workers on the citrus orchards in the research sample. Individual worksites are characterised by particular features, relations and cultures of work. Thus, at Patricia's (11 August 2012) workplace, intra-worker relationships were fraught with conflict and tension, which contrasts with the section of the orchard where Monwabisi (11 August 2012) worked – this showed a greater sense of comradeship in the team, with conflict resolution among workers prevailing.

In pack-houses, workers also related mixed experiences with teamwork, narrating instances of mutual benefit and support as well as moments of tension. With regard to mutual benefit and support, Ronald (11 August 2012) spoke of the reasons motivating teamwork in the pack-house where he worked. According to him, "working in pairs helps because it means that we can give each other a chance to rest a little bit, or to go to the toilet without worrying about the work piling up". However, harmony may not always prevail because, although "there is cooperation" among workers, they "sometimes encounter sporadic fights", added Ronald (11 August 2012). Sources of conflict may relate to workers slackening on production, leading to variations in individual contributions to production. Ronald (11 August 2012) explains: "Sometimes certain workers take too long in the toilet; others smoke frequently and take breaks

every now and then. This means that the performance is not the same. Some workers work more than others”.

In a similar vein, Mzi (12 August 2012) noted that workers in his team in the pack-house:

Are cooperative most of the time. However, there are situations when some team members do not put in an equal effort when carrying out tasks. Some members take too long in the loo, others walk up and down aimlessly. These are some of the things that affect our cooperativeness.

For his part, Paul (12 August 2012) stated that workers in the palletising section of the pack-house where he worked, “work very well together as partners. There’s no problem at all”.

The above snapshots provide glimpses into the way in which work and production in the citrus sub-sector was socially organised, managed and regulated in the respective workplaces. The evidence portrays labour control and surveillance in the citrus pack-house labour processes as a complex mixture of Taylorist and Fordist assembly line features, fused with bureaucratic and technical elements and combined with piece-rate pay systems, and reliant on teams of workers to execute tasks in certain worksites.

10.2.4 Summary of Labour Control in the Labour Process

At this point, I draw the discussion on labour control strategies in the different agricultural sites to a close by summarising the salient points emanating from the data and reflecting on the ways in which labour control in agricultural labour processes exist. First to note, there exist myriad forms of labour control and surveillance methods deployed in the labour processes within and across the animal husbandry and horticultural sectors in the research sample. The above examination of the control and regulation of labour in the different workplaces provides a picture of the variety of methods that agrarian capital uses to socially and institutionally control, regulate and monitor labour’s execution of work and its output. The heterogeneity in labour control and regulation cautions against drawing stark and narrow distinctions of control methods along primary and secondary labour markets and firms.

Capitalist employment and labour relations, as Hyman (1987), Burawoy (1979) and Edwards (1986), among others, argue, are dynamic and in a state of flux, shifting between opportunities for workers to cooperate with bosses and instances where

workers resist bosses' production and work targets. Capital has the general dilemma of converting labour power into actual labour, but the approach used is primarily shaped by the particular circumstances confronting it. Moreover, labour control and regulation do not necessarily conform to a unified and coherent managerial strategy because of the varied contradictions in capital-labour relations. In capitalist work-settings, as Hyman (1987:30) points out, "there is no 'one best way' of managing these contradictions, only different routes to partial failure".

A second and related point to be made, based on the data, is that the layers and depths of labour control and surveillance, as well the degree of worker autonomy and control in the labour process, were shaped fundamentally by the nature of work; and hence by sub-sector dynamics linked to overall product market conditions, business strategy and trade relations, and by firm-level characteristics and positions in the commodity value chain. The variety and layers of labour control in this research, therefore, mirror sub-sector and enterprise level dynamics, including the forces and relations of production and product market conditions. The influence of the objective conditions of production on the forms, layers and depths of labour control and surveillance, and on the extent to which workers had relative autonomy and control in the labour process, were heavily shaped by a wide range of external economic and political factors pertaining to the ways in which South African agriculture is integrated into the global food regime. Macro and global forces impinging on the agrarian political economy shape sub-sector and firm-level dynamics in concrete, local labour markets. This is exemplified in variances of labour control, surveillance and worker autonomy and control in the labour processes, including between enterprises in the horticultural and animal husbandry sectors.

As demonstrated above, in the horticultural sector, in particular the citrus orchards and pack-houses, labour's output was more tightly controlled and regulated; in the latter (i.e. pack-houses) through functions such as line scanners and ticket counters. Not only did the citrus work-settings contain the conditions for the development of appropriate and context-dependent labour control and surveillance methods. The layer and depth of labour control and surveillance were influenced by product market conditions, in particular the strong export orientation of the sub-sector. In the citrus work-settings, the scope existed for capital to control and regulate labour's output vis-à-vis wages by setting incentives and piece-rates.

Nonetheless, the citrus workplaces contrasted with livestock farms, as the latter displayed a greater propensity for varying degrees of worker autonomy and minimal constant control and surveillance of workers due to the nature of production, combined with employers' approaches to managing production and labour. In addition, the less intense pace of production, where rearing livestock and trading on the market is wholly based on biological and natural forces linked to the maturation of livestock, dairy and poultry, allows for workers' relative autonomy in carrying out their tasks. Due to the objective conditions of production, most of the livestock and dairy farms in this research showed greater tendencies towards less intense work-paces, combined with more relaxed forms of control and monitoring. This may be attributed to not only the biological component directing the pace of meat production for the market, because trade in domestic markets (for animal husbandry) may be less competitive and volatile compared to enterprises catering for international markets. The animal husbandry sub-sector in the main shows that employers are not solely and overwhelmingly concerned with controlling labour in the production of goods, as other factors come to take precedence – such as care and rearing of livestock, poultry and game.

As such, the research corroborates the arguments made by several labour process scholars, namely, that employers' control strategies do not necessarily and perfectly fit ideal-types. In this regard, Edwards (1986:41) argues that:

Firms will develop their practices of labour control with whatever materials they have available. They are unlikely to have explicit strategies and more likely to react to particular circumstances as best they can. Even when they have fairly clear goals, they are unlikely to follow a policy which conforms to an ideal-type: they will proceed according to their own needs. In particular, they are likely to use a variety of means of controlling the labour process and tying workers to the firm.

The data points to a third related, and final, point, that is, the notion of the social devalued status of low-waged work and an under-appreciation of the social (and technical) components of agrarian work. The nature and extent of labour control and surveillance techniques, as well as the responsibilities entrusted to agrarian labour, are important proxies for the social relations of production, and hence of the social conditions under which workers are made to give up their labour for valorisation. Layers of labour control and surveillance, and the degrees to which workers have control in and of the labour process, bring into sharp focus the value and contribution of such workers to the production process.

The social organisation of the labour and valorisation processes, as well as labour control and surveillance methods, are tied to internal arrangements and structures of enterprises. In most cases, the nature of work and product market conditions informed the internal organisation of work and social regulation of work at enterprise level. In the following section, attention turns to such issues and the presence of hierarchies within certain sub-sectors in the sample.

10.3 HIERARCHIES OF AUTHORITY AND POWER IN AGRARIAN RELATIONS OF PRODUCTION

There has to exist a coordinating structure internally in enterprises that ensures that workers carry out their duties, which in this research was presented in chapter 9. Nonetheless, the discussion (in section 10.2 above) reflects the uneven presence of internal hierarchies with respect to structures of command, transmission of work instructions, and labour surveillance. As such, internal job hierarchies, with job positions at lower-level management, were not uniformed and generalised in the research sample, because it was identified in certain workplaces in the horticultural and animal husbandry sub-sectors in uneven fashion. This is so because certain workplaces displayed a greater tendency for internal restructuring in terms of various layers of control, authority and responsibility over labour, which stemmed directly from the nature of production and product market conditions.

The racial and gender composition of supervisory jobs, in the direction and management of labour, had to be teased out in the data, because clear patterns did not immediately present themselves. However, an examination of enterprises' internal structures of power and sub-sector considerations, facilitates the unravelling of the racial and gender make-up of layers of power and authority, at the site of production. As the evidence presented below reflects, enterprise and sub-sector dynamics, yet again, feature strongly with respect to the presence of hierarchies within enterprises. This means that the racial and gender composition of power and authority reflect enterprise and sub-sector dynamics.

Based on the data, a distinction can be made between a simple racial hierarchy of power and authority, where White owners supervised and instructed African male and female workers, to more complex and layered hierarchies of commanding and directing labour. In relatively complex and layered systems of power and authority, enterprises used race and ethnicity in composing supervisory positions to instruct,

oversee and manage labour in the execution of tasks. In these worksites, African and Coloured men and women assume supervisory positions, whereby they are directly responsible for instructing workers and/or monitoring the quality of labour's work. These cases show that there may not always be stark racial and gender features in the composition of labour control positions in agrarian labour processes, as it is not uncommon for black men and women to hold such positions. This surfaced in this research, as will become clear below.

Such instances, therefore, complicate analysis of racial and gender structures and positions of authority and subservience in worksites in this research, as black men and women often assume responsibility for directing, managing and monitoring labour on the job. Black men and women in job positions with power and authority over large sections of agrarian labour, in the production of commodities, reflects the ways in which agrarian capital draws on race, ethnicity and gender to socially direct and regulate the conversion of labour power to labour.

On the one hand, racial structures of control and authority between Whites and blacks were stark, with the former holding top positions and the latter occupying the lowest positions in the hierarchy of power within enterprises. On the other hand, the fact that black workers occupied supervisory roles shows that black workers experience racially-stratified authority differently, particularly in worksites with more complex and layered positions of power and control. The outcomes of this layering of control, power and authority in the social regulation of labour, at the site of production, has profound outcomes for the labour relations approaches in these cases, as will be discussed in chapter 11. In the meantime, consideration is given below to the hierarchies of power and authority responsible for directing and managing workers in the execution of tasks.

The development of internal job hierarchies and positions that entailed monitoring workers, in the animal husbandry sector, was more prevalent on well-established game and dairy farms in this research. In terms of the game sub-sector, Luvuyo (2 June 2007) and Maria (12 June 2007) were employed on larger game farm establishments (compared to other game farms in the sample), and where internal hierarchies were identified. The identified internal hierarchies, structured along divisions of authority and responsibilities, served in the management and direction of labour in the execution of tasks, but not necessarily in managing labour relations (such as dealing with worker grievances and concerns), as will be discussed in the next chapter. Nonetheless, the presence of internal job hierarchies in these work-settings

contrasted with the game farms where Khaya (13 May 2006), Colin (12 June 2007) and Zamxoxo (12 June 2007) were employed, as internal structures of middle-layer authority, in the form of a supervisor or foreman, did not exist.

The farms that employed Colin (12 June 2007) and Zamxolo (12 June 2007) operated previously as dairy farms, before converting to game farms, and the farm where Khaya (13 May 2006) worked specialised as a livestock farm prior to converting to a game farm. In all these cases, workers laboured under the owners' direct authority. Zamxolo (12 June 2007) explained the typical direct relationship⁶¹ that workers had with the employer in workplaces lacking in internal hierarchies, in the following way: "Before we start work, we have to go to [the employer] and he will tell us what to do. After we finish the task, we have to go and report to him and he will give us another task to do. The farmer is giving us instructions". Arguably, a simple hierarchy existed on such farms, in that the owners directed and monitored the labour-force.

The game farm that Luvuyo (2 June 2007) worked on is American-owned and came into being in the 1990s when eight neighbouring farms were bought and consolidated to form the game viewing farm⁶¹. A few owners of the previous individual farms, that now form part of the game farm, assumed employment on the game farm as directors or senior managers, alongside a few workers (Luvuyo being one of them) on the respective farms who performed work tasks (as described in chapter 9). As such, White males at the game farm, who were the previous owners on the respective farms that now comprise the game enterprise, became directors, managers and administrative staff. In contrast, African workers are "not in the top management" said Luvuyo (2 June 2007): "They are like me [general labours, and] they are trackers or gate guards, those kinds of things", he continued. In these settings, White farm owners continued to exercise control (and power) over African workers as they occupied senior management and supervisory posts on the game farm. This case highlights the racial structure of hierarchies of power and authority as White managers assumed responsibility over African labour.

On this game farm, workers belonged to a trade union. This is the only enterprise in this research where labour was unionised and where the union negotiated wages with

⁶¹ The researcher began working with the workers in the area where the game farm is located in the early 1990s. The conversion to the game farm was accompanied by violations of workers' labour and tenure rights on the various existing farms. Many lost their jobs and tenure security as wild game displaced traditional livestock on the farms. This is a common experience of many farm workers and dwellers who worked and lived on livestock farms which converted to game. However, a certain number of workers were retained as discussed in the text.

the game reserve management. However, the capacity that workers had in wage determinations did not prevail in the wider social relations of production. Not only did a class conflict prevail in the employment relationship on this farm; there was also a racial component which had a major influence on unequal power relations between workers, the different layers of management, and the employer. As mentioned above, management on the farm comprised of White individuals who owned portions of the farm, prior to the formation of the game farm. The labour process and the division of labour were, therefore, structured along racial lines and thus reminiscent of the division of labour under the previous labour processes (in livestock farming).

However, racial differentiation in the labour process and the allocation of jobs did not appear to be merely structural, as it was deeply rooted in agents' social values and belief systems. Luvuyo (2 June 2007) recounts an incident that demonstrates the forms which racial differences between African workers and White managers take on his farm, that in many ways typifies agrarian race relations: "When the farms were converted to the game reserve", began Luvuyo (2 June 2007), "there were farm owners' houses [that] were destroyed and there were ... window frames and bulbs". He then added: "I told the manager that I need those things, but the manager [said to me] 'no, a black person should use lanterns, those are kind of things that suit a black person'".

In a similar way, Maria (12 June 2007) related a racial job hierarchy and division of labour at her place of work and spoke of various ways in which she felt discriminated on the job. The workers who lived on the farm were employed by the game farm venture; however, according to Maria (12 June 2007), they are employed behind the scenes and out of sight. As she put it:

They [African workers] are all at the back, for example in the kitchen [or they do] gardening. But there is no one that is on (sic) the front...The management is all White. They are all at the front and they have their own offices, no one [White worker] is at the back.

Maria (12 June 2007) was the only African female employee who worked in the administrative and hosting sections of the game farm. She was also employed as a quality controller, overseeing workers performing domestic work in the lodges, as we saw in chapter 9. This placed Maria (12 June 2007) in a position of authority in the division of labour that allowed her employer to "say I am in the management", said Maria (12 June 2007): "[B]ut I don't see myself there. They said you [Maria] are in the management position. I know I am not there...", she concluded. Maria (12 June 2007)

provided the following example to illustrate her point of not being part of the management structure of the game farm:

Last Monday there was a meeting and [the employer] said they need the management, and when there is a meeting, they send a sms to all of us. They asked me not to come [to last Monday's meeting]. It's like there is something they would like to tell the management and they don't want me to hear.

Maria's (12 June 2007) feelings of being outside of the management group were exacerbated by the treatment she received from her White counterparts. In this regard, Maria said that White people employed in management positions "come from the Garden Route⁶² with racism". She presented other cases which led to her feelings of being discriminated against by White workers in management positions. "For example," Maria (12 June 2007), explained:

I am not allowed to [use] the phone. To [the management] it's like you are abusing the phone. ... They don't understand that maybe you are talking [on the phone] with the accountant. When they see you talking on the phone, they will ask: 'who are you talking to?' But if I find one of them talking on the phone, I don't ask anything.

This case shows that, although Maria (12 June 2007) may be regarded as part of the management structure, she falls in the lower rungs of the structure with White workers occupying positions of authority higher than her. Maria (12 June 2007) herself was monitored by White managers, as the above quote reflects, thereby depicting her junior status in the management department: "I don't have the freedom to do what [Whites employed in management] are doing". She continued:

They can relax anytime they want to – they can watch television. I like Generations [TV soap opera] and I know that I cannot watch Generations because I am at work, but sometimes I am busy working and my eye is on the TV; they will come and make sure that I don't watch it. They can watch TV anytime they want to.

The differentiated powers of authority and access to privileges within the management structure at this game farm assumed racial patterns, with White workers enjoying considerably more powers and privileges than African workers. This situation or context may explain the reason why Maria (12 June 2007) felt that she was not part of the management.

The social relations of production and the development of internal job hierarchies, incorporating different layers of authority in the labour processes, replicated the racial

⁶² The Garden Route refers to a travel route found in the Western Cape.

division of authority that prevailed in the pre-labour law and pre-AMW era wherein Whites assumed positions of authority over African workers, even if the latter formed part of the management layer (as in Maria's case). Inter-racial relations and the racial division of labour are still rooted in the past, thereby stifling workers' voice and initiatives for change, as expressed by Maria (12 June 2007) in the following: "We know that if we can try and introduce changes, the management will not allow us, because the changes must come from the management". With this statement, Maria (12 June 2007) shows that her position epitomises the inequality of bargaining power and authoritarian labour relations that still prevail in most of the research sample. Much of the restructuring within enterprises, in terms of creating layers of managerial posts, drew on past racial and gendered patterns and may be attributed both to objective conditions in the labour market and the skills composition of Whites and Africans, and to subjective factors linked to social values, ideologies and racial stereotypes. However, more in-depth and focussed research is required to fully comprehend the racial division of labour and the various layers of managerial posts in the different agricultural sub-sectors, so as to uncover the extent to which objective and subjective conditions contribute to the ongoing racial division of labour at all levels of the labour process.

Even so, similar racial and gender patterning in the internal organisation and structure of jobs surfaced in the horticultural sector. Primary horticultural enterprises, such as vegetable plantations and fruit orchards, had an uneven presence of internal racial job hierarchies associated with the control and regulation of labour in production. In the horticultural sector, generally, foremen and supervisors were predominately African men; however, in a few workplaces, White men managed farms and workers in the absence of owners. In fundamental ways, capitalist labour relations, as will be revealed in the next chapter, were regulated and mediated through middle layers of management that were structured along racial and gender lines.

The presence of supervisors and foremen was most prevalent in the horticultural sector, signalling a stronger presence of the development of internal job hierarchies within enterprises in the research sample. The job hierarchies, around power and authority over labour, were found mainly in the citrus pack-houses and were tied directly to the twin functions of labour control and surveillance as well as to the regulation of labour relations. Put differently, in the pack-houses, the role of supervisors and foremen was linked to both managing workers' execution of tasks and

channelling worker grievances in workplaces, in accordance with the grievance procedures in these workplaces (as discussed in the next chapter).

In many respects, the ways in which Taylorism and Fordism were/are deployed in labour processes, shape and are shaped by social relations and institutional arrangements within pack-houses, where social structures and relations, and the distribution of power in the workplace, drew on class, race and gender factors. Generally, in the pack-houses, supervisors are often African men and women and Coloured men and women. In keeping with the racial ownership and management patterns of agricultural enterprises in South Africa, owners of pack-houses and senior level management comprised primarily of Whites (often men). It may be argued that these worksites draw on race in a discerning fashion, by selectively deploying black women and men in jobs concerning the regulation of African agrarian labour, in labour and valorisation processes. By so doing, agrarian capital in such circumstances devolves power and the responsibility for the execution of tasks to supervisors, whose job was/is to ensure workers execute tasks according to instructions from higher levels of management.

A factor contributing to the emergence and development of hierarchies of power and authority in the citrus sub-sector may be the expansion in the sub-sector's export capacity, thereby increasing the workforce to meet production requirements. A growth in the labour force, in turn, gives rise to jobs and structures internal to enterprises, to manage, direct and control the labour force, among other functions. Evolving and established internal hierarchies denote an air of formality in agrarian employment relationships, coupled with a mediated distance – as agrarian (White) capital removes itself from directly commanding (black, primarily African) agrarian labour.

The selective use of race (and gender) in directly instructing, managing and monitoring workers, in production and valorisation processes, may be attributed to the racial and gender divide in the agrarian capital-labour relationship and the historical authoritarian labour relations regime spawned under the racial capitalist accumulation era (see chapters 4 and 5). But this also combines with other factors in the current agrarian labour market, such as the racial and gender composition of agrarian labour employed in menial and semi-skilled jobs. As most agrarian workers are African in the research sites, with Coloureds in particular spatial locations, they tend to be the supervisors with immediate authority over the labour force. Internal hierarchies, as well, depict agrarian employers' tendencies to draw on a range of options in organising and

arranging work, and in directing and managing labour's productivity to suit enterprise-specific conditions and interests. In particular, given the class, race, gender and cultural divides (the last divide in the case of foreign workers), White agrarian capital in contemporary South Africa is able to draw on specific workers from black population groups to direct and manage other black agrarian labourers.

The presence of internal hierarchies of jobs, possessing certain powers and authority over agrarian labour at the point of production, and along sub-sector and enterprise peculiarities, encourages the fracturing and stratification of the agrarian labour force within and between agricultural sub-sectors. The development of internal job hierarchies and the delegation of degrees of authority and responsibility (for managing workers and regulating labour relations) to supervisors, play a fundamental part in suppressing and frustrating workers' efforts to address grievances and/or unfair labour practices, as will become evident in the next chapter. Before the next chapter, it is important to highlight the type of power and authority that supervisors and foremen enjoy on the shop-floor, as this information aids in unravelling the great divide between agrarian labour and agrarian capital in post-apartheid South Africa, providing insights into the micro-politics of production and outlining the labour relations regime, in the research sample.

10.4 POWERS AND PRIVILEGES OF SUPERVISORS

Internal hierarchies, in the respective workplaces, transfer levels of power and authority in labour processes to middle layer structures, especially supervisors and foremen, conferring a certain status that commands certain privileges. Exploring the power and privileges of supervisors, as done in this section, brings out the gender dimensions to hierarchies of power, where male supervisors and female workers are concerned. As the data will show, the particular type of relationship that develops between male supervisors and female workers, as reported by workers in this research, typifies the gendered structuring of work and unequal power relations that unfold. The evidence also displays the power that female supervisors command over male and female workers, as much as it reflects the power male supervisors command over male workers.

In the horticultural sub-sector, particularly the citrus orchards and pack-houses, supervisors hold considerable power over seasonal workers, with stark inequalities in power between male supervisors and female seasonal workers. In a number of these

worksites, supervisors are responsible for recruiting, hiring and promoting workers, as pointed out in chapter 8. In exchange for a job, and in a bid to secure jobs considered to be better or less strenuous, supervisors demanded certain favours. In this research, favours to supervisors covered three types, as listed below:

- Sexual
- Payment to supervisors for jobs
- Buying gifts for the supervisors

In terms of sexual favours, in interviews and conversations, women employed in the citrus sub-sector brought to the fore the abusive relationships that male supervisors enter into with women workers. Nomilile (9 March 2011) provided further details with regards to sex in exchange for jobs:

Sexual relations between workers and supervisors do take place in the workplace. During night shifts, male supervisors sleep with female workers in the storerooms and other places around the pack-houses. Sexual favours are used as a means for female workers to get promoted and be employed on a permanent basis. When there is a position to be filled, management asks supervisors to identify people for such positions. Through sexual favours, these women can be recommended for such positions and be given tasks that are less menial and demanding.

The link between sex and job allocation recurred in other interviews, in addition to links between workers' pace of production and their relationships with supervisors. In this regard, Patricia spoke of the difficulties in meeting production targets, on the citrus farm where she worked, because certain workers in the team slacken their pace of work placing difficulties on the others. Patricia (11 August 2012) explains:

It is very difficult to meet set targets; ...very difficult. For example, if there are five of us assigned a certain task, only three would work hard to finish the task. The other two would work very slowly because they are somehow related to the supervisors or their sisters have intimate relationships with the supervisor.

As mentioned in section 10.2.3, work teams contain their own specific internal dynamics and, as they are socially constructed, teams reflect group undercurrents, intra-worker social relations and the micro-politics of production, prevailing in spatial and temporal conjunctures. Patricia (11 August 2012) provides insights, in the above narration, of an aspect of group dynamics involving gender power relations where male supervisors use their power and status to extort sexual favours from atypically employed female workers.

Women supervisors, as do male supervisors, demand payment from prospective workers in exchange for jobs. Hence, bribes for jobs are not limited to male supervisors. In this respect, Sindiswa (21 September 2017) said that “male and female supervisors can ask for R200 or R300 from workers before they get jobs through them”. Or “they expect workers to buy them gifts. My mother bought a set of tumblers for the supervisor so that she can get a job in the pack-house”, added Sindiswa (21 September 2017). Relations with supervisors that require payment and favours for jobs, such as those described above, bear similarities with Addison’s (2014) research, who explored the relations on a tomato farm in South Africa between the supervisor/manager and workers, all of whom were Zimbabwean nationals.

Empirical evidence displaying bribes, gifting and performing favours for supervisors, in different geographical and horticultural sub-sector contexts, as in this research and Addison’s (2014), reflects common underlying currents in agrarian capitalist accumulation processes generally, and horticulture specifically, in the era of neoliberal food and agricultural production. These assume local and regional peculiarities in the ways in which labour is socially regulated at the point of production (and, for foreign workers, at the site of social reproduction as well – see Addison, 2014), due to prevailing conditions in particular spaces. In the end, global and local forces of agrarian production and valorisation shape labour demand and supply in local agrarian labour markets. Prevailing socio-political conditions, among other conditions, in local agrarian labour markets, in turn influence capital’s strategies of social regulation of labour, where the deployment of individuals from certain racial (and ethnic) groups to manage and direct agrarian labour in production forms important components in the overall direction and management of agrarian labour. As mentioned earlier, social relations of production of this nature have important implications for the agrarian labour relations regime, which is essential to understand in a study on the AMW. Ultimately, relationships between workers and supervisors in the citrus sub-sector in this research, combined with the seasonality of jobs in the sub-sector, actively reinforced unequal power relations and inequalities in bargaining power between workers, supervisors, and top layer management and owners.

10.5 CONCLUSION

As the chapter shows, the conversion of labour power into labour in the production of agricultural commodities occurs within a socio-political context, as much as production

also embodies economic forces and technical conditions of the labour process. While chapter 9 shed light on the technical or objective conditions of labour processes in the research sample, this chapter focussed on the related socio-political connections and conditions involved in organising, directing and monitoring workers' time in the labour processes. Social connections and relations in workplaces, take on multiple forms, as shown in this chapter, from labour control and surveillance strategies to the varied ways in which work was socially organised, directed and managed. In this research, control in agrarian labour processes appeared to be layered, varying in degree and extent, and demarcated along the nature and qualities of production, product market conditions and the social relations of production, in the various worksites. Agrarian social relations of production reflect a combination of coercion and cooperation that manifests variously in the different workplaces. Laying out the social systems, processes and relations involved in directing, managing and monitoring workers, provides deeper insights to the world of work, in this case agrarian work. Exposing the social conditions and relations in production and valorisation, as well as the technical aspects of work, aids in empirically grounding the notion of the socially devalued status of agrarian work, and workers.

The data on the various ways in which agrarian labour was directed, managed and monitored provide important information on the nature of agrarian work, with respect to issues of worker trust, responsibilities and diligence in the workplace. This, in turn, has important implications for discussions on workers' contribution to production and valorisation, the wage they receive, and the social devaluation of low-waged agrarian work. The evidence also reveals key features of the social conditions under which labour is expended in the various worksites, which expose the balance of forces in the agrarian capital-labour relationship as reflected in the hierarchy of power and authority over production, valorisation and labour. The varieties, layers and depths by which labour was controlled, managed and monitored at the sites of production caution against using neat and fixed categories that are tied to primary and secondary labour markets and jobs. In other words, as this research shows, strategies traditionally associated with primary jobs and sectors, such as responsible autonomy, were found in secondary workplaces such as certain livestock enterprises.

Most agricultural work and workers, as discussed in this chapter, was often regulated through internal arrangements and processes peculiar to enterprises, which ranged from a simple hierarchy, wherein the owner or farmer directs and manages workers,

to more complex and detailed systems and processes to direct and monitor workers, and to elicit their willingness to maximise production. As shown in this chapter, simple hierarchies were found mostly in the animal husbandry sector, although variations were present. In this respect, larger game farms displayed the presence of positions, within enterprises, designed around directing workers and/or monitoring labour's work. In contrast, horticultural worksites displayed more complex layers of power and authority in labour processes, typified in positions such as managers, foremen and supervisors. All the positions were designed to harness workers' productive capacities by directing and managing labour at the point of production. The citrus sub-sector showed additional strategies that served to control and encourage worker cooperation in production, through piece-rate pay systems. Further, in the pack-houses, surveillance of labour's output rested with line scanners and ticket counters who tracked and recorded labour's production. A range of direct, technical and bureaucratic forms of control and surveillance methods were, therefore, present in the citrus pack-houses, and this reflects the different layers and depths of labour control and surveillance.

Internal hierarchies and the organisation of power and authority along the labour process is fashioned on prevailing social relations based on racial, class and sex. These internal hierarchies and associated power and authority were designed in ways which enabled White members of the workforce to retain senior management and skilled technical positions in the labour process; and, with the creation of supervisors, opportunities opened up for African and Coloured women and men workers to assume low to middle management posts. Workers in supervisory posts are required to manage, direct and oversee the bulk of African workers employed in menial jobs.

Nonetheless, the basis for the development of internal hierarchies of authority and control, and the presence of lower and middle management, was firmly ensconced in the already present unequal power relations whereby White agrarian capital commanded overall control in the employment relationship. Hence, internal job hierarchies were structured along racial lines in which White males assumed power and authority over African workers, in turn replicating unequal power relations that combined race, gender and class of the apartheid era. This was the dominant pattern in all workplaces where internal job hierarchies, incorporating levels of authority over labour, prevailed. In other words, White employees occupied senior management positions, and some African employees occupied lower to middle management

positions. Overall, African workers in the various labour processes, therefore, remained subordinate and accountable to White workers, and White agrarian capital. The racial structure of agrarian jobs is the product of a complex interplay of objective and subjective conditions of production that shape labour supply and demand conditions, all of which combine to replicate the menial and low skill requirements of agrarian employers, that then tilts the balance of forces in agrarian capital's favour. In the end, the totality of the low-waged agrarian labour market endures, thereby reinforcing agrarian labour's weakness in the labour market and labour process.

In many respects, the presence of positions of control and responsibility among African and Coloured workers, to oversee labour, contributes to the fracturing and segmentation of agrarian labour. This emerges in the data on the role that especially African supervisors play in allocating and directing jobs and managing labour relations and grievances. The social arrangements of and at work, thus, link tightly with inequalities in bargaining power and the replication of authoritarianism in the labour relations regime (as will become clear in the next chapter). In important ways, by displaying the structures of authority and the distribution of power along the various production processes, this chapter sets the scene for the following chapter which deals with the nature of contemporary agrarian labour relations in the research sites.

By focussing on the social relations, processes and organisation of production, this chapter thus provides the backdrop for engaging with the question of profound inequalities in bargaining power in the respective agricultural workplaces. For, as will be discussed in the next chapter, while there is cooperation and consent from workers in production (in that they execute their tasks in accordance with management's qualitative and quantitative standards), capital's cooperation with labour was uncommon and limited to only certain workplaces: with respect to, first, comprehensive compliance with labour standards and, second, improving existing labour rights and standards and labour relations. In large parts of the research area, capital appeared to be unresponsive to – and un-cooperative with – workers when the latter took steps to enforce and improve wage levels and working conditions. Attention now turns to the labour relations regime and the balance of forces between agrarian labour and capital in the research sites.

CHAPTER ELEVEN

AGRICULTURAL MINIMUM WAGE, LABOUR RELATIONS AND INEQUALITIES IN BARGAINING POWER

11.1 INTRODUCTION

Chapters 9 and 10 set out the technical and social relations of production in the research sites, in which the nature of work, and the technical conditions and social relations shaping contemporary agricultural production in the study area, surfaced. These chapters focussed on the technical (or material) and social relations and factors embodied in the conversion of labour power to labour. The discussion in both chapters highlighted the nature of agricultural work in animal husbandry and horticultural enterprises and, through this, also workers' value and contribution to valorisation. Chapter 10 was dedicated to the social relations of production and the presence of positions of authority and power in labour direction, control, management and surveillance in the labour and valorisation processes. In setting out the social relations of production and valorisation, chapter 10 laid the basis for understanding the labour relations regime in the agrarian sector and the various approaches to labour relations in the research sample. In this current chapter, examination of the labour relations regimes and approaches in the various sub-sector enterprises, where workers were employed, is undertaken. In so doing, the chapter sheds light on how the technical and social relations of production shape labour relations and the scope for workers to exercise agency.

The social relations and the social organisation of production, entailing control, authority, surveillance and supervision of workers in the labour process, are intricately and inseparably tied to the labour relations regime and the management of conflict, as discussed in chapter 3. The labour relations regime rises through and feeds back into the social relations, systems and arrangements with respect to the way in which workers enact their duties. Understanding the labour relations regime is indispensable to engaging with wage-setting processes, wage levels and wage-bargaining efforts, dealt with in chapters to follow.

In shifting attention to the labour relations regime, this chapter deals with the various manifestations and layers of inequality between labour and capital in the employment relationship, at the site of production, in the post-AMW and post-labour standards era. A key point of interest, hence, is the status of agrarian labour relations and the balance of forces in the wake of the far-reaching changes made with the introduction of labour standards and statutory wage fixing. Here the issue centres on possible shifts and adjustments in the way labour and capital relate to each other.

Following in the tradition of heterodox MW scholars, it is argued in this study that pre-existing conditions of production, combined with pre-existing labour relations and institutional arrangements regulating employment relations, shape employers' employment and labour relations in the wake of mandatory wages and labour laws. This set of conditions, in conjunction with the level at which prescribed wages are set, inform the extent and level of employer responses. The higher the wage rates, the greater the shock response from low-paying employers, likely spurring them on to make significant changes to their production methods, employment strategies and labour relations. In contrast, the lower the prescribed wage rates, the greater the level of employer inertia in changing production methods, employment practices and relations with the labour-force.

As such, based on the empirical data presented in preceding chapters, and in a manner consistent with the heterodox labour market tradition, it has been argued (thus far) that pre-existing conditions together with the low agricultural minimum wage settings crucially enable low-waged employers to cope with the mandatory wages without making drastic changes to their employment practices and production methods. The role that pre-existing conditions play in aiding agrarian employers to ease into operations, when wages and working conditions are set through statutory mechanisms, is made vividly clear when investigating the labour relations regime prevailing in the sector, in a local agricultural labour market.

The agrarian labour relations regime is an indispensable weapon in agrarian capital's armoury, giving it the power to push the balance of forces in its favour, when statutory wages and labour standards are present. Chapter 5, to recap, set out the necessary conditions in the South African agrarian labour market, in historical and national contexts, that gave rise to relations of domination and subjection in the capital-labour relationship. These conditions shaped secondary terms and conditions of employment and resulted in low agrarian wage levels and compromised the quality of life of the

labour force. At a fundamental level, the particular labour relations regime that evolved in the South African agrarian sector played, and still plays, a major contributing role in strengthening employers' positions and interests in the employment relationship; the corollary is that agrarian labour retains its overall position of weakness in the relationship.

As discussed in chapter 3, a strand of heterodox MW studies examines labour relations, the balance of forces in low-waged enterprises and the implications for employment practices and wage settings, with the advent of statutory wages. However, the focus tends to be confined to matters concerning the terms and conditions of service at workplace level. Yet, analysis of labour and employment relations does not only entail an investigation into the terms and conditions of service after the introduction of statutory wages. A nuanced study of labour relations and statutory wages includes an inquiry into the capacity of historically unorganised, low-waged workers employed in secondary and segmented labour markets, to: (a) take steps to change their working and, where possible, living conditions; (b) combine into collectives to address discontent and grievances with employers; and (c) win concessions from, and have their demands met by, employers.

A statutory wage study, as argued in chapter 3, with a focus on workers, will be severely debilitated if it fails to probe the implications that a statutory wage has for workers' propensity to animate changes to their working and living conditions on the one hand and, on the other hand, the extent to which labour relations are adjusted or changed by statutory fixing of wages and the ASD. Neglecting to investigate these aspects of the employment and labour relationship means that knowledge of shifts and continuities in the overall agrarian labour relations regime and approach remain unknown, serving to compromise the development of nuanced explanations of contemporary agrarian labour relations in South Africa. This chapter contributes to filling in these gaps by focussing on the nature of agrarian labour relations, and the propensity for workers to act against employers, with the introduction of the ASD.

Essentially, assessing shifts and movements in the capacity of low-waged workers, with a historical absence of collective bargaining to enforce workplace rights, means evaluating the conversion factor of the AMW at the site of production in terms of changing the balance of forces, the social relations of production. Examining the capacity for workers to bring about changes in the workplace allows for a lucid and lively assessment of the ASD as a conversion factor that provides workers with means

to enforce labour rights. As will be gleaned from the data, certain segments of workers took steps to enforce their rights in the workplace, in accordance with the ASD and the prescribed wage rates. For these workers, the ASD and statutory wages had a measure of strength as a conversion factor in effecting changes to working conditions, terms of employment, wage levels, and in the overall employee-employer relationship. This research also shows that the conversion factor of statutory wages had more force at the site of production compared to the site of social reproduction.

In the process of contributing to empirical knowledge of labour relations and worker mobilisation and struggles, the chapter exposes what may be argued to be the strengths of statutory wages and labour standards in relation to stimulating worker voice. As pointed out in chapter 2, a strand of heterodox labour market scholarship regards minimum wage policies as a voice for unorganised workers in terms of wage-setting processes. In this study, statutory wage fixing is not confined to the notion of providing a voice for workers in wage settings. This is because an attempt is made here to also examine workers' agency and the factors, forces and relations at the site of production that aid and inhibit workers from animating change. The data generated in this research fills the lacuna in empirical information on worker action on farms in the Eastern Cape.

Given the above introductory remarks, the chapter opens in section 11.2 by recapping the conceptual frame adopted here to explain contemporary agrarian labour relations, as set out in chapter 3. The question to address at the outset is broadly one that entails expounding a theory on capitalist relations of production and the regulation of labour relations to satisfy valorisation. To do this, as outlined in chapter 3, the approach adopted here draws on Hyman's (1975:198-199) proposition that labour relations, or what is commonly referred to as industrial relations, may be appropriately thought of as the political economy of labour relations. The political economy of labour relations provides the platform to locate labour relations and wage settings in its wider context, namely, the social relations of capitalist production and the imperatives of valorisation.

A political economy approach to labour relations is in accordance with a critical realist and Marxist approach towards labour relations, as the focus is with how the profit imperative in capitalist production shapes labour relations and the balance of forces in the agrarian capital-labour relationship. To explain enduring power imbalances in capital-labour relations, as argued in chapter 3, a critical realist (and anti-empiricist) study on agrarian labour relations will situate labour relations approaches within the

capitalist imperative to maximise profits, and within the wider social relations of production that unfold as a result of the complex fusion of socio-economic and political phenomena, in spatial and temporal conjunctures.

With a political economy of labour relations perspective, the primary task is to unravel the continuation of power imbalances and inequality in bargaining between agrarian labour and capital, with the occasioning of statutory wage settings and core labour standards. The question that is addressed in the section (11.2) concerns the continuities in inequalities in bargaining power between workers and employers, where the balance of forces tilts in the latter's favour even when core labour standards and statutory wages are present in the agrarian labour market.

As the existing literature on agrarian labour in South Africa attests, traditional paternalistic relations in agrarian employment has faded over the years alongside neoliberal regulatory shifts in the agrarian political economy, as explained in chapter 4. Given this context, the question is: how should researchers explain the tilting balance of forces in agrarian capital's favour? Section 11.2 problematises the labour relations regime in contemporary agrarian production by focussing on key aspects of labour relations. As such, the section examines the manifestations of inequalities in bargaining emerging from this research. For this exercise, three areas of labour relations are explored: (a) signed contracts of employment, (b) processes of communication between labour and capital, and (c) conflict regulation and management.

The evidence will show that these areas were undeveloped or underdeveloped in the workplaces that employed the sampled workers. Given this situation, the question that arises is: how do workers channel discontent, protest, and grievances? This question is explored in section 11.3, where a range of worker responses surfaced across the labour processes in the research sites. The totality of the low-waged local agricultural labour market did not completely obliterate the power of workers in certain workplaces, as workers challenged the unilateral power of employers and sub-standard working conditions, winning certain demands in the process. The data on worker actions draws attention to the link between statutory wages, and worker resistance and mobilisation, in a largely unorganised sector. This is because evidence surfaced of a direct and positive correlation between the agricultural sectoral determination and segments of workers exercising agency. In these cases, it may be argued that the ASD and AMW

rates are core or foundational catalysts for workers' actions, wherein such measures act as key planks that inspire agrarian labour to enforce rights and seek change.

In section 11.4, the outcomes of worker action are assessed and, here too, mixed results were discerned, ranging from no victories to more positive outcomes for workers. The data in this research, therefore, displays the mixed outcomes of the statutory wage fixing on workers' capacities to alter the balance of forces in the workplaces. It is proposed here that these developments signify (hair-line) cracks in the foundations cementing asymmetrical agrarian capital-labour relations, symbolising moments of change in the agrarian capital-labour relations that flow from statutory wage fixing and other labour standards.

Information used in the chapter is drawn from worker responses in the SD 13 Survey as well as the in-depth interviews. By presenting and engaging with workers' accounts of their interactions with authority and positions of power in the labour and valorisation processes, the chapter exposes key conditions of work and relations of production in the research sample, that are characteristic of secondary and neo-sweated worksites and labour markets.

11.2 AUTHORITARIAN LABOUR RELATIONS

As a start to engaging with the labour relations regime and approach in the research sample, it is useful to restate the analytical or conceptual framework that best characterises and explains the labour relations regime that shaped the relationships between workers, and employers and managers. For reasons forwarded in chapter 3, the dominant and overarching approach to labour regulation in labour and valorisation processes, in the research sample, is best understood as authoritarian, firmly entrenched in the inequality in bargaining power between agrarian capital and agrarian labour that characterised the pre-AMW era.

Authoritarian labour relations regimes, as pointed out in chapter 3, are defined in this study, in line with Marxist and heterodox scholars, as asymmetrical power relations where employers exercise considerable power over wage determinations and the setting of terms and conditions of service. The authoritarian foundation of the labour relations regime in the agrarian sector gives rise to various forms of socially regulating and managing labour in production, which include paternalism, informality and formality.

Although, as illustrated in chapter 9, workers in certain worksites had levels of responsible autonomy, or were not constantly supervised, they did not escape the overall authoritarian labour relations regime characteristic of the South African agrarian sector in contemporary times. In other words, having a measure of control over the way they executed their tasks is distinct from workers having power in setting the terms of the employment relationship and wages. This indicates that, at the core of agrarian labour relations lies autocracy that is supported by and in turn supports informality and elements of formality, exemplified in the underdeveloped labour relations policies in the worksites that employed sampled workers.

In following a Marxist framework, analysis of labour relations strategies at enterprise level must be concretely grounded in processes of valorisation, in order to explain conflict, contradiction and change in the capital-labour relationship, under a neoliberal regulatory framework. A Marxist interpretation of labour relations and the regulation of employment must be grounded in two basic suppositions, which accord with a political economy perspective of labour relations. Drawing on Hyman (1989:125), foremost of the two suppositions is that capitalist relations of production “reflect and reproduce a structured antagonism of interests between capital and labour”. The second is that capitalism creates “the material basis for effective resistance to capital and the priorities of the capitalist mode of production”. This is because capitalist production entails a collective component, in that it requires the organisation of workers to execute production. Managing worker conflict and disruptions, and dealing with worker grievances or concerns, are characteristic features of labour relations in capitalist labour and valorisation processes.

The social regulation of the terms and conditions of capital's extraction of surplus value from labour, at enterprise level, is significantly supported by the prevailing labour relations regimes in respective sectors. Wider national and global forces of capitalist accumulation, including “systems of power relations, processes of ideological formation and historically sedimented institutional structures[,] all exert major determining influences over the micro detail of day-to-day industrial relations” (Hyman 1994:171). Grounding an understanding of labour relations in labour and valorisation processes, in concrete worksites, aids in building and strengthening theories on contemporary agrarian labour relations, in the context of the erosion of traditional paternalistic agrarian capital-labour relationships.

Corrosion in paternalistic social relations of production is consequent to the particular form that neoliberal restructuring assumes in the South African agrarian political economy, as explained in chapter 4. Yet, while traditional paternalistic relations have been and are unevenly fragmenting, asymmetrical power relations (drawing on informality and degrees of formality in the agrarian capital-labour dynamic) continue in the post-apartheid era. Seen through this lens, it is appropriate to argue that labour relations in the sample were founded on an authoritarian and autocratic regime that firmly incorporated high levels of informality and elements of formality as typified in the existence of (rudimentary) systems and procedures to regulate aspects of labour relations, as well as fragments of paternalism.

In addition, varying degrees of despotism emerged in different worksites, which were often encouraged by the authoritarian labour relations regime. Hence, although major changes were made to the political apparatus pertaining to the labour market and to the conditions under which workers expended their labour power, with the introduction of labour laws and statutory wages, this level of change did not reach the labour relations regime in this research sample. Put differently, certain material conditions of work may have improved with the introduction of the ASD and AMW, such as wages, health and safety, working hours and rest periods. However, the labour relations approaches described by workers shows various forms and manifestations of autocracy in the labour relations regime, with the balance of forces resting firmly in agrarian capital's corner and continuing in line with its historical roots.

As argued in chapter 3, by describing the foundations of contemporary agrarian capital-labour relations as authoritarian, this study moves beyond the traditional approaches found in South African studies on agrarian labour, which view agrarian capital-labour relations as paternalistic or neo-paternalistic. In the same breath, it is argued that it is insufficient to analyse agrarian labour relationships using informality exclusively. Following this trend of thought, it is further argued that paternalism and informality are manifestations of deeper lying forces and relations that are, crucially, embedded in valorisation. The overwhelming evidence, from this study, shows capital's autocratic approach to labour regulation, in the post-AMW era of workplace laws and statutory wage settings. Autocracy in the labour relations regime always drew heavily on informality, elements of formality and vestiges of paternalism. At important levels, informality, semblances of formality and fragments of paternalism appear to reinforce the overall authoritarian agrarian labour relations regime, in this research.

To be clear, this is not to deny that paternalism is not present in the research sample. On the contrary, as mentioned above, vestiges of paternalism alongside varying degrees of formality and informality were found in the sample. In this regard, a profound change in agrarian labour relations has been the weakening of paternalistic relations and bonds, which had characterised labour relations in primary agriculture (more so than in pack-houses) in the pre-AMW and pre-labour law era. From workers' narratives of the labour relations approach adopted by their employers in the post-AMW period, the presence of informality in particular was prevalent, and formality to varying degrees and more so than paternalism. In other words, paternalistic relations of production associated with familial ties, prevalent under the racial capitalist era, was on the decline in the research sites, and it was unevenly found in certain sub-sectors and workplaces. Instead, informality as well as levels of formality in the labour relations approaches became clearer across the different worksites, from workers' narratives.

Although the glue that holds authoritarian agrarian labour relations remained intact, (and still does), and although there were strong manifestations of informality throughout the research sample, and signs of formality in certain worksites, only vestiges of paternalism were found in certain workplaces. This, therefore, means that authoritarian approaches to labour relations and the use of informality, formality and paternalism manifested in variegated and layered fashion in respective workplaces. To be sure, based on the empirical data, it is argued here that an authoritarian labour relations regime remained largely in place with varying degrees and extents of informality and formality, instead of paternalistic relations.

Paternalism and informality may be mutually reinforcing yet may also be distinct forms of socially regulating and managing labour relations. Hence, it is important not to collapse paternalism and informality when considering labour relations, particularly in concrete work settings. Paternalistic relations may be viewed, at least in the South African agrarian context, as historically encompassing a wide ambit of social relations in agrarian production that stemmed from tying labour to a common site of production and social reproduction. When labour relations are viewed through a radical political economy lens, and when grounded in a theory of contradiction and conflict inherent in capitalist labour and valorisation processes, it becomes possible to distinguish between paternalism and informality in concrete worksites. Sensitivity to the distinction between paternalism and informality, in the South African agrarian context, is prudent

and necessary in light of the changes in the traditional labour relations approach since neoliberal regulatory shifts in the sector.

Paternalistic relations began to unravel and come apart due to wide-sweeping changes in South Africa generally, and the agrarian political economy in particular, in the post-apartheid era, while the authoritarian foundation of the labour relations regime remains largely intact. This research, therefore, raises questions about the appropriateness of using paternalism to describe and explain contemporary agrarian capital-labour relations, in a generalised fashion. As the empirical evidence will reflect in chapter 12, the material dependence of workers on farmers, for provisions attached to the expanded social reproduction of labour, began to erode alongside the attitudes and social relations between agrarian capital and agrarian labour which had shaped traditional forms of paternalism under racial capitalism. The uneven fragmentation of paternalistic relations of production was found alongside high levels of informality in labour relations and employee policies in this research, which reflect and are consequences of the particular path that neo-liberalising processes assume in the South African agrarian context.

The progressive extension of labour laws, and of rights and responsibilities of labour and capital in the employment relation, alongside liberalisation of agricultural product markets, had profound outcomes on labour relations in the research sites. From workers' accounts, labour relations became strained, when the AMW was introduced. In this regard, Naidoo *et al* (2006) report on the growing rift between agrarian labour and capital when the first AMW was introduced. Moreover, workers seeking Department of Labour (DoL) intervention or support in enforcing rights, were regarded as acts of betrayal by farmers. In other words, farmers regarded workers as disloyal to them when they approached external agencies for support in enforcing workplace rights. Arguably, the advent of statutory labour market protections and workplace rights and responsibilities marked a regulatory shock for agrarian capital, whose previous power to unilaterally set employment conditions, terms of contract and wages are now curtailed by mandatory labour standards. The historical record of authoritarianism in labour relations, and employer dealings with worker issues, meant that agrarian capital was/is ill-prepared to forge high-road approaches in its labour relations approach. This is evident in this research by the presence of high levels of informality, semblances of formality, and degrees of despotism – relations and

conditions that are set within a largely intact authoritarian agrarian labour relations framework.

The surfacing of informality and degrees of formality in the data may stem from agrarian capital's inability and reticence to overturn the foundations of the traditional authoritarian labour relations regime that developed under racial capitalism. The racial and class divide between White employers and African workers, therefore, places real obstacles to developing alternative labour relations in the agrarian sector. It is argued here that agrarian capital's historical aversion to joint regulation of working conditions and wages, combined with its inexperience in engaging with agrarian labour on labour rights and standards, constrains the development of structured and clear systems that set out how working conditions and wages are determined, and how disputes and grievances are handled (including a range of worker issues and the general working environment). Unable to jettison the foundations of autocracy of the racial capitalist era, and simultaneously compelled to implement, for the first time, a raft of labour standards (including prescribed minima) introduced by the post-apartheid state, agrarian capital may only be able to cope with dealing with labour relations through largely informal means, with elements of formality. As will be shown, this has profound implications for grievance and dispute mechanisms in worksites, and the overall social relations of production.

To repeat, studies on the MW and labour relations in low-waged enterprises emphasise that where power lies emphatically with the employer, and where workplace systems and procedures regulating labour relations are absent and unstructured, informal labour relations exist. These in turn facilitate employer control in the determination of wages and terms and conditions of work. A work environment lacking in what Arrowsmith *et al* (2003:438) call "professional structures", alongside the absence of worker organisations, are fertile grounds for creating and nourishing informal labour relations and maintaining, even cementing further, inequality in bargaining power between workers and employers. In the research sample, this served to perpetuate the authoritarian labour relations regime.

As the British-based MW literature tells us, employment relations in low-waged enterprises are often regulated, mediated and enacted through informal relations and strategies. This type of employment relations resonates strongly with the agrarian labour relations in South Africa. As such, the employment relationship on South African farms bears many similarities with low-waged enterprises such as in the

hospitality and clothing sectors in the British context, where informality characterises the employment and labour relations. From the data in this research, the commonalities with the British MW research on employment relations is striking, in that workplace relations were mediated through informal means – with the absence of processes and policies dealing with the regulation of relationships between workers and employers and the determination of workplace relations and behaviour, especially in primary agriculture. However, as will become clear, pack-houses showed elements of formality in terms of managing labour relations and conflict in the workplace, which may result from particular workplace dynamics and positions in global value chains.

It is also important to take note of the significance that heterodox MW studies place on informality, combined with low MW rates, in maintaining the status quo in the labour relations approach of low-waged enterprises. As noted in chapter 3, several scholars argue that the informal character of firms softens the introduction of a MW and eases employers' shock responses (Edwards and Gilman, 1999; Adam-Smith *et al*, 2003; Arrowsmith *et al* 2003). The lack at times of formalised systems in the social regulation of employment not only influences agrarian capital's response to the AMW and other labour market interventions. The absence of formality on a wide and comprehensive levels, and its underdeveloped state in certain workplaces, set within an authoritarian labour relations regime, also enables agrarian capital's continued use of low-road approaches, even when changes to wage setting and labour standards are made. In such a context, the AMW is accommodated by employers as one more dynamic among others, such as product market trends and other labour market interventions, which have a bearing on the employment relationship. The tenacious grip that informality and authoritarian labour relations have in contemporary agriculture is vividly revealed in wage determination processes and in the variability of wage levels in this research sample, to be discussed in the chapters that follow.

It is appropriate to delve into the labour relations approach(es) in this research sample. Three vital aspects of labour regulation and employment to emerge from the data, and that warrant examination, are the (a) contracts of employment between workers and employers, (b) communication processes – communication methods and systems between workers and management, and (c) conflict regulation and management methods in the workplaces. These areas are important to an examination of power relations in the context of the AMW, because they provide information on the character of worker-employer relations and the overall labour relations systems in enterprises.

The state of development of systems and processes linked to a, b, and c, individually and collectively, indicate the forms and extent of authoritarianism/autocracy in the overall labour relations regime, as well as the extent or absence of professional or informal workplace structures of an enterprise. Thus, these three aspects, amongst others, provide insights into the nature of internal labour regulatory framework/s of enterprises and the balance of power between workers and employers. An examination of the three areas provides deeper insights into the social relations and conditions that contribute to institutionalising labour's exploitation in agrarian capitalist production. Broad sub-sector patterns to the way in which authoritarianism was used to regulate labour relations came to the fore in the data, as alluded to earlier, and will surface in the discussion below.

However, before delving into this subject, a final point of significance to bear in mind about agrarian labour relations are the consequences of the authoritarian agrarian labour relations regime in managing and dealing with contemporary agrarian conflict and discontent. The evidence presented below robustly point to processes and practices that encourage the non-institutionalisation of agrarian conflict, by the absence of collective bargaining and alternative channels for workers to raise grievances and express discontent and protest. Managing agrarian labour discontent is increasingly gaining significance in light of the De Doorns wage revolt of 2012 and the 2018 worker strike in the citrus sub-sector in the Sundays River Valley. The overt and dramatic expressions of discontent, over wages and working conditions, are one manifestation of the non-institutionalised nature of conflict in the labour relations regime in the agrarian sector, which reflects the historical absence of collective bargaining and the deep divide between agrarian capital and labour.

11.2.1 Signed Contracts of Employment

One of the classic features of authoritarianism and informality in contemporary agrarian labour relations, that is also pertinent to workplaces characterised by unequal power relationships, is the non-existence of signed contracts of employment between workers and managers. Contracts of employment are mandatory in terms of the Basic Conditions of Employment Act, and they provide workers with a necessary means to safeguard workplace rights and interests provided in labour laws. Yet, of the 501 workers who were interviewed in the SD 13 Survey, 329 or 66 per cent of the sample did not sign contracts of employment with their employers. This was either due to the employer not providing contracts for workers to sign or providing workers with

contracts that were unacceptable to workers. In the majority of work settings, employers did not make contracts of employment available for workers to sign. Table 11.1 illustrates the number of women and men, atypical and permanent workers, across sub-sectors, who did not have signed contracts of employment.

Table 11.1: Number of workers without signed contracts of employment

Sub-Sector	Women	Permanent	Atypical	Men	Permanent	Atypical	Total
Citrus	45	5	40	23	8	15	68
Pineapple	11	7	4	16	13	3	27
Vegetable	16	7	9	15	8	7	31
Peaches	2	0	2	1	1	0	3
Chicory	10	2	8	5	2	3	15
Livestock	26	10	16	68	54	14	94
Dairy	23	15	8	26	22	4	49
Game	11	5	6	14	11	3	25
Pig & Poultry	6	5	1	11	6	5	17
Total	150	56	94	179	125	54	329

Source: SD 13 Survey.

Gender disparities in terms of signed employment contracts are apparent, with 74 per cent of the 203 women workers interviewed reporting not having employment contracts, compared to 60 per cent of the 298 men interviewed. This shows that, while most female workers were without signed employment contracts, a significant number of male workers also reported the same.

The data on gender and employment status shed intriguing correlations with regards to the non-existence of employment contracts and show the extent and widespread prevalence of this phenomenon. The 94 women employed on an atypical basis, who did not have a signed employment contract, account for 63 per cent of all women (150) who had not signed contracts of employment with the employer, and for 75 per cent of all atypically employed women, interviewed in the SD 13 Survey. Meanwhile, 37 per cent of the women without signed employment contracts were permanently employed; and female permanent workers without contracts represented 72 per cent of all permanently employed women workers interviewed in the SD 13 Survey. This means that the existence of signed contracts did not vary considerably, for women, across employment status (either permanently employed or atypical).

With regards to male workers, the 125 employed on a permanent basis (and without signed employment contracts) comprise 70 per cent of all male workers who had not

signed an employment contract with the employer (179), and they account for 60 per cent of all permanently employed male workers interviewed in the SD 13 Survey. Atypically employed men workers constitute 30 per cent of men without signed employment contracts, and 59 per cent of all atypically employed male workers did not have signed contracts. Again, for males, the presence of signed contracts did not vary across employment status. The data thus shows that the nonappearance of signed contracts of employment was not confined to particular segments of sampled workers in stark fashion, because a high proportion of permanently and atypically employed women and men workers did not have signed employment contracts.

It is not out of the ordinary that the majority of women with atypical employment (75 per cent) did not have signed employment contracts, in light of the gendered pattern of employment in the agricultural sector. However, the fact that the majority of permanent women and male workers, in this research, also did not have signed employment contracts signifies the presence of a common and generalised state of informality for agricultural workers employed in jobs regarded as menial, un-skilled and semi-skilled. The distinction between the labour relations approach for atypical and permanent workers warrants further research in light of the data in this research, particularly in view of the fact that a high number of permanent agricultural workers reported not having a signed employment contract.

As mentioned in the opening to this discussion, authoritarianism, informality, formality and paternalism manifested in different ways across sub-sectors and enterprises. It is no surprise, then, that the absence of signed employment contracts assumed sub-sector dimensions, as illustrated in Tables 11.2 and 11.4. For example, as shown on Table 11.2, of the 127 workers in the livestock sub-sector who participated in this research, 94 or 74 per cent did not enter into written contracts with their employer, while 83 per cent of the 59 workers in the dairy sub-sector were not in possession of signed contracts. Similarly, 81 per cent of workers employed in pig and poultry enterprises had not signed an employment contract with the employer at the time of the interview. In contrast to the significant absence of signed contracts in these animal husbandry sub-sectors, a higher level of signed contracts existed for the game farms, where only 54 per cent of the 46 workers interviewed reported not having signed employment contracts. Considering the animal husbandry sector as a whole, in relation to the non-existence of signed employment contracts, 73.12 per cent of all animal husbandry workers interviewed reported this state.

Table 11.2: Percentage of workers without signed contracts of employment by sub-sector

Sub-Sector	Women	Men	Total Number of Workers	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	45	23	68	20.66	43.58	13.57
Pineapple	11	16	27	8.20	71.05	5.38
Vegetable	16	15	31	9.42	86.11	6.18
Peaches	2	1	3	0.91	100	0.59
Chicory	10	5	15	4.55	100	2.99
Livestock	26	68	94	28.57	74.01	18.76
Dairy	23	26	49	14.89	83.05	9.78
Game	11	14	25	7.59	54.34	4.99
Pig & Poultry	6	11	17	5.16	80.95	3.39
Total	150	179	329			

Source: SD 13 Survey.

*n = 329

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

In contrast, the 144 workers in the horticultural sector who were not in possession of a signed contract of employment with the employer represent 58 per cent of all horticultural workers interviewed in the SD 13 Survey. While the majority of horticultural workers did not have signed employment contracts, like their counterparts in the animal husbandry sector, a lower percentage of workers, nonetheless, in the former sector reported this status relative to workers in the latter sector. Sub-sector variations are also clear within the horticultural sector.

Table 11.3: Number of workers with signed contracts of employment

Sub-Sector	Women	Permanent	Atypical	Men	Permanent	Atypical	Total
Citrus	35	5	30	53	23	30	88
Pineapple	1	1	0	10	10	0	11
Vegetable	2	2	0	3	1	2	5
Livestock	10	10	0	23	22	1	33
Dairy	3	3	0	7	7	0	10
Game	2	1	1	19	15	4	21
Pig & Poultry	0	0	0	4	4	0	4
Total	53	22	31	119	82	37	172

Source SD:13 Survey.

The citrus sub-sector recorded the highest ratio of signed contracts when compared to the absence of a contract. In the citrus sub-sector, nearly 44 per cent of the 156 workers interviewed said that they did not sign employment contracts with the

employer. All workers interviewed in chicory and peach farms did have signed employment contracts, while 86 per cent and 71 per cent of workers in vegetable and pineapple, respectively, reported the same. Thus, as Tables 11.3 and 11.4 illustrate, the citrus sub-sector was the only sub-sector where the majority of workers had employment contracts, contrasting with the other sub-sectors in this research where the opposite trend prevailed. Of the 156 citrus workers interviewed, 88 (constituting 56 per cent of the sample) had an employment contract.

Table 11.4: Percentage of workers with signed contracts of employment by sub-sector

Sub-Sector	Women	Men	Total Number of Workers	Percentage of workers*	Percentage of workers by sector**	Percentage of overall sample***
Citrus	35	53	88	51.16	56.41	17.56
Pineapple	1	10	11	6.39	28.94	2.19
Vegetable	2	3	5	2.90	13.88	0.9
Livestock	10	23	33	19.18	25.98	6.58
Dairy	3	7	10	5.81	16..94	1.99
Game	2	19	21	12.20	45.65	4.19
Pig & Poultry	0	4	4	2.32	19.04	0.79
Total	53	119	172			

Source: SD 13 Survey.

*n = 172

**Percentage based on the total number of workers interviewed per sub-sector in the SD 13 Survey

***n=501

The higher compliance rates with the provision of contracts for citrus may be due to the presence of various labour enforcement mechanisms present for the sub-sector, through the ethical and fair-trade protocols on labour standards as discussed in chapters 2 and 5. The game farm sub-sector, followed citrus at some distance, recording 45.65 per cent of sampled workers, from this sub-sector, with signed employment contracts.

The research shows that defining the scope and provisions of contracts is often a difficult process for workers. In most cases, contracts are drawn up by the owner or senior management, often in consultation with labour lawyers. These contracts are either in English or Afrikaans, languages with which the majority of workers in the research sample are not familiar. In addition, the contracts, more often than not, are not explained thoroughly to workers; and, where they are signed, contracts are kept

as the property of employers. Workers do not have possession of and access to the contracts.

Peter (14 May 2006), who worked on a livestock and a mohair and wool farm, related this common challenge and conflict over contracts between workers and employers. According to Peter (14 May 2006), the employer:

Said we have to sign [the contract], but we refused. The main problem is that I can't sign something that I don't understand because he gave me something that is written in Afrikaans, and I don't understand Afrikaans. Then we asked him to translate it into English; then we showed it to ECARP who pointed out problems with the contract. I showed the farmer the [clauses] that [are unlawful] in that contract and we decided not to sign.

Where workers have no support or advice services to establish the provisions and verify the legality of contracts, employers use their position of power to manipulate workers into signing contracts, as was the case on the farm where Vumile (11 August 2007) worked. In the words of Vumile (11 August 2007), "this contract came from the employer, but he told us that it comes from government and we accepted it and signed it". It is therefore common to find that workers were unaware of what they signed; hence, they did not understand the provisions of the contract. Mildred (14 August 2007), for example, said that, although she signed a contract, it was not explained to her – so she did not understand the provisions of the contract. When asked if she looked through the contract and understood its contents, she responded as follows: "No I just did what the others were doing. We just signed it".

Even when workers sign employment contracts, they seldom keep copies. In most cases, signed employment contracts, as mentioned earlier, are often kept by management. In this regard, Mzi (12 August 2012), said: "We do not even keep copies of the contracts. We just sign the contracts, and they would take them back after they have been signed". Mzi (12 August 2012) elaborated on a common problem that workers had and have with not being in possession of signed contracts, in the following way:

They can keep copies of our contracts of employment, but I think it is unfair not to give us copies for our own records. My fear is that they can dismiss me anytime from work because I do not have a valid copy of my contract of employment; so, I would not be able to defend myself if I am unlawfully dismissed from work. We asked the supervisors about the copies of our contracts, but they said they would find out from a lady called Menga, who is part of the management. We have not heard a word from them since then.

Workers' narrations of their experiences with signing employment contracts is linked to – and reflects – the types of communication systems and processes between workers and owners and/or senior management structures, prevailing in the workplaces. This is explored below.

11.2.2 Processes of Communication

At a general level, the research identified weakly developed, unstructured and incoherent communication systems between workers and employers. Furthermore, consultations between workers and employers, over working conditions and wage settings, were largely non-existent. A common feature was the lack of workplace processes and policies that dealt with the myriad of staff-related matters, such as wage setting and determining working hours, including overtime, as well as mechanisms to channel workers' concerns and grievances over wages and working conditions. For all intents and purposes, the absence of policies and procedures governing labour relations in the workplace meant that dialogue and engagements between workers and management on the terms and conditions of employment, conducted in accordance with progressive and healthy labour/industrial relations principles, were not possible nor encouraged in the agricultural enterprises in the sample. Instead, and as the empirical evidence in this research illustrates, the labour relations regime in the sample was predominately authoritarian with varying degrees of despotism.

The presence/absence of workplace policies dealing with staff matters was explored in the intensive research phase, where an overwhelming number of workers in the research reported the lack of communication mechanisms or systems relating to work and labour conditions. Consequently, workers did not have any formalised and coherent systems and processes of consultations between them and employers. However, although the absence of consultative systems was widespread in the sample, workers in the animal husbandry and horticultural sectors reported on broad distinctions between employers' communication methods, which in turn shaped the way workers perceived their relations with employers. Casting attention to workers who spoke of poor communication with the employer, is Lindiwe (2 June 2007), who revealed a standard approach used by employers to communicate with atypical workers employed in the citrus orchards:

We do not have any procedures on the farm. [The employer] would just tell us that he wants us to work earlier than normal. He does not negotiate things with

us. He tells the first person that he comes across, and that person has to pass the message on to other workers on the farm.

Similarly, Nora (12 June 2007), who worked on a seasonal basis on a vegetable farm, said that the employer “doesn’t consult with us seasonal workers about anything. He doesn’t consult with us at all. He would just tell us at the last minute that something has been introduced; he will say ‘this is how things would work from now onwards’”. Atypical workers’ absence from consultations on work-related matters echoed among workers in both the horticulture and animal husbandry sectors.

The lack of prior discussions and consultations over work was also reported by permanent workers in a few cases. For example, Vumile (11 August 2007) said the employer, on the mixed farm that employed him, “would just call all the workers and tell them his decision and we must do what he says whether we like it or not”. In similar way, Maria (12 June 2007) reported that changes to work on the game farm that employed her were first “discuss[ed] amongst themselves [senior management] and after that they will tell us about the changes they have made”. When asked if management canvassed workers’ thoughts and views on the changes, Maria’s response was “[y]es, they do that, but we know we won’t win, because they have already taken the decision before they consult with the workers”. In relating another example of employers’ unilateral decision-making practice, Thomas (12 June 2007) said that the dairy farmer who employs him:

Does not consult with workers. He has recently changed the working times of some workers ... These workers used to start work at 5.30 in the morning. He changed their time to 7.00 in the morning. ... He never called them and discussed this change with them. He just told them that their working time has changed.

On the whole, these cases provide glimpses into the non-consultative and informal, and in some workplaces, ad-hoc and unsystematic manner, in which employers communicated with workers about changes in the workplaces. These communication practices originate from the widespread absence of formal and coherent labour relations policies in agricultural enterprises, that allows management the latitude to deal with workers (and their concerns and issues, as will become clear below) with methods that were, to varying degrees, informal, semi-structured and ad-hoc. The communication systems, as described above, are hallmarks of the past authoritarian labour relations systems, and these display the power of the past systems in maintaining the balance of forces in contemporary agrarian capital-labour relationships.

The absence of formalised and coherent labour relations processes, combined with unorganised or weakly organised labour forces, confers considerable power and freedom on employers to adjust work and pay as and when they need, precisely because they are unhindered by workplace processes and systems (Edwards and Gilman, 1999, Adam-Smith *et al*, 2003, Arrowsmith *et al*, 2003). As Adam-Smith *et al* (2003:32) argue: “The absence of joint regulation makes for an employment relations climate within which managers appear to enjoy considerable latitude to deal with staffing matters over a wide range of issues, unimpeded by formal systems and procedures”.

The non-existence of joint regulation and formal procedures, more often than not, allows management and owners of farms to exert and entrench their interests to the detriment of workers’ interests. This arose in this study across the worksites. For example, on the dairy farm where Thomas (12 June 2007) worked, the absence of procedures regulating changes in working hours, and the farmer’s unilateral style of labour relations, resulted in discontent among workers over wages. In Thomas’s (12 June 2007) words:

We all used to get time off during the weekend. [The employer] has changed that system. He is giving some workers time off during weekdays. The workers do not want to take time off during weekdays, and they complain to him all the time about this. He responds by telling them there is nothing that he can do to change that... They are complaining because, if they take time off during the week, they would not get paid for those workdays.

Another example of employers’ unilateral decision-making, that also concerned wage determinations, was reported by workers in the Makana focus group interviews. For example, Mandla (16 August 2004), who worked on a livestock farm, spoke about workers’ efforts to exchange their meat ration for cash, to no avail. As he explains, “[t]alking about the meat, sometimes we say to him, please sir, in this month we don’t want meat we just want money. Then he says, ‘no just take the meat. I am boss here, if you do not want to listen to me you can just go’”.

Wage determinations and the setting of general working terms and conditions, in workplaces that lack formalised procedures and institutions of joint regulation and/or consultations (as typified in the examples above), remained managerial prerogatives; this trend endures in large parts of contemporary South African agriculture, across sectors. In any event, the data thus far shows the levels and manifestations of inequalities in power in the labour relations, which was supported by various forms of

informality. Consequently, workers in this research had little to no formal channels in the workplace to articulate their concerns, grievances, views and ideas on the way work was to be executed and, more importantly for this research, workers did not have a voice in determining wages and their working conditions.

It is argued here that the absence of a culture and ethos of joint regulation in the agrarian sector translates to a disengaged labour relations practice, wherein employers and workers are disconnected at certain important levels in the employment relationship. However, this is not to deny the presence of employers, in the research sample, who engaged the workforce, either individually or through combining their efforts. This engagement, nonetheless, occurred only when the employer was approached by workers around working and living conditions, as becomes clear later in the chapter. As such, these employers too may be seen to have, to a certain degree, a disengaged and disconnected approach to the labour force, which dissipates only when engagements are initiated from the bottom-up, through workers. This implies that, if workers did not initiate discussions with employers, it is questionable if such employers would have entered into joint regulation with workers over wages and working conditions. Moreover, in most cases, such engagements were issue-orientated, meaning that overall joint regulation in the employment relations was still absent in these workplaces.

Notwithstanding the willingness of employers to engage with workers when prompted by them (workers) in particular workplaces, the absence of proper and regular communication and joint regulation of the terms and conditions of employment between workers and their employers typifies the disengaged and disconnected nature of labour relations in this research. The disengagement and disconnection in agrarian capital-labour relations reinforce the notion and practice of managerial prerogatives in singularly determining wages and working terms and conditions, without negotiating with labour. Barrientos (2013), writing in the context of horticultural workers in the Western Cape, in South Africa, argues that labour brokers and seasonal contracts remove the possibilities for employers to cultivate a relationship of attachment with workers that would encourage compliance with labour laws and improve the conditions for seasonal workers. However, data presented above shows that the absence of labour brokers and the existence of permanent contracts may not necessarily and automatically narrow the gap between agrarian capital and labour.

The gap between the parties exists irrespective of employment contracts and labour recruitment method – in other words, a void existed for a significance segment of workers on permanent and atypical contracts, who were not recruited to the worksite through labour brokers. As shown in chapter 8, workers gained employment in the enterprise through various means, none of which included labour brokers. In addition, as will come to light later in sections 11.2.3 and 11.4.1, structures and relations internal to citrus pack-houses were barriers between workers in the assembly line and senior management and owners, as workers related challenges with resolving grievances. This, therefore, shows that internal relations and structures may also actively deter direct engagements between agrarian labour and agrarian capital; and this means that labour recruitment methods and employment contracts are not necessarily the cause of the overall disengaged labour relations approach in the sector. Rather, the causes for the disengaged labour relations lie in the historical trajectory of labour and employment relations in the sector, which is embedded in the authoritarian labour relations regime that arose during the racial capitalist agrarian production era.

Just the same, a disengaged worker-employer relationship brings to the fore important questions on conflict in the enterprises, and how workers and employers dealt with disputes. The regulation and management of conflict in the capitalist employment relation are critical portals to assessing the balance of forces in the workplace. Attention to this aspect is addressed below.

11.2.3 Conflict Regulation and Management

A disengaged labour relations approach in many respects not only typifies a disengaged worker-employer relationship more broadly and a blatant commodified notion of labour⁶³. A disengaged labour relations approach has immense significance for the way workplace conflict is regulated and managed, and how worker grievances are addressed by employers. In important ways, the status and extent of joint regulation and consultations between workers and management set the institutional context for management's approach to grievance and disciplinary procedures (and

⁶³ It may be argued that the disconnect between workers and employers, depicted in the above cases, typifies a disengaged worker-employer setting, and is a clear marker of the commodified view and notion that agrarian capital holds of agrarian labour. The fact that workers are not consulted on workplace changes, and the fact that changes to the way work was executed, tended to be communicated by employers to works in ad-hoc, informal and clumsy methods, reflect a commodified view of labour, wherein workers are treated merely as inputs of production, similar to the other resources used in the labour process. Hence the ideas and thoughts of workers about work are irrelevant to the labour process.

vice versa). As such, the status and extent of development in an enterprise's grievance and disciplinary policies and procedures, similar to the status of communication or consultative forums in the workplace, are crucial indicators of power dynamics between workers and employers; in particular, the power and capacities of labour and capital to exert their respective interests.

Likewise, an enterprise's grievance and disciplinary policies and procedures are not only informative of the nature of the prevailing labour relations approach and the extent of asymmetry in the employment relationship; they are also important indicators of the level and extent of formality/informality and paternalism within the labour relations regime. As will be shown in the worksites in this research, characterised as they were by the absence of joint regulation and formal systems (and steeped in unequal power relations), grievance and disciplinary procedures were either non-existent or weakly developed. Agricultural enterprise owners and top layer management, in the main, had a disengaged approach to dealing with worker grievances.

In the end, employer's disengaged approach towards workers reinforces authoritarianism in the labour relations regime, thereby facilitating employers' power to exert their interests over workers in the setting of wages and working terms and conditions. This set of conditions in the labour relations sphere in this research, acting in tandem with the technical and social conditions and relations in labour and valorisation processes, and workers' states of social reproduction (as discussed in chapters 7 to 10), reflect strong pre-existing conditions and relations. As argued so far, pre-existing conditions, combined with low AMW rates, softened the potential regulatory shock for agrarian employers. In terms of agrarian labour relations, pre-existing conditions and low prescribed MW rates provided agrarian employers, in this study, with the means to transit from the pre- to the post-AMW era without adjusting and changing the labour relations approach. The absence of change in the ways in which capital and labour related to and engaged each other, implies the absence of changes in employment practices and strategies, in the post-AMW and post-labour standards period (as shown in chapter 7 for this study). Ultimately, these conditions provide explanations for the absence of widespread job losses in agricultural sectors, and inertia in agrarian employment practices, strategies and conditions.

As demonstrated in the preceding section, rarely was there direct engagement between labour and capital on workplace rules, terms and conditions of employment, and wages. Instead, agrarian capital-labour relations in the research sample were

often characterised by a relationship of distance with little to no direct communication and interaction between workers and bosses. Subsequently, regulation and management of conflict mirrored the power of agrarian employers over the labour-force. An assessment of the data shows that, at the majority of enterprises in primary agriculture, formal and written-down disciplinary codes and grievance procedures were largely absent. For the vast majority of workers employed in the animal husbandry and horticultural sectors, disciplinary codes and grievance procedures were undeveloped in the workplaces.

However, as will be sketched in sections 11.2.3.1 and 11.2.3.2, horticultural workers in pack-houses were an exception, because the interviewed workers spoke of clear disciplinary producers, alongside what may be described as underdeveloped grievance processes – because extant processes did not often address and resolve workers' grievances, as the data below demonstrates. It must be noted, though, that one worker employed on a citrus farm spoke of a grievance process at the workplace. Nonetheless, coexisting with the disengaged labour relations strategy that was widely prevalent across the research sample, the evidence identifies a disjuncture between the institutionalisation and development of disciplinary codes, on the one hand, and the undeveloped or underdeveloped state of grievance codes, on the other hand, in the different workplaces. While a defined procedure existed, which workers had to follow when they wanted to lodge a grievance or complaint, the resolution of grievances and consideration of workers' concerns were incomplete if not incoherent.

This stemmed largely from ill-defined processes, time-frames and actions that employers must take, after grievances and complaints have been lodged. In other words, imbalances and unevenness are evident, between the existence of workplace rules and associated disciplinary measures (that enabled employers to exercise considerable power in controlling and regulating labour) and the rudimentary character of grievance procedures (which were available for workers to lodge unfair labour practices and express dissatisfaction in these workplaces. The presence of clear workplace rules and disciplinary codes for employers alongside elementary grievance processes for workers, in the agricultural workplaces in this research, reflect the profound imbalance in employers' power to discipline workers and exert their interests, and workers' weakness to address complaints and labour injustices so as to advance their interests.

Workplaces with imbalances in grievance and disciplinary procedures, similar to the workplaces where such processes were undeveloped and informal, are shaped by the disengaged and disconnected labour relations strategy adopted by agrarian capital. In fact, managing conflict and negotiating rules in the labour process, that shape the forms and types of workplace misconduct, remedial action and associated disciplinary codes and grievance process as well as related issues, were (and are) not jointly developed by agrarian employers and their workers in the respective enterprises. Such types of labour relations characterise agrarian social relations in this research, as will become clear from the presentations below. The discussion begins (in section 11.2.3.1) with the status and nature of grievance processes in the horticultural sector, and how workers in different worksites deal with discontent. In section 11.2.3.2, attention turns to the disciplinary measures and rules in the workplace in the horticultural sector, and in particular in citrus pack-houses. The spotlight falls on the horticultural sector because workers employed in enterprises in this sector, in this research, recounted greater details in grievance and disciplinary measures and procedures, compared to sampled workers employed in the animal husbandry sector. However, in the final discussion on grievance and disciplinary processes – section 11.2.3.3 – a brief presentation of such processes is provided for the animal husbandry sector.

11.2.3.1 Grievance Procedures in Horticulture

Horticultural enterprises showed varying degrees of formality, more so than enterprises in animal husbandry. Generally, primary horticulture displayed varying degrees of formality in the way in which workers communicated with owners and senior level management and by the way complaints and grievances were lodged in the enterprise. Although, in large parts of primary horticulture in this research sample, formal grievance and disciplinary procedures were absent, one respondent spoke of the existence of a grievance-lodging procedure in the workplace. Of all the horticultural workers interviewed, Monwabisi (11 August 2012) was the lone respondent who outlined an existing procedure for raising problems in his workplace, when he said that “[y]ou don’t go straight to the farmer when you have a problem. You must go to the *nduna*. The *ndunas* are the foremen; they call themselves *ndunas*⁶⁴. The *nduna* would then convey your queries/complaints to the farm owner.”

⁶⁴ *Nduna* is a Zulu word that denotes a person with power and authority and/or a chief with responsibilities to oversee and manage relations and processes in varied social contexts.

In the main, workers in the primary sectors of horticulture were unable to articulate well defined grievance codes and policies – processes that not only formally outlined systems to lodge grievances with management, but systems and procedures that set out the frameworks for remedial action, as well as the types of remedial measures to be pursued by employers to address labour’s concerns and discontent. For the most part, grievance codes and processes remained unwritten and informal. When workers employed in the citrus orchards were asked if a grievance and disciplinary policy prevailed in the workplace, Patricia (11 August 2012) said “no, there’s no grievance procedure [in the workplace]”, and Lonwabo (18 August 2012) added “no, there’s no such thing there”. Zanele (18 August 2012) echoed this when she said “there’s no such a thing” at her place of work. Instead, a tacit process evolved at the worksites around the way in which grievances were lodged, but there were no formal procedures on the processes and time-lines to deal with or address them. A similar trend (the non-existence of formalised grievance procedures) was identified in the animal husbandry sector, borne out by the researcher’s work with workers in the research sites to organise and form collectives (Naidoo 2011a).

While the majority of workers in primary horticulture in the research reported the absence of clearly developed and written down grievance procedures, a percentage of workers, mostly employed in citrus pack-houses, said that such procedures existed in their work establishments. This may be attributed to the ethical and fair labour standards set out by Northern retailers as part of the trade agreement with citrus pack-houses, as pointed out in chapters 2 and 5. However, as pointed out earlier, a disjuncture was identified between the power that grievance procedures held in serving and advancing workers’ interests, and the power that rule enforcement and disciplinary codes occupied in the workplace, that pushed forward the employers’ interests. In this sense, then, pack-house workers had similar experiences as workers in workplaces without developed grievance and disciplinary codes. This is because, while clear procedures were developed for workers to lodge grievances, processes and systems that address and resolve grievances and discontent were not identified in the sample.

The discussion that follows unpacks the disjuncture between the presence of disciplinary codes/mechanisms and grievance procedures in the pack-houses, in an attempt to further examine the inequality in bargaining power between employers and workers in such workplaces, in the era of labour and product market restructuring and

South Africa's global integration into the agricultural production systems. Citrus pack-house workers, as will become clear, reported the existence of clear workplace rules and disciplinary measures, applied by employers when the rules were transgressed by labour, alongside systems and procedures for workers to lodge grievances but with undeveloped processes to address their grievances.

Paul (12 August 2012), who worked on a seasonal basis in a major pack-house, outlined the grievance process that was followed in the pack-house where he was employed: "Any grievances must be lodged with the supervisor; if the supervisor is unable to resolve the problem, he/she must report it to the foreman; if the foreman also fails to resolve the matter it must go it to management". The pack-house that employed Nomilile (9 March 2011) was one of the larger enterprises in the Sundays River Valley municipal area, packing citrus for export to European markets. From Nomilile's (9 March 2011) account, the existence of a clearly defined grievance-lodging procedure in the pack-house comes to light, that was designed specifically for seasonal labour. Managing conflicts and grievances at this pack-house entailed the use of shop stewards, drawn from the pool of seasonal workers employed at the time. According to Nomilile (9 March 2011), "the shop stewards are elected by the workers". "A meeting is called during lunch time", said Nomilile (9 March 2011), "where nominations are made, and shop stewards are elected".

She added that the "shop stewards do not belong to the union" which comprised of permanent workers at the pack-house (Nomilile 9 March 2011). This workplace is of interest because it illustrates variations in labour relations strategies for permanent and atypical workers within the enterprise. A seasonally based shop-steward system operated for seasonal workers, like Nomilile (9 March 2011), and trade union-based shop stewards represented permanent workers. A differentiated labour relations approach for atypical and permanent workers sows the seeds for further divisions among workers, and it presents obstacles to unity and obscures the common class interests between atypical and permanent agricultural workers. Nonetheless, "[g]rievances", continued Nomilile (9 March 2011):

Are taken up through shop stewards, who then take the issues to the supervisors. The supervisors then take grievances from workers to the management, and they provide the response from management to the shop stewards to inform workers. Depending on the grievance, the worker or the shop steward may be called to the office when the supervisor is discussing the issue with management.

The grievance procedure in the above pack-house bears a certain degree of similarity with the processes at the pack-house that employed Ronald (11 August 2012), but also differs from them. Ronald (11 August 2012) worked in a citrus pack-house which had a human resource department and a management-initiated workers' committee, with shop stewards, that assumed responsibility for workers' matters. In Ronald's (11 August 2012) words, "when you have a problem, you meet with your shop steward and the shop steward would approach the HR [human resources]". This case, on paper, marks a higher level of formality, compared to other worksites, because of the presence of human relations positions and a worker committee with shop stewards. Like the pack-house that Nomilile (9 March 2011) worked in, the pack-house that Ronald (11 August 2012) worked at is also one of the larger pack-houses in the Sundays River Valley.

Several interlinking factors may be said to condition the establishment of grievance procedures in the pack-houses, and the variegated strategies for regulating and managing labour relations, in these worksites. The presence of a human resources section at the pack-house where Ronald (11 August 2012) worked, and the election of worker representatives who channel worker complaints along the chain of authority, in Nomilile's (9 March 2011) case, display modicums of formal institutionalised systems around the lodging of grievances in the pack-houses. The existence of formalised and institutionalised grievance-lodging procedures (and disciplinary codes) in these pack-houses emulate features associated with firms in primary labour markets that occupy strong product market conditions, with a large labour force.

These agricultural workplaces demonstrate the possibilities for enterprises in a low-waged sector to selectively draw on systems and processes associated with 'modern' and 'professional' firms that deploy high-road approaches in the labour process and in their labour relations strategy, to varying degrees. Yet, as demonstrated in chapters 7 to 10, together with the discussion thus far on the labour relations models found in the research, workplaces were characterised by secondary and segmented working conditions set in an overwhelmingly low-road labour relations regime. This means that regulatory shifts in agrarian labour and product markets combine with prevailing local conditions to influence the extent to which low-waged agricultural enterprises draw on and merge formality (depicted in semblances of formal procedures to partially deal with grievances) with informality and authoritarianism, denoted in the absence of

collective bargaining and defined formal processes of regulating labour relations and conflict.

The evolution and emergence of formality in systems, to regulate labour relations and manage discontent and conflict, may be attributed, in part, to the size of the labour-force combined with product market factors. Another crucial stimulus, combining with the aforementioned factors, for the emergence of workplace policies (dealing with staff matters) in the pack-houses, is the pressure from above as pointed out earlier: the global social compliance programme initiated by Northern based retailers, that incorporates the various international ethical codes pertaining to core labour standards, set out in the respective International Labour Organisation's conventions. Key aspects of the codes deal with formalising labour relations by establishing grievance procedures and systems to constructively manage employment relations, typified in human resource sections and worker committees.

The presence of various labour codes, if implemented and enforced, are drivers of change in the traditional agrarian capital-labour relations. The labour protocols governing ethical trade practices in conjunction with labour process conditions and size of the labour-force, dictate a different type of labour relations approach to the informal and paternalistic relations that characterised agrarian relations prior to the regulatory shifts in the agrarian labour market. Statutory labour standards and private sector initiatives, such as the global social compliance programme, may, under particular circumstances, be important and appropriate means through which agrarian labour relations transits from disengaged, disconnected and adversarial labour relations to formal, less authoritarian and more pluralistic labour relations approaches. In these cases, the stimulus to develop some measure of formality in the way in which agrarian enterprises managed workers' expression of grievances appears to be driven by external forces, as opposed to internal forces within the workplace.

'Complete', sudden and dramatic switches from informal and autocratic to formal and pluralistic agrarian labour relations cannot be expected, given the divide between agrarian capital and agrarian labour in South Africa. Instead, it is more reasonable to expect the combined use of elements of informality and formality in the low-waged agricultural sector, which draws on pre-existing social and technical relations of production prevailing in particular spatial and temporal settings. The selective use of formality, however, was and is deeply embedded within an authoritarian labour relations regime. Nonetheless, the causal mechanisms for adjustments in the systems

and strategies to deal with labour are multiple, shaped by a range of socio-economic and political phenomena that elicit variegated responses from employers with respect to regulating labour relations, in the post-ASD era. By and large, defining the steps for workers to lodge grievances does not necessarily mean that grievances are addressed and resolved, as will be clear in section 11.3. Moreover, the extent to which grievance processes are developed and formalised to comprehensively deal with and resolve grievances, is arguably weaker, in comparison to the development of disciplinary measures and workplace rules. Disciplinary processes in the pack-houses are discussed below.

11.2.3.2 Disciplinary Codes in Citrus Pack-Houses

While the citrus pack-houses had grievance lodging procedures in place, they also had more clearly defined disciplinary codes and sets of rules. Hence, measures of formality in managing labour relations and instilling discipline in the labour force complemented the autocratic disciplinary codes found in the pack-houses. Disciplinary codes, as noted earlier, were most prevalent in the pack-houses, more so than in any other production sites in the research, where workers had to abide by strict and stringent rules pertaining to attendance, time away from the work-stations, use of cell phones, personal attire, the hygiene rules for citrus production for export markets, among others. The pack-house in the Sundays River Valley, where Ronald (11 August 2012) worked, usually communicated the company rules to workers “[d]uring the induction period at the beginning of the season They tell us about things that are not acceptable in the company; things that are prohibited. For example, they tell us that you are not allowed to wear open shoes”. Likewise, Mzi (12 August 2012) explained that the rules of the pack-house were communicated to workers:

In the induction period ... An example is that if you were caught eating an orange you would not be fired; instead, you would get a verbal warning because in your induction you were told not to eat the fruit. We know that we are not allowed to eat the fruit, but this is not written in our contracts.

Sindiswe (21 September 2017), a female seasonal worker, said that the most important rules are that “workers have to wear their uniforms and they also cannot wear earrings and necklaces because they can damage the fruit”. According to her, the company’s vigilance and administration of the rules are heightened when phytosanitary inspectors, also concerned with quality of fruit, are conducting their inspections. “Everything”, said Sindiswe (21 September 2017):

Has to be proper when the inspectors are coming. Workers cannot have water bottles and lunch boxes with them while they are working. They cannot wear jerseys and jackets over their uniforms, and they cannot wear caps. You have to look clean and neat when the inspectors are coming. But when they are not coming, [the management] don't really care.

The extent of enforcement of pack-house rules, from workers' narratives, appeared to be the choice of individual establishments. In certain labour processes, the rules are more stringently applied, compared to other workplaces. If workers transgress any of the rules, they are given warnings which may lead to their dismissal. A case in point is the pack-house that employed Nomilile. According to Nomilile (9 March 2011), the pack-house had a high rate of dismissals due to the "ease with which warnings are issued out". From Nomilile's (9 March 2011) account of workplace discipline meted out by the employer, a production zone akin to despotism (where workers surrender their being to the production imperatives of the pack-house and are treated as mere commodities) emerges. She explains:

Warnings are given for not reporting for work on a Monday after payday and making mistakes like sitting down during working hours. Even when there is no fruit coming down the belt, one is expected to stand up, as sitting down is an offence. I once sat down, as there was no work and took one orange to eat. A supervisor saw me and called me to the office where I was given a warning.

To ensure that workers spend extensive time on the production site, other autocratic disciplinary codes complemented the despotic pack-house regime. For example, "when one goes to the toilet, you are given a maximum of 15 minutes to get back to work, [and] failure to do so results in a warning", added Nomilile (9 March 2011). She went on to say that:

Before leaving for the toilets, one has to go to the supervisor and write down the time, they are leaving the workstation to go to the toilet. There are always queues at the toilet as these toilets serve all the pack-houses, and each pack-house has over a hundred workers. This makes it very difficult for one to finish using the toilet in fifteen minutes.

All pack-houses, by virtue of the nature of their production process (the Fordist and Taylorist assembly lines) and their product market positions (locked firmly in the conditions regulating their export trade relations), require the development of enterprise/company rules to safeguard the quality of citrus commodities under production. Data presented above shows that the extent of rule-enforcement by management varied, from a more relaxed approach to enforcement with intensive enforcement periods when inspections are conducted, as in Siniswe's (21 September

2017) case, and to even more stringent and consistent application, as in Nomilile's (9 March 2011) work experience.

Similarly, Paul (12 August 2012) recounted the rules in operation in the pack-house that employed him, in the following way: "When we work with machines, we must be clean at all times. Our clothes must not be torn to avoid being grabbed by the machines. We mustn't eat inside the shed. We mustn't drink alcohol and smoke inside the shed". Nonetheless, Mzi (12 August 2012) provided even further details on other rules of the pack-house, and these shed light on the character of the working environment and workers' impressions of such rules:

We understand what they are telling us, but we do not agree to everything. We do tell them that we are not happy with certain things and would like them to review those things that we are not happy with. For example, they cannot tell us that they do not want workers at the gate during working hours, because sometimes workers must go to the gate to fetch their lunches from relatives and come back to work. Workers are also disobeying the rules which apply to cell phones. The company rules stipulate that workers are not allowed to answer cell phones whilst working in the shed. Workers are totally against this because some of these calls cannot be ignored because of their importance ... [and] workers do speak on cell phones in the shed. However, you must hide behind other workers when you speak on your cell phone. Failure to do this would result in punishment, usually a verbal warning ... Most times workers try to obey the rules, but they ignore them sometimes. Workers put their phones on vibrate and answer them where they cannot be seen if they can.

Despite the variations in the rules, and in their application and enforcement, as well as the presence of workplaces with flexible rule-enforcement approaches, the very existence of these rules and the disciplinary measures taken against workers when they transgress them, must be questioned and scrutinised. Rules, their enforcement, and associated discipline, are vital variables. Not only do they illuminate the nature of enterprises' labour relations systems and the autocracy in the labour relations regime, but they also reflect capitalist agrarian social relations of production, as well as contemporary agrarian working life and conditions. At a wider level, these conditions speak to matters linked to the social devaluation of agrarian labour – matters that were explored in chapters 9 and 10, with reference to the empirical data generated in this research.

In this context, the data from the citrus pack-houses, with regards to the presence of rules and disciplinary measures, demonstrate modicums of formality in the way in which labour is managed and disciplined in export geared low-waged agricultural enterprises, in the local labour market. But it is not only that semblances of formality

surface in the research, as it is the nature of the formality that is of special analytical interest here. In this regard, workers' accounts of the rules and disciplinary measures provide insights into the character and extent of autocracy in the labour and valorisation processes, with this autocracy enabling the creation of rules and disciplinary action that have profound implications for the quality of working life.

Rules that disallow workers chewing gum, using earrings on the assembly line, wearing sandals, and using their cell phones during working hours, convey a stifling work environment which workers have to endure for eight hours, at times more, per day. Rules pertaining to toilet breaks and sitting/standing on the shop-floor, as reported by Nomilie (9 March 2011), or rules on the use of cell phones or collecting lunch at the gate, recounted by Mzi (12 August 2012) above, not only commodify workers. These rules are draconian, emulating work conditions associated with the despotism of the factory regime. An autocratic labour relations regime, therefore, makes it possible for the development and enforcement of severe rules and disciplinary actions. However, as indicated, there are pertinent drivers for the presence of rules in the pack-house, and not just the labour relations regime. Rules and disciplinary codes are often responses to pack-houses' trading relations with Northern based retailers and the product quality requirements for export.

As discussed earlier, much of the citrus from the research area is exported to European consumers and British retailers. Northern based retailers and consumers of Eastern Cape citrus play a major role in developing, institutionalising and monitoring the implementation of the phyto-sanitary standards which flow into the despotic, stifling labour processes that treat workers as commodities and almost as robots. The causal mechanisms of the imbalance in power reside in the objective and subjective conditions propelling the valorisation processes in the research sample. Both the objective and subjective dimensions of valorisation rested (and rest) on low-road approaches that perpetuated agrarian labour's weak bargaining power and capacity in the exchange process with agrarian capital. But the integration of the citrus industry in global markets plays a contributing role in all this.

The above accounts from workers, on how work is conducted, what is expected of workers and the associated rules of production, in the citrus pack-houses, are reflective of coercive labour management and industrial relations. Coercive labour relations are reflected in what is considered to be a workplace misconduct that warrants disciplinary action, as well as in the adversarial and authoritarian way discipline

is administered in such worksites. A disjuncture, a divide, and ultimately a power imbalance prevails between agrarian capital (and its ability to develop and enforce a disciplinary code) and workers' weaknesses, and hence the inability of workers to formulate or at least shape grievance codes and procedures, in the respective workplaces, that protect and advance their interests. Although citrus pack-houses showed signs of formality with respect to the presence of defined misconduct and disciplinary codes and processes for workers to lodge grievances, senior management and owners retained power and control in developing such processes. In other words, these processes were not co-determined with workers, and hence they further reflected autocracy in the labour relations system.

This state of affairs encapsulates the profound power imbalance in the agrarian capital-labour relations for workers in the citrus pack-houses – a power imbalance that arises from deep historical roots of racial capitalism and the presence of pre-AMW relations and structures, and which configured the despotism of the low-waged agrarian labour market. The pre-AMW relations and structures of production are perpetuated and intensified by neo-liberalising product market restructuring, in particular, as South African citrus production orientates increasingly towards export on the global market. The export significance and highly priced South African citrus, in particular the citrus produce from the Eastern Cape, was pointed out earlier, in chapter 4.

The discussion on the nature of grievance and disciplinary procedures shows the varied informal and formal approaches that citrus employers adopted to manage labour's grievances and instil discipline in the workplace. However, a discussion of disciplinary measures in enterprises emerging from this research will be incomplete if disciplinary measures in the animal husbandry sector is not dealt with, albeit briefly. A broad and brief snapshot is provided below of discipline measures for certain farms in the animal husbandry sector, wherein sub-sector and enterprise level dynamics surface in grievance and disciplinary measures, between horticulture and animal husbandry. At a general level, differentiations within and between sub-sectors, and enterprise level dynamics, make for variations in the overwhelmingly authoritarian labour relations approaches and disciplinary codes of enterprises. In other words, the labour relations regime in all enterprises across the different agricultural sectors and sub-sectors was steeped in autocracy, which manifested in various ways, degrees and intensities.

11.2.3.3 Conflict Regulation and Management in Animal Husbandry

While grievance-lodging, disciplinary measures and rules of the pack-house were the responsibility of supervisors, foremen and similar middle-layer positions, disciplinary processes on certain farms in the animal husbandry sector made use of familial and kinship ties to address any misconduct and restore order on the farm. As established earlier, sampled workers in the animal husbandry sector reported the non-existence of formal grievance and disciplinary codes in their workplaces. As will be shown in the next section (11.3), within the informal labour relations dynamic found in the animal husbandry sector, a variety of worker action was identified in relation to grievance-lodging. Nevertheless, the use of kinship and social networks to instil discipline and order, in the workplace, distinguishes the authoritarian labour relations regime prevailing in the animal husbandry sector from the authoritarian labour relations regime found in the citrus pack-houses and in primary horticulture. The use of the family, as a disciplinary and social regulation mechanism, was prevalent on livestock, dairy and certain game farms in the areas covered in this research.

This form of discipline was possible because employment on the farms was inter-generational, meaning that young members of workers' families took up employment on the farms when they quit or completed school, as explained in chapter 7. Hence, it is possible to find farms where sons, daughters, nieces, nephews and grandchildren work alongside mothers, fathers, uncles and aunts, and grandparents. The elder family members at work may also be assigned labour disciplinary and control functions. Disciplining workers through family members decentralises the regulation and control of labour to the family, thereby weaving a complex web of social control over workers. Zamxolo (21 June 2007) provides insights into such a disciplinary approach, when he said that "[i]f someone is drunk at work ... or for example, if I have done something wrong and there is my older brother who is also working on the farm, then they will call both of us and explain the problem to him. The elders must sort out the problem".

It is not uncommon for farmers to call upon senior members of the family or older workers to settle problems for them on the farms. Andile (13 May 2006) also related the farmers' use of family members to settle problems on the farm and to discipline labour. On this dairy farm, Andile (13 May 2006) spoke of "[y]oung boys who drink a lot and do not want to go to work on Mondays. The farmer called the elders and said that the young ones will be fired if they do not behave. The farmer's wife said we must talk to them about their drinking". The use of kin and fellow workers as disciplinary

'officers' for younger workers, diverts control and regulation of labour away from owners and employers to workers' family and social networks on the farms.

The family and community, on such farms, take on the role of keeping labour in check. The use of family and other social networks on the farms diffuses direct conflict between workers and owners, and it inhibits the development of direct joint engagements between the two parties. Farmers' reliance on elder workers to maintain discipline and control over labour is a manifestation of informality, which draws on decentralised paternalistic forms where discipline of workers lies with senior family or community members. In the end, this set of conditions stifles workers' mobilisation and organisation, which means that the core foundations for inequalities in bargaining power remain intact. As a result, autocracy in the labour relations regime is not transcended or altered to any significant measure.

In summary, the above scenarios depict the unevenness and variances in processes and procedures to address and manage worker grievances, and to discipline workers and enforce workplace rules, in the animal husbandry and horticultural sectors. From the data presented, a picture emerges that depicts grievance procedures as ranging from non-existent (largely in primary agriculture) to defined procedures found in the citrus pack-houses. The range from non-existent to defined grievance-lodging procedures means that labour discontent was managed within a range of informal to partially formal processes, based on context-specific conditions. We saw, in the above discussions, that workers employed in the animal husbandry sector reported on more informal relationships that drew on familial bonds and hierarchies to discipline workers, while the citrus pack-houses, in particular, tended to display varying degrees of formalities in the ways in which grievances were channelled to management alongside large doses of despotism in workplace rules and disciplinary codes.

The question of sub-sector dynamics again surfaces in informing labour relations strategies, with respect to dispute resolution, managing grievances and instilling discipline in the different workplaces. Enterprise and sub-sector dynamics may also shape workers' propensities to challenge transgressions of labour rights and/or negotiate for improvements in working conditions and terms. Data in this research show, thus, the strong weight of sub-sector and firm level dynamics, in conjunction with other factors, in sparking and inhibiting worker action. At the same time, the extent to which sub-sector and firm-level dynamics play instrumental roles in moulding or creating the conditions for opportunities and moments of challenge, negotiations and

settlements in workers' favour require more in-depth research. This is a point requiring fuller debate and discussion, in particular on the implications for organising agrarian labour and corroding the power that agrarian capital commands in the employment relationship.

In specific relation to the citrus sub-sector, the discussion about the disjuncture in the development of grievance and conflict management processes, on the one hand, and discipline enforcement on the other hand, depicts an overall work context that stifles worker voice and action, despite the presence of formality in areas of labour relations. This must be of particular interest (and concern) for future research and scholarly work in the sub-sector, given the export status that citrus from the Eastern Cape specifically and South African generally, occupies, and the links with Northern retailers and their agents. Multiple questions pertaining to workers' voice with the inception of the AMW flow from this observation, including how workers in primary agriculture deal with their grievances in workplaces with an absence of formal processes. Discussion returns to the citrus pack-house workers in section 11.4, including their experiences with conflict resolution where formal grievance and disciplinary processes existed. The next section looks at workers' capacities to exert their interests in the workplace and to take action to address unfair labour practices or discontent, in workplaces lacking in formal grievance-lodging and conflict-resolution processes.

11.3 WORKERS' STRUGGLES TO ADDRESS GRIEVANCES IN WORKPLACES WITHOUT FORMAL PROCESSES

The presence or absence of grievance and disciplinary procedures, in fact, did not directly correlate to workers' actions to address unhappiness or dissatisfaction about their working terms and conditions. This is because, even in workplaces lacking in grievance and disciplinary measures, the data reveals workers taking action to address complaints. This trend appears not to correspond with aggregate data, presented in chapter 5, which shows the absence of worker protest and worker action to address grievances. In fact, in this research, worker action aimed at addressing dissatisfaction and grievances was diverse, including (a) solitary challenges, where individual workers approached farmers about grievances, or refused to take instructions from employers under certain circumstances; (b) lodging grievances through supervisors; and (c) collective action, at times involving farm committees. The real and full picture of the operation and functioning of grievance and disciplinary rules,

procedures and practices in the respective workplaces will be incomplete if workers' responses to their conditions are not highlighted here. Moreover, detailing workers' experiences and struggles with lodging grievances and complaints, and the outcomes of these actions, provides deeper insights into the extent and depths of inequality in bargaining power in contemporary agrarian labour relations.

However, before deliberations begin, key broad conceptual points pertaining to the scope and opportunities for workers to mobilise or challenge employers, in workplaces with informal labour relations, and in those with elements of formality, need to be made. This will deepen the understanding of factors internal to agrarian workplaces that aid and inhibit the propensity for agrarian labour to mobilise and express discontent. These conceptual points are set within a critical realist approach to engaging with agrarian labour relations, and agrarian labour's scope to mobilise and/or challenge agrarian capital's workplace rules and conditions of employment.

A critical realist perspective of agrarian labour's challenges and resistance, at the site of production, would look at the organisation of labour processes, the division of labour and the hierarchies of power and authority over labour, in the quest to understand: (a) agrarian labour's discontent and conflict with agrarian capital, (b) the scope for labour resistance and protest, and (c) the forms that challenge and resistance (where they materialise) assume. In other words, the options available to workers, to raise issues with management, may be significantly shaped by key technical and social relations and conditions in the production processes, and how labour is managed in the execution of its tasks.

For example, on most farms in the animal husbandry sector, the proximity between workers and owners (discussed below), which stemmed from the lack of a detailed division of labour – with simple hierarchies of authority and power (discussed in chapters 9 and 10) – meant that, in certain animal husbandry workplaces, workers who had the confidence and capacity approached employers directly to complain about working conditions. Hence, the expression of worker discontent and the management of workplace conflict, was directly shaped by sub-sector and individual enterprise idiosyncrasies that embody both the technical and social forces, factors and relations of production and valorisation.

The absence of a detailed division of labour and a simple structure of internal hierarchies of power over labour, in the labour process, therefore, may present more

scope for workers to raise grievances and challenge workplace rules. The converse may apply in workplaces with a detailed division of labour and internal hierarchies of power. To illustrate, in the preceding section, we saw that workers employed in horticultural production sites, particularly in the citrus pack-houses, made use of supervisors, foremen, and human resources and shop steward structures (where these channels existed) to lodge complaints with higher level management. Furthermore, workers in the horticultural sector often took instructions from (and were managed by) supervisors, who formed a layer of authority over workers and by extension a barrier between management and workers, when it came to decision-making in the enterprises. Indeed, enterprises with internal hierarchies of authority over labour, exemplified in chapter 10 (see section 10.2.2), often involved obstructions in blocking workers' direct access to senior management and employers – that is, positions of decision-making and overall control of the business.

This demonstrates the connection between the technical and social relations of production, and the labour relations regime and strategies. But, as will be shown later, the intermediate positions that manage labour in production, and that may channel worker grievances or discontent to positions higher up in the enterprise, have major implications for the scope for worker protest and mobilisation. In this respect, compared to sub-sectors in the animal husbandry sector, and other sub-sectors in the horticultural sector, the citrus sub-sector, and the pack-houses in particular (as may be gathered from the data deliberated in the previous section), showed the greatest propensity for dismissing and inhibiting (a) individual and joint worker challenges to sub-standard labour conditions, (b) efforts to mobilise into collectives, and (c) platforms for direct constructive engagement between workers and bosses. Hence, the organisation of work and the division of labour shape the scope and tendencies for worker action.

Data presented below, therefore, suggests that the scope for worker mobilisation, challenge and protest in workplaces differs between enterprises with internal and relatively complex hierarchies (as in the horticultural sector and the citrus pack-houses in particular) and those with simple hierarchies, identified in the animal husbandry sector. Moreover, the authoritarian agrarian labour relations regime manifests itself differently between and within enterprises in the horticultural and animal husbandry sectors. Although an authoritarian labour relations regime prevailed in the sample, the forms of autocracy and the associated labour relations strategies, combined with the

division of labour, created different opportunities and possibilities for workers to either individually or/and collectively challenge or protest. Enterprise level dynamics with respect to the organisation of labour and valorisation processes shape the factors and relations that aid or inhibit agrarian labour's tendencies to challenge employers.

While the scope for lodging grievances, and the forms and intensities of worker action, may be influenced by a complex combination of technical and social relations in the different animal husbandry and horticultural workplaces, agrarian labourers across agricultural sectors shared common problems and areas of discontent with their employment and employers. A widespread and common cause of discontent that workers cited across agricultural sectors pertained to low wages, as well as the refusal or reluctance on the part of employers to negotiate wage increases and working conditions (as will surface as the discussion progresses). The absence of collective bargaining or joint regulation of wages, working rules and terms of service characterised the general state of labour relations in the local agrarian labour market. Workers across sub-sectors and in workplaces with informal and partially formal grievance and disciplinary processes spoke of employers' "refusal to listen" to their grievances or complaints and, when complaints are lodged, employers in many instances do not address them.

Enterprise and sub-sector dynamics, in addition, also shape the types of grievance and discontent, the forms of protest and resistance, and the level and extent of protests. Discontent and grievances, in other words, also stemmed from enterprise and sub-sector specific dynamics. The point to note is that enterprise and sub-sector dynamics cannot be glossed over in unravelling and understanding the potential for contemporary agrarian labour to mobilise, and in widening the debate on appropriate forms of joint regulation of working conditions for the sector as a whole, and in respective sub-sectors (see Klerck and Naidoo 2003).

Furthermore, other factors also shape mobilisation and organisation, this time linked to employment contracts and labour demand (considering the existence of a readily available reserve army of labour). So, for example, there may be differences with mobilising and sustaining collective formations between permanent workers who work throughout the year and seasonal workers who work periodically for shorter periods in a year, possibly for different employers. In addition, the production-social reproduction nexus, and by implication the separation between these two sites, may also affect the organisational potentials for agrarian labour and the propensities and scope to

challenge and resist. Living at the site of production, alongside fellow workers (who may also be relatives), makes it possible to have meetings, discussion and strategising among workers on forming committees and engaging employers, on the farm after working hours. The above discussion indicates the multiple factors that may influence the tendency, nature and depth of agrarian labour's challenge to employers and efforts to organise.

With these conceptual points in mind, discussion turns to the strategies sampled workers used to express their grievances in workplaces without defined grievance processes and where informal labour relations approaches largely characterised relations between workers and employers. The discussion of worker action begins with immobilised workers or, more specifically, workers who did not express grievances and discontent directly or may indirectly pass the word on to the employer through other workers. This is followed by a presentation of workers who took solitary or individual action to address discontent, and the final section deals with collective worker action.

11.3.1 Immobilised Workers

The advent of the AMW and extension of labour laws to the agricultural sector brought forth different reactions from workers with respect to coping and dealing with authoritarian labour relations. Two broad patterns were identified in the research – one, a category of workers who did not raise complaints or grievances and, the second, a broad category of workers who took different courses of action to have their complaints heard and resolved. Both permanent and atypical workers took steps to lodge grievances or challenge unfair labour practices, which means that worker action was not confined to workers on particular employment contracts. Be that as it may, for the second category of workers (i.e., those who took action), the strength of the statutory wages as a conversion factor in building worker voice and capacity, to enforce labour rights, is evident. Nonetheless, it is imperative to understand why the first category of workers exist – in other words, why workers do not take steps to address grievances. A not uncommon reaction from workers, when asked if they approached the farmer to address problems, was “no” – this was so because, as 45-year-old Nomsa (17 October 2004), a seasonal worker who sorted mohair, expressed it, “we fear him. We fear he might dismiss us. We just take what [the employer does] even if it is wrong”.

Similarly, when asked if workers engaged the farmer about the terms and conditions of service, Vumile (11 August 2007) responded in the negative. “The reason”, he continued, “is because we do not want to be fired from the farm. We would not get jobs anywhere if we are fired from the farm”. Loss of employment due to challenging violations and labour transgressions reverberated in the various stages and phases of collecting empirical data. As a matter of fact, this resonates quite widely, manifesting sharply in the horticultural sector generally and citrus sub-sector in particular. This set of conditions is a defining and enduring feature of the totality of the low-waged agrarian labour market, which reflects structural and social forces propelling secondary and segmented conditions that in turn inform wage determination processes and wage levels, and even worker action.

Joe (8 September 2012), who worked on a citrus farm, provided important information on another related factor thwarting worker actions against employers; that is, the unwilling attitude of employers to address the concerns of workers, individually and collectively. In so doing, Joe (8 September 2012) illustrates a common feeling amongst workers who were (and are) hesitant to engage employers around complaints and grievances when he said, “it doesn’t help to complain there. Even if you complain your problem is not taken seriously”.

Not taking action to address discontent with the employer does not mean that workers passively accept the status quo. On the contrary, workers find other ways to cope with their discontent, including finding solace among themselves. This is exemplified in sentiments such as “[w]e just talked among ourselves, but we never talked to [the employer] about issues” (Colin 21 June 2007). Although, as will be shown below, Sofia (18 August 2012) and her seasonal colleagues on the citrus farm attempted to resolve their grievance through others in the workplace, they displayed similarities with Colin (21 June 2012) and the others mentioned above. In this regard, Sofia (8 August 2012) said: “[p]eople are scared of losing their jobs. We talk about our problems amongst ourselves but, when the employer is around, we keep quiet. The employer tells us that we can leave his farm if we don’t want to work”.

The fear of being unemployed, given the lack of alternative employment, combined with evictions from and off farms (in instances of a combined spatial production/social reproduction nexus), pose major deterrents to workers, across agricultural sub-sectors, in challenging employers’ unfair labour practices. Subsequently, workers are compelled to accept the prevailing working conditions, employment arrangements,

and autocracy in the labour relations approach. However, agricultural labour is not a homogenous mass. This is because workers' reluctance to take up issues with the employer, as in the above cases, contrasts with others who responded in various ways to address their concerns, despite the power and authority employers wield in the relationship.

Discussion thus now turns to the second category of workers – those who took steps through different means to resolve labour grievances. In these settings, as pointed out earlier, the strength of the conversion factor of statutory wages to stimulate worker action, is evident. Three main forms of worker action were identified in the data. One method used by workers, as pointed out above, was reverting to supervisors to channel complaints and dissatisfaction to employers; another strategy was for workers to unify around particular issues and approach the employer as a collective; and still another approach was identified when individual workers take cases up with employers. A glimpse was provided of the channelling of grievances through middle management structures, such as supervisors in the citrus pack-houses (in section 11.2.3.1). Therefore, in the discussion that follows, more attention is paid to workers who took solitary action and those who engaged in varying degrees of combined action, including forming farm committees in primary agriculture where, as established, formal grievance processes did not often exist. In this sense, the discussion focusses on workers in primary agriculture, in both the horticultural and animal husbandry sectors, and not in the citrus pack-houses. Attention returns to the pack-house workers in section 11.4.

To be clear, attention turns to workplaces that did not have well defined and layered internal hierarchies and where, by implication, supervisors with the power and function to channel grievances did not exist. Through this exercise, the influence of sub-sector and enterprise dynamics on workers taking up issues and action directly with the employer, is reinforced. A reflection of worker action and mobilisation in these workplaces brings forth the catalyst that stimulates changes in workers' capacities to mobilise and effect changes in working conditions and labour relations. In the same breath, exploring workers' individual and collective mobilisation and actions highlights the factors and conditions, in labour and valorisation processes, inhibiting worker voice and rates of success in winning demands. First in the discussion that follows, is a sketch of individual actions, trailed by a snapshot of various forms of collective action.

11.3.2 Solitary Worker Action

Workers refraining from the collective lodging of complaints not only stems from the absence of collective or organisational capacities. This form of employer-employee engagement arises directly from employers' aversion to collective bargaining. Lonwabo (18 August 2012) typifies a common finding among workers who resorted to individual action when he said that, when workers have a complaint, "you must go to [the employer] and tell him". Lonwabo (18 August 2012) explains the reason for solitary employer-employee engagements below, which he attributed to the employer's attitude towards engaging with workers embarking on collective engagements.

You see...the situation there ... is that the farm is being owned by a rude person; so, it becomes difficult for one to raise issues with him. It is also very difficult for him to accept and see things the way workers see them.... We don't approach him as a group.

As pointed out above, seasonal workers on the citrus farm that employed Sophia (18 August 2012) also "fear being victimised or dismissed from work", which is the reason they did not engage the farmer directly. The lack of a defined grievance process on this citrus farm, combined with workers' fear of the employer, compelled seasonal workers to channel complaints to the employer, through the permanent workers on the farm. Sophia (18 August 2012) elaborated on how seasonal workers dealt with complaints on the farm and, in so doing, portrays the extent and depths of inequality between atypical workers and the employer in the prevailing authoritarian nature of labour relations. In Sofia's (18 August 2012) words:

We talk with the permanent workers; they are the ones who would approach the employer and come back with the report back. If the employer does not agree with whatever complaint we have, we can't do anything – because if we keep on complaining, he would tell us that we can put our bags and scissors down and leave if we don't want to work. If he says this, you'll have no recourse but to work because jobs are very scarce out there.

The fear of dismissals, lack of alternative employment, and high rates of unemployment, are major obstacles retarding workers' ability to resolve dissatisfactions and unfair labour practices in their favour. In short, the totality of the local low-waged agrarian labour market is clearly expressed by Sofia (18 August 2012) in the above, which was a very common expression in this research. Given the authoritarian labour relations regime and the inequality in bargaining power, in most workplaces in this research, it was not unusual that workers' grievances, in the many cases, remained unresolved, as will become apparent below. Although grievances and

complaints often remained unresolved in certain workplaces in the sample, workers did win demands, which will also become clear below.

As established in chapters 9 and 10, horticultural workplaces generally tended to have a detailed division of labour and hierarchies of positions of authority over labour, in the form of supervisors or foremen. Hence, in workplaces lacking in formal grievance processes, workers often turned to their supervisors to channel complaints or express discontent to the employer. For example, Patricia (11 August 2012) said that:

I go to the supervisor and ask him to approach the farmer on my behalf; but the supervisor has a tendency of refusing to approach the employer, which forces us to go to the employer ourselves. We end up fighting with the employer, if we approach him ourselves, and issues end up not being addressed, as the farmer would tell people to leave his farm if they don't want to work.

Workers' grievances included "money, complaining about low wages whereas there is a lot of work. Another issue that I have raised with the employer is the issue of not having protective clothing at work". Patricia's (11 August 2012) account, below, of the conflict between workers and the employer, illustrates: (a) the extent of inequalities in bargaining power, (b) the variable capacities of farm workers to challenge farmers, and (c) the constraints faced by workers in taking action to address conditions and, when action is taken, there is no positive outcome. In this light, she said:

We discussed these problems as a group, but I was the only one who approached the employer. The manager went to the people and told them not to listen to me because I was a bad influence. The employer also told me that he is not obliged to buy overalls and protective clothing for me or any other worker. He called me Julius Malema⁶⁵.

The reluctance of supervisors to take up worker grievances with the employer recurred in the research, and in workplaces lacking in any formal grievance processes. For example, Patrick (12 August 2012) recounted the supervisor's disinterest in assisting a worker who got injured at work in the following, saying "[t]here is a worker who recently got injured at work; I took up his case with the employer after realising that the supervisor wasn't willing to help him". Furthermore, Patrick (12 August 2012) echoed others who related accounts of intimidation from employers and reprisals that may arise, when employers are challenged by workers. He thus indicated that "management has a tendency to dismiss workers who speak on behalf of other

⁶⁵ Julius Malema is the leader of the Economic Freedom Fighters, a political party in South Africa.

workers. We also risk being dismissed. We will have no option but to leave if we are dismissed”.

Nonetheless, fearing reprisals from the employer (like other workers), Bongi (7 May 2006), who worked as a wool sorter on a livestock farm, narrated a combined strategy among workers on the farm to lodge and address grievances. The workers on this farm held collective discussions regarding grievances, but engagement with the employer was done through younger workers. This case is of interest as it depicts inter-generational differences between the boldness and confidence of young workers and the intimidation felt by older workers. In this regard, Bongi (7 May 2006) explains:

If there is something that needs to be discussed, we discuss it together with the older workers. Then after that we will send the younger workers to discuss the issue with the farmer.... Because the older workers are scared to talk with the farmer. ... [M]ost of the times it is the younger workers who are willing to talk with the farmer if there is a problem. If we have a meeting, it's always the younger workers who show interest; the older workers don't even ask questions.

In the case of Robert (13 May 2006), he in fact took steps to ensure that he received his full-time off during the holiday period, thereby refusing to follow the employer's instructions that he avail himself on dipping days. To recap from chapter 10, Robert (13 May 2006) had a major problem with the employer's expectation/demand that he avails himself to work during his holiday. Robert (13 May 2006) recounted:

Even though I am on holiday, I have to assist my father during dipping days; but this year we forced him to take someone from another farm to assist. Just imagine, I have to come back even if I am in Port Elizabeth or Grahamstown only to assist during dipping time. But this year we forced him to take someone.

Robert's (13 May 2006) case typifies individual defiance of employer's insistence (in this case, that he avails himself on his holiday), thereby showing examples of the authoritarian labour relations approach by the employer, and counter-moves by labour. Thomas (12 June 2007), who worked on a dairy farm on a permanent contract, recounted multiple forms of actions that workers took to lodge and address grievances, which included internal and external interventions. Internal action entailed individual and joint action, around particular issues affecting all workers; external intervention involved the DoL or ECARP. Thomas (12 June 2007) explained that, at the workplace, “there is no formal procedure that we have to follow. We would just go to the employer and present our grievances to him. Sometimes we take our grievances to ... ECARP staff or the DoL. That is how some of our grievances are resolved”. At the farm where

Thomas (12 June 2007) worked, grievances centred on labour and living conditions, because of the spatial bond between the sites of production and social reproduction.

Typifying such grievances, or areas of agrarian labour's discontent where the sites of production and social reproduction are tied, Thomas (12 June 2007) highlighted common issues:

There are a lot of complaints that I can give. Sometimes we complain about the houses, sometimes we complain about the dirty milk ... that [the employer] gives us from unhealthy cows. We also complained about toilets, the gardens [not having vegetable gardens on the farm]; others wanted dogs and others wanted cows.

Thomas (12 June 2007) recounted an instance where he sought ECARP's assistance with claiming a tenure-related right, provided in ESTA, pertaining to land access and use, for agrarian labour living on farms. In so doing, the case highlights the farmer's attitude towards and perception of labour and tenure rights of agrarian labour. In Thomas's (12 June 2007) words:

I wanted to have a garden on the farm, but the farmer did not allow me to have it. I then talked to Mike [ECARP staff] about it. The farmer came to me soon after I had spoken to Mike and he told me that I can have a garden on the farm. I think Mike did something to change the farmer's mind. The employer always tells us that he is doing these things because the government says he must do them.

Drawing on external agencies to ensure employer compliance with the ASD and AMW was a common strategy for workers, particularly in workplaces where employers refused to address grievances, or engage workers in workplace disputes. As pointed out in chapter 5, in terms of the ASD, the DoL has overall responsibility for enforcing prescribed labour standards and prevailing mandatory wage rates. This makes the DoL a key agency for agrarian labour in efforts to enforce workplace rights. Hence, it was not surprising when sampled workers related instances when they took grievances to DoL in order to compel employers to comply with the ASD and prevailing AMW. Similarly, in this study, workers related drawing support from ECARP, as the local NGO working with agrarian workers in the research sites. The supporting role of NGOs for the workers in the De Doorns revolt in 2012/13 was highlighted in chapter 5. Overall, this shows a common pattern for agrarian labour to rely on and use various external agencies in local areas, to either enforce labour laws in workplaces on a day-to-day basis, or in more dramatic and overt forms of struggles, such as the De Doorns farm worker protest.

The illustrations of worker action in lodging complaints with employers and resolving unfair labour practices have, thus far, focussed primarily on individual engagement and discussions with the employer. These strategies are distinguished from the workplaces where labour embarked on collective engagements through either an organised structure, in the form of farm committees, with the employer, or through sporadic collective action around particular issues. Attention is drawn to such workplaces below. But before deliberations on this subject, it is important to dwell briefly on the significance of solitary forms of agrarian challenges and/or defiance, in the context of the historical authoritarian labour relations regime and the occasioning of the ASD. Indeed, this discussion is not only pertinent for individual acts, as it is as relevant to collective challenges embarked on by agrarian labour in contemporary South Africa.

The various forms of solitary acts to enforce labour rights, in accordance with statutory measures, arguably mark a departure from agrarian labour's responses to sub-standard labour conditions in workplaces at the height of the racial agrarian capitalist era, which was characterised by profound asymmetry in agrarian capital-labour relations. Existing at the individual level, solitary acts are significant developments or steps, and are important in agrarian labour's long-term struggles to mobilise, organise and resist in advancing their interests in the conflict with agrarian capital. Given the historical roots of authoritarianism in the labour relations regime, combined with the widespread absence of collective formations among agrarian labour in the local agricultural labour market, individual acts are important milestones in agrarian labour's struggles to improve labour standards and limit the total power that agrarian capital has in determining working conditions and tenure conditions, as well as wages.

The propensity for individual workers to act brings forth two salient features of the labour relations environment in the post-ASD/AMW era. The first relates to the enabling environment which the ASD and AMW provide in animating workers into action, thereby indicating a measure of strength in the conversion factor potential of the ASD. The second, and related, feature is the capacity for agrarian labour to self-enforce rights, using various internal and external means to enforce employer compliance with prescribed standards. To be clear, self-enforcing rights is a reference to workers' initiatives to compel employers to comply with labour laws. Such initiatives may take individual forms or collective expressions, based on certain dynamics in concrete workplaces, and may be propelled by the presence of the ASD. It is now

opportune to turn our attention to collective forms of engagements pursued by agrarian labour in this research.

11.3.3 Collective Engagements

Collective engagements with management, in this research, occurred when workers formed farm committees or, in cases when workers collaborated together on particular issues in the absence of an organised formation. Analysis of the data reveals that workers not only lodged grievances, but they also used the committees to make demands and implement labour laws. The formation of farm committees as a vehicle to enforce the AMW and its associated provisions was explored by the researcher (Naidoo 2011a) in the same locations as this research, in earlier work. Details on how workers, in the area where this research is based, mobilised into farm committees post the AMW are found in that work, where the pivotal role that the AMW played in igniting the interest in farm committees comes to the fore. For the purpose of the current discussion, it is important to gain an understanding of workers' collective attempts at raising and resolving complaints so as to tease out the implications for theorising the relationship between the AMW and agrarian labour's mobilisation efforts.

The discussion starts with important points that contribute to developing an understanding of social mobilisation and agrarian labour. This is followed by a sketch of collective mobilisation and engagements with employers through farm committees, followed by a presentation of issue-orientated collective action. As will become clear, collective action may be through internal and external interventions – that is, workers enforcing labour standards, hence through internal action, or workers lodging grievances with an external agency, especially DoL in the cases below, to enforce workplace rights.

It is important to point out that the formation, maintenance and functioning of farm committees, or workplace committees, appeared largely in primary animal husbandry and horticultural enterprises. Such collective structures were prevalent in instances where labour's sites of production and social reproduction were spatially tied. On several worksites, workers living off the site of production joined workers living on site, in the formation of farm committees. Farm committees also appeared in workplaces with a simple internal hierarchy of authority, meaning that workers took instructions directly from employers/owners of enterprises, as in the animal husbandry sector. Farm committees, though, also appeared in workplaces with internal hierarchies, with

positions such as a foreman or manager linked to responsibilities to manage labour in the execution of work in the labour process, with no defined function to receive and process worker grievances to employers, such as vegetable enterprises. Finally, collective action and direct engagements with owners, either through a farm committee, or without a collective structure, surfaced more strongly in enterprises with simple hierarchies of authority, as well as in workplaces where a manager or foreman existed to oversee labour in production. These primary agricultural workplaces, as may be gleaned, are dissimilar from citrus pack-houses where elements of formality prevailed with respect to workers lodging grievances, often through supervisors. Be that as it may, combined, the set of factors outlined above, notably in relation to where farm committees were formed and used to enforce workplace rights, demonstrates the important role that the technical and social relations of production, acting in consort with labour laws, have in shaping the variegated nature of contemporary agrarian labour relations strategies and the social management of such relations.

Furthermore, the above set of conditions in certain respects is constant, in the sense that they provide the material conditions that aid in the formation of collective structures or collective worker action (facilitating workers' mobilisation with or without support from external agents such as NGOs), in the wake of labour laws and statutory wages. To apply critical realist reasoning, certain conditions and relations, such as a simple hierarchy in the division of labour and direct interaction between owners of enterprises and the labour force in the daily execution of tasks in the labour process, represent some of the necessary (existing) conditions that allow collective formations by agrarian workers, independently of, or with support from, external agencies. In other words, these conditions facilitate the collectivisation of workers in enduring fashion, or momentarily around burning issues affecting the entire labour force at a particular time, in the era of the ASD and AMW.

Evidence on the animal husbandry and horticultural farms, at least where collective forms of grievance-lodging existed, either through farm committees or sporadic worker collective action, suggests the crucial role that the overall work environment (including the division of labour and the unfolding social relations of production) play in shaping conflict and grievance processes, in the era of the ASD and the AMW. Collective forms of dealing with grievances is outlined below. The sketch begins with the animal husbandry sector and then moves to the horticultural farms.

On the dairy farm, where Ntom (6 May 2006) worked on a permanent basis, workers' issues were addressed through the farm committee: "On the farm, we have a committee", said Ntom (6 May 2006), "so we have to discuss our problems with the committee, then it will be the role of the committee to present our problem to the owner". On the mixed game and livestock farm where Mary (7 May 2006) lived and worked, to sort mohair in-season, workers also had a farm committee which took up complaints and issues with the employer. According to Mary (7 May 2006), "when [there is a] problem, we sit and negotiate; after that, we consult collectively with the employer". On the livestock farm that employed Zola (6 May 2006), "we have a committee" he said, "so if we are not satisfied with something, we consult [the employer] as a committee".

Where collective structures, such as a farm committee, were non-existent, workers spoke of multiple strategies that workers pursued through internal and external interventions, to raise and address grievances. In terms of internal strategies, workers approached the farmer directly, in some cases as individuals, or as a collective when issues affect the entire workforce. Thomas (12 June 2007), who was employed on a permanent contract on a dairy farm, related individual and issue-orientated collective action by workers at this workplace. According to Thomas (12 June 2007),

We would go to [the employer] as a collective if we have a problem that affects all workers. If one worker has a problem, that worker would go to the farmer as an individual. For example, on my payslip, the farmer would indicate that I earned R600 for a particular month, but I would get R500 only. I would go to him as an individual if I have this sort of problem.

Issue-orientated collective actions were also identified, where workers took united action on particular grievances. This form of action surfaced in the Makana focus group interviews, as workers took collective steps to compel employer compliance with the prescribed AMW rates for Area A. Margret (17 October 2004), for example, who worked as a mohair sorter, described workers' application of pressure on the employer to pay the prevailing prescribed AMW rate. "In the beginning there was some conflict", began Margret (17 October 2004), who elaborated that the employer:

Tried to tell us he is not under Makana [Area A] and he is therefore going to pay us R650.00 [instead of R800.00]. We complained and he later came back to us and said that he had heard what he was doing was wrong and he gave us back pay [for March 2003]. So, after that, everything was back to normal. He then came back again this year [2004] when wages were set to increase in March, deducted money for grazing, and he never told anyone he was going to deduct; he just did it.

As pointed in chapter 7, when the MW was first introduced with a two-tier system, many farmers in Area A (where higher rates applied) claimed that their farms were in fact in Area B, thereby failing to comply with the AMW (see Naidoo *et al* 2006, Naidoo 2011b). Paying lower prescribed AMW may be a coping mechanism for agrarian employers in areas classified as Area A in terms of the SD 8, but this strategy led to countermoves by workers, employed in the livestock sector in localities such as in the Makana municipality, to enforce statutory wage rates. Margret's (17 October 2004) case highlights the employer's response to off-set the wage hike and back-pay by, in this case, deducting grazing fees from workers' wages. This case also brings to light the shifts in the balance of forces, at certain levels, in agrarian labour relations. For, on the one hand, workers have the power, through the AMW setting to ensure employer compliance; on the other hand, the employer has power to make unilateral decisions about wage deductions.

Several workers in the Makana focus group interviews also spoke of initiating support or intervention from DoL, to compel employer compliance with the ASD and the prescribed rates in the AMW. This is illustrated by Bulelawa (17 October 2004), a mohair sorter, who explained that "[the farmer] did not pay us R800.00 at the end of March [2003]. He paid us R650.00. He only increased [wages] at the end of April [2003] and paid us the one for March [back-pay, R150]". When asked what led to the farmer's compliance, Bulelawa (17 October 2004) elaborated that workers joined forces and approached the DoL offices to resolve the issue, and to seek clarity on the location of the farm with respect to Area A or Area B. In Bulelawa's (17 October 2004) words:

We came to the DoL to find out whether he was telling the truth that he is not under Makana since he is not staying here [Grahamstown/Makana]; he is staying in Adelaide. And we were told there is nothing like that. He has to pay R800.00 no matter where he stays, as his farm is in Makana, ... so he paid us back in that way ... They [DoL] phoned him and told him he was wrong, and he fixed it and told us what he did was wrong.

Workers in primary horticulture also reported addressing grievances and making demands on the employer either through issue-driven collective action, or with the use of farm committees. As established, on several vegetable enterprises, internal hierarchies were found with managers and foremen who were primarily responsible for instructing workers in the execution of tasks, and not with addressing or reporting workers' grievances to owners. Sampled workers in certain workplaces with internal hierarchies of this nature used farm committees to advance labour rights on the farms.

Such a scenario was identified at the workplaces that employed Nomusa (6 May 2006), Eric (14 May 2006), and Mandile (6 May 2006). All three workers were employed on a permanent basis on vegetable farms.

In terms of collective action through a farm committee, Nomusa (6 May 2006), who worked on a permanent basis on a vegetable farm, joined forces with her fellow workers to set up a farm committee, which they used to discuss and strategise on how to forward their demands to or lodge grievances with the employer. In Nomusa's (6 May 2006) words, "when we are going to talk about something with the management, we first have our own meeting". With regards to united action through a farm committee, Eric (14 May 2006), said: "If there is a problem around the farm, we meet as a committee and we talk about that problem. We approach the farmer after we met as a committee". Other workers who reported on the existence of farm committees, which were used in grievance-lodging and representing workers' demand, were Ziyanda (18 May 2006) and Thabo (18 May 2006), who both lived and worked on pineapple farms. It is noteworthy that all the above-mentioned workers were permanently employed, with the exception of Ziyanda (18 May 2006), who was employed seasonally. In addition, with the exception of Nomusa (6 May 2006), all the others lived at the place of employment.

James (12 June 2007), as noted previously, was employed seasonally on a mixed horticultural enterprise that also incorporated some animal husbandry enterprises. Of all workers in the in-depth interviews, James (12 June 2007) was the only participant who related cases of strikes and go-slows among atypical workers. In fact, James (12 June 2007) said that "[i]t's only the casuals [atypical workers] who do the strikes." James (12 June 2007) recounted worker action pertaining to various grievances, including working hours and rates of pay, that often took the form of go-slows or downing tools. Focus will return to this case (in the discussion on the struggles over the working day). Suffice to say, for now, that atypical workers on the farm engaged in coordinated strikes and go-slows to claim full lunch breaks and/or an end to their working day at 16.30. The case of James (12 June 2007) brings clearly to light the level of discord and the adverbial nature of labour relations in the workplace:

The reason why we are putting tools down is because we start work at 7.00 and finish at 16.30. Normal time for lunch is 13.00 to 14.00, but we don't get that much time. Our lunchtime starts at 13.30 to 14.00. Where does the half hour from 13.00 to 13.30, go? ... We do our [protest], sometimes four times a month, sometimes three times a month, or two times a week. [The employers] are rude

... they are rude ... We only knockoff on time if we do violence [go-slow or strike], like putting tools down and demanding knockoff time.

The above sketch of workers, embarking on solitary and combined action to defend their interests and ensure the implementation of the provisions of the ASD, in the different agricultural workplaces, reveal the nature of discontent and the myriad strategies they develop to lodge complaints. This reflects a level of change in the traditional paternalistic form that characterised agrarian labour relations in the past. As gathered from the data, and as mentioned earlier, these strategies ranged from individualised to various forms of collective engagements, irrespective of the existence of grievance procedures. In other words, the absence of a grievance procedure in the workplaces did not deter workers from lodging their discontent directly with the employer. Workers took steps and initiated processes to lodge grievances or raise complaints with employers in a considerable number of workplaces, where grievance procedures were lacking. The absence of grievance procedures, therefore, did not deter categories of workers from complaining to employers, thereby clearly demonstrating the capacity of such workers in the sample to counter sub-standard working conditions, or at least attempt to do so.

The question, then, is what made it possible for workers to seemingly strengthen their capacities, and to take solitary and collective steps, as presented above. This question gains heightened significance when the historically-profound inequalities in the South African agrarian capital-labour relationship is factored into the analysis – given the fact that, in the racial capitalist era, agrarian labour had no protection in the form of labour laws guaranteeing workers core workplace rights, and power rested with agrarian capital to determine wages and working conditions. That workers' struggles revolved around the enforcement of the ASD and the AMW immediately points to the link these regulations have with stimulating agrarian labour's action and, in certain instances, labour's organisation into collective structures.

As pointed out earlier, the possibilities for workers to act are determined in multiple ways. This means that many factors and conditions pertaining to specific sub-sectors and enterprises, including the nature of production, the social relations of production, size of labour force, the development of enterprise hierarchies and the division of labour, among others, individually and collectively shape the scope for action. Also mentioned constantly, this research indicates the sway that sub-sector and enterprise level dynamics have in shaping workers' tendencies to take action to enforce labour standards or improve working conditions, as worker challenges and actions are

influenced by the social and technical arrangements in the respective labour processes (as discussed in chapters 9 and 10). Similarly, sub-sector and enterprise level dynamics with respect to the social and technical relations of production, including enterprises' labour relations systems, may also be responsible for workers not taking any action against labour transgressions, as presented earlier in this section. In addition, as alluded to, the presence of the reserve army of labour weighs heavily on workers' decisions to challenge employers and may also influence the type and nature of protest and challenge (as will become clear later in the chapter).

Yet, it may be argued that the changed political dispensation generally, and the extension of labour laws and the establishment of statutory wages in the agrarian sector in particular, were/are key catalysts for agrarian labour to self-enforce core labour standards, and challenge employers' transgressions of mandatory provisions. Hence, the ASD and AMW are additional crucial drivers spurring workers into solitary and collective action to lodge grievances and discontent. Workers' individual and collective actions coincided with the arrival of the ASD and AMW, because many of their struggles revolved around the enforcement of provisions set out in former and the prescribed rates set out in the latter. So, it is reasonable to argue that statutory wage fixing and the provisions of the BCEA as set out in the ASD, in certain worksites, were the stimuli for workers, individually and collectively, to voice their grievances and discontent directly with the employer over sub-standard working conditions or sub-minimum wages. In important ways, labour's action in these circumstances symbolise challenges to the disengaged and disconnected labour relations approach that characterises the sector.

To reiterate, in the pre-ASD and pre-AMW era, agrarian labour relations were regulated through the contract doctrine, which conferred near total and complete power to agrarian capital in the employment relationship. Atypically employed James (12 June 2007) expressed the link between enhancing worker voice and the ASD/AMW succinctly and poignantly, in the following way:

I would say there's a change because you know that you are protected at work. Gone are the days when farm owners were monsters and beating up farm workers when they feel like doing so. It's better now because you can approach him and tell him that you don't like what he's doing without fear of being beaten up. The second thing is that he cannot dismiss you unfairly now.

Thomas (12 June 2007) echoed the above, thereby corroborating the link between the ASD/AMW and agrarian labour's tendency to address grievances and express discontent:

We are confident to approach [the employer]. We know that we have a right to approach him if we are not happy about something.... [W]e are also aware that he does not have the right to fire us for complaining. They used to fire people without reason in the past. They cannot do that now.

Deliberations on the relationship between the AMW and agrarian labour's mobilisation efforts and struggles will be picked up again in chapters to follow. For the purposes of the discussion here, it is important to appreciate the significance of the ASD and AMW in fostering confidence in segments of workers to articulate their grievances and discontent with the employer. In these cases, the AMW is not just a voice for unorganised workers (see Levin-Waldman 2003:498). The AMW in these workplaces gave workers a voice, or its presence was/is a necessary condition for workers to raise their voices against non-complaint employers and sub-standard labour conditions.

Nomusa (6 May 2006) further illustrated the significance of the ASD in stimulating agrarian labour's acts of defiance and challenges to claim workplace rights: "When we hear about our rights, we go to the manager and tell him that this is what needs to be done", recounted Nomusa (6 May 2006). "For example", continued Nomusa (6 May 2006):

Before we went on annual leave last year, we went to the manager and told him that we are entitled to get annual leave and we also have to be paid while we are on leave. Then we said he must inform [the owner] and if [the owner] doesn't accept that, he must come to us. [The manager] spoke to [the owner] and ... he said he is going to pay us only for one week. [The owner] came back and said it was a mistake, then he gave us all the money we were supposed to get while we were on leave.

Many workers expressed a sense of confidence in being able to enforce rights set out in the ASD, similar to Thomas (12 June 2007), as depicted above. In addition, the presence of DoL (with its responsibilities to enforce the ASD and the AMW) also instilled confidence among workers to report employer transgressions of labour law. In this regard, workers felt protected from employer victimisation, as Eric (14 May 2006) said: "I think there is protection that is available if I enforce my rights.... We are very confident to make the farmer implement the laws. The Department of Labour will protect me, because ... it has the power". Moreover, several workers spoke of ECARP, as the local NGO, as another support agent for workers in their efforts to compel employers to comply with the ASD and the AMW. Peter (14 May 2006), who worked

on a permanent basis as a shepherd on a livestock farm, was one of the workers who held such a view, when he said that “we are very confident we can enforce our rights if we can work together with ECARP and the DoL. This also can be possible if we could support each other in whatever we are doing”.

Workers taking action and engaging employers around working conditions and terms of employment is a striking development for the South African agrarian sector, considering the historically profound inequalities in the agrarian capital-labour relationship. As established in chapter 5, a labour repressive regime prevailed in the agrarian sector that blocked agrarian labour’s efforts to organise and prevented workers from challenging the rules of the employer. Hence, worker action to lodge grievances and address employers’ labour transgressions, is also striking in the context of the totality of the low-waged local agrarian labour market, in that workers were emboldened to voice their discontent and address their grievances, in the presence of the reserve army of labour.

Viewed through this lens, it is argued that the ASD, with its provisions on labour standards and wage fixing, was significant for workers who used it to engage and challenge employers. In this sense, the ASD and the AMW rates symbolise crucial and necessary weapons for unorganised workers, in profoundly unequal labour/employment relations such as contemporary agrarian labour in South Africa, in their conflict with agrarian capital over wages and working conditions. It is important to appreciate that the ASD has immense significance for workers in this research sample because, in various ways, its presence stimulated certain levels of changes in the traditional labour relations regime. This was evident in workers’ willingness to engage and challenge employers, and in employers who are willing to engage with workers on labour standards and rights. What are the outcomes of workers’ efforts with respect to resolving grievances, and to what extent are workers able to advance their interests? Vital related questions pertain to the possibility of identifiable differences in resolving grievances or improving working conditions between workplaces with partially formal grievance processes (such as the citrus pack-houses), and those where such procedures were absent, such as the primary animal husbandry and horticultural sectors? In the next section, the sequels of workers’ actions are examined.

11.4 OUTCOMES OF WORKERS' GRIEVANCES

To reiterate, when workers lodged grievances, they were challenging employers' non-compliance with labour laws and the provisions of the ASD, as well as the provisions for ethical labour practices, in terms of the citrus sub-sector. However, it must be pointed out at the outset that workers in the sample were limited by the labour relations regime in terms of negotiating with and even speaking to employers about wage levels. As such, although workers challenged employers on certain aspects of working and living conditions, they were not strong enough to challenge the distribution of wealth created, to better their wages significantly. As will be shown in chapters 12 and 13, wage levels were largely pegged at prevailing AMW rates. For now, it is first necessary to set out the scope and issues that workers were able to take up with employers.

At a broad level, the single biggest source of discontent was with wages across all sub-sectors in the animal husbandry and horticultural sectors, in primary agriculture and in the pack-houses. This was followed by workers' unhappiness with the manner in which owners and others in management positions related to them and/or communicated with them. Other common issues or complaints that workers raised with employers/management revolved around unclear payslips, deductions from wages, production targets, working hours, overtime pay and compensation, leave and time off, lack of protective clothing, and health and safety. At a certain level, there were strong convergences in the type of work-based complaints and grievances workers raised, from the animal husbandry and horticultural sectors. In other words, in terms of overall working conditions and labour standards, workers in the two sectors reported similar grievances and unfair labour practices to varying degrees and depths. However, variances in the type of grievances also emerged, as will become clear from the discussion below, that reflect sub-sector and enterprise specificities. Moreover, in cases where the sites of production and social reproduction are combined, workers consistently raised problems with their sub-standard living conditions – as demonstrated in chapter 8. Consequently, and as came to light earlier in the chapter, on several farms, where the sites of production and social reproduction were tied, workers raised concerns about the quality of their living conditions with the employers, with the view to improving them.

The discussion that follows sheds light on outcomes of workers' attempts at addressing grievances, beginning with workplaces where formal grievance-lodging processes existed, as in the citrus pack-houses (and one citrus orchard), where

channelling grievances through supervisors and other intermediaries was most prevalent in the research sample. This is followed by an assessment of workers' engagement with the employer through farm committees, and where formal grievance-lodging processes did not exist.

11.4.1 Outcomes of Workers' Grievance Lodged through Supervisors and Intermediaries

Raising issues with employers via middle management (such as supervisors, foremen and the human resource department), in the overwhelming number of cases, was a futile exercise. Here the spotlight shines on the efficacy of middle management in resolving workers' grievances or discontent, thereby shedding light on the effectiveness of enterprises' grievance procedures in advancing workers' interests. To recap, agrarian capital-labour relations in the citrus pack-house, and on one citrus orchard, were mediated either through managers, human resource personnel, supervisors or foremen. But the presence of supervisors, foremen and human resource services in the different production sites were ineffective in dealing with workers' issues.

A string of complaints was obtained from workers about the ability of existing systems to address grievances, as workers expressed objections and unhappiness with supervisors/foremen and senior level management and owners of enterprises, in resolving grievances. Consequently, citrus workers in the pack-houses, displayed intense adversarial labour relations, in comparison to workers employed in animal husbandry worksites. A few examples from the citrus sub-sector follow, that illustrate the nature of workers' discontent and the inefficiencies in the partially-formalised grievance procedure in the respective enterprises. These cases clearly demonstrate workers' frustrations in seeking redress and in exercising workplace rights. Moreover, the cases provide insights into the (destructive) attitudes and responses of the different layers of management towards dealing with worker grievances, which lead to heightened conflict between employers and workers, and to adversarial labour relations.

When supervisors and foremen report workers' problems/queries to the owner/employer or senior management, the process terminates at this stage for the vast majority of workers. In other words, even when workers' issues are raised with the powers that be, in many cases no steps are taken to address complaints. Instead, as Monwabisi (11 August 2012), who worked in a citrus orchard, explained:

The employer does not do anything in terms of addressing our complaints. He would just listen to the supervisor, but nothing will happen afterwards. ... I am totally dissatisfied with this procedure; it is not helpful. I want to go straight to the employer and engage him in person when I have a problem. I don't want to discuss my problems with supervisors.

Monwabisi (11 August 2012) listed the unresolved grievances on the citrus orchard that employed him, which led him to approach the employer directly on occasion: "I raise issues around my rights. I know that if I have worked overtime or on weekends I must be compensated accordingly. This compensation must be separated from my normal wage. This does not happen".

Ronald (11 August 2012) worked at a citrus pack-house and provided an example of an unresolved issue that was taken up with the human resource department in the pack-house, which concerned the rate of pay for working on public holidays, if workers do not report to work for the day before. In Ronald's (11 August 2012) words:

The public holiday issue was raised with the supervisors and [human resources], whereby workers are not paid double if they didn't report to work a day preceding the public holiday. I don't think government has an act that says you must work all days of the week in order to qualify for double pay if you've worked on a public holiday. That issue was never resolved.

A common occurrence is supervisors' inattentiveness to workers' concerns. Paul (12 August 2012) captured this in the following: "The supervisors are not paying attention to our grievances or sometimes lie to us and say they have forwarded our grievances to the foreman and management, but nothing happens afterwards". Consequently, complaining about working conditions via supervisors or senior management, in most instances, did not yield positive outcomes for workers, as is expected given the authoritarian labour relations regime and disengaged labour relations approaches identified during the research. Paul (12 August 2012) captured senior management's attitude towards workers' grievances when he said:

[Management] ignores our demands; sometimes they would say we are complaining about non-important issues, even though our complaints were genuine and based on what was happening to us - but they just ignore us, [including] ... issues about working hours, annual leave, and rest periods.

Paul (12 August 2012) provided an example of an area of worker discontent that was raised with the senior management/owners of the pack-house, and that remained unresolved. The case depicts the conflict of interest between workers and management, concerning working hours, production and wages:

We didn't have fixed rest periods, for example; we start work at 7:30 and if one of the machines have broken down, say for example, at 8:00, they would come to us and tell us that we must take our lunch hour because our machines have broken down and it would take the mechanics 1 to 2 hours to fix it. Something is wrong here. You cannot start work at 7:30 and take your lunch break at 8:00 just because the machinery has broken down. This is not fair. We raised this with the supervisors, but nothing has been done to resolve this; [so] the management still does this.

In similar fashion, Mzi (12 August 2012) narrated workers' dissatisfaction with the notice for overtime work and their futile attempt at resolving it through the supervisor. In the process, Mzi (12 August 2012) highlights the structural limitations that supervisors have in regulating and managing worker discontent and keeping the calm on the assembly line. Mzi (12 August 2012) picks up the story:

We normally start work at 7.30 in the morning and knockoff at 16.30 in the afternoon. Sometimes we knock off 18.00 in the evening, if there is a lot of work. Now, we do not like the fact that the supervisors would come to us at 15.00 in the afternoon and tell us that we are going to knock off at 18.00, on the same day. We want them to inform us well in advance – say, for example – a day before. The supervisors say they took our demands to the management. But still the management don't take the workers seriously. When we raised this issue with the supervisors, they told us that they also take orders from management.

Nomilile (9 March 2011) also raised her reservations and a lack of confidence with the seasonal shop-steward system as an effective grievance-lodging mechanism in the pack-house where she worked. Not only does she expose the disadvantages of the system for workers, Nomilile (9 March 2011) also exposes the ease with which employers can strengthen their position in the employment relationship via workers' structures (which are meant to address workers' interests). In Nomilile (9 March 2011) words:

I do not find the system of shop stewards that is in place at the workplace useful, as management often manipulates them to push management's decisions. There have been a number of instances where a number of shop stewards have been made permanent workers by management.

Here it is useful to pause the discussion on citrus pack-house workers' scope to lodge and address discontent in the workplace, to briefly note the significance of middle or lower management structures in bolstering the disengaged and disconnected labour relations model found in the citrus pack-houses. Positions of authority and control, such as supervisors, human resource departments and seasonal workers' shop steward structures, represent conduits of communication in the relationship of distance between labour and capital. In these worksites, internal hierarchies in the workplace, which were discussed in chapter 9, played pivotal roles not only in communicating

capital's work instructions to the general labour force. These posts were also central to social arrangements for the execution of tasks in the labour processes, as demonstrated in chapter 9 (section 9.2.2). Further, of immense relevance to the discussion here, such positions were essential to managing, directing and regulating labour and employment relations on the shop floor, especially in the pack-houses.

However, supervisory, shop-steward and human resource posts, which are meant to manage labour and employment, were ineffective in advancing the interests of workers, as demonstrated in the discussion above. Consequently, partial grievance procedures may be said to exist in workplaces that had a defined grievance procedure, but they provided little to no relief to workers after complaints were lodged. This came to the surface strongly when workers related obstacles in the system, which may reflect the disengaged and/or disconnected relationship that employers and management have towards the labour force. This type of relationship makes it possible for employers to disregard and trivialise workers' concerns and complaints.

Ultimately, internal hierarchies of authority, and structures of communication between workers on the shop-floor and the top layer of management and owners in the citrus pack-houses, merely cemented inequality in bargaining power and the authoritarian labour relations. This is because of the way in which the division of labour and internal hierarchies were structured in the respective enterprises, as examined in chapter 9. On the one hand, the creation of positions in the labour processes to manage and regulate labour relations, such as supervisors, foremen and human resource personnel, signify a change in the labour relations strategies of agrarian capital. On the other hand, hierarchies of authority developed out of pre-existing asymmetrical power relations that in effect frustrated and/or inhibited workers' individual and collective actions to successfully resolve and even take up grievances.

The issue to be addressed is, the extent to which the lack of success experienced by citrus workers was replicated in other worksites where semblances of grievance and disciplinary procedures did not exist, but where farm committees were used to articulate discontent with the employer directly. In other words, did workers in farm committees, employed in agricultural enterprises without formal grievance procedures and a middle layer of management responsible for labour relations, have better results from their engagements with employers? This assessment follows in the section below.

11.4.2 Addressing Grievances through Farm Committees

The data points to an unusual trend in that, in workplaces lacking in formal grievance procedures, and where workers collectively engaged employers to address grievances, workers appeared to have better chances of winning concessions and resolving issues, compared to the workplaces, discussed above, that had partial grievance processes in place. However, there is an important caveat – employer concessions depended on the issues. Concessions were selective as, in most cases, employers were prepared to accommodate workers on certain issues, but not on wages; although, it must be added that several workers did challenge non-compliant employers who paid sub-minimum wages through farm committees. This aspect will be dealt with in the next chapter.

Mary (7 May 2006) provides details on selective concessions made by employers and their general attitude towards worker concerns and interests. She said that:

Sometimes when we negotiate with [the employer], he can be co-operative but sometimes he becomes aggressive. For example, when we talk with him about issues around money, he becomes aggressive. When we ask him to transport [us] to go to a funeral, he will do that.

The above is a common experience for workers in this research, in that employers are unwilling to discuss wages with workers. However, there are collectives that managed to use the AMW to challenge employer non-compliance with the agricultural sectoral determinations, including compliance with the prescribed prevailing rates – a subject that is picked up again in the next chapter. For the discussion here, it is useful to consider the effects of workers' collective actions to resolve grievances and complaints, through farm committees, thereby highlighting the nature of concessions agrarian employers are prepared to make when confronted by the farm committee.

On the farm committee on the dairy farm where Ntom (6 May 2006) worked, workers dealt with both labour and tenure issues in their engagements with the employer. Ntom (6 May 2006) explained that the committee approached the employer “to give us things like raincoats and overalls and to build us proper houses”. When asked what gains the farm committee made in terms of the issues they lodged with the employer, Ntom (6 May 2006) responded as such: “We got the raincoats, boots and overalls”. But, “we [still] don’t have proper houses”, she added.

Likewise, Mary (7 May 2006) spoke of the farm committee dealing with both labour issues and living conditions. With regards to living conditions, Mary (7 May 2006) said that the farm committee asked the employer:

To install electricity in our houses and he promised us that he would do so. He also took some measurements in our houses so that he could install the electricity. He also promised to hire people who are going to build the toilets. He also asked us to dig holes so that he could hire people who are going to build toilets.

An example of a common labour grievance which the farm committee picked up with the employer, and which surfaced in other workplaces in this research, concerns overtime work. On the farm where Mary (7 May 2006) worked, overtime work affected permanent male workers. “The committee” said Mary (7 May 2006),

Consulted with [the employer] about the work they have done during overtime. He was interested [in the overtime concerns raised by workers] because he encouraged people to write down the hours worked during overtime and he pays for those hours.

Unlike Ntom’s (6 May 2006) situation, in Mary’s (7 May 2006) case the farm committee was able to make progress towards addressing sub-standard living conditions, partly attributed to the scale of the issue – installing electricity may be less costly than building new houses for the entire labour force.

Nonetheless, the data shows that workers who formed or joined farm committees used these structures to mobilise on the farms, discuss unfair labour practices and approach farmers with grievances, with varying degrees of success. In this regard, on the game farm that employed Luvuyo (2 June 2007), workers had grave concerns for life and limb as wildlife, in particular lions, were introduced onto the land. Luvuyo (2 June 2007) said that:

The management used to tell us that when we walk, we have to be in groups to prevent the lions from attacking us. The workers had a meeting with management, and we told them that we can’t do that because it is too risky. They [management] decided to provide vans so that we are able to travel around the farm.

In the horticultural sector, farm committees also made some level of progress with resolving certain labour grievances. In Mandile’s (6 May 2006) case, the farm committee, on the vegetable farm, “asked him [employer] to give us overalls, raincoats and boots. He managed to give us overalls; now we are waiting for the raincoats and boots”. In similar fashion, Nomusa (6 May 2006) and her workmates approached the manager of the farm, through the farm committee, with regards to the provision of work

gear. “We asked for the raincoats, boots, gloves and overalls”, explained Nomusa (6 May 2006), and “we managed to get raincoats, boots, gloves, and overalls”, she added. Equally significant for Noumsa (6 May 2006) and her fellow workers was the victory over full-paid annual leave, as pointed out earlier. The solitary acts, as well as the sporadic, issue-orientated collective actions, also yielded results for workers, as presented in sections 11.3.2 and 11.3.3.

11.4.3 Reflections on Worker Mobilisation and the Balance of Forces

The above examples of workers approaching employers with grievances through farm committees, and the solitary and issue-orientated combined action, denote a measure of change in traditional agrarian labour relations and the disengaged employee-employer relationship that often prevails in agrarian workplaces, as discussed in section 11. 2. So, while the core authoritarian labour relations regime remains a striking feature, changes are notable in this research where: (a) a segment of workers across primary agriculture displayed confidence in lodging disputes or grievances with the employers, as collectives through farm committees, (b) employers of such workers showed willingness to engage with farm committees, which led to (c) workers making certain improvements to their working and living conditions. However, as pointed out, often employers are selective about the discontent or grievance they are prepared to negotiate with workers. In this regard, and from workers’ narratives, employers are not amenable to negotiate or discuss wage increases, while showing willingness to make concessions for example on safety gear and certain aspects of living conditions.

The data presented above, on the outcomes of workers’ actions to resolve grievances, brings to the fore the varying degrees of success they had. Differentiated outcomes are the result of a complex combination of a range of objective and subjective factors and forces. There are particular conditions within enterprises that allowed workers to act in unison and to win certain demands. Likewise, particular conditions enabled solitary and issue orientated collective actions, as discussed in section 11.3. With respect to farm committees, a larger number of workers in primary agriculture, in particular animal husbandry and vegetable farms, reported using such formations to resolve worker discontent, compared to workers in the citrus orchards and pack-houses. Certain employers in the animal husbandry sector and on vegetable farms tended to selectively concede to the demands made by workers, as shown in the data above.

The instances of workers combining into farm committees, which they used to engage with employers, is an interesting and noteworthy development for several reasons. Apart from the fact that this development shows the capacity for low-waged workers, employed in sectors with authoritarian labour relations regime, to organise and mobilise, this development displays the possibilities of alternative, and perhaps more suitable, ways of organising historically unorganised and low-waged workers (Naidoo 2011a, Visser and Ferrer (2015). In this regard, this research departs from the existing heterodox studies which associate collective bargaining for low-waged and unorganised workers through trade unions (see Bain 1999 for example).

Furthermore, the evidence points to the work settings that made it possible for workers to take up issues and grievances either on an individual basis, or to combine into farm committees (which became the voice of workers) or, still, to unite around particular issues. The data, therefore, provides a snapshot of the enabling and disabling conditions and relations that encourage workers to lodge complaints and discontent, the relations and conditions in the enterprises that allow for workers to win concessions, and the type of demands employers are willing to concede. The workplace contexts and conditions stimulating workers into action require further research, to build further understandings of the necessary conditions that permit low-waged and historically unorganised segments of workers to combine, in different ways from the traditional trade union model, to win immediate demands and strive for deeper level transformation.

A crucial influencing factor, therefore, in developing worker voice in the agricultural sector, and where more research is required, is the context of the workplace and the ability and scope for workers to form collectives which they may use to press forward with demands. In this regard, an essential part of workplace context is the systems and relations concerned with managing and regulating labour. Here, as is evident in the data presented in this chapter, direct engagements between farm committees and employers tended to yield more favourable outcomes for workers, compared to workplaces where supervisors, foremen or other workers were approached to take up workers' issues to the employers, and where formal, albeit rudimentary grievance procedures existed. However, while agrarian labour in contemporary times is now able to challenge employers due to the presence of labour laws, action is limited to enforcing such provisions and claiming existing rights. In this way, a measure of change is identified in the traditional labour relations approaches. Due, however, to

the widespread absence of collective bargaining, the balance of forces still resides with agrarian employers who retain power to determine wages and general working conditions, within the parameters of the statutory provisions. In many fundamental ways, pre-existing relations (stemming from the labour relations regime under the racial capitalist agrarian era) had and have significant influence in shaping the balance of forces in contemporary agrarian labour relations, across workplaces in the local labour market.

Despite these limitations, workers who combined their efforts into farm committees, in primary agriculture, as pointed out above, had better results in addressing certain workplace issues, compared to workers in the citrus pack-houses. This difference raises several critical questions about the labour relations regime and approach in the citrus pack-houses that require further and deeper probing in a dedicated research project. For, as the research presented in this chapter for the citrus pack-houses show, while semblances of formality existed in the lodging of grievances, workers' expressions and voices were often confined and stifled within the prevailing procedures, which often appeared to be ineffective in dealing with worker grievances. This underdeveloped grievance process existed alongside more developed disciplinary codes and procedures. From citrus pack-house workers' accounts of labour relations, it emerges that internal hierarchies, such as foremen and supervisors, and similar positions, in the labour process, may be obstacles to forging constructive labour relations that erode the disengaged and disconnected approaches that surfaced in this research. This also means that measures of formality, and the application of labour standards, do not necessarily lead to constructive labour relations, as agrarian capital and agrarian labour remain divided and separated by internal hierarchies in the workplace, that draw on the historical divide stemming from racial capitalism. In these circumstances, labour is treated as a commodity that becomes the responsibility of black supervisors and foremen to manage and control.

The internal structures and hierarchies in the division of labour in the citrus pack-houses, therefore, contain several key conditions that stifle worker mobilisation, that in turn ultimately discourage or make it impossible for workers to challenge workplace rules and to directly engage employers. Therefore, the labour relations regime in workplaces, that had established and/or emerging job hierarchies with authority and responsibility for controlling labour and regulating labour relations, produced a different authoritarian framework for labour relations compared to workplaces where such

internal structures were absent. So, on the one hand, internal hierarchies and grievance procedures and disciplinary codes emulate measures of formality. On the other hand, they develop out of and exist within the authoritarian and unequal labour relations regime characteristic of South African agriculture.

As such, historical inequalities in bargaining power in employment relations are being perpetuated, even in the export-orientated citrus sub-sector, where the presence of national and international statutory and private sector led labour protocols exist. As mentioned above, the approach to labour relations in the citrus sub-sector generally requires more scrutiny, to unravel how the division of labour and organisation of work, combined with working conditions, shape the autocracy in labour relations approaches. This inquiry is essential in light of the significance of the sub-sector to employment and South Africa's citrus export status.

11.5 CONCLUSION

This chapter deals with the labour relations regime and approach in the research sample and began by outlining a theory of contemporary agrarian labour relations in South Africa. This chapter provides previously unpublished empirical data on agrarian labour relations in the research sites, in the wake of neoliberal restructuring. It attempts to shift concepts of agrarian capital-labour relations from, what I argued to be, empirical manifestations such as paternalism and informality, to the deeper recesses of capitalist labour and valorisation processes. In this chapter, I attempted to use the conceptual framework set out in chapter 3, for developing a political economy perspective of the AMW that conceived labour relations as consequences and reflections of capitalist social relations of production resting on the imperative of private profit maximisation.

I argued and tried to show the vital importance for AMW studies of developing a valid and coherent theory of agrarian labour relations in light of the disintegration of traditional paternalist approaches, but where the balance of forces continues to reside firmly in agrarian capital's favour. This analytical task is crucial for coherent research and narratives on the casual mechanisms of inequality in bargaining power of low-waged and weakly or unorganised labour, such as agrarian workers, in the wake of MW interventions and other protections. The progressive extension and introduction of labour laws to the previously liberalised agrarian labour market, resulted in the fragmentation of traditional paternalistic relations that regulated the social relations of

production in the sector. Instead, this research reveals the use of informal processes and elements of formality, in certain sub-sectors and workplaces, with respect to managing worker discontent and conflict in the workplaces.

The disintegration of paternalistic relations unfolds unevenly across the agrarian political economy. However, this does signal the need to situate agrarian labour relations in the processes of valorisation for a nuanced analysis of contemporary (and past) labour relations in the sector as well as of the breaking up of traditional social relations of production. Given the thinning out of paternalism, but the continuation of profound asymmetrical power relations in the sector, I argued that neither paternalism nor informality are sufficient to capture the totality of capitalist agrarian labour relations. I, therefore, described the foundations of labour relations in the research as authoritarian, which manifests in varying degrees of informality and formality with semblances of paternalism. At one level, worker narratives about their interactions with employers on matters related to employment, labour standards and conditions and wages reflect disengaged and disconnected strategies.

I used various indicators, such as communication processes and conflict regulation and management, to show that, by and large, labour and capital were disengaged and disconnected. I argued that the disengaged and disconnected labour relations strategy stems from the authoritarian foundations in the labour relations regime; and, based on enterprise level dynamics, such tactics were reinforced by degrees of informality, semblances of formality, and instances of despotism. It may be argued that a disengaged and disconnected frame for employer-employee relationships prevailed even in instances where there was some level of interaction between the parties with respect to labour standards, simply because employers were compelled by workers to address grievances; but they were prepared to engage on a set of narrow demands or issues.

By exploring labour relations in the different sub-sectors that employed the sampled workers, light is shed on the various manifestations of the authoritarian labour relations regime across animal husbandry and horticultural worksites. As such, variations in the levels, depths and scale of authoritarian labour relations was prevalent between animal husbandry and horticultural enterprises, and between primary agriculture and citrus pack-houses. This finding, thus, encourages future research on the relationship between sub-sector dimensions, and labour relations strategies and agrarian labour's mobilising efforts in workplaces. This point gains significance in light of the diverse

forms and applications of authoritarian labour relations in the workplaces cited in this chapter, based on sub-sector and enterprise level dynamics.

Related to the above, and while the authoritarian foundation of agrarian labour relations remained largely intact, surface cracks appeared in the data, exhibited in agrarian labour's propensities to articulate and address grievances, and compel agrarian capital's compliance with the provisions of the ASD, in certain workplaces. From this chapter, it is clear that statutory wage fixing had a multi-layered outcome on labour relations and employment conditions for workers, which suggests important and exciting prospects for future research on the relationship between statutory wages combined with other labour standards and organising among low waged and unorganised workers. For, as noted above, on the one hand, the data in this research shows a significant degree of continuity in the unequal power relationship that workers had with their employers. Indeed, this research identified workers who did not express discontent or grievances for fear of being dismissed, or workers who expressed a sense of futility because employers refuse to engage with them. But, on the other hand, and while workers were trapped in a profoundly unequal employment relationship, segments of workers began to take steps to variously challenge unfair labour practices and achieve certain victories. Likewise, employers in worksites, where workers acted, displayed a level of willingness to engage workers and to selectively concede to certain demands made by labour. At an overall level, when the conversion factor of the AMW is considered, the data show three levels of possibilities, with respect to the stimulation of changes by workers and employers: a) neither party initiates changes and the status quo remains, b) workers initiate changes by challenging labour transgressions and sub-standard labour and living conditions, and c) employers take steps to comply with the provisions of the ASD and the AMW settings.

With regard to the conversion potential of the AMW in terms of stimulating worker mobilisation, future research is required to fully understand what drives workers in individual workplaces to animate changes, through individual and collective means, in the context of the AMW and the ASD. I argued that, in the context of bottom-up action initiated by workers, the AMW has the potential to ignite worker action and mobilisation against unfair labour practices under the necessary conditions. More research is required to understand more thoroughly what constitutes these necessary conditions, and what conditions are required for their materialisation in the prevailing context of

the agrarian political economy in South Africa. Nonetheless, in work settings where workers took steps to change particular conditions, the AMW displays a measure of strength as a conversion factor in that it (a) provided workers with the means to enforce certain workplace rights, and (b) compelled employers to make changes to sub-standard working conditions. So, although the core authoritarian labour relations regime remained intact, degrees of shifts were discernible in employers' attitudes towards engaging their labour-force. In other words, employers adjusted their ways of relating to workers, evident in workers initiating engagements with employers regarding labour and tenure conditions, and employers conceding to workers' demands. In such workplaces, worker-initiated movements or shifts in the disengaged approach that agrarian employers adopt towards labour relations, compelling employers to engage with workers in a way that results in compliance with labour laws. However, worker-initiated action does not detract from the overall disengaged and disconnected strategy adopted by agrarian employers.

At the same time, events such as worker actions and mobilisation materialised in certain labour processes or workplaces where grievance-lodging processes were non-existent, and where simple internal hierarchies prevailed, making it possible for workers to engage employers directly; these also occurred in workplaces with managers and foremen, who had no defined roles to handle worker grievances. As demonstrated, such incidences were identified in primary animal husbandry and horticultural sectors and contrasted with the processes of lodging grievances and resolving discontent in the citrus pack-houses, where more complex internal hierarchies with partial grievance processes were found. The data strongly suggests that complex internal hierarchies may be a major obstacle to agrarian labour's expressions of discontent and mobilising efforts.

Finally, the evidence also shows the existence of groups of workers who still feared facing the employer's wrath or feared being dismissed, and therefore did not express their dissatisfaction with the employer. These workers are distinguished from the category of workers who embarked on either solitary or combined action, and who displayed a sense of confidence in self-enforcing rights. Yet, as pointed out, asymmetrical power relations often limited the concerns and demands that workers took up with employers. These developments pose critical questions for future research on the significance of statutory wages and strengthening worker voice, given sub-sector variances and dynamics. The situation in the citrus pack-houses also raise

further points of interest for research, given the barriers workers face in successfully resolving grievances, and in light of Northern based retailers' protocols on labour standards for the sector.

An outcome of asymmetrical labour relations, as displayed in this chapter, is the inadequate working conditions found across sub-sectors. This leads to questions about the outcomes of asymmetrical labour relations for wage settings and levels, and the question of compliance and enforcement of the ASD provisions. These crucial issues are examined in the next chapter.

CHAPTER TWELVE

AGRICULTURAL MINIMUM WAGE, WAGE SHIFTS AND WAGE-SETTING PROCESSES

12.1 INTRODUCTION

The preceding chapters attempted to provide insights into the institutional fabric that shaped agrarian wage determinations in the sample. This exercise, by extension, facilitates a deeper appreciation and understanding of the politics of wage determination. In providing the institutional fabric or context to the wages that workers in the sample were paid, attention turned to the labour market participation and labour absorption trends of workers (chapter 7), their levels of social reproduction and (depressed) quality of life (chapter 8), the overwhelming presence of secondary jobs with varying degrees of segmentation and sweating in the labour and valorisation processes (chapters 9 and 10), and the inequality in bargaining power arising from the authoritarian labour relations regime (chapter 11).

A discussion of wages in the sample begins in this chapter, in light of the preceding analytical journey through the local agrarian labour market and labour processes in the fieldwork sites. A recurring theme in this study is that a radical political economy perspective of agrarian statutory wage setting will be conscious of the analytical link between wage levels and valorisation. This, in turn, facilitates a fuller appreciation of the notion of the social devaluation of agricultural work and workers, as argued in chapters 9 and 10. In this chapter, our gaze turns to the composition of pay, wage determination processes and shifts in wages when the AMW was first introduced. Furthermore, in pondering wages in this chapter, and in those that follow, it is important – to a radical political economy perspective of the AMW – to consider actual wages (of sampled workers) in relation to: Smith's and Ricardo's conceptualisation of wages as central to workers' subsistence, Marx's radical theory of capitalist surplus value creation and the role that wages play therein, and neoclassical economics' apolitical and asocial notion of wages and wage setting processes. Bearing in mind the thoughts on wages espoused by Smith, Ricardo and Marx, when examining agrarian wages, allows for a clearer appreciation of the significance of statutory wage settings, and highlights the sterile concept of wages advanced by neoclassical economics.

The chapter begins with an outline of the composition of wages in the sample, in section 12.2. The subject of cash wages and the provision of rations are explored, where workers' views on rations are presented; this, as will be shown, reflects the divide between workers and employers, the conflict over wages, and the imbalance of power in agrarian labour relations. In this section, wage systems with respect to how cash wages were fixed or determined is examined, which brings to the fore levels of sector and sub-sector variations between and within animal husbandry and horticultural enterprises. As will be outlined, wage systems ranged from a relatively simple system of set cash wages in certain enterprises, to more complex wage systems involving piece rates and incentive schemes, in others. The data will show that workers had little to no say in designing or shaping wage determination systems which, to emphasise, reflects inequalities in bargaining power.

In the following section, section 12.3, the focus shifts from wage composition and general wage determination systems, to a more specific focus on the different ways in which wages are determined. In other words, this section examines the status of collective bargaining over wages. As will become clear, a minority of workers reported individual joint regulation of wages, where they negotiated with employers over wages, and an even slimmer margin of workers reported collective bargaining over wages with the employers. However, the overwhelming majority of workers in the research did not have influence over the setting of their wages.

In the final section, section 12.4, wage shifts, before and after the introduction of the first AMW, are examined. The data will show that actual wages for most workers were below the first prescribed rates set in 2003, to varying degrees, as wages rose unevenly in line with statutory wages in following years. This section offers an overview of shifts in monthly paid wages in pre- and post-AMW periods for workers who participated in the 2006/2007 in-depth interviews. The discussion traces wage movements from 2002 to 2007, to illustrate the relationship between actual agrarian wages in relation to statutory wage settings, under the two-tier wage system set in the first ASD. An introduction to wage convergences and divergences, between and within animal husbandry and horticultural sectors is provided, and this is carried through into the following chapter on wages. Sector, sub-sector and enterprise variances with wage increases become apparent in the data. The question of compliance is briefly dealt with in the section, which sheds greater light on the selective and uneven compliance

patterns of employers, pointed out in chapter 7, as they (agrarian employers) began adjusting wages in the first years of statutory wage settings.

12.2 WAGE COMPOSITION AND WAGE SCHEMES

The nature and configuration of wage fixing mechanisms are dealt with in this section, as this provides the setting for the discussion on wage levels in the following two chapters. The literature on statutory wage setting mechanisms and labour relations, at an enterprise level, has significance for a range of aspects pertaining to wages (Gilman *et al* 2002, Undy *et al* 2002, Heyes and Gray 2004, Ram *et al* 2004). Wage determination processes and wage levels are not the only points of importance and interest to the overall discussion on wage shifts with the inception of statutory wages, in low-waged labour markets. How wages are composed is of equal significance, especially in workplaces where incentive wage schemes and piece-rate systems operate, which is the case primarily in the citrus sub-sector in this research. Understanding the composition of wages is important because, not only does wage composition reflect the distribution of power, or the balance of forces between labour and capital; as well, wage systems and structures provide glimpses of (and reflect the nature of) the labour process, the conditions of valorisation, and the factors that shape the wage-bargain effort.

Wage schemes and structures are steeped in socio-economic and political contexts and are grounded in spatial and temporal contexts. Wage systems mirror the local context of labour markets and the prevailing balance of forces in the employment relation. This in turn sets the scene for wage determinations and labour standards. Put differently, statutory wages arise, more often than not, because low-waged employers have more power over workers in setting wages and the terms and conditions of employment. In this way, statutory wage settings, to a certain extent, address low-waged labour's weakness in relation to capital, in setting wages. In terms of a radical political economy perspective of MW policies, it is plain to see that state intervention in wage setting merely aids in denting capital's power to set low wages. As will become clear in this and later chapters, although the AMW sets the benchmark for wages, agrarian employers retained (and still retain) the power to adjust wages within the prescribed rates. Wage systems and structures, to reiterate, reflect the balance of forces and capital-labour power relations. In this section, a sketch is provided of the

composition of wages and different wage schemes that applied in the respective workplaces.

The wage composition for workers in this research did not vary considerably because all sampled workers received wages in cash. But, as may be gleaned from chapter 11, segments of workers did receive rations from the employer – this, as surfaced in that chapter (and picked up again in this section), was a source of worker discontent. It must be noted here as well, that though there was commonality in the cash wage, the systems used to determine the level of wages varied across sub-sectors. Sub-sectors in animal husbandry and most horticultural enterprises set standard wage rates, contrasting with certain citrus orchards and pack-houses where a variegated system of standard rates co-existed with piece-rates and incentive schemes in different ways. The heterogeneity in wage setting methods or mechanisms may be seen as an outcome of the variegated nature of the labour processes combined with the social relations of valorisation.

Variability in wage setting mechanisms, hence, are shaped by objective conditions of production such as seasonality of production, as in the horticulture sector, combined with product market conditions, as in domestic and foreign markets. At the same time, wage setting methods or mechanisms were ultimately embedded in the authoritarianism labour relations regime combined with informality and partial formality. Informality, partial formality and an overall authoritarian labour relations regime, enabled agrarian capital to retain control over methods of setting wages. This is a manifestation of the benign impact the AMW had on how agrarian employer calculated wages.

Returning to the subject of the composition of agrarian wages, in chapter 5 the structure of agrarian wages was discussed as historically comprising a combination of various forms of in-kind payment with a variable degree of cash wages. As pointed out in chapter 5, when the DoL conducted its inquiry into agrarian wages, as a precursor to setting mandatory wages, it found that payment-in-kind constituted, on average, roughly a quarter of the agrarian wage paid by employers who were interviewed. In-kind payment denotes a range of non-monetary provisions, including housing, basic services such as electricity and water, food or rations, among others.

In this research, in-kind payment was not a widespread payment practice. A wage structure that comprises or incorporates payment-in-kind applied, more often, to

workers with spatially tied sites of production and social reproduction; however, in-kind payment was not even common amongst these workers. As shown in chapter 8, the vast majority of the 291 workers (in the SD 13 Survey) with conjoined sites of production and social reproduction, lived in sub-standard conditions and with no assistance or support from employers in terms of improving the quality of housing. Wages for the vast majority of workers with conjoined sites of production and social reproduction, comprised of a cash wage. It is noteworthy that the provision of rations to workers, employed in the pre-AMW era, was not strongly present in the research sample – 145 workers, accounting for roughly 85 per cent of the 171 workers employed before the AMW came into effect (see chapter seven, Table 7.1), did not receive any rations or any other in-kind payment from the employer. It is safe to say that the provision of rations was a declining practice well before the AMW came into effect, at least in the research sample.

In the SD 13 Survey, 50 workers, constituting 10 per cent of the overall sample (501), said that they received or were provided with rations comprising a variety of goods from employers. Of these 50 workers, two workers (an insignificant four per cent) lived off the farm, meaning that 48 workers, constituting 96 per cent of workers who received rations, lived at the place of employment. However, 29 workers or 58 per cent of the 50 said that the employer deducted monies from their wages for rations. In these cases, rations do not qualify in lieu of wages. This means that 21, or 42 per cent of the 50 workers, received payment-in-kind alongside a cash wage. At an overall level, the 21 workers (with a wage structure comprising of cash wages and rations) constitute a mere 4.19 per cent of the 501 workers in the SD 13 Survey. Furthermore, the 50 workers who received rations were employed in primary horticulture and animal husbandry enterprises, contrasting with pack-house workers who did not receive rations. Amongst the 50 workers in the SD 13 Survey, 64 per cent were animal husbandry workers, primarily from the dairy sub-sector (at 34 per cent), followed by livestock workers at 28 per cent of workers who received rations. Primary horticultural workers constitute 36 per cent of workers who received rations. Of these horticultural workers, those employed on citrus orchards, pineapple farms and vegetable farms comprise 14 percent, 12 per cent and 10 per cent of workers respectively.

As may be gathered from this data, although the provision of rations was identified among agrarian employers across primary agriculture, the tendency appeared dominant in the animal husbandry sector in the sample. In addition, workers who did

not pay for rations, that is where monies were not deducted by the employer from wages for rations, were by and large from the livestock and dairy sub-sectors. Moreover, of the 50 workers in the SD 13 Survey who reported receiving rations, 78 per cent were men and 22 per cent were women. Finally, roughly 82 per cent of the 50 workers who received rations were on permanent contracts and were employed in the animal husbandry sector; 16 per cent of the 50 workers were on atypical employment contracts and were employed in primary horticulture.

The findings on the provision of rations and deductions from wages for rations in the SD 13 Survey, replicate unevenly in the in-depth interviews. For example, of the 32 workers interviewed in 2006/2007, nine workers, or roughly 28 percent of workers (60 per cent of whom were employed in animal husbandry sectors), received and paid for rations provided by the employer. All nine workers lived on the farm of employment and were on permanent employment contracts. Workers interviewed in the Makana focus group also received and paid for the rations provided by the employer. However, none of the workers interviewed in the in-depth fieldwork phase in 2011 and 2012 were provided with rations. The majority of these workers were in the horticultural sector, citrus in particular. Vestiges of the ration system tell us that the process of conversion from part ration/part cash wage (to cash wage only) will not be uniform within the agricultural sector and will be variable across space, time and sector. It is also noteworthy, that workers in the 2004 Makana focus group interviews and in the 2006/2007 in-depth interviews, reported that deductions from wages for rations came into effect post the AMW. This signals a low-road approach that agrarian employers deploy to cope with mandatory wage increases.

The composition of rations varied across the research sample; and it usually comprised of various starches (either rice, samp, bread flour or maize meal) as well as meat, sugar, salt, and cooking oil. Here, again, sub-sector dimensions with the provision of rations is discerned. For example, on dairy farms, just milk was provided to workers wherein on certain farms a litre of milk was provided each day while, on others, two litres of milk a day was provided to workers. The data suggests that the practice or ethos of agrarian employers supplying rations may be changing, in that workers may still obtain certain food and household items from the employer; but, they now pay for these, when employers make deductions for the supply of provisions from workers' wages. This form of pay system denotes the subservient position that such agrarian workers occupy as they either continue to rely on the employer for certain

provisions linked to their social reproduction or, due to their weak position relative to the employer, they are unable to claim a full cash wage.

There is a tendency, in agricultural economics in South Africa, to draw a direct link between the termination of rations with the introduction of the AMW (for example Murray and van Walbeek 2007:124-125). Yet, as pointed out above, workers in the sample who gained employment at the workplace in the pre-AMW years, received a full cash wage and hence were not supplied with rations. The link between the demise in the provision of rations and the AMW may not apply across all agricultural sub-sectors and across all spatial and temporal contexts, as this research shows. In addition, while they raise valid questions pertaining to the overall quality of (and access to) the expanded social reproduction of labour, Murray and van Walbeek (2007) speak of the termination of rations as an overall negative consequence for workers in an unquestioning fashion. In so doing, they, as does Atkinson (2007), assume that agrarian capital is the optimal service provider for agrarian labour's social reproduction, and that employers will in all instances provide a well-balanced package of rations to workers. It is also assumed that workers are satisfied with what is provided and that they favour a part of their wage in rations.

Canvassing workers' views on the quality of rations, and on the practice itself, challenges these assumptions and exposes the need to problematise the historical tendency of in-kind payments (within the unequal power relations between workers and employers) and the value of rations compared to the value and surplus value generated by workers. When viewed through this lens, a more critical engagement with the supply of rations is possible. In a significant number of cases in this study, workers preferred a full cash wage over rations so as to obtain a greater share of the wage in disposable income and to exercise some measure of control over their food consumption. For example, Tommy (2 June 2007), employed on a permanent contract on a mixed vegetable and livestock farm, spoke of the problems with deductions from wages and workers' engagements with the employer to be paid a full cash wage. In this narration, Tommy (2 June 2007) illuminates the nature of the authoritarian labour relations regime in the workplace and, equally significant, information comes to light that suggests that certain agrarian employers may use the provision of rations as a way to curb wage increases.

Tommy (2 June 2007) indicated that deductions from workers' wages began in 2007, when the AMW for Area A was R5.10 cents an hour, and R994.00 per month. To recall

from chapter 9 (section 9.2.2), Tommy (2 June 2007) was paid R5.00 an hour, meaning he received sub-minimum wages, for working nine and half hours, daily. Even with these daily working hours, the hourly wage rate meant that Tommy (2 June 2007) was not paid the prescribed monthly rate. Nonetheless, Tommy (2 June 2007) said that his employer deducted R284.00 each month from his wage for “maize meal, flower, rice, potatoes and meat”. Tommy (2 June 2007) continued:

We asked him why he is not giving us the money so that we could buy what we need ourselves. He said he cannot do that. He said he cannot give us so much money. He said that is a lot of money. I think he is doing this deliberately. He does not want us to develop and have our own property at home. We tried to complain about it, but he told us that we have two choices: we either take what he is offering us, or we quit our jobs and get out of the farm.

Robert (13 May 2006), to recall, worked on a livestock farm on a permanent basis, and he too, said “I prefer cash to rations”. Like a significant number of workers, Robert (13 May 2006) questioned the actual cost of rations that employers incur. According to Robert (13 May 2006), his employer “is going to rob me even if he gives me the ration. He will lie and say it costs a certain amount even though it’s not true, so it is better to get money and I buy food myself”.

In raising his objections to the ration system of payment, Khaya (13 May 2006), who worked on a game farm on a permanent contract and received half a bag of maize meal, also encourages a critical appraisal of the beneficial outcomes this form of payment has for workers. “I prefer cash not rations”, said Khaya (13 May 2006). “Because” he went on to say, “I can’t eat maize meal alone; he doesn’t even provide us with milk⁶⁶. I prefer cash, because I know if he gives me cash, I can buy mealie meal and milk if I want to”. The significance of rations, therefore, has to be assessed against the totality of the agrarian capital-labour relation, informality, and capital’s power and control in determining the form and level of the wage. Furthermore, the supposed benefits to workers, as claimed by Murray and van Walbeek (2007), may only be verified by studies that explore workers’ conceptions of rations, and by concretely assessing the nutritional, convenience and financial benefits that workers obtain from the provision of rations. Moreover, the extent to which rations, bearing in mind their qualitative and quantitative aspects, constitute a coping or accommodating strategy for employers in the wake of the AMW, requires more scrutiny. In this regard,

⁶⁶ Milk and maize are combined to make a traditional IsiXhosa dish.

of interest, and requiring more research, is the extent to which the provision of rations enables agrarian employers to curb wage hikes or pay sub-minimum wages.

Having established that agrarian wages in the sample comprised of cash for the majority of workers in the sample, the next task is to isolate the systems used to calculate and structure wages, in the sample. Variability was identified, as mentioned above, with regard to the mechanisms used to determine or calculate wages, and these have sub-sector and enterprise level dynamics. To make it clear, wage systems were demarcated as follows: (a) a set cash wage, (b) a set cash wage combined with rations, with or without deductions from workers' wages, (c) a cash rate combined with piece-rates and incentive schemes, based on production targets, and (d) wages set by various piece-rate systems.

Wages for most workers in the animal husbandry sector, and on certain vegetable, citrus and pineapple farms, fell predominately into the first and second categories. Citrus workers, in the pack-houses and on several orchards, fell into the first and second categories as well, while other citrus workers employed on certain orchards were paid by methods in the third and fourth wage setting system. These piece-rate systems are explained in more detail below. It is important to note that piece-rate systems in citrus orchards and pack-house workplaces distinguishes them from animal husbandry and horticultural sectors where piece-rates and incentive schemes did not exist – in other words, workplaces where wage setting systems followed the first two categories mentioned above. This data, therefore, reveals sub-sector and enterprise-level variations in terms of wage setting systems, between primary agricultural sectors and citrus pack-houses and within the horticultural sector, in the sample.

The remainder of the discussion in this section profiles the piece-rate wage system in the citrus sub-sector, because the sub-sector displayed the most variety and complexity in wage setting, in the sample. The citrus sub-sector is an anchor sub-sector in the research sample, and production in the geographical area where the sample is based, occupies a strategic position in the global citrus value chain, thereby making it important to engage with wage setting systems in the sub-sector. Moreover, the citrus sub-sector is a major employer in the local agrarian labour market, as pointed out in chapter 7, adding to the value of identifying wage setting systems at citrus enterprise level. For these reasons, it is necessary to delve deeper into the wage setting systems for citrus workers in this sample. The discussion on the piece-rate wage system in the sub-sector highlights: (a) how forms and methods of calculating

wages are shaped by jobs and the nature of the production process, and (b) the power that employers have, over workers, in determining methods, forms and rates of pay, and hence capital's control and power in configuring the wage structure. In essence, profiling the piece-rate wage system, in the export orientated citrus sub-sector, provides an important platform to assess the conversion factor of the AMW in building workers' capacity to influence wage settings and levels, in this particular sub-sector. As the data will reveal, citrus workers in the sample, by and large, had no influence in determining the structure of piece-rates and the rates of pay, as a result of the authoritarian labour relations approaches, as discussed in chapter 11.

Delving deeper into the piece-rate wage setting system/s in the citrus sub-sector brought forth four broad wage scheme patterns⁶⁷, as follows:

- pack-houses that tend to pay workers in and around the prescribed amw rates, in addition to incentive piece-rates;
- pack-houses that structure wages on workers' productivity levels with set rates for different levels of production
- orchards that paid a set rate and an incentive rate over and above the standard rate; and
- orchards that pay piece-rates as the standard wage.

Ultimately such wage schemes, listed above, contribute (they exist in present time) to the variability in the mechanisms of wage settings within the citrus sub-sector and within the agricultural sector in the local labour market.

Nonetheless, in the pack-house in the Sundays River Valley where Ronald (11 August 2012) worked, wage mechanisms emulated the first pattern in that a standard rate combined with an incentive rate made up the fortnightly wage. Ronald (11 August 2012) explains this system as follows: "There are pallet incentives. The more pallets we pack, the more money we get. They pay us according to hourly rates, but we also get pallet incentives. For instance, we get paid R1.00 for each pallet over and above our remuneration". In a similar vein, the pack-house that Mzi (12 August 2012) worked in, in the Fort Beaufort area, an incentive pay system existed over and above the

⁶⁷ These trends and wage setting distinctions within the citrus sub-sector warrant further intensive research to tease out more precisely the ratio of the piece-rate to the AMW in order to assess the extent to which it is under, over or in line with the AMW rates. It is also necessary to establish the extent to which this form of payment is the norm in the sub-sector and what enterprises have a propensity to structure wages in terms of piece-rates.

standard hourly rate on which workers' wages were calculated. However, Mzi (12 August 2012) qualified this, saying that "only workers who have managed to pack 150 and more boxes get incentives. Those who have packed less than 150 boxes don't get any incentives".

Piece-rates and incentive schemes, as described by workers above, monitor workers' output and therefore are effectively labour control mechanisms meant to ensure labour's maximum productivity. In this way, they may make redundant certain job positions or functions (example supervisors, ticket counters and line scanners, as outlined in chapter 9) in the valorisation process. Wages based on piece-rates and incentive schemes, discussed here, were designed to entice workers to intensify production with the prospect of earning a higher wage. This may be attributed to employers' assumption that workers are untrustworthy, with a proclivity to shirk on the job. Hence, result-based wage systems, such as the piece-rate, are designed to gain workers' cooperation to meet production targets. In this sense, therefore, this form of wage structure acts as a controlling device that converts labour-power into labour. In these workplaces, direct and constant surveillance may be avoided as workers' outputs are regulated and controlled by the piece-rate and/or incentive pay systems.

Another way that employers in the pack-houses seek to maximise labour's production level is through the second wage system, noted above, where the wage is linked to workers' productive output. This system was found in the pack-house where Nomilile (9 March 2011) was employed. Essentially, this represents an internally-differentiated wage system linked directly to the productivity of individual workers. Nomilile (9 March 2011) explains:

The packers are grouped into three categories with different pay rates. The lowest level of packers, Level 1 is paid around R7.00 per hour; Level 2 packers are paid R8.01 per hour; and Level 3 packers are paid the highest rate and I am not sure about the amount. I am currently classified as a Level 2 packer. When you are first employed you start at Level 1 and you are only promoted to Level 2 when you are able to pack 1 500 or more pieces of fruit in an hour.

Piece-rate payments, especially systems that are based solely on workers' output, often mean that workers are unable to calculate consistent hourly or daily rates of pay, as the wage rate may fluctuate as a result of fluctuations in labour's output. As Ram *et al* (2004:27) observe, based on their study of pay methods of low-waged clothing and garment enterprises in Britain, after the implementation of the NMW, piece-rate systems of pay pose difficulties in calculating the actual hourly wage rate. This is

because workers are paid according to their output and not according to the hours that they work. In productive systems, such as clothing and agriculture, with a history of low wages alongside labour's weak organisational capacity, piece-rate systems can easily conceal under-payment as well as the rate and extent of exploitation.

In the (three) cases above, workers were employed in large pack-houses, where a certain level of formality prevailed. Equally important, these pack-houses had strong product market positions because they controlled the export of citrus to international markets, in the local areas. Hence, the size of the pack-house, combined with the product market positions and the internal social regulation of labour, worked together to shape the wage setting mechanism and the wage structure for workers in these pack-houses. Hence, larger enterprises with complex internal hierarchies along Fordist labour processes, combined with strong product market positions, may shape differentiated and more sophisticated wage setting systems comprising piece-rates and standard rates, in the citrus pack-houses. The formulation of the piece-rate system in these worksites displays semblances of formality that is different from cases reported by Ram *et al* (2004:76) for the clothing sector in Britain when the NMW was introduced in that country, where they found "crude and informal piecework schemes" to be in place.

Turning attention to piece-rate wage structures in the orchards, Lonwabo (18 August 2012) exemplified the third piece-rate pattern outlined above, which entailed a standard rate combined with an incentive scheme. It must be pointed out that the piece-rate system of wage setting applied to workers involved in harvesting, such as pickers and sorters in the orchards; thus, other jobs such as pruning or weeding fell outside this wage system in the research sample. The selective application of piece-rates is a clear indication of the link between the division of labour and jobs that workers executed, which means that result-based wage setting may not be optimal and possible throughout the agrarian sector.

Nevertheless, at the time of the interview, Lonwabo (18 August 2012) earned R1500 per month combined with the piece-rate system that he referred to as "*tasi*", which means a sling bag. In terms of this particular scheme, Lonwabo (18 August 2012) was paid a variable amount, over and above his wage, for the number of sling bags he filled. As he recounted, "sometimes we get R65.00 over and above the R1500.00 per month for filling 200 sling bags. We don't know exactly how much we get paid for filling one sling bag". As this case suggests, a level of murkiness prevails in quantifying the

piece-rate payment scheme in the above case. This means that workers are unable to correlate, and thereby control, their labour output in terms of the wage rates they earn over and above the set rate. Moreover, the case typifies labour's weakness in setting the rate and, by implication, capital's unilateral power to control the method and rates of pay.

In a similar, yet different set up, Sofia (18 August 2012) related that the payment by piece-rates, on the orchard that she worked, was to be revised to include clearly-defined targets attached to the level of output, that would then determine the wage she received. "Management", she said:

Told us that, starting from Monday, each worker is going to have to fill 100 bags [of oranges] to earn R1040 a fortnight. If I fail to fill the 100 bags per day, I would earn R300 and a bit per fortnight. ... However, starting from Monday next week we [can] earn R1040.00, that is, if we have managed to fill the 100 bags per day.

From Sofia's (18 August 2012) account, it appears that a standard rate of around R300 was to be paid to workers, but workers could earn a higher wage on a fortnightly basis on condition they met the production target.

In contrast, Zanele (18 August 2012), Xola (5 March 2011), and the harvesters who Vumile (11 August 2007) supervised during the citrus season, were paid by means of the fourth wage system, which entailed piece rates as the standard wage. Consider for example the determination of Xola's (5 March 2011) wage. He worked during the citrus season on an orchard in Fort Beaufort on an atypical basis. For this he received a set amount for each bag that he filled with citrus fruit, which appeared to be under R1.00 for every bag. Xola's (5 March 2011) explains:

We are not sure how much is paid for each bag we fill. There are times when [workers] fill 43 bags and get paid about R42 and the next time you [fill] 48 bags and get paid R38. We are just working without any information as to how much we get paid. ... We get paid on a fortnightly basis and, if I get paid R600 and above, I would know that I have earned a lot. Usually one earns around R300 [per fortnight].

The above not only depicts the low wage rates found in the sub-sector, as it also exposes the profound unequal power relations in the determination of wages between agrarian labour and capital, in the citrus sub-sector. Fluctuating wage rates due to a piece-rate system was a recurring phenomenon, particularly on the citrus orchards, in the sample.

A particular form of piece-rate payment, within the fourth pay system noted above, that emerged on citrus orchards in the research sample entailed piece-rates per unit of production that is distributed among workers. This is where pickers work in teams to fill drums or barrels with citrus. Each drum or barrel has a set value determined by the employer and that amount is divided among members of the team. This system was deployed on the orchard that Zanele (18 August 2012) worked. Zanele (18 August 2012) explained that “we get paid according to the crates filled. We get R49.00 per crate And this amount is divided among 25 of us”. Zanele and her workmates in effect were paid a meagre R1.96 cents for every barrel or drum of citrus they filled.

A similar system to the one narrated by Zanele (18 August 2012) operated on the orchard that employed Vumile (11 August 2007) but the piece-rate was determined by the number of trips that the truck transporting citrus made to the pack-house; not on the number of barrels that workers filled with citrus. According to Vumile (11 August 2007), the truck has the capacity to transport six full bins of citrus to the pack-house per trip. For each trip, workers (as a team) earn R66, which is multiplied by the number of trips the truck made to the pack-house with citrus. The truck “usually manages to do eight trips per day”, said Vumile (11 August 2007). Hence wages were calculated by multiplying R66 by eight which equals R528 which is then divided among 15 harvesters: “This amount is shared among the workers”, Vumile (11 August 2007) went on to say, adding that “each person would sometimes get R35, sometimes R40 per day”. The piece-rate system in this workplace, as indicated, was determined by the number of trips made to the pack-house where fruit was sent for packing and distribution, and not necessarily by the number of drums workers filled per day. Because of this, the rate or extent of unpaid labour in this form of piece-rate method may be higher compared to other piece-rate methods.

It is clear that considerable heterogeneity in piece-rate schemes was identified, between those who were paid individual piece-rates, as in Xola’s (5 March 2011) case, and those who received a wage that was divided among a team of workers. The team-based payment system in operation where Zanele (18 August 2012) worked is not an uncommon practice in the Sundays River Valley, and other ongoing work by the researcher in the citrus sub-sector indicates that the weak product market conditions of orchards combined with employer idiosyncrasies often play a role in shaping particular piece-rate wage setting mechanisms, such as those that apply to Zanele (18 August 2012) and Xola (5 March 2011).

Working in a team where the piece wage is divided among workers leads to workers controlling and regulating each other's productivity. Also, this causes friction among workers who lack the collective capacity to bargain over wages and working conditions from a position of strength. As Zanele (18 August 2012) commented, "we don't argue, but we do tell one another that it is not fair that some workers should work hard while others are relaxed – but we get paid the same amount of money". Be that as it may, adding to the variability in wage mechanisms in the citrus sub-sector was the differentiated rates paid for nartjies and oranges. Both Zanele (18 August 2012) and Xola (5 March 2011) spoke of variable rates for different citrus fruit, where oranges are set at lower rates than nartjies.

The above workers' accounts of the wage systems that prevailed in the different citrus workplaces not only reveal the differentiated wage rates within the pack-houses and orchards, as the narratives clearly expose the intimate link that employers created between wages and the extraction of surplus labour. In this sense, wage settings display individual employer characteristics as much as they reveal sub-sector dynamics and product market conditions. On the surface, the system appears to present a fair opportunity for workers to increase their wages, on condition that they reach and maintain certain targets. However, the various manifestation of piece-rate systems and the incentive pay schemes conceal and/or dilute employers' intention to gain the maximum amount of surplus labour (per day from workers) at minimal cost. Citrus employers' attempts at extracting maximum surplus labour from workers within the length of the working day, by deploying arguably low piece-rates, represent work intensification methods in production, which resonate with low-road approaches in labour processes.

As alluded to in chapter 10, piece-rate wage systems have an important bearing on the cooperation-consent/conflict dynamic in citrus workplaces. The piece-rate and incentive wage system may act as catalysts for worker consent and cooperation in production. However, unhappiness over low wages, poor working conditions and adversarial labour relations reverberated throughout the sub-sector in this research (as shown in chapter 11), clearly demonstrating the overall acrimonious labour relations regime. The significance of this observation, for the discussion on cooperation and conflict between workers and employers in production, lies in the fact that although piece-rates and incentive schemes may act as facilitators of workers' cooperation to adhere to and/or intensify production, wage levels and conditions of

work were major points of conflict in the labour relations. So, though there may be cooperation and consent from workers in production, in this research sample there was often conflictual and adversarial labour relations in workplaces, stemming directly from discontent over levels of wages, sub-standard working conditions, and the overall inequalities in bargaining power.

An additional source of influence on wage systems and rate settings, over and above sub-sector and work qualities, as well as inequalities in bargaining power, is the product market position of enterprises, and the distribution of power in value chains, as alluded to above. The piece-rate and incentive systems alongside their variability are, to a large extent, a result of the levels and depths of authoritarianism in the labour relations regime combined with product market conditions and enterprises' positions in the value chain. The causal mechanisms of inequality in bargaining power over the determination of the wage system, therefore, are not found entirely at enterprise level. This is because an enterprise's competitive position is in large part dependent on its position in the global food/commodity chain.

Interviews with officials from the Perishable Products Export Control Board (PPECB) shed light on the extensive costs that citrus primary producers incur to export their produce to international markets. Citrus employers have a raft of phyto-sanitary requirements to fulfil in order to export to countries in Europe and to Japan. The costs associated with the necessary phyto-sanitary inspections are borne by the producers, thereby exposing them to various vulnerabilities in the global food trade, which simultaneously weakens their product market positions. As Ms Zwede (10 June 2015), a senior official from the PPECB, said:

Growers are challenged financially ... PPECB bills them for checking the quality of the fruit; the department of Agriculture also charges them for inspections; the shipping lines charge them... These are the people that are contributing to the South African economy, but I must say they are challenged.

It appears that product market conditions and orchards' positions in the value chain exert significant influence on wage settings mechanisms, and hence on the wage rate. Piece-rate systems, in part, thus reflect product market conditions and trade relations. Product market conditions, trade relations and the social agents with power in the value chains, exert significant influence in the determination of wage systems and piece-rates. However, product market conditions and an enterprise's relations with larger entities in the commodity value chain are not the only determinants of wage setting mechanisms. Wage setting mechanisms also correlate to inequalities in

bargaining power and the views that employers hold about the wage-bargain effort. This is reflected in the various low based piece-rates that were paid to citrus workers, especially on the orchards. In these worksites, the power or strength of the AMW, alongside the various national and international labour protocols developed by the private sector (discussed in chapters 5 and 11), as conversion factors that build the negotiating or collective bargaining capacity of workers, was weak.

This research exposes the need for more (earnest) research into wage settings in the citrus sub-sectors to determine the causal mechanisms that give rise to the variability in wage setting systems, and by extension the implications for wage levels in a sub-sector with significant export status in global terms. Nonetheless, considered as a whole, the data on wage systems in the research sample points to the heterogeneity in wage structures and wage setting mechanisms. As may be gleaned from the data, wage structures varied across and within the animal husbandry and horticultural sectors. A clear distinction surfaced between the wage setting system for workers employed on certain citrus orchards and pack-houses, and workers employed on other production sites in animal husbandry and horticultural farms. As the data above shows for the citrus orchards and pack-houses, wages comprised of either piece-rates or a set wage rate combined with a piece-rate or incentive scheme; and, in the other production sites, a set wage prevailed for the majority of workers, although a minority of workers received a set cash wage combined with rations. The identification of variances in agrarian wage setting systems, in this research, signals the need for further research to build an understanding of contemporary wage-setting processes in the agricultural sector in the era of statutory wage settings. In the meantime, reflecting on wage systems and methods of pay steers discussion in the direction of wage determinations. The manner in which wages were set in the research are considered below.

12.3 WAGE DETERMINATION

To recount from chapter 5, the Labour Market Commission (1996:16) observed that “wage levels in agriculture are frequently determined by the power imbalance between farmers and farm workers, and not only by issues such as affordability”. This point goes to the core of discussions on statutory wages in relation to justice and equality; and, for Marxists’ reading of statutory wages, the above comment raises questions about the value of labour and exploitation. From a Marxist perspective, the key

question regarding statutory wages, as outlined in chapter 2, centres on the role that wages play in obscuring surplus value extraction and exploitation of workers. In this regard, power imbalances or inequalities in bargaining power translate to an unequal distribution of wealth generated in labour and valorisation processes. Therefore, the role of a MW in combatting wage and income inequalities is significantly shaped by the constraints of capitalist social relations, especially inequalities in bargaining power. This means that the transformation potential of AMW – i.e., its conversion factor strength in terms of low-waged workers' weak bargaining position in the employment relationship – must be qualified within the parameters of capitalist valorisation. In low-waged and unorganised labour markets, statutory wages at best facilitate social democratic principles that encompass acceptable levels of wages within capitalist modes of accumulation; they do not erode let alone undo capitalist relations of production and wealth distribution between capital and labour.

Agrarian labour relations in the enterprises that employed workers in the sample, as discussed in chapter 11, were rooted deeply and firmly in an authoritarian labour relations regime. An authoritarian labour relations regime, to recap, is typified by the absence of joint regulation, and by undeveloped and underdeveloped grievance procedures, combined with employers' ad-hoc or spur-of-the-moment communication methods. The authoritarian labour relations regime, from which the power imbalance between workers and employers stems, has obvious outcomes for the distribution of wealth generated through valorisation, in favour of capital. However, despite the authoritarian labour relations regime in the research sample, different worker responses to wage settings were identified in this research, and these signify fine cracks in the (authoritarian) foundation at enterprise levels.

Employers in most cases set wages without consulting workers. However, in certain workplaces, which paid sub-minimum wages, workers took steps to enforce AMW rates. The data shows a correlation between worksites with farm committees and the existence of incidences of joint wage determinations, primarily in relation to enforcing the prescribed AMW prevailing at the time. In other words, workers who engaged employers over wages did so to address sub-minimum wages; they often had direct access to employers; and they were members of farm committees which enabled workers' collective engagements with employers over working and living conditions. Such cases point to some of the important conditions that must exist in the workplace and in the labour relations system, for the ASD and the AMW to act as robust

conversion factors in a way which enables workers to negotiate and/or challenge employers over wages. However, although workers in these circumstances were able to approach employers about wages, such engagements over wages were in relation to enforcing the AMW rate/s prevailing at the time or workers demanding a wage increase; more specifically, workers did not engage in annual wage negotiations or bargaining with employers. Thus, even where farm committees existed, and even when workers demanded wage hikes, annual wage bargaining was not established, present or institutionalised in the sample. By the same token, workers did not report making demands for higher wages as annual events.

At a general level, however, and as alluded to above, a key feature identified in this research is employer-based unilateral wage-setting, with very little or no engagements over wages across worksites with informal and semi-formal labour relations systems. Put differently, irrespective of the presence of partial formality in enterprises' labour relations systems, wages were set unilaterally by employers in such workplaces, much the same as wage-setting processes in workplaces with informal labour relations approaches. At a broad level, then, and despite segments of workers (as identified in the in-depth interview phases) taking action to enforce prescribed wage rates, collective bargaining over wages was largely absent in the sample. This is depicted in Table 12.1, which shows data generated from the SD 13 Survey, with a minority of workers negotiating their wages with the employer. Collective bargaining over wages, and working terms and conditions of service, was largely absent because, in most worksites, employers set the wage rates.

Table 12.1: Wage determination

Process to determine wages on farm	Number of workers	Percentage of the sample
Owner sets new wages without consulting workers	469	93.61
Negotiated between workers and owner	19	3.79
Through trade union negotiations	6	1.19
No wage increases	7	1.39
Total	501	

Source: SD 13 Survey.

For the vast majority of workers, 93.61 per cent to be precise, wage determinations were the prerogative of the employer, which meant that there were no consultations or negotiations with workers over the wage rate. In total, a mere five per cent in the sample, or 25 of the workers interviewed in the SD 13 survey, negotiated wages with employers either through direct negotiation or through a trade union. A mere six

workers, or just over one per cent of the 501, said that wage increases were negotiated through trade unions. These workers were employed in the animal husbandry sector, specifically five men from a game farm and one woman on a livestock farm. Table 12.1 shows that 19 workers, accounting for 3.79 per cent of workers in the sample, negotiated wages directly with employers. Nearly half of this category of workers comprises citrus sub-sector workers, who account for 47.36 per cent of the sample who negotiated wages directly with the employer: the majority of these were employed in pack-houses, roughly 89 per cent to be precise, while 11 per cent were employed on citrus orchards. Men account for 44 per cent and women constitute 56 per cent of this group. However, this segment of citrus workers, who negotiated wage increases with the employer, made up a mere 5.76 per cent of all citrus workers interviewed in the SD 13 Survey.

As well, three workers (two women, and one man) on two different pineapple farms said that they negotiated their wages with their employers, accounting for 15.78 per cent of the workers who negotiated wage increases with the employer. This group of pineapple workers accounts for only 7.89 per cent of all pineapple workers interviewed. A further 15.78 per cent of workers (two men, and one woman) who negotiated directly with the employer were on different livestock farms. Finally, four male workers, making up 21.05 per cent of workers who negotiated wages with the employer, were employed on a game farm. These workers account for 8.69 per cent of all game farm workers interviewed. The limited negotiations between workers and employers involved more men, with 57.90 per cent, compared to 42.10 per cent for women. The low rates of direct wage negotiations between workers and employers in this research contrasts with the trends reported by Visser and Ferrer (2015), who note that 81.4 per cent of agricultural workers directly negotiate wage increases with the employer. The reasons for this difference remain unclear.

As Table 12.1 illustrates, seven workers, or 1.39 per cent of the 501 sample, did not receive wage increases. These workers comprise 57.15 per cent women and 42.85 per cent men; further, 42.87 per cent were employed on citrus orchards, 28.57 per cent were employed on vegetable farms, and 14.28 per cent were employed on a livestock farm and another 14.28 per cent on a dairy farm. Not having a wage increase, in these cases, is attributed to the period when workers commenced employment with the employer, at the time of the interview. For example, a domestic worker (on an atypical contract) started work on one of the vegetable farms in the year that the

interview was conducted. The same applied to two male workers who gained employment on a seasonal basis on citrus farms. In these cases, workers were recently employed and did not qualify for annual wage increases. However, 57 per cent of these workers had worked more than one year and did not receive wage increases. In other words, these workers did not receive annual increases to their wages – 75 per cent of these workers were women.

It is apparent from the data provided in Table 12.1 that, although agrarian capital's power to unilaterally set wages is circumscribed with the arrival of the AMW, wage determination processes remained the domain of employers who (in the context of the AMW) in effect set the wage rate for the majority of the workers in the SD 13 Survey research. The SD 13 Survey findings on the wage determination trends were corroborated by workers in the in-depth interviews and the focus group interviews. Here, too, the majority of the workers said that wages were unilaterally set by employers, with the exception of Luvuyo (2 June 2007) who said that workers on the game farm where he worked collectively negotiated wage increases with the employer.

From Luvuyo's (2 June 2007) account, the process of wage negotiations on the game farm between workers and management is characterised by the typical haggling and bargaining. The first point of interest in Luvuyo's (2 June 2007) case, which represents the sentiments of most interviewed workers in the overall sample, is the feeling of "being robbed" by employers. In Luvuyo's (2 June 2007) words, the employer is:

Robbing us because he will say the company decided to give you five per cent. Then we will compare the way we work and the per cent we got from last year; we noticed that the workload is more, but the wage increase is lower than the previous one. In the previous year, we fought for eight per cent and we got that increase. We wanted 10 percent, we fought for 10 percent, and we got the 10 per cent.

While workers were successful in obtaining a 10 per cent wage hike, management retaliated by intensifying work. According to Luvuyo (2 June 2007), when there are wage hikes, the employer:

Will give us more work, and he is expecting us to finish that in one day. When the employer wants to fight with us, he will not fight physically; instead, he will give us more work, when there is a raise. He will also take one worker and make him to act as a manager. He will tell that particular worker to make sure that the work is done quickly.

The above case portrays the inherent clash of interest between capital and labour over the wage-bargain effort.

In moving forward with an assessment of wage determinations, it is important to dwell on agrarian labour's capacity to combine and collectively bargain over wages. In this regard, the Labour Market Commission (2000:13), following in the tradition of heterodox labour market models, argues that "[t]he setting of minimum conditions should not be used as a substitute for collective bargaining. Indeed, minimum standard setting should facilitate the transition to collective bargaining wherever possible". In low-waged sectors where labour is simultaneously unorganised, and where authoritarian labour relations regimes prevail (as in the enterprises featured in this research and shown in chapter 11), the facilitative role or capacity of statutory wage setting in stimulating collective bargaining, requires robust discussion and debate.

Under the totality of the low-waged agrarian labour market, a bedrock of which is an authoritarian labour relations regime, certain necessary conditions, for collective bargaining to take root, have to first be established. Essential and indispensable to the process of agrarian employers abandoning unilateral wage settings in favour of collective bargaining and, in the process, creating the necessary conditions for joint regulation, is undoing the asymmetrical power relations between capital and labour. Crucially, undoing asymmetry in agrarian labour relations entails the complex process of qualitatively strengthening labour's capacity to negotiate and challenge capital. This is no simple feat given the historically weak tradition of trade union organising in the sector; which is both a national and global phenomenon for the agricultural sector. This phenomenon, certainly in the South African context, makes it necessary to assess the ability and potential that statutory minima have in stimulating collective bargaining in relation to pre-existing structures and new structures that arose in the AMW years.

Again, reflections from chapter 11 aid in isolating some of the necessary conditions for collective bargaining to take root at individual enterprise and sector levels. The necessary conditions are inseparably combined and are linked to the nature and composition of production and valorisation in enterprises. The conditions specifically include: the division of labour and the social arrangements associated with the execution of tasks; the relations of production and the labour relations framework that springs forth; the size of the labour force; the presence of internal hierarchies, and the associated relations of production and labour relations approaches; and enterprises' product market positions and nature of integration into the global value chain.

The above factors and conditions work together in uneven ways to exert significant sway in the balance of forces and workers' capacity to combine. Indeed, chapter 10

profiled enterprises in primary agriculture with farm committees and with simple or undeveloped internal hierarchies, where employers and workers had direct contact and interactions. As pointed out, direct contact between workers and employers and the absence of internal hierarchies, combined with other enterprise and sub-sector features and factors, facilitated the formation of collectives in the sample. These trends in agrarian labour's mobilisation efforts raise critical questions about the forms and strategies to organise in the agricultural sector, and in similar sectors which are both low-waged and unorganised or weakly organised.

As established in chapter 10, authoritarian labour relations approaches did not deter workers in certain work settings in the research sample, from collectively engaging employers on working conditions, which also included engagements over wage increases. In certain cases, where workers approached employers through a farm committee to bargain over wages, workers' efforts yielded positive outcomes. For example, on the vegetable farm where Mandile (6 May 2006) worked, the worker-initiated farm committee approached the employer because we "we were not satisfied with our wages", he said. "We had a meeting as a committee", Mandile (6 May 2006) continued, "and we decided to consult with the farmer regarding the issue of our wages". As noted by Mandile (6 May 2006), following this engagement, "there was an increase in our wages from R450.00 fortnightly to R550.00 fortnightly". Another case where workers had set up a farm committee that collectively engaged with the employer around low wages, was on the dairy farm where Ntom (6 May 2006) was employed. At the time of the interview, Ntom (6 May 2006) was earning R570 per month but, from her account, certain workers earned below that amount, prompting workers on the farm to take action. Ntom (6 May 2006) elaborated:

There are other people who are employed on the farm and the farmer used to pay them very low wages. We confronted him about this, and he increased their wages after that. He didn't pay them for working on public holidays and we also asked him about that and he [then] paid them for working overtime.

Even in the absence of farm committees, segments of atypical workers in the sample also approached their employer as a collective to negotiate for higher wages. Nora (12 June 2007), for example, reported that when the vegetable season started in 2007, she and her workmates "discussed our wages amongst ourselves" before approaching the employer. They decided to engage the employer on pay day. Nora (12 June 2007) explained:

We approached him as a group, and we told him that he is paying us far too [low wages]. We approached him when he was busy preparing our payments; everyone was queuing to receive their wages. That's when he was told that we want an increase. Our wage increased from R20 a day to R30.

Despite the unequal power relations, and in the context of informality, the above workers exemplify the capacity for workers to address low wages and employers' willingness to increase the wage rate, albeit on a marginal scale. These cases demonstrate that agrarian labour is not ubiquitously passive and submissive, and that agrarian capital is not homogenously despotic and unresponsive to workers' demands. However, these cases do not detract from the overall unequal power relations and inequalities in bargaining power that pervade the local labour market where the research was conducted. This is demonstrated in the fact that wages in most cases are set at very low levels, and hence workers approach employers for increases from a low wage base. In addition, workers often do not have much say on what the increase ought to be, meaning that employers still have the power to set the new rate.

These cases indicate the need to make a distinction between workers having the capacity to approach the employer to increase their wages, on the one hand; and, on the other hand, the absence of workers' capacity to determine or formulate the monetary value of the increase, which is attributed to the historical absence of collective bargaining in the sector as a whole. In any event, the capacity and confidence to use a farm committee to address unhappiness over wage rates signify a positive shift within the overall authoritarian labour relations regime. But workers' lack of skills in setting the wage increase reflects their weak position and negotiating skills. Ultimately, this set of conditions enables employers to retain control over setting the wage rate, and hence exerting their power over wage determinations.

On the whole, then, employers still retained considerable power in the employment relation which produced various reactions from workers in the research sample, including beyond those discussed above. For example, it was not uncommon for workers to express fear of victimisation and dismissal as reasons for not demanding wage increases from employers, and even complaining about low wages, as pointed out in chapter 11. Thus, Joyce (13 May 2006) said she does not feel confident to speak to the farmer about her dissatisfaction with the R1000 a month she was being paid, since 2004 (see Table 12.4). According to her: "I cannot do anything if we want him to increase our wages. The reason that I cannot take it up with the farmer is because I am scared that the farmer will think that I am the one who causes problems".

This exemplifies a fairly common response from workers about approaching the employer over low wages as well as sub-standard working conditions. Workers' powerlessness not only stems from the absence of their collective power and negotiating skills, as labour's powerlessness to effect changes to wages and working conditions also stems from employers' authoritarian labour relations approach. The unilateral setting of wages in the research sample combined with workers' discontent with wages and the disengaged labour relations found in many enterprises, prompted a significant number of workers in the sample to express the presence of antagonistic relations with the employer. As 56-year-old Sizwe (21 May 2010), a male employed on a permanent basis on a livestock farm, explained: "Generally speaking, workers are not happy. The employer is rude. When workers complain about low wages, he threatens them with dismissals. He doesn't want to engage workers on labour and tenure issues".

Ntombomzi (19 January 2011), an atypically employed woman on a citrus farm, related a similar experience as Sizwe (21 May 2010) when the employer

gets very angry when workers demand higher wages. This ... causes animosity between him and workers. The employer threatens to dismiss workers who demand higher wages. Workers must keep quiet even if they are unhappy about the wages and working conditions in general.

Similar accounts recurred in the interviews. An example is of Kudzi's (2014) experience. Kudzi (7 June 2014), a 21-year-old male, hailed from Zimbabwe and was employed on a citrus orchard in Patensie on an atypical basis. He said that: "[i]f you complain about money, he singles people out and fires them. We're afraid of him because we're far from home so he takes advantage of us. He does not do anything we ask him to, like fix the faulty beds we sleep on".

In many respects, varying degrees of authoritarianism in the labour relations regime facilitate agrarian employers' control over wage determinations and over the wage-effort bargain. The prevalence of heterogeneity in wage setting systems in the various enterprises, as shown in section 122, combined with the widespread absence of collective bargaining over wages, raises questions about the wage levels and the extent of wage variability in the research sample. Attention turns to a selective profile of wage shifts and levels in the research sample, in the next section.

12.4 MINIMUM WAGE, SHIFTS IN WAGES AND WAGE LEVELS

In chapter 5, the history of extremely low wages in the South African agricultural sector was discussed. This historical legacy was one of the key drivers prompting the state to set wages for the sector in the 21st century. As noted in that chapter, prior to the AMW, in 2001 the DoL reported that the monthly average cash wage in the sector was R544 and that considerable variations in the wage rate existed across the agricultural sector nationally. Since the introduction of statutory wages, recent studies on agrarian wages note an aggregate, but differentiated, increase in wage levels from the pre-AMW era (BFAP 2013, Visser and Ferrer 2015). The researcher, as part of a team, found similar trends in an earlier study, on agrarian wages in geographical areas covered in this research (Naidoo *et al* 2007).

From their analysis of wage shifts in selected districts in the Eastern Cape, after the first AMW policy – the sectoral determination number 8 - came into effect, Naidoo *et al* (2007:14) found that at an aggregate level, although variable, “the minimum wage has ... led to a significant rise in gross monthly wages”. This finding is replicated in this research as workers reported differential increases and adjustments to wages in the Makana focus group interviews, the in-depth interviews, and in the SD 13 Survey. However, despite the increases, wage levels of workers in this sample remained low (as may be gathered from the wage data presented thus far), and wages were differentiated as will become clear below.

In this section, a brief profile is offered of shifts in monthly paid wages in pre- and post-AMW periods for workers who participated in the 2006/2007 in-depth interviews. A worker who reported fortnightly wages is included in the wage profile, as fortnightly wages may be doubled to arrive at a monthly wage, for analysis purposes. Interviewees in the 2006/2007 phase of data collection offer precise information on wages prior to and after the inception of the first AMW. This data not only provides a sense of shifts in monthly wages in the pre- and post-AMW periods, but it also sheds light on agrarian capital's responses and reactions to the first statutory wage settings. Workers in particular who were both employed prior to 2003 at the time of the interview, and who were paid on a monthly basis, were selected for the profile on wage shifts in this section. A consideration of the wage profiles of this segment of workers, that is monthly paid workers who had employment with the employer when the interview was conducted, makes it possible to reflect with more precision on wage movements before and after the first AMW came into force, by allowing the researcher

to consistently track actual monthly wages before March 2003 to March 2007. Hence, workers who reported hourly and daily rates of pay and who were employed at the workplace after 2003 are excluded in the wage profile in this section.

A greater number of workers in animal husbandry were monthly paid and obtained employment prior to 2003, compared to horticultural workers, who mostly reported daily wages and hourly rates of pay, as well as becoming employed at the workplace after 2003. The assessment of workers' wages, in this research, is divided into two broad areas. One area looks at wage shifts in 2003, when the AMW was first implemented as well as wage adjustments in following years in the two-tiered MW fixing system. The data used in the discussion for this area is drawn primarily from the 2006/7 in-depth interviews. The second area examines wage adjustments under the single MW fixing system where discussion focusses on wage shifts in the SD 13 Survey. The assessment starts with a scan of wage movements when the first AMW policy was introduced by assessing pre- and post-AMW shifts, between 2002 and 2007. Wages are presented for successive periods within the interval or time frames of annual adjustments to prescribed rates. The broad patterns in wage adjustments detected in this period resonate in the data generated in later research periods, as will become more evident in this chapter and in chapter 13.

To orientate the discussion and assessments of shifts in actual wages in relation to prevailing statutory rates, the prescribed rates between March 2003 and February 2008 are shown in Table 12.2, as these years correlate with the 2002 to 2007 period of the research.

For presentation purposes, wage data in this research is arranged in two tables, tables (Tables 12.3 and 12.4), depicting different pre-AMW wage levels for monthly paid workers. Wage data does not appear for all selected workers for all periods, as wage rates are recorded for March 2006 to February 2007 for certain workers, and March 2007 to February 2008, for others interviewed. This is due to the timing of the in-depth interviews wherein certain workers were interviewed after March 2006 and others after March 2007. In the latter's case, wages are registered for March 2007 to February 2008 period. All the same, Table 12.3 demonstrates wage shifts for a selection of workers who earned below R500 per month before the AMW became binding, with the second table (Table 12.4) showing wage shifts for workers who earned R500 and above per month for the same period. The presentation of wages into below R500 per month and R500 per month, brings the extent of low wages in the sample to the fore,

before the AMW became binding, and the two sets of wages highlight variabilities in wage adjustments in relation to the AMW.

Table 12.2: Monthly agricultural minimum wage rates, March 2003 to February 2008

Minimum Wage Period	Monthly Wage Area A	Monthly Wage Area B
March 2003 – February 2004	R800	R650
March 2004 – February 2005	R871.58	R713.65
March 2005 – February 2006	R949.58	R785.79
March 2006 – February 2007	R994	R885
March 2007 – February 2008	R1041	R989

Source: Adapted from DoL.

A comparison of actual wages of workers in 2002 (depicted in Table 12.3) with the first prescribed setting of wages in 2003 (shown in Table 12.2), reveals the extent of low wages for workers in the sample, and the gap between actual wages and the prescribed rates. Wages in 2002 were well below the 2003 prescribed rates for both Area A, where the monthly wage was R800, and the R650 for Area B. Indeed, Table 12.3 depicts extremely low wages among workers before 2003, hence prior to the inception of the AMW, as well as the prevalence of uneven wage shifts after its inception.

Table 12.3: Wage shifts for workers who earned below R500 PM before the AMW

Wage Period	Peter (Livestock)	Zola (Livestock)	Maria (Game)	Robert (Livestock)	Ntom (Dairy)
2002	R150	R185	R250	R315	R 440
March 2003 – February 2004	R250	R285	R650.00	R4.25 P/H (Not sure)	450
March 2004 – February 2005	R300	R385	R850.00 (Not sure)	Not Sure	R500 (Not sure)
March 2005 – February 2006	R400	R385	R1050	R730	R550
March 2006 – February 2007	R800	R485	R1050	R888	R570
March 2007 – February 2008			R1300		

Source: 2006/2007 In-depth Interviews.

The low wages depicted in the table (Table 12.3) have different triggers in the respective worksites but have a common source or base – that is, the authoritarian labour relations regime, as discussed in chapter 11. A trigger that combines with this type of labour relations framework to render workers weak in relation to employers, is the length of the working day. In this respect, underemployment, as discussed in chapter 7, is a key contributor to low wages. This set of factors, in part, explains low wages for workers such as Ntom (6 May 2006). This may also explain sub-minimum wages, due to the fact that workers laboured limited hours in the day, and therefore could not earn the monthly prescribed rate. Working hours and wages are deliberated on in chapter 13.

However, wages for Peter (14 May 2006) and Zola (7 May 2006) were sub-minimum, even though they both worked above the 45-hour work week, making them eligible to earn the mandatory wage. Peter (14 May 2006) should have earned R650, and Zola (7 May 2006) R800 in 2003, after the AMW came into force. Instead, they earned well below the prevailing prescribed rates for the respective areas. Although he was uncertain of his wage, Robert's (13 May 2006) hourly rate in 2003 (R4.25) was marginally above the prescribed hourly rate for Area A (where his place of employment was situated) of R4.10 cents. Maria's (12 June 2007) wage increased to the statutory wage prescribed for Area B, where her employment was located. In general, Table 12.3 paints a patchy picture of compliance with the prescribed rates in the various cycles of wage adjustments, on account of employers' uneven wage adjustments. However, despite the variances in wage hikes and the uneven compliance with prevailing rates, it is clear from Table 12.3 that the first AMW had a positive outcome for workers who earned below R500 per month, as evident in the wage hikes in the respective periods.

Table 12. 3 shows a significant gap between pre-AMW levels and the prescribed rates for the 2003 rates for Area A (R800) and Area B (R650). To illustrate: Peter's (14 May 2006) 2002 wage was more than four times lower the prescribed rate for Area A and more than three times lower the rate for Area B. The Area A and Area B rates were more than three times higher and more than double Zola's 2002 wage, respectively. In the early post-AMW period, wages improved by some margin from the pre-AMW levels for most workers who earned less than R500 per month, ranging from double to over five times. In the first year of implementation (2003), wages for these workers increased by a significant per cent for most in the sample. For example, in 2003 Peter

(14 May 2006) had a 67 per cent wage hike in his 2002 wage, from R150 in 2002 to R250 in 2003. His 2006 wages (R800) increased more than five times from the 2002 wage level. Likewise, Zola's (7 May 2006) 2002) monthly wages, of R185, increased by 54 per cent in 2003 to R285, and his wages in 2006 (R485) is more than double his pre-AMW wage. Maria (12 June 2007) experienced the highest wage hike when her wages rose by 160 per cent from R250 in 2002 to R650 per month in 2003. Her 2008 wage (R1300) is more than five times her 2002 wage. Meanwhile, Robert's (13 May 2006) 2006 wage (R888) is more than double his 2002 wage. Just Ntom (6 May 2006) had insignificant wage increases to her pre-AMW as her 2002 rose by 2.27 per cent in 2003, from R440 to R450 per month, and her 2006 wage of R570 per month is roughly 30 per cent more than her 2002 wage.

While wages of workers, in the table, increased (disproportionately), compliance with the AMW was still not even. So, while Zola's (7 May 2006) wage increased over the years, by 2006 he was paid below the prescribed minima for both areas. By 2006, in contrast, Robert (13 May 2006) earned marginally higher than the prescribed rate for Area A, and Maria (12 June 2007) earned more than the mandatory wage by a higher margin compared to Robert (13 May 2006). Maria (12 June 2007), as noted, worked in Area B, but her wage in 2006 was higher than the prescribed rate for Area A, as she earned R1050 (when the rate for Area A was R994, and R885 for Area B). Moreover, Maria's (12 June 2007) wage continued to be higher than the prescribed minima in the following year.

On a general level, for these workers, it is apparent that the AMW stimulated adjustments to the wage rate which led to improvements in wage levels. Wage hikes did not always correspond with the prescribed rates. From this data, it is clear that the AMW had a positive, albeit uneven and at times marginal, outcome on wage levels for workers who earned extremely low or sweated wages in this research.

Clearly, wage adjustments of workers in the in-depth interviews provide a glimpse into individual employer responses to mandatory wage increases and wage setting. Through an examination of workers' wage increases, the profound unequal power relations and inequalities in bargaining power is exposed in each worker's case. Also noteworthy is that a few workers were uncertain about their wage levels in particular periods, after the introduction of the AMW, thereby reflecting workers' subservient positions in the employment and labour relations set-up in the enterprises. Table 12.3 shows that employers' responses were mixed and "cloudy", with some level of wage

convergences and some level of variability, across the different worksites. On the one hand, and in certain periods, there was wage compression; on the other hand, wage variabilities appeared in different AMW hike cycles.

Unlike wages below R500 per month, which concentrated in the animal husbandry sector in the sample, Table 12.4 shows pre-AMW wages of R500 and above for both animal husbandry and horticultural sectors. Also, unlike workers who earned below R500 per month, prior to the inception of the AMW in 2003, actual monthly pre-AMW wages above R500, displayed in Table 12.4, show that the gap between the pre-AMW in most cases and the prescribed rates of R800 (Area A) and R650 (Area B) was not significant.

Table 12.4: Wage shifts for workers who earned R500pm and above before the AMW

	2002	March 2003 - February 2004	March 2004 - February 2005	March 2005 - February 2006	March 2006 - February 2007	March 2007- February 2008
Vumile *(Mixed)	R500	Not sure	Not sure	Not sure	R775.80	R813.74.
Mildred *(Mixed	R500	R700	R700	R782	R800	-
Nelson (Dairy)	R600	R800	R1000	R1200	R1300	-
John (Livestock)	R600	R700	R800	R800	R900	R900
Eric (Vegetable)	R600	R700	R780	R800	R885	-
Khaya (Game)	R650	R750	R850	R900	R1000**	-
Zamxolo (Game)	Between R600-700 (Not sure)	Not sure	Not sure	Not sure	R1200	R1300
Joyce (Dairy)	R700	R800	R1000	R1000	R1000	-
Mandile (Vegetable)	R700	R800	R800	R900	R1100	-
David (Peaches)	R700	R600	Between R720.00- R750.00	R800	R920	R1100
Colin (Livestock)	R800 (Not sure)	R900 (Not sure)	R1000 (Not sure)	R1100 (Not sure)	R1300 (Not sure)	R1700
Luvuyo (Game)	R1200	R1280	R1500	R1560	R1720	R1840

Source: 2006/ 2007 In-depth Interviews.

*Mixed farming involving citrus and livestock

**Depending on commission and overtime

Wages of R500 per month is approximately 60 per cent below Area A rates and 30 per cent below Area B rates; R600 per month is roughly 33.33 per cent lower than Area A wage and 8.33 per cent below Area B rates; and R700 per month constitutes 87.5 per cent of Area A monthly rate and is 7.14 per cent more than Area B MW of R650. It is, therefore, argued that the insignificance gap between actual pre-AMW wages and the first AMW settings reflect the low settings of the initial wage fixing.

With the exception of Vumile (11 August 2007) and Mildred (11 August 2007), who earned R500 per month on mixed horticultural and livestock farms before the AMW came into effect, actual wages for other workers were closer to the mandatory rates – with wages registering mostly in the R600 to R700 per month brackets, and two workers reporting pre-AMW wages which were either on par or higher than the rates prescribed by the state in 2003. More specifically, Colin (12 June 2007), who was employed on a farm in Area B, earned a monthly wage of R800 in 2002, which was the prescribed rate for Area A in 2003; and Luvuyo (2 June 2007) was paid R1200, which was 50 per cent more than R800 and over 80 per cent more than the Area B wage. He worked in an area classified as A. With this pre-AMW wage, Luvuyo (2 June 2007) earned the highest of all workers featured in the table.

Table 12.4 depicts a recurrence of broad wage convergences, fused with levels of variability, for workers who earned R500 and above before the AMW was introduced in 2003 (as was found for those who earned below R500 per month, seen in Table 12.3). Pre-AMW wage convergences are identified in the similarities in wages across sub-sectors in animal husbandry and horticulture. As may be gathered from Table 12.4, common monthly wages in the animal husbandry and horticulture sectors fell between R600 and R700, before the AMW came into force. However, wage variations are also evident between and within the animal husbandry and horticultural sectors. Regarding wage differentiations at sector level, pre-AMW wage variances are evident, in that the highest wage reported in the horticultural sector was R700 while the highest reported wage in animal husbandry was R1200.

Pre-AMW wages for workers in animal husbandry farms tended to concentrate in the R600 wage range. The wage dispersion was narrow among these workers, compared to those employed in the animal husbandry sector who earned below R500 a month in the pre-AMW period (see Table 12.3). Wage compression at around R600 and R700 implies that employers were paying more or less the same rates across most sub-sectors in the animal husbandry research sample. Of note, are outliers – the single

worker on a game farm who earned over R1000, that being Luvuyo (2 June 2007) who earned R1200 per month, and Colin (12 June 2007) who earned R800, before the AMW came into force. The higher wages for Luvuyo may be attributed to product market conditions (as discussed in chapter 8) and the presence of a union on the game farm (as discussed in the previous section). In the case of Colin (12 June 2007), the higher wage, relative to others in the sample, may be due to the size of the labour force, as livestock employers generally rely on few workers, compared to other animal husbandry and horticultural sectors. Labour costs in these cases may not be as high, thereby making it easier for employers to pay higher wages.

As pointed out earlier, in terms of wages for horticultural workers and for those who worked in mixed horticultural and animal husbandry enterprises, pre-AMW wages below R500 per month did not register in this research. Hence, monthly wages for horticultural workers in this sample, before the arrival of the AMW, were higher than wages for animal husbandry workers displayed in Table 12.3. As illustrated in Table 12.4, wages in 2002 for horticultural workers and those employed on mixed farms fell in the R500, R600 and R700 per month wage ranges. Workers employed on mixed farms reported the lowest wage in 2002, as in the cases of Vumile (11 August 2007) and Mildred (11 August 2007) who both earned R500 per month. However, broad convergences are discernible in monthly wages in 2002 for those animal husbandry and horticultural workers earning in the R600 to R700 range. So, while horticultural workers did not earn as low as certain animal husbandry workers in this sample, horticultural workers did not earn as high a wage as certain workers in the animal husbandry sector. This was also found in later periods in the research, as will be shown in chapter 13.

Compliance with prescribed rates appeared to be stronger for the category of workers in Table 12.4, compared to workers in Table 12.3. Most workers (earning R500 or more) were employed in areas classified as Area B, where lower rates were prescribed, and most of these workers earned above the R650 per month. Eric (14 May 2006) and David (2 June 2007), however, are the exceptions as they earned sub-minimum wages, because they were employed on farms that are located in areas classified as Area A, and hence they should have earned R800 per month in March 2003. Yet, as depicted in Table 12.4, they earned below the prescribed wages at the time. David (2 June 2007) in fact reported a decline in wages below both prescribed rates, in 2003. Joyce (13 May 2006) earned the prescribed AMW as she was employed

on a farm in Area A. It appears that agrarian employers in Area B tended to pay higher than the prescribed rate for such areas, and at times paid higher than the rate for Area A. Colin (12 June 2007), who worked on a farm in Area B, typifies this as he earned R900, although he expressed some level of uncertainty about the level of his wage. In this light, it might be argued that the AMW rates were set at such low levels that agrarian employers in certain sub-sectors were in a position to pay variably higher rates above the prescribed rate, in enterprises classified as Area B. Employers located in areas classified as A tended to pay sub-minimum wages and, as pointed out in chapter 11, it was common for agrarian employers to claim that their farms fell under Area B, in order to avoid paying the higher AMW rate.

Precisely because actual pre-AMW wages were close to the prescribed rates, wages for workers in the above R500 per month, as depicted in Table 12.4, did not increase by a considerable margin from 2002 to 2006/7 in relation to the monthly AMW settings, as seen for workers listed in Table 12.3. For example, in 2003, Mildred's (11 August 2007) wages increased by 40 per cent from R500 in 2002 to R700, and her 2006 wage (R800) is a 60 per cent increase of her 2002 rate. Nelson's (6 May 2006) 2002 wage (R600) increased by 33.33 per cent to R800 in 2003 and it (2002 wage) more than doubled by 2006 when he earned R1300. John (21 June 2007) and Eric (14 May 2006) had slight increases in 2003 when their 2002 wages (R600) increased by 16.66 per cent to R700. By 2007, John (21 June 2007) was paid R900, which is 50 per cent more than the 2002 rate, and by 2006, Eric (14 May 2006) was paid R885, which is a 47.5 per cent hike on his 2002 wage. Similarly, Khaya's (13 May 2006) 2002 wage increased by 15.38 per cent, from R650 to R750, in 2003, and by 2006 it increased by 53.84 per cent, to R1000 per month.

As Table 12.4 shows, wage increases in 2003 for workers who earned R700 and above was lower, the closer the 2002 wage was to the prescribed rates. For example, wages for Joyce (6 May 2006) and Mandile (6 May 2006) increased by 14.3 per cent, from R700 in 2002 to R800 in 2003. Colin's (12 June 2007) estimated wage (R900) in 2003 represents a 12.5 per cent increase on his 2002 wage (R800), which had more than doubled by 2007 when he was paid R1700 per month. With the highest wage in the sample, prior to the implementation of the AMW, Luvuyo's (2 June 2007) wages increased by 6.66 per cent, from R1200 in 2002 to R1280 in 2003. By 2007, Luvuyo (2 June 2007) earned R1840, which is over 50 per cent of the 2002 wage. In contrast to most workers who received wage hikes in 2003, David (2 June 2007) had a

reduction in wages by 14.28 per cent from R700 in 2002 to R600 in 2003, and by 2007 he earned roughly 49 per cent more than his 2002 wage.

While a level of wage compression is evident for workers earning R500 or more per month (Table 12.4), the above data shows that wage increases varied (as different rates applied to workers), with wage increases in 2003 ranging between 6.66 per cent and 40 per cent and wage increases ranging from 47.5 per cent to 60 per cent from the 2002 to the 2006/7 wage. Variability in wage hikes depicts heterogeneity in employer responses to the AMW. Adding to the varied employer responses is that, for certain periods, a few workers did not receive annual increases. John (21 June 2007) and Joyce (6 May 2006) as well as Mildred (11 August 2007) and Mandile (6 May 2006), exemplified zero wage hikes in certain years. All four worked in different sub-sectors in the animal husbandry and horticultural sectors, thereby indicating the significance – for wage-setting processes – of broad socio-political relations in the low-waged local labour market that transcend sub-sector imperatives. This suggests that agrarian capital is able to use its position of power in the respective workplaces to withhold wage increases.

Overall, however, the pre-AMW below and above R500 per month wage levels signal a wide wage dispersion between extremely low wages and higher levels. Apart from wage variances at broad sector level, differentiations in pre-AMW wages are discerned within the two sectors. To illustrate: consider the wage patterns for workers in the same sub-sector, as in the cases of Zola (7 May 2006) and Colin (12 June 2007) who were both employed on different livestock farms in the Makana area. In the year prior to the AMW, Zola earned R185 a month. His monthly wage increased to R485 in the March 2006-February 2007 period. Although Colin (12 June 2007) was not sure what his exact wage was, he estimated his wage to be R800 before March 2003 and, in the March 2006-February 2007 period, his wage increased to R1300: considerably more than Zola's (7 May 2006) wages for the same period. Peter's (14 May 2006) case is a further example illustrating the extent of variable patterns to wage shifts, as he earned the lowest wage (R150) in the pre-AMW, but it increased to R800 in March 2006-February 2007 through comparatively higher wage hikes (especially in the March 2006-February 2007 period). Similar patterns of heterogeneity in wage shifts may be discerned for workers on the dairy farms when wage adjustments for Ntom (6 May 2006), Joyce (13 May 2006) and Nelson (6 May 2006) are considered. The dairy farms also reveal the gendered pattern that wage shifts can take, when comparing the wage

increases of Nelson (6 May 2006) with that of Joyce (13 May 2006) and Ntom (6 May 2006).

The overall findings demonstrate the presence of wage variances among workers with similar job functions, or who work in the same sub-sector. This in turn indicates the control that individual employers held in adjusting wages when the AMW was first introduced while, at the same time, selectively adjusting wages within the prevailing rates. Subsequently, variances in wage adjustments show the mixed and uneven wage outcomes for workers that followed in the first years of the AMW (and beyond, as will become evident in the next chapter). Over and above patterns of wage convergence and variability in the research sample, the tables also reveal the sub-sectors with a greater propensity for low wages, before and after the inception of the AMW. In this regard, the livestock and horticultural farms registered the lowest wage levels; conversely, game and dairy farms recorded workers who were paid higher wages. This sub-sector dimension to wage levels broadly resonates with findings in the Naidoo *et al* (2007) study and was borne out to certain degrees by the SD 13 Survey. Attention turns to wages in the SD 13 Survey in the next chapter.

12.5 CONCLUSION

This chapter dealt with wages in the sample, wherein it was shown that the overwhelming majority of workers earned a cash wage, and a marginal percentage received part of the wage in rations. The provision of rations was deliberated upon, whereupon workers' unhappiness with the practice, and their preference for full cash wages, was pointed out. However, authoritarian labour relations in enterprises led to agrarian employers unilaterally setting wages, without collectively bargaining with workers, but within the parameters of the AMW setting. Although the AMW sets the wage floor, the absence of collective bargaining over wages, for the overwhelming majority of sampled workers, meant that employers set wages unilaterally. An insignificant number of workers in the SD 13 survey reported engaging in individual wage negotiations with the employer, and fewer still bargained over wages through a trade union. Agrarian employers, by and large, retained the power to determine wages, in the presence of the AMW. Contrary to the views of the Labour Market Commission (1996), the ASD did not stimulate collective bargaining over wages, precisely because of the overall authoritarian labour relations regime. The continuity in the absence of collective bargaining, therefore, raises critical questions about the facilitative role of

the AMW and the ASD in stimulating collective formations of agrarian labour that are robust enough to negotiate with agrarian capital and lobby the state for higher statutory settings.

The question of collectivisation of agrarian labour, the conditions that stimulate such formations, appropriate forms of collective structures and capacities to bargain, gain heightened significance when consideration is given to the wage struggles that workers reported in the research. As the chapter showed, despite the authoritarian labour relations approach, workers in particular enterprises took steps to either enforce the AMW or demand higher wages. However, such acts were not consistently reported and, as they revolved around enforcing the AMW or irregular demands for higher wages, such acts do not constitute collective bargaining over wages.

The chapter concluded with a display of wages for workers interviewed in the 2006/2007 in-depth interview phase, in order to provide a sense of wage shifts when the first AMW was set in 2003. At an overall level, wages in the sample increased unevenly in the sample. It is clear from the data that the AMW had a positive, but uneven, impact on wages, as it had the greatest impact for pre-AMW wages below R500 per month, with variable positive impacts on pre-AMW wages that were R500 and above per month. The data also revealed that the lowest paying sub-sector is the livestock sub-sector, an anchor sub-sector in this research. In addition, sector and sub-sector convergences and variations were discerned in pre- and post-AMW wages. This means that wage increases were variegated, with several workers reporting no wage increases for certain years.

Compliance rates for the AMW were also highlighted, where it was found that compliance with the prescribed rates tended to be stronger in areas classified as B (where lower rates were prescribed) than areas classified as A, in terms of the first ASD – SD 8. In fact, the evidence demonstrates that certain workers in Area B earned higher than the prescribed rate for Area A and, because of low compliance with the prescribed rate in Area A, such workers earned higher wages than their counterparts in Area A in the sample. These trends reinforce two salient points featured throughout this thesis – one is the obstacles that the overall authoritarian labour relations regime places on significantly increasing agrarian wages, and other is the low rates at which the AMW were set. The low rates of the first AMW are clearly visible in the fact that many workers in the 2006/2007 in-depth interviews earned just under or above the prescribed rates set for Area B. In addition, the fact that employers in Area B paid

higher than the prescribed monthly rate is testimony to the low mandatory settings. This raises a critical question pertaining to the future pattern of actual agrarian wages in relation to the AMW. This is explored in the next chapter, where the spotlight falls on a particular wage cycle, in the SD 13 Survey.

CHAPTER THIRTEEN

AGRARIAN WAGES IN RELATION TO THE AGRICULTURAL MINIMUM WAGE: MARCH 2011 TO FEBRUARY 2012

13.1 INTRODUCTION

The previous chapter dealt with the form and cash composition of pay in the research sample and demonstrated the widespread absence of collective bargaining over wages. The chapter also sketched early movements and shifts in actual wages of workers when prescribed wages first came into force, and when a two-tier wage system prevailed. In so doing, the chapter laid the basis for the discussion of wages in this chapter. As chapter 12 showed, actual wages increased unevenly when the AMW came into effect, and wage increases were broadly within the prescribed rates set in the two-tier system. The aim of this chapter is to examine actual wage levels in the sample in relation to the prevailing prescribed statutory wage setting, in later years under a single statutory wage system. This aids an understanding of overall wage patterns and trends and the dispersion of wages, in relation to the prevailing AMW rate, of sampled workers. In chapter 5, national agrarian wages in the post-AMW phase were painted in broad brush strokes.

This showed a simultaneous increase in actual wages in the sector, alongside a long-term decline in labour costs resulting in an overall devaluation of wages. For the most part, aggregated median agrarian wages in the post-AMW period were not significantly higher than the prescribed rates leading to the proposition (made in chapter 5) that wage inertia in the agrarian sector may have developed, where wages are adjusted to either slightly higher or lower than prescribed rates.

The wage data profiled in this chapter supports the notion of wage inertia identified at a national level. This reflects, on the one hand, the role and power of statutory wages and, on the other hand, the role and power of agrarian capital in setting actual wages. At the same time, wage inertia in the research sample tells a tale of agrarian labour's weakness in raising the wage above the rate, in a significant and widespread fashion. The identified wage trends in this research appear to be in accordance with national

agrarian wage patterns, with the March 2011 to February 2012 cycle (discussed in this chapter) coinciding with the wage period discussed in chapter 5.

The force that the AMW had in shaping actual wage levels in the sample poses challenges for neoclassical economics' assumptions about how wages are set, and what wages reflect. Wage settings close to the AMW rate show the combined force of socio-political and economic forces in conditioning the actual wage, and this goes contrary to the neoclassical model's assumption that wages are shaped purely by market forces and supply and demand forces, and that employers set wages purely on economic considerations and factors. The fact that actual wages in the sample were close to the AMW setting means that socio-political factors exert a profound influence over wage-setting processes and actual wages.

As discussed in chapter 2, neoclassical economics maintains that wages are reflections of workers' productivity and their contribution to production, in accordance with the notion of the marginal productivity of labour. On this basis, they argue against MW policies and collective bargaining processes, which are seen as interfering with the 'natural' ways in which wages are set, that is, through the laws of supply and demand in the labour market. The wage discussion to follow, combined with the data (presented in chapters 7 to 12) on the nature of employment, the nature of agrarian work, the social relations of production and the asymmetrical power relations in the agrarian capital-labour bond (that resulted in low wages for sampled workers), however, paint a different picture of agrarian wage setting from the asocial and apolitical approach used by the neoclassical economic model. The data presented thus far, and data on wage levels presented in this chapter, reveal the narrow and flawed assumptions of wage settings as held by neoclassical economics.

Key methodological matters must be cleared early in the discussion, pertaining to the use of the sample frame used in this chapter. In an attempt to provide an aerial view of wages in the research sample, wages for one AMW cycle, the period between March 2011 and February 2012, is used to demonstrate pay periods and gross wage levels reported by workers in the SD 13 Survey. The March 2011 to February 2012 cycle was selected from the SD 13 Survey because this period recorded a greater percentage of workers in the sample who were employed at the time of the interviews. In other words, of the 501 workers interviewed in the SD 13 Survey, 424 workers (comprising 85 per cent of the SD 13 Survey sample) were employed in the March 2011 to February 2012 period. Although the wages discussed are for one period, the

broad wage patterns and trends replicate and prevail in other periods, preceding and following the March 2011 to February 2012 period. Hence, key work arrangements, structures and relations determining and regulating wage settings, in the March 2011 to February 2012 period, are common to other periods.

Despite annual adjustments to wages in other periods, it is possible to use the data on wage settings for the March 2011 to February 2012 period to get an insight into wage determinations in the enterprises that employed sampled workers, and the outcomes for the various segments of workers, for the other time periods covered in this research. The March 2011 to February 2012 wage period, therefore, typifies key structures and relations determining and regulating wage settings, and wage movements in the context of the AMW, in the research period from 2010 to 2014.

However, before engaging with wages in the SD 13 Survey, wage analysis must be contextualised with respect to pay cycles (see below) and working hours. When considering the data, clear indications surface that show that working hours, or the length of the working day/week, forms one of many factors that shape agrarian employers' decisions on wage settings. Seeking to correlate wages to working hours exposes various dimensions of agrarian wage setting to scrutiny; and this allows for a more nuanced understanding of contemporary agrarian wages in the presence of statutory wage fixing. This approach to examining wages enables a deeper appreciation of agrarian employers' propensities to (unevenly) combine and apply pre-existing (or old) employment conditions and relations with new forces and institutional arrangements, in the setting of wages and working hours. This, in turn, facilitates an enhanced appreciation of the contradictory outcomes of statutory wage settings with reference to employment and labour relations approaches.

Teasing out the length of the working day, and tying working hours to wages, also allows the gender dimensions of working hours and rates of pay to surface. The data will show that women tended to work below the ordinary 45-hour working week (set out in the ASD), and they were concentrated in the lower rungs of the wage scale, relative to men in the sample. At the same time, the research findings reveal levels of wage parity for women and men, which is the result of the AMW. In this light, it may be argued that the AMW did play a role in corroding gender wage inequalities to some extent. It is important to note, however, that sub-sector and enterprise level dynamics shape the gendered pattern of agrarian work and the length of the working day for female and male workers. In this regard, this chapter also provides an overview of the

sub-sector breakdown of weekly working hours and pay cycles in the animal husbandry and horticultural workplaces.

The wage profiles in the chapter will also show wage convergences and divergences across different working times and across sub-sectors. This means, for example, that a strong tendency prevailed in the data in which workers who worked shorter hours were paid in the same or similar wage bracket as their counterparts who had extended working hours. As will be argued, the fact that agrarian employers paid workers (who worked below the 45-hour working week) close to the prescribed AMW, raises questions: including about the considerations taken into account when the wage rate is set against employer affordability to pay higher wages, and in relation to protecting the value of agrarian labour-power through a decent wage above the subsistence wage. In this regard, it is important to bear in mind the overall levels of subsistence of agrarian labour (portrayed in chapter 8) which, as indicated, stimulates thinking on the value accorded to agrarian labour power by both the state and agrarian capital.

Correlating the length of the working day/week to wages is also crucial to the subject of compliance and non-compliance with the prevailing wage rate⁶⁸. Compliance with the prevailing rates can be accurately reflected upon, only when considered in relation to the 45-hour and above working week. Given the level of wage inertia identified, the data will show an overall pattern of compliance with the rate, but a fair level of non-compliance with the prescribed rates of pay for hours worked. Linking wages to working hours, therefore, provides the platform to understand the combined power that the AMW and agrarian capital command in setting the rate of pay, simultaneously demonstrating agrarian labour's weakness in pushing wages beyond the prescribed setting. Linking wages to pay cycles also requires investigation.

Set in this context, the chapter opens with section 13.2 where background information is presented on worker demographics with respect to pay cycles, wherein wage earnings are separated into the intervals at which workers were paid, that is, when workers received their wages – which could be weekly, fortnightly or monthly. Taking the above into account, the profile of wages that follows (in section 13.3) is organised and clustered along cycles or intervals of pay and working hours, disaggregated

⁶⁸ Compliance and enforcement are other key aspects of a MW that are under-researched, especially in low-waged and unorganised labour markets. However, there is emerging interest in these subjects, as scholars bring to the fore the multifaceted nature of enforcement, including government capacity and forms of sanctions for non-compliant employers; for example, Skidmore (1999, 2000) and Weil (2005). Yaniv (2001, 2004, 2006) examine the economic costs and losses of compliance and non-compliance, the drivers that shape employer choices either way, and the outcomes for employment.

according to sex and employment contracts. Wages are profiled for monthly and fortnightly pay cycles, due to their dominance in the research sample. As the section deals with wages according to different weekly working hours, section 13.3 is arranged into four sections. So, in section 13.3.1, wages of monthly-paid workers who worked below 40 and between 40 and 44 hours per week are profiled, followed in section 13.3.2 with a profile of wages of fortnightly-paid workers who worked below 40 hours and between 40 and 44 hours per week. In section 13.3.3, wages of monthly-paid workers who worked 45 hours and above per week are displayed and, in the final part (section 13.3.4), wages of fortnightly-paid workers who worked 45 hours and above per week are discussed. In section 13.4, the link between wages and jobs across the various sub-sectors and working timebands are noted as a way of drawing the discussion on wages to close. The chapter concludes in section 13.5.

13.2 PAY CYCLES AND WORKING HOURS

Pay periods, cycle of pay, or intervals of pay – that is, when workers received their wages – were distinguished along three cycles, viz. weekly, fortnightly and monthly. Intervals of pay in the sample pre-date the AMW. Table 13.1 illustrates the distribution of the 424 workers across the three pay periods. A marginal number of sampled workers, at 24 (accounting for 5.66 per cent), received wages on a weekly basis, while the majority (299, or 70.52 per cent), followed by 101 (accounting for 23.82 per cent of the 424 workers), were paid on a monthly and fortnightly basis, respectively. From this data, it is clear that a weekly paid pay cycle is insignificantly represented in the sample of 424 workers in the March 2011 to February 2012 cycle. For this reason, wage analysis in the chapter will showcase monthly and fortnightly wages, and not weekly wages.

Table 13.1: Pay periods for workers, March 2011 to February 2012

Pay Cycles	All workers			Permanent workers			Atypical workers		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Monthly-paid workers	90	209	299	60	170	230	30	39	69
Fortnightly-paid workers	55	46	101	11	21	32	44	25	69
Weekly-paid workers	19	5	24	2	2	4	17	3	20
All workers	164	260	424	73	193	266	91	67	158

Source: SD 13 Survey.

The 260 male workers dominated the sample as they account for 61.32 per cent of the 424 sampled workers, and the 164 women comprise 38.68 per cent of the sample. Just over 80 per cent (80.38 per cent) of the male workers are monthly paid. Of the 260 men, 193 (or 74.24 per cent) were employed on permanent employment contracts: 88.09 per cent of these were monthly paid, 10.88 per cent were fortnightly paid, and 1.03 per cent were paid on a weekly basis. The remaining 25.76 per cent of male workers were employed on atypical contracts: 58.22 per cent were paid on a monthly basis, 37.31 per cent received a fortnightly wage, and 4.47 per cent were paid on a weekly basis. It is evident that the majority of men, on permanent and atypical employment contracts, received their wages on a monthly basis.

Just over 50 per cent (54.88 per cent) of the female workers were paid on a monthly basis, far less than the male workers. In contrast to a higher presence of permanent employment contracts among male workers in the sample, most women held atypical contracts. As such, of the 164 women, 55.48 per cent were employed on atypical contracts. Of these women, 32.96 per cent were paid a monthly wage, 48.36 per cent received fortnightly wages, and 18.68 per cent received weekly wages. A lower percentage of women, therefore, comprising 44.52 per cent, held permanent employment contracts. However, 82.21 per cent of women with permanent employment contracts received a monthly wage, 15.06 per cent received fortnightly wages, and 2.73 per cent were paid weekly.

This data shows greater variations for pay cycles and employment contracts for female workers on permanent and atypical employment contracts, compared to male workers discussed above. This is borne out by the greater number of women in the sample, compared to men, who were on atypical contracts (55.48 per cent of women, compared to 25.76 per cent of men). Further, a significant percentage of female atypical workers (48.36 per cent) received fortnightly wages, contrasting with pay intervals for the 25.76 per cent of atypically employed male workers – as a majority (or 58.22 per cent) of these workers were paid on a monthly basis. Additional gender variances, in so far as employment contracts and pay cycles are concerned, emerge in Table 13.1 when reflecting on worker demographics in the weekly paid cycles. As may be gleaned from Table 13.1, 79.16 per cent of weekly paid workers were women; and the overwhelming majority (89.47 per cent) of these weekly paid women were atypically employed. In contrast, male workers account for 20.84 per cent of the weekly paid in the sample; and 60 per cent of these men held atypical employment contracts and 40 per cent held permanent contracts.

This sample therefore emulates the broad patterns with regard to the gendered patterning of agricultural work, with women's absorption into jobs that are offered on atypical contracts of employment. Although the percentage of women on permanent employment contracts was lower than female atypical workers in the sample, the majority of permanent female workers received a monthly wage. Hence, at an overall level, permanent employment contracts correlated with monthly pay cycles for both women and men; although there was a strong tendency for women in the sample to hold atypical employment contracts and receive fortnightly wages. The gender and employment contract disparities in the data are enhanced when worker demographics are disaggregated further for the respective pay cycles set out in Table 13.1.

As Table 13.1 depicts, male workers dominated in the monthly paid category with 209 (or 69.90 percent) of the 299 monthly paid workers in the sample, while the 90 women account for 30.10 per cent of the 299 monthly paid workers for the period under review. Permanent workers account for 76.93 per cent of monthly paid workers, significantly higher than monthly paid atypical workers, who account for 23.07 per cent of monthly paid workers in the March 2011 to February 2012 AMW cycle. Due to their overall dominance in the monthly pay cycle, male workers – compared to female workers – constitute a greater percentage of workers who received a monthly wage in the period under review.

In contrast, in the fortnightly paid sample of 101, women workers dominate, accounting for 54.46 per cent, compared to 45.54 per cent for men. Atypical workers who received a fortnightly wage account for 68.32 per cent of fortnightly paid workers, whilst 31.68 per cent of fortnightly paid workers were on permanent employment contracts. Atypically employed female workers in the sample were more inclined to receive fortnightly wages, compared to female and male workers who held permanent contracts.

Thus, to sum up, this data shows gender variations with respect to employment contracts and pay cycles, in that women on atypical employment contracts were more likely to receive fortnightly and weekly wages, compared to men who held permanent and atypical contracts of employment and to female workers who had permanent contracts. In terms of the sample, 74.24 per cent of males held permanent employment contracts; and 88.09 per cent of these received monthly pay. In contrast, as pointed out above, 55.48 per cent of women in the sample were employment on atypical contracts, 48.36 per cent of whom were paid fortnightly wages. Moreover, women

workers account for 79.16 per cent of weekly paid workers in the sample of 24; an overwhelming majority, constituting 89.47 per cent of weekly paid women workers, held atypical employment contracts.

The extent to which differentiations in pay cycles for permanent and atypical workers, as well as for women and men, displayed above, may be (partly) attributed to sub-sector and job dynamics becomes a point of interest. In this regard, in the 424 sample, 176 workers (41.50 per cent) worked in horticultural sub-sectors and 248 (58.50 per cent) were employed in animal husbandry sub-sectors. Of the 176 horticultural workers, 75 or 42.61 per cent were monthly paid while 224 or 90.32 per cent of animal husbandry workers received their wages on a monthly basis. Equally significant, and a related point of interest to emerge from differentiated pay cycles, is the question of wage dispersions and levels for monthly and fortnightly paid workers based on workers' hours of work, which is assessed in the next section.

Working hours and periods of employment in the SD 13 Survey were discussed in chapter 7, wherein varying levels and depths of underemployment, as well as extensions on the length of the working day and week, were identified among segments of workers with permanent and atypical contracts of employment. The salient point of this earlier discussion was the prevalence of degrees of segmentation with respect to working hours and periods of employment, that in turn shaped employment terms and conditions. In this context, the issues of significance for a discussion on wages are to: (a) establish the existence of patterns between working hours and wages, including the distribution of wages among women and men based on the hours they worked; and (b) assess hours of work and wages for permanent and atypical workers.

The link between regulations on the length of working hours and agrarian employers' decisions on wage levels may be attributed to the fact that the SD 13 (the legislation that provides for the establishment of the AMW) bases wages on working hours. SD 13 explicitly links the calculations of wages to the hours that workers work. Section 4 of the SD 13 states that the "wage or remuneration of a farm worker is calculated by reference to the farm worker's ordinary hours of work" (DoL 2013). The SD 13 details the calculations to set hourly, daily and monthly wages for the agricultural sector, based on ordinary as well as overtime hours of work. An analysis of wages of sampled workers, therefore, cannot be eschewed from their working hours, precisely because

statutory requirements oblige agrarian employers to pay workers based on the length of the working day or week.

As such, an assessment of agrarian wages against working hours is necessary to gain a more accurate picture of actual wages in relation to the mandatory rate/s, and to determine the level of compliance with the AMW settings. The issue of compliance gains significance, as will become clear in particular weekly work timebands (see below), with reference to the maximum ordinary and overtime hours prescribed in the ASD. Examining wages in relation to workers' working hours and employers' labour hiring strategies enables research to shift beyond the employment shedding obsession that neoclassical economics has with statutory wages, and to probe the structure of employment, working hours and wages. This helps to explain the marginal dis-employment outcomes of the AMW, as well as the significant number of workers in the SD 13 Survey who gained employment in the post-AMW years, as discussed in chapter 7.

In considering working hours and wages for March 2011 to February 2012, the data is arranged along broad distinctions in the length of the working week and, in this study, four weekly working hour timebands are demarcated: viz., (a) below 40 hours, (b) between 40 and 44 hours, (c) 45 hours, and (d) above 45 hours a week, which corresponds closely with the breakdown of working hours examined in chapter 7, where a variegated working time range, below or above the 45 ordinary weekly hours set out in the ASD, surfaced in the data among the 501 workers interviewed. In addition, chapter 7 also provided a sub-sectoral breakdown of working hours where it was shown that workers in animal husbandry workplaces were (unevenly) spread across the four timebands listed above. Meanwhile, those who worked in horticultural sub-sectors tended to work in the 40- to 44-hour bands. This chapter provides an overview of sub-sectors in the respective working timebands for monthly- and fortnightly-paid workers, in the sample of workers who worked in the March 2011 to February 2012 period.

Table 13.2 displays the breakdown of the 424 workers across the different working hour ranges based on pay intervals between March 2011 and February 2012. Of the 424 workers in the March 2011 to February 2012 wage cycle, 231 worked less than 45 hours per week. Such workers account for roughly 54 per cent (54.47 per cent) of the 424 sub-sample, a figure similar to the overall sample of 501 workers. The 231 workers who worked below the mandatory 45 ordinary weekly hours included 86

workers who worked fewer than 40 hours a week. These workers account for 37.22 per cent of all workers (231) who reported working below 45-hours a week, and 20.28 per cent of the 424 workers in the March 2011 to February 2012 AMW cycle. The 145 who worked between 40 and 44 hours a week account for 62.78 per cent of the 231 workers who worked below 45 hours a week, and they constitute 34.19 per cent of the 424 workers in the March 2011 to February 2012 AMW cycle.

Table 13.2: Weekly hours of work and pay intervals, March 2011 to February 2012

Weekly Working Hours	Monthly Paid	Fortnightly Paid	Weekly Paid	Total
< 40	64 74.41%* 15.09%** 21.40%***	20 23.25%* 4.71%** 19.80%***	2 2.32%* 0.47%** 8.33%***	86* 20.28%**
40–44	83 57.24%* 19.57%** 27.75%***	50 34.48% 11.79%** 49.50%***	12 8.27%* 2.83%** 50%***	145* 34.19%**
45	52 68.42%* 12.26%** 17.39%***	15 19.73%* 3.53%** 14.85%***	9 11.84%* 2.12%** 37.5%***	76* 17.92%**
45	100 85.47%* 23.58%** 33.44%***	16 13.67%* 3.77%** 15.84%***	1 0.85%* 0.23%** 4.16%***	117* 27.59%**
Total	299	101	24	424

Source: SD 13 Survey.

*n= Total number of workers in each time period

**n= 424

***n= Total number of monthly, fortnightly, and weekly-paid workers in the 424 sample

As pointed out above, Table 13.2 provides a breakdown and distribution of workers across pay cycles and weekly working hours. The workers with less than 40 hours a week, in terms of pay intervals, are as follows: 74.41 percent are monthly paid workers, 23.25 per cent are fortnightly paid workers, and 2.32 per cent are weekly paid workers. Monthly paid workers, therefore, make up the majority of workers who worked less than 40 hours a week, in the sample. Although these monthly paid workers account for 15.09 per cent of the 424 workers, they constitute 21.40 per cent of all monthly paid workers in the 299 sample of monthly paid workers. Fortnightly-paid workers (with less than 40 hours) account for 4.71 per cent of the 424 workers, and for 19.80 per cent of all the 101 fortnightly-paid workers. Weekly paid (under-40 hours) workers constitute

0.47 per cent of the 424 workers, and 8.33 per cent of all weekly paid workers included in the March 2011 to February 2012 cycle.

The 145 workers, who worked between 40 and 44 hours, account for 34.19 per cent of workers in the 424 sample. Monthly-paid workers again dominated this group of workers, accounting for 57.24 per cent of all the 145 (40 to 44 hours) workers, 19.57 per cent of the 424 workers, and 27.75 per cent of the 299 monthly paid workers. Fortnightly-paid workers (50), with weekly working hours between 40 and 44, constitute 34.48 per cent of all workers (145) reporting such working hours, 11.79 per cent of the 424 workers, and a significant 49.50 percent of the 101 fortnightly-paid workers. A near majority of fortnightly-paid workers in this sample of workers, therefore, had a working week of 40 to 44 hours. Weekly-paid workers (with 40 to 44 hours) account for 8.27 per cent of all workers who worked between 40 and 44 hours a week, 2.83 per cent of the 424 workers, and a considerable 50 per cent of all weekly-paid workers in the sample.

Of the 424 workers, the lowest percentage had a working week of 45 hours – the maximum ordinary weekly hours set in the BCEA and ASD. Workers who worked 45 hours a week account for 17.92 per cent of the total sample of 424. A limited number of workers in the sample, thus, worked 45 hours a week. This category of workers comprises primarily of monthly-paid workers, who represent 68.42 per cent of workers who worked 45 hours a week. These monthly-paid (45 hour) workers constitute 12.26 per cent of the 424 workers, and 17.39 per cent of all monthly paid workers in the sample. Workers (with 45 hours) who were paid on a fortnightly basis account for 19.73 per cent of workers who worked 45 hours in the March 2011 to February 2012 AMW cycle, 3.53 per cent of all workers in the sample of 424, and 14.85 per cent of all fortnightly-paid workers considered here.

A significant 27.59 per cent of the 424 workers (117 workers) worked above the maximum ordinary 45 hours working week. After the 34.19 per cent of workers in the sample who worked between 40 and 44 hours a week, workers who worked over the 45-hour maximum ordinary working week make up the second largest segment of workers in the sample. Monthly paid workers (in the over 45-hour category) dominated again, as they account for 85.47 per cent of the 117 (above 45 hour) workers, 23.58 per cent of the total of 424 workers, and a considerable 33.44 per cent of the monthly paid workers in the sample. Fortnightly and weekly-paid workers were insignificantly

represented in the above 45-hour working week, accounting for 13.67 per cent and 0.85 per cent of workers with such working hours, respectively.

To summarise working hours, as Table 13.2 illustrates, most sampled workers (comprising 34.19 per cent of workers) worked between 40 and 44 hours a week, followed by 27.59 per cent who worked over 45 hours a week, and 20.28 per cent who worked fewer than 40 hours a week. The 45-hour working week has the lowest representation in the sample, accounting for 17.92 per cent of the sample.

13.3 WAGES, PAY CYCLES AND WORKING HOURS

The breakdown of working hours reveals that the length of the working week was below and above the ordinary weekly hours of 45. Given that the SD 13 ties wages to working hours and, given the variability in the length of the working week as well as periods of employment (with some workers not working a full agricultural season), the question which arises is the affect that working hours have on wages. Salient questions that the relationship between working hours and wages pose for real agrarian wages – the actual wage that workers receive – include: (a) wage levels in relation to the prescribed rate; and (b) the points of convergence and divergence within and between weekly time zones (for example, under 40 hours) and between monthly and fortnightly pay cycles. As pointed out at the beginning of this section, due to the small size of the weekly paid sample, wages in this pay cycle are not included. Thus, due to their dominance in the sample, monthly and fortnightly pay cycles are considered in the profiles and analyses in the next section.

To aid presentation and discussion, wages are clustered into working hours and distinguished according to pay cycle, in order to gain a deeper understanding of wage levels in relation to the prescribed rate, and with regard to the four weekly time periods. This presentation also facilitates comparative analysis of wages for working hours across the four weekly working hour timebands. Wage profiles and discussions open with the below 45-hour work week, comprised of the below 40 and between 40 and 44 hours in a week. In section 13.3.1, wages for monthly paid workers who worked below 40 and between 40 and 44 hours are examined, followed by an assessment of wages for the corresponding fortnightly-paid workers in section 13.3.2. In section 13.3.3, the focus turns to wages in the 45 hour and above work week, where monthly wages for this working week are examined, followed by a profile of fortnightly-paid wages (in section 13.3.4).

Clustering weekly work zones in accordance with pay cycles, for analytical purposes, enhances appreciation of wage levels below and above the prescribed rate in the context of working hours that were fewer than, at the level of, and above the mandatory ordinary weekly hours of 45. This approach not only allows for an assessment of wage shifts in relation to the prescribed AMW at the time, across different weekly hours of work, as it also facilitates an assessment of wage convergences and divergences within and across the two pay cycles and timebands. In so doing, working hours and wages may be also disaggregated for segments of female and male workers employed on permanent and atypical contracts of employment. A disaggregated analysis of wages allows for a profile of wages in the various weekly working hour timebands, and it also facilitates an assessment of wage movements or patterns in relation to the prescribed AMW at the time. In this context, discussion proceeds with wages in the below 45 hours work week for monthly paid workers, followed by a profile of fortnightly-paid wages in the working week that was below 45 hours.

13.3.1 Wages of monthly-paid workers who worked less than 40 and between 40 and 44 hours per week

As presented in Table 13.2, 64 workers, representing 21.40 per cent of workers paid on a monthly cycle between March 2011 and February 2012, worked below 40 hours per week. In line with the sub-sector distribution of workers in the working hours below 40 hours per week, as presented in Table 7.10 for the 501 sampled workers, Table 13.3 shows that a significant number of the 64 workers were employed in animal husbandry workplaces, in particular the dairy (26) and livestock (17) sub-sectors.

Table 13.3: Monthly-paid workers across sub-sectors who worked less than 40 hours a week

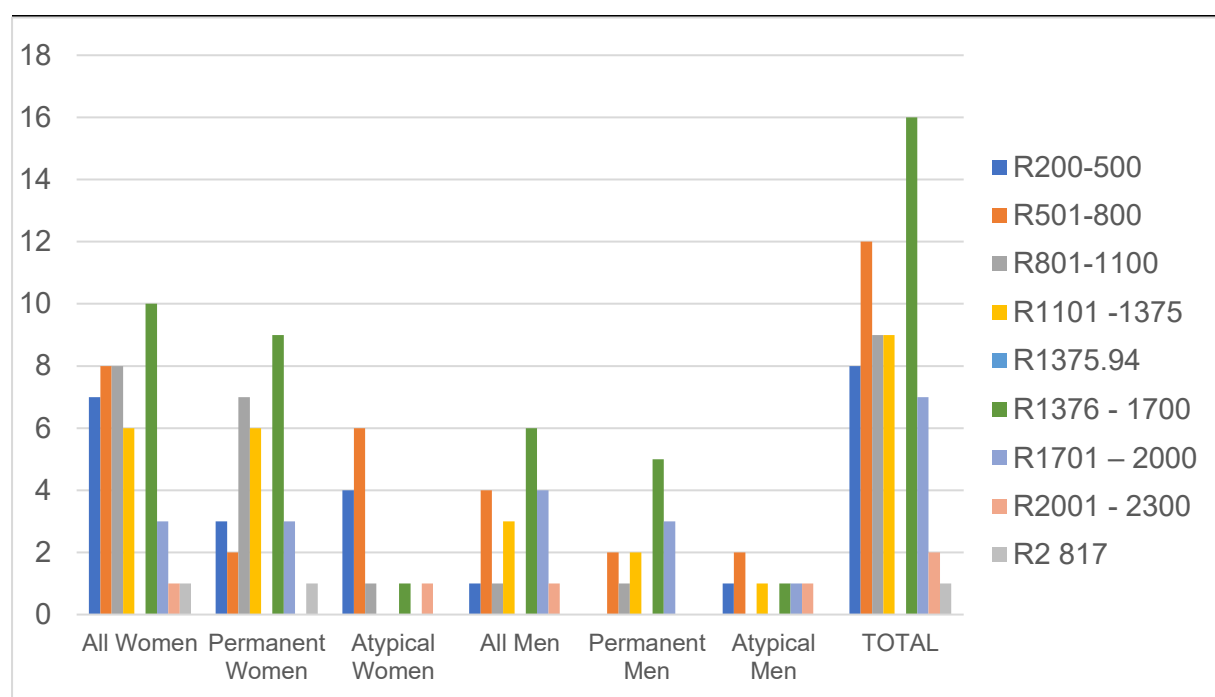
Sub-Sector	Total
Citrus	4
Pineapple	5
Vegetables	4
Chicory	1
Livestock	17
Dairy	26
Game	4
Pigs and poultry	3
Total	64

Source: SD 13 Survey.

A clear distinction in working hours between the anchor sub-sectors in this research (see chapter 6), which are livestock and citrus, comes to the fore in Table 13.3 as livestock workers make up 26.56 per cent of the 64 workers, contrasting with citrus workers who account for only 6.25 per cent.

Figure 13.1 depicts wages for monthly-paid workers who worked below 40 hours a week, disaggregated along sex and employment contract. This sample of (64) workers was dominated by 44 women, constituting 68.75 per cent of the monthly paid workers who worked under 40 hours per week; 20 men account for 31.25 per cent of monthly paid workers in this weekly working hours' band. The 44 women were primarily employed on permanent contracts (31 workers, or 70.46 per cent of the female workers in this category); contrasting with 13, or 29.54 per cent employed on atypical contracts. Likewise, for the 13 men working less than 40 hours, 65 per cent were permanently employed, while 35 per cent had atypical employment contracts.

Figure 13.1: Wages of monthly-paid workers who worked below 40 hours a week, March 2011 to February 2012



Source: SD 13 Survey.

Wages for this sample of workers (working below 40 weekly hours) depict the gender dimension of underemployment, which replicates the overall trend in the SD 13 Survey and in the in-depth interviews, as discussed in chapter 7. More specifically, female agricultural workers tend to be allocated jobs with fewer working hours, in comparison to male workers in the sample. The gendered dimensions to underemployment in the

local agrarian labour market is strongly shaped by sub-sector dynamics and the nature of labour processes, as shown in Table 13.3.

As Figure 13.1 shows, monthly wages of workers who worked below 40 hours a week, ranged from a R200 to R500 wage bracket to R2817. Wages, therefore, fell below and above the prescribed monthly rate for March 2011 to February 2012, which was R1375.94. In many respects, wages appeared to concentrate in particular wage brackets, below or above the prescribed rate. In total, 38 or 59.37 per cent of the 64 workers earned wages that were below the prescribed rates during March 2011 to February 2012, while 26 workers (representing 40.63 per cent of the sample) received wages above the prescribed rate. As a majority, 29 women constitute 76.32 per cent, and men (9) 23.68 per cent, of the 38 workers who were paid below R1375.94. The (40 hours and under) women (with sub-minimum wages) (29) account for 45.31 per cent of the 64 workers who worked below 40 hours a week, and men who earned below the AMW comprise 14.06 per cent of the workers in this timeband. As a tendency, monthly paid female workers were more likely than monthly paid male workers to work a shorter work week at lower wages. The gendered character of employment conditions and working hours in the below 40-hour work week establishes itself in the sample, as the discussion on working hours and wages progresses.

Women in the sample dominated in jobs that were below 40 weekly hours, and they tended to concentrate in the lowest wage ranges below and marginally above the prescribed monthly rate for the March 2011 to February 2012 cycle. In this regard, the 29 women earning in wage ranges below the prescribed rate, translates to 65.91 per cent of the 44 women in this working time period; the other 15 women (or 34.09 per cent) earned in wage ranges above the prescribed rate, and most were paid between R1376 and R1700 a month. This means that most female workers were paid below the AMW, partly due to the fewer hours and days in a week that they worked.

In terms of men's wages, of the 20 men who worked below 40 hours, nine, representing 45 per cent of all monthly paid men workers in the below 40-hour weekly working hour band, were paid below the AMW monthly rate – this figure is significantly lower than the corresponding figure of 65.91 per cent for female workers. More men, compared to women, appeared to earn above the AMW, as 11 men, or 55 per cent of the 20 men in this weekly working hour band, were paid more than the statutory rate. In contrast, as pointed out above, 34.09 per cent of the 44 women earned above the rate. However, the highest paid worker in this weekly time period was a woman who

was permanently employed and who earned R2817 per month. The highest paid male earned in the R2001 and R2300 per month range and was atypically employed.

As may be seen from Figure 13.1, wages for men and women fell in the same wage ranges, thereby showing a level of convergence in the wages for women and men working below 40 hours. Although women dominated in the wage ranges below the AMW for March 2011 to February 2012, most earned in ranges close to the prescribed monthly rate, as did male workers. A level of wage convergence, therefore, prevailed for women and men in the sample who worked below 40 hours a week. It may be argued that wage commonalities below and above the prescribed rates between women and men, are the result of the AMW. This is because statutory wage settings act as frameworks or reference points for employers when setting wages.

The wage floor for the sector may act as a pressure point, compelling agrarian employers to pay women the statutory rate/s, and hence on par with men who are paid the statutory rate. In this light, it can be concluded that the AMW facilitated the convergence in wages for women and men who worked below 40 hours a week, in this research. In this respect, it is evident that the AMW facilitates the narrowing of gender wage disparities in the sector. However, as the data shows, the ability of the AMW to facilitate the erosion of the agrarian gender wage gap is confined to levels just below or above the statutory rate. Narrowing of wage inequalities between female and male agricultural workers tends to hover at levels around the statutory wage setting, with wage inequalities increasing in higher wage brackets (as will become clear).

At levels below the prescribed rate, wages concentrated around R501 to R800, with 12 workers (or 18.75 per cent of the 64 workers), followed by nine workers (or 14.06 per cent of workers) who earned between R801 and R1100 and a further 14.06 per cent (nine workers) who earned between R1101 and R1375; and, finally, 12.5 per cent of workers (eight workers) earned in the lowest range, between R200 and R500. The majority of these 38 workers (who earned below the prescribed rate) were employed in animal husbandry workplaces (33 or 86.84 per cent of those who earned sub-minimum wages). With regards to the anchor sub-sector in animal husbandry, the livestock sub-sector employed 13 or 34.21 per cent of the 38, and 39.39 per cent of the (33) animal husbandry workers with sub-minimum earnings. With respect to wage levels above the prescribed rate, the highest concentration, in this sample, was between R1376 and R1700 (earned by 16 workers, who account for 25 per cent of the

workers), followed by seven workers or 10.93 per cent of the 64, who reported earnings between R1700 and R2000. Two workers, or a marginal 3.12 per cent, earned between R2001 and R2300, and just one worker, or a meagre 1.56 per cent of workers who worked below 45 hours per week, earned R2817. Workers with earnings in the R1376 to R1700 and R1701 to R2000 brackets were dispersed across animal husbandry and horticultural sub-sectors, listed in Table 13.3. With regards to the anchor sub-sectors – citrus and livestock – the highest earners (three) in the citrus sub-sector reported wages in the R1701 to R2000 bracket; highest earnings for livestock (one worker) was in the R2001 to R2300 bracket. The highest monthly earning of R2817 in the below 40-hour work week was in the dairy sub-sector.

From the above presentation of wages below and above the prevailing rate of R1375.94, wage concentration is evident in the R1376 and R1700 earnings range, typified in the 25 per cent of workers who earned in this bracket. As well, as indicated, 14.06 per cent of workers earned in the wage bracket immediately below the prescribed rate. This means that nearly 40 per cent of workers, who worked less than 40 hours per week, earned in ranges just above and below the prescribed rate at the time. The wage concentration in particular between R1376 and R1700 shows, on the one hand, that wages were higher than R1375.94 for some workers working below 40 hours; but, on the other hand, the wage range shows an insignificant gap between the statutory rate and these wages. In other words, wages above the AMW, in the sample, were at wage levels close to the prescribed rate. In short, the data shows wages concentrated at levels around the statutory setting at the time (R1375.94), with a marginal number of workers earning above R2001 per month, in the below 40-hour working week. It is noteworthy, though, that 40.62 per cent of the 64 workers who worked below 40 hours per week earned in wage ranges above the prevailing rate in the March 2011 to February 2012 cycle.

To summarise, the salient points to emerge from the sketch of monthly paid wages in the below 40-hour work week are:

- Even though working hours were below 40 hours a week, hence below the ordinary 45-hour working week, wages concentrated at levels below and above the prescribed rate at the time. While more workers were paid in ranges below the prescribed rate, a significant 40.62 per cent of workers were paid above the AMW (these included outliers found in the two highest wage ranges). The fact that workers worked fewer than the ordinary 45 hours a week and received

wages around the prescribed rate, pose searching questions about the level at which the first rates were set, the uprating mechanisms, and how employer affordability to pay statutory wages is conceptualised and assessed.

- Wages spiked or concentrated at levels close to the AMW, as the highest percentage of workers (depicted in 25 per cent of workers), with below 40-hour work week, earned between R1376 and R1700 per month. This denotes a sense of wage inertia where the prescribed rate is regarded as the maximum rate by agrarian employers, who will set wages close to the rate, either below or above. Wage shifts are intimately tied to the level at which statutory wages are set. Hence, a low statutory setting invariably translates to low nominal wages.
- Though gender divergences exist, a level of parity is detected between women's and men's monthly wages in the below 40-hour work week band. However, women dominated the lower wage rungs and few, similar to men, reported wages above R2000.
- The sub-sector dimensions to underemployment in the below 40-hour work week came to the fore as, in particular, dairy workers followed by livestock workers worked such hours. Wage ranges were by and large the same for workers across the different animal husbandry and horticultural workplaces, but workers in the dairy and livestock sub-sectors tended to earn higher than workers in horticultural sub-sectors in the below 40-hour work. Although citrus (as an anchor sub-sector) did not pay as high as wages as in livestock, citrus workplaces did not pay as low as wages as livestock and other animal husbandry workplaces.

A key question becomes: are the wage trends noted above prevalent in other working timebands, or are they unique to the 40-hour work week? In other words, to what extent do these trends and patterns exist in the overall sample of monthly and fortnightly wages? To respond to this question, it is necessary to establish the extent to which the wage patterns in the below 40-hour work week, as discussed above, are found in the 40 to 44 hours working week.

As shown in Table 13.2, just over a third of workers (145) in the sample of 424, accounting for 34.19 per cent of workers, reported working between 40 and 44 hours a week. Further, to recap, monthly-paid workers (83) constitute 57.24 per cent of such workers and 19.57 per cent of all 424 workers in the sample. These monthly-paid

workers (with hours between 40 and 44) constitute the second highest percentage of monthly-paid workers (27.75 per cent of all monthly paid workers in the sample of 424 reported working between 40 and 44 hours per week).

Table 13.4 shows that animal husbandry workplaces employed most of these workers, with 57 or 68.68 per cent of the 83 workers who worked in the 40- to 44-hour per week timeband. The 26 horticultural workers account for 31.32 per cent of the monthly paid workers in this working hour timeband. The livestock sub-sector had the largest group (30) of monthly-paid workers, followed by the game sub-sector (14). In general, wages were common for workers across the different sub-sectors in the 40 to 44-hour working week band, although slight variances were identified between the animal husbandry and horticultural sectors, as will become clear later in the discussion.

Table 13.4: Monthly-paid workers across sub-sectors who worked for 40 to 44 hours per week

Sub-Sector	Total
Citrus	9
Pineapple	9
Vegetables	8
Livestock	30
Dairy	9
Game	14
Pigs and poultry	4
Total	83

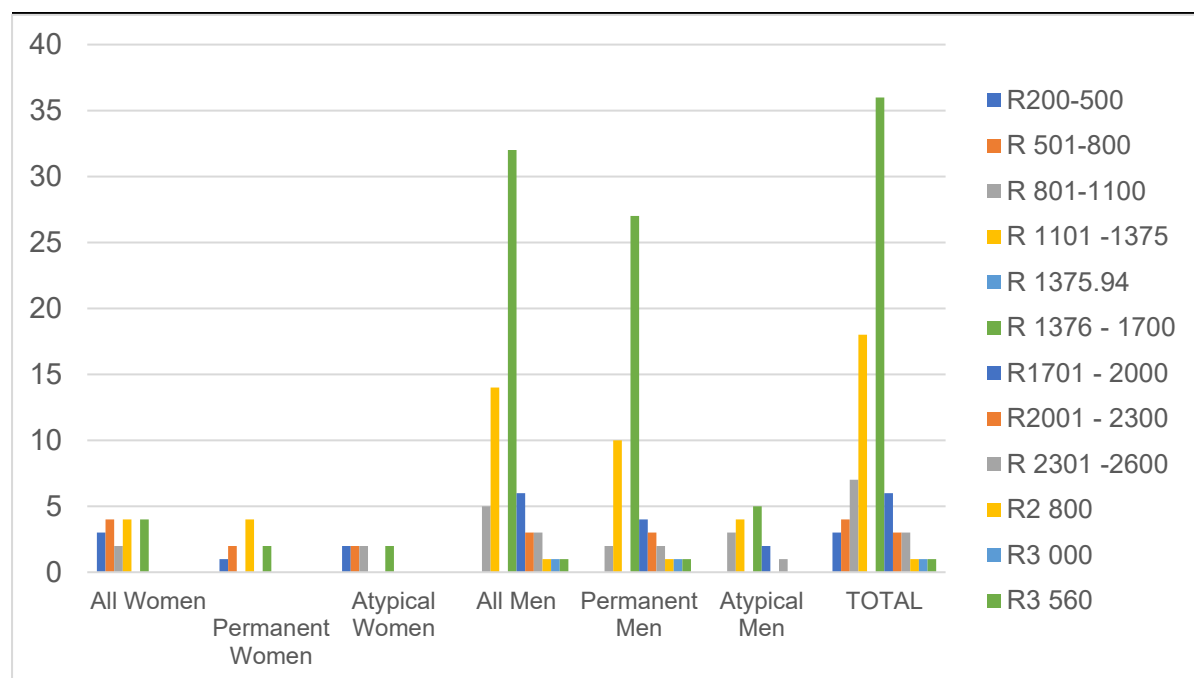
Source: SD 13 Survey.

The first notable similarity between the below 40-hour and 40 to 44-hour work week is the gendered pattern in working hours. In effect, the gender dimensions to work and wages are stark, when consideration is given to worker demographics for monthly paid workers in the 40 to 44-hour weekly work band. In this regard, Figure 13.2 shows that fewer women and more men worked between 40 and 44 hours a week, thereby contrasting with the gender demographics for workers who were employed for below 40 hours a week as discussed above.

Women (17) comprise 20.48 per cent of the monthly-paid workers who work between 40 and 44 hours; men (66) overwhelming account for 79.52 per cent of such workers. Thus, there is a near reversal in the gender composition of workers who are monthly paid and working between 40 and 44 hours, compared to the under 40-hour, monthly paid category of workers. As well, a marginal difference existed between permanently and atypically employed women in this category, with nine (or 52.94 per cent of

women) and eight (or 47.05 per cent) respectively. This contrasts with male workers, as 51, or 77.27 per cent, were employed on a permanent basis; and 15, or 22.72 per cent, were employed on atypical contracts.

Figure 13.2: Wages of monthly-paid workers who worked 40 to 44 hours a week, March 2011 to February 2012



Source: SD 13 Survey.

The gender disparity in wages is as striking as the gendered allocation of jobs and working hours in the 40 to 44-hour work week sample. This, in turn, corroborates the gendered pattern of agrarian employment for workers profiled in the below 40-hour work week (and who are paid monthly), discussed above. On the whole, the empirical data generated in this research (including in this weekly work category) points to the tendency whereby female agricultural workers are assigned jobs with lower wages, compared to their male counterparts. This is exemplified in the fact that seven women workers, accounting for 41.17 per cent of the women who worked between 40 to 44 hours a week (and were paid monthly), earned in the two lowest wage ranges in the sample – 17.64 per cent earned between R200 and R500 per month and 23.53 per cent earned between R501 and R800 per month; no men were paid in these two lowest wage ranges. The three women who earned between R200 and R500 per month were employed on livestock farms while the four women who earned between R501 and R800 per month worked on citrus farms.

The lowest wages for male workers in this sub-sample (of workers with 40-44 hours and paid monthly) was between R801 and R1100 per month, whereby five workers,

or 7.57 per cent of the 66 male workers, earned in this wage range. Two of these male workers were employed on dairy farms and the other three were employed on livestock, game and pig and poultry farms. Just two women workers, or 11.76 per cent of the 17 women workers, earned between R801 and R1100 per month. These female workers had employment on citrus farms. The highest wage paid to female workers was between R1376 and R1700 per month, contrasting with male workers who earned above this wage category. As may be gleaned from Figure 13.2, 23.52 per cent of women earned between R1376 and R1700 per month, while 22.72 per cent of men earned in the R1701 to R2000 wage bracket and above. A clearer gender wage difference seems to emerge in the 40 to 44 weekly working hour band, compared to the below 40 weekly working hours, where greater levels of wage convergences prevailed for women and men workers, as discussed above.

Similar to wage trends in the below 40 hour working week, wages for workers who worked between 40 and 44 hours a week fell below and above the prescribed monthly rate. Of the 83 workers in the 40 to 44 weekly work hours, 32 (or 38.55 per cent of interviewees) earned below the prescribed monthly rate of R1375.94 in the March 2011 to February 2012 cycle. These workers were employed in both animal husbandry and horticultural workplaces (listed in Table 13.4), but the majority (22 or 68.75 of the 32 sub-minimum wage workers) had employment in animal husbandry sub-sectors. The livestock sub-sector accounts for 14 (or 43.75 per cent) and the citrus sub-sector only three (or 9.37 per cent) of the 32 workers. Wages below the prescribed rate concentrated in the R1101 to R1375 wage range, consisting of 18 (or 21.68 per cent of) workers; 77.78 per cent of these workers are men and 22.22 per cent are women. This means that 51 of the 83 monthly-paid workers, constituting 61.45 per cent of the sample who worked between 40 and 44 hours a week, were paid above the prescribed rate between March 2011 and February 2012.

Wage concentration, above the prescribed rate, was between R1376 and R1700 – with 36 workers, or 43.37 per cent of the 83 workers, earning in this range. Partly due to the dominance of men in this working timeband, combined with their propensity to earn higher than women, men constitute 88.89 per cent of workers earning between R1376 and R1700 per month; women comprise a significantly lower proportion, accounting for 11.11 per cent of such workers. The majority were on permanent contracts of employment. Overall, wage concentration at levels close to the prescribed

rate recurs in the 40 to 44 hours working week, as it did in the below 40-hour work week. This is the case for both male and female workers.

As attention turns to wage ranges above R1376 and R1700, the marginal number of workers earning in the higher wage ranges is clearly evident. For example, just six workers, or 7.22 per cent of the 83 workers, earned between R1701 and R2000. In fact, as the wage level increases, the number of workers earning in the higher ranges begins to recede to a point of insignificance, such that the highest wage ranges recorded single workers. This wage pattern is the same for the below 40-hour weekly work, as Figure 13.1 shows single workers for the two highest wage ranges. Therefore, workers who worked below 45 hours a week and earned in the highest wage ranges – the outliers – are anomalies in the prevailing high bands in which wages were set, in the context of monthly-paid workers with below 40 hours and between 40 and 44 hours. Similar to the sub-sector dimension of wages in the below 40-hour working week, common wage ranges were reported by workers across the different sub-sector in the 40- to 44-hour working week. The highest monthly-paid worker (R3560 in the 40- to 44-hour timeband) was also employed on a dairy farm, and the highest monthly-paid worker in horticulture (R3000) in this timeband worked on a pineapple farm.

Another point of convergence between weekly work hours below 40 and 40 to 44 hours, is the wage ranges, whereby both the below 40 hour and between 40 and 44-hour work weeks share a common wage range – that being R200 to R500. The difference between the two timebands is that fewer workers in the 40 to 44-hour work week earned in the lowest wage range, compared to the below 40-hour work week. The other noteworthy difference is that wage ranges in the 40 to 44-hour work week expanded beyond the maximum wage (R2817) appearing in the below 40-hour work week. In this regard, despite the presence of outliers, wages in the 40 to 44-hour work week recorded a higher maximum monthly wage.

However, the striking point of convergence is that, in both timebands, a number of workers earned above the prescribed rate of R1375.94 between March 2011 and February 2012. As discussed above, 26 of the 64 monthly-paid workers, representing 40 per cent of the sample who worked below 40 hours, and 51 of the 83 monthly-paid workers, representing 61 per cent of workers who worked between 40 and 44 hours per week, earned above the AMW wage at the time. This is clear evidence that agrarian employers were paying above the prescribed rate even when hours of work were below the mandatory 45 hours a week. In fact, combining the number of workers

in both timebands, who earned above the AMW between March 2011 and February 2012, takes the number to 77, which comprises 52.38 per cent of all 147 monthly-paid workers who worked below 45 hours a week. Workers who worked below 40 hours comprise 33.77 per cent of the 77 workers earning above the AMW at the time, and workers who worked between 40 and 44 hours constitute 66.23 per cent of such workers.

This data speaks to a question of interest raised in the discussion on the below 40-hour work week, that is, on the association between a working week under the mandatory ordinary limit of 45 hours and wage levels at and above the prescribed rate. In particular, this wage trend raises questions on the rate and level at which the original and subsequent agrarian statutory wage rates were/are fixed, in light of actual wages above the prescribed rates for workers with fewer than 45 hours a week. The relevant point to bear in mind is the fact that agricultural employers were able to pay above the prescribed monthly rate even where workers worked under the maximum ordinary weekly hours, set out in the ASD/BCEA. The data, therefore, signals the need for more research and scrutiny on how agrarian employer affordability is conceptualised and calculated. This point is reinforced in light of the commonalities of wages across sub-sectors, whereby wages for exporting sub-sectors with strong market power, such as citrus, appear to be similar and even lower than other sub-sectors producing for local markets, such as dairy and pineapple.

Although just over half the workers with less than 45-hours of work in a week earned above the prescribed rate, wages compressed at levels just above the rate of R1375.96. More specifically, the combined number of workers in the below 40-hour and between 40 and 44-hour working week, who were paid between R1376 and R1700 per month, totals 52 workers, and they account for 67.53 per cent of the 77 workers who earned above the AMW prescribed rate. This shows that wages, for the majority of workers with working hours below 45 hours per week, spiked at levels close to the prescribed rates. Wage concentration in and around the AMW suggests a level of wage inertia in the sector as the mandatory rate became the maximum wage for a significant share of the monthly paid agricultural workforce who worked below 45 hours a week. Now, were the wage patterns for fortnightly paid workers who worked below 45 hours a week similar to monthly paid workers? This is assessed below (in section 13.3.2) with a discussion on wages for fortnightly workers who worked below 45 hours a week.

13.3.2 Wages of fortnightly-paid workers who worked less than 40 hours and between 40 and 44 hours per week

To recap, Table 13.1 shows that, of the 424 workers in the March 2011 to February 2012 period, 101, or 23.82 per cent of workers in the period under review, were fortnightly paid. Further, Table 13.2 shows that, of the 101 workers, 70, or 69.30 per cent of the 101 workers, worked below 45 hours a week. The bulk of the 70 workers, 50 to be precise, or 71.43 per cent of such workers, worked in the 40 to 44 hours a week band and 20, or 28.57 per cent, worked below 40 hours. Like the profile of monthly-paid workers who worked below 45 hours in a week, the profile of fortnightly wages opens with an exposure of wages for weekly working hours below 40. This is followed by a presentation of wages for workers who worked between 40 and 44 hours a week.

The sub-sector distribution of the 20 fortnightly-paid workers in the below 40-hour work week is listed in Table 13.5, which shows that horticultural workplaces employed 17 or 85 per cent of the 20 fortnightly-paid workers who worked below 40 hours per week. The citrus sub-sector employed the largest share with seven or 41.17 per cent of the 17 horticultural workers. The game and pig and poultry sub-sectors employed three, or 15 per cent of the 20 workers. These are the only animal husbandry enterprises to feature in the fortnightly pay cycle in the below 40-hour work week.

Table 13.5: Fortnightly-paid workers who worked less than 40 hours per week by sub-sector

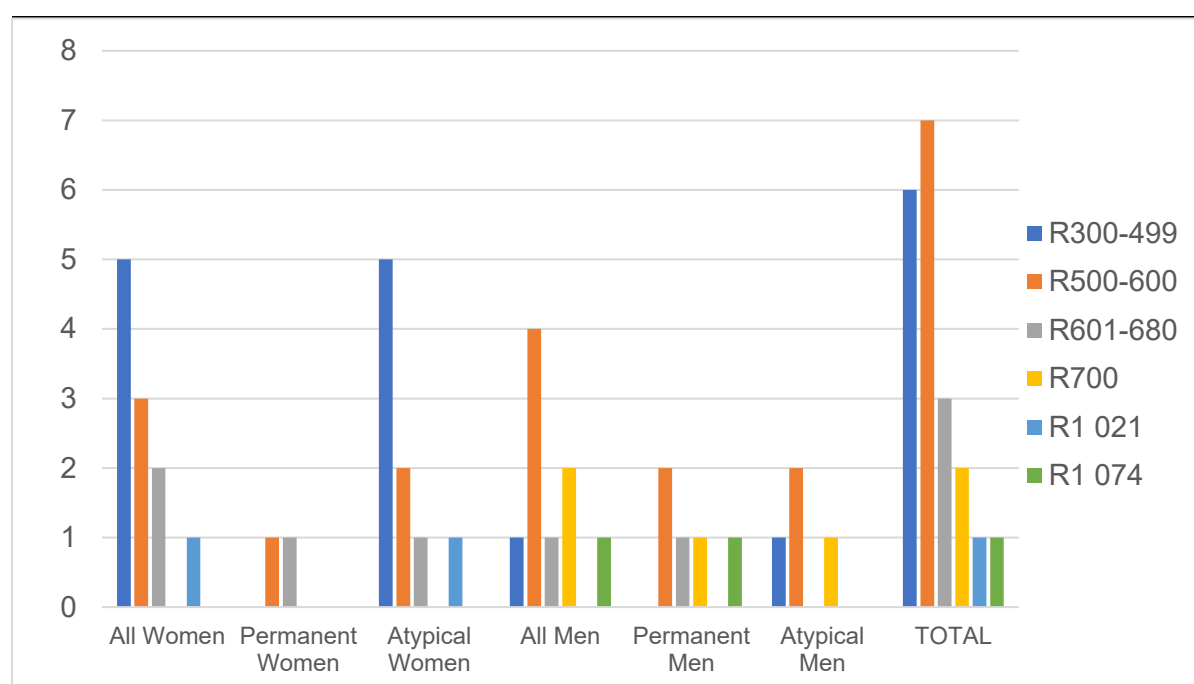
Sub-Sector	Total
Citrus	7
Pineapple	5
Vegetables	1
Chicory	4
Game	1
Pigs and poultry	2
Total	20

Source: SD 13 Survey.

Figure 13.3 displays wages for workers who worked below 40 hours a week and is disaggregated along sex and employment contract. As may be gathered, the 20 workers were almost evenly split between women and men, where the former comprised 11, accounting for 55 per cent of workers and the latter nine, comprising 45 per cent of workers. More atypically, relative to permanently, employed workers,

tended to be fortnightly paid, and this may be attributed to sub-sector conditions whereby horticultural enterprises tend to rely on seasonal labour in peak seasons. Nonetheless, atypically workers comprised 13, or 65 per cent of the 20, with women dominating – this contributes to a noticeable distinction in the employment contracts between women and men. Most of the female workers, with nine, or 81.81 per cent of female workers, were on atypical employment contracts, while there is an almost even split with four (or 44.44 per cent of) male workers on atypical employment contracts and five (55.56 per cent) on permanent contracts of employment. A stark variation in the absolute number of women (11) and men (9), who were fortnightly paid and worked below 40 hours a week, is not present in the sample. Though, overall, men are less likely to be fortnightly paid workers than women, the percentage (about 20 per cent) of fortnightly paid men who work under 40 hours (9 out of 46) is similar to that of women (11 out of 55). However, a clearer distinction is present in terms of gender and employment contracts (i.e., the gendered differentiation in numbers between permanent and atypical contracts) in the below 40-hour work week.

Figure 13.3: Wages of fortnightly-paid workers (per fortnight) who worked below 40 hours a week, March 2011 to February 2012



Source: SD 13 Survey.

It appears that atypical workers, as opposed to permanent workers, were the lowest paid; the majority being women. In this regard, all six workers earning in the R300 to R499 range (per fortnight) were atypically employed. Further, five of the six atypically employed workers (or 83.33 per cent of workers) who reported wages in the R300 to

R499 range are women who were employed on citrus farms. The male worker in this wage range was also employed on an atypical contract and worked on a pig and poultry farm. Thus, there is a clear gender dimension to wages because more women, compared to men, earned in this lowest fortnightly wage range (within the under 40-hour week): five of 11 women, and only one of nine men. The largest share of seven workers, accounting for 35 per cent of the 20 fortnightly-paid workers, who worked below 40 hours a week, were paid between R500 and R600 per fortnight. In terms of gender, 27.27 per cent of women (three), who were paid on a fortnightly basis and who worked below 40 hours a week, earned within this wage range; and the corresponding figure for men (four) was 44.44 per cent. Of the three women, one was on a permanent employment contract and two were on atypical contracts. With regards to the male workers, two had permanent contracts and two were on atypical employment contracts. Wages, therefore, compressed in the R500 to R600 wage range, followed by the R300 to R499 range, as most workers (13 in total, or 65 per cent of fortnightly-paid workers in the below 40-hour weekly timeband) were paid in these ranges. This included eight out of the 11 women, and five of the nine men.

As Figure 13.3 depicts, just 35 per cent, or seven of the 20 workers, earned above R600 per fortnight – between R601 and R1074 per fortnight. In this regard, three workers (accounting for 42.85 per cent of workers in this earnings bracket) earned in the R601 to R680 wage range (two women and one man). One of the women had permanent employment and the other had an atypical contract, while the male was employed on an atypical employment contract. Of the nine men (from the 20 workers), two males (roughly 22 per cent of men) earned R700 per fortnight – one was employed permanently and the other was on an atypical contract. Finally, two workers (or 10 per cent of workers of the 20 fortnightly paid workers in the below 40-hour work week) were paid marginally above R1000 on a two-weekly basis. Of these two, one atypically employed woman earned R1021, and a permanently employed man earned R1074, making him the highest paid of the 20 workers. From this profile of fortnightly wages, for the under 40-hour work week, it is safe to say that wages compressed towards the lower rungs, as few workers earned R700 and in ranges above R1000 a fortnight.

An area of interest for agrarian wages and local labour markets is the actual fortnightly wage in relation to the monthly prescribed rate, and in relation to actual monthly wages. This means comparing and contrasting fortnightly and monthly wages. As two pay cycles exist, that being monthly and fortnightly pay intervals, common ground or

a common denominator must be established for a coherent comparison and contrast exercise. Based on this logic, the monthly wage cycle is used to enable intelligible analysis of wage convergences and divergences in the two pay cycles. Knowledge of what fortnightly wages translate to over a month enables a fuller assessment and comprehension of wages in the sample. Information of this nature facilitates an assessment of what workers would have received over a four-week period, hence close to a month's wage. In turn, gaining a glimpse of rough monthly estimates of two-weekly wages, creates the platform to engage with fortnightly wages in relation to both the prescribed monthly rates and monthly wages in the different weekly working hour bands. One way of estimating the monthly conversion of fortnightly wages, is to double the wage reported.

Doubling the fortnightly wage marks a departure from the calculations of wages based on working hours, as set out in the SD 13, which multiplies the weekly wage by 4.33 to arrive at a monthly wage. Based on wage trends of fortnightly paid workers who participated in the in-depth interviews, it is more accurate to double the actual two-weekly wage to arrive at an estimate of the level of wages for a month, or over a period close to a month. Doubling the fortnightly wage-ranges, to arrive at wages for a month, gains credibility when periods and lengths of employment are considered. In this respect, fortnightly paid workers are often seasonally employed and work for short periods of time in the year. Their periods of employment and cycles of pay are often distinguished from permanent and full-time workers, which contributes to variations in wage determination processes. Periods and length of employment, consequently, and in part, contribute to shaping both pay cycles and pay rates.

On this basis, fortnightly wages are doubled for the purposes of gaining a sense of similarities and differentiations in wage levels, and to unpack actual fortnightly wages in relation to the AMW for the March 2011 to February 2012 period. To be clear, doubling the fortnightly wage ranges facilitates a deeper insight into wage shifts below and above the prescribed monthly rate. Further, though, doubling two-weekly paid wages to arrive at rough monthly wages also enables an evaluation of fortnightly and monthly-paid wages across the respective weekly working hour bands. This, in turn, enables an assessment of the overall wage dispersion in relation to the prevailing AMW. Cumulatively, this process facilitates a cogent and nuanced assessment of wage movements that, fundamentally, reflect key features of the low-waged agrarian labour market.

The fortnightly wage ranges relate to the wages that workers reported receiving on a two-weekly basis, at the time of being interviewed. In other words, workers reported receiving the wages as portrayed in Figure 13.3. To gain a sense of fortnightly wages in relation to the monthly AMW of R1375.94 for the period under review, the wage ranges in this sample are thus doubled. To illustrate – the R300 to R499 wage range is doubled to R600 to R998 to arrive at a rough estimation of the monthly wage. Towards this end, a conversion of the different fortnightly paid wage ranges in the below 40-hour work week, is provided in Table 13.6.

Table 13.6: Conversions of fortnightly to monthly-paid wages: below 40-hours work week, March 2011 to February 2012

Fortnightly Wage	Monthly Wage
R300-R499	R600-R998
R500-R600	R1000-R1200
R601-R680	R1202-R1360
R697.97	R1375.94
R700	R1400
R1021	R2042
R1074	R2148

Source: SD 13 Survey.

In terms of the R1375.94 AMW rate, the fortnightly wage that translates to that monthly rate is R697.97. This means that workers who earned R697.97 per fortnight would have received R1375.94 at the end of four weeks which, for the argument here, is regarded to be a month. As such, fortnightly wages above R697.97 represent wages higher than the prescribed monthly rate at the time. The majority of workers, who worked below 40 hours per week, received wages that were below the prescribed rate – 16 out of the 20 fortnightly-paid workers with below 40 hours working week. This in effect means that 80 per cent of such workers were paid below the prescribed AMW at the time. This is so because they earned fortnightly wages ranging from R300 to R680, which translates to R600 to R1360 over a four-week period. The majority of workers, 14 or 87.5 per cent of the 16 workers on sub-minimum wages, were employed in horticultural workplaces. It is noteworthy that six of the seven fortnightly-paid citrus workers who worked below 40 hours per week were paid sub-minimum wages. Four workers, or 20 per cent of workers in this working timeband, may be said to have earned above the prescribed monthly rate – with fortnightly wages ranging from R700 to R1074, converting to rough monthly wages of between R1400 and R2148. One of these workers worked on a citrus farm, two were employed on pineapple farms, and the fourth worker worked on a pig and poultry farm. It is also noteworthy that the

highest fortnightly-paid worker in the below 40-hour work week worked on a pineapple farm and the second highest paid worked on a pig and poultry farm.

From this data, it may be concluded that a (small) minority of fortnightly paid workers received wages above the prescribed rate of R1375.94 from March 2011 to February 2012, while the (vast) majority received wages below the prescribed rate. This includes 13 of the 16 workers (or 81.25 per cent of those below the prescribed monthly rate) earning roughly between R600 and R1200 within a month. To varying degrees, these rates fall short of the R1375.94 for March 2011 to February 2012, meaning that a significant number (80 per cent) of fortnightly-paid workers (who worked less than 40 hours) were paid consistently below the prevailing mandatory rate.

Turning to an assessment of fortnightly and monthly-paid wages for a working week below 40 hours, similarities and divergences appear. Overall, however, it is clear that fortnightly paid workers are more likely to be paid below the prescribed rate (80 per cent), as just less than 60 per cent of monthly paid workers, as noted earlier, were paid below the prescribed minimum. Monthly paid workers (compared to fortnightly paid workers) were more likely to receive earnings above the prescribed rate. This can be seen in considering specifically the fortnightly wage of R700, which converts to R1400 per month, and the monthly wage range of R1376 to R1700 – both being just above the prescribed rate. A higher share of monthly paid workers, accounting for 25 per cent of the 64 workers, earned in this wage bracket, while 10 per cent of fortnightly paid workers received this wage. It is, therefore, clear from the data that animal husbandry enterprises paid higher wages than citrus and other horticultural workplaces.

In the respective wage categories, which are just below the prescribed rate, the relevant percentages are 14.06 per cent (for monthly paid workers) and 15 per cent for fortnightly paid workers (3 out of 20). Thus, for the (under 40-hour) fortnightly-paid workers, 25 per cent earned just below or above the prescribed rate; while the figure for the monthly paid workers is 39.06 per cent. In the below 40-hour work week, there appears to be more significant wage convergence around the prescribed rate for the monthly paid workers as compared to the fortnightly paid workers.

The assessment of fortnightly wages for employment below 40 hours comes to an end here, and the discussion continues with fortnightly-paid wage workers in the 40 to 44-hour week timeband.

To recall from Table 13.2, a significant number of workers, 50 workers, or 49.50 per cent of the 101 fortnightly-paid workers, worked between 40 and 44 hours a week. Table 13.7 shows that fortnightly-paid horticultural workers dominate in the 40 to 44 hour working week as 40 (or 80 per cent) of the 50 workers in this category were employed in such enterprises. The dominant horticultural sub-sector in the fortnightly pay cycle (with a working week of 40 to 44 hours) is citrus, as the sub-sector employed 20 or 50 percent of the (40) horticultural workers in this timeband. As with the fortnightly pay cycle in the below 40 hour working week, the game and pig and poultry sub-sectors were the only animal husbandry workplaces in the 40- to 44-hour working week.

Table 13.7: Fortnightly-paid workers across sub-sectors who worked for 40 to 44 hours per week

Sub-Sector	Total
Citrus	20
Pineapple	1
Vegetables	10
Peaches	2
Chicory	7
Game	4
Pigs and poultry	6
Total	50

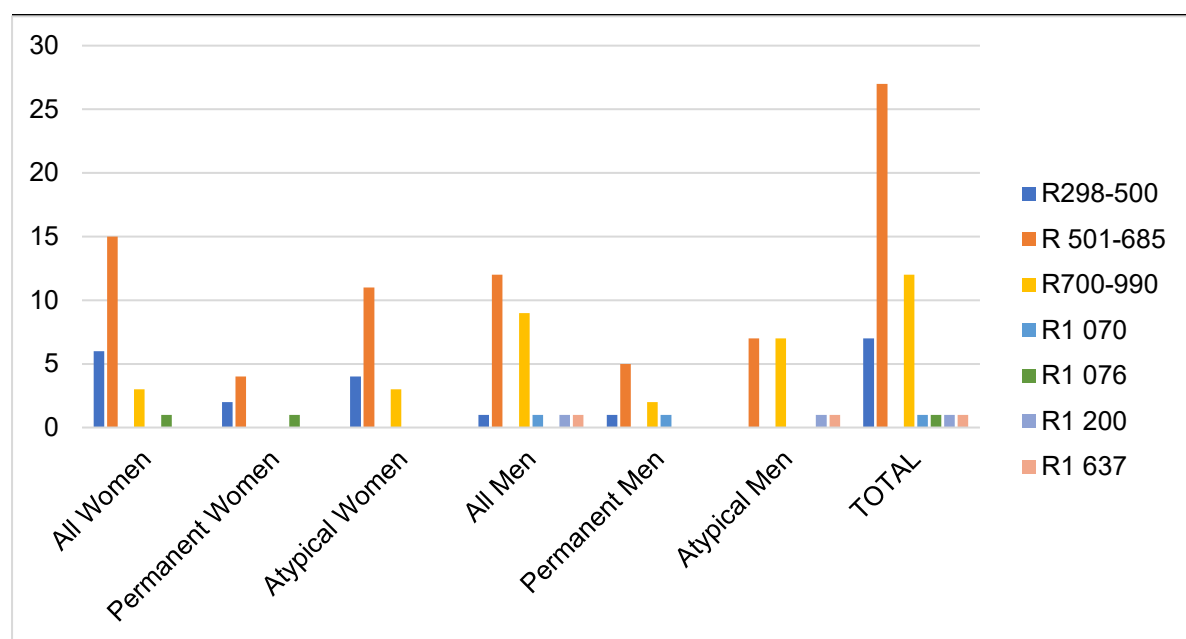
Source: SD 13 Survey.

Figure 13.4 depicts wages of fortnightly-paid workers who worked between 40 and 44 hours a week, disaggregated by sex and employment contract. Workers in this time category were evenly split between women and men (25 each). Women in this work week represented 45.45 per cent of all fortnightly paid female workers, and men in this work week represented 54.35 per cent of all fortnightly paid male workers. Clearly, for both genders, this work week tended to dominate amongst fortnightly paid workers; and this is attributed to sub-sector dynamics and employment contracts in the horticultural sub-sectors.

Of the 50 workers, 34 or 68 per cent of workers, making them the majority by a significant margin, were atypically employed, leaving 16 or 32 per cent of these workers on permanent contracts. Women workers on permanent contracts account for 28 per cent of the fortnightly paid female workers who worked between 40 and 44 hours per week, contrasting with a higher share of 72 per cent of women who were on

atypical contracts. Similarly, 36 per cent of men were employed permanently and 64 per cent were employed atypically. As such, a stark difference in the employment contracts prevailed, as more atypically employed workers were paid on a fortnightly basis working between 40 and 44 hours a week, compared to workers on permanent employment contracts.

Figure 13.4: Wages of fortnightly-paid workers (per fortnight) who worked between 40 and 44 hours a week, March 2011 to February 2012



Source: SD 13 Survey.

A point of convergence between wages of fortnightly-paid workers who worked below 40 hours, and those who worked 40 to 44 hours a week, is the similarity in the existence of wages below R700 per fortnight. The point of divergence is the higher wage ranges in the latter timeband (with maximum recorded earnings of R1637 per fortnight), while the maximum wage reported in the below 40-hour work week for fortnightly-paid wages was R1074. As with wage trends in the previously-discussed work hours band (under 40 hours), very few fortnightly paid workers, who worked between 40 and 44 hours a week, reported earnings in the higher wage bands. In this regard, wage concentrations in the lower ranges for fortnightly-paid workers in the 40 to 44-hour work week were similar to fortnightly-paid workers who worked below 40 hours a week.

In fact, a mere eight per cent of the 50 fortnightly-paid workers, who worked in the 40 to 44-hour weekly band, earned above R990 per fortnight. Wages for the majority were in the R501 to R685 range. In total, 27 workers, accounting for 54 per cent of workers,

earned in this range. Women comprise just over half of the 27, with 55.56 per cent; and men constitute 44.44 per cent of such workers. By a significant margin, the next wage band to show some level of concentration was the R700 to R990 range with 12 workers, or 24 per cent of the 50 workers, compared to the 54 per cent workers in R501 to R685 range. Atypically employed women workers account for 25 per cent of these workers, meaning that 75 per cent of workers in the R700 to R900 fortnightly wage bracket are male workers (roughly 78 per cent of whom were on atypical contracts and 22 per cent were employed permanently).

The data presented so far for fortnightly-paid workers, who worked in the 40 to 44-hour weekly timeband, brings distinct gender wage inequalities to the fore, despite wage concentrations. More specifically, while wages for women and men concentrated predominately in the R501 to R685 range and in the R700 to R990 range, implying a measure of wage equality between them, gendered wage differentials prevailed in the sample. This is evident in Figure 13.4, which shows that the bulk of workers in the lowest wage range (R298 to R500) were women who comprised 85.71 per cent of the workers in that wage bracket (and 66.66 per cent of these women had atypical contracts). These women were employed on citrus farms. In the same vein, as pointed out above, the wage band of R700 to R990 comprised more males (nine) – they account for 75 per cent of the workforce, compared to (three) women who account for 25 per cent of workers earning in this bracket. The nine male workers in the R700 to R990 wage bracket were employed on citrus farms, while two women in this wage bracket were also employed in the citrus sub-sector and a third worked on a pineapple farm. All the women earning between R700 and R990 a fortnight were on atypical employment contracts while, as indicated, a sizable portion of 77.78 per cent of males in this wage bracket were also on atypical employment contracts.

Like wage trends in the under 40 hours a week band, men were more likely than women to earn higher wages. For example, the permanently employed female worker was paid R1076, which is the highest level reported by women with a working week of between 40 to 44 hours. Although an insignificant number of men reported wages in the higher wage ranges, their wages were – nevertheless – higher than women, whereby one was paid R1200 and the other R1637 per fortnight; one male earned slightly lower than the highest paid women, reporting wages of R1070. In terms of employment contracts, no clear pattern was discerned between employment contracts

and earnings in the higher wage bands, because two permanent and two atypically employed workers were paid wages from R1070 to R1637.

Casting attention to fortnightly-paid wages in comparison to the prevailing statutory wage of R1375.94, the same wage-conversion pattern (that of doubling of the fortnightly wage) used in the below 40-hour work week is followed for the 40 to 44-hour work week. The exact wage ranges and the converted amounts are presented in Table 13.8.

Table 13.8: Conversions of fortnightly to monthly-paid wages for 40 to 44 hours workweek, March 2011 to February 2012

Fortnightly Wage	Monthly wage
R298-500	R596-R1000
R501-R685	R1002-R1370
R697.97	R1375.94
R700-R990	R1400-R1980
R1070	R2140
R1076	R2152
R1200	R2400
R1637	R3274

Source: Adapted from SD 13 Survey.

As indicated in the table, wage ranges below R697.97 per fortnight symbolise wages below the mandatory monthly wage at the time. Wages from R298 to R685 per fortnight fall short of the monthly rate of R1375.94 when doubled, as they convert to R590 and R1370 respectively. Seven of the 50 workers (14 per cent) and 27 (or 54 per cent of workers) earned in the R298 to R500 and in the R501 to R685 wage ranges (for a fortnight) respectively. Thus, over a period of a month, 34 workers (accounting for 68 per cent of workers with a working week of between 40 and 44 hours) earned below the mandatory monthly rate of R1375.94. This leaves 16 workers or 32 per cent of workers who earned above the mandatory monthly rate, because they earned a fortnightly wage that ranged from R700 to R1637, which when converted amounts to R1400 and R3274 per month. This suggests wide wage gaps in earnings above the prescribed rate of R1375.94. It is worth mentioning now, as indicated earlier, that in the case of the under 40-hour (fortnightly-paid) workers, only 20 per cent earned more than the prescribed rate (compared to 32 per cent for the 40 to 44-hour fortnightly-paid workers).

Based on the discussions on fortnightly and monthly wages, above the prescribed AMW (R1375.94), in the 40 to 44-hour work week, it emerges that a greater number

of workers in the monthly sample, comprising 61.44 per cent of monthly-paid workers (compared to 32 per cent of the fortnightly paid) earned higher than the prescribed rate at the time, albeit at levels close to the rate. In common, higher wages in particular, in both pay cycles, were reported by a minority of workers in the respective pay cycles.

More broadly, wage data in this research shows that wage concentrations across the different weekly work hours and pay cycles (discussed so far) were at levels close to the prescribed monthly rate. In so doing, the data strongly indicates wage inertia in the sense that wage settings remained close to the AMW rate that prevailed at the time.

The assessment of fortnightly wages in the 40 to 44-hour working week concludes the profile on wages below the mandatory ordinary 45 hours in a week. It is now useful to summarise the data for monthly and fortnightly wages for working hours below the statutory limitation of 45 ordinary hours per week, before examining wages for the 45-hour and above work week. In the main, the research reveals the following:

- More monthly-paid, compared to fortnightly-paid workers, earned in wage ranges above the prevailing AMW rate. This is reflected in the 40.62 per cent of monthly paid workers (in the below 40-hour working week) and the 61.45 per cent of monthly paid workers (in the 40 to 44-hour working week) who earned above the prevailing rate of R1375.94. In contrast, 80 per cent of fortnightly paid workers (who worked below 40 hours a week) and 68 per cent of workers with a working week of between 40 and 44 hours, earned below the mandatory monthly rate of R1375.94. Given that most of the fortnightly-paid workers (in the below 40-hour and between 40- and 44-hour work week) were employed in horticultural workplaces, it is safe to conclude that horticultural enterprises tend to pay lower wages than animal husbandry enterprises, in the below 40-hour and 40- to 44-hour timeband. This raises critical questions on MW settings in the agrarian sector and calls for more in-depth research on wage settings in export orientated sub-sectors with strong product market positions, such as citrus.
- Monthly and fortnightly wages across the two weekly hour ranges, as depicted in Tables 13.6 and 13.8, overlapped and diverged at the same time. Broadly, monthly wages recorded higher wage levels and a greater measure of variances within the higher wage ranges compared to fortnightly wages. However, when doubled to allow for estimations of a monthly wage, the lowest

(and lower) range fortnightly wages were in fact higher than the lower range monthly wages. Further, there are wage commonalities in the below 40 hours per week and between 40 to 44 hours per week. More specifically, wage 'inequalities' exist whereby segments of workers who worked for 40 to 44 hours per week by and large earned in the same or similar wage ranges as workers who worked below 40 hours a week. It is not unreasonable to start from the hypothesis that a shorter working week will consistently result in lower wages; but the empirical data profiled thus far weakens this idea. The existence of wage 'inequalities' across the weekly work timebands, not only manifests in segmentation in the local agrarian labour market, as it forces inquiry into the drivers of agrarian wage setting in the context of the statutory wages. Overall, as a point made often already, this means that the reality of wages is a messy and complex affair.

- There is clear wage inertia, as represented by the significant number of workers paid in the wage range just below, and the wage range just above, the prescribed minimum. This varies from 25 per cent of under 40-hour fortnightly-paid workers, to 39.06 of under 40-hour monthly-paid workers, to 65.15 per cent of 40- to 44-hour workers (paid monthly) to 78 per cent of 40- to 44-hour workers (paid fortnightly).
- There are continuities with the pre-AMW gendered pattern of employment conditions. More women workers worked shorter weekly hours than men, exemplified in the gender composition of those working hours below 40 per week, as shown in the data for workers in the monthly pay cycle. As shown in the gender demographics of (under 40 hours) monthly paid workers (Figure 13.1), 68.75 per cent of workers were women, in contrast to 31.25 per cent of men. By implication, more men worked longer weekly hours, as the presence of monthly-paid women in the sample (with working hours in the 40 to 44 hours per week band) is fairly thin. Hence, as may be evident from Figure 13.2, of those working within the 40 to 44-hour timeband, 79.52 per cent are males 20.48 per cent are females. As with the first point, the gendered pattern of employment and working hours is a manifestation of segmentation in the labour market.
- Continuities and discontinuities in the gendered wage exist. Women and men earned in the same wage ranges, although more women tended to earn in the lower wage ranges, compared to men, and more men earned in the higher

wage ranges, compared to women. As depicted in Figure 13.1, 65.90 per cent of monthly-paid women, who worked below 40 hours per week, compared to 45 per cent of monthly-paid men working similar hours, earned below the AMW. In fact, a slight majority of 55 per cent of men earned above the AMW. Likewise, Figure 13.2 illustrates that 76 per cent of (monthly paid) women, who worked between 40 and 44 hours a week, contrasting with roughly 28 per cent of men, earned below the AMW. Women's propensity to earn lower than men also recurred among workers (working below 45 hours) in the fortnightly pay cycle sample. In this respect, from Figure 13.3, it is gathered that 90 per cent of (fortnightly-paid) women who worked below 40 hours, earned in wage brackets lower than the prescribed rate, compared to 66.66 per cent of men. And, in Figure 13.4, calculations for workers working between 40 and 44 hours a week reveal that 84 per cent of women earned in low wage brackets below the AMW, while 52 per cent of men earned in such wage ranges. This again reflects the gender-segmented character of the agrarian labour market.

- Clear and unambiguous wage differentials between permanent and atypical employment contracts were not always discernible in the data in the same way as the gender wage gap manifested. In this regard, a motley picture emerges with respect to wages and employment conditions on offer in the local agrarian labour market, certainly in the timeframe of the field research.

From the overall findings of wages discussed for a work week below 45 hours, the variegated nature of employment relations, contracts and conditions surface, and this points to layers and degrees of segmentation in the local agrarian labour market in this research. Labour segmentation is reflected in the gendered patterning of working hours and in the convergence and simultaneous divergence in wages in the below 40-hour and between 40- to 44-hour work week, across all sub-sectors in the local agrarian labour market. Thus, the data draws attention to key agrarian labour market and labour process conditions which are characterised by secondary and segmented conditions. Heterodox scholars, in broad terms, recognise that secondary and segmented labour market conditions invariably combine to produce sweated wages and low-waged sectors.

A core feature of low-waged sectors, as established earlier in the study, is inequality in bargaining power between capital and labour. The wage data for working hours below 45 per week, combined with the empirical evidence presented in earlier

chapters on the social relations of production and labour relations, project the power agrarian employers have in the workplace to set the terms of conditions of employment. As well, it was shown in chapter 12 that bargaining over wages in the sample was largely absent in the workplaces. The widespread absence of collective bargaining over wages, and the existence of wage concentration at levels close to the prescribed rate, symbolises the role of the employer and the role of the state in setting wages. On this basis, an argument is built here, about the combined force of the AMW and employer idiosyncrasies in setting wages. This claim gains clarity when monthly and fortnightly paid wages in the respective weekly working hour timebands are taken into consideration.

It is necessary to reiterate this argument relating to the socio-political determinations of actual wages in the sample which, without doubt, pose challenges for the monetarist and mechanical fashion in which wages are conceptualised in the neoclassic economic model. Wage ranges above the prescribed monthly rates were found across the weekly work times below the 45-hour ordinary work week, for both monthly and fortnightly-paid workers. This vividly manifests in particular in the monthly paid cycle, whereby (in the case of 40 to 44-hour workers) over 60 per cent earned above the minimum prescribed wage. In addition, although a significant gap was found between the lowest wage ranges reported and the prescribed rate (evident in wage levels in the lowest ranges such as R200 to R500, R501 to R685, and R501 to R800), wage ranges just below R1375.94 (the prescribed rate) were also reported by a significant number of workers who worked below 45 hours.

On this basis, it is argued that the AMW had a major impact on wage levels, specifically pushing up wages despite shorter weekly working hours than the statutory limitations to the working day (ordinary hours of 45 a week). This then shows the force of the AMW in adjusting wages, or as acting as the barometer that shapes and guides agrarian wage determinations. Wage settings, therefore, and contrary to the neoclassical economics model, are not set purely by economic considerations, as agrarian capital's decision to set wage levels were profoundly shaped by the socio-political force and pressure that came from the AMW. The fact that agrarian employers paid close to or above the AMW, even for working weeks shorter than the ordinary 45-hour per week, reflects the complex interaction of socio-political and economic forces and factors that shape agrarian wages in contemporary South Africa.

However, given the absence of collective bargaining, combined with profoundly unequal power relations, wage setting continues to be dominated by agrarian employers. The power of the agrarian employer to set wages is reflected in the level of wages they paid below and above the prescribed rate and the working hours they offered within the statutory limitations. Because of this, it is argued here that the combined force of the low AMW setting and the power that agrarian employers have in setting wages and working hours, contribute to actual wage levels that clustered around the prescribed rate.

The assessment and profile of wages for monthly and fortnightly-paid workers who worked below the ordinary 45 hours per week concludes here. To complete the wage profile in the 424 sample, it is imperative to assess wages of workers who worked 45 hours and above, per week. Not only does this provide a fuller assessment of wages for the 424 and allows for comparisons to be made between wage levels for work performed in the under, at and over the 45-hour work week; as a profile of wages at 45 and above hours a week also facilitates identification of compliance and non-compliance with the wage rate. In this context, wages in the 45-hour and above per week, for monthly and fortnightly-paid workers, are described and analysed below.

13.3.3 Wages of monthly-paid workers who worked 45 hours and more per week

The profile of wages for working hours that were 45 hours and above per week, begins with monthly wages followed by a discussion of fortnightly wages for the same time zones. As illustrated in Table 13.2, 76 workers, constituting 17.92 per cent of the 424 workers in the March 2011 to February 2012 period, worked a 45-hour week. As well, 52 monthly-paid workers account for 68.42 per cent of the all workers with a 45-hour work week. The 52 monthly-paid workers had employment across animal husbandry and horticultural workplaces, as shown in Table 13.9.

Table 13.9: Monthly-paid workers who worked 45 hours per week by sub-sector

Sub-Sector	Total
Citrus	7
Pineapple	9
Vegetables	3
Livestock	22
Dairy	1
Game	8
Pigs and poultry	2
Total	52

Source: SD 13 Survey.

Similar to monthly-paid workers who worked below 45 hours per week, monthly-paid workers who worked 45 hours per week were concentrated in animal husbandry sub-sectors (with 33 or 63.47 per cent of the 52 workers), contrasting with horticultural sub-sectors which employed 19 or 36.53 per cent of monthly paid workers with a 45-hour working week. In terms of the anchor sub-sectors, the largest share of workers had employment on livestock farms (22 or 42.30 per cent) while seven workers (or 13.46 per cent of the 52) worked in the citrus sub-sector.

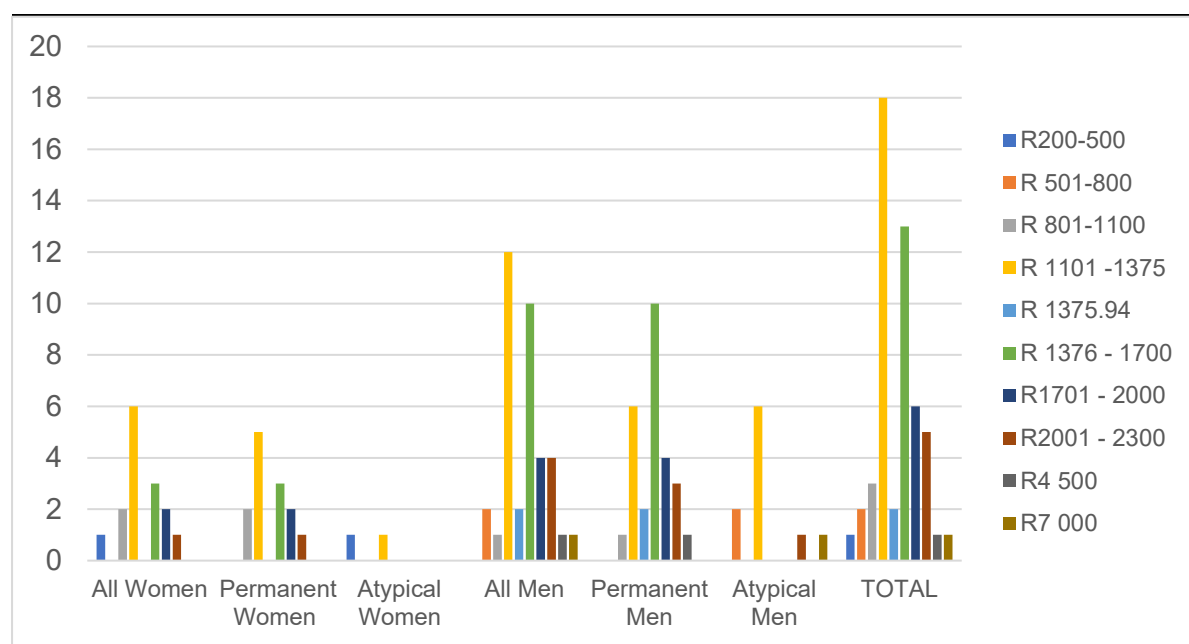
These 52 monthly-paid workers constitute 17.39 per cent of the 299 monthly workers in the March 2011 to February 2012 sample (the lowest percentage of monthly-paid workers worked a 45-hour work week). In contrast, Table 13.2 also shows that, after the workers with a 40- to 44-hour working week (which constitute 34.19 per cent of the 424 workers), the second largest concentration of workers in the sample are the 117 workers who worked over 45 hours per week. Such workers account for 27.59 per cent of the 424 workers. Of the 117 workers, 100 are monthly-paid workers, accounting for 85.47 per cent of workers who worked over 45 hours in a week. Moreover, these (over 45 hours) monthly-paid workers account for 33.44 per cent of all monthly-paid workers.

From this, it is clear that the majority (100) of these (45 hours or more) monthly-paid workers worked over 45 hours per week, and a minority (52) worked a 45-hour work week. In this context, the discussion begins with the 45 hour per week workers. To restate, the ordinary hours of work per week is 45. As pointed out above, the 45-hour work week registered the least number of monthly-paid workers, representing 17.39 per cent of the 299 monthly-paid. Further, of the 90 monthly-paid women, 16.66 per cent worked the maximum ordinary hours of 45 hours a week; in the case of men (out of 209), 17.70 per cent of monthly-paid men worked these hours.

Figure 13.5 portrays the wages of workers who worked 45 hours a week, disaggregated by sex and employment contract. Despite the low overall count of both men and women in this working timeband, this band (consisting of 52 workers) comprised primarily of men – 37, or 71.16 per cent of the workers. Women comprise 15, or 28.84 per cent of workers who worked these hours. Hence, there seems to be a gender disparity for monthly-paid workers for the 45-hour working week. Admittedly, with reference to the absolute numbers of monthly-paid women and men, the respective percentages of those working a 45-hour working week are 16.66 and 17.70 per cent. But it should be noted that, of the (90) monthly-paid female workers, close to

68 per cent work less than 45 hours per week; the respective figure for the 209 monthly-paid male workers is just under 42 per cent. The gendered dimension in the allocation of agricultural jobs and working hours is thus clear and is centrally linked to sub-sector conditions, the nature of labour processes and inequalities in bargaining power. The data presented here signals the need for earnest research on the drivers of underemployment in the agrarian sector because of its significant impact on wages for female agrarian workers.

Figure 13.5: Wages of monthly-paid workers who worked 45 hours a week, March 2011 to February 2012



Source SD 13 Survey.

In terms of employment contracts, of the 37 men, 27 (72.98 per cent of males in this timeband) were on permanent contracts and 10 (or 27.02 per cent) were on atypical contracts of employment. Permanently employed male workers thus outnumbered male workers on atypical contracts. Similar employment contract patterns for female workers manifest in the data, as 13 (or 86.67 per cent of the 15 female workers) were on permanent contracts of employment, leaving two (or 13.33 per cent) on atypical contracts.

When wages for the 45-hour work week is disaggregated for women and men in the sample (of 52), Figure 13.5 shows that nearly half of the 15 women (six in total, or 40 per cent of women) were paid wages in the R1101 to R1375 bracket; two (or 13.33 per cent) were paid wages in the R801 to R1100 range) and one (accounting for 6.67 per cent of women) was paid in the R200 to R500 wage rung. In total, then, nine (or

60 per cent of the women of the 15) were paid below the prescribed rate for the March 2011 to February 2012 period. Seven, or 77.78 per cent of the nine women paid below the prescribed rate, had permanent employment contracts; two, or 22.22 per cent, had atypical employment contracts. Two of the six women, who earned in the R1101 to R1375 bracket, were employed on citrus farms, three worked on pineapple farms and one was employed on a game farm. One of the two women who earned in the R801 to R1100 range worked on a vegetable farm and the other on a livestock farm. The female with the lowest earnings (between R200 and R500) worked on a livestock farm. Working 45 hours a week means that workers must be paid at least the monthly statutory wage prevailing at the time. In the 45-hour work week, monthly wages below the prescribed level, therefore, implies employer non-compliance with the statutory wage setting. The fact that 60 per cent of the women, who worked 45 hours a week, earned below the prescribed rate means that most of the women received sub-minimum wages – the subject of non-compliance is dealt with later in the discussion. As may be gathered from the sub-sector breakdown of wages, non-compliance with the prescribed rate for female workers was found in animal husbandry and horticultural workplaces.

The 40 per cent of women, in the 45-hour work week band, who were paid above the prevailing AMW rate of R1375.94, all held permanent jobs and mostly earned in the R1376 to R1700 wage range – 50 per cent of these (6) women earned in this wage range, followed by 33.34 per cent who earned in the R1701 to R2000 wage range, and 16.66 per cent who earned in the R2001 to R2300 wage bracket.

Women who earned in the R1101 to R1375 bracket account for 11.53 per cent of the 52 workers in the 45-hour working week, those who earned in the R801 to R1100 bracket comprise 3.84 per cent of workers in this time range, and those who earned in the R200 to R500 wage bracket make up 1.92 per cent of workers. Women who earned in the R1376 to R1700 bracket constitute 5.76 per cent of the 52 workers, those who earned in the R701 to R2000 wage bracket comprise 3.84 per cent of such workers, and women in the R2001 to R2300 bracket make up 1.92 per cent of all workers who worked 45 hours a week.

As pointed out above, and shown in the data, most women (9 of 15, or 60 per cent) earned below the prescribed rate; and 40 per cent (6 workers) were paid just under the rate, between R1101 to R1375. A minority of women (6, or 40 per cent) earned above the prescribed rate. As a percentage of the 15 female workers, 20 per cent

earned just above the prescribed rate in the R1376 to R1700 wage bracket. An even smaller number, 13.34 per cent, earned in the R1700 to R2000 range and the lowest per cent, at 6.66 per cent of the 15 women, were paid between R2001 to R2300 per month. Overall, the wage data for women who worked 45 hours a week shows a similar pattern to the wage levels of women and men workers in the below 45 hours working week bands, in that wages clustered below and above the AMW rate: in this case, the percentage is 75 per cent.

Similar to women's wages, wages for men concentrated in the R1101 to R1375 range: of the 37, 12 men (or 32.43 per cent of men) earned in this wage bracket; two, or 5.40 per cent of men, were paid in the R501 to R800 range; and 2.70 per cent earned in the R801 to R1100 range. The overwhelming number (11 of the 12 men) in the R1101 to R1375 range had employment on livestock farms; one worked on a pig and poultry farm. An even split was recorded for permanent and atypical contracts in the R1101 to R1375 wage, as 50 per cent of men had permanent contracts of employment and 50 per cent had atypical contracts of employment. Men who earned in the R501 to R800 range were on atypical employment contracts, while a permanently employed male earned in the R801 to R1100 wage bracket. As these wage ranges are below the statutory setting of R1375.94, in the March 2011 to February 2012 cycle, this means that these men were paid below the mandatory wage. In total, 15 men, accounting for 40.54 per cent of men in the 45-hour working week timeband, were paid below the prescribed rate, which points to employer non-compliance with the statutory wage.

Unlike women, most men in the 45-hour work week sample were paid in ranges above the AMW rate at the time, totalling 20 men, which translates to 54.06 per cent of the 37 men (and 38.46 per cent of the 52 workers in the 45-hour working week sample). Of the 20 men, 17 (85 per cent) worked across animal husbandry workplaces; 15 per cent were in horticultural workplaces. Nine of the 17 animal husbandry workers had employment on livestock farms, six on game farms, one on a dairy farm and one on a pig and poultry farm. Of the three horticultural workers, two worked in the pineapple sub-sector; one worked on a vegetable farm. Two permanently employed men, accounting for 5.40 per cent of the 37 men (and a mere 3.8 per cent of the 52 workers) were paid the prescribed rate of R1375.94. Thus, just under 60 per cent of these male workers earned at or above the prescribed minimum. As the data shows, only a marginal number of workers (male and female) earned the exact AMW of R1375.94

per month. The sub-sectors that paid the prescribed rate are worthy of mention: they were the livestock and dairy sub-sectors.

Wages above the rate, for men, concentrated in the R1376 to R1700 range with 10 (or 27.02 per cent) permanently employed male workers. This was followed at a distance by four (or 10.81 per cent) permanently employed males, who earned in the R1701 to R2000 range; and then followed by a further 10.81 per cent (75 per cent of whom were permanently employed and 25 per cent atypically employed) who earned in the R2001 to R2300 range. Outliers complete the sample, accounting for 5.40 per cent of men in the sample, and 3.84 per cent of the 52 workers: consisting of 2.70 per cent (permanently employed on a dairy farm) earning R4500, and 2.70 per cent (atypically employed on a game farm) earning R7000 per month for a 45-hour working week. Although most men with a 45-hour work week were paid higher than the AMW, wage levels clustered around the prescribed rate. In this case, 24 out of the 37 male workers (64.86 per cent) earned just below, at, or just above the prescribed minimum. This is a familiar trend, similar to the wage trends found in the below 45-hour working week discussed in the earlier sections. As well, the sub-sector dispersion of monthly-paid wages in the 45-hour working week is similar to the below 40-hour week, as animal husbandry sub-sectors tended to pay in the higher wage brackets (with dairy workplaces consistently recording wages in the highest earnings bracket), compared to horticultural workplaces.

In analysing wages for workers who worked 45 hours in a week, it is not only important to assess the dispersion of wages, below and above the prescribed rate for women and men (and for permanent and atypical workers). A central subject of inquiry of wages at (and above) the statutory ordinary weekly work hours of 45 is the issue of compliance with the prevailing statutory wages, alluded to at the beginning of the discussion on women's wages. For obvious reasons, compliance with the prescribed MW rate is a critical area of study, in the 45 and above working hour week, in addition to assessing wage trends in relation to the prescribed rate and in relation to gender and employment contract.

In considering the issue of compliance for the 45-hour work week, of the 52 workers, wages for 28 workers (or 53.85 per cent of workers) were in accordance with the prescribed rate. That is, these wages were set at R1375.94 and above in the March 2011 to February 2012 period and were thus compliant with the set rate. The majority of workers who were paid the prescribed rate and above were men, who account for

78.58 of per cent of the 28 workers (and 42 per cent of the 52 workers in the 45-hour working week sample). Women, in contrast, account for 21.42 per cent of the 28 workers (yet they represent 28.85 of the monthly-paid 45-hour working week sample). The nearly 79 per cent of men who received the prescribed rate or above compares to the 71.15 per cent of men who were in the sample of 52, thus reiterating the greater propensity for men to receive at least the prescribed rate, compared to women.

All wage ranges below the prescribed rate are sub-minimum wages, for this weekly work period, and were non-complaint with the prevailing rate. As pointed out above, nine women and 15 men were paid in wages below the AMW. As such, in total, 24 workers representing, significantly 46.15 per cent of the 52 workers, were paid wages that were not complaint with the AMW. As pointed out earlier, non-compliance with the prescribed monthly rate was not limited to any one agricultural sub-sector: sub-minimum wages were reported by animal husbandry and horticultural workers, to varying degrees.

The generative mechanisms driving this extent of non-compliance becomes an issue of interest, given the length of time that the AMW was in force since its inception in 2003. The March 2011 to February 2012 period means that the AMW was in its ninth year of existence, so the data provides a glimpse of the extent of compliance/non-compliance with the prescribed rate, after several years since the inception of AMW. At the same time, for a full assessment of compliance and non-compliance with the prevailing statutory wage, knowledge of wages in the overall sample is required. Hence, information on wages in the over 45-hour work week is vital, in shedding light on the extent to which there was compliance with the prescribed AMW of R1375.94.

Wages in the over 45-hour working week (for monthly-paid workers) are considered below, beginning with a broad overview of wages, before presenting questions to consider with reference to compliance/non-compliance for wages in the over 45-hour working week timeband and an overall assessment of wage compliance/non-compliance in the sample. An assessment of wages in the over 45 hours per working work, compared with wages in the shorter work weeks (as outlined previously), is also undertaken to understand wage convergences and divergences. Ultimately, this exercise contributes to an appreciation of a cumulative finding of wage inertia, across different work weeks, below and above the ordinary 45 hours per week, whereby the AMW rate for the period became almost the maximum benchmark in wage setting, in this sample.

To recap from Table 13.2, of the 299 monthly paid workers, 100 (accounting for 33.44 per cent of workers) worked above the ordinary weekly 45 hours. The sub-sector distribution of the 100 workers who worked over 45 hours is listed in Table 13.10. The dominance of animal husbandry workplaces, in the over 45-hour working week, is clear in Table 13.10. Of the 100 monthly-paid workers, 83 were employed in various animal husbandry sectors: most worked on livestock farms (49) followed by dairy farms (19) and game farms (12). In contrast, monthly-paid horticultural workers, with over 45 hours per week, number 17: eight worked on vegetables farms, and seven on pineapple farms. In terms of employment in the over 45-hour working week in the anchor sub-sectors in this research (livestock and citrus), livestock workers (49) outnumber citrus workers (one) significantly. The sub-sector employment pattern in the monthly pay cycle for the over 45-hour working week, therefore, mimics that of the monthly pay cycle in the 45-hour and below working weeks.

Table 13.10: Monthly-paid workers across sub-sectors who worked more than 45 hours per week

Sub-Sector	Total
Citrus	1
Pineapple	7
Vegetables	8
Peach	1
Livestock	49
Dairy	19
Game	12
Pigs and poultry	3
Total	100

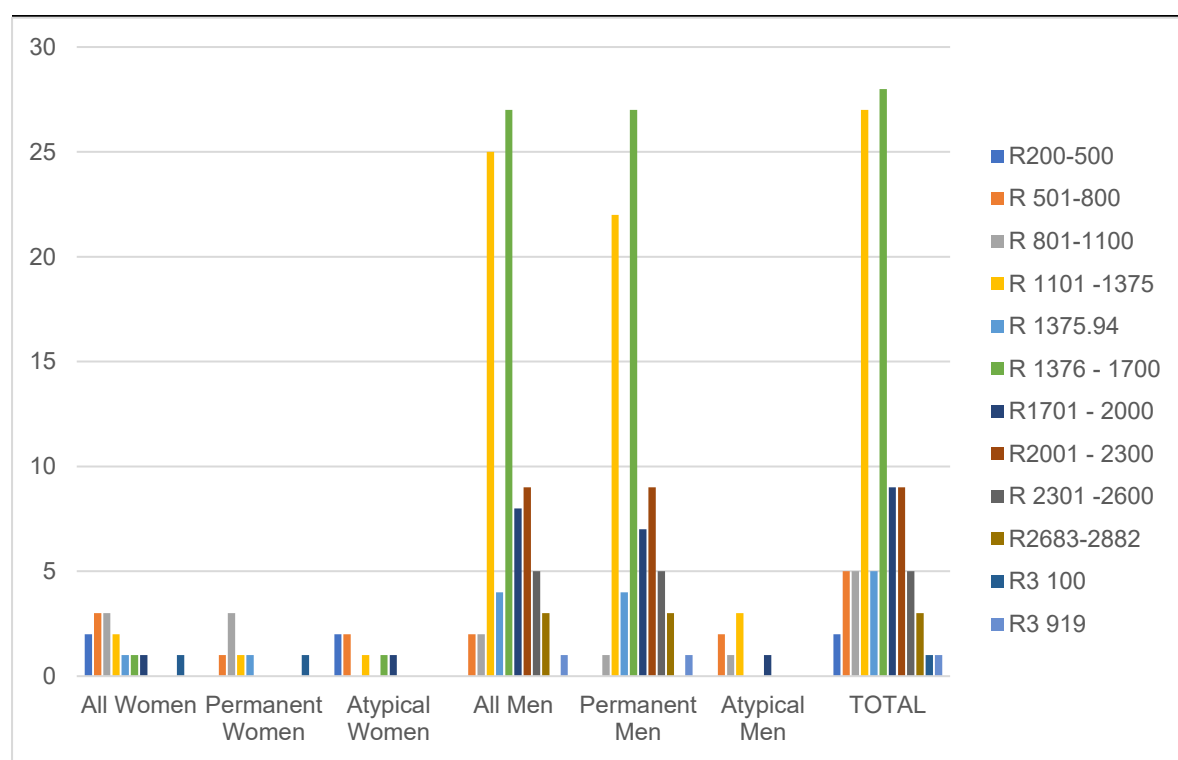
Source: SD 13 Survey.

The number of workers in this category is larger than the numbers in any other category of weekly hours (for example, under 40 hours). At the start, it is useful to point out the time range of overtime worked in the sample as a backdrop to the wage profile, and to foreground inequalities of workers' bargaining power in the labour and valorisation processes. Of the 100 workers in the above 45-hour work week, 84 per cent worked overtime hours: this led to various total weekly hours from 47 to 60 hours. This overtime range falls within the statutory maximum weekly limitations of 60 hours, as the statutory maximum overtime work in a week is 15 hours, over and above the ordinary 45 hours. This translates to a maximum of 60 hours a week inclusive of overtime. Moreover, overtime work on any given day cannot be more than 12 hours. A minority in the sample, made up of 16 per cent of the 100 monthly paid workers,

worked between 61 and 70 hours per week. As may be gathered, the 61 to 70 hours work range depicts non-compliance with the statutory limitations placed on the length of the working week.

When the demographics of these monthly paid workers are considered, a central issue about gendered employment comes to the fore. In the work week above 45 hours, men dominated over women, and considerably so. Figure 13.6 illustrates wages for workers who worked above the ordinary 45 hours a week, disaggregated in terms of sex and employment contract. Overall, 86 per cent of the 100 workers are men compared to 14 per cent who are women. Thus, of the 209 monthly-paid male workers, 86 work over 45 hours a week – or 41.15 of male monthly-paid workers. The corresponding figure for women is only 15.56 per cent. Thus, the tendency for monthly-paid men to work longer hours, and hence earn higher wages, compared to monthly-paid women, becomes quite clear.

Figure 13.6: Wages of monthly-paid workers who worked more than 45 hours a week, March 2011 to February 2012



Source: SD 13 Survey.

Permanently employed men (79) account for 91.86 per cent of men in the sample, and contrast starkly with the seven (or 8.13 per cent of) men who had atypical contracts in the above 45 hours a week sample. In contrast to the gap in numbers between permanently and atypically employed men, women in the above 45-hour work week

were evenly split between permanent and atypical contracts, meaning that 50 per cent of the 14 women were on permanent and 50 per cent were on atypical employment contracts.

Over-time work brings to light different dimensions to the setting of agrarian wages and requires filtering several aspects of the employment relationship to accurately assess actual wages and compliance with prevailing statutory rates. Multiple variables must be accounted for in order to make accurate pronouncements on the extent of compliance and non-compliance of actual wages above the prescribed rate for workers that work over-time. For example, to assess compliance with statutory wage rates in the over 45-hour weekly work band, it is necessary to tabulate the number of hours worked with the hourly rates of pay set for overtime work.

Calculations must be based on the different rates of overtime pay worked in relation to week-ends and public holidays, and as part of the normal work week due to operational requirements. In addition, the law makes provisions for non-monetary compensation for working overtime by allowing workers time off according to varying scales, instead of being paid. Time-off as compensation for working over-time, over week-ends and on public holidays must be accounted for so as to assess trends in compliance or non-compliance. So, it is important to be cognisant of the fact that, while agrarian employers may pay above the AMW rate, they may not be paying workers for the exact number of overtime hours they work. This means that workers may not have been paid the prescribed rates for overtime work. Assessing the rate of compliance in overtime work, where the wage is higher than the prescribed rates, requires meticulous calculations based on several variables, to enable an accurate rating of wage compliance and non-compliance for workers who worked over 45 hours a week, over week-ends and on public holidays.

As may be gathered, assessing patterns of wage compliance and non-compliance in the above 45 hours work week, where wage ranges are above the prescribed rate, is not a straightforward exercise and falls outside the scope of this study. Thus, wage levels displayed for the above 45-hour work week, in this discussion, do not include overtime pay or compensation or non-compensation for overtime work. As a result, it must be borne in mind that it is not possible to declare the full extent of non-compliance in the over 45-hour work week sample (for wages above the prescribed rate) because, as pointed out above, various other data are needed to investigate wages above the AMW in order to conclusively pronounce on wage compliance and non-compliance.

This leaves wages at and below the AMW, in the over 45-hour work week timeband, as of utmost significance in assessing non-compliance, which is then considered with the rate of non-compliance with wages in the 45-hour work week. This, in the end, facilitates an assessment of compliance/non-compliance with the prescribed rate, based on the wage data in the 45-hour and above-45 hour working week sample. Compliance/non-compliance is dealt with simultaneously with a profile of wages for women and men in the over 45-hour working week.

Considering wage levels, Figure 13.6 shows women's wages concentrated in the lower wage rungs, below the AMW rate of R1375.94. In fact, 11 of the 14 women (or 78.57 per cent of women) earned below the prescribed rates, hence were paid sub-minimum wages for the hours they worked per week. Of the women in the sample (14), 14.28 per cent of women (two women) were atypically employed and were paid in the R200 to R500 wage range; three or 21.42 per cent of women (33.33 per cent permanent and 66.67 per cent on atypical employment contracts) were paid in the R501 to R800 range; another three workers (21.42 per cent of the 14 women) were paid in the R801 to R1100 wage bracket (all were on permanent employment contracts), and, finally, 14.28 per cent (or two workers) were paid in the R1101 to R1375 category. Half of the 14.28 per cent of women in the R1101 to R1375 wage bracket held permanent contracts, and the other half atypical employment contracts. Another permanent woman worker was paid the AMW rate, which in effect meant that she was also paid sub-minimum wages, given that her weekly working hours were above 45 hours. From this, it is clear that the majority of women, constituting 78.57 per cent of women who worked above 45 hours per week, were not paid the AMW at the time. It is therefore safe to conclude that a high level of non-compliance prevailed for women who worked in this timeband.

When considering wages for men, Figure 13.6 reveals that a fair proportion (33 or 38.37 per cent) of the 86 men were paid below the AMW for working over 45 hours per week. Similar to women's wages discussed above, wages for these men were not compliant with the overtime rates prescribed in the SD 13. The majority of men who were paid sub-minimum wages, with 25, or 75.76 per cent of underpaid men, were paid in the R1101 to R1375 wage range, hence just under the prescribed monthly rate at the time; 88 per cent of such men (22) were on permanent contracts and 12 per cent (or just three) were employed on atypical contracts. Of the 33 men who reported sub-minimum wages, four or 12.12 per cent (all on permanent contracts) were paid the prevailing AMW rate at the time, while 6.06 per cent were atypically employed and

earned in the R501 to R800 wage range. A further 6.06 per cent – a permanently and an atypically employed male – were paid in the R801 to R1100 wage range. These wages were below the AMW rate of R1375.94 at the time, meaning that they were not compliant with the mandatory wage.

As pointed above in the discussion on women's wages in the over 45-hour work week, even wages for the workers (four men and one woman) who were paid the AMW rate were non-complaint because these workers worked over the ordinary weekly 45-hour band. The combined number of women and men, who worked above 45 hour per week and who were paid sub-minimum wages, constitute 44 per cent of the 100 workers in the sample, 75 per cent of whom are men and 25 per cent are women workers. Furthermore, when wage non-compliance in the above 45-hour work week is combined with the 45-hour work week, the number of workers with non-compliant wages increases in the sample.

As shown in the discussion above on wages in the 45-hour work week, 24 workers, representing 46.15 per cent of the 52 workers, were paid non-complaint wages. When these 24 workers are combined with the 44 workers who worked above 45 hours per week and who were paid sub-minimum wages, the total number of monthly paid workers who were paid non-complaint wages totals 68 (of the combined number of 152 workers – comprised of the 52 workers who worked 45 hours per week and the 100 who worked above 45 hours per week. This means that wages for 44.74 per cent of monthly paid workers in the 45-hour and above work week were non-complaint.

Moreover, women in the sample were more prone to be paid non-compliant wages, compared to men. This is demonstrated in the ratio of women who were paid sub-minimum wages compared to men. The total number of women who worked 45 hours and above per week was 29, and 20 (or 68.96 per cent of them) were paid below the prescribed rate. In contrast, of the 123 men who worked 45 hours and above, 48, (representing 39.02 per cent of the sampled men) were paid sub-minimum wages. This data, therefore, suggests a gender dimension to non-compliance in the agrarian sector, whereby women workers, more often than their male counterparts, may be paid non-compliant wages. Although abroad patterns of wage parity between women and men emerges in this research, this does not detract from the gender dimensions to wage settings and working hours that also surfaced in the study. Not only were female workers more prone to work shorter working hours and more disposed to be

paid in the lowest wage rungs, compared to male agrarian workers, women workers were exposed, more so than men workers, to non-compliant wages.

Leaving the subject of compliance/non-compliance aside, it is useful to get a sense of wage levels that were above the prescribed AMW, for workers who worked over the 45-hour working week, in order to facilitate an overall picture of wages for monthly paid workers across the different weekly working hours. This exercise helps to concretise findings of wage inertia in the sample.

From Figure 13.6, it is learnt that 56 per cent of workers who worked above 45 hours a week were paid above the AMW: the vast majority were men, as these workers above the prescribed rate account for 61.62 per cent of the 86 men (and 53 per cent of the 100 workers) who worked above 45 hour a week. Just three women, accounting for 21.42 per cent of (the 14) women (and three per cent of the 100 workers in the over 45-hour timeband) were paid above the AMW rate of R1375.94 in the March 2011 to February 2012 cycle. Just one atypically employed woman was paid in the R1376 to R1700 wage range; another atypically employed woman earned in the R1701 to R2000 range; and a third woman, who held a permanent employment contract, was paid R3100 per month.

For the most part, men's wages above the AMW was in the R1376 to R1700 range, as 27 permanently employed men, constituting 50.95 per cent of all male workers above the prescribed rate, were paid in this category. These workers also represent 31.39 per cent of the 86 men, 34.17 per cent of permanently employed males in the above 45-hour timeband, and 27 per cent of the 100 workers in this timeband. In the meantime, eight men earned in the R1701 to R2000 wage category, and account for 15.09 per cent of the male workers with wages about the prescribed rate. They also constitute 9.30 per cent of the 86 men, and eight per cent of the 100 workers in the above 45-hour work week.

Further, 87.5 per cent of these men held permanent contracts and 12.5 per cent worked on an atypical employment contract. Nine permanently employed men (or 16.98 per cent of male workers with wages above the minimum rate) were paid in the R2001 to R2300 range. They represented 10.45 per cent of the 86 men, 11.39 per cent of men on permanent employment contracts, and nine per cent of the 100 workers in the above 45-hour work week. Five permanently employed men were paid in the R2301 to R2600 category (or 9.43 per cent of all male workers with wages above the prescribed rate). They made up 5.8 per cent of the 86 men, 6.32 per cent of

permanently employed men who worked above 45 hours, and five percent of the 100 workers in this timeband. Three of the permanently employed men earned in the R2683-2882 range and, finally, one permanent worker was paid R3919 per month. Respectively, they represent 5.66 per cent and 1.89 per cent of male workers with wages above the official minimum rate. As the data reveals, few workers, indeed a minority of workers, earned in the higher wage ranges.

This data, therefore, reveals strong similarities, in terms of wage levels and wage concentration, across the various weekly working hours. There again are strong convergences around the prescribed minimum. As Figure 13.6 shows, wages in the above 45-hour work week (for monthly paid workers) clustered around the prescribed rate, mimicking wage concentration trends in the working weeks with under 45 hours (as noted previously). In the case of the 45-hour week, nine of the 15 female workers (60 per cent) earned just below, at or just above the prescribed minimum. For male workers, the respective figure was 64.86 per cent (24 out of 37 male workers). For the above 45-hour work week, the figure for women was 28.57 per cent (4 out of 14) and, for men, 65.11 per cent (56 out of 86). It is safe to conclude that wage spikes or concentration close to the prescribed rate was a generalised phenomenon in the data and had a gendered dimension as well. Overall, the data clearly shows that monthly wages tended to concentrate at levels just below and above the prescribed rate, at the time, for workers across the different working hour timebands, below, at and over 45 hours per week.

In many respects, wage ranges in the monthly paid category in the above 45-hour work week converged – at least to a point – with the 45-hour working week and below. In this respect, the over 45-hour work week started at the same monthly wage floor as the 45-hour and below working weeks, which in this sample was R200 to R500, and had roughly the same wage ranges as the 45-hour and below working week, up to the level of the maximum range in the 40 to 44-hour work week. The maximum wage in the over 45 hours was R3018, the maximum in the 40 to 44 hours working work was R3500, and the maximum wage for below 40 hours a week was R2817 per month. A difference was identified with the maximum wage in the 45 hours work week, where higher maximum wages were found – R7000, followed by R4500, albeit they were earned by outliers.

In effect, this shows that workers who worked 45 hours and above a week earned the same or similar wages as workers who worked for shorter hours per week. This –

again – reflects wage ‘inequalities’ in the sample as the majority of workers who worked longer hours earned in the same ranges as those who worked shorter hours, which was just under or above the prescribed rate at the time. Put differently, wage ‘inequalities’ may be said to exist because workers who worked fewer than 45 hours a week and earned in the same wage ranges as those who worked 45 hours and more a week, arguably were paid proportionally more than workers with longer weekly hours.

The fact that monthly wage ranges are common across all timebands below, at and above the ordinary 45 hours a week, and the fact that the data shows conclusive evidence of wage non-compliance for 45 per cent of workers in the 45-hour and above work week, draw attention to the terms and conditions of employment and the balance of forces in the workplace. In essence, wage convergences, in monthly wages across the four weekly work hour timebands, strongly reflect inequalities in bargaining power, where workers, more often than not, lack the capacity to bargain for higher wages and set the hours of workers, as employers have the power to set working hours and wage rates.

However, agrarian employers’ power to set wages is regulated by statutory wage settings, thereby preventing them from paying wages below the prescribed rate. In this context, agrarian capital’s complete power and control over wage setting, which they exercised in the pre-AMW era, has been dented by the SD 13. Yet agrarian capital retains the power, over agrarian labour, to (unilaterally) set wages within the mandatory rate. Agrarian capital’s power and agrarian labour’s weakness is clearly exposed by wage non-compliance, as the latter’s unequal relationship with the former invariably inhibits enforcement of statutory rates.

This state of affairs poses challenging questions pertaining to the conditions and relations that create and sustain wage settings in the research sites, and warrants robust debates and discussions about labour markets, labour processes and labour relations in the local agrarian political economy. By extension, this debate and further research is enhanced through a radical political economy framework which consciously seeks out the institutional arrangements and distribution of power along labour and product markets. This means scrutinising agricultural commodity value chains, as much as it means probing local labour markets and labour processes so as to deepen our understanding of the generative mechanisms for the wage inertia pattern identified in this research.

The need to probe agricultural commodity value chains when studying wages is reinforced in light of the sub-sector dispersion of wages. The sub-sector dispersion of wages in the monthly pay cycle in the above 45-hour working week was mainly in line with the 45-hour and below working weeks as animal husbandry workers tended to earn in the lowest and highest wage brackets as well as in wage brackets close to the prescribed rate. For instance, the sub-sectors that paid in the two lowest wage brackets (R200 to R500 and R501 to R800) are livestock and game farms; the sub-sector that paid the highest wage (R3919) in the above 45-hour timeband is, again, dairy. Horticultural wages, in contrast, did not earn as low wages as livestock and game, as the lowest paying horticultural sub-sector – a vegetable farm – paid between R801 to R1100 and the sub-sector also paid the second highest wage (R3100) in the over 45-hour week. Monthly wages in the livestock and citrus sub-sectors in the above 45-hour working week did not depart fundamentally from the wage dispersion (for these two sub-sectors) in the 45-hour and below working weeks. In the case of livestock, as mentioned above, wages were found in the lowest wage brackets and in ranges immediately below and above the prescribed rates. The citrus sub-sector paid between R2301 to R2600 per month in the above 45-hour timeband, which is above the prescribed rate of R1375.94, but lower than wages paid by the vegetable farm (R3100) and the dairy enterprise (R3919). These amounts are the highest wages in these sub-sectors.

The wage data thus indicates critical features of agrarian wage setting in a local labour market and in the context of statutory wage setting. Key characteristics of a secondary and low-waged agrarian labour market, in the research site, surface from the wage data presented thus far. Essentially, an attempt to unravel the drivers of the secondary, segmented and low-waged characteristics of the agrarian labour market means delving deeper into the myriad of socio-economic and political phenomena that shape the sale and purchase of agrarian labour, labour and valorisation processes, and value chains.

The profile of monthly wages in the over 45-hour working week, and comparisons with monthly wages in other working hour timebands in the research, brings the discussion on monthly wages in the sample to an end. To round out the discussion on wages and the 45-hour and above work week, brief consideration is given to fortnightly paid workers in these timebands, below. As will become clear, fortnightly wages in the 45-hour and over working weeks emulate similar patterns as fortnightly paid wages in the below 45-hour working weeks.

13.4 JOBS AND WAGES

Finally, in bringing the discussion on wages to a close, the link between wages and jobs in the various sub-sectors is worthy of mention. Across sub-sectors, the tasks and job positions in the respective working hour timebands were not radically different. In fact, the same tasks were spread across the four working-hour timebands in animal husbandry and horticultural enterprises. The tasks in the sub-sectors, laid out in Tables 9.1 to 9.4, were spread across the different timebands. This means that, in this sample, wages did not reflect variances in terms of tasks, and hence of job positions and skills. Instead, wages tended to be common across job positions in the respective sub-sectors. For example, the wool sorters and domestic workers in the livestock sub-sector and the pickers and sorters in the citrus sub-sector, worked across the four working-hour timebands. The same holds for job positions in the other sub-sectors.

As shown in chapter 9, a level of heterogeneity in skills prevailed in the sample, which are commonly regarded as unskilled and semi-skilled; this, in turn, shapes the labour market positions of workers in relation to employers. Kaufman (2009) points out that unskilled and semi-skilled workers often have weak bargaining power in the employment relationship and that this shapes the totality of labour market conditions in favour of employers (see chapter 1 of this thesis). Inequality in bargaining power not only stems from low skills and other associated technical aspects of labour processes; inequality in bargaining power in low waged labour markets also embodies a social and political dimension where informality and authoritarian labour relations prevail, which became clear in chapter 11.

Also raised as a point of interest to agrarian wages, is the nature and conditions of agrarian work, and its contribution to society and value chains. In many respects, low agrarian wages are a manifestation of the social devaluation of agrarian work and agricultural workers. Societal norms and conceptions of work are salient to pay setting and income structure. This means that societies' ideas on the status and worth of jobs form essential aspects of the narratives about wage settings and income inequalities. As Hyman (1974:185) argues, comparative worth of professions is shaped "by the general societal ideologies of occupational prestige and worth", making it necessary to focus on class structure and the "distribution of social power" to explain "the structure of occupational prestige and the criteria of rank which this incorporates". There is a link, therefore, between high wages and jobs and professions which

societies hold in high esteem, and low-status jobs, as in menial agrarian work, which are invariably devalued and hence low-paid.

As may be gathered from the discussions and profiles of employment conditions, labour relations and wages, a strong link exists between inequalities in bargaining power and the social devaluation of low-waged agrarian work and workers. These are, in turn, embedded in the process of valorisation and conflict of interest between labour and capital, over wages and working hours and the rate of production. At a cumulative level, the technical and social aspects of agrarian labour and valorisation processes, as featured in this study, contribute significantly to and cement the totality of the low-waged agrarian labour market.

13.5 CONCLUSION

This chapter profiled wages in an annual cycle of the AMW, that being March 2011 to February 2012, of 424 monthly and fortnightly paid female and male workers, who worked in four different weekly working hour timebands, on either permanent or atypical employment contracts. The chapter also provided a sub-sector breakdown of the length of the working weeks and pay cycles. Animal husbandry enterprises, at a general level, paid wages on a monthly basis and had working hours that were unevenly spread across the four working-hour timebands, with concentrations in the below 40-hours working week, between 40 and 44 hours, and over 45 hours per week. Horticultural workers, by and large, were fortnightly paid and concentrated in the 40- to 44-hour work week band. The chapter highlighted the importance of distinguishing wages in relation to workers' working hours so as to arrive at a nuanced and accurate assessment of actual agrarian wages in relation to prescribed rates prevailing in a cycle, and to ensure a fuller appreciation of the balance of forces in agrarian capital-labour relations, in the research sample. Linking wages to working hours allowed for several key features of agrarian wage setting to come to the fore, that relate to inequalities in bargaining power between agrarian labour and agrarian capital. Clear manifestations of inequalities in bargaining power emerge in the data with regard to the length of the working week and wage brackets in each timeband.

As the data shows, an insignificant number of workers in the sample worked a 45-hour week, which is the ordinary maximum hours permitted in the ASD/BCEA. Combined, a sizeable portion of the sampled workers either worked below or above the 45-hour working week, with the majority working between 40 and 44 hours a week, followed

by those who worked over 45 hours. This exemplifies the outcomes of power imbalances in the labour relations regime and agrarian labour's weakness in extending or shortening the length of the working day in line with the ordinary hours of work provided for in the ASD/BCEA.

Inequalities in bargaining power, or the strength of agrarian capital and the weakness of agrarian labour, is further manifested in wage brackets that are similar or common for working hours below and above the 45-hour work week, across animal husbandry and horticultural sub-sectors. The wage profile in the chapter clearly shows patterns of wage divergences alongside wage convergences, across the different timebands. Wage convergences were found in the lowest rungs and in wage brackets close to the prevailing AMW monthly wage rate. Hence, and based on the data, an argument was made for wage inertia whereby actual wages were close to the AMW rate at the time. This signals the combined work of statutory wage fixing processes and the power of agrarian capital to set wages within the boundaries of the wage floor. It also, importantly, reflects agrarian labour's weakness, stemming from the absence of widespread collective bargaining, in raising wages above the wage floor.

Consequently, it is argued that the minimum wage set by the state became (and becomes) the maximum wage that agrarian employers, producing for international and domestic markets, are prepared to pay. The fact that agrarian sub-sectors with strong product market positions, such as citrus, paid wages close to the prescribed rates, like other horticultural and animal husbandry sub-sectors producing for domestic markets, exposes the extent of power imbalances in wage setting in such workplaces. In this context, the wage data in the chapter reflects the combined and uneven amalgamation of old forces, manifested in the asymmetrical power in agrarian labour relations, with new forces, reflected in the ASD and other labour laws. The uneven merging of new forces and processes with old forces (or pre-existing conditions) reveals the contradictory outcomes of statutory wages, typified in wage hikes close to the AMW alongside the continued absence of collective bargaining and the robust presence of an authoritarian labour relations regime in the local agrarian labour market. In this context, the AMW may be regarded as a double-edged sword for agrarian labour as it pushes wages up, but only to the level of the prescribed rate. As argued in the chapter, wage convergences exist across working timebands below, at and above the 45-hour working week, and these reflect wage inequalities and segmentation in the local labour market. More specifically, these 'inequalities' relate to the presence of similar wage

brackets across the different weekly hour periods, with workers who work less hours (for instance, less than 40 hours per week) not necessarily and always being disadvantaged in terms of wage levels when compared to workers with longer working hours. This is attributed in large measure to the labour demand requirements and idiosyncrasies of local agrarian capital.

Linking wages to working hours illuminated salient features of agrarian wage-setting processes that in turn reflect the segmented and secondary conditions in the local agrarian labour market, including with reference to gender. Through the link between wages and working hours, the chapter demonstrated the gender dimension to agrarian work and pay (and thus gender segmentation), as the data shows a measure of wage equality (in that wages for both males and females were close to the AMW setting), alongside wage disparities particularly in relation to the levels at which men and women received the prescribed rate or above.

Equally significant, and related to a preceding point, data illustrating that workers who worked below 45 hours per week earned close to and sometimes above the AMW, as shown for wages in the below 45-hour timebands, raises critical questions on how actual wage rates are set by employers and the factors that are considered when agrarian employer affordability is considered in relation to statutory wage hikes. This data shows that agrarian employers were able, and willing, to pay the prescribed rate even when workers worked fewer than the 45-hours per week. This, in turn, raises questions for future research on how agrarian employers set working hours and rates of pay and the factors that influence the state's wage setting and uprating mechanisms. Wages at and above the AMW for working weeks below 45 hours, combined with wage inertia, reinforce the notion of the combined and uneven deployment of old, or pre-existing conditions, and new forces in agrarian wage processes.

The chapter also pointed to the significance of correlating wages to working hours for accurately reflecting the rate of compliance or non-compliance with the mandatory rates, given that the monthly wage in the AMW is set for a 45-hour working week. In this regard, I also highlighted key considerations for assessing the extent of compliance for working hours above the 45-hour timeband pertaining to overtime rates of pay. The overall findings presented in the chapter show a significant number of

workers, who worked 45 hours and above per week, who were in fact paid sub-minimum wages. Sub-minimum wages affected more women than men in the sample.

Finally, based on wages hovering close to the AMW, critical questions are posed on the role that both the state and agrarian capital play in depressing the value of agrarian labour-power. At a wider level, the data presented here demonstrate the multi-dimensional character of low-waged labour markets and wage settings, and this defies the neoclassical economics model of wage settings and the role of statutory wages. At fundamental levels, wages reflect the outcomes of the complex fusion of socio-political and economic forces and factors shaping production and valorisation processes.

Over and above the considerations on the length of the working week and wages, the subject of wages, working hours and the rate of production in labour processes gains immense significance in the context of AMW studies. The relationship between AMW wage-fixing and working hours is explored in the next – penultimate – chapter of this thesis.

CHAPTER FOURTEEN

SHIFTS IN AND STRUGGLES OVER WORKING HOURS AND WAGES

14.1 INTRODUCTION

The previous chapter focussed on agrarian wages for a sample of workers in the SD 13 Survey, in relation to the length of their working weeks. Wage data was displayed and disaggregated according to working weeks below, at, and over 45 hours per week for women and men employed on permanent and atypical employment contracts. The sub-sectors in each work timeband were listed. This chapter examines the relationship between the AMW and workers' working hours, from a different but related angle. This angle entails an exploration, more broadly, of the politics of the length of the working day with the advent of statutory wages and the limitations placed on working hours in the ASD. In so doing, the chapter reflects on the capacity for workers, and circumstances that enable them, to determine their labour time. There is evidence from this data that the ASD, with its provisions on the limits to ordinary and overtime hours, combined with the rates of pay for ordinary and overtime hours, made a fundamental impression on workers and employers alike.

The data shows that the AMW and the mandatory hours of work had a significant outcome for a substantial number of workers who reported a reduction in the general hours of work. This change reflects a particular relationship between statutory wage settings and regulating the length of the working day – a key aspect of agrarian employment that, in the pre-AMW era, workers had little to no say in determining, due to their unequal bargaining power in relation to their employers. The identified shifts in working hours in the post-AMW era in this research sample, is a subject of interest to a study of the AMW and its relationship to workers, given the authoritarian labour relations regime, typified in the widespread absence of joint regulation in the workplaces, which was discussed in chapter 10. It is argued here that the AMW can be a significant force, when implemented or enforced, in eroding agrarian capital's power to unilaterally determine the length of the working week, hence the rate at which surplus value was generated. The chapter also presents data that demonstrates workers' ability to restrict the labour time they supplied to the employer, as a result of

the limitations placed on working hours and because they were not paid the mandatory rates of remuneration for overtime work, set out in the BCEA and ASD.

Section 14.2 opens this chapter with an outline of the centrality of the working day to wages and the statutory wage settings. In many respects, this discussion revisits key conceptual thoughts regarding Marxists' ideas on wages (discussed in chapter 2), with reference to the distinction between the value of labour power and the value of labour and the implications of this for the length of the working day and week. The distinction between the value of labour power and the value of labour, as established in chapter 2, has significant bearing on how wages are viewed, and facilitates a deeper engagement with the length of the working day and week in the sample in this study. More concretely, engaging with working hours and the rate of production, given the length of the working day, resonates with key issues raised in chapters 2 and 3 pertaining broadly to questions of wages and justice, wages and the social devaluation of labour (set in the context of the technical and social relations of production) and the inherent class conflict in the capital-labour relationship. The production of surplus value, seen in the context of the length of the working and the wage levels depicted in chapter 13, reinforces ideas on the overall social devaluation of agrarian work and labour. Against this backdrop, section 14.3 explores the outcomes of the limitations to the working day and week, set out in the ASD/BCEA, on actual working hours, based on the empirical data obtained in in-depth interviews.

In the following and final substantive section 14.4, the length of the working day is considered against the rate of production for workers in citrus enterprises in order to project their expressions of the duration of the working day in relation to the rate of production. The citrus sub-sector is selected for discussion, not only because it is an anchor sub-sector in horticulture, but also because of the complex form of labour and valorisation processes found in such enterprises, relative to others in this research sample. The detailed division of labour and the assembly line production provides a solid platform to open up the debate and discussion on the level of statutory wage setting, the length of the working day given the rate of production, and actual wages. Concluding points to the chapter are made in section 14.5.

14.2 WAGES, WORKING HOURS AND THE AGRICULTURAL SECTORAL DETERMINATION

The idea that wages reflect the productive worth of labour because wages derive from workers' marginal productivity, as espoused by the neoclassical economics school, falls apart, particularly in light of a Marxist reading of the production and distribution of surplus value. As set out in chapter 2, in the neoclassical economic model, MW policies are rejected based on the notion of the marginal productivity of labour, which makes a direct link between workers' productivity and wages. So, in neoclassical economics, workers deserve the wage they earn, because that wage reflects their productive worth. To recap, as well as from chapter 2, Marx illuminates the distinction between the value of labour power and the value of labour, which in turn has profound bearings on the meaning of wages and its significance to capitalist accumulation processes. As Marx teaches, wages obscure surplus value extraction, and wages do not reflect the value of labour; instead, wages express the value of labour power. The length of the working day and week is a seminal element for a Marxist engagement with wages generally and, by extension, statutory wages. This is because the length of the "normal" working day is not only related to class struggles, as a focus on working hours is also crucial to debates on wages and labour and valorisation processes. In turn, by teasing out the constituents of the working day, debates and discussions on wages and justice begin to deepen.

In chapter 10 of *Capital* (Volume One), Marx (1867) explains two core aspects of the length of the working day, under capitalism, that have profound implications for the ways in which wages are conceptualised. The working day embodies both, time spent in production that leads to workers earning their means of subsistence (in other words, necessary labour time) and time spent in production to create surplus value (that is, in effect, surplus labour time). The capitalist working day, therefore, consists of both necessary working time to ensure the reproduction of labour power, and surplus working time that involves creating profits for capital. The recognition that the working day is comprised of both necessary and surplus labour time prompted Marx to explore the "extent of the working day", and to specifically problematise the length of the working day in terms of the amount of time workers spend in necessary labour time in relation to the amount of time they spend in surplus labour time. Marx shows that, while necessary labour time may be constant in so far as the determination of the necessary labour time required for workers to earn a wage to enable their subsistence

(see chapter 2) is concerned, surplus labour time expands variously beyond necessary labour time. This led Marx (1867:232) to argue:

The working-day is thus not a constant, but variable quantity. One of its parts, certainly, is determined by the working-time required for the reproduction of the labour power of the labour himself [or herself]. But its total amount varies with the duration of the surplus-labour. The working-day is, therefore, determinable, but is, *per se*, indeterminate.

Marx (1867) extended the distinction between necessary labour and surplus labour to bring to the fore a further distinction that links directly to the length of the working day. In terms of a Marxist reading of the capitalist labour process and the working day, surplus value creation may be accomplished in two distinct but inter-related ways – one is absolute surplus value and the other is relative surplus value extraction. Absolute surplus value and relative surplus value production have important implications for the conceptualisation of statutory wages. Absolute surplus value production results from the prolongation of the working day beyond the time workers need to produce the wage sufficient for the reproduction of labour power, and which is appropriated by the capitalist (Marx 1867 509). In other words, prolonging the working day to satisfy both workers' wages for reproducing labour power and capitalist surplus value involves absolute surplus value extraction.

Absolute surplus value is the “general groundwork of the capitalist system”, and the genesis for relative surplus value. According to Marx (1867:509-510), in the production of relative surplus value, there is recognition that the working day comprises two parts – necessary and surplus labour time. To increase relative surplus labour time, capital reduces necessary labour time by deploying methods that allow for worker production matching worker wages to be realised in “less time”. In this respect, the production of surplus value that is appropriated by capital is directly linked to the rate of worker exploitation typified in the inverse relationship between surplus or profits and wages. The reduction of necessary labour and realisation of the subsistence wage in less time entails an increase in relative surplus value, and this is accomplished through re-organising the labour process, introducing machinery, and other similar methods designed to increase labour's productivity.

Nonetheless, in concrete settings and in open-systems such as labour markets, abstract concepts like absolute and relative surplus value extraction unfold in complex and uneven ways and sometimes in parallel fashion, making it difficult to neatly separate the two methods, and to think of them as belonging to different eras of

capitalist development: that is, both forms, at least characteristics of both, can and do co-exist in modern day capitalism. This is borne out in the working hours in the agricultural labour market in the research sites for this study where a fusion of both absolute and relative surplus extraction exists. The four weekly working hour timebands as portrayed in this study (especially chapters 7 and 13 on working hours and wages) reflect the co-existence of absolute and relative surplus value extraction. The former is depicted in the over 45-hour work week (particularly in the livestock sub-sector and for certain jobs in the dairy sector) and the latter in the 40- to 44-hour work week (particularly in the horticultural sector) where workers worked fewer than the ordinary 45 hour per week but under conditions of work intensification along Fordist and Taylorist principles (see chapter 9). This work intensification was notable in the citrus sub-sector where piece-rates of pay and incentive schemes existed, shown in chapter 12, to entice increases in workers' productivity. In this frame, the amount of time workers spent in the labour processes evinced the hallmarks of both absolute and relative surplus value extraction, in the local agrarian labour market.

Not only does this data suggest the possibilities of the co-existence of absolute and relative surplus value, which signals the need for further research to assess the context and extent of agrarian capital's reliance on absolute and relative surplus value. As well, the data also makes evident (as set out in the next section) workers' dissatisfaction over the rate of production in the 40-hour working week band. The length of the working day, therefore, cannot be eschewed from the intensity of the production process and the balance of power between labour and capital in determining how value and relative surplus value in particular are generated, within the statutory limits placed on the working day. Equally important, the length of the working day and the intensity of production are crucially shaped by the technical nature of the labour process, the division of labour and the organisation of work. Relative surplus value, therefore, may be identified more readily in citrus pack-houses and orchards that are organised along Fordist and Taylorist strategies.

It is also important to bear in mind that enterprises' product market conditions and arrangements with their customers also shape how surplus value is created. The possibilities of adjusting the length of the working day and week, upwards and downwards, depends on multiple factors that encompass core objective and subjective aspects of the labour process. Sub-sector and enterprise level dynamics take on significance in shaping the extent to which working hours may be lengthened or

shortened in accordance with notions of absolute and relative surplus value extraction. In so far as the objective relations of production and working hours are concerned, due regard must be given to the nature of work in the production of the different agricultural commodities, the use of machinery and the respective division of labour in the labour processes. In broad terms, the data on sub-sector dynamics and absolute and relative surplus value extraction suggests that the former (i.e. absolute surplus value) may apply more readily to primary agricultural workplaces with certain jobs showing greater propensities for prolonging the working day, within natural limits of day and night.

Certain jobs and sectors of agricultural production, therefore, are open to reduction in working hours, more so than others, while other jobs are subjected to and require long hours. The former type of jobs include domestic work and tasks such as milking, or processing milk into yogurt. Examples of the latter type of work include general work on animal husbandry farms, especially in terms of tending to cattle and dairy cows, arising to a large extent from the fact that tending to livestock often entails long hours, as described in chapter 9. This explains the fact that, in the sample, there was concentration of monthly-paid male workers, in the over 45-hour working week band, in the animal husbandry sector. Working over 45 hours per week on the pineapple and citrus sub-sectors may stem from factors connected to agricultural seasons and natural qualities of fruit, combined with enterprise level dynamics pertaining to the level of automation, size of operation and size of labour force, amongst others. Jobs that are prone to extensions in working hours in the horticultural sector include harvesters, sorters and packers – jobs tied to the storage and preservation of perishable produce. Long hours of agrarian work, as argued in this study, is socially devalued, given the low wages in this sample, illustrated in the previous chapter.

With the progression of capitalism and the development of labour market protections, limits to the length of the working day followed, thereby shortening working hours. Moral questions become of interest when working hours remain unregulated allowing capital to prolong the working day with little to no regard for workers' rest periods. Hence statutory requirements on the limits to the working day impact on the generation of absolute surplus value extraction. However, given that methods to produce relative surplus value entail increasing worker productivity within the limits of the working day, capital can by-pass moral questions around the duration of the working day, and still realise surplus value, through changes in the labour process and the organisation of

work. As established in chapter 7, the ASD, following the BCEA, places a limit on the ordinary and maximum weekly hours.

Workers' and employers' responses to adjusting hours of work, in the context of ASD, are shaped by both the type of work and the overall balance of power to set working hours. It must be reiterated that, in the main, assessing the impact of the AMW on wages and the length of the working is not dealt with in agricultural MW writings in South Africa. Given the centrality of the length of the working day in the creation of surplus value, a cogent study of the implications of the AMW on workers must attempt to understand any shifts in the working hours in the agricultural sector and in the balance of power in the capital-labour relationship in determining working hours in the sector. In addition, workers' accounts of the length of the working day with the establishment of the AMW, gathered in this research, reveal vital information about movements in the daily and weekly hours of work, and indicate employers' reactions to the wage hikes prescribed by statutory wage fixing. Ultimately, such findings show the level and nature of the force that regulation and statutory wage fixing have on influencing changes to working hours; and this, in turn, impacts on surplus value extraction and valorisation.

So, although the ASD and AMW have, thus far, proven to be limited conversion factors, because they did not have a dramatic impact on the labour relations regime, employment contracts and terms of employment, and on the technical division of labour; this research shows that the ASD led to changes in the working hours for a significant number of workers in the sample. This suggests that agrarian capital, in these cases, had to adjust working hours and rates of pay in accordance with mandatory requirements, in the context of wage increases through statutory means. Set in this context, the discussion to follow first explores shifts in sampled workers' working hours and the initiators for such changes. The second focus of discussion is the work week for citrus workers in the context of their descriptions of the rate of production.

14.3 OUTCOMES OF PRESCRIBED WORKING HOURS ON ACTUAL WORKING HOURS

The impact of the ASD and AMW on working hours in the research sites can be distinguished across four instances – (a) the status quo remains because there are no changes to working hours after the AMW came into effect, and often no pay or

compensation for working overtime and public holidays; (b) reduction in working hours in line with mandatory hours; (c) termination or reduction in week-end, overtime work and work on public holidays; and (d) compensation for working overtime and on public holidays. Scenarios two to four represent countermoves to agrarian capital's proclivity to deploy absolute surplus value extraction methods typified in extending working hours and unpaid labour. This is precisely because they symbolise a reduction in the length of the working day and on the generation of surplus value, while payment for overtime work potentially retards employers' non-compliance with overtime work and pay. The discussion will focus on changes and shifts in working hours and unpaid labour; in other words, scenarios two to four are discussed, and not scenario one. As explained, the aim is to explore and examine shifts in workers' working times and wages, which makes cases in two to four relevant to the discussion.

The second to fourth instances arose through two streams of action – 1) employer driven action to reduce working hours in line with statutory limitations, and 2) worker led action to reduce working hours, especially in workplaces where there was prolongation of working hours. The former stream is referred to here as a top-down change, where agrarian employers are prompted to adjust or, more aptly, reduce working hours and levels of unpaid labour and at the same time increase wages due to the presence of the ASD and AMW. The latter is referred to as a bottom-up change, whereby workers use the AMW settings and the related prescribed hours set out in the ASD to bring about changes to their working hours and unpaid labour. At the time, there is no doubt that reductions in agrarian working hours alongside wage hikes warrants further research, with respect to absolute and surplus value extraction, including by extension or intensification of the workday (as discussed in the preceding section).

Analysis of the data shows broad sub-sector and enterprise level variations in terms of the outcomes on working hours and wages with the advent of statutory wages. As established in chapter 7, 287 workers (representing 57 per cent of the SD 13 sample of 501 workers) worked below the 45 hours ordinary working week to varying degrees. Workers who worked above 45 hours a week total 114 and account for 22.75 per cent of the sample (501). At a broad level, workers in horticultural workplaces tended to work fewer than 45-hours per week, although variations are noted (for example, in the pineapple sector, where 55.26 per cent of pineapple workers in the sample worked 45 hours per week. Similarly, and again generally, more workers in different animal

husbandry sub-sectors tended to work extended working hours. But the pig and poultry sub-sector recorded 52.38 per cent of workers in the animal husbandry sector who worked 40 hours a week and 19.04 per cent who worked above 45 hours; and the dairy sub-sector registered an insignificantly higher percentage of workers who worked below 40 hours per week (these dairy workers account for 45.76 per cent of all dairy workers in the sample). However, 44.06 per cent of dairy workers worked over 45 hours per week. As shown in Table 7.19, other animal husbandry sub-sectors that employ a sizeable workforce in the above 45-hour working timeband, are the game sub-sector (41.30 per cent of game farm workers) and livestock which accounts for 29.13 per cent of workers in the sub-sector.

In the context of a prolonged working week (over 45 hours), there was a greater tendency among workers in the animal husbandry sector to report a reduction in ordinary working hours, particularly in the dairy and livestock sub-sectors, during the in-depth interviews in this research. But workers on certain vegetable farms reported the same, after the AMW came into effect. In the majority of worksites, before the AMW, prolonged working hours often involved unpaid and/or uncompensated labour.

The termination of overtime work, and work on public holidays, when the AMW came into effect, cannot be seen as adverse for workers. On the contrary, from the evidence gathered in this study, it appears that the AMW and statutory regulations on working hours played important roles in curbing the power that agrarian capital had to extend the length of the working without paying labour, and hence the level of exploitation in such cases were reduced from pre-AMW levels. However, the fact that segments of agrarian workers in the sample laboured beyond the maximum ordinary and overtime hours set out in the ASD, demonstrates the production of absolute surplus value, and the reliance on low-road approaches in labour and valorisation processes. The presence of extended working day hours, as argued in chapter 9, is partly shaped by the nature of work and the technical component of labour and valorisation, but also the balance of forces in the capital-labour relationship.

Nonetheless, over time, the ASD and AMW, at the general level of the sample, arguably played crucial roles in regulating the length of the working day within the prescribed standards. It reduced extensions of the working day and the extent of unpaid labour, hence the level of exploitation for such workers in certain workplaces in the sample. In this sense, as mentioned above, the AMW and the limitations on working hours curbed employers' power to intensify methods of absolute surplus value

extraction in the pursuit of profits. In the same breath, the AMW allowed workers in certain worksites to enforce the mandatory limitations on working hours and enforce prescribed rates of pay for the hours they worked.

The discussion that follows focusses on the second and third instances (reduction in working hours; and reductions in overtime, weekend and public holiday hours) with the fourth instance (regarding compensation for overtime/weekend pay) weaved through the relevant cases. It begins with the top-down change strategy, or employer driven changes to working hours and pay for overtime and public holiday work, followed by a discussion of the bottom-up change efforts undertaken by workers to reduce the surplus labour they gave up to the employer.

14.3.1 Top-Down Changes to Working Hours

In the first set of in-depth interviews in 2004, few workers reported changes to the working hours. One such worker is Mandisa (17 October 2004), a female worker employed on an atypical contract on a pineapple farm in the Manly Flats, who reported a reduction in working hours. She said:

I used to work from 6am until 2pm but, since the introduction of the new law [SD 8], I start at 7am [and work] until 2pm. This change started with the new law [AMW] - 2003 ... He [the employer] never said anything; he just said I must now start working at 7am.

The reduction in working hours became more pronounced in the 2006 and 2007 in-depth interviews, with an increasing number of workers reporting reductions in the length of the working day and week in accordance with mandatory regulations on working hours, after the AMW was introduced. This trend demonstrates the link between statutory wage settings and the hours that workers worked, as conditioned by the ASD, with reductions in prolonged working hours. It is argued here that the ASD played a pivotal role in eroding the power of agrarian employers to resort to absolute surplus value extraction, where this applied before the ASD came into effect. This is because the ASD tied hours of work to wages, which effectively means that workers work 45 hours under ordinary circumstances, and any hours beyond the 45 are deemed overtime and must be duly compensated.

As established in the data, absolute surplus value extraction predominated among workers in the animal husbandry sector who laboured for extended periods in the day before and after the AMW. Comparatively speaking, a greater number of workers in the animal husbandry sector said that their ordinary working hours were reduced after

the introduction of the AMW. For example, Nelson (6 May 2006) a general labourer employed on a permanent contract, on a dairy farm, reported a drop in his hours of work. Before the AMW, Nelson's working day was 10 hours and 15 minutes, excluding rest periods. He worked from

5am to 5pm, Monday to Saturday; we worked the entire day on the week-ends. Now [after the introduction of the AMW] I start at 6am and knock off at 5pm. I work one weekend and get time off for the next weekend. When I work over week-ends, I start at 6am on Saturday, [and] then I get time off for the next weekend ... I could say my hours have decreased because sometimes I work until 4pm and go home before 5pm.

Similarly, Zola (7 May 2006), who worked on a permanent contract, said that in the years before the AMW, he started work, as sheep herder on a livestock farm, at 06:00 and stopped at 17:00. After the AMW became mandatory, his working day started an hour later - at 07:00. Similarly, Khaya's (13 May 2006) ordinary working hours on the game farm which employed him, were also shortened, when the AMW became applicable. He explained that he "used to start work from 7am to 5pm, but it depends on whether there is something that needs to be done. I can say I used to work eight to 10 hours, but we were not paid for overtime. I am now working eight hours per day".

The above cases show that the AMW forced agrarian capital to reduce the extended working hours of workers exceeding the mandatory hours of work. The force of the AMW combined with the limitations placed on working hours is powerfully reflected in Peter's (14 May 2006) summation of the AMW with respect to working hours and wages, which is captured below:

Before the sectoral determination we use to be abused by farmers. We used to work more than 45 hours per week; for example, we used to work more than 15 hours per day. Now that there is the sectoral determination, we get paid if we work overtime and that was not happening before. And now we have a right to say no if we don't want to work overtime.

Yet, there are cases where working hours were reduced but were still beyond the mandatory hours, without compensation. For example, Thomas (12 June 2007), a male worker in the dairy sector, spoke of a drastic reduction in working hours:

There was no set time before the minimum wage. At 3am, I would go to the camps to fetch the cows, milking the cows, take the cows back to the camps and knockoff around 7pm in the evening ... The number of hours has decreased since the minimum wage was introduced. I start work at 5:15.

Yet, from Thomas's (12 June 2007) breakdown of his working hours in a day, as indicated in chapter 9, he worked roughly 10 hours a day, which translated to over a 50-hour work week. This was beyond the 45-hour ordinary work week and under the 60-hour overtime limitation. But he was not paid for the hours he worked beyond the 45-hour ordinary hours. Likewise, although Bongi (7 May 2006) reported that her working hours, as a wool sorter, were reduced by 30 minutes with the advent of the AMW, she continued to work extended working hours beyond the ordinary mandatory hours. As pointed out in chapter 7, Bongi (7 May 2006) reported a 54-hour work week as her ordinary hours of work.

The above cases reveal a differentiated outcome on working hours, whereby extended working hours, without compensation in the pre-AMW, shifted along two lines – one, where working hours were reduced to the mandatory hours and, the second, where extended working hours were reduced to some extent, but not to the mandatory hours. In the second outcome, workers were not paid for their over-time, and they remained in the category of workers whose overtime hours were disguised as ordinary hours as explained in chapter 7.

The extent to which employers reduced working hours in the post-AMW era is determined in multiple ways, considering the objective and subjective relations of production in the respective enterprises. However, one key aspect or determinant shaping employers' downward adjustment of working hours, of relevance to a discussion on shifts in wages and the length of the working day, is the balance of forces and the capacity for workers to exert their interests in relation to the hours they are prepared to give up to the employer. In the sample, workers who had capacity and confidence acted to enforce the mandatory limits to the working day and/or get paid for their overtime and public holiday labour. Snapshots of this phenomenon will emerge as the data is presented in this section.

It must be borne in mind that regulations and limitations on the length of the working day and week for the agricultural sector were set out in the BCEA, which was enacted in 1997. This means that the limitations to the working day were set prior to the advent of the AMW, which came into effect several years later, in 2003. Yet, the data indicates that reductions in the extended working hours for workers in the sample occurred only *after* the AMW came into force. In this light, it is argued that the ASD and AMW compelled employers to adjust the length of the working day and week to the mandatory requirements and, in so doing, lowered the extent of unpaid labour beyond

necessary labour time. This is a crucial outcome of the ASD/AMW on working hours because it displays a capability or potential of statutory wages in effecting a reduction in the ordinary hours of work albeit unevenly. This, in turn, potentially affects the rate of surplus value extraction alongside increases in wages. In this light, and at the level of effecting positive changes by reducing workers' unpaid labour, it may be concluded that the ASD and the prevailing rates are measurable conversion factors.

In this regard, the significance of the AMW to the length of labour's working day lies in the fact that the rate of pay is linked to the hours of work. By explicitly setting out the rate of pay for the hours worked, the ASD can, and does, over-ride or corrode agrarian employers' power to deploy low-road employment strategies, such as extending the length of the working day, in the creation of surplus. In such circumstances, the AMW led to improvements in agrarian employers' compliance with the prescribed ordinary and maximum weekly hours.

The argument that the AMW, and by implication the ASD, put the brakes on agrarian employers' track record in prolonging the working day, thereby countering the propensities for unpaid labour, gains traction when compensation for work beyond ordinary hours and on public holidays are taken into account. In certain worksites, in this research, employers began to compensate workers for overtime, as well as work over public holidays, after the inception of statutory wages.

As pointed out earlier, the fourth instance of change to working hours and wages in the research concerned overtime work and public holiday work, which were affected with the introduction of the AMW. In terms of over-time, three broad employer responses were identified in terms of dealing with overtime and pay, as part of the top down change process: (a) no pay or compensation for overtime work, which is akin to employers maintaining the status quo (which was also found in various instances with regard to working hours, i.e. no change in hours); (b) termination of overtime work by employers; and (c) employer's selective use of overtime with compensation that was either monetary or time-off. The three responses suggest mixed outcomes of the AMW on employer adjustments to overtime expectations from their workforce. What follows is an overview first of workers whose overtime labour went unpaid and uncompensated, followed by a profile of those who had overtime terminated or reduced, or received payment or compensation for it, through the top-down change to working hours.

Atypically employed Ziyanda (18 May 2006) was one of several workers whose overtime work was unpaid and uncompensated, when she harvested pineapples in season. In her words, “we don’t get paid when we work overtime” (Ziyanda 18 May 2006). However, Ziyanda (18 May 2006) was compensated with time-off when she worked on public holidays, as explained by her: “If we work on a public holiday, [the employer] gives us time off on the first Monday of month end”. In contrast, Zuki (13 May 2006), who worked on a permanent basis on a dairy farm, was not paid nor compensated for work on public holidays, confirmed by her in the following: “We work all the public holidays, there is no holiday there. [The employer] never mentioned anything about payment. Even during Christmas, we are going to work. We don’t get paid and no time off”. Other workers, employed in various horticultural and mixed agricultural enterprises, who worked overtime and on public holidays, and who were not paid or given time-off, include, Vumile (11 August 2007), Lindiwe (2 June 2007), David (2 June 2007), and Tommy (2 June 2007).

In contrast to workers who were not compensated for overtime and public holiday work, in the workplace that employed Khaya (13 May 2006), the game farm adopted the strategy of selective application of overtime with compensation. In this regard, Khaya (13 May 2006) explained that “we work overtime ... Sometimes we work until 20:00, but after 17:00 is over-time. Now I am getting paid for working over-time”. Peter (14 May 2006) related that, apart from an overall decrease of work to 45 hours per week, his work for overtime and Sunday work was roughly remunerated in accordance with the prescribed overtime rates as follows: “On Saturdays we know we are working overtime. We know that we are paid R4.60 per hour [for overtime hours], then on Saturdays we are paid R6.80, [and] then on Sundays we get R9.80”. Similar patterns were discerned in the SD 13 Survey when workers spoke about getting paid for working overtime when the AMW was introduced. An example is 42-year-old Joseph (25 February 2012), who said that “now we are paid for overtime and for working on public holidays” on the pig and poultry farm that employed him.

The research also identifies employers who pay and/or compensate workers for overtime work on an inconsistent basis. For example, Sinathemba (17 October 2004), a 30-year male who worked on pineapple farm, said that his employer:

Gives us any amount he likes for working over-time. He does pay for overtime but not as he is supposed to pay. Sometimes he gives us nothing. He may give you R5.00. There are times at 5pm [when] everyone leaves, and we are left behind to spray the pineapples. Sometimes we work two hours or one hour

overtime. [The employer] gives me what he decides to give me – whatever amount.

Echoing the above is Nomonde (16 October 2004), who said that on the livestock farm that employed her, male workers who attended to pregnant sheep in labour receive inconsistent pay for over-time. In Nomonde's (16 October 2004) words, "for over-time, it is still difficult... because workers are paid for some overtime and for other times, they do not get paid".

Like the mixed employer response to overtime pay and compensation, a mixed employer response to work on public holidays was identified from workers' accounts, following the implementation of the AMW. The research sample was spilt between workers who reported that work on public holidays decreased, and workers who confirmed working on public holidays. For example, 253 workers in the SD 13 Survey, comprising roughly 50 per cent of the sample, reported working on public holidays. Of the 253 workers, 118 were in the animal husbandry sector, and they account for 46.65 per cent of workers who worked on public holidays. In contrast, 135 horticultural workers account for 53.35 per cent of workers who worked on public holidays. The animal husbandry sector workers who worked on public holidays account for 46.64 per cent of all animal husbandry interviewed in the SD 13 Survey; the horticultural workers who worked on public holidays comprise 54.43 per cent of all horticultural workers interviewed in the survey. The higher proportion of horticultural workers who reported work on public holidays is an indication of seasonal work with perishable commodities.

The majority of public holiday workers (at 144, representing 57 per cent of the 253 workers) were paid for working on public holidays, in contrast to the 53 workers or 21 per cent who did not receive any compensation for working on public holidays. A few workers, 38, or 15.01 per cent, said that they received time-off equal to the hours worked; 13 or 5.13 per cent of the workers said they received less time-off than the hours worked; and, finally, five, or 1.97 per cent the workers, said that they were not sure if they were compensated in any form for working on public holidays. Like the reductions in ordinary hours, reductions in overtime work and compensation for overtime work and for work on public holidays represent major changes for the workers, in the post AMW years, as will become clear in this section.

As mentioned at the beginning to section 14.3, alongside the workers in the sample who worked overtime and on public holidays, were workers who reported that work on

weekends, on public holidays and overtime work was terminated, by the employer, after the AMW came into force. In the pre-AMW years, these workers were not compensated for working over the ordinary working hours, as well as on public holidays. Many workers in the sample in this situation expressed approval with the reduced working hours because they were not paid for their overtime labour. Joyce (13 May 2006), who worked on a dairy farm, typifies such sentiments when she said that “I was happy when work over week-ends was stopped because [the employer] didn’t pay us for the work done over week-ends”. In these cases, employers took steps to stop any form of overtime work. Workers forwarded reasons for these changes, which are captured by Bongi (7 May 2006) when she said that “the farmers don’t want to pay for work done during overtime. We used to work from 5:00 in the morning and go home at 18:00 or 19:00 in the evening. We used to finish work late. That is not happening anymore”. In a similar situation, Mandile (6 May 2006) explained that, on the vegetable farm where he was employed, “there was overtime, but we were not paid for it. We do not work overtime anymore. The foreman told us that the owner said we don’t have to work overtime any longer”.

The above data reinforces the significance of the AMW and ASD in compelling segments of agrarian capital to not only reduce extended working hours and unpaid labour, but also to compensate or pay workers for overtime and public holiday work. In the event that employers do pay or compensate workers for overtime and public holiday work, the ASD acts as a deterrent to agrarian employers’ imposition of unpaid labour onto workers as was prevalent in the pre-AMW era. However, the balance of forces, in favour of agrarian capital, also means that employers retain power to selectively comply with provisions on overtime rates of pay. This, however, does not detract from the fact that limitations to the working week in the ASD and rates of pay for ordinary and overtime work in the AMW settings, did make an impression on segments of employers who acted to reduce working hours, and compensate workers for overtime work, albeit selectively in some instances. As much as the ASD and AMW encouraged a strand of employers in this sample to reduce working hours, as sketched above, they also inspired worker led action to reduce their working hours. This subject is explored next.

14.3.2 Bottom-Up Change to Working Hours

In the examples discussed above, the reduction in the length of the working day and hours of work, and pay for overtime and public holiday work, were employer driven

stemming from the presence of the AMW. As mentioned earlier in the discussion, there are instances, in the research sample, where workers took steps to regulate the length of the working day of their own volition in cases where there was underpayment. In such cases, the AMW was the catalyst for workers to gain some measure of control over the amount of time they spend at work and in a real sense self-enforce mandatory limitations to the working day. In this regard, workers pursued one of two options.

One was direct engagement with the employer with regards to reducing ordinary working hours and/or payment for overtime, work over weekends and public holidays. This is a strategy that resembles workers self-enforcing rights, or attempting to enforce rights independently of other entities such as a trade union. The second strategy is workers withholding their overtime and public holiday labour of their own volition. Eric (14 May 2006), who worked on a vegetable farm on a permanent contract, exemplifies the first strategy, specifically in relation to a reduction in his ordinary hours of work. "Before the [AMW] was introduced, I used to work more than 45 hours, said Eric (14 May 2006). He went on to say that:

I was working 10 hours per day. I used to work on Saturdays until 13:00. My working hours have decreased after this law [ASD] because I am no longer working until 13:00 on Saturday - I only work one hour. I think he [the employer] made these changes only because I went to him and told him about my rights, so I think he noticed that I am aware about my rights and they correlate with the South African Constitution.

Adopting a similar strategy with a somewhat different outcome, Patrick (12 August 2012), who was employed on an atypical contract on a citrus farm, recounted that he "used to work on Saturdays... but I haven't worked on Saturdays since I demanded double payment [because] Saturday is my resting day. They haven't asked me to work on a Saturday since then".

In terms of the second strategy – the independent decision to withhold labour – Sylvia (11 August 2007), a permanent worker on a vegetable farm, highlighted a common practice of agricultural employers with respect to overtime work, wages and workers' action against underpayment:

We have not worked overtime since this new law [ASD]. We used to work overtime, but overtime didn't appear on our payslip. He [employer] used to give us R700 each. When we asked him about the payment for over-time, he told us that he included it in our monthly wages. What we noticed is that it is the R700, [the] same monthly amount. He didn't include any payment for over-time. It is then we decided not to work overtime.

Workers withholding their overtime labour because of non-payment was not confined to the farm that Sylvia (11 August 2007) worked on. Monwabisi (11 August 2012), a permanent male worker on a citrus farm in the Sundays River Valley, explained that:

I do not work overtime now. I used to work overtime, but I stopped after becoming aware that I do not get compensated for working overtime. ... I also do not work over weekends and on public holidays because I was not compensated for that time. ... [The employer] has not asked me anything. In fact, I wanted him to query my reluctance to work overtime so that I could tell him why I am not willing to work after hours, but unfortunately, he has not bothered to ask me anything.

John (12 June 2007) also stopped working on public holidays on the livestock that employed him, because he was not paid. As he explains:

We became aware of public holidays and the fact that the employer was not paying us for working on public holidays. Sometimes we worked on public holidays in his presence, sometimes in his absence, but he didn't care about paying us.

Eric (14 May 2006) reported positive outcomes from his engagements with the employer, as he spoke about time-off as compensation for working overtime during harvesting periods on the vegetable farm that employed him. In his words: "Yes, I work overtime and I get time-off". As noted above, Eric (14 May 2006) took steps to reduce his ordinary hours, and in that process also claimed rights to compensation for overtime. Mary (7 May 2006) also spoke about workers self-enforcing payment for overtime work, when she confirmed that "we do work overtime and we get paid for that now" after workers approached the employer of the livestock farm, regarding non-payment for overtime work. In Mary's (7 May 2006) words: "Workers consulted with him [the employer] about payment for the work they have done during overtime. [The employer] encouraged people to write down the hours worked during overtime and he pays for those hours".

Moreover, Mary (7 May 2006) related that work on public holidays was paid double the standard rates of pay as per the ASD and BCEA prescriptions. In Mary's (7 May 2006) words, the employer "will ask us to work on public holidays, then he will give us a choice whether we want money or a day-off; then we tell him that we want money, and he pays us double payment". Luvuyo (2 June 2007) also showed a capacity to resolve his problems with overtime pay when he related the following:

When I worked overtime ... the hours I worked don't all appear in the payslip. I approached the management to sort it out. I used to be underpaid a lot in 2004 and 2005 ... I kept on approaching them. From 2006 until this year [2007] it's no longer happening.

In recounting the changes to compensation for work on public holidays, Zola (6 May 2006) reveals an additional important shift in the power relations between agrarian labour and capital, whereby employers in certain workplaces must negotiate work on public holidays. According to Zola (6 May 2006):

What is happening now is that if he wants us to work during public holidays, he asks permission from the workers and this was not happening before. Then it depends on each employee whether you want to be paid or to get time-off when you work during a public holiday.

Eric (14 May 2006) spoke of a similar experience and approach to public holiday work when he said, “it depends on me whether I want to work or not. If he asks me to work on a public holiday it depends on me; if I don’t want to work, he cannot force me. If I say no, he does not do anything”.

These examples reveal workers exercising independent choice, with respect to giving up their labour time on public holidays, and the method or form of compensation. Workers’ decisions to work on public holidays, and their choice of pay and time-off, were shaped by several factors, including the desire to rest; or, as Eric (14 May 2006) expressed it, “If I am tired and I want to relax”. Although Mary (7 May 2006) prefers to getting double the cash wage for working on public holidays, she sheds light on workers’ rationale for shifting their selection based on material circumstances, in the following:

It depends; when I have a problem to solve, I prefer time-off so that I could be able to sort out that problem. When I have a financial problem, I prefer to get paid. It depends on each person [at the workplace] - whether you want money or time off.

Luvuyo (2 June 2007), not unlike other workers, preferred to get the double pay that comes with working on public holidays, as opposed to time-off. This may be the case as public holiday work, for Luvuyo, was not common on the game farm, as he explained:

I work over-time, but I work on some public holidays; it depends – unless there is something that must be done urgently, then the management will ask me to work. I get paid double when I work on a public holiday ... I like to get the payment.

Certain workers employed on vegetable fields also complained about the employer’s tendency to prolong the workday. For example, James (12 June 2007) complained about the working hours at the farm where he worked, which prompted workers to down tools when the length of the working day was extended by the employer. “I’m

not working according to the hours that the law has put in place”, said James (12 June 2007), and he lamented the position of atypical workers (in this case, workers regarded as casuals) in relation to permanent workers’ working hours, when he said that:

It’s better for those who are working permanently because they work according to the hours that are prescribed by the law. It’s still difficult for those of us who are casuals. We are being exploited. ... We start work at 7:00 and end at 16:30 and we have a break from 9:00 to 9:30 and from 13:00 to 13:30. That’s how we should work, but it doesn’t happen like that because sometimes we work until 19:00 in the evening. We don’t knock-off at 16:30. We only knockoff on time if we [protest] like putting tools down and demanding knock-off time.

The length of the working day, at this workplace, proved to be a contestation between the employer’s tendency to prolong the working day beyond the eight and half hours per day, and workers’ resistance to extended daily hours. This example adds to the number of workers acting to enforce limits to their working day, but it also differs from other cases in the research sample. The difference between James’s (12 June 2007) case, and others portrayed above (who enforced a reduction in the ordinary working hours to the mandatory limits) lies in the way the respective employers responded to workers’ demands and/or actions. For example, in Eric’s (14 May 2006) case, the employer adhered to the mandatory working hours while, in James’s (12 June 2007) case, mandatory working hours were not institutionalised in the workplace. This is evident in James’s and his fellow-workers’ struggle to end their working day at the set time.

The data presented above shows that the AMW combined with other provisions of the ASD had an immediate impact on workers’ understanding of their rights and entitlements with respect to the length of the working day and wages they received. This is demonstrated in the bottom-up changes to working hours that workers initiated in the respective worksites, discussed above. To a large extent, the capacity for workers to act against unpaid labour and to address extensions of the working day was facilitated by the ASD and the AMW. This is evident not only in workers’ actions displayed above. The significant relationship of statutory wages tied to limitations on working hours is also demonstrated in the number of workers who spoke about the value and importance of the ASD in changing working hours and wage rates for over-time, weekend and public holiday work.

When workers were asked if the ASD changed any aspect of their working conditions, a significant number of workers (who worked beyond the mandatory ordinary and

overtime hours for no pay before its inception) spoke vividly and poignantly about the link between this statutory form of labour standard, reduction in working hours and payment for previously unpaid overtime labour. At important levels, the ASD clarified working hours for workers, which is a major departure from the pre-AMW era when workers spoke of undefined and extended working hours without compensation. For example, although Bongi (7 May 2006), as pointed out earlier, experienced a marginal reduction in her extended working hours and was still underpaid for her labour, she nevertheless gained a certain level of information about working hours and times at the worksite, after the ASD came into effect. As Bongi (7 May 2006) said, “before the [ASD] we didn’t know anything about working hours, we didn’t even know when to start and stop work, and we were just working”. Workers interviewed in the SD 13 Survey echoed the same sentiments, as expressed by 50-year-old Zibekile (11 March 2012), who worked on a game farm, in the following, “I think the [ASD] is a good law, because employers were rude and could do as they please. Before the [ASD], you would work without knowing when you should leave or [end] work”.

Similarly, Luvuyo (2 June 2007) added that with the ASD:

There are improvements, because before I was just working and there were no set hours of work - we were just working. ... Before 2003, I used to get less rest periods; for example, at lunch time I had to eat fast so that I could go back to work immediately after I finish. I did not know anything about over-time, I did not even know that I should get paid for working over-time.

The significance of the ASD for Mary (7 May 2006) lies in the link between working hours and wages, as she echoed Luvuyo’s (2 June 2007) sentiments above, when she said that “before the [ASD] was introduced, we were just working, we didn’t know how much we should earn per hour, [and] how many hours we must work so that we could earn [the AMW]”.

It is evident from the above examples that, in certain worksites where in the pre-ASD/AMW era prolongation of the working day was widespread, the ASD/AMW made an impression on both agrarian labour and agrarian capital with respect to working hours or the length of the working day. In terms of agrarian capital initiating changes to working hours, this was found in this study, as some employers reduced the ordinary working hours of their labour force, thereby depicting a top-down reduction to prolonged working hours. In terms of workers, the data identified workers who enforced the mandatory limitations on the working hour by refusing to relinquish their overtime (surplus) labour to the employer, on account of not being paid or

compensated for overtime work or demanding to be compensated for working overtime and on public holidays.

Such acts of resistance signify the inherent conflict of interest between labour and capital over the length of the working day and the wages paid to workers. The research sample also comprised of workers who did not experience reductions to prolonged working hours, and who were often unpaid. This finding, however, does not detract from the widespread reductions in extended working hours that a significant number of workers reported in the research. The struggle over the length of the working day in relation to wages, discussed above, displays workers' capacity to address non-payment or under-payment based on the hours they work. In so doing, these examples also reveal that, despite the totality of the low waged labour market, inclusive of which is the profoundly unequal power relations in the agrarian capital-labour relationship, workers are able to exert a certain level of control and power over the labour they expend creating surplus value.

As argued above, this capacity, partly, emanates from the AMW and the provisions on working hours set out in the ASD. Other factors also shape the capacity for workers to act to reduce the working day and address unpaid labour. The capacity for workers to act against unpaid labour, by either demanding payment or withholding labour, as pointed out above, is linked as well to the technical and social relations of production. In this research, primary agriculture (largely in enterprises in the animal husbandry sector and a few in horticulture) reported a reduction in prolonged working hours when the ASD came into force. Many of these enterprises tended to have simple internal hierarchies where workers had direct access to their employers, which made it possible for them to challenge grievances, as discussed in chapter 11.

The labour relations approach existing in enterprises, therefore, shapes the extent to which workers exert their voices and seek their interests. At the same time, (a) the willingness of employers to reduce prolonged working hours and compensate workers for overtime work; (b) employers' concession to workers' demands for reductions in ordinary hours and pay for over-time; and (c) employers' acceptance of workers' refusal to supply excess labour to the employer, are also tied to product market conditions, the nature of production and the question of seasonality, as well as the size of the workforce and operations.

The examples of workers acting to determine the amount of labour time they expend, after the occasioning of mandatory wage systems, offer exciting research prospects

to unravel the relationship between workers' voice and labour market protections (such as limitations to the length of the working hours, wage floor settings, and payment for overtime work). Such research will add value to the debates and deliberations of the conversion factor of a MW in stimulating worker mobilisation to advance certain strategic interests, based on spatial and temporal contexts of local labour markets.

The length of the working day or week gains as much interest and significance when attention turns to the pattern of wage inertia established in the sample in chapter 13. Wage clustering close to the monthly AMW rate, across all the different working timebands, calls for greater scrutiny (bearing in mind absolute and relative surplus value) on the variables used to arrive at statutory wage settings. Marxist perspectives on MW settings, certainly, will add much value to such research in the discipline of economic sociology.

This section, in large measure, highlighted various employer and worker led actions to reduce working hours in workplaces where prolonged work hours for no pay in the pre-AMW era existed. In so doing, the conversion factor of the AMW comes to the fore in terms of reducing working hours, in both worker and employer led initiatives. It may be argued that prolonged working hours in workplaces in this research, in the pre- and post-AMW/ASD periods, manifests in absolute surplus value. Simultaneously, an economic sociological study of the AMW that is set in a Marxist political economy frame, will also find relevance in problematising working hours below the ordinary 45-hour work week, given the wage inertia close to the AMW setting for workers working in the under-45-hour timebands, identified in chapter 13. Such a probe, which follows below, gains traction in light not only of wage inertia close to the prescribed setting, but also because this wage pattern, below the 45-hour ordinary weekly hours, relates to the question about the production of absolute and relative surplus value, and hence the rate of agrarian capital's exploitation of agrarian labour in respective sub-sectors in this research. As argued, in chapter 13, this exposes the need to scrutinise the determination of employer affordability when setting prescribed rates and the uprating mechanism.

14.4 WORKING HOURS, WAGES AND THE RATE OF PRODUCTION IN THE CITRUS SUB-SECTOR

Before delving into the deliberations, it is necessary to qualify the categorisation of weekly working hours, in the respective chapters and usage in this chapter. Working

hours per week were categorised into five-timebands, in Table 7.9. The 40-hour working week category merged with that of the 41-to 44-hour work band, for the purposes of analysis and presentation of wage data, in chapter 13. Hence, in chapter 13, four timebands are used, which are clustered largely in line with the timebands used in chapter 7, in order to compare and contrast working hours and wages for women and men, who held permanent and atypical employment contracts, either below, at or over 45 hours of work per week. Chapters 7 and 13 aimed to portray the variety in working hours in the local agrarian labour market, and to highlight the extent of under-employment and extensions to the working day, as well as the sub-sectors prone to offer jobs with working weeks fewer than 45 hours and those which have weekly hours over such hours.

From the data presented in chapter 7, it is evident that in most horticultural workplaces a significant share of workers worked for 40 hours per week. These workers, therefore, worked below the 45-hour ordinary weekly hours set out in the ASD. Weekly working hours below the 45-hour ordinary hours may be regarded as compressions of the working week, as the length of the working day and week are shortened below 45 hours. In this light, the below 45-hour working week makes it necessary to understand the extraction of relative surplus value, the rate of exploitation and the role of the AMW in aiding or reducing exploitation. Moreover, a shortened working week, viewed in conjunction with the rate of production, is a manifestation of work intensification that in turn is a representation of a low-road approach in the labour process.

Nonetheless, in considering weekly working hours for (156) citrus workers in the overall sample of 501 workers, who make up the SD 13 Survey, 45.16 per cent worked 40 hours per week, as shown in Table 7.13. In this context, a snapshot is provided on the working day for citrus workers who worked a 40-hour week, to demonstrate the underlying tensions and conflicts in the wage-bargain effort and to question the outcomes of the intensity of production for workers' well-being.

The experiences of citrus workers are profiled here, as (a) it is an anchor sub-sector in this research; (2b) it has global recognition for the high quality fruit produced in the research sites, consequent to which is its strong global integration into the commodity value chain, which was set out in chapters 3 and 6; (c) it displayed Fordist and Taylorist organisation in labour and valorisation processes, portrayed in chapters 9 and 10; (d) it was steeped in a largely authoritarian labour relations regime that drew unevenly on informality and levels of formality in the labour relations approaches in labour and

valorisations, depicted in chapter 11; and (e) it developed complex wage systems that included piece-rates and incentive schemes, profiled in chapter 12. So, given this set of factors, it is imperative that a study of the AMW, which features actual wages in the citrus sub-sector, presents data that reflects the rate and intensity of production in relation to hours of work and wage systems in the sub-sector.

It is important for studies on the AMW which focus on agrarian labour, to gain an overview of workers' impressions and thoughts on their wages and working hours, in the highly acclaimed and export orientated citrus sub-sector. Knowledge of sampled workers' perceptions of wages and working hours are key indicators of the social relations of production and the balance of forces in the capital-labour relationship. In addition, exploring the rate of production, and expectations on workers' productivity or productive capacity, brings into focus questions on worker exploitation and the production of absolute and relative surplus value. This ultimately poses questions about the wage inertia found in the sub-sector (with wage inertia in fact appearing across all sub-sectors) and about the value accorded to agrarian labour power, in this particular sub-sector.

Towards this end, workers from the citrus sub-sector, as an anchor sub-sector in the sample, are chosen to illustrate wages against the backdrop of shortened working hours, rates of production and the production of relative surplus value, from labour's perspective. This, in turn, aids a critical realist research agenda on statutory wages, as it strengthens and deepens probes into actual wage-setting processes in the sub-sector, in relation to statutory wages and the length of the working day and week. In engaging with this aspect of the data, hitherto unknown information on the working day and the nature of work in the citrus sub-sector in the Eastern Cape is provided, over and above the empirical data presented in preceding chapters. Although the focus in this section is on citrus workers on account of their shortened working week, at a general level, the overall arguments and points pertaining to relative surplus value production, the length of the working day, and actual wages, may be extended to apply, where relevant, to agrarian labour more widely and generally, across sub-sectors.

Turning now specifically to the conditions in the citrus sub-sector, during the in-depth interviews with workers, participants were asked to relate their assessments of the rate of production in the respective labour processes, in the context of the 40-hour work week. At a broad level, working hours and the pace of production, in relation to

the wages that workers received, surfaced as a contested issue in the research, which resonated at multiple levels. Complaints and grievances were intense in both citrus orchards and pack-houses. In this regard, it is useful for a study on agricultural wages to explore labour extraction methods linked to wage systems, such as the piece rate and incentive schemes, in the citrus sub-sector, bearing in mind the rate of production within the limits of the working day. This exercise is especially important in unravelling wage setting systems and work intensity within the limits of the working week in an agricultural sub-sector that is largely geared for the export market, where the private sector, mostly Northern based retailers, have set up labour protocols and standards. The question of surplus value production and the distribution of surplus, in this context, extends beyond the share captured by workers versus that of employer; global integration and supply links to international retailers raise questions of how surplus value is distributed along the chain, and the extent of to which retailers benefit in comparison to agrarian labour and agrarian enterprises.

Nonetheless, the 40-hour working week and the rates of production are intimately connected to wage systems. As discussed in chapter 12, various forms of piece-rate systems emerged in the research sample for citrus workers employed on orchards and pack-houses. In many respects, piece-rate systems of pay reinforce the concealment of the unequal exchange between agrarian labour and capital because, it not only obscures from view unpaid labour; piece-rates also encourage workers to intensify production and the level and extent of exploitation, considering the 40-hour work week. Piece-rate systems merely thicken the curtain on unpaid labour, especially in orchards that pay piece rates as the standard wage (meaning that wages were purely on a piece-rate basis) – unlike others who were paid a standard rate combined with various piece-rate and incentive bonus schemes, as presented in chapter 12.

As pointed out above, basing wages on workers' individual productive outputs encourages work intensification methods because workers are compelled to increase the pace of work so as to qualify for a higher wage. This appears to be another strategy for employers to intensify labour's efforts without direct and constant tracking, and to increase the production of relative surplus value. Nevertheless, pay theories, such as expectancy theory and equity theory, assume that piece work removes workers' intention to slow down their labour output because money provides the motivation for workers to meet the required targets that satisfy their interests and those of the employer (see Undy *et al.* 2002:361). Marx (1867:553) provides a cogent description

of wages based on piece rates, in the following: “The quality of the labour is here controlled by the work itself, which must be of average perfection if the piece-price is to be paid in full. Piece-wages become, from this point of view, the most fruitful source of reductions of wages and capitalistic cheating”. Arguably, this brings into sharp focus questions on the extent to which labour-power is further devalued, when wages fall below low MW settings, in cases where wages are based on piece rates. Moreover, where labour is unorganised or weakly organised, and where collective bargaining is largely absent, as is the case in this research, piece rates may often pose serious impediments to workers combining for collective bargaining purposes. Such forms of wage setting may deter workers from combining to negotiate wages.

As stated above, piece rate and incentive systems must be assessed in relation to the length of the working day and production targets. Other factors that must be taken into account too, when pondering piece-rates in the agrarian sector, include the nature of work and the division of labour which were discussed in chapters 9 and 10. An additional important factor, when assessing piece rate systems of pay, is worker capacity to meet production targets. In this regard, workers in the research related difficulties with meeting production targets linked to piece rates and incentive schemes. In many cases in this research, it came to light that meeting the production targets was often not easy for workers in the orchards and in the pack-houses, due to a combination of worker capacity and the targeted quantities set by employers, which has to be contextualised against the length of the working day. Determining the rate of production, given the length of the working day, becomes critical to the question of exploitation and the implications for human capacity to deliver target production levels. In this regard, workers’ complaints over the intense pace of work reverberated throughout the horticultural sector, more so than in the animal husbandry sector, but was especially acute in the citrus sub-sector. Citrus workers spoke about the difficulties with meeting production targets, which they had no say in determining. This in turn meant that they were often unable to earn the maximum wage on offer at the respective workplaces.

Consider Nomilile (9 March 2011), who to recall from chapter 12, was employed in a pack-house that had a differentiated hourly piece-rate system that tied wages to productive output. To recap, Nomilile (9 March 2011) was on level two where she earned R8.00 per hour but had to pack 1 500 pieces of fruit to qualify for that hourly

rate. Nomilile (9 March 2011) expressed difficulties with packing such a quantity of fruit within the hour, in the following:

Packing 1 500 pieces of fruit every hour is very difficult. One has to work very fast in order to make the target. There are times when the fruit is not coming through the conveyor belt and one has to go to other areas to look for more fruit. Our employers do not take into consideration such instances when one does not meet the target. One is expected to reach the target at all times.

Likewise, when asked if she would be able to meet the revised production targets, of filling 100 bags of citrus in a day, in the orchard where she worked, Sofia (18 August 2012) responded as follows: "I don't think so; in fact, let me say I won't be able to make it. I think I will fill 30 or 40 bags". When asked why this was not possible, she revealed certain structural operations in the labour process that prevented workers from having a fair chance to meet the productions targets set by management. In Sofia's (18 August 2012) words:

There's a lot of running involved there, and I can't run. Secondly, I do not think it would be possible to make a hundred bags because in the morning before harvesting we have to pick oranges from wet soil and start harvesting at 10:00 or 11:00 - you must also bear in mind that there is also a lunch break. So, there isn't going to be enough time to fill a hundred bags, I think.

Over and above the subject of piece rate pay and production targets in the context of the working day, workers generally related overall states of work intensification and difficulties with meeting targets, based on certain real constraints in the workplace. Patricia (11 August 2012) shed light on this on the citrus farm where she worked on a seasonal basis. In Patricia's (11 August 2012) words:

We often work according to targets; that happens a lot. For example, if they say we must remove all this grass by 8:30, we must make sure that we finish the weeding exactly by 8:30; otherwise, we will be fired or sent home ... It is very difficult to meet set targets ... very difficult. For example, if there are five of us assigned to a certain task, only three would work hard to finish the task; the other two would work very slowly because they are somehow related to the supervisors or their sisters have intimate relationships with the supervisor.

As the above cases depict, meeting targets may often pose technical and social barriers for workers. In the meantime, given the pace of production that comes with production targets (set ultimately by retailers), it is no surprise, therefore, that workers complained about the strenuous nature of their work, as harvesters and sorters in the orchards, and as sorters, packers and other jobs on the assembly line in the pack-houses.

Beginning in the orchards, consider Monwabisi's (11 August 2012) views on the pace of work and rest periods, and what he regards as unpaid labour in certain instances:

My work is very strenuous. We do not get enough time to rest, and we are always being told to push the job. We must complete blocks within set hours. Sometimes when it is too windy or if there are heavy rains, large amounts of fruit fall from the trees. If this happened, we would be told that we need to pick the fallen fruit very quickly so that the harvesters can start harvesting. I am a permanent worker and sometimes I work double – doing my own work and helping the seasonal workers; but I do not get compensated for helping the seasonal workers.

As pointed out in the previous section, Monwabisi (11 August 2012) was one of the workers in the sample who withheld his surplus labour of his own accord after discovering he was not paid for such. His account of his work experience provides an added explanation for his course of action with respect to unpaid overtime work. Another worker who complained about the lack of rest periods on the orchard where he worked, was Lonwabo (18 August 2012):

I have a problem with not getting enough rest periods. I would like to see a change in rest periods. I would definitely like to see more rest periods for workers. I should be allowed to rest whenever I feel pains around my waist. Workers must be allowed to pick oranges for a certain distance, rest and start again after a couple of minutes.

Workers in the citrus pack-houses also expressed discontent over the lack of sufficient rest periods and, in so doing, provide further insights into the rate of production and overall nature of work. Consider Paul (12 August 2012), who added to the chorus of workers who expressed discontent over rest periods, but who also sheds light on the premium that capital places on labouring time, even when it impacts negatively on workers' time:

We do not have fixed rest periods; for example, we start work at 7:30 and if one of the machines have broken down, say for example, at 8:00, they would come to us and tell us that we must take our lunch hour because our machine has broken down and it would take the mechanics 1-2 hours to fix it. Something is wrong here. You cannot start work at 7:30 and take your lunch break at 8:00 just because the machinery has broken down. This is not fair.

The 40-hour work week, combined with the rate of production with respect to meeting targets, depicts work intensification that is a low-road approach. The 40-hour week poses many complex problems for labour, capital and the state. This is the case because, when the state sets a limit to the working day and week, capital has to find ways to enhance surplus labour time, which in turn has subsequent outcomes for workers' time and wages. One way for capital to increase surplus labour, within the

limits to the working day/week, as seen in the snapshot above, is to increase the rate of production through establishing piece-rate and incentive bonus schemes as payment systems or part of the pay system. So, while the state sets a limit to the length of the working week and ties prescribed wages according to hours of work in the agricultural sector, capital has the freedom and power to set piece-rates and production targets; as a result, it sets the pace and rate of production, for workers to follow.

As the data presented above show, this meant that workers often worked under intense rates of production within the working week limit. And in certain workplaces, such as Paul's (12 August 2012) case, workers' breaks were designed around production. It is no surprise, then, that the working day in terms of both the rate of production and rest periods, were sources of discontent and conflict for this sample of workers in the research. Workers' accounts of their pace of production and rest periods and breaks portray the conditions of surplus value extraction in the respective worksites, that warrant further research. Nonetheless, it is clear that workers in this research convey the profound inequalities in their relations with employers that ultimately speak to the inherent inequalities and conflicts in the capital-labour dynamic. At a fundamental level, and as MW policies are concerned with meeting the subsistence needs of workers, thus wage systems, working hours, rates of production and actual wages paid to workers raise many important questions pertaining to the value of labour power, given the surplus value generated by labour.

Another area that expresses the unequal power relations in the citrus context, in terms of working hours and pay, is the phenomenon where workers are present at work, but not expending their labour; hence, they do not receive a wage for those hours, due to certain material circumstances. For example, in the horticultural sector, workers often do not work in rainy weather, and they are not paid for hours not worked, while at the worksite or in the labour process. In this regard, Sofia (18 August 2012) said that "[w]e don't work if it is raining; so, if I don't work, I don't get paid". Not being paid due to weather conditions, while being available to work, is a common practice in the citrus sub-sector, and exacerbates the suffering and distress of low waged agrarian labour as it means that workers receive lower wages at the end of the week.

The data presented above provides a profile of pay systems in the context of production and valorisation in the 40-hour work week, in the citrus sub-sector, and exposes signs of modern-day sweating in worksites, in the local labour market.

Ultimately these conditions are manifestations of the inequalities in bargaining power between labour and capital in setting wages and reflect the citrus sub-sector's production and appropriation of relative surplus value, given the hours of work and wage inertia (with actual wages close to the prescribed monthly rate). Data on wages and working hours, presented in this study, highlight key areas for further research on AMW settings and actual wage settings in the context of the myriad piece-rate systems and incentives schemes found in the sample, considering the length of the working day and week, and production targets determined by capital. Workers' narratives above, on the rate of production combined with the profile of wages, raise critical questions on the efficacy of private sector labour protocols in attempting to regulate employment conditions and relations in the global citrus value chain. By extension, the production and distribution of surplus value becomes a critical question between agrarian labour, agrarian capital, retailers and others in the value chain. This is a central question to developing sociological perspectives on statutory wages and justice, and on redistributing earnings from agricultural production.

In fact, employment conditions, labour standards and labour relations for workers in the citrus sub-sector in this sample, bear the hallmarks of largely secondary labour markets. To a significant extent and at a broad level, the secondary nature of employment in the exporting citrus sub-sector means that it shares much in common with other horticultural and animal husbandry worksites featured in this research, in relation to overall secondary jobs and positions in enterprises with varying manifestations of authoritarian labour relations. The fairness of wages in the citrus sub-sector, indeed for all sub-sectors in this study, was constantly questioned by workers; feelings of being under-paid for their labour reverberated strongly in the SD 13 Survey and in-depth interviews, across all working timebands in the sample. Mzi (12 August 2012), to recall from chapter 9, who worked as a ticket counter in a citrus pack-house, at the time of the interview, captures the generalised sense of under-pay for productive worth, when he reflected on the wages for the various jobs in his place of employment, in the following way:

The R9.05 for ticket counters is too small. The ticket counters deserve R10 plus, per hour. The pelletizers earn R9.50 per hour – I think they also deserve more money because they do a lot of work and they work very hard. The packers also deserve more than what they are earning currently. The graders earn a very small amount of money, but they do the most important work in the company. They make sure that only the best fruit goes through. I think almost all the rates for the different workers are very small compared to the work that is being carried out daily.

The above, in many critical ways, not only brings to the fore labour's sentiments of unfair wage levels. It also vividly captures the social devaluation of citrus workers, who are recognised in the above passage as being paid below their contribution to production and valorisation. Focussing on labour's perceptions of work and pay reinforces the need for analytical projects that unravel surplus value production, in absolute and relative terms, in the context of statutory wages across agrarian sub-sectors. This would further strengthen analyses on the wage setting mechanism found within South African agriculture.

14.5 CONCLUSION

This chapter dealt with working hours in the sample beginning with exploring shifts in hours of work, arising due to the presence of the ASD/BCEA in the agrarian labour market. While an absence of fundamental changes to secondary and (neo) sweating employment and labour conditions and relations were a characteristic feature in the sample, certain critical employment conditions and relations changed when the ASD was implemented. As shown in this chapter, a critical arena of work to undergo significant changes is the hours that workers worked and payment or compensation for overtime work, arising because of the indelible bond of limitations to working hours and rates of pay made in the ASD. Although few workers in the 2004 focus group interviews reported widespread changes to working hours, the majority of workers in the 2006/2007 in-depth interviews reported reductions in working hours when the ASD came into effect.

As such, the limitations to ordinary and maximum weekly hours, combined with statutory wage setting (calculated on daily and weekly working hours), resulted in reductions to pre-ASD/AMW hourly and weekly working hours, in workplaces where absolute surplus value production appeared dominant through prolongation of the workday and week. Workers also related receiving pay or compensation for working overtime and on public holidays, after the ASD was introduced. Workers who reported reductions in working hours and payment for overtime were largely in animal husbandry enterprises, but workers employed in horticultural workplaces, in particular vegetable farms, also reported this occurrence. A sub-sector dimension to working hours was reinforced in this chapter, where animal husbandry workers, such as in the anchor livestock sub-sector sector and dairy farms, often displayed prolonged working hours – arising, as pointed out, partly because of the nature of work and production

processes. Hence, while workers reported shorter working hours, as previous chapters showed, extended working hours beyond the ordinary 45-hour working week applied to a significant share of livestock and dairy workers.

Reductions to the working hours was briefly explored so as to tease out the centrality of the working day to wages, and the agents and forces that stimulated changes to employment hours. The different ways in which the conversion factor of the ASD and AMW unfolded in the research is demonstrated in reductions to working hours. In this sense, the chapter showed two levels to the conversion potential of statutory wage settings in agrarian labour's favour. As the data showed, in certain workplaces, top-down changes led by employers, and bottom-up changes initiated by workers, led to reductions in weekly working hours and introduced pay for overtime. In both scenarios of change, the limitations to working hours read in conjunction with ordinary, overtime and public holiday rates of pay (as prescribed in the ASD) had a significant impression on both workers and employers, leading them to initiate changes to ordinary and overtime working hours, and rates of pay. In this sense, the ASD and AMW had a positive conversion factor outcome for workers' working hours, as it reduced prolonged working workers, raised actual wages (although the wage floor was/is low), and terminated the practice of non-payment or non-compensation for overtime work, which was the case in the pre-ASD/AMW era. Prolonged working hours, set against patterns of wage inertia portrayed in chapter 13, exemplify low-road approaches in the production and valorisation processes.

The final section sketched production targets in relation to workers' capacities and the wage systems (and levels) in the below 45-hour working week, in particular the 40-hour work week in the citrus sub-sector. The section attempted to problematise working hours and wage inertia close to the AMW setting, in the 40-hour working week, to encourage thinking on the rate of worker exploitation in the production of relative surplus value, in the horticultural anchor sub-sector in this research sample, where production is geared largely towards export markets in the Global North. The evidence of wage inertia as well as conditions in the labour processes and labour relations regime in the citrus sub-sector, were largely secondary and segmented, much like conditions and standards in other sub-sectors in horticulture and animal husbandry. The role that retailers play in shaping such conditions, and the citrus employers' propensities to deploy low-road approaches through production targets, the rate of

production and wage systems, such as piece rates and incentive bonuses, certainly warrant deeper probing.

On the whole, then, this chapter reinforced the presence of predominantly low road approaches to the creation of surplus value that filtered through in previous chapters, irrespective of the production of absolute or relative surplus value. The overwhelmingly low-road approaches in the agrarian labour and valorisation processes in this research manifested in various ways in the different agricultural sectors and sub-sectors, as well as in working hours and wage inertia. At the same time, the chapter showed the force of the ASD in stimulating both employer and worker led actions to reduce working hours and institute pay or compensation for working overtime and on public holidays. However, attention must be paid to the continuation of extended working hours in the animal husbandry sector and the shortened working week in horticultural workplaces, in order more fully to understand the outcomes for the quality of working life in agrarian production as well as the values reflected in the statutory wage and actual wages when considered against the nature of agrarian work and its contribution to society. In this important sense, the production of surplus value, assessed in relation to the length of the working day and week, bring to the surface the layered nature of justice that is associated with statutory wages, as much as it resonates with questions on the social devaluation of low-waged agrarian work.

It is critical that research on wage setting and wage levels are assessed within the hours that workers work in a day and over a week, and against the production targets they are required to meet, to fully develop thinking on the significance of a MW to the value of labour power and, by extension, its insignificance to the value of labour. Exploration and excavations of this nature begin to open up new and deeper questions on justice, equality and statutory wage settings. In the context of growing inequalities in wealth and income, as outlined in chapter 5, in South Africa, questions of justice and equality cannot be eschewed from the extraction and distribution of surplus value in the agrarian political economy and in global value chains. Although MW fixing systems are in the final instance concerned with securing labour power, radical political economy analyses of statutory wages cannot ignore the fact that this wage system does not and is not meant to deal with the value of labour, the production of surplus value and a radical redistribution of profits from capital to labour. What is left in finalising the analytical journey on the AMW in the research sites are concluding points.

CHAPTER FIFTEEN

CONCLUSION

15.1 INTRODUCTION

This research set out to explore the socio-economic and political outcomes of the agrarian minimum wage for agrarian labour in selected geographical sites in the Eastern Cape, South Africa, between 2003 and 2014. In particular, the research attempted to understand the extent to which labour market conditions for agrarian labour morphed, with the extension of labour laws to the sector and the introduction of statutory wage setting, alongside the liberalisation of agricultural product markets, in post-apartheid South Africa. An essential aspect of the engagement with the AMW involved (a) assessing the extent to which the negative employment outcomes of statutory wages, as argued by neoclassical economics, materialised; and (b) assessing the extent to which the statutory wage setting acted as a conversion factor, stimulating migration from low-road to high-road approaches in low-waged agrarian workplaces, in the sample, as purported by heterodox labour market models.

The overall findings of this research, as discussed in chapters 7 to 14, portray a complex picture, at times a 'messy' labour market landscape, which dispels the claims of widespread employment losses arising from the AMW, as per the neoclassical economics model. At the same time, the data illustrates the layered nature of the conversion potential of statutory wage fixing systems, as pre-existing conditions and relations in employment and labour relations, combined with low AMW settings, inhibit widespread and fundamental changes to the organisation and execution of work, and to managing and regulating labour relations. In this sense, therefore, the positive outcomes of statutory wages anticipated by heterodox MW scholars will not materialise automatically, where pre-existing conditions ensure continuities of pre-AMW employment and labour relations and conditions.

The AMW had a layered outcome on the state of agrarian labour in the labour market, in this research. Although it radically altered the setting of wages in the sector, by removing employers' unilateral power to drive wages, the data reveals the overall low-road approaches to the creation of surplus value even in the post-AMW period. Low-road approaches in the workplaces were exhibited in various ways in the different

labour and valorisation processes across sectors and sub-sectors, as well as in wage inertia. The AMW/ASD may be seen as a double-edged sword: it raises the wage floor, but to levels close to the prescribed rates, thereby making the minimum wage the maximum wage; and, while the ASD led to a reduction in, and regulation of, working hours as well as to compensation for overtime work, inequalities in bargaining power between workers and employers were prominent in the agrarian workplaces in this research. At a cumulative level, this research displays the nature, nadirs and levels of secondary, segmented and sweated conditions in contemporary agrarian production in the research sites.

The research is in the field of economic sociology and is set in the analytical tradition that encourages conceptualising the agrarian labour market as a socio-political system that coordinates the sale and purchase of labour power, which is simultaneously and indelibly tied to and shaped by labour and valorisation processes and product market conditions. Towards this end, I tried to first explain the causal mechanisms that led to the occasioning of the ASD and MW fixing and, second, I attempted to shed light on and explain the outcomes of the AMW and ASD for agrarian labour. I used a critical realist meta-theory to ground key ontological and epistemological aspects for an economic sociology study of the AMW, in conjunction with a Marxist analysis of wages (in relation to the distinction between the value of labour power and the value of labour), and alongside heterodox labour market and MW models, which bring to the fore a set of institutional arrangements and power relations that create and sustain low-waged labour markets.

A MW study that places low-waged workers at centre-stage is enhanced by an examination of conditions and relations at both the sites of production and social reproduction. Examining conditions and relations at the sites of production and social reproduction allows for a fuller picture of the socio-economic and political outcomes of labour market restructuring, on workers. Focussing attention on these two levels simultaneously resulted in an economic sociology exploration of different dimensions of agrarian sites of production and social reproduction, pertaining to: (a) the structure and composition of production; (b) the labour market; (c) the workplace and labour relations regime; (d) product market conditions facing low-waged sectors and enterprises, including how such worksites connect to others in particular value chains; (e) social reproduction of agrarian labour; and (f) labour and valorisation processes. The exploration straddles and attempted to reflect events at macro, meso and micro

levels which interact in complex ways to shape the states and positions of agrarian labour in the sample.

To arrive at a valid or appropriate conceptual frame of statutory wages, that is, one in accordance with critical realism and which debunks the neoclassical economics model's asocial, apolitical and ahistorical account of labour markets and wage setting, I set out key theories of wages, labour markets and statutory wages, in chapter 2. To flesh out the research scope, agenda and points of interest for my research, I detailed the applied research on MW undertaken by heterodox MW scholars and neoclassical economics in chapter 3, to enable me to construct a radical political economy perspective of the AMW that is grounded in an understanding of the particular conditions in labour markets that prompt state intervention in wage setting. In this regard, I attempted to show the contribution that economic sociology can make to MW studies through incorporating analysis of labour and valorisation processes and labour relations. As part of this contribution, and based on the areas of exploration of the different dimensions of agrarian sites of production and social reproduction outlined above, I proposed six key areas that form components of a political economy perspective of the AMW: a) the structure and composition of production, b) the labour market, c) the labour relations regime, d) product market conditions and the relationship that low-waged sectors and enterprises have with upstream and downstream companies, e) the conditions and states of labour at the site of social reproduction, and f) conditions and relations at the site of production.

15.2 CONTEXT OF SOUTH AFRICAN AGRARIAN PRODUCTION, EMPLOYMENT AND WAGES

Having set out the analytical backdrop for this research on the AMW in chapter 2 and 3, I began to examine the first four aspects of a political economy perspective, outlined above, in chapters 4 and 5. These chapters deal specifically with the national landscape of agrarian production and the agrarian labour market before and after the introduction of the AMW, in order to highlight and explain the conditions that led to the imposition of statutory wages in the sector. In addition, and equally critical, chapters 4 and 5 provide the contextual backdrop for my study of the local agrarian labour market in the selected sites in the Eastern Cape. These two chapters provide the necessary national context to enable me to locate the local agrarian labour market that featured in my research. I attempted to first identify the causal mechanisms of the AMW in the

profoundly secondary, segmented and sweated nature of the agrarian labour market, that in effect arise from the structure and composition of agrarian production acting in combination with socio-political and economic factors and forces. A historical sketch of the trajectory of racial capitalist agriculture, the nature and composition of agrarian production, and the configuration of the agrarian labour market, is essential background information necessary to grasp the terrain in which the AMW and ASD are implemented, and to explain the uneven, mixed and contradictory outcomes that result for agrarian labour.

Chapter 4 located the occasioning of the AMW and the extension of labour laws to the sector within uneven neoliberal restructuring processes in the agrarian political economy, which entails a selective application of market disciplining and market constraining strategies in product and labour markets, respectively. I argued that restructuring agrarian labour and product markets forms part of a single strategy of change in the post-apartheid era and demonstrates the post-apartheid government's adherence to a largely neoliberal macro-economic strategy. I demonstrated that, under a neoliberal agenda, the existence of labour market restructuring involving the extension of labour laws and the provision of socio-economic protections, such as the AMW, does not represent a paradox of neoliberalism. Instead, this labour market restructuring may be seen as a "flanking mechanism" that shores up and secures certain necessary conditions for capitalist accumulation processes. These necessary conditions crucially involve the reproduction and supply of agrarian labour power.

Chapter 4 also highlighted the structure and composition of agrarian production and the structure and composition of the agrarian labour market that sowed the seeds for low agrarian wages. The prevalence of a secondary and segmented labour market lies partly in the labour demand requirements of agrarian capital, which are reflections of the types of jobs on offer in local labour markets and the required skills and competencies. Agrarian production in South Africa is lacklustre, locked in largely low-road approaches to production and employment, without technological innovations and dynamism. Low-road approaches in production and employment cements secondary jobs and employment conditions, which are invariably low paid. Low agrarian wages are not only the result of the lack of dynamism in the sector.

Apart from the contribution that the lack of dynamism in the sector makes to secondary labour market conditions, I argued that the structure and composition of agrarian production raises critical questions about the role that economic sectors and firms with

upstream and downstream linkages, with the sector, play in creating and cementing such labour market conditions and low wages. Secondary, segmented and the neo-sweated conditions in the sector generally, and which surfaced in this research, are shaped by global, national and local forces and factors, that in turn shape agrarian production and distribution. Equally pertinent to studies on MW in general and in this case the AMW, is the question of employment. In this study, I move away from the narrow neoclassical pre-occupation with job losses when wages are increased, to instead focus on the nature of employment. Focussing on the nature of employment, as opposed to merely employment levels, gains impetus given that the sector has been shedding jobs before the AMW came into force, and given that widespread labour shedding did not follow when wages were prescribed.

Chapter 5 turned the focus to the socio-political dimensions that inform the totality of the low-waged agrarian labour market and to the processes surrounding the institutionalisation of the AMW, as well as profiling agrarian wages before and after the advent of statutory wage setting. In this context, I highlighted agrarian wages in relation to wage levels in other economic sectors, and wage inequalities in the country. Agrarian wages have historically been one of the lowest within all goods-producing sectors.

I argued that, when the historical trajectory of the agrarian labour market is traced against a set of racial and gender discriminatory socio-political relations and structures, it becomes clear that wages are not determined by mechanical and pristine laws of supply and demand, as maintained by neoclassical economics, because beliefs and ideology on race and gender profoundly shape ideas on wages and workers' productive worth. Given the depths of low wages, the profoundly unequal relationship between agrarian capital and agrarian labour, and the overall secondary conditions, I argue in line with heterodox scholars that statutory wage fixing is a necessary intervention that provides for a measure of protection for agrarian labour. National data show the rise in wages after the AMW came into force, amidst a historical decline in labour costs in the sector and rising wage and income inequalities in the country. Based on this, I argue that the AMW has mixed effects on the economic state of agrarian workers because, at one level, the AMW raised the floor for wages, resulting in wage hikes in the sector. This shows a positive outcome of the AMW in terms of raising extremely low-wages in the sector.

At another level, however, national wage data showed a sense of wage inertia, where actual wages hovered close to prescribed settings that served to keep wages low in a context where labour costs continued on its traditional downward spiral, thereby devaluing wages. I argue that wage inertia and the overall devaluation of agrarian wages are attributable to the low rate of the initial and subsequent AMW settings. Yet, at a further level, the national data shows that the AMW does not undo the foundations that foster and cement inequalities in bargaining power, as the sector remains largely unorganised, with a glaring absence of collective bargaining and institutionalised forms of regulating labour dissent. In many respects, asymmetry in agrarian employment and labour relations combined with low AMW settings contribute to a low-waged doctrine that in turn devalues actual wages and furthers income inequalities in the country.

The non-institutionalisation of labour unrest may explain the flaring up of anger and discontent that found expression in the De Doorns worker revolt against low wages and the general secondary work conditions and relations. While chapter 5 portrayed agrarian labour's weaknesses against key labour variables, including the absence of robust collective formations, I argue that the De Doorns worker revolt is a reflection of unorganised or weakly organised workers' capacity to engage in action that resulted in a major departure from the way in which the AMW was normally adjusted, through a form of negotiations, during the strike, that involved a range of agents including labour, capital, the state and civil society. However, I argued that the protest and the negotiations that followed reflect the balance of forces and the power that agrarian capital held to secure their economic interests, over labour's interests.

Neither workers, nor their supporters, at the negotiations were strong enough to shift the wage determination debate away from agrarian capital's narrow cost-benefit model set in the neoclassical economics tradition, which meant that the final wage was much lower than workers' demands and what was deemed to be adequate to meet the subsistence level of workers. In the context of low agrarian wage settings, I argue that there is a general devaluation of agrarian labour power that has adverse outcomes for agrarian labour's social reproduction and ability to subsist at adequate levels. I therefore argue that the low agrarian AMW wage is removed from the subsistence notion of wages held by Smith, Ricardo and Marx, and may be closer to the low-waged doctrine of the neoclassical economics model.

As mentioned above, chapters 4 and 5 were important for me to conceptually locate the local agrarian labour market in my research, because they provided the national,

hence macro, context that shapes dynamics in the local labour market, thus at a meso-level. My research findings mirror several key national labour market features and corroborate the broad outcomes of the AMW on employment, wages levels and labour relations, identified at the national level. My research, however, does not just corroborate broad national patterns in terms of: (a) the absence of a regulatory shock following the AMW and the benign outcomes on employment levels and wage inertia, and (b) the persistence of asymmetrical power relations that encourage the continuation of the secondary and segmented labour market conditions. Beyond this, my research sought to empirically ground the socio-economic and political outcomes of the AMW and the ASD, in concrete workplaces across different sub-sectors. In so doing, I attempted to shed new light on the AMW, through the experiences of agrarian labour employed in different agrarian enterprises. By drawing on the experiences of agrarian labour, I attempted to portray the layered conversion factor potential of statutory wage fixing and labour laws on employment and labour standards as well as their differentiated outcomes in a local agrarian labour market, and in the various agrarian workplaces in the research sites.

As I showed in chapter 6, the agrarian sector is vitally important to the Eastern Cape for employment and livelihoods; hence, it is necessary to gain further insights into wage-setting processes and employment and labour relations across worksites. Agrarian production in the Eastern Cape is diverse, incorporating several strategic sub-sectors with varying degrees of strength in national and global product markets, in the animal husbandry and horticulture sectors. I argued that the collection of economic data on agrarian production and trade forecasts must be considered in earnest in future radical political economy works on the AMW, to deepen understanding of the distribution of surplus value creation between actual agrarian wages and profits. This point is reinforced in light of this study's findings on wage inertia across sub-sectors producing for different markets.

Based on the type of production in the locality, my research sample included workers from a range of animal husbandry and horticultural sectors. But I identified anchor sub-sectors in each, based on their prominence in the areas: viz., the livestock sub-sector in animal husbandry and the citrus sub-sector in horticulture. Approaching a study on the AMW with a sub-sector lens allowed for convergences and divergences in employment conditions, labour relations and wages to surface, which in turn shed light on the nature of the local agrarian labour market.

I tried to capture the socio-political nature of the local agrarian labour market as a dynamic, complex system characterised by secondary, segmented and at times sweated employment conditions, in chapters 7 to 14. In the deliberations on various employment themes in chapter 7, I attempted to project critical areas of agrarian employment that contribute to the totality of the low-waged local labour market. The probe into employment did not confirm the event regularity associated with the MW and employment losses, as conceived by neoclassical economics, because employment data in this research did not indicate widespread job losses when the AMW was introduced. The data therefore contradicts the predictions made by neoclassical economists and agrarian capital. Instead, my research showed the local labour market to be buoyant, which is evident in the pre- and post-AMW labour absorption patterns, displayed in chapter 7, for workers in the different sub-sectors in the sample.

The absence of massive job costs in the sample reinforces the point that statutory wages are more than about employment losses, and that there is need for economic sociology to pay attention to the nature of employment and the types of jobs on offer. In addition, the non-materialisation of job losses in post-AMW years also stimulates an interest in understanding the state of employment in the local agrarian market that would explain why neoclassical economics claims are misplaced. At this level of analysis, the context or terrain in which the AMW and ASD are operationalised becomes critical, in that these measures are implemented in established conditions and relations making up the local agrarian labour market, which in turn make it possible for employers to adjust to the wage hikes without shedding labour. Based on the pre- and post-AMW labour absorption patterns of sampled workers, I argued in accordance with heterodox MW scholars, that pre-existing conditions in employment and labour relations, combined with low AMW settings, eased employers' adjustment strategies to wage hikes, thereby allowing them to absorb labour according to their requirements.

The labour absorption patterns provided insightful clues into the nature of employment and conditions of service across the different sub-sectors, as workers in horticulture, for example the anchor citrus sub-sector, tended to work less than 45 hours a week for seven months or less in a year. Hence, such workers may be said to be under-employed on both a time and durational scale. By the same token, the data identified workers in animal husbandry, for example the livestock and dairy sub-sectors, where workers had extended working weeks beyond the 45 hours. The positions of atypical

workers with respect to working hours and employment periods raise further questions on the quality of jobs and employment security in the local labour market, as the data reveals varying degrees of segmentation within this category of workers, and between atypically employed and permanently employed workers within and between sub-sectors. A certain level of convergence in underemployment on a durational scale between women and men was identified, especially in the horticultural sector. This may be indicative of expanding precariousness in the local agrarian labour market and employers' use of low-road employment strategies, which stem partly from sub-sector dynamics and partly from the balance of forces in labour relations.

Employment, by and large, in the sample reflected critical features of an overwhelmingly secondary, segmented and perhaps sweated labour market that solidified the totality of the low-waged labour market. In this sense, I argued that employment conditions in the sample for the post-AMW period bear many continuities with the pre-AMW/ASD years and are reflections of the labour demand requirements of agrarian capital, and its propensity to adopt low-road approaches in job creation. Seen on this basis, the role that agrarian employers play in creating and maintaining secondary and segmented conditions in the local agrarian labour market cannot be treated glibly, because agrarian employers' employment and labour relations strategies have enormous implications for the quality of working life, actual wage levels, and agrarian labour's social reproduction and means of subsistence.

The data on atypical employment also casts casual agrarian workers in a new light, as I showed that varying degrees of precarious work in the local agricultural labour market was not confined to seasonal workers, employed through labour brokers. In this regard, my research brings to the fore distinctions between the different atypical contracts on offer to workers, particularly between seasonal workers and workers employed on casual contracts in the animal husbandry and horticultural sub-sectors. This is a departure from the tradition that collapses casual labour with seasonal workers hired through labour brokers, as explained in chapters 5 and 7. Atypical contracts of employment, therefore, do not necessarily and neatly fit the description of seasonal labour only (across the local agricultural labour market), but cover a range of casual and part-time workers, who may work throughout the year or close to 12 months on a continuous basis for the same employer. This data, therefore, sheds light on expanding and perhaps mutating forms of secondary, segmented and sweated

employment, based on sub-sector dynamics, in the context of pre-existing conditions interacting with new forces and conditions in the labour market.

15.3 AGRARIAN MINIMUM WAGES AND AGRARIAN LABOUR

The poor quality of employment conditions spills into a crisis in the social reproduction of agrarian labour. I regarded the site of social reproduction as a critical fifth dimension to crafting a political economy perspective of the AMW. Chapter 8 provided a snapshot of the level and state of agrarian labour's social reproduction, living conditions and consumption patterns, which demonstrates a crisis for workers and a devaluation of agrarian labour power. The nature of employment combined with the state and standards of living for workers in the sample, brings the conversion factor potential of the AMW into sharp focus. A low AMW setting did not have the capacity to transform poor living conditions and low standards of living in fundamental ways. The chronic lack of decent housing, living conditions, and poor access to basic services are evidence of a weak conversion potential of the AMW, and was experienced by workers with tied sites of production and social reproduction, and those who lived off the place of employment. As chapter 8 showed, not all farm workers experienced a spatially bonded production-social reproduction nexus, with sub-sector variances existing as a majority of workers in animal husbandry, compared to workers employed in horticulture, lived on farms. Nonetheless, as pointed out above, the overall poor quality of living conditions depicts the general weaknesses of the AMW in improving the standards and quality of life, and the socio-economic positions of agrarian labour.

I attempted to reinforce the weak conversion factor of the AMW, with respect to the socio-economic states of agrarian labour, by shedding light on the consumption habits of sampled workers. In this respect, I showed what was purchased with wages. It was clear that wages were used to meet the bare essentials, leaving little to nothing for luxuries. A mixed picture of the AMW emerges in that, while actual wages increased and led to an expansion of purchasing power, the devaluation of wages meant that agrarian labour was kept in poverty. Workers expressed their reservations about the level at which the AMW was set, arguing that it was (and is still) too low to allow them to fully meet their subsistence requirements. In this light, and given the crisis in agrarian labour's social reproduction, I argued that it is critical that the neoclassical low-waged doctrine is earnestly evaluated in relation to the subsistence or natural wage concept, which takes account of the crisis in the social reproduction of agrarian

labour. In the end, I argue that it is necessary to begin to upgrade society's notion of the value of agrarian labour power in order to formulate alternative wage narratives to neoclassical economics. But, crucially, the significance of the AMW is not only associated with the value of labour power. I claim, as well, that it is critical and necessary from a radical political economy perception of the AMW to pose searching questions about the value of labour and its contribution to capitalist labour and valorisation processes. Analysing the labour process in its technical and social forms constitutes the sixth component in charting a political economy outlook of the AMW, in this study. This analysis entailed delving into the micro-level, as it casts attention on the working life of sampled workers in the different agrarian enterprises.

In chapters 9 to 11, I probed the various workplaces employing the sampled workers in more detail and, by doing so, I attempted to demonstrate the centrality of labour and valorisation processes to a lucid analysis of the AMW. By dwelling on the technical and social aspects of agrarian working life at the site of production, and by probing the labour relations regime, I attempted to substantiate key Marxist's thoughts on wages as well as heterodox labour economists' ideas on the social devaluation of low-waged work and workers, and explored the possibilities and obstacles to shifting from low-road to high-road approaches. This was undertaken by firstly profiling the technical nature of work, in chapter 9, which also provided insights into the detailed division of labour and task execution in different animal husbandry and horticultural workplaces in the research. Through an examination of low-waged work, I attempted to deepen appreciation for the arduous nature of agrarian work, skill sets and competencies, to in turn argue that agrarian work and its workforce are socially devalued. At the same time, I brought into focus the role that the demand side of the labour market plays, by showing how low-paying agrarian employers shape jobs and skills requirements. Amidst the variegated agrarian production sites, with their differentiated labour processes, levels of convergences in skills and competencies came to the fore.

Consequent to the generalised state of skills homogeneity, workers could easily and quickly pick up the necessary skills for undertaking tasks, without prior qualifications and training, making them both disposable and vulnerable. Yet, at the same time, heterogeneity in the nature of production and the way labour processes were organised also surfaced, as employers selectively combined high-road strategies with low-road approaches. High-road strategies were found at the level of improving quality of produce or deploying automation in the labour process. Export oriented citrus

production sites deployed high levels of mechanisation, where labour processes and labour control were organised with a blend of Fordist, Taylorist and flexible specialisation production methods. In contrast, the labour processes in the animal husbandry sector varied in their application of machinery and technology, with an almost complete absence of this on livestock farms, and the presence of machinery and Fordism on dairy farms in milk extraction. Investing in research to improve and enhance the quality of products, which is regarded as a high-road approach, is also prominent in different sub-sectors including citrus and wool/mohair.

By the same token, skilling and training proved to have a complex and uneven relationship with the AMW, thereby defying event regularity and the simple and direct relationship between MW settings and the termination of worker training, that is assumed by orthodox neoclassical economics. The proposition that emerges from this is that labour processes in the agricultural sector are heterogeneous; they are differentiated along sub-sector and individual agricultural enterprise lines. Precisely because of the differentiations in the labour processes, uneven, variegated and contradictory outcomes are to be expected in the organisation of work and use of labour power with the introduction of the AMW.

Heterogeneity in agrarian labour and valorisation processes, as detailed in labour market segmentation theories, translates to differentiation and segmentation in labour demand, which in turn shape employment and labour relations. I argued that such heterogeneity also shapes employment duration and the length of the working day. Heterogeneity in employment duration and variances in working hours also contribute to the segmented and variegated forms of employment contracts on offer in the local labour market. But, more than the question of segmentation in the demand for labour, I argued that the technical division of labour has important implications for the social organisation, management and control of workers in the execution of their duties. The social organisation and management of labourers in the performance of their tasks also shape the labour relations regime and the balance of forces in agrarian capital-labour relations.

I focused on the social relations of agrarian production and the social ways in which agrarian labour was directed, co-ordinated and monitored, in the conversion of labour power into labour, in chapter 10, so as to show that production and valorisation take place in a socio-political context involving cooperation and conflict between labour and capital. In this regard, I also problematised the question of labour control in agrarian

labour processes as outcomes of the capitalist imperative to maximise profits within the circuits of production and distribution. A variety of methods, with layers and depths of control and power, were found across the workplaces, based on sub-sector and firm level dynamics. These ranged from simple control to degrees of direct control, different forms of technical and bureaucratic methods, and degrees of relative autonomy. Such variety shows that labour control strategies in secondary labour markets and jobs are not confined or restricted to simple and direct forms. On the contrary, strategies such as responsible autonomy, which certain labour process scholars associate with primary labour markets and jobs, were identified in this study on certain livestock workplaces. At important and different levels, the question of labour control, management and regulation are linked to labour's responsibilities and contributions to production and valorisation, hence to questions on the social devaluation of agrarian work and the conditions and relations under which tasks are executed.

When the complexities surrounding the social relations of production are factored into a study of MW, important clues on the socio-political drivers for inequalities in bargaining power are brought to the surface. The internal control mechanisms and relations in the different workplaces reflect the social conditions under which labour power is expended in the various work-sites. This, in turn, illuminates the balance of forces in the agrarian capital-labour relationship, depicted in the varying depths of labour control and surveillance and the layered levels in the hierarchy of power and authority over production and valorisation and over labour. The social regulation, direction and monitoring of labour assumed sub-sector dynamics which were shaped, as mentioned above, by the technical division of labour and the detailed breakdown of tasks in the labour process. In significant ways the strategies to socially regulate and direct labour shaped the form, extent and levels of engagements and interactions between workers and employers. Race, class and sex emerged in strategic layers of authority and control in enterprises' internal structures, which contributed to fractures and segmentation within the workforce and in the labour market. In these circumstances, White males constitute owners and senior management, while African labour occupied jobs on the production line, and they occupied supervisory posts overseeing workers, thereby acting as middle layer management.

Due in part to the technical division of labour in animal husbandry enterprises, workers were directly supervised or monitored by owners while, in horticulture, hierarchies of authority emerged with supervisors and foremen who were responsible for managing

workers' performance. In chapter 10, I tried to set the scene for the discussion on the labour relations regime by pointing to its social base in labour and valorisation processes. For example, African supervisors and foremen in pack houses held significant power, over workers, in the middle layers of management, including hiring, issuing instructions and general monitoring functions. This thereby removed White owners and senior management from interacting with workers in labour and valorisation processes. This research showed variances in labour relations approaches (or the way in which owners and workers related to each other) between enterprises with middle layer management and those where such structures were absent. In this way, the deliberations on the social relations of production was also intended to demonstrate the crucial links and role that the social organisation of work (based on enterprise and sub-sector dynamics) has in shaping the labour relations regime and strategies to regulate labour relations.

Chapter 11 homed in on the labour relations framework or regime in the sample, which raised several seminal points of interest to the study and a political economy outlook on the AMW. These speak to the notions of social devaluation of low-waged work, inequalities in bargaining, and the conversion factor potential of statutory wages in changing unequal power relations in the employment relationship. Combining the discussions on the technical and social relations of production and valorisation with an analysis of the labour relations approaches, made it possible for me to deepen the conversation on the social devaluation of labour and some of the generative mechanisms of inequalities in bargaining power. The chapter provided new insights on labour relations from workers' perspectives across animal husbandry and horticultural workplaces in the Eastern Cape.

I tried to show the various ways in which the authoritarian labour relations regime manifests in the sample, and the relations and structures internal to workplaces that shape the layers and depths of inequalities in bargaining power. At the start of chapter 11, however, I argued that it is imperative that a lucid political economy angle of the AMW articulates a coherent theory of contemporary agrarian labour relations, in accordance with the framework set out in chapter 3. I argued that a relevant labour relations theory is required to comprehend the weakening of traditional paternalistic relations, which is often used by scholars of agrarian labour in South Africa to describe labour relations in the sector, amidst the continuity in asymmetrical power relations between agrarian workers and employers.

I claimed that paternalistic and informal labour relations strategies in low-waged enterprises are descriptions at the empirical level, which do not explain why inequalities in bargaining power exist. In this light, agrarian labour relations, much like in other sectors under capitalist production and valorisation, must be first understood in the context of the search to maximum private surplus, and the ensuing class conflict and inequalities that arise. This frame of analysis facilitates an appreciation for the existence of shifting labour relations strategies at the surface, with the foundations still, by and large, intact. Hence, I tried to explain the vestiges of paternalism, the varying degrees of informality, the elements of formality, and the layered character of despotism in the sample, as outcomes of a labour relations regime founded on authoritarianism. Consequent to the authoritarian labour relations regime, sampled workers experienced a disengaged or disconnected relationship with owners which was reflected in communication strategies, conflict regulation and management, and ultimately in the narrow set of issues that employers were prepared to discuss with workers.

The authoritarian labour relations regime manifested in different ways and depths in the sample. This was shaped by sub-sector characteristics and was linked to the technical aspects of labour processes, the social organisation of work, and the social relations of production and valorisation. The application of informality, formality and despotism were identified in this research by exploring conflict regulation and management with respect to the development of grievance and disciplinary procedures. I showed variances with respect to these labour relations strategies and the development of grievance procedures and disciplinary codes for animal husbandry and horticulture. In the animal husbandry workplaces, such processes were largely absent, hence the sector may be said to have informal labour relations approaches; horticultural workplaces displayed elements of formality with the presence of weakly developed grievance procedures alongside strongly developed disciplinary codes, that in turned revealed layers of despotism. With this, I tried to show how sub-sector characteristics shape the labour relations strategies, so that in workplaces with simple hierarchies, where direct interactions between owners and workers existed (like workplaces in animal husbandry), greater opportunities prevailed for workers to challenge employers and resolve grievances, either individually or through combined efforts, such as farm committees. By the same token, elements of formality in the labour relations approaches, in the citrus pack houses for example, with the presence

of grievance lodging processes and middle management layers, actively drowned out worker voice and frustrated worker challenge.

A distinction therefore was identified between primary agriculture in animal husbandry with simple hierarchies in workplaces, where worker action was identified; and horticultural enterprises, with complex internal hierarchies, but which posed obstacles to worker mobilisation. This is not to claim that all workplaces with simple hierarchies resulted in or encouraged worker action, as the research also identified workers (in similar circumstances) who took no action for fear of intimidation, or because employers actively blocked workers' expressions of discontent. Rather, the point is that in certain workplaces with simple hierarchies, workers displayed a higher level of worker mobilisation than their counterparts in workplaces with relatively more complex hierarchies. The examples of agrarian labour's struggles and victories to improve working conditions, portrayed in this study, demonstrate agrarian labour's capacity and propensity to act in a protected labour market. The data points to the multiple ways in which a MW affects agrarian labour, over and above economically (through higher wages, for example). In these circumstances, the AMW worked with the ASD to provide the necessary framework for workers to act and change particular conditions and relations in the workplace. I argued that the ASD and the AMW have varying measures of conversion potential, in the context of agrarian labour's struggles and victories.

By focussing on agrarian labour in this study, it was possible to explore the extent to which workers took steps to make changes to their working and/or living conditions, and to also explore the conditions that aid and inhibit worker action. I showed that, despite the authoritarian labour relation regime, segments of workers took steps to challenge employers and address grievances, thereby showing the capacity of workers to engage in struggles in the work-place in the context of the ASD and AMW. This data is important as it shows that agrarian labour does not passively accept employment and working conditions, and instead can be involved in daily struggles with agrarian capital at the point of production.

At a broad level, I thus attempted to project the institutional fabric that reflects the totality of a low-waged labour market, at macro, meso and micro levels, in order to shed light on the politics of agrarian wages, the ASD, and the AMW setting. I argue that locating the ASD and AMW in the pre-existing context is absolutely necessary to grasp, as this context has profound implications for wage setting, and it facilitates

explanations for outcomes pertaining to actual wages. I dealt with sampled workers' actual wages in relation to the AMW and the ASD in chapters 12 and 13. Chapters 12 and 13 highlight actual wages against AMW settings; chapter 14 problematised wages in relation to working hours and showed the vital importance of such an analysis to wider questions of MW setting and the extraction of surplus value.

15.4 AGRARIAN MINIMUM WAGE SETTING AND ACTUAL WAGES

The overall authoritarian labour relations regime and the consequent inequalities in bargaining in setting wages, in the research, come to the fore in chapter 12, where I also show that wages, for the overwhelming majority of sampled workers, are paid in cash. Wages paid partly in rations were rare, and workers expressed much disapproval for this form of payment as they preferred cash wages. I showed the absence of collective bargaining over wages for the majority of workers in the sample, alongside a variegated wage setting system. Thus, in primary agriculture, a flat wage rate system was found while, in certain citrus orchards and pack houses, wage settings varied between a) exclusive piece-rates, b) piece-rates combined with a flat rate, and c) incentive wage settings linked to production targets. From this, it is clear that my thoughts on agrarian wages are not only about the wage levels, but also about the various wage setting systems used by employers in the different sub-sectors and enterprises.

In chapter 12, I also showed the positive outcome that the first AMW settings had on wages below R500 per month, and the variable hikes in wage levels above R500 per month, which indicates the differentiated and mixed outcomes of the AMW settings on actual wages. Apart from actual wage increases as a result of the AMW, I also demonstrated the link between the prescribed wage rates and workers' engaging employers through farm committees over wages. In this sense, I argued that the statutory wage setting, at a certain level, strengthens workers to challenge their wage levels, especially when wages are sub-minimum. I also attempted to draw attention to wage settings and production targets in the citrus sub-sector, which displays a predominately low-road approach to wage settings, though this requires further research. Such data strongly suggest work intensification alongside wage hikes occasioned by the AMW. Working hours and the rate of production, in the context of actual wages, were deliberated in chapter 14.

The inquiry into actual wages, in relation to the AMW, had to be disaggregated in relation to working hours, for a thorough reflection on the politics of agrarian wage setting. In chapter 13, I showed the importance of analysing actual wages in relation to working hours, to ensure an accurate assessment of employer compliance with the AMW. In chapter 13, I displayed wages for one cycle of the AMW, using data from the SD 13 Survey, which was March 2011 to February 2012. I disaggregated wages for this cycle of the AMW according to the weekly working hours, and along sex and employment contracts. I also listed the sub-sectors in various working timebands. The power that the AMW has to erode the gender wage gap was clearly illustrated in the data, as a level of wage parity was discerned, although women tended to occupy jobs with shorter hours. They, therefore, invariably tended to be paid in the lower wage brackets, relative to men in the sample. No discernible variances were identified for wages between workers on permanent and atypical employment contracts.

In addition, I found variances in pay cycles, differentiated according to weekly, monthly and fortnightly pay cycles. However, wage profiles focussed on the monthly and fortnightly wages, due to a higher percentage of workers in these pay cycles. The majority of workers in animal husbandry were paid on a monthly basis and tended to have permanent employment contracts, in contrast to their counterparts in horticulture who were paid fortnightly, and who tended to hold atypical employment contracts.

At one level, I linked working hours to wages as a platform to problematise actual wage levels in the different sub-sectors in relation to the criteria used to set AMW levels. At another level, I attempted to show the combined power of MW fixing and agrarian capital in the setting of actual wages, because the data showed that actual wages across sub-sectors concentrated just under or over the prescribed rate for the March 2011 to February 2012 AMW cycle. Actual wage levels in brackets below and above the prescribed AMW is clear evidence of wage inertia. Wage inertia identified in this research resonates with national trends and the macro picture of agrarian wages. Wage inertia translates to the MW becoming the maximum, reflecting the dominance of the neoclassical economics' notion of wage setting. Wage inertia warrants further research in light of the absence of key institutional arrangements and the necessary conditions in the local labour market for collective bargaining to take root in the sector.

I began to pose questions about the considerations that the state uses to decide on the level of the statutory wage rate, and I also posed questions on how employer affordability to pay the prescribed wages, without shedding jobs, is determined based

on my findings of wage similarities across exporting sub-sectors (such as citrus) and sub-sectors, like livestock, which produce for the domestic markets, in wage brackets close to the prescribed monthly settings (in weekly working timebands that were below 45, at 45 and over 45 hours per week). This questioning began to gain added significance when wages were considered for sub-sectors in the respective weekly hour timebands in chapter 13. I showed wage inertia across animal husbandry and horticultural workplaces, which means that actual wages were not significantly differentiated. Instead, they concentrated in brackets just under or slightly higher than the prescribed rate, across the different sectors. Based on the evidence of wage inertia, close to the low prescribed rate, I argue that actual wages and the statutory setting signify a devalued notion of agrarian labour power, reflective of the low-waged doctrine.

The sub-sector tendency towards wage inertia is an equally intriguing phenomenon, but also may be explained against pre-existing asymmetrical power relations combined with low-road strategies in production. The fact that actual wages in livestock farms, with their particular set of product market conditions, were more or less the same as the exporting citrus workplaces, circles back to the issue of what criteria are used to decide what is “affordable” for employers to pay. It is striking that higher wage brackets were found in certain animal husbandry workplaces, particularly dairy, and not in horticultural enterprises – and certainly not in the citrus sub-sector, where private sector protocols on labour standards prevail. It may be concluded from the data that, because actual wage levels for all sub-sectors were close to the AMW, the agrarian sector remains trapped in a low-waged path as the low AMW setting becomes the maximum wage most employers are prepared to pay in the local labour market.

The dispersal of wages in the different time working hour bands, below 45, at 45, and over 45 hours per week, close to the prescribed settings, reveal the balance of forces in capital’s favour with respect to its power to manipulate working hours and adjust wages, using the prescribed prevailing MW wage as a guide. The data suggests degrees of wage “inequalities” in the sample based on working hours, as segments of workers were paid close to the AMW rate for working fewer than 45 hours per week, while other segments of workers were paid in the same wage brackets, or lower, for longer working hours. Ultimately, this reflects the power of agrarian capital to adjust working hours and wages accordingly, in the context of the AMW, thereby producing wage variances and “inequalities” in local labour markets. The power of agrarian

capital to set wages close to the prescribed rate and the resultant wage inertia within levels close to a low statutory setting, are cemented by agrarian labour's weakness in the employment relationship.

The combined force of the AMW and the ASD had a profound outcome on working hours for sampled workers, as I showed in chapter 14. My research shows that a MW not only shapes actual wage levels, as it can, combined with statutory limitations on working hours, also have major outcomes for working hours. I reported workers' accounts of the reductions to prolonged working hours and receiving pay and/or compensation for working overtime and on public holidays, after the AMW came into effect. Working hours were adjusted either through bottom-up processes initiated by workers, due mainly because they were not compensated for working extended hours, or through top-down processes, initiated by employers in response to statutory regulations on working hours. These adjustments and the processes that led to them, reflect conflicts and struggles over the length of the working day/week between agrarian labour and capital. In chapter 14, I therefore attempted to problematise actual wages in the context of the length of the working day and the rate of surplus value production.

As much as the length of the working day may be a contested terrain, it is also significantly influenced by the nature of production and the technical aspects of work. I showed the variances in the length of the working day, whereby livestock and dairy workers worked prolonged hours in a week, which I linked to the nature of work discussed in chapter 9. I also highlighted workplaces with shortened working hours, to encourage thinking on the rate of worker exploitation in the production of relative surplus value in the 40-hour work week, in the context of wage inertia. Towards this end, I focussed on the citrus sub-sector where a 40-hour work dominated and where production is geared largely towards export markets in the Global North. At a broad level, analytically tying wages to working hours provided the platform to probe the balances of forces in agrarian labour relations, in the different sub-sectors in the sample.

15.5 LAYERS OF CHANGE

The data generated in this research highlights the complexities of the AMW and its relationship to agrarian labour's positions and states at the sites of production and social reproduction. At a cumulative level, the findings in the study corroborate the

uneven, mixed and contradictory findings generated by applied heterodox MW studies on the outcomes of statutory wage fixing in low-waged work-places. At one level, my empirical data, similar to applied heterodox MW studies, debunks neoclassical economics' assumptions of the operations of the South African low-waged agrarian labour market and the predictions of generalised and widespread job losses when the state sets wages above the rate employers pay. At another level, my research supports applied MW research in the heterodox tradition that caution against an automatic positive association between statutory wages and low paying sectors' migration from low- to high-road approaches.

Seen through a critical realist meta-theory, and a Marxist analysis of capitalist labour and valorisation processes, the uneven, complex and contradictory outcomes of statutory wage setting on actual wages, work and employment and labour relations, are not unusual research findings and reflect the open nature of societies. Such outcomes arise due to the interaction of pre-existing and new conditions and relations in labour markets, at the sites of production and in the labour relations sphere. Combined and uneven amalgamation of old forces (manifested in asymmetrical power relations between agrarian capital and labour), with new forces, like the AMW and ASD, profoundly influence the outcomes for agrarian labour's socio-economic and political positions.

The combined and uneven fusion of pre-existing and new forces moulds the conversion factor capabilities of the AMW, rendering layered outcomes for workers. The layered outcomes are depicted, on one level, in the rise of actual wages; but, at another level, wage hikes were close to or just above the prescribed rate, which means that the prescribed rate became the maximum, instilling wage inertia in the local agrarian labour market in this study. The sector remains trapped in a low-waged path that is fuelled by low AMW settings by the state. The layered outcome is felt at the sites of production, where the AMW and ASD stimulated worker action in certain workplaces; but such action was circumscribed within a profoundly authoritarian labour relations regime that is mutating due to neoliberalising processes. The AMW and the ASD, also, arguably reduced the rate of exploitation by reducing working hours for workers in animal husbandry sub-sectors; yet, at the same time, work intensification appeared in the sample for the citrus sub-sector. In addition, while a level of wage parity existed for female and male agrarian workers, a gendered pattern to underemployment and low wages appeared as females tended to occupy jobs with

shorter hours and low wages, relative to males in the sample. Finally, the layered outcomes of the AMW is felt at the site of social reproduction, where it brought a measure of relief for sampled workers; yet, at the same time, it was chronically inadequate to allow them to meet their subsistence needs comprehensively.

Seen through this lens, many questions arise about the significance of the agrarian statutory wage for restructuring labour market and labour/valorisation processes in the sector, and that resonate with the critical points raised by heterodox MW scholars. One such point is the adverse outcome of low statutory wage settings on wage adjustments. The level of the prescribed AMW setting and the actual wage rates that workers were paid for their weekly hours of work, play important roles in wage inertia, keeping wages close to the low AMW settings. Wage inertia spills over in workplaces to encourage greater levels of continuity with the pre-AMW period, including in relation to: (a) employment strategies, (b) methods in the organisation and execution of tasks in agrarian labour processes, (c) social relations of production and valorisation, and (d) the labour relations regime. Ultimately, this set of conditions cements the totality of the low-waged agrarian labour market and the prevailing low-waged structure in the local Eastern Cape agrarian labour market.

The level at which statutory wages are set and the uprating methods reflect the balance of forces and hegemonic position of agrarian capital in relation to agrarian labour. This means that, when prescribed minima are set low, like the AMW, the dominance of capital's interest to keep wages low overshadows labour's interest for higher mandatory rates. Under these circumstances, the state shows its neoliberal hand by, on the one hand, setting a wage floor below which wages cannot slide downwards. Yet, on the other hand, prescribed low wages become the maximum wage, in the largely unorganised agrarian sector. As such, and in terms of a Marxist understanding of wages, MW wages reflect the value of labour power; and, in this research case, a devalued notion of agrarian labour power. MW settings, therefore, do not reflect the value of agrarian labour.

Future work, using a Marxist lens, can add value to building MW theories on relative surplus value, the devaluation of labour power, and the implications for theorising the value of agrarian labour. In this context, critical questions are raised pertaining to the rate of exploitation, the value of labour power and the value of labour. These warrant further work and probing to qualify the different levels at which a MW relates to the different layers of justice, ranging from justice linked to ameliorating the state of affairs,

to justice that begins to address the value of labour. From a Marxist angle, such questions and areas of probing gain heightened pertinence when statutory wages are linked to questions of justice, class exploitation, and the social de/valuation of low waged agricultural work and workers. This area of inquiry was beyond the scope of this study, but the research indicates the need for such work to strengthen MW theories set in a radical political economy approach, which comes at a time when social movements of the poor and low-waged workers grapple with poverty and inequality. Radical economic sociology can play an important and major role in developing theories on MW settings that are both explanatory and emancipatory, in the context of the totality of the low-waged agrarian labour market portrayed in this thesis. Theories that are explanatory and emancipatory can contribute to robust living wage movements and campaigns in South Africa (and elsewhere). Developing theories, designing research, and expanding its scope to build knowledge on the conversion factor of the statutory wage become critical for future work that is anchored in radical political economy, and that is grounded in an analysis of labour supply, labour demand and regulation. Such efforts will also contribute to undoing the ideological stranglehold that neoclassical economics has on MW debates and policies.

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APPENDIX 1

MAKANA FOCUS-GROUP INTERVIEWS

Date of Interview

Place of Interview

Name of workers

Sex

Age

Sub-sectors where workers are employed and job description

Area where the farm is located

Describe changes that may have taken place on the farm since the sectoral determination

- Any change in the terms and conditions of service?
- Wages – where wages increased, if yes, when were they increased? Are workers on the farms getting the minimum wage?
- Has increases on wages led to work job intensification?
- Has any aspect of your job changed since the introduction of the ASD?
- Are workers receiving payslips? If yes, please explain what is on the payslip
- Working hours. Have working hours changed? If yes, how do workers feel about these changes?
- How do workers feel about any of the changes?
- Describe living conditions on the farm. Have living conditions changed on the farms? Have your living conditions improved or remained the same since the AMW came into effect? Please provide details on housing conditions, access to water, electricity and toilets
- In terms of deductions, has anything changed since the introduction of the ASD?
- Do you receive rations? If yes, detail what is provided. Do you pay for rations? If workers do not receive rations, when was this stopped – before or after the ASD?

On an overall level do you think the ASD is improving the quality of lives for farm workers? Please explain your responses in detail

Describe the relationship with the employer - Would you say the relationship is good since the ASD?

Has the introduction of the minimum wage not affected the relationship with the farmer? Please explain.

Has the ASD provided workers with the opportunity and platform to organise and build solidarity among themselves? What do you think you could do as workers to implement/enforce rights on the farms?

10 years of freedom, how have your lives changed?

Would you say the changed has been too little or enough?

Department of Labour and inspections – do inspectors come to the farm and speak to workers? Please provide details.

End of Interview

APPENDIX 2

INTERVIEW SCHEDULE FOR FARM WORKERS: 2006 & 2007

Name of Interviewer:

Name of Interviewee:

Date of Interview:

Sex of Interviewee:

Age:

A. Background and Demographical Information

Do you live on or off the farm where you work?

Do you prefer living on or off the farm and why?

What are your educational qualifications?

Municipality area (Where the farm is situated)?

The year you started working for the current employer?

How are you employed - Permanent, Temporary, Casual, Seasonal)?

How were you recruited to work on the farm?

B. Agricultural Production

What does the farm produce?

What are the markets for the produce?

Cycles of production for mixed farming, wool/mohair and horticulture

C. Job Functions, nature of work and working conditions

What work do you do?

Description of your daily work routine before and after the SD

Breakdown of work from start of working day to end of working day

Do you have a written contract of employment?

D. Wages (Fill in the sheet provided)

<i>Period</i>	<i>Amount Monthly Fortnightly Weekly other</i>
Before March 2003	
Between March 2003 and February 2004	
Between March 2004 and February 2005	
Between March 2005 and February 2006	
Between March 2006 and February 2007	
January 2007	

Does the employer consult or negotiate with workers around wage increases?

What deductions are made from your wages? (Fill in the sheet provided)

Type of deduction	Amount deducted
Electricity	
Housing	
Water	
Water and wood	
Grazing Fees	
Ration	
UIF	
Provident Fund	
Savings	
Other.....	

- If deductions are made, please explain how you feel about the deductions.
- Do you receive rations? If yes, please list what rations you receive.
- Do you receive pay-slip?
- When did you start getting a pay-slip?
- If you receive pay-slip, do you have any problems with your pay-slip?

E. Working hours and number of days worked

Explain your working hours before and after the ASD?

- Number of days you work per week before and after the ASD
- Start and end of the work before the ASD, including breaks – total number of hours per day
- Start and end of work after the ASD, including breaks – total number of hours per day
- Week-end work, after hours work and public holiday work before and after the ASD
- If you work any form of over-time, are you compensated, and how?
- If there are changes to working hours, please explain how the changes happened, why and when. Please also explain if and how workers were involved
- What do you think of working hours and rest periods?

F. Labour relations and social relations of production

Describe your relationship with the farmer

- Have you ever had a major argument with the employer?
- Describe the processes and procedures on the farm for lodging grievances with the employer
- Describe the disciplinary processes on the farm

G. Labour process

- In terms of the control mechanisms on the farm is the farmer or the supervisor always there telling you to work harder, push the job, telling you to do this to do that?
- Who tells you what to do?
- Do you decide that today you are going to do this at this time?
- Does the farmer come to tell you what needs to be done every day?
- Does the farmer consult with workers when he wants to make changes to the job and the way things are done on the farm?

- To what extent can workers have an input on the changes in the working and living conditions on the farm?
- Have you or other worker/s ever had training since you were employed on the farm?
- Do you get your annual leave and how many days you get?

H. Employment

- Since 2003 have people lost their jobs on the farm and other farms in the area?
- What were the reasons if people were laid off?
- How many people were affected by this?

I. Impressions of the ASD

What is your view of the ASD?

- Has it improved your living/life conditions?
- Has your ability to get a better house, to get improved services in the house, has that changed?
- Are you able to save money or save more money now?
- What have you bought? Furniture or something?
- Have you been able to increase the amount of food you buy? By how much? Is it ten percent increase? Is it a big increase, a small increase?
- What do you think then? Have you been able to buy more food now or still the same or what?

What do you think the minimum wage should be?

- Why do you think that?
- How did you arrive at this particular figure?
- Why was there a need for the government to set a minimum wage for farm workers?

J. Organisational capacity of workers

- Do you and other workers feel confident enough to enforce your rights in terms of the ASD and other labour laws?
- Are you able to raise issues with the employer?
What protection is there for you against victimisation if you enforce your rights?
- Do you have a committee on the farm?
- Do you and other workers want to join a trade union? If yes, why would you like to join a trade union?
- What issues would you like the union to take up?
- What do you think will be the farmer's attitude towards the union?
- Do you know about the Sectoral Determination?
How often does the DoL (*Department of labour*) do inspections on the farm?

K. Living Conditions

Describe the house you live - how many bedrooms does your house have?

- The number of people who live with you
- Please indicate the type of services you have access to from the following list

Toilets	Flush Toilet
	Pit Latrine
	No toilets at all
Water (Source)	Dam
	Tap
	Rainwater (Collected from the tank)
	Other(Specify)
Electricity	Own meter box
	Pre-paid meter system
	Flat rate set by the farmer
	Other (Specify)
Other sources of energy	Firewood
	Gas
	Paraffin
	Other
Opening glass window	Yes
	No
Telephone	Land line (Telkom)
	Cell phone
	Public telephone closer to the house
	Other (Specify)
Household	Number of bedrooms
	Number of people living in the house

Do you have livestock?

- Do you pay any grazing fees?
- Have you always livestock?

End of Interview

APPENDIX 3

INTERVIEW SCHEDULE FOR CITRUS WORKERS: 2011 & 2012

Name of Interviewer:

Name of Interviewee:

Date of Interview:

Sex of Interviewee:

Age:

A. Background

Where do you work?

Is it a farm or a packhouse?

In which municipal area is the farm/packhouse situated?

How did you come to work at this place?

How are you employed? (Permanent, casual, seasonal)

Where do you live?

Do you prefer living on or off farm? Why?

Where do you originally come from? Were you born here?

Do you live with your family?

How many people do you live with?

There are five of us in total

Can you mention which family members live with you?

What are your educational qualifications?

When did you start working for the current employer? Please give the year you started working for the current employer

B. Produce and product market

What does the farm produce? List the citrus produced on the farm or packed in the pack-house. Besides citrus does the farm/company produce anything else/engage in a different economic activity?

Where is the produce being sold? Local or international markets?

Do you know the local buyers?

C. Working conditions and labour relations.

What work do you do?

How do you find your work? (Strenuous, repetitive, challenging, pleasant/manageable-explain)

Do you have a supervisor?

Do you have to complete tasks at set times? Give details

Have your conditions at work improved or worsened in the last five years?

Give the number of days you work in a week

Give your normal working hours in a day

Give number of months normally worked in a year

Do you also get piece jobs after the peak season?

How many hours do you work during piece job work?

How many days in a week?

D. Labour force

How many workers are employed on the farm or pack-house? (Give closest estimate if not sure)

Give a breakdown in terms of gender in all sections/departments

Give a breakdown in terms of how men and women are employed? (full-time basis, part-time basis, casual basis, seasonal basis)

What are the tasks of permanent workers?

What are the tasks of seasonal workers?

Are there any casual workers? What work do they do?

E. Labour Process, Organisation of Work and the Division Of Labour

Give a breakdown of all the different jobs/tasks on the farm or pack-house: (e.g., sorters, pickers, line scanners, ticket collectors, palletisers and give a brief description of each of the task; what does each job description entail?)

Of the tasks/job description above, which ones are carried out by men and which ones by women?

Do you work in teams? If yes, how are the teams made up?

Do the supervisor/s put together the teams?

How do the team members relate to one another? Cooperative-work together?

Do you ever find a situation wherein team members have to 'discipline'/'police' one another? Do workers quarrel with one another over the pace of work?

Have you ever been provided with training? Please provide details – what was the training, who initiated it, who conducted it, how long.

F. Wages and Systems

How are you remunerated? (Monthly, Fortnight, Weekly-, daily, hourly, Paid per completed task/piece rates)

How much do you normally get?

Is there a piece rate system or incentive scheme of payment at your work? If yes, please describe this.

How much did you earn last year? When do you normally get your wage increase?

Does the employer negotiate wage increases with workers?

What deductions are made from your gross income?

Are you happy with the UIF deduction that is being made on your wage? Please explain.

Do you know anything about the minimum wage laws?

What do you think a satisfactory wage should be for workers who are working in your sector?

Do you often work over weekends and public holidays?

Do you get paid or compensation for working overtime? Provide details on rates of pay for forms of compensation.

Do you get paid for working on weekends?

How do you get paid?

We get paid double the normal rate

Do you work on public holidays?

Do you get paid or compensation for working on public holidays?

Compare wages before and after the AMW if that is possible and for those that started work prior to 2003

G. Implementation and enforcement of labour laws and policies?

Are you aware of South African labour laws?

Can you tell me about those laws that you are familiar with?

How did you come to know about the law the provision that you have mentioned?

What is your view of the labour laws?

(Has it improved your working conditions and relations at work?)
Are you aware of company policies and ethical codes on fair labour standards?
Do you understand and agree to everything that they are telling you?
Are workers obeying the company's policies?
Does the employer tell you about your labour rights?
Does the employer comply with the rules when it comes to your rights?

H. Labour Inspections

How often are inspections done at your workplace? Department of Labour inspections and social standard auditors
How often are inspections conducted?
Do they meet with the workers? What do they ask of workers?
Are you impressed with the manner in which these inspections are being conducted?

I. Labour Relations

Is there a grievance procedure in your workplace? Is there a procedure that workers can follow to raise complaints with management? If so, give details
Are there any formal disciplinary rules procedures, say for example, for theft, drunkenness, etc.?
What improvements need to be made with this procedure?
Are you able to raise issues with management?
What issues do workers raise with supervisors and management?
How are these issues raised-individually or as a group?
Do you have a written contract of employment?

J. Organisational capacity of workers

Are you a member of a trade union?
Would you join a trade union?
What would you like the trade union to do for you?
Do you as workers have an opportunity to organise and discuss issues with management?

K. Consumption patterns

What are your wages used for?
Has the food/consumption bundle increased with the MW, has it stayed the same, has it reduced?
How many people depend on your wages?

L. Tenure and living conditions

What kind of housing structure do you live in? How big is it – how many rooms?
How many people do you share your house with?

M. Amenities.

Does your house have a toilet?
Do you have access to water?
Do you have access to electricity?
What kind of electricity do you use?
It is pre-paid electricity.
Do you pay rent?
How many people do you share your dwelling with?

End of interview

APPENDIX 4

SECTORAL DETERMINATION 13 SURVEY: FARM WORKERS

A - Administrative

1. Name of the interviewer:.....
2. Date of the interview:.....
3. Place (Where the interview conducted)

B - Background Information of Farm Worker

4. Name of farm worker:
5. Contact number of farm worker:
6. Gender

Male	1
Female	2

7. Actual Age of Interviewee based on ID number

7.1 Age group

18 -35	1
36-49	2
50+	3

8. Name of farm where worker is employed:

9. Geographical Location

Addo	1
Adelaide	2
Alexandria (Zuney)	3
Alexandria (Grootvlei)	4
Alicedale	5
Bathurst	6
Bedford	7
Belmont Valley	8
Carlisle Bridge	9
Collingham	10
Committees Drift	11
Fort Beaufort	12
Fort Brown	13
Kenton on Sea	14
Kirkwood	15
Nanaga/Paterson	16

Patensie	17
Salem	18

10. Municipal Area (Where the farm is situated)

Nxuba	1
Kouga	2
Makana	3
Ndlambe	4
Nkonkobe	5
Sundays River Valley	6

C - Employment Conditions

11. Name of the employer:

12. What is the main product/commodity produced by the farm?

Citrus	1
Pineapples	2
Vegetable	3
Peaches	4
Chicory	5
Livestock	6
Dairy	7
Game	8
Pigs and poultry	9

13. How many years have you been working in the agricultural sector?

14. When did you start working for your current employer?

15. What work do you do?

.....

16. Nature of Current Employment? Choose only one option.

Nature of Employment	
Full-time Basis	1
Part-time Basis	2
Casual Basis	3
Seasonal Basis	4

17. If you are seasonal/casual/part-time worker: How often do you work in a year (e.g. once a year, two times a year, etc.) and which months do you work?

.....

.....

18.If you are seasonal/casual/part-time worker: How long does your employment period last each time?

.....

19.Do you have a written contract of employment?

Yes	1
No	2

20. What were your working hours before March 2006?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

21. What were your working hours between March 2006 and February 2007?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

22. What were your working hours between March 2007 and February 2008?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

23. What were your working hours between March 2008 and February 2009?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

24. What were your working hours between March 2009 and February 2010?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	

Throughout the year	Start	
	Finish	

25. What were your working hours between March 2010 and February 2011?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

26. What were your working hours between March 2011 and February 2012?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

27. What were your working hours between March 2012 and Feb 2013?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

28. What were your working hours between March 2013 and Feb 2014?

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

29. What are your current working hours? (Since March 2014)

Summer	Start	
	Finish	
<i>Winter</i>	Start	
	Finish	
Throughout the year	Start	
	Finish	

30. What are your daily rest/break periods?

Type of break	Starting time	Resume work
---------------	---------------	-------------

A. Breakfast		
B. Lunch		
C. Any other break (Specify)		

31. How many days do you normally work per week? (Specify)

.....

32. Do you normally work over weekends (Saturdays and Sundays) on a regular basis?

Yes	1
No	2

33. If yes, provide your working hours.

Saturday	Start	Finish
Sunday	Start	Finish

34. Do you work on public holidays?

Yes	1
No	2

35. If you work on a public holiday, do you:

Get paid	1
Receive time off (equal to the time worked)	2
Receive time off (but less than the time worked)	3
No compensation	4
n/a-not working on public holidays	5
Not getting time off and not sure if getting paid	6

36. If you get paid, how much are you paid:

Rate Paid	Amount (R)
Amount per hour	
Amount per day	

37. Do you work overtime?

Yes	1
No	2

38. When you work overtime, do you:

Get paid	1
Receive time off (equal to the time worked)	2
Receive time off (but less than the time worked)	3
No compensation	4
n/a-not working overtime	5

39. If you get paid, how much are you paid:

Rate paid	Amount (R)
Amount per hour	1
Fixed Rate (hours worked are not considered)	2

D - Wages and Remuneration

40. How are the wages on the farm determined?

Process to determine wages on farm	
Negotiated between workers and owner	1
Owner sets new wages without consulting workers	2
Through Trade Union negotiations	3
Wages were never increased	4

41. What was your Gross weekly/ fortnightly/monthly income?

41.1	41.1	41.1a
Before March 2006	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a or unemployed

Gross Wages:

41.2	41.2a	41.2b
Between March 2006 and February 2007	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a or unemployed

Gross Wages:

41.3	41.3a	41.3b
Between March 2007 and February 2008	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a or unemployed

41.4	41.4a	41.4b
Between March 2008 and February 2009	Rand Value	1=Weekly 2=Fortnightly

		3=Monthly 4=n/a unemployed or
--	--	-------------------------------------

41.5	41.5a	41.5b
Between March 2009 and February 2010	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a unemployed or

41.6	41.6a	41.6b
Between March 2010 and February 2011	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a unemployed or

41.7	41.7a	41.7b
Between March 2011 and February 2012	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a unemployed or

41.8	41.8a	41.8b
Between March 2012 and February 2013	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a unemployed or

41.9	41.9a	41.9b
Between March 2013 and February 2014	Rand Value	1=Weekly 2=Fortnightly 3=Monthly

		4=n/a or unemployed
--	--	---------------------

42. What is your current wage since March 2014?

42.1	42.1a	42.1b
Between March 2013 and February 2014	Rand Value	1=Weekly 2=Fortnightly 3=Monthly 4=n/a or unemployed

43. What were your wages after deductions?

1.Before March 2006	Weekly ₁	Fortnightly ₂	Monthly ₃
2.Between March 2006 & Feb 2007			
3.Between March 2007 & Feb 2008			
4.Between March 2008 & Feb 2009			
5.Between March 2009 & Feb 2010			
6.Between March 2010 & Feb 2011			
7.Between March 2011 & Feb 2012			
8. Between March 2012 & Feb 2013			
9. Between March 2013 & Feb 2014			
10. Since March 2014			

44. What deductions are made from your current wage?

Type of Deduction	Amount deducted
44.1 Electricity	R.....
44.2 Housing	R.....
44.3 Water	R.....
44.4 Wood and water	R.....
44.5 Grazing fees	R.....
44.6 Ration	R.....
44.7 UIF	R.....
44.8 Provident Fund	R.....
44.9 Savings	R.....
44.10 Overalls, boots, etc.	R.....
44.11 Other (Specify)	R.....

45. Do you have a problem with any of the deductions?

Yes	1
No	2
n/a	3

(Explain your answer)

.....

.....

46. Do you receive a payslip?

Yes	1
No	2

47. Do you have any problem with your payslip?

Yes	1
No	2

(Explain)

.....

48. Do you receive ration?

Yes	1
No	2

49. If yes, what is given?

.....

.....

50. If not receiving rations now, did you receive rations before?

Yes	1
No	2

51. If yes, when were these rations stopped?

.....

52. Are you happy with your overall working conditions?

Yes	1
No	2

53. If yes, what aspects of your job are you happy with?

.....

.....

.....

54. If no, what aspects of your job are not satisfactory?

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E- Tenure Conditions

55. Where do you currently live?

On-farm where you work	1
Off-farm (specify)	2

56. Where would you prefer living?

On farm	1
Off-farm (specify)	2

Why?

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57. Where you currently live (either on farm or off-farm) does your house have any of the following amenities?

a. Toilet	Flush toilets	1	
	Pit latrine	2	
	Bucket system	3	
	No toilets at all	4	
b. Water source	Dam	1	
	Tap	2	
	Rain water (collected in a tank)	3	
	Other (Specify)	4	
c. Electricity	Own meter box (post-paid)	1	
	Prepaid meter system	2	
	Flat rate set by the farmer	3	
	Other Specify	4	
d. Other source of energy	Fire wood	1	
	Gas	2	
	Paraffin	3	
	Other (Specify)	4	
e. Opening glass window		Yes	No
		1	2

f. Telephone	Land line	1
	Cellular phone	2
	Public phone close to the house	3
	Other (specify)	4

58. Do you have livestock?

Yes	1
No	2

59. If yes, what kind and number of livestock do you have and how much is charged for grazing fees by the farmers?

59.1 Type of livestock	59.1a Amount of livestock	59.1b Amount Charged per head
Cattle ¹		
Sheep ²		
Goats ³		
Other (Specify) ⁴		

F - General Questions

60. How would you describe your relationship with the farmer?:.....

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61. Has your relationship with the farmer changed since the introduction of the sectoral determination March 2003?

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62. What is your view of the sectoral determination?

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63. Is the minimum wage sufficient to meet your household needs?

Yes	1
No	2

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64. Give a breakdown of your monthly expenses

Expenses	Code
Groceries	1
Child Support	2
Clothing & Clothing accounts	3
Furniture Accounts	4
DSTV	5
Lawyers	6
School Transport	7
Crèche	8
School Fees	9
School Uniforms	10
Lunch packs	11
Gas	12
Paraffin	13
Electricity	14
Funeral Policies	15
Own transport costs	16
Savings	17
Stokvels	18
Give to family	19
Alcohol & Tobacco	20
Airtime	21
Loan Repayment	22
Accommodation & Rent	23
Church Contributions	24
Union Membership Fees	25
Grazing Fees	26
Rations	27
Life Cover	28
Medical Costs	29
Livestock Feed	30
Child Care	31

65. What do you think the minimum wage should be? (state Monthly/Fortnightly/Weekly)

Weekly	1	R...
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Fortnightly	2	R...
Monthly	3	R...

End of Interview