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# Non-compliance implications of the decent work indicators within the Gauteng retail sector

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# Non-compliance implications of the decent work indicators within the Gauteng retail sector

**By**

**JACOB SETLAKALA MOSOMANE**

**A research report submitted to the Graduate School of Public and Development Management, University of the Witwatersrand, in partial fulfilment of the Degree of Masters of Management in the field of Public Policy**

**MARCH 2014**

# ABSTRACT

The compliance and enforcement of decent work indicators within the retail sector cannot be avoided. The purpose of this research was to investigate the level of non-compliance within the retail sector in the Johannesburg North region of Gauteng Province, against the indicators as advocated by the International Labour Organisation (ILO) and as one of the mandates of the African National Congress provincial and national administration. The study was conducted through the quantitative and qualitative research methodology approach. Questionnaires, in-depth interviews and documentary analysis were undertaken to answer the research questions.

The findings of the study indicate that the decent work deficit is prevalent within the retail sector, because of a lack of enforcement of government policies relating to labour laws. The study concludes that the implementation of decent work indicators by the employers was not adequately complied with because of the market-oriented economy which gives rise to labour market flexibility prescriptions.

The study recommends that the Gauteng Provincial Government (GPG) should develop and institutionalise tailor-made decent work policy indicators for the retail sector that will inform operationalisation, enforcement and compliance.

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# DECLARATION

I declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements of the degree of Masters of Management (in the field of Public Policy) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other university.

**JACOB SETLAKALA MOSOMANE**

**31 MARCH 2014**

# DEDICATION

I dedicate this achievement to my wonderful parents: my mother, Mrs Babietjie Peggy Mosomane, and my late father, Mr Lesiba Daniel Mosomane, and also to my late uncle, Mr Jacob Ntshimane Ramalekana, whose untimely passing in February this year was in the middle of my dissertation's final stages. You are both sadly missed by your family and your spirits will forever live among us.

***May your souls rest in peace***

And to my sister, Adelaide Mabu, my pillar of strength, for understanding the sacrifice I had to make to realise this project.

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The Almighty God, for giving me strength and ensuring that my physical and mental health remained intact during this journey.

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Ms Jennifer Croll and Ms Laureen Bertin, for doing more than editing.

Finally, thank you to all those who contributed to the finalisation of my studies, by granting me approval to conduct surveys and interviews in their valuable time.

# LIST OF ACRONYMS

| | |
|---|---|
| **ANC** | African National Congress |
| **BCEA** | Basic Conditions of Employment Act |
| **BUSA** | Business Unity South Africa |
| **CCMA** | Commission for Conciliation, Mediation and Arbitration |
| **COIDA** | Compensation for Occupational Injuries and Diseases Act |
| **COSATU** | Congress of South African Trade Unions |
| **CPI** | Consumer Price Index |
| **DoL** | Department of Labour |
| **DTI** | Department of Trade and Industry |
| **DWCP** | Decent Work Country Programme |
| **FAWU** | Food and Allied Workers Union |
| **GDED** | Gauteng Department of Economic Development |
| **GDP** | Gross Domestic Product |
| **GEAR** | Growth, Employment And Redistribution strategy |
| **GEGDS** | Gauteng Employment, Growth and Development Strategy |
| **GIPF** | Gauteng Industrial Policy Framework |
| **GJP** | Global Jobs Pact |
| **GPG** | Gauteng Provincial Government |
| **IES** | Income and Expenditure Survey |
| **ILO** | International Labour Organisation |
| **LRA** | Labour Relations Act |
| **MAP** | Monitoring and Assessing Progress |

| | |
|---|---|
| **MTSF** | Medium Term Strategic Framework |
| **NDP** | New Development Path |
| **NEDLAC** | National Economic Development and Labour Council |
| **NGP** | New Growth Path |
| **NIPSA** | National Institute of Productivity South Africa |
| **OECD** | Organisation for Economic Co-operation and Development |
| **PNP** | Pick ‘n Pay |
| **OHSA** | Occupational Health and Safety Act |
| **QLFS** | Quarterly Labour Force Survey |
| **SACCAWU** | South African Commercial Catering and Allied Workers Union |
| **SARC** | South African Retail Council |
| **SIC** | Standard Industrial Classification |
| **Stats SA** | Statistics South Africa |
| **UIF** | Unemployment Insurance Fund |

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# CHAPTER ONE

# INTRODUCTION

## 1.1 INTRODUCTION

The retail sector is regarded as one of the most labour-absorbing sectors with potential to curb the high unemployment levels prevalent in South Africa, especially in the Gauteng Province. This sector is characterised by various forms of informalisation such as casual and temporary employment, labour brokering and lack of social security. Whilst these characteristics differ from one sector to the other, most sectors fail to comply with labour legislation, and have long working hours, limited adherence to minimum wage (social security), little work-life balance and limited prospects for development. The majority of workers in retail sub-sectors have been temporary and casual workers for many years. In addition to this, they are denied access to social security and wage increases since most of them are not unionised, whilst the few that affiliate to unions have little hope of change and may resort to legal measures. Temporary and casual workers are deprived of equal access to leave benefits such as maternity leave, may be forced to work overtime, and have limited access to benefits normally paid to permanent employees.

As a consequence of these different forms of exploitation, the majority of workers within the retail sector receive poverty wages. This also increases the state burden in providing social services such as child grants, access to medical treatment and other needs because the majority of these workers are tax exempted. The implementation of and compliance with decent work indicators within the retail sector as one of the labour absorbing sectors remains a challenge, hence the need to undertake this study. The research report findings cover the period 2009 to 2014.

This research study explores the level of non-compliance with decent work indicators within the retail sector in Johannesburg, specifically in and around the Sandton City Shopping Mall. The interviewees are employed at Edgars and Woolworths in the Mall and at Pick 'n Pay and Spar in close proximity to the Mall. The research undertook forty interviews with ten per retail store. In addition, one representative was interviewed from each of the following institutions: Department of Labour (DoL), South African Commercial, Catering and Allied Workers Union (SACCAWU), Business Unity of South Africa (BUSA) and National Productivity Institute of South Africa (NPISA).

The following sections present the background and context, problem statement, research need, purpose statement, research questions and hypothesis, literature review, implications for this research, research methodology, validity and reliability, significance of the study, research management and finally, the structure of the report.

## 1.2 BACKGROUND AND CONTEXT

### 1.2.1 Political and historical context

The early decades of the twentieth century saw the establishment, survival and growth of the African National Congress (ANC) and Black labour movements. The slow growth of Black trade unions tended to make the early ANC (by default) a *de facto*, if not always effective or consistent, articulator of labour rights (Limb, 2010). Dunn (1986) points out that the apartheid legacy of inequality in its many forms led to disparities in the labour market, mainly in respect of Black people.

In 1994 the first South African democratic election was contested by the African National Congress (ANC) and its alliance partners, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP) in an effort to address the imbalances of the apartheid system. This was followed by the introduction of the Reconstruction and

Development Programme (RDP): The vision embraced in the RDP policy document indicated a clear intention by the government to fulfil the principles enshrined in the Freedom Charter of 1955, a document that clearly embraces decent work (Webster, 2011a).

The term “decent work” for COSATU is a crucial element of ensuring the overall well-being of the working class in particular.This means that, “economic growth should deliver lower rates of exploitation of labour and increase access by the working class to basic goods and services, including sufficient time for working class heads of households to take care of their families and to play an active role in building social cohesion” (COSATU, 2010). The following legislative and policies have either impeded or promoted labour rights before and after democracy.

### 1.2.2 Legislative and Policy Framework prior and post 1994 (1911-2011)

This section gives a brief outline of the following legislative and policy context: Industrial Conciliation Act (11 of 1924); Minimum Wage Act (27 of 1925); Wage Amendment Act (28 of 1930); Native Service Contract Act (12 of 1932); Group Areas Act (No 41 of 1950); Freedom Charter (1955); Reconstruction and Development Plan (RDP, 1994); Labour Relations Act (66 of 1995); Constitution of the Republic of South Africa (23 of 1996); Basic Conditions of Employment Act (75 of 1997); Employment Equity Act (55 of 1998); Growth, Employment and Redistribution Growth (GEAR, 1996); The Sectoral Determination: Wholesale and Retail Sector (SD9) (2003); New Growth Path (NGP, 2010); and the New Development Path (NDP, 2011).

#### 1.2.2.1 The Industrial Conciliation Act (11 of 1924)

This Act gave the unionised White workers a secure position against undercutting from any quarter, but also helped management through use of the obstacles it placed in the way of precipitate strike action (Bourdieu, 1990). It and its successors set up machinery for the prevention and

settlement of disputes, but excluded Africans from the definition of "employees". That meant that White workers negotiated with employers the conditions of employment for themselves and for the African workers (Bourdieu, 1990). The successors referred to were issued in 1937 and 1956 and provided for the registration and regulation of trade unions and employers' organisations, the settlement of disputes between employers and employees, and the regulation of conditions of employment. This was meant to deny Black workers one of the fundamental rights according to the decent work indicators: social dialogue and representation, which disabled them during the implementation of this Act.

#### 1.2.2.2 The Minimum Wages Act (27 of 1925)

The Minimum Wages Act of 1925 laid down minimum wages for unskilled workers and led to the establishment of a Wage Board that regulated pay for certain kinds of work, regardless of racial background, although Whites were the main beneficiaries of this legislation. It also gave the Minister for Labour the power to force employers to give preference to Whites when hiring workers. This Act exacerbated the inequality between Blacks and Whites in the early twentieth century and even though it was abolished, some employers still today do not provide equal pay for equal work due to racial discrimination, resulting in non-compliance with labour laws in South Africa.

#### 1.2.2.3 The Wage Amendment Act (28 of 1930)

This is the continuation of the1925 Act. This Act provided a single national board (the Wage Board) to recommend minimum wages and conditions of unorganised or unregistered groups of workers in all industries. The Act was meant to silence and further deny Black workers their social dialogue rights, because the Industrial Conciliation Act denied any formation of unions or registration by the Black work force.

#### 1.2.2.4 The Group Areas Act (41 of 1950)

The Group Areas Act was the general name given to three Acts enacted under the apartheid government of South Africa. These Acts assigned racial groups to different residential and business sections in urban areas in a system of urban apartheid. An effect of this law was to exclude non-Whites from living in the most developed areas, which were restricted to Whites. It compelled many non-Whites to have to commute long distances from their homes to be able to work. The impact of the Act is evident even today because of socio-economic hardships that Black workers experience through having to pay high travelling costs to and from work, because their households are located far from their places of work.

#### 1.2.2.5 The Freedom Charter (1955)

The Freedom Charter was officially adopted on June 26 1955 at a Congress of the People in Kliptown, Soweto. It is characterised by its opening statement that, "The people shall govern". The Freedom Charter was the statement of core principles of the South African Congress Alliance, which consisted of the South African Congress and its allies, the South African Indian Congress, the South African Congress of Democrats and the Coloured People's Congress. This system was designed to give all South Africans equal rights, and demanded a living wage and shorter working hours, irrespective of colour, race or nationality. The values of this Charter supported compliance with decent work indicators long before these were adopted by the International Labour Organisation (ILO).

#### 1.2.2.6 Reconstruction and Development Plan (RDP)

The Reconstruction and Development Plan (RDP) is a South African socio-economic policy framework implemented by the African National Congress (ANC) government in 1994. The aim was to address the immense socio-economic challenges resulting from the consequences of the struggle against its predecessors under the apartheid regime. It set its sights on

alleviating poverty and addressing the massive shortfalls in social services across the country, something that the document acknowledged would rely upon a stronger macroeconomic environment. Achieving poverty alleviation and a stronger economy were thus seen as deeply inter-related and mutually supporting objectives. The RDP would link growth, development, reconstruction, redistribution and reconciliation into a unified programme. The plan addressed aspects of decent work by paying workers decent earnings thus alleviating poverty because better pay leads to a better standard of living.

#### 1.2.2.7 The Labour Relations Act (66 of 1995)

The aim of this act was to change the laws governing labour relations and to give effect to section 27 of the Constitution; to regulate the organisational rights of trade unions; to promote and facilitate collective bargaining at the workplace and at sectoral level; to regulate the right to strike and the recourse to lock-out in conformity with the Constitution; to promote employee participation in decision-making through the establishment of workplace forums; to provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration, for which purpose the Commission for Conciliation, Mediation and Arbitration (CCMA) was established, and through independent alternative dispute resolution services accredited for that purpose. This Act aimed to address the imbalances created by the apartheid system of giving all workers equal rights before the law and thus providing compliance with social dialogue.

#### 1.2.2.8 The Constitution of the Republic of South Africa (23 of 1996)

The Constitution of the Republic of South Africa (Act 23 of 1996) articulates labour relations where everyone has the right to fair labour practices, every worker has the right to form and join a trade union**,** to participate in the activities and programmes of a trade union, and to strike. These rights are also entrenched in the decent work indicators as pronounced by the

International Labour Organisation. Furthermore, the Constitution also provides fundamental guidelines for elimination of inequality in section 9.

#### 1.2.2.9 The Basic Conditions of Employment Act (75 of 1997)

The Basic Conditions of Employment Act (75 of 1997) gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment, and thereby complying with the obligations of the Republic as a member state of the International Labour Organisation, and to provide for matters connected therewith. This is an extension of workers' rights for Black people that were denied under the apartheid system in conformance with decent work indicators.

#### 1.2.2.10 Employment Equity Act (55 of 1998)

The purpose of this Act is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and by implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce. This Act also provides and promotes basic rights in relation to compliance with decent work indicators by ensuring employment opportunities for Black workers.

#### 1.2.2.11 Growth, Employment and Redistribution Strategy (GEAR) (1996)

The GEAR strategy was adopted in June 1996 as an official economic policy replacing RDP policy. The strategy aimed to attain a growth rate of 6% per annum and job creation of 400 000 per annum by the year 2000, concentrating capacity building on meeting the demands of international competitiveness. However, this strategy was replaced with other policies as it was not promoting or protecting the working class and neglected workers' rights.

#### 1.2.2.12 Sectoral Determination: Wholesale and Retail Sector (SD9)

The Sectoral Determination: Wholesale and Retail Sector (SD9), "is a law that regulates the conditions of employment such as working hours, leave and minimum wages that employers in the sector are required to pay wholesale and retail employees" (Department of Labour, 2003). With effect from 1 February 2003 an employer must pay an employee at least the minimum wage prescribed in this part of the sectoral determination. However, despite extensive legislation, exploitation is significant in the retail sector, as demonstrated by the labour strikes experienced over a number of years. The failure of government to regulate and monitor implementation of this legislation leads to increased exploitation by employers.

#### 1.2.2.13 The 2009-2014 Gauteng Medium Term Strategic Framework (MTSF)

The Gauteng Medium Term Strategic Framework (MTSF) for the period 2009 to 2014 as approved by the Gauteng Executive Council outlines the strategic priorities and programmes for the provincial government for the five-year term of office ending in 2014. The MTSF states that the Gauteng Provincial Government (GPG), in line with its electoral mandate, will make a "commitment to place the creation of decent work and sustainable livelihoods at the centre of its policies and programmes" (Gauteng Department of Economic Development, 2009). The first strategic priority of the MTSF is therefore to build a growing, inclusive economy and create decent work.

The Gauteng Government's approach to decent work is premised on both the structural problems (poverty and unemployment) and the re-distribution of resources to ensure inclusive, sustainable and shared growth. It emphasises that not all the decent work indicators will be realised or achieved in certain sectors in the short-term, as some will be implemented over the longer term. The Province follows the phased approach to decent

work implementation; that is short-term, medium-term and long-term approaches by implementation of policies such as the Gauteng Industrial Policy Framework (GIPF) in monitoring employment targets and progression to achieve decent work.

#### 1.2.2.14 New Growth Path (NGP)

The New Growth Path (NGP) which was adopted in November 2010 as a framework for economic policy and the driver of the country's jobs strategy states that, "we need to grow both the size of the economy and the number of decent work opportunities it provides" (The Presidency, 2010). The NGP combines both the macroeconomic and microeconomic policies, and suggests effective strategies to create millions of new decent work jobs that South Africa needs.

#### 1.2.2.15 National Development Plan (NDP)

The National Development Plan (NDP), which was adopted in November 2011 is intended to eliminate poverty and curb inequality by 2030. This plan provides a detailed and holistic approach to the task, and addresses education, infrastructure, rural development, health care and social protection, among other issues. The NDP also addresses the aspects of decent work in indicating that elimination of poverty and inequality can only be achieved through creation of decent work that conforms adequately to labour laws.

## 1.3 HISTORY OF THE RETAIL SECTOR IN SOUTH AFRICA

### 1.3.1 The characteristics of the Retail Industry

The retail industry in South Africa is classified under the tertiary sector and falls within the wholesale and retail sub-sector (also known as the trade sub-sector). It can also can be defined by using classifications from the Standard Industrial Classification (SIC) as it falls under division 62 of the SIC (Stats SA, 2009).The South African retail sector is said to be the largest

on the African continent, and was ranked 24th on the AT Kearney 2010 Global Retail Development Index (Stats SA, 2010). This is to be expected given that South Africa is the economic powerhouse of the African continent.

The South African retail sector is dominated by a small number of major retail and consumer goods companies, such as Shoprite/Checkers, Edcon Group, Pick 'n Pay and Woolworths. In 2011 the tertiary sector contributed 69.1% to the country's economy and the wholesale and retail trade sub-sector contributed approximately 13.7% to the economy (Gauteng Provincial Treasury, 2012). The retail trade and repair of goods made the largest contribution within the wholesale and retail trade sub-sector (Gauteng Provincial Treasury, 2012). This indicates that the retail industry drives the performance of the trade sub-sector. The retail industry contributes about 5.7% of total GDP and is among the top industries in the country in terms of the share of employed labour force. The industry's share of employment to the national total has been fluctuating around 7%. The highest contribution made by the retail industry to employment was in 2006 when it reached 7.9% (Stats SA, 2006). In 2010, 7.2% of employed people were in the retail industry and placed the retail industry as the fifth largest employer in the country. The Gauteng Province contributes the largest share (26.5%) of gross value added to the country's retail industry and is also home to four out of eight super regional centres in the country: Sandton City, Menlyn Shopping Centre, Eastgate Shopping Centre and the Westgate Shopping Centre (Gauteng Provincial Treasury, 2012). Table 1 below identifies ten broad occupational categories based on the International Standard Classification of Occupations (ISCO).

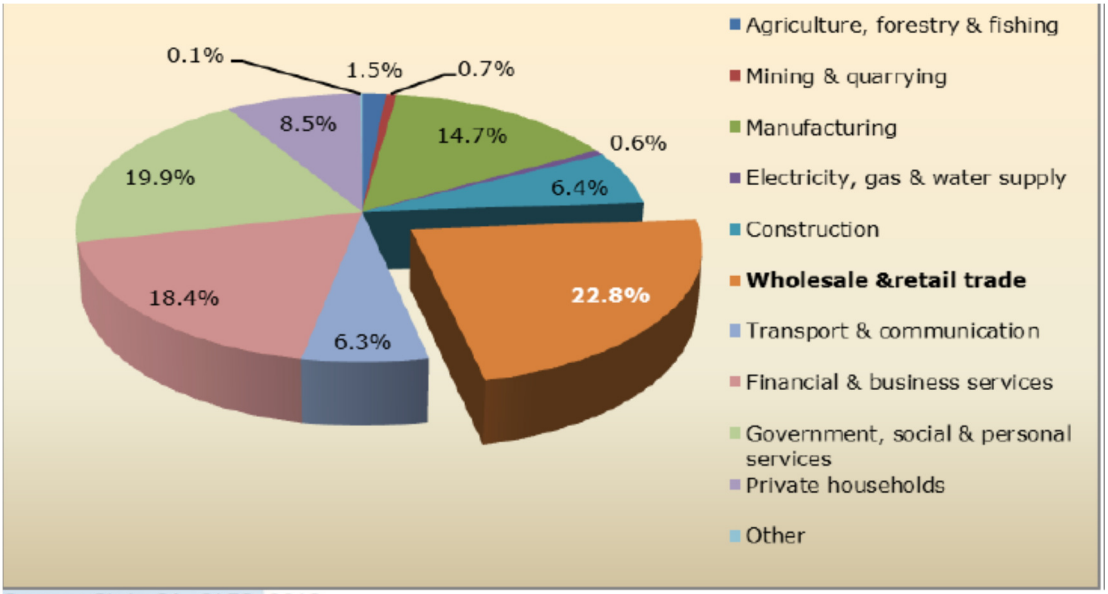
**Table 1: Industry category among the working age population, by gender (2010)**

| | Men | Women | Total |
|---|---|---|---|
| | **Total working age population** | | |
| Agriculture, forestry and fishing | 5.69<br>(0.24) | 3.79<br>(0.21) | 4.85<br>(0.16) |
| Mining | 3.81<br>(0.26) | 0.61<br>(0.08) | 2.39<br>(0.15) |
| Manufacturing | 15.40<br>(0.43) | 9.98<br>(0.37) | 12.99<br>(0.29) |
| Electricity, gas and water | 1.06<br>(0.12) | 0.32<br>(0.08) | 0.73<br>(0.08) |
| Construction | 12.61<br>(0.40) | 1.99<br>(0.18) | 7.90<br>(0.24) |
| Wholesale and retail | 20.15<br>(0.47) | 24.96<br>(0.54) | 22.28<br>(0.36) |
| Transport, storage and communication | 8.36<br>(0.35) | 2.49<br>(0.19) | 5.76<br>(0.21) |
| Financial services (incl. business services) | 13.99<br>(0.44) | 12.00<br>(0.44) | 13.11<br>(0.31) |
| Community, social and personal services | 15.48<br>(0.40) | 27.64<br>(0.54) | 20.87<br>(0.33) |
| Private households | 3.45<br>(0.21) | 16.12<br>(0.44) | 9.06<br>(0.23) |
| **Total** | **100.00** | **100.00** | **100.00** |

Source: Own calculations from the 2010 QLFS (2nd quarter)
Notes: Standard errors in brackets.The data is weighted.

The above information indicates that the wholesale and retail sector employs the largest number of men as compared to other sectors and only the community, social and personal services employs more women by 2.68 as compared to the wholesale and retail sector. However, the wholesale and retail sector employs more women than men as depicted in Table 1 above. The wholesale and retail sector employs the largest number but is generally characterised by low skilled and poorly paid work (Stats SA, 2013).

**Figure 1: Employment by Sub-Sector, Gauteng, 2012 Quarter 1**

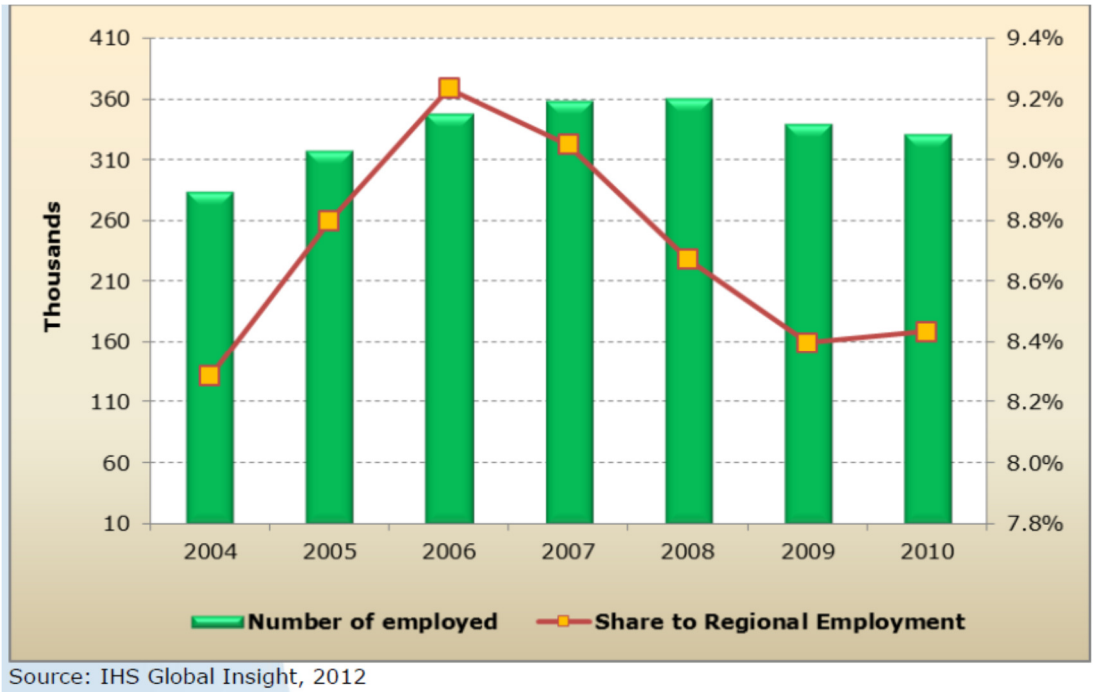



Source: Stats SA, QLFS, 2012

Although Gauteng's economy is driven by the finance and business services sub-sector, provincial employment is dominated by the wholesale and retail trade sub-sector. The share of total employment by this sub-sector was 22.8% in the first quarter of 2012.

Figure 2 below shows the number of people employed by the retail industry in Gauteng and the employment share. It is noticeable that the number of people employed by the industry increased between 2000 and 2008 before slowly declining by 2010. In 2000 there were 233,000 employees in the industry and the share of the industry's contribution to the Province's employment stood at 8%. The retail sector's share of the region's employment reached its peak in 2006, when it was 9.23%. This share declined to reach 8.4% in 2010. The peak in the share of employment in 2006 within the industry can be explained by the increase in additional retail space created in that year, which meant more stores opening and therefore new jobs being created in the retail sector. The drop in the industry's share of employment in 2010 is a result of job losses that were experienced in 2009 due to the recession.

**Figure 2: Employment Contribution by the Retail Industry, Gauteng, 2004-2010**




Source: IHS Global Insight, 2012

However, the retail sector is not without its own challenges, characterized by labour unrest, due to exploitation and non-compliance with labour rights. This is supported by COSATU spokesman Mr P. Craven, who says that behind the ongoing strikes are high levels of inequality and a decline in labour's net share of wealth combined with higher costs of living for the poor. "I don't think the frequency of strikes has changed over the last few years but the nature has changed," said Craven (*Daily Maverick*, 2013).

**Photo 1: Striking COSATU members**



**Source: Daily Maverick (2013)**

The recent acquisition by Walmart of 51% of Massmart exacerbated the existing erosion of workers' rights within the retail sector. Walmart is well-known for its stance against organised labour and its anti-union sentiment in the United States of America in particular (*Business Day*, 2011).

The process of a campaign for a Global Framework Agreement is central in signalling to Massmart/Walmart that they are no longer going to be able to bypass South African labour laws, but that all workers in Africa are working towards the goal of decent work (*Taal*, 2012).

The economic contribution made by this industry is of great value to the economy and the public as it offers more employment opportunities, especially for the youth. Total retail sales will continue to expand steadily driven in particular by the continued emergence of a Black middle class. In 2011, the country's aggregate retail sales surpassed a trillion Rand for the first time in its history, and are likely to hit R1.46 trillion by 2016 **(**Gauteng Provincial Treasury, 2012). The Walmart profit from annual turnover for the

year to June 2012 was R61 billion, an increase from R53 billion in 2011 (Kearney, 2011). Measured in real terms (constant 2012 prices), retail trade sales increased by 3,5% year-on-year in December 2013 (Stats SA, 2014). This indicates that, despite economic challenges such as a high unemployment rate, the retail sector continues to increase its profit share.

### 1.3.2 The social costs in the Retail Industry

South Africa has two forms of social protection, one based on the employment relationship and another on transfers from the state. In the employment relationship, social protection takes the form of contributions to retirement, unemployment insurance, medical aid, housing allowance and similar by the employer. However, there is no universal provision for these benefits and many low-income workers are excluded from the system. In fact, companies resort to casualisation of labour and convert workers into independent contractors to avoid contributing to these benefits such as retirement and unemployment insurance as a means of holding down labour costs.

According to international standards, decent pay should allow a full-time worker to support at least one person besides himself or herself at a level above the World Bank's and UN's $2 per day per person poverty line. Defining "full-time" for this purpose as 8 hours per day, six days per week and 50 weeks per year, means that 2400 hours of work (8 X 6 X 50) should produce at least $2.15 X 2 persons X 365 days = $1569.50 of earnings, corresponding to an hourly rate of $0.65. The translation of earnings rates from local currency to U.S dollars should use the World Bank's purchasing power parities (Anker, Chernyslev, Egger, Mehran and Ritter, 2002). In current terms regarding the South African poverty line, the above method should be measured as $2.50 per day; thus the share of the population living $1.25 per day falls from 34.4% to 16.5%, reflecting the impact of cash transfers and free basic services net of taxes. As a result, the Gini coefficient on income falls from 0.77, where it lies before various taxes and social

spending programmes are applied, to 0.59 after these fiscal interventions are incorporated (World Bank, 2014).

Employment opportunities may be measured using either (a) the employment-to-population ratio, which measures the proportion of the working age population that is employed; or (b) the unemployment rate, which measures the number of unemployed persons as a percentage of the labour force. In the first quarter of 2012 the employment-to-population ratio in South Africa was reported to be 40.9%, the labour force participation rate 54.7% and the unemployment rate 25.2%. This is far from attaining decent work objectives (Stats SA, 2012). In light of the high rate of unemployment, the government of South Africa has over the years created various employment schemes for new job seekers such as the Community Works Programme, the Expanded Public Works Programme, Youth Placement Schemes (youth subsidy) and SETA training programmes. This is part of the employment opportunities indicator.

According to COSATU, Shoprite Checkers has a staff complement of about 73 000, of which 35% are full time with 5% being what is termed 40 hour full timers/flexi-timers and 60% comprised of various categories of variable time employees or casuals. The minimum wage at Shoprite Checkers is R4 000 for full time workers and R1 800 for variable time workers who are mostly under labour brokers.

At Pick n Pay there are 36 538 workers of which 16 000 are full time with almost 20 000 being various categories of variable time employees (VTE) or casuals supplied by the labour brokers with wage rates at R4 500 for full time workers and R2 000 for casualised variable time employees.

At Woolworths it is estimated there is a ratio of 70% casuals and only 30% so called permanent workers who receive similar wages to Pick n Pay (COSATU, 2012).

However, South Africa through the Labour Relations Act, Basic Conditions of Employment Act, Wholesale and retail sectoral determinations, skills development and bargaining council agreements gives workers (permanent and temporary) in the retail sector and other sectors benefits and rights, paid sick leave, the Unemployment Insurance Fund (UIF) and free legal recourse through the Commission for Conciliation, Mediation and Arbitration (CCMA) (if there are any unfair dismissals). However, most of these rights and benefits have been undermined or reduced by labour market flexibility.

Lastly, in furtherance of the governmental objective of ensuring that young people have access to "decent work in productive and competitive enterprises" in the 2011/12 national budget, an allocation of R5 billion has been made to the implementation of a youth wage subsidy, which aims to subsidise a portion of the wages of workers aged 18 to 29 years with the intention of creating 133 000 new and sustainable decent jobs (COSATU, 2011).

## 1.4 SOCIO-ECONOMIC CONTEXT

The unemployment rate will remain the country's largest drag on growth, entrenching high rates of income inequality and this has been further exacerbated since the 2009 downturn and will remain a key policy challenge, not least amidst sharp income inequality (Stats SA, 2009). During the 2008 financial crisis almost one million jobs were lost in just two years (between 2008 and 2010) as a result of the recession (Stats SA, 2013). The unemployment rate for South Africans aged 15-64 in quarter four 2013 was 24,1% and for Gauteng Province alone was 25,2% (Stats SA, 2014). Although employment in quarter three of 2013 was higher than in 2008 before the recession, the absorption rate at 41,9% in quarter three of 2013 remained below the levels achieved in quarter three of 2008 (44,5%) (Stats SA, 2013).

Musgrave (1959) identifies three functions of government: allocation, distribution and stabilization. Firstly, allocation occurs when government intervenes to correct economic distortions caused by market failures. Secondly, when the market fails to provide an adequate distribution of income, government's task is to redistribute income. Thirdly, stabilization is necessary when the market is plagued by instability, unemployment and inflation. Despite the introduction of a range of policies by the African National Congress-led government, challenges still persist to eradicate poverty and inequality.

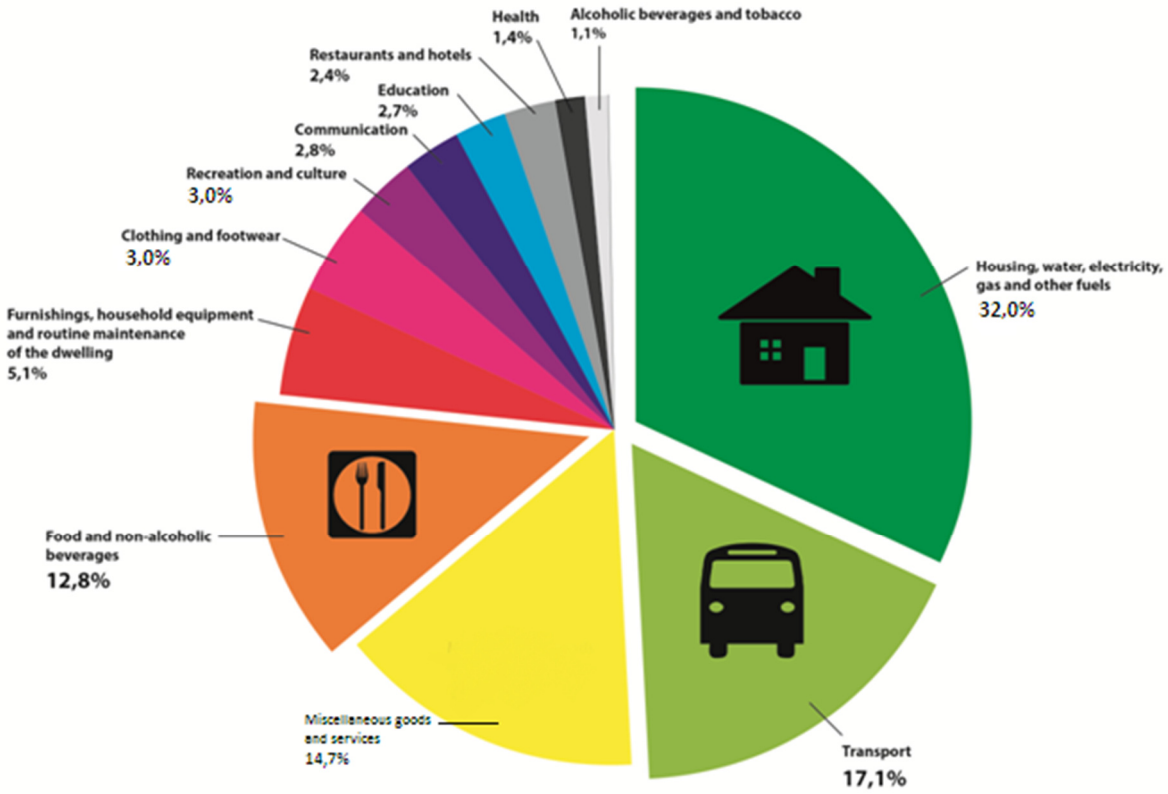
According to Van der Walt (2001), "the Growth, Employment and Redistribution (GEAR) policy is a neo-liberal policy that has led to privatisation, liberalisation, deregulation and fiscal austerity", and that neo-liberal policies have led to increased suffering of the working class who have to endure declining wages and benefits, increased unemployment and neglect of worker rights. According to Van der Walt (2001), GEAR offered the working class nothing. In view of that, some policies promote flexible labour markets, which are creating a typical employment that hardly meets basic needs and is not sustainable. The increasingly pro-business policies of the ANC government in recent years seem to confirm a picture of ANC alienation from workers just as during national liberation struggles across Africa nationalist politicians invariably made good use of workers, and then abandoned them (Limb, 2010).

The South African economy has one of the highest rates of income inequality in the world, in part because of early 20th century laws such as the Mines and Works Act 12 of 1911; the Minimum Wage Act 27 of 1925; and the Group Areas Act 41 of 1950 which had driven 55,000 Africans into segregated towns, adding considerably to transport costs, which then already used 10-35% of wages (Ginwala, 2002). The poverty line in South

Africa is currently R636 per capita per month in real terms and a quarter of the population lives on or below the poverty line (Stats SA, 2011).

Statistics South Africa conducts an Income and Expenditure Survey (IES) every five years. The last IES was conducted between September 2010 and August 2011. The IES seeks to establish what South Africans spend their money on, so that the basket of goods which makes up the Consumer Price Index (CPI), used to calculate the inflation rate, can be updated. According to the IES survey 32,0% of overall household consumption expenditure went to housing, water, electricity, gas and other fuels. An average household would have spent approximately R30 505 on this item during the survey year. Figure 3 below indicates the income and consumption expenditure in 2011.

**Figure 3: Income and consumption expenditure in 2011**




**Source: Stats SA, 2011**

The acceleration in the inflation rate from 5,4% to 5,8% in December 2013 accompanied by a 3% monthly increase in the petrol price and a 1.6 % price increase in food during December 2013 and January 2014 was the biggest factor driving the change (Stats SA,2014). For Gauteng Province, the cost of newly instituted tolled roads adds to the burden of an already high cost of living with only an average salary of R37,522 per year in the retail sector.

Gauteng's unemployment rate in the second quarter of 2013 stood at 23.7%, the lowest as compared with the rest of the country and taking into consideration that over 12 million of the country's population reside in this province (Stats SA, 2013). However, the retail sector has increased employment by 3% over the past eight years as a result of an increase of retail space in Gauteng from 3,062,929 $m^2$ in 2002 to 8,545,522 $m^2$ in 2010 (Gauteng Provincial Treasury, 2012).

The South African population, according to the mid-year estimates of 2013, was 52,98 million, with Gauteng comprising the largest proportion of approximately 12,7 million people (24,0%) (Stats SA, 2013). The population growth intertwines with, "the South African job creation discourse, where decent work is seen as a precursor to achieving a dignified life" (Barchiesi, 2011b). According to the ILO (2010), "Decent work is seen as essential to the welfare of workers, family stability, community peace and economic growth that expands opportunities for productive jobs and employment". This is further supported by other proponents of decent work that, ''by making jobs better, you are also making them more productive" (Webster, 2011a).

In achieving a quality life for the growing population, decent work and economic development are viewed as complementary, leading to a virtuous circle. It has been argued that it is difficult to create decent work under current global trends such as profit maximisation and rising unemployment

levels. If that is true, then the only available choice that confronts many South African workers daily is the choice between an unpleasant job, not conforming to decent work standards, or no job at all (Barchiesi, 2011a).

The Gauteng Government's approach to decent work is premised on both the structural problems of poverty and unemployment and the re-distribution of resources to ensure inclusive, sustainable and shared growth. It emphasises that not all the decent work indicators will be realised or achieved in certain sectors in the short-term, as some will be implemented over the medium to long term.

In spite of the existing policies and legislative framework, implementation, compliance and enforcement of decent work indicators remains a challenge in this sector. Many employers continue to disadvantage employees by not adhering to some, if not all, decent work indicators, hence the need for this research to encourage the adherence of employers to the policies that apply to the retail sector. Finally, it is clear that the state must develop social security arrangements that meet the basic needs of vulnerable groups and protect the working poor against contingencies and exploitation by employers.

## 1.5 COMPLIANCE WITH LABOUR POLICIES

Monitoring progress towards decent work is a long-standing concern for the ILO's constituents (ILO, 2010). Yet, the multifaceted nature of the Decent Work Agenda that combines access to full and productive employment with rights at work, social protection and the promotion of social dialogue means that measurement is a complex task (Webster, 2011a). The ILO Declaration on Social Justice for a Fair Globalization thus recommends that member States may consider, "the establishment of appropriate indicators or statistics, if necessary with the assistance of the ILO, to monitor and evaluate progress made" (Cohen, 2010) . The ILO implemented the project 'Monitoring and Assessing Progress on Decent Work' (MAP) with funding

from the European Union for a period of four years (2009 to 2012). The project aimed to facilitate the identification of decent work indicators that are relevant at the national level to support data collection; and use the collected data for an integrated policy analysis of decent work in order to make them relevant for policy-making (COSATU, 2010), but, it is obvious that with all these measures in place compliance with decent work indicators remains the greatest challenge, because of government's lack of resources or failure to design effective monitoring mechanisms to ensure compliance by the various sectors of the economy.

The ILO in 2010 conducted country profiles of decent work deficits. Table 2 below provides the South African information as provided by the ILO.

**Table 2: South Africa Decent Work Country factsheet (2006 to 2010)**

| Decent work indicator[1] | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| **Employment-to-population ratio, ages 15-64, %** | **44.9** | **44.4** | **44.8** | **42.7** | **40.8** |
| Male | 52.8 | 52.2 | 52.7 | 49.7 | 47.7 |
| Female | 37.8 | 37.4 | 37.4 | 36.2 | 34.4 |
| **Unemployment rate, %** | **22.6** | **22.3** | **22.8** | **23.9** | **24.9** |
| **Youth unemployment rate, ages 15-24, %** | **46.7** | **46.5** | **45.5** | **48.1** | **50.5** |
| **Share of youth not in education and not in employment, ages 15-24,%** | **33.5** | **31.0** | **32.6** | **32.5** | **33.9** |
| **Informal employment (proxy) %** | **34.0** | **36.1** | **32.9** | **30.5** | **30.7** |
| **Low-pay rate** (proportion of workers with monthly earnings below 2/3 of median monthly earnings, excl. agriculture), % | ... | ... | ... | **32.5** | **34.0** |
| **Excessive hours (more than 48 hours per week), %** | **28.9** | **27.2** | **28.0** | **25.5** | **24.1** |
| **Time-related underemployment rate, %** | **3.5** | **2.8** | **4.5** | **4.7** | **4.2** |
| **Proportion of employees entitled to maternity/paternity leave** | ... | ... | ... | ... | **53.2** |
| **Precarious work (temporary, part-time, and seasonal workers), % of all paid employees** | **24.2** | **23.5** | ... | ... | ... |
| **Occupational segregation by gender** (distribution of employment within ISCO-88 major group 1 – legislators, administrators and managers), % | | | | | |
| Male | **8.4** | **8.9** | **9.4** | **9.6** | **10.0** |
| Female | **4.7** | **5.2** | **5.2** | **5.3** | **5.5** |
| **Female share of employment/ occupations – Legislators, administrators and managers** | **30.9** | **31.7** | **29.7** | **30.2** | **29.7** |
| **Share of population aged 55 and above benefiting from a pension, %** | **46.4** | **44.3** | **44.9** | **48.0** | **46.8** |
| **Public social security expenditure, % of GDP** | | | | | |
| Public health-care expenditure | 3.4 | 3.5 | 3.7 | 4.2 | 4.1 |
| Other public social security expenditure | ... | 3.2 | 3.3 | 3.5 | 3.5 |
| **Trade union density rate, % of employees** | **28.9** | **30.3** | ... | ... | **30.0** |
| **Collective bargaining coverage rate** | ... | ... | ... | ... | **32.7** |

Aguiar and Hurst (2013) criticises this fact sheet as it fails to explain how the different indicators should be weighted. This approach also risks focusing on what is supposedly measurable, such as unemployment, and disregarding what is (even) less amenable to measurement, such as inequality. This view is also supported by Standing (2011) who maintains that equality is at the heart of the notion of 'decent work' and is part of the ILO's exciting new vision, hence the imperative need to measure inequality.

In 1995 Pick ħ Pay signed a labour flexibility and mobility agreement with SACCAWU that determined the terms under which employees would work, specifically the hours and days to be worked and the minimum number of employees to be employed in stores per category, i.e. cashiers, packers, cleaners. However, in 2011, Pick ħ Pay management cancelled this agreement which had been in place since 1995 to give more flexibility and efficiency with regards to staffing. According to Taal (2012), it is the staff that is being forced to be increasingly flexible at the expense of decent working conditions. The precariat are clearly seen as a major cost and are forced to either accept worsening working conditions or be threatened with retrenchment. This indicates the level of non-compliance by the capitalist world whose aim is to maximise profit at the expense of the proletariat.

The increasing number of industrial actions also provides some evidence that compliance is a fallacy. In the last three years there have been three nation-wide strikes in South African Pick ħ Pay operations, based on issues from racism and the wage gap in 2009 (an issue which remains unresolved), to the call for centralised bargaining in the retail sector which was an industry-wide strike and likewise remains unresolved (Taal, 2012).

Department of Labour (2010), in 2008/9 it conducted 150,000 inspections achieving 82% compliance level. These workplaces did not comply with the

labour laws to an acceptable degree. Compliance is deemed to be in place only when a company complies with all the relevant legislation.

South Africa has about 1 000 inspectors responsible for all the sectors of the economy whilst in other countries there are over 15 000 inspectors. There is a need to employ more inspectors per sector to ensure sustainability and compliance with the ILO's Monitoring and Assessing Progress on Decent Work' (MAP).

Companies are increasingly using flexible forms of employment even if they are performing very well. Labour market flexibility has created a crisis for workers by reducing their wages, removing their benefits and removing their legal protection and access to trade unions. Companies may not be in a position to afford to implement all the decent work indicators, but may be able to address some. These include improvement in terms of income earnings, employment opportunities, decent working hours, balancing work and family life, social dialogue and social security. Other indicators such as social protection (pension, medical aid, housing allowances) can be achieved over time and be sustainable.

## 1.6 ENFORCEMENT OF LABOUR POLICIES

It is clear from the preceding section on compliance that there is an acute deficit of decent work indicators within the retail sector, but equally so the enforcement of policies protecting the proletariat or workers seems non-existent. The "escape hatches" is a term developed by Clay and Schaffer (1986) describing the way policy makers avoid responsibility for policies they make. Clay and Schaffer pinpoint the dichotomy between policy-making and implementation as an avenue which can be used to this end. For example, policy makers who see implementation as a separate process to policy-making may blame a poor policy outcome on inadequate political

will or lack of sufficient resources in the implementation phase, rather than poor policy-making.

The Department of Labour has introduced the "Enforcement Manual for Labour Inspectors" designed to facilitate and ensure more effective implementation of an integrated approach to labour inspection, in line with the principles of the International Labour Organisation (ILO). The following forms part of the introduction to the manual:

> *This Enforcement Manual for Labour Inspectors comprises Labour Inspection Enforcement Policy, Principles and Practices of Labour Inspectors and a Code of Ethical Behaviour. It provides three basic tools necessary for a modern labour inspection that is both efficient and effective. The main role of labour inspection is the promotion of compliance with labour legislation as well as good labour practises, to achieve basic workers' rights, balanced socio-economic development, and sound and effective industrial relations as a basis for constructive social dialogue and thus a positive investment climate. Labour inspectorates are expected to assist management and workers in developing good labour practises and achieving social justice and decent work for all"* (Department of Labour, 2010).

The manual covers all aspects needed by the inspectors to undertake their duties, but the challenge is not the absence of policies or manuals to guide compliance and enforcement processes, but rather the shortage of labour inspectors to enforce and ensure compliance by employers.

Thompson (1984) emphasises that actors who implement policy requirements are not simply cogs in the process, but rather have substantial ability to mould policy outcomes. The Department of Labour manual is clear on the responsibilities and measuring output of the inspectors, but by the same token states that, "*One measure of productivity, or performance, is*

*the number of inspections an inspector undertakes per month or per year and this measure of productivity does not indicate the quality of inspection work and has the usual distortions of the average as a statistical measure*" (Department of Labour, 2010) This supports the assertion of the economist Roodt, that, "One of government's primary roles is to enforce law and order and it is not fulfilling this function" (Financial Mail, 2011).

However, the major challenge is the enforcement of decent work indicators where it is clear that, based on the quality of inspections as acknowledged by the Department of Labour, the problem might remain unresolved if proper interventions are not implemented. Ghai (2002) states that decent work indicators are used to measure the extent to which a set of objectives or outcomes have been achieved. Based on the number of industrial strikes around poor working conditions in various sectors of the economy, it is obvious that decent work indicators are not used to measure achievement of the outcome.

Finally, the Department of Labour states explicitly in the manual that, *"The laws to protect workers' conditions of employment and working environment are meaningless if the legal provisions are not respected and enforced and there can be no good labour legislation without good labour inspection"* (Department of Labour, 2010).

## 1.7 PROBLEM STATEMENT

The compliance and enforcement of decent work indicators within the retail sector as one of the labour absorbing sectors remains a challenge. The proponents of decent work such as Standing (2011), Webster (2009) and Ghai (2002) have researched extensively on the level of non-compliance as encapsulated by the ILO from experiences of workers in sectors such as domestic workers, farm workers, security workers, mine workers, and the industrial and manufacturing sectors that are known not to comply with the

nine decent work indicators. Subsequent to the research of the author, no specific study was conducted on the measurement of the nine decent work indicators within the retail sector.

The study focused on the Johannesburg North area of Sandton targeting the period from 2009 up to 2014, during which the 2009-2014 Gauteng Medium Term Strategic Framework (MTSF) was approved by the Gauteng Executive Council outlining the strategic priorities and programmes for the Gauteng provincial government for its five-year term of office. The formulation and implementation of the first strategic priority of the MTSF was to create decent work and build a growing and inclusive economy**.**

The transition to democracy has highlighted insecurity in the precariat workplace and in society as a critical feature of the South African social milieu. In two decades of democracy and the victories won in democratic rights, trade union recognition and economic incorporation through wages, among other things, the right to decent work and security remains unattainable for the majority as pointed out by Legard, Keegan and Ward (2003) who observed that security and stability of employment and livelihood are for millions becoming an imaginary goal. There was thus a clear need to undertake this study to determine the level of non-compliance with decent work indicators within the retail sector.

## 1.8 PURPOSE STATEMENT

The purpose of this exploratory and descriptive research is to investigate the level of compliance with the decent work indicators in the retail sector within Gauteng Province. As previously explained, interviews were conducted with people working at Edgars and Woolworths stores in Sandton City Mall, and with people working at the Pick ‘n Pay store in Benmore Gardens and the Spar store in Atholl Square in Sandton. The aim was to measure the level of non-compliance of decent work indicators as

advocated by the International Labour Organisation and as one of the ANC's mandates.

Studies in South Africa are limited in relation to compliance with the nine decent work indicators and the implications within the retail sector. The study will therefore rely on primary research data and international best practice.

The goal of the study is to measure the level of compliance against the decent work indicators and how to improve the conditions of employment in the retail sector, and to develop short, medium and long term policy recommendations towards the compliance implementation of decent work indicators within the retail sector.

## 1.9 RESEARCH QUESTIONS AND HYPOTHESIS

### 1.9.1 Primary research question

How is the level of non-compliance with decent work indicators in the retail sector measured?

### 1.9.2 Secondary research question

What are the reasons for decent work deficit or casual employment and labour broking in the retail sector?

How will compliance with the decent work indicators for the retail sector lead to inclusive economic growth?

### 1.9.3 Hypothesis or core argument

The rising level of informalisation or casualisation and non-compliance with decent work indicators within the retail sector has led to erosion of the tax

base and an increased state burden to render social security to the majority of the workforce.

## 1.10 SIGNIFICANCE OF THE STUDY

The adoption of the Decent Work Agenda by the African National Congress (ANC) in Polokwane in 2007 was intended to address the decent work deficit endemic in key sectors of the economy, especially in labour-absorbing sectors. The approach was intended to reverse and address socio-economic inequalities. The ANC in the abridged manifesto adopted in 2009 identified five priority areas for the next five years, one of them being the creation of decent work and sustainable livelihoods. The manifesto points out that, “decent work embraces both the need for more jobs and for better quality jobs” (ANC, 2009). This study investigates compliance with the decent work indicators within the retail industry, the gap between the existing policy and the day-to-day reality of the precariat, the context of policy development, and the implementation, monitoring and evaluation of such policies. Furthermore, the study will assist other provinces in effectively implementing decent work agendas in their respective provinces.

Finally, the study aims to contribute towards a better understanding of the relevant policies that will promote both compliance and monitoring of decent work in the retail sector and attempt to strike a pragmatic balance between decent work and enterprise efficiency (enhancing productivity), leading to the attainment of an inclusive economy.

## 1.11 RESEARCH CHAPTERS OUTLINE

Chapter 1: Introduction:
This chapter provides a brief overview of all the chapters and an in-depth understanding of the subject matter. It also assists in the development and formulation of key research questions and shapes the approach to other chapters.

Chapter 2: Literature review:
This chapter assists in understanding key debates and the current state of the sector under study.

Chapter 3: Research methodology:
This chapter explains the development of the questionnaire, understanding of the population and sample that is being studied. It also assists in understanding how the research methodology is implemented.

Chapter 4: Data gathering:
This chapter explains the data gathering necessary to meet the objectives of the study and the hypothesis.

Chapter 5: Analysis:
This chapter analyses data gathered from key respondents. It makes the presentation of data clearly understood and identifies key research gaps.

Chapter 6: Conclusions and recommendations:
This chapter presents key findings of the study and possible recommendations to be used in addressing the challenges emanating from the research.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 INTRODUCTION

The literature study looks at different interpretations and adoption of the decent work concept and its effects in relation to globalisation, poverty and inequality, economic development and the link between work and social reproduction. The relationship between decent work and precarious employment is examined as well as the challenges in relation to the implementation of decent work policies and labour laws.

## 2.2 DEFINITION OF TERMS

The Oxford Dictionary defines "decent" as an attributive word meaning of an acceptable standard.
Standing (2011) defines "work" as an activity and a means of earning income through employment. Webster, Buhlungu and Bezuidenhout (2003) defines "work" as a social activity where an individual or group puts in effort during a specific time and space, sometimes with the expectation of monetary or other kinds of rewards, or with no expectation of reward, but with a sense of obligation to others.

"Decent work", according to Ghai (2002), is an attempt to ensure some level of social security for the labouring masses.

"Precariat" is a social class of working people who lack job security and their own means of production.

## 2.3 THE ADOPTION OF DECENT WORK

### 2.3.1 Overview of Decent Work Adoption

The word "decent" in the context of the International Labour Organisation was not meant as a slogan or mantra, but as a practical and realisable policy goal (Standing, 2011). However, Standing remains sceptical of the concept and its intentions, especially from the organizational view of the ILO. From the onset the notion of decent work has faced challenges, as Standing points out. Firstly, "decency" is a normative concept. The problem with the term from the "onset was its inherent vagueness, but to some this was seen as an advantage, while to others it left too much room for flabby platitudes" (Standing, as cited in Webster, 2009). Lipsky (1993) makes a similar point, arguing that decent work is a desperate ploy, nostalgic of an historical period long gone. This is supported by Legard, Keegan and Ward (2003) who observe that security and stability of employment and livelihood are for millions becoming an illusory goal.

The concept of "decent work", originates from the International Labour Organization and according to Ghai (2002) is an attempt to ensure some level of social security for the labouring masses. The ILO outlined three principles underlying the notion of decent work, on the basis that "Labour is not simply a commodity, which like any other commodity on the market can be bought and sold" (ILO, 1999). Rather, it is "firstly and foremost human activity, which cannot be reduced to something that can merely be bought and sold". Secondly, the notion of "decent work has to be context based, constructed or defined on the nine premises established by people themselves within their social context". This is because "decent work in third world countries and in first world countries is not the same" (Somavia as cited in Webster, 2009). Thirdly, work "often becomes part of one's identity and a fundamental source of meaning, particularly when considering one's contribution to society" (Webster, 2009). This is supported by Somavia, as

cited in Webster (2009), who states that the essence of work is a source of dignity and is linked to a person's sense of identity and self-worth.

The former director general of the ILO, Mr Juan Somavia, at the 87th session of the ILO conference in June 1999, proposed that decent work should be promoted and made a core priority of the ILO and furthermore stated that, "the primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human dignity" (ILO, 1999). This was also endorsed by its tripartite structure which brings together representatives of governments, employers and workers from all member countries to jointly shape labour policies and programmes. In addition to the endorsements (ILO, 2006), the ILO has an inspection system which monitors the implementation of ratified conventions. However, the inspection system monitors implementation in terms of policies and not reality, so the compliance and enforcement still remains the responsibility of the country concerned. This remains a key challenge in relation to the non-compliance with decent work indicators. Ghai (2002) observes that decent work applies not only to workers in the formal economy, but also includes those in the informal economy who are often unregulated wage workers, the self-employed and home workers, even though it seems ILO ratification is biased towards the formal economy.

At the 87th ILO conference in 1999, Mr Somavia highlighted the four elements of decent work as being employment opportunities, social dialogue, social protection, and worker rights, noting that the nine indicators of decent work are derived from these four elements. These nine indicators are employment opportunities; stability and security at work; wages; decent hours; work, family and personal life; equal opportunity and treatment in employment; safe working environment; social protection; and social dialogue. The nine decent work indicators are outlined in Table 3 below.

**Table 3: Decent Work Indicators**

| Theme | Example |
|---|---|
| **Employment opportunities** | Measures the ease of finding employment |
| **Stability and security at work** | Measures whether employees have contracts, what those contracts entail and say about job security |
| **Wages** | Measures earning levels and whether they are able to satisfactorily meet the worker's and his/her family's basic needs |
| **Decent hours** | Measures the length of the working day, overtime and implications for the worker and his/her family |
| **Work, family and personal life** | Measures whether there is adequate time to spend with families and time for personal life given the nature of the work |
| **Equal opportunity and treatment in employment** | Measures discrimination in its multiple forms as experienced in the place of work (employer practices) |
| **Safe working environment** | Measures whether or not employees are given protective equipment, protective clothing and feel safe at work |
| **Social protection** | Measures the extent of social security coverage for employees, taking into consideration compulsory schemes such as provident fund, medical aid, etc. |
| **Social dialogue and representation** | Measures the degree of representation that employees have in the workplace etc |

**Source: Ghai ( 2002)**

According to Ghai (2002), the first four indicators refer to various types of work and have both quantitative and qualitative dimensions. Furthermore, the components highlight opportunities and remuneration, security and conditions of work, while the last two highlight the social relations of workers.

The most important aspect of decent work is social dialogue. While not suggesting that other indicators are of lesser importance, industrial strikes are triggered by the lack or non-existence of this aspect. Social dialogue is seen as a productive way of approaching and resolving workplace conflict (Webster, 2009). The ILO supports this view in stating that "employee rights are defended, employment promoted and work secured and a source of stability achieved at all levels, from the enterprise to society at large" to a great extent by social dialogue and representation (ILO, 1999). In that sense, tripartism and social dialogue are both objectives in their own right, guaranteeing participation and democratic processes and are also a means of achieving all the other strategic objectives of the ILO (ILO, 2009). The promotion of social dialogue is important for South Africa, and helps to give workers a voice in order to solidify achievements in terms of democracy, core labour rights, labour standards, social protection and socio-economic justice (Mies, 1986).

As early as 2002, the ILO recognized that it was necessary to have a complementary and integrated set of indicators on national laws and regulations for each of the major aspects of decent work (Webster *et al*, 2008). There was a need to supplement the decent work legal dimension with statistical indicators on measuring decent work. According to Ghai (2002), indicators are used to measure the extent to which a set of objectives or outcomes have been achieved. The effective measurement of these indicators by policy makers can promote compliance by various employers within various labour absorbing sectors of the economy, including the retail sector. Furthermore, they are also useful in cross-country comparisons and for testing alternative hypotheses concerning the relationships among different components of decent work (Ghai, 2002). For example, if the set objective is designed to measure social protection among retail workers in Johannesburg, the indicator should provide information on the number of people having adequate social protection or lack thereof which would underscore a decent work indicator.

### 2.3.2 Context-based adoption of Decent Work

The Decent Work Country Programme (DWCP) of the ILO serves as a vehicle through which decent work policies can be adopted in various countries based on their specific socio-economic climate. The main issue, however, is how these policies can be implemented effectively to enforce compliance by the retail sector against a backdrop of the socio-economic challenges that South Africa faces.

In South Africa, the DWCP was drafted and adopted in 2010 through the partnership of government, business, labour and the community or civil society through the institution of social dialogue, namely the National Economic Development and Labour Council (NEDLAC). The New Development Path (NDP) which was adopted in November 2011 also supports decent work, especially the aspect of social dialogue as a common front to forge joint solutions to the risks facing the economy and to curb dysfunctional relationships among the public and private sectors, and civil society (The Presidency, 2011).

The notion of decent work is relatively new, but in South Africa the values it embodies may be traced back to the South African Freedom Charter of 1955. The Freedom Charter espouses the values that inspired the struggle for liberation and democracy (Webster, 2009), as explained below.

> *There shall be work and security! All who work shall be free to form trade unions, to elect their officers and to make wage agreements with their employers; the state shall recognize the right and duty of all to work, and to draw full unemployment benefits; men and women of all races shall receive equal pay for equal work; there shall be a forty-hour working week, a national minimum wage, paid annual leave, and sick leave for all workers and maternity leave on full pay for all working mothers; miners, domestic workers, farm workers and civil servants shall receive the same rights as all others who work; child labour,*

*compound labour, the tot system and contract labour shall be abolished* (Freedom Charter, 1955).

The Congress of South African Trade Unions (COSATU) organised a conference in 1991 which adopted a Workers' Charter that included basic socio-economic demands of workers such as a living wage, the right to social services and job security (Theron, 2013). An alliance forum was then formed to ensure that the workers' demands informed the development of ANC economic policy. Finally, the labour movement used its power in the early 1990s to have its role institutionalised in order to help maintain the balance of forces in favour of the ANC's developmentalist vision (Anderson, 1997). The outcome of the alliance was then embraced in the RDP socio-economic policy framework implemented by the ANC government in 1994 which indicated an intention by the government to fulfil the principles enshrined in the Freedom Charter of 1955, a document that clearly embraces decent work (Webster, 2011a). The RDP formed one of the processes to drive the transformation agenda of South Africa and address some of the multiple inequalities created by apartheid and still reflected in the South African society (Webster, 2011a). Furthermore, the Constitution of the Republic of South Africa (23 of 1996) articulates a labour relations policy as follows:

1. Everyone has the right to fair labour practices;
2. Every worker has the right to form and join a trade union, to participate in the activities and programmes of a trade union; and to strike.

This entrenched the precariat's rights to give effect to obligations incurred by South Africa as a member state of the ILO. Other equally important Acts, such as the Basic Conditions of Employment Act, Employment Equity Act and the Labour Relations Act also contribute to the commitment of promoting and protecting workers' rights in the country. According to

Basson, Christianson, Garbers, Le Roux, Mischke and Strydom (2005), although the primary focus of the Labour Relations Act is to regulate the collective relationship between trade unions and employers, it does contain important provisions aimed at job security, such as protection against dismissal and unfair labour practices. The statement by Basson *et al.* (2005). emphasises the critical role of social dialogue through the implementation of the Labour Relations Act, thus promoting decent work principles. According to Webster (2011), labour rights are not viewed as a hurdle to the goal of the creation of decent employment. The Sectoral Determination: Wholesale and Retail Sector (SD9), "is a law that regulates the conditions of employment, such as working hours, leave and minimum wages employers in the sector are required to pay wholesale and retail employees" (Department of Labour, 2003).

The introduction of labour laws was to protect the employment relationship, to regulate contract work, sub-contracting and outsourcing, address the problem of labour broking and prohibit certain abusive practices (Theron, 2013). The New Growth Path (NGP) document which contains, amongst others, objectives for restructuring the economy in order to create more jobs and improve labour absorption, also has the creation of decent work at its core (Economic Development Department, 2011). The NDP promotes decent work by strengthening the social wage to raise living standards of those out of work or in low paying jobs (The Presidency, 2011). Both the NGP and NDP are complementary in the effort to lower costs in the economy, especially as high costs contribute towards limiting employment growth and increase hardships for poor households.

The government commitment to decent work was reiterated by President Zuma during his inaugural speech in June 2009: "The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job creation policies" (The Presidency, 2009). Moreover, the concept makes reference to both adequate opportunities and

remuneration for work in cash or kind (Ghai, 2002). The present high unemployment level in South Africa, especially among the youth, is a clear indication that adequate employment opportunities for all are not yet in place. One of the more radical critiques of decent work has come from Barchiesi (2011b) who notes that he does not reject the goals of decent work and is not evaluative of whether its overarching objectives are desirable or not, and that in fact decent jobs are better than non-decent jobs. Barchiesi (2011b) accepts that policies inspired by the ILO's four elements of decent work (employment opportunities, social dialogue, social protection, workers' rights) can improve the lives and employment conditions of workers. However, Barchiesi (2011b) is sceptical of its feasibility in a context where work that is decent is for a shrinking minority of workers. Waterman (2005) makes a similar argument that a return to a mythical, universalized protected labour force with benefits and rights can indeed square the circle of enhancing human dignity, enabling growth, building communities, and equipping workers with tools to compete in unforgivingly flexible labour markets, although he concludes that this remains a dream for the majority of the workforce.

### 2.3.3 Decent work and economic development

In achieving a quality life for the growing population, decent work and economic development are viewed as complementary, leading to a virtuous circle. According to Webster (2011a), "By making jobs more decent, you are also making them more productive". In 2009, President Zuma alluded to the NGP in his State of the Nation address: "… the creation of decent work will be at the centre of our economic policies and we have to forge ahead to promote a more inclusive economy" (Zuma, cited in Sparks, 2010). Standing (2011) explains that, "Decent work provides a perspective or framework that can highlight the dual goals of economic and social development".

Decent work means that the character of the growth path should be clearly biased towards the working class and should be wage-led and redistributive so that economic growth gives rise to wages in real terms and income distribution (Sefalafala, 2011). This means that economic growth should deliver lower rates of exploitation of labour and increase access by the working class to basic goods and services, including sufficient time for working class heads of households to take care of their families and to play an active role in building social cohesion (COSATU, 2010). A potential limitation of this approach is that it neglects the fact that there are trade-offs between making jobs decent and simply creating jobs (Webster, 2011). It is evident that, taking into consideration the high unemployment rate in South Africa as well as the high number of industrial strikes in the retail sector, this is a clear indication that those employed experience gross transgression of labour laws. Finally, a balanced amicable solution should be found in promoting both the creation of decent jobs and more employment for the unemployed majority of South Africans.

According to the ILO, “work is the main escape route out of poverty” (ILO, 2003). This indicates the vital link between finding work, especially decent work, and poverty reduction, which in turn contributes to economic development. The OECD (2009) indicates that, “poverty and lack of employment opportunities is a major setback in trying to achieve the goal of poverty reduction and also hinders the progress towards achieving the Millennium Development Goals”. Among the world’s poor people, many have jobs but can confirm that merely securing a job does not mean that a person has escaped poverty. Therefore, “fighting poverty is not just a matter of creating many employment opportunities but ensuring that these jobs are of a quality that can lead to poverty reduction” (ILO, 1999).

The Gauteng Provincial Government (GPG) supports the view that creation of decent work will promote economic development. The 2009-2014 MTSF states that the Gauteng Provincial Government (GPG), in line with its

electoral mandate, will make a “commitment to place the creation of decent work and sustainable livelihoods at the centre of its policies and programmes” (Gauteng Department of Economic Development, 2009). The first strategic priority of the MTSF is therefore to create decent work and build a growing, inclusive economy**.** This approach is premised on both the structural problems (poverty and unemployment) and the re-distribution of resources to ensure inclusive, sustainable and shared growth.

### 2.3.4 Decent work attempts to curb inequality and poverty

Inequality and poverty complement one another, and in South Africa in particular, are accompanied by high levels of unemployment. At the ILO’s Eleventh African Regional meeting in Addis Ababa in 2007, the importance of adding a work dimension to poverty eradication was emphasised (ILO, 2010). It was concluded, amongst other things, that one of the biggest challenges for the continent is to ensure that, “Africa's most valuable resource, the honest and hard work of its women and men, is fully utilised and fairly rewarded” and furthermore that if the Millennium Development Goal of halving extreme poverty is to be attained by 2015, an employment-centred growth strategy is required. One of the policies that is being embraced worldwide is the goal of full and productive employment and decent work as a logical means to reduce poverty and inequality. This is especially so as poverty looms both among the employed and the unemployed and work continues to promise a basic escape route from poverty and a means by which people can provide for their basic human needs such as food, shelter, clothing and health care (Ndungu, 2012). The concept of decent work also offers hope, especially when it is presented as a solution to the problem of eliminating labour brokers and precarious work conditions in South Africa, since for most people, finding employment becomes the first step in escaping poverty and social exclusion.

According to the ILO (2010), decent work is central to sustainable poverty reduction and is a means for achieving equitable, inclusive and sustainable

development. The New Development Path adopted in November 2011 is intended to eliminate poverty and curb inequality by 2030. The New Development Path has provided some indication that the future of decent work is becoming a proportionately smaller employer in upper-middle income and high-income countries, with at least three-quarters of new employment found in services such as retail, personal services, security, domestic work and office cleaning, where productivity and wage growth is lower. The reality is therefore that those employed in these sectors are challenged by the need to expand such employment while also improving the conditions of both existing workers and casual workers (The Presidency, 2011).

According to Statistics South Africa, the official unemployment rate for people aged 15-64 in quarter four 2013 was 24,1% and for Gauteng Province alone it was 25,2% (Stats SA, 2014). The 2013 OECD economic survey shows the figure as 40%, which includes those who are too discouraged to seek work (OECD, 2009). The overall poverty rate in South Africa has been above 20% since the late 1990s (Stats SA, 2010).

The Presidency (2011) states that by 2030, GDP per capita will be more than twice the present level, export growth will have accelerated, income levels will have risen above the poverty line for all, inequality will be substantially reduced, and unemployment reduced from 25% to 6%. The NDP is overly optimistic about meeting these targets unless radical changes are made to the present economic structure, otherwise the NDP will emulate the failure of policies such as GEAR. According to Van der Walt (2001), the GEAR policy was a neo-liberal policy that has led to privatisation, liberalisation, deregulation and fiscal austerity and offered the working class nothing. The problem with GEAR was that it advocated a market-oriented economy in contrast to both the Freedom Charter and the RDP. According to the government, however, GEAR aimed at creating a ‘competitive fast-growing economy’ and it further argued that the South African economy was

growing at an unsustainable rate of 3% per annum and that this therefore undermined any hope of adequate job creation (Gauteng Provincial Treasury, 2012). Furthermore, GEAR proposed a growth rate of 6% which it projected would create 400 000 new jobs per annum. Adelzadeh (1996) characterises GEAR as an adoption of neo-liberalism by the ANC government. Furthermore, Osborne (1997) argues that the hallmarks of GEAR are tight monetary and fiscal policies, the liberalisation of the economy and privatisation. It must also be cautioned that the present economic structure benefits the capitalist at the expense of the working masses and any change to reverse the situation will be an adjunct to resistance.

Despite South Africa's efforts to try and redress the inequalities of the past, there is still evidence that a lot of inequality exists in relation to access to employment opportunities and other decent work indicators. One of the principles of equity at work is equal pay for equal work and also equality in employment opportunities. The apartheid government, with Acts such as the Minimum Wage Act of 1925 and the Wage Amendment Act of 1930 created huge disparities between black and white workers, hence the gap of inequality remains wide and continues to grow because of the capitalist state existence.

Ndung'u (2012) cites the Labour Force Survey, which indicates that Whites still dominate the Top Management level while African and Coloured females and people with disabilities are the most vulnerable groups amongst the economically active, and the lowest beneficiaries of affirmative action. In addition, there is disparity in remuneration on the basis of race and gender.

As an important dimension of decent work, equity at work means workers need to have fair and equitable treatment and opportunity in the workplace,

as well as an absence of discrimination at work and in access to work and ability to balance work with family life.

Despite the progress that has been made in South Africa in fighting for workers' rights in terms of achieving equality and freedom, a key feature of the apartheid system remains and that is the insecurity experienced by workers, especially in the workplace and society (Webster, Benya, Dilata, Joynt, Ngoepe and Tsoeu, 2008). There is a gap between people's aspirations for decent work and the reality that exists, to the extent that for many people, having a job regardless of whether it is decent or not is preferable to having no job at all (ILO, 2003).The reality in South Africa is that a high percentage of people have no jobs and of those who do have jobs, the majority have insufficient employment opportunities, inadequate social protection, few, if any, rights at work and also experience shortcomings in social dialogue (Webster, 2010). Progress to implement and enforce compliance for decent work by various labour absorbing sectors is slow and limited. The glorification of jobs by many sociologists of work merely obscures and disguises the manner in which employment today is a decisive vehicle for poverty, inequality and social exclusion (Barchiesi, 2011).

## 2.4 PRECARIOUS EMPLOYMENT

### 2.4.1 Understanding precarious employment

The fragmentation of the class structure has given rise to a new category of workers who are seen by Standing (2011) as a direct outcome of neo-liberal globalisation. Standing calls this "new" category of workers the "precariat", the new dangerous class. The term "precariat", according to Standing (2011), "can be understood as an attempt to give a name to that specific category in society experiencing a precarious existence" (Standing, 2011). The concept precariat and precarious work basically highlights the transformation of work and livelihood, how they are being eroded and

becoming more insecure, forming no solid basis for desirable stability of employment and life" (Standing, 2011). For Barchiesi (2011b), precariousness is defined by the contrast between, on the one hand, social policies and governmental discourse that imposes the search for a job, any job, at any condition, as the virtuous way to gain social inclusion (also due to privatization, fiscal austerity); and on the other hand, the reality of jobs that are mainly insecure, which hardly provide adequate incomes to meet even basic needs. This concept is widely contested and the social processes that constitute it definitely differ among analysts. Three authors in point are Standing (2011), Barchiesi (2011a) and Candeias (2004). While Standing views precariousness as primarily concerned with employment insecurity, Barchiesi and Candeias go beyond employment, exploring precariousness as constituted by the interaction between the workplace and the household. In this view, precariousness is an existential and social condition which people experience across their life course and their entire social fabric and not just insecure employment (Barchiesi, 2011a).

The precariousness is a double process, argues Candeias, constituted by the contrast between the precarization of labour on the one hand, and the precarization of social reproduction on the other (Candeias, 2004). Candeias approach to precariousness takes into account social reproduction, which Luxton and Bezanson (2006) view as processes involved in "maintaining and reproducing people, specifically the labouring population, and their labour power on a daily and generational basis". Candeias (2004) points that the contrast between the rising costs of social reproduction (transport, education, and housing) and the erosion of conditions necessary to fulfil them "leads to the precarization of individual, collective agency and the quality of life".

Barchiesi (2011b) argues that, in order to understand precariousness, it is insufficient to focus only on working conditions. In other words, precariousness is a critical condition of instability and unpredictability, which

transcends the workplace. Precariousness is a situation where wage employment is insecure and so are the daily struggles of workers to make ends meet.

Autor and Houseman (2010, cited in Standing, 2011) argues that entering a low paying job as in the case of the precariat, permanently reduces the prospects of upward social mobility and gaining a decent income. Many, it is argued, enter these jobs as a ladder into desired jobs, but the probability is highly compromised by taking up a precarious job. Temporary work is a strong indicator of a form of precariousness, which, once entered, reproduces itself, maintaining the new lower income status and according to Standing (2011), is termed the precarity trap.

Castel (2000, cited in Candeias, 2004) argues that precarization represents the emergence of a new collective (class) position. Castels, like Standing, believes that, “everyone feels the pressure of precarization, many are aware of the possibility of falling into it”. Candeias argues that this conception does not reflect the general situation. Candeias is not oblivious to the significant shifts towards precarization, but believes that “we cannot speak of a coherent social class” (Candeias, 2004). For Castel (2000, cited in Candeias, 2004) there is a general tendency of the precariat to self-arrange, marked by habitualised mobility of provisional muddling through. “Their dream of becoming like the others (those in formal employment) is sadly never fulfilled like the permanent temporary, who over time develops a realism of hopelessness, coupled with decreasing chances of integration, passive acceptance and resignation (sporadic eruptions of violence of a self-destructive character)” (Castel, 2000, cited in Candeias, 2004). For Castels, their lack of a work-based identity, which is an essential element of social integration, creates a social non-force, without agency. For Peck (1996), the precariat are a non-class of marginalised people. For Dahrendorf  they are an anomic, atomised group whose interests are not articulated (Dahrendorf, 1994, cited in Candeias, 2004).

According to Candeias (2004), precariousness is not a destiny, but a process whereby subjects are active in shaping its concrete forms and tendencies. Standing (2011) sees them as the new dangerous class which is angry, anomic, anxious and alienated and which, without a "politics of paradise" responding to its fears, insecurities and aspirations through their incorporation to the fold of progressive politics premised on employment, and is susceptible to various sorts of reactionary and authoritarian forces. Barchiesi (2011b) however, differs with Standing. For Barchiesi (2011b), the "new dangerous class", is not a force susceptible to right-wing and authoritarian adventures, but rather the focus on employment and productivism as norms of social order while they fail to manifest a decent life for the employed and unemployed equally.

For Standing, perhaps the new reality of the 20th century calls forth a new kind of vocabulary, reflecting the nature of class relations and insecurity as shaped by the hegemonic global order of neo-liberalism. Standing argues that the precariat is a "class-in-the-making and not yet a class-for-itself (Standing, 2011). The precariat in a sense are those doing insecure forms of labour that are unlikely to promote upward social mobility, or help them build a desirable identity or career (Autorand Houseman, 2010, cited in Standing, 2011).

Lastly, many entering the precariat would not know their employer, how many colleagues they had or are likely to have in the future and are also not middle class, as they lack the basic entitlements in the form of a predictable salary, status and benefits of this group (Standing, 2011).

### 2.4.2 Link between work and social reproduction

The concept of social reproduction, embedded in a feminist political economy, "builds on and deepens debates about domestic labour and women's economic roles in capitalist societies" (Luxton and Bezanson,

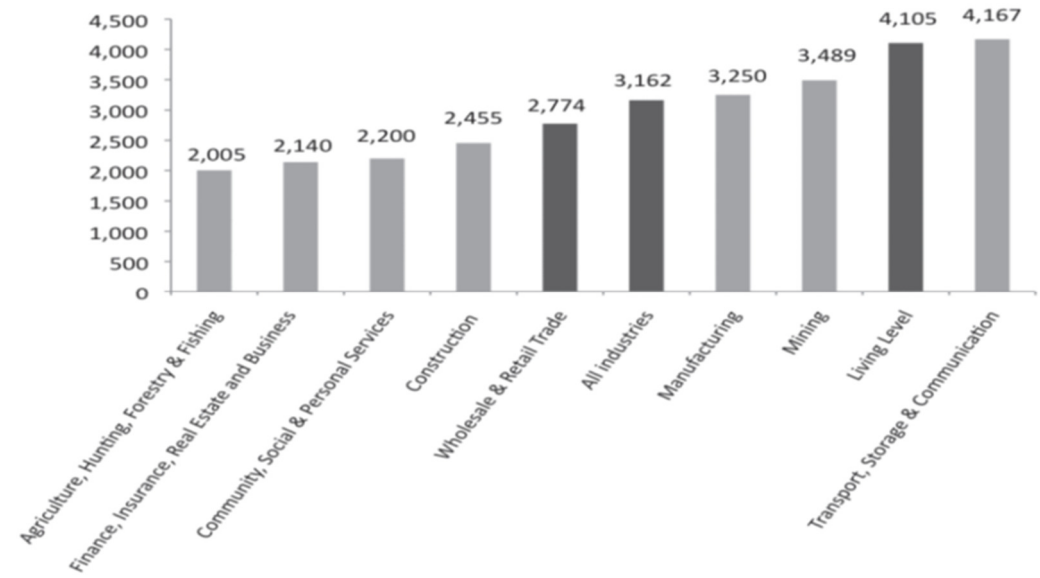
2006). A person's sense of security not only entails job security or insecurity, but also how they will sustain and maintain the household, feed and clothe their children, and what their prospects are of improving their living conditions to lead a dignified lifestyle (Sefalafala, 2011). The above point is best illustrated by a, "perspective that links work and social reproduction" (Peck, as cited in Benya, 2009). This is also supported by Somavia, as cited in Webster (2009), that, "work is a source of dignity and is linked to a person's sense of identity and self-worth". Candeias (2004) speaks of double precarization, highlighting how efforts to establish a trans-national neo-liberal hegemony through processes of privatisation is shifting the burden of public goods and services essential for social reproduction to the individual, whose wages are stagnating and being eroded for a growing mass of the working people.

The nine indicators of decent work overwhelmingly focus on the workplace, but the concept does hint at social reproduction, although insufficiently. Ghai (2002) states that social security as an aspect of decent work is designed to meet urgent needs for subsistence and to provide against contingencies which may include unemployment, sickness, maternity, disability, occupational injury, and family needs. The non-compliance and non-enforcement of the retail sector leads to an increase of in the State's burden in providing social services such as grants, access to medical treatment and other needs, because the majority of them are tax exempted. According to Ghai (2002), the absence of these benefits to the employees necessitates that national social protection measures be developed and designed to meet the basic needs of wage employees and protect the working poor against contingencies.

The minimum wage for the precariat in the retail industry in 2010 was R2,774 per month (Stats SA, 2010). This was not only low in itself, but was also much lower than an all-industry minimum of R3,162. However, as low

as it is, the retail minimum wage was still higher than that of other sectors, such as agriculture and construction. This is shown in Figure 4 below.

**Figure 4: Minimum wage by industry 2010**




**Source: Stats SA (2010)**

While Standing (2011) views precariousness as being primarily concerned with employment insecurity, Barchiesi and Candeias (2004) go beyond employment, exploring precariousness as constituted by the interaction between the workplace and the household. Social reproduction can thus be seen to include various kinds of work - mental, manual, and emotional - aimed at providing the historically and socially, as well as biologically, defined care necessary to maintain existing life and to reproduce the next generation (Leslett and Brenner, cited in Luxton and Bezanson, 2006).

Barchiesi (2011b) argues that this freezing of living labour around the need to survive in a context of a triple crisis (poverty, unemployment and inequality) as well as fiscal austerity and commodification of basic services creates social tensions. Another argument of Barchiesi's against the idea of decent work relates to social production and the creation of value. He believes the focus on decent work does not allow society to conceptualise how production takes place in society outside of the workplace. Barchiesi

further states that production is essentially human activity that capital captures and turns into value, which is realised as a profit in the marketplace. Many things enter production outside of the workplace, thus work effort cannot be possible without health, skills and the general cognitive abilities developed throughout the individual's life course. In the welfare state, companies pay taxes that finance education or health, *inter alia*, but this no longer happens in the neo-liberal context (Barchiesi, 2011b).

Candeias (2004) points out that the contrast between the rising costs of social reproduction (transport, education and housing) and the erosion of conditions necessary to fulfil them leads to the precarization of individual, collective agency and the quality of life. For Standing (2011), precarization comprises two key dimensions – belonging to a distinctive socio-economic group characterised by a unique bundle of insecurities, such as housing, and lacking a work-based identity.

### 2.4.3 Globalisation promotes precarious employment

Standing (2011) posits that globalisation has transformed the nature of work, fragmenting class structure and giving rise to a new one. The collapse of state-led capitalism of the golden age of capitalism of the 1950s and 1960s paved the way for a return to the pre-Great Depression economics of the neo-classics (Thompson, 1984). Bourdieu (1990) argues that the growth of a typical form of employment is one of the defining features of the neo-liberal labour regime. These transformations also draw new boundaries, as Webster (2006) accurately highlights that, "liberalisation of the economy and informalisation are leading to a growing differentiation of work, establishing new boundaries of social inclusion and exclusion".

However, Barchiesi (2011) argues that, "neo-liberal capitalist globalisation has permanently undermined the feasibility of realising decent work". Randle agrees with Barchiesi that the concept not only highlights these perpetual fragmenting transformations, but also the direction in which global

economic security is moving in the 21st century, “particularly under market hegemonic order of neo-liberalism and its labour market flexibility prescriptions” (Dunn, 1994). There is widespread consensus among labour analysts such as Standing, Barchiesi and Candies that, “neo-liberal globalisation has fundamentally changed the nature of work leading to a fragmented and uneven labour market consisting of work that is often precarious, lack benefits and have low wages” (Webster, 2006). This point is also emphasized by Webster, Bezuidenhout and Lambert (2008) in analysing the dislocating experience suffered by workers under globalisation.

The market approach views the creation of decent work as a negative and harmful goal to aspire to, especially in the short term. The key argument of this approach is that decent work is an unjustified intervention in the market, which distorts the labour market’s equilibrium and leads to uncompetitive and rigid labour markets (Webster, 2011b). Buhlungu (2010) points out that organised labour’s insistence on the creation of decent work is in fact an insistence on an outdated paradigm, heavily influenced by the increasingly outdated paradigm of permanent, 9am – 5pm employment. Such employment simply does not have the flexibility needed to meet the manpower needs of the modern workplace. The market approach prescribes labour market flexibility as a way of improving competitiveness by reducing labour market rigidities. The approach seeks a more flexible labour market, substituting secure, formal better paying jobs and benefits with less secure, informal jobs with significantly fewer benefits and wages (Webster, 2011b).

This need by capitalism necessitated change in the ILO’s policy influenced by the challenges that arose due to globalisation, which called for the need for better governance of the effects of globalisation that had created both prosperity as well as inequalities. The ILO adopted the concept of decent work in an attempt to add a social dimension to globalisation and has

embedded the concept in its third major statement of principles and policies of the ILO Declaration on Social Justice for a Fair Globalisation (ILO, 2010). Van der Walt (2001) expresses a deep scepticism about the feasibility of realising decent work under capitalism. This is supported by Webster (2011b) who observes that dominance of capitalism in decision-making in the South African economy makes decent jobs for a proportion of the working class within the existing structures of capital accumulation and global competition a “chimera”, or a fanciful conception. Barchiesi (2011a) observes that decent work leads to a mystical conception where global capitalism could be allegedly attuned with solidarity and social justice and pacifies worker possibilities, demobilises the working class, encourages workers to accept capitalism, and assists to restore it rather than undermine it.

There is a strong contradiction to be seen in the ILO as an organisation that grew out of the industrialised world where decent work had been largely won, and the underdeveloped world where it is often felt that “a bad job is better than no job” (Standing, cited in Webster, 2011a). The ANC’s general secretary, Mr Gwede Mantashe, intimated this when he stated that, the jobs the party wanted to see need not necessarily be “decent” as there was “nothing more (degrading) than being unemployed” (Theron, 2013). The question to be asked is whether the ANC is pushing double standards by adopting decent work policies but at the same time uttering such statements or whether this is the admittance of defeat by capitalism.

Standing (2008) argues that pursuit of flexible labour relations at the centre of emerging labour markets all over the world makes it particularly difficult for the ILO to identify employers and employees, unless these clear labour laws and regulations become hard to apply and enforce. The flexibility has meant a growing fuzziness, with labour externalization and the global resurgence of labour broking, employment agencies and labour sub-

contracting, leading to a lack of compliance with decent work indicators and subsequently non-enforcement.

According to Waterman, the idea of decent work prospects into the future is, “assumptive logic according to which it is in the nature of capitalist globalization to obviously evolve, in conditions of liberal democracy, in a gender sensitive, worker-friendly, environmentally sustainable direction” (Waterman, 2005). For Waterman, decent work is based on the idea of worker-friendly capitalism, but what this does, he contends, limits the understanding of the power dynamics of the current reality of liberalisation and the reasons why it makes work less decent for the majority. Furthermore, Waterman (2005) argues that the centrality of decent work in the perceptions of the ILO and various governments that have signed the convention despite the overwhelming evidence of the material decay of working conditions on the ground is due to the desperation of trade unions and left liberal technocrats to remain relevant after having been overwhelmed by neo-liberalism worldwide.

Barchiesi (2011b) argues that precariousness is constituted by the systematic violence of globalised corporate capital, which serves the state’s interests and would enable a re-appropriation of value at a society-wide level of livelihoods that capital otherwise appropriates at no cost; and finally, this would constitute common fare rather than welfare.

A report released by the World Commission on the social dimension of globalisation looked at the various aspects of globalisation and its implications on people and on social and economic progress. The Commission observed that there was an ethical vacuum where the attitude was one of “winners take it all”, which had weakened the social fabric of many societies (ILO, 2003). Due to this, there was an interest in the role that labour standards could play in the global economy. It was also noted that the gains of globalisation were highly unequal between and within countries,

and had the potential to exacerbate some of the problems that were already being faced by workers such as poverty, the lack of decent work and the denial of human rights. Finally, the Commission concluded that:

> *We seek a more inclusive process which is fair and brings benefit and real opportunities to more people and more countries; and one which is more democratically governed. We seek a globalization which puts people first, with a social dimension which sustains human values and enhances the well-being of people, in terms of their dignity and equal worth, freedom, prosperity and security* (ILO, 2003).

Webster (2010) indicates that it is clear that the impact of globalisation meant that workers' aspirations were not being met and they had little or no voice in the process and hence they are easily exploited. By way of responding to the market approach, Webster (2011a) advocates a "progressive realisation" paradigm, which envisions the realisation of decent work not as an immediate achievable goal, but one that people can aspire to and progressively realise over a number of years under an alternative developmental path. This gives rise, however, to the dilemma of whether to abandon international labour standards to become globally competitive or to try and strike a pragmatic balance between decent work and enterprise efficiency (Webster, 2011).

## 2.5 SUMMARY OF THE LITERATURE REVIEW

The literature review focused on the adoption of decent work and how South Africa adopted the concept by incorporating it into various government policies and labour laws. Furthermore, the review has shown that decent work adoption is context-based, depending on the socio-economic climate of the country. In addition, decent work and economic development are viewed as complementary and one without the other will not subsist. Furthermore, the significance of decent work in curbing inequality and

poverty promoted by the market approach and the consequences of precarious employment were explained.

The negative impact of globalisation on the implementation of decent work and its implications on the social dimension of workers was presented. Finally, the literature study indicates that the two main reasons for non-compliance with the decent work indicators within the retail sector is because of promotion of capitalism ideologies or market oriented approach by employers which is profit-driven at the expense of neglecting workers' rights; and ineffective institutional arrangements in policy implementation and monitoring.

## 2.6 THEORETICAL FRAMEWORK

The investigation and theorisation of decent work implementation, compliance and enforcement in government policy-making is imperative in understanding the public policy-making process.

Kraft and Furlong (2004) observes that some of the common theories are elite theory, group theory, institutional theory, rational choice theory, political systems theory, and policy process model. Other authors, such as Halland Taylor (1996) emphasise the diversity of the theory of "institutionalism", sociological institutionalism and rational choice institutionalism. The theoretical dimension of this study is based on the institutional, Marxist theory, post-modernist and post-Fordist theory, policy process model theories and policy networks.

### 2.6.1 Institutional theory

The institutional theory looks at the way governments or organisations are organised and how legal powers, rules and procedures are executed. In short, the intention of the theory is to look at the policy behaviour of institutions. Kraft and Furlong (2004) observes that the institutional theory

is important with regard to how certain aspects of government structure and procedural rules can either empower or obstruct political interest. Dye (1992) indicates that through institutions, government is able to legitimise policies, since a policy does not become public policy until it is adopted, implemented and enforced by some government institution, and further notes that only government policies apply and affect every individual in society.

The enforcement of compliance with decent work policies presently resides with the national Department of Labour which is thinly stretched to ensure that all employers across the country comply with the labour laws that protect and promote workers' rights. Decentralisation of Department of Labour powers could ensure effective monitoring and evaluation of labour policies.

### 2.6.2 Marxist theory

The central principles of Marxist theory include that the capitalist mode of production gives rise to the existence of two main groups of people: the bourgeoisie, in whose hands wealth is concentrated; and the subjugated proletariat. The question which is explored by authors such as Candeias (2004) is whether the economically dominant groupings in society also exercise political control. In an answer that reveals much about the expected nature of public policy, Marxists generally come to the conclusion that the state, in its articulation of the interests of the bourgeois class, is an instrument for the oppression of the proletariat (Standing, 2011).

The theory is relevant for this study, because the non-compliance of decent work indicators within the retail sector is as a result of the employers' (bourgeoisie) exploitation of the workers or precariat by continuously denying them rights such as living wages in order to maximise their profits.

### 2.6.3 Policy process model theories

Birkland (2005) argues that the policy process is a fruitful way to begin to understand how groups, power, and the agenda interact to set boundaries of political policy debate. Policy process focuses on how policies are developed and attempts to understand the different stages of the policy making cycle. Dunn (1994) argues that the process model advocates that public policy-making should encompass the following policy processes: policy agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation, as explained in the following sub-sections.

#### 2.6.3.1 Policy agenda setting

Bowe, Ball and Gold (1992) observes that the policy process has three primary contexts: context of influence, context of policy text production, and context of practice. Bowe, *et al*. (1992) defines the "context of influence" as the public policy initiation stage where policy discourses are constructed and in this instance, agenda setting is executed by national government. National government sets the policy agenda in line with the priorities of the ruling party as President Zuma has indicated that, "The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job creation policies" (The Presidency, 2009).

Birkland (2005) observes that policy agenda setting, like all other stages of the policy process, does not occur in a vacuum. Anderson (1997) emphasises this argument by maintaining that public policy-making cannot be separated from the environment in which it occurs. It is important to note that for a policy to command the attention of the public, it should remain in the custody of the state. Peters (2004) supports the goal-setting role of the state and makes an observation that governance requires fulfilling four fundamental conditions of goal-setting, steering, coherence and accountability, and feedback. According to Stiglitz (2003), the role of goal-

setting by government is not definite, particularly in a constitutional democratic mode of governance.

#### 2.6.3.2 Policy formulation

Whilst the intention of policy agenda setting is to set parameters and goals for policy formulation, it is also about identifying and selecting the best policy alternatives. Birkland (2005) observes that policy formulation is the process by which policies are designed, both through technical analysis and through the political process, to achieve a particular goal. Birkland (2005) further explains that after policy is formulated, it is enacted and then implemented.

Policy formulation can also be classified within public policy into a number of categories including "executive" policy level. McCool (1995) defines the "executive" policy level as cabinet decisions or implementation policies determined by political office-bearers, working with high ranking public officials. Altbeker (2009) suggests that the South African policy-making process is collective in nature.

#### 2.6.3.3 Policy adoption

Birkland (2005) observes that after a public policy is formulated, it is adopted and then implemented. McCool (1995) notes that public policy adoption is usually led and formalised by the legislative arm of government. Dye (1992) indicates that the salience and complexity dimensions of public policy adoption present different policies that comport differently with these dimensions, where different policies will present a distinct set of opportunities for involvement in the policy process, influencing who will play a prominent role in adoption or implementation and who will not.

#### 2.6.3.4 Policy implementation

This includes implementing programmes and projects to resolve the particular policy implementation, where administrative agents translate the will of the executive and legislative into actual policy outcomes. De Coning

(2006) complements this argument and observes that policy implementation is the crucial phase of the policy process. This is one of the critical stages of the policy-making process where policy outcomes are tested against reality.

Bowe, *et al*. (1992) makes a clear distinction between policy-makers and implementers and observes that, "policy writers cannot control the meaning of their texts". He maintains that during policy implementation, parts of policy texts would be "rejected, selected out, ignored, etc". Booysen (2006) shares this view and notes that factors that affect the implementation of policy are widely acknowledged to include administrative control, organisational resources, institutional settings, inter-governmental relations, or pressure politics.

Peters (2004) argues that implementation must be undertaken by a public bureaucracy, noting that the process of steering and implementation must move from the high level political decisions to the more implementable administrative decisions. Implementation of government programmes and plans has its own share of challenges. Ball (1987) in Bowe, *et al*. (1992) maintains that different interpretations of policy would be in conflict as they relate to different interests, and one or other interpretation will predominate.

#### 2.6.3.5 Policy evaluation

At the last stage in the policy-making cycle, evaluation assists policy makers to explain why they consider certain policy proposals and what their undertaking of the likely effectiveness of these proposals might be. Hanekom (1987) defines policy evaluation as an appraisal or assessment of policy content, implementation and impact in order to determine the extent to which the specific policy objectives are being achieved. The information derived from monitoring and evaluation is crucial in providing accurate accounts and data on experiences, and serves as input to further policy development. Van der Walt and Du Toit (1999) observes that

evaluation enables policy makers to determine the extent of policy dilution and discrepancy between the expected and actual policy outcomes.

### 2.6.4 Policy networks

According to Reinicke (2000), the policy network theory maintains that policy networks help policy makers to address new challenges they face in public policy as the subject expands. Reinicke also points out that policy networks have bridged the gap between government and civil society as it is usually comprises various members of many disciplines.

Reinicke (2000) further characterises policy networks as a loose alliance of government agencies, international organisations, corporations, and elements of civil society such as non-governmental organisations, professional associations or religious groups that join together to achieve what none can accomplish on their own.

Borzel (1998), on the other hand, defines policy networks as a set of relatively stable relationships which are non-hierarchical and inter-dependent in nature, linking a variety of actors who share common interests. Acknowledging that co-operation is the best way to achieve a common goal, he maintains that policy networks not only exist, but are relevant to public policy-making. Borzel (1998) identifies two dimensions from which policy networks can be categorised, namely the quantitative versus qualitative network analysis; and policy networks as a typology of interest intermediation versus policy networks as a specific form of governance.

## 2.7 IMPLICATIONS FOR THE STUDY

There are both divergent and common views and meanings related to the implementation, compliance and enforcement of decent work indicators. Hence, the implementation of decent work indicators should be measured within the social context of that particular country, or even better, the

relevant sector such as the retail industry. The different and common views on decent work provided the researcher with an opportunity to understand that stakeholders have different understandings and interpretations of decent work.

The successful implementation of, and compliance with, decent work relies on robust enforcement of the decent work indicators within various sectors of the economy. Some of the methods used by the researcher to measure decent work deficit within the retail sector include questionnaires, interviews and observations.

The institutional theory indicates that the structure of institutions facilitates certain policy outcomes that may advantage some and disadvantage others. This is the main hypothesis of this study, because the non-compliance of decent work indicators depends on the effective institutional arrangements in ensuring that implementation of adopted policies as well as monitoring and evaluation of those policies takes place. Presently, all the powers of ensuring compliance with decent work policies are vested and centralised in the Department of Labour **.**

The process theory model views public policy as a political activity or patterns of activities. Process model theorists contend that the design and implementation of public policy should be done in sequential stages. The two theories were applied in the study because they elucidate the role of institutions in public policy processes and how public policy management is facilitated, in this case the role of the Department of Labour, and other spheres of government.

The policy networks theory was also applied in the study because of its complementarity to the institutional theory and process model. The policy networks offer an opportunity for those policy actors, especially those

outside government like Business Unity South Africa (BUSA) that have an interest or stake in a given policy.

The Marxist theory provides an explanation of how society works, of how and why history has unfolded, and especially an account of the nature of capitalism. These are of great value for the task of describing what is going on in the world and for understanding the problems and directions of contemporary society. Marx further argues that the economic situation, in the form of the productive system, is the most important determinant of all other aspects of the society, such as its social institutions and ideas, the system of law, of morality and education. This theory assists in understanding the rationale behind non-compliance with decent work elements and indicators and why this is imperative to the working class (proletariat and/or precariat). Marxism believes that capitalism can only thrive on the exploitation of the working class and is not only an economic system but also a political system.

Lastly, it is clearly seen in this study that capitalism has exacerbated the gap of inequality and poverty by promoting capitalist interests to maximise profit at the expense of the retail workers or precariat .

## 2.8 SUMMARY

This summary presented the theoretical frameworks discussed, namely the institutional theory, Marxist theory, policy networks and policy process model. The institutional theory has emerged as the main theory of this study, because the non-compliance of the decent work indicators has a direct link to the institutional arrangements of the government to ensure effective implementation, compliance and enforcement of its policies.

It is generally noted that the implementation, compliance and enforcement of decent work in various sectors of the economy, especially labour absorbing sectors such as the retail industry, will not take place overnight.

Institutional theory will play a major part in re-modelling the institutional arrangements that presently exist. Lastly, the next chapter discusses how data for the study was collected.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

This chapter focuses on the research methodology that was used to collect data for the study. The chapter is structured into various sub-sections, with the first sub-section encompassing the research approach; the second sub-section expatiates on the research design used in the study; the third sub-section includes data collection and techniques used; the fourth sub-section covers data analysis using regression and correlation techniques and is a crucial section as its results contribute to recommendations and conclusions for policy makers; the fifth sub-section determines whether the data that was gathered is valid and reliable; and the sixth sub-section includes limitations of, and ethical considerations for, the research.

## 3.2 RESEARCH APPROACH

The main research approaches to a study are qualitative and quantitative methods. This research is based on the qualitative method of research, but still considers some aspects of the quantitative method to illustrate the varying experiences of the respondents. “Whilst the qualitative research method relies on constructivist perspectives, the quantitative research methodology is heavily reliant on a positivist approach to social science” (Neuman, 2006). For example, if the problem is identifying factors that influence an outcome, “the utility of an intervention, or understanding the best predictors of outcome, then a quantitative approach is best” (Creswell, 2002).

The intention of this study was to understand the daily experiences of the precariat within the retail industry and the reasons behind non-compliance

and non-enforcement of the nine decent work indicators within this sector. The qualitative research method was appropriate for this study, hence the researcher interviewed the respondents directly affected by these forms of exploitation. Neuman (2006) observes that qualitative research is more concerned with issues of the richness, texture and feel of raw data.

### 3.3 RESEARCH DESIGN

The decent work indicators have been adopted for over four years, yet there is little information available on what is actually taking place in the retail sector in terms of compliance with the indicators, except for reports on the number of industrial strikes with a more specific focus on wage increases. The approach of the study is therefore to gather information regarding compliance with the nine decent work indicators against what is presently taking place in the sector. The case study approach is therefore more appropriate for the study.

Yin (2009) states that, “the case studies arise out of the desire to understand complex social phenomena, and also allow investigators to retain the holistic and meaningful characteristics of real-life events”. The reason for the case study is supported by this view by interviewing retail workers in their working environment. Case study “is an ideal research methodology when a holistic, in-depth investigation is needed” (Leedy and Ormrod, 2001). There are numerous disadvantages raised about case studies, such as that “they provide little basis for scientific generalisation” (Yin, 2003). However,, Lipset, Trow and Coleman (1956) argues that “in a single case study the goal is to do a generalising and not a particularising analysis”.

The research on retail study considered a multiple case study method. The research was conducted at Edgars, Woolworths, Pick ‘n Pay and Spar, hence the multiple case design method was used. Yin (2003) suggests that, “the common confusion begins because the data collection sources may be

individual people, whereas the unit of analysis of the case study may be organisational". "It is distinctive in the first place by giving great prominence to what is and what is not "the case" so the boundaries are kept in focus" (Stake, 1978).

## 3.4 DATA COLLECTION METHODS

The data for this study was collected through face-to-face interviews with employees within the retail sector and through the literature review. The questionnaires and the other techniques, such as field notes, were kept. Leedy and Ormrod (2001) states that the researcher should record any potentially useful data thoroughly, accurately and systematically.

### 3.4.1 Primary data

The researcher was the primary instrument of data collection. Questionnaires, interviews and documentary analysis were used to collect primary data. The primary data was suitable for this study because, "it is qualitative in nature and highly valid and illuminating" (Leedy and Ormrod, 2001).

#### 3.4.1.1 Questionnaires

Questionnaires conducted with people working in the retail industry provided insight into their daily working conditions within this sector with regard to non-compliance with decent work indicators.

The name of the retail store substituted the names of the respondents who participated in the interviews for reasons of anonymity and confidentiality. The retail store management for Edgars and Woolworths granted permission for the staff to be interviewed. However, Shoprite/Checkers management indirectly denied access to its employees, citing excuses such as that the store will be conducting stock-take and referring the request to several senior staff based in either head office or other stores. This research

therefore substituted interviews meant for Shoprite/Checkers employees in Sandton City Mall with Pick ‘n Pay and Spar within the Sandton vicinity.

#### 3.4.1.2 Interviews

The researcher conducted face-to-face individual interviews with four people from each of the following organisations: Department of Labour (Department of Labour), South African Commercial, Catering and Allied Workers’ Union (SACCAWU), Business Unity of South Africa (BUSA) and the National Productivity Institute of South Africa (NPISA). All their names were replaced by the name of the organisation. All appointments with the respondents were either requested by telephone or electronic mail to participate in the study. Interviews were held in the respondents’ respective organisations and places of work in Gauteng Province in the cities of Johannesburg, Midrand and Pretoria.

Face-to-face interviewing was appropriate because depth of meaning is important and the research is primarily focused on gaining insight and understanding (Gillham, 2000). Neuman (2006) articulates that the interview is a short, secondary social interaction between two strangers with the explicit purpose of one person obtaining specific information from the other.

The researcher employed the semi-structured method of interviewing in this study. The semi-structured interview is a managed verbal exchange (Ritchie and Lewis, 2003) and as such, its effectiveness depends on the communication skills of the interviewer (Clough, 2002). It allows the interviewer to listen attentively; pause; probe or prompt appropriately and encourage the respondent to talk freely.

#### 3.4.1.3 Documentary analysis

The documentary analysis was performed by employing a checklist. Leedy and Ormrod (2005) defines a checklist as a list of behaviours,

characteristics, or other entities that a researcher is investigating and they also maintain that a checklist allows the researcher to simply check whether each item on the list is observed, present, or true; or not present, or true.

Documentary analysis allows the researcher to define the document context, type, features and relationships without having to read each document fully. Neuman (2006) refers to documentary analysis as a means to reassemble the information in new ways to address the research question. The analysis also assisted to track policy transition to democracy from as early as the 20th century to date and how each policy contributed either positively or negatively towards the condition of the Black working class.

The analysis includes the reasons for the decent work deficit within the retail sector such as the high rate of casualisation of workers to intentionally deprive them of access to benefits normally paid to permanent employees. Included are the reasons why the majority of workers within the retail sector receive poverty wages, and the consequences and benefits of strengthening compliance and enforcement of labour laws in this sector. Finally, documentary analysis also included research findings conducted by the Labour Research Service (LRS) on Pick ‘n Pay in 2011 indicating the inequality gap in earnings between Pick ‘n Pay workers and management.

### 3.4.2 Secondary data

The researcher collected secondary data from published books, Acts, journals, web-based material, newspaper articles, magazines and general research documents usually derived from primary data. Collection of secondary data was imperative for this study because it provided a basis for the researcher to compare with the primary data collected.

Secondary data refers to information that can be derived from the primary data (Leedy and Ormrod, 2001) and it also provides historical and

comprehensive information about the topic investigated by the researcher. The secondary literature sources provided the researcher with scholarly summaries of other research conducted in this field of study. However, some of the questions from the data were not the same as those in the survey undertaken, but assisted the researcher with the literature study to a great extent.

The researcher did not request and obtain permission to use the photo of striking COSATU members for the research report, because the photo was obtained in an article of the "*Daily Maverick*" published on the 01 August 2013 and is thus available to the general public with no specific reference to any individual in the photo. Hence the names of individuals are unknown and the group is referred to as COSATU members.

### 3.4.3 Sampling techniques

The study targets a sample of 40 people working in the retail industry and a further four people working in various organisations linked with the retail sector. "The sample primary goal is to get a representative sample, or a small collection of units from a much larger collection or population, such that the researcher can study the smaller group and produce accurate generalizations about the larger group" (Neuman, 2006). Table 4 below indicates the breakdown of the sample target.

**Table 4**: **Breakdown of sample target**

| Name of the company or organisation | Sample target |
|---|---|
| **Questionnaires** | |
| Edgars | 10 |
| Woolworths | 10 |
| Pick 'n Pay | 10 |
| Spar | 10 |
| **Sub-Total** | **40** |

| | |
|---|---|
| **Interviews** | |
| BUSA | 1 |
| SACCAWU | 1 |
| Department of Labour | 1 |
| NIPSA | 1 |
| **Sub-Total** | 4 |
| **Total** | **44** |

**Source: Own (2014)**

## 3.5 DATA ANALYSIS

This is the essence of the research, because it attempts to inquire into the meaning of the data presented and provide answers to the research question of the study. According to Yin (1994), “Data analysis consists of examining, categorising, tabulating or otherwise recombining the evidence to address the initial propositions of a study”. The study analysis was based on the case study from four different retail stores, namely Edgars, Woolworths, Pick ‘n Pay and Spar even though the analysis of the case study research methodology is the least developed.

The approach to the analysis departs from attaching meaning to the case study data and draws from the literature review presented in chapter two and findings of other related studies. According to Leedy and Ormrod (2001), “the resolution of a research problem is quite dependent on an inquiry into the intrinsic meaning of the data. Both forms of data analysis (quantitative and qualitative) anchor statements about the social world in an inquiry that has adequacy” (Neuman, 2006). Neuman (2011) further explains that, “Social scientists develop micro-level theory and concepts tailored to analyze levels of social reality, or that operate best at the level of analysis”. This method of analysis was suitable for this research as it only entails a few face-to-face interviews.

The researcher analysed the data for this study by adopting a model borrowed from Creswell (1998) in Leedy and Ormrod (2001). The model points out that data analysis can be performed through the following steps, amongst other things: organisation of data by filing, perusal of data several times, classification of data by grouping the data into categories of themes, and lastly, synthesis of data by offering hypothesis or propositions and construction of tables, diagrams and hierarchies.

## 3.6 VALIDITY AND RELIABILITY

A research study is never complete without the researcher determining the reliability and validity of the data that has been collected. As stated by Leedy and Ormrod (2001), "validity means the extent to which the instrument measures what it is actually intended to measure, in other words, the validity of an instrument yields consistent results when the characteristic being measured has not changed". The researcher attempts to fulfil the requirements of validity of careful sampling, "appropriate instrumentation and appropriate statistical treatments of data to provide the true picture of what is studied" (Cohen, Manion and Morrison, 2000).

According to Muijs (2004), "reliability is another element that determines the quality of the measurement instruments". In any measurement, reliability is of pivotal importance; thus, "occurrence of error at any stage of the research process can affect the outcome of the study and therefore limit the usefulness of the data" (Riordan, 2005).

The process of employing a combination of research methods to study a given unit of analysis is called triangulation (Burton, 2000). The researcher applied the triangulation method to validate the data in this study. Bailey-Beckett and Turner (2009) observe that triangulation is the application of more than one research perspective in the study of the same phenomenon. This method was selected with the intention that it would perhaps assist in

identifying the potential pitfalls of the techniques that were employed to collect data.

The triangulation was considered the most appropriate method because of the complex nature of measuring compliance with the decent work indicators within the retail sector. To authenticate the truthfulness of the information, a number of other stakeholders such as BUSA, SACCAWU, NIPSA and Department of Labour were also interviewed. In addition, the researcher observation provided an insight into the working conditions as measured against the nine decent work indicators of retail workers in order to gain a more comprehensive understanding. Neuman (2006) observes that "authenticity" means giving a fair, honest and balanced account of social life from the perspective of someone who lives it every day.

## 3.7 LIMITATIONS AND ETHICAL CONSIDERATIONS

### 3.7.1 Limitations

The research relied more on secondary information as opposed to primary data. However, social researchers often use secondary sources as well as the books and articles written by history specialists as evidence of past conditions (Neuman, 2011). Svendsen (2008) cautions that, "the use of such materials is not systematized, and comparative historical sociologists have not so far worked out clear, consensual rules and procedures for the valid use of secondary sources as evidence".

Some of the precariat in the retail sector refused to participate in the study for fear of being victimized by employers and Shoprite/Checkers did not grant permission to interview their employees. Then Pick 'n Pay and Spar were approached and permission was granted as an alternative to Shoprite/Checkers because both are classified as grocery retail stores.
Regardless of this limitation, the targeted sample size of forty for the study was achieved largely because the retail sector employs significant numbers of

employees, some of whom participated on condition of anonymity. The interviews with representatives from the following organisations - SACCAWU, BUSA and NPISA - were most challenging as changed appointment dates and nominated representatives, but eventually all interviews took place.

### 3.7.2 Ethical considerations

The permission to conduct the study was granted by the retail store management and it was indicated that the study is for completion of a dissertation. Mouton (2001) states that "all interviews must proceed only after the participants granted the permission to interview them". The participants were not obliged to provide the researcher with their real names if they did not wish to do so. This was meant to protect the confidentiality and preserve the right to anonymity of the participants. According to Neuman (2011), "sociologists have an obligation to ensure that confidential information is protected and be alert to situations that might cause a conflict of interests and take appropriate action to prevent conflict". The researcher utilised the services of the statistician to analyse questionnaires using regression and correlation, because of the researcher's limited skill in using this statistical technique to analyse data. The use of regression and correlation was important for this study in analysing responses to the questionnaires.

## 3.8 SUMMARY

This chapter presented the research methodology used for the study. The research methodology adopted a qualitative approach, but still considered some aspects of quantitative research. This was on the basis that it was necessary for the study to quantify the various experiences of the respondents within the retail sector in Gauteng (Johannesburg).

The chapter further explained how the data for the study was collected, analysed and interpreted, and lastly explained how the researcher determined the validity and reliability of the data that was collected

throughout the study. The next chapter focuses on the presentation of the data collected.

# CHAPTER FOUR

# DATA PRESENTATION

## 4.1 INTRODUCTION

This chapter presents the data collected from the questionnaires, individual interviews and documentary analysis that was performed by the researcher. The first two sets, questionnaires and individual interviews, are presented to show the inter-relatedness of the respondents' experiences working in the retail sector with the pronouncements of the documents analysed on the issue under investigation.

The data presented has been categorised into nine indicators drawn from the questions utilised during the interview process. The nine indicators are (i) Employment Opportunities; (ii) Security and Stability at Work; (iii) Earnings and Training; (iv) Working Hours; (v) Work and Family Life Balance; (vi) Equal Opportunity and Treatment; (vii) Safe Working Environment; (viii) Social Protection; and (ix) Social Dialogue. The data attempts to provide answers and explanations to the main research question, which is: How is the level of non-compliance in terms of decent work indicators in the retail sector measured?

This chapter begins by providing a profile of the sector and retail workers the researcher interviewed and addresses the following: gender, age, marital status, level of education, racial group and number of dependants. This is followed by data presentation on the nine decent work indicators, documentary analysis on Pick 'n Pay as a case study, and interviews with DoL, SACCAWU, NIPSA and BUSA.

## 4.2 PROFILE OF THE RESPONDENTS

As presented in Table 5 below, a total of 40 respondents were interviewed; 22 were working in the grocery stores while 18 worked in the clothing stores.

**Table 5: Type of business**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Clothing | 18 | 45.0 | 45.0 | 45.0 |
| | Groceries | 22 | 55.0 | 55.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The number of respondents was selected equally between clothing and grocery stores. The respondents were selected in the four major retail stores: Edgars, Woolworths, Spar and Pick 'n Pay. The target sample of 40 respondents was achieved even though there is an indication that the targeted sample of 20 from the clothing store was not met, because of two questionnaires not indicating whether the respondents are working in the clothing or grocery store. This is presented in Table 6 below.

**Table 6: Name of company (Optional)**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Edgars | 10 | 25.0 | 25.0 | 25.0 |
| | Pick 'n Pay | 10 | 25.0 | 25.0 | 50.0 |
| | Spar | 10 | 25.0 | 25.0 | 75.0 |
| | Woolworths | 10 | 25.0 | 25.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

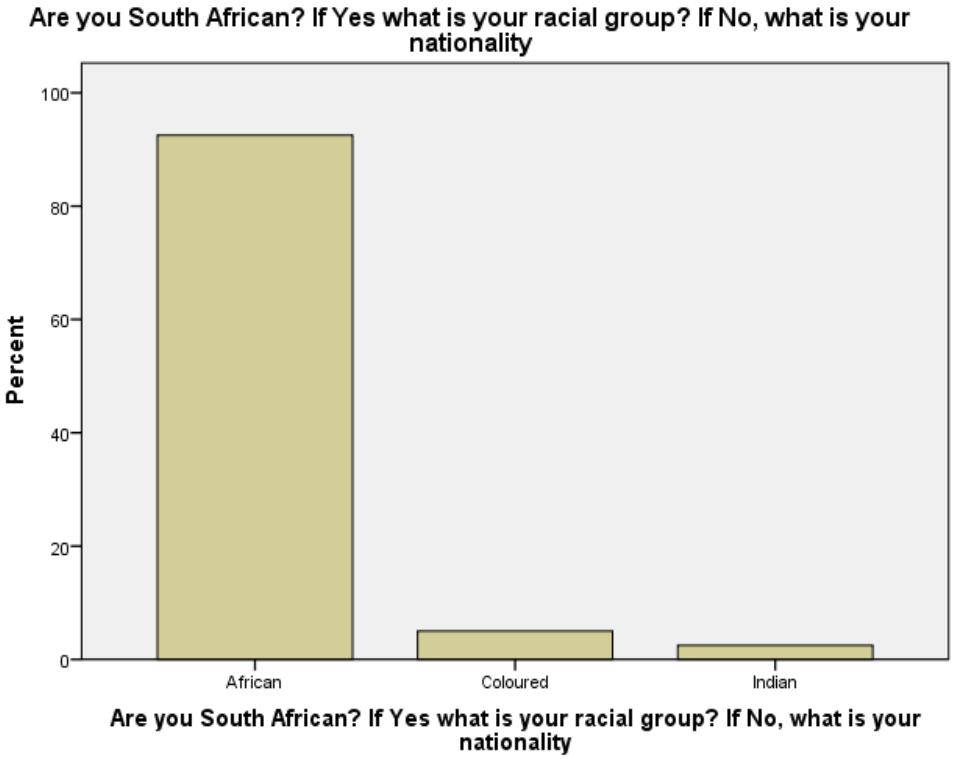
A large number of respondents were not performing a specific job, and assisted where there was high need for a particular task required at that point in time. For example, customer assistants or sales representatives in the clothing stores assisted customers on the floor and also performed a cashier's task. Only supervisors and management positions have specific tasks to perform, such as allocating tasks to various staff members and management and approvals of leave. Table 7 below provides this information.

**Table 7: Type of job**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Cashier/teller | 9 | 22.5 | 22.5 | 22.5 |
| | Customer assistant | 6 | 15.0 | 15.0 | 37.5 |
| | Manager | 4 | 10.0 | 10.0 | 47.5 |
| | Other | 15 | 37.5 | 37.5 | 85.0 |
| | sales rep | 5 | 12.5 | 12.5 | 97.5 |
| | supervisor | 1 | 2.5 | 2.5 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

**Figure 5: Racial group and nationality.**




**Source: Own (2014)**

This question was misunderstood by many of the respondents. Most of those who chose African are actually South Africans as most of them indicated that their company does not employ foreigners. This question's responses, presented in Table 7 above, will not be used for inferential statistics as it may produce unreliable results.

**Table 8: Gender**

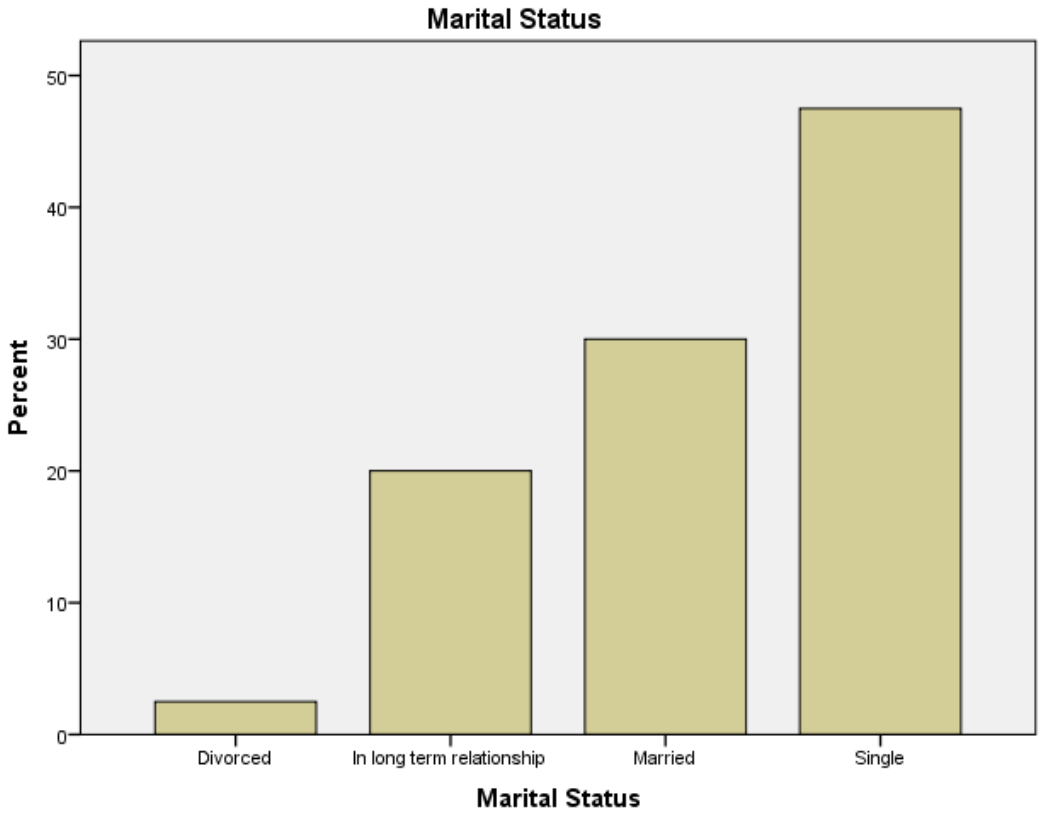
| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Female | 29 | 72.5 | 72.5 | 72.5 |
| | Male | 11 | 27.5 | 27.5 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

As depicted in Table 8 above, it is clear from the study that the retail sector employs more female workers as compared to male workers and most females are young. The employment of young females was more evident in the clothing retail shops, more specifically as sales representatives and customer assistant positions with most males in supervisory and management positions.

Figure 6 below provides information in relation to marital status of the interviewees.

**Figure 6: Marital status**




**Source: Own (2014)**

Almost half (47.5%) of the respondents are single, and 20% are in long term relationships. Only 30% are married. This means that the majority of the respondents have to accommodate all the monthly household expenses, in the context of an increase in the inflation rate to 5,8% from 5,4% in

December 2013, accompanied by 3% monthly increase in the petrol price and 1.6 % price increase in food during December 2013 and January 2014 (Stats SA, 2014).

**Figure 7: Children under the age of 18**




**Source: Own (2014)**

As depicted in Figure 7 above, the survey indicated that less than 30% of the respondents have no children. The majority have one or two children living with them. The majority of the respondents with children indicated that they find it difficult to support their families with the wages that they receive because most of their monthly expenses are used for transport, food and rent for accommodation.

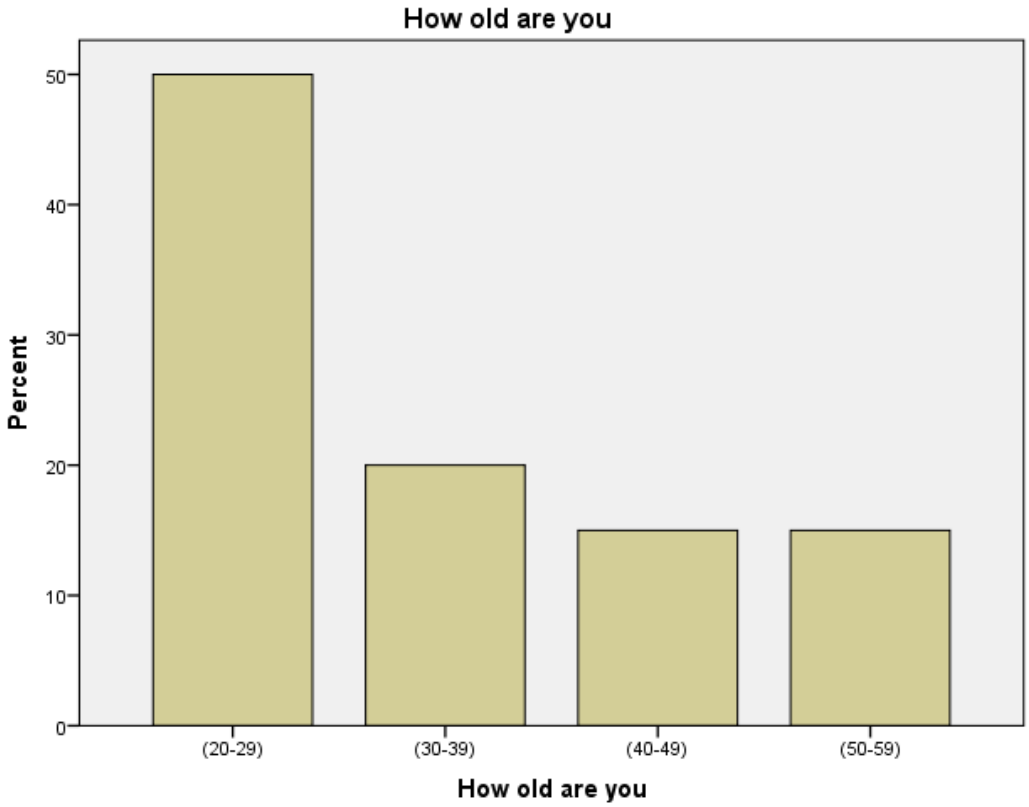
**Table 9: Age of the respondents**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | (20-29) | 20 | 50.0 | 50.0 | 50.0 |
| | (30-39) | 8 | 20.0 | 20.0 | 70.0 |
| | (40-49) | 6 | 15.0 | 15.0 | 85.0 |
| | (50-59) | 6 | 15.0 | 15.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

Table 9 above and Figure 8 below provide information on the ages of the respondents.

**Figure 8: Age of the respondents**




**Source: Own (2014)**

Half of the respondents are aged between 20 and 29, and 20% are between 30 and 39. This sample consists mainly of adults who are younger than 40. Considering the previous response about the number of children they have this indicates that the retail sector attracts mostly young adults, but that they have already started family life.

**Table 10: Level of schooling/education**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Less than secondary completed | 3 | 7.5 | 7.5 | 7.5 |
| | Secondary completed | 28 | 70.0 | 70.0 | 77.5 |
| | Tertiary | 9 | 22.5 | 22.5 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The survey indicates that only 22.5% of the respondents have attempted tertiary education. The remainder have secondary education and below. This indicates that most of the retail workers do not have adequate education and this limits their career growth path and an opportunity to earn a better salary because better salaries are reserved for management positions which require a post-matric qualification. All the respondents with tertiary education indicated to the researcher that they are working in the retail sector because the jobs that they are qualified for are not available. The nature of the work that retail workers do has a relatively low demand for skills (Gauteng Provincial Treasury, 2012)).

## 4.3 DECENT WORK INDICATORS

### 4.3.1 Employment opportunities

This indicator measures the ease of finding employment in the retail industry. Most respondents have indicated that is not t difficult to find work especially if one is prepared to accept temporary work with flexible working hours in the hope of eventually being employed on a permanent or full-time basis. This is supported by the statement that, "the wholesale and retail sector employs the largest number, but is generally characterised by low skilled and poorly paid work" (Stats SA, 2013).

### 4.3.2 Stability and security at work

This indicator is concerned with security and stability of work and measures whether employees have contracts, either verbal or written, and whether employees are easily dismissed.

**Table 11: Contract of employment**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | Yes - verbal contract | 2 | 5.0 | 5.0 | 5.0 |
| | Yes - written contract | 38 | 95.0 | 95.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

Most of the respondents, over 95%, have a written contract with only 5% having a verbal contract . Most respondents indicated that they might as well not have them because employers do not adhere to the terms and conditions of their contracts and labour disputes are time-consuming, psychologically stressing and cost money which employers know the

employees do not have. However, some of the respondents indicated that it is better to have a contract than none at all, because at least this provides some legal protection against the employer.

**Table 12: Dismissal of workers**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | | 4 | 10.0 | 10.0 | 10.0 |
| | Not often | 18 | 45.0 | 45.0 | 55.0 |
| | Very often | 18 | 45.0 | 45.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The respondents were equally split on this indicator with 45% agreeing that workers are dismissed often and 45% disagreeing; only 10% did not answer this question, because of lack of information regarding who was dismissed or resigned. The respondents indicated to the researcher that sometimes they are not even aware that their colleagues are dismissed because proper dismissal procedures are usually not followed. This tends to suggest that retail workers have a high degree of instability and insecurity at work.

### 4.3.3 Wages

This indicator measures earning levels and whether they are able to satisfactorily meet the basic needs of workers and their families.

**Table 13: Wage increase in the past 12 months**

| | | Frequency | % | Valid % | Cumul-ative % |
|---|---|---|---|---|---|
| Vali | No | 13 | 32.5 | 32.5 | 32.5 |
| d | Not applicable. | 2 | 5.0 | 5.0 | 37.5 |
| | Worked less than 12 months | | | | |
| | Yes | 25 | 62.5 | 62.5 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The retail workers scored 62.5%, indicating that they receive wage and salary increases on a yearly basis, but also indicated that this is not based on inflation. The 32.5% of the respondents not receiving yearly increases mostly were not permanent workers and the employers could easily dismiss and replace them. The 5% of respondents only worked for less than one year and are not eligible for an increase.

**Table 14: Take-home pay without overtime earnings**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | | 2 | 5.0 | 5.0 | 5.0 |
| | (<R10000) | 2 | 5.0 | 5.0 | 10.0 |
| | (above R4000) | 13 | 32.5 | 32.5 | 42.5 |
| | (R1000-R2000) | 4 | 10.0 | 10.0 | 52.5 |
| | (R2100-R3000) | 11 | 27.5 | 27.5 | 80.0 |
| | (R3100-R4000) | 8 | 20.0 | 20.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The survey indicates that only 32.5% of the respondents earn above R4,000 per month. The remainder earn below R4,000 with 10% of respondents actually earning less than R2,000 per month. According to the wholesale and retail trade, the minimum wage for the retail industry in 2010 was R2,774 per month (Stats SA, 2010).

### 4.3.4 Decent hours

This indicator measures the length of the working day and repercussions for the retail worker's family, as depicted in Table 15 below. For this indicator N: Valid 36; Missing 4.

Table 15 below indicates that 32.5% of respondents work 40 hours per week excluding overtime. According to the sectoral determination, more than 40 hours per week constitutes overtime. The data also indicates that 25% of respondents actually work beyond 40 hours per week with a relatively small number working fewer than 40 hours per week. The respondents indicated that employers do not view working over 40 hours as overtime. This suggests that there is a high decent work deficit in terms of working hours in the labour absorbing sectors (Webster *et.al*, 2008).

**Table 15: Working hours during the week excluding overtime**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | 16 | 1 | 2.5 | 2.8 | 2.8 |
| | 25 | 1 | 2.5 | 2.8 | 5.6 |
| | 27 | 1 | 2.5 | 2.8 | 8.3 |
| | 28 | 8 | 20.0 | 22.2 | 30.6 |
| | 32 | 1 | 2.5 | 2.8 | 33.3 |
| | 38 | 1 | 2.5 | 2.8 | 36.1 |
| | 40 | 13 | 32.5 | 36.1 | 72.2 |
| | 42 | 1 | 2.5 | 2.8 | 75.0 |
| | 45 | 7 | 17.5 | 19.4 | 94.4 |
| | 48 | 1 | 2.5 | 2.8 | 97.2 |
| | 50 | 1 | 2.5 | 2.8 | 100.0 |
| | Total | 36 | 90.0 | 100.0 | |
| Missing | System | 4 | 10.0 | | |
| Total | | 40 | 100.0 | | |

**Source: Own (2014)**

### 4.3.5 Work, family and personal life

This indicator measured whether retail workers felt they had adequate time to spend with their families because of the fact that they work long hours.

**Table 16: Time (hours) spend with the family**

| | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|
| Valid | 9 | 22.5 | 22.5 | 22.5 |
| 0 | 3 | 7.5 | 7.5 | 30.0 |
| 1 | 4 | 10.0 | 10.0 | 40.0 |
| 2 | 8 | 20.0 | 20.0 | 60.0 |
| 3 | 9 | 22.5 | 22.5 | 82.5 |
| 4 | 4 | 10.0 | 10.0 | 92.5 |
| 5 | 2 | 5.0 | 5.0 | 97.5 |
| When off | 1 | 2.5 | 2.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The data indicates that 97.5% of the respondents feel that they have little time to spend with their families because of long working hours. The only time they can be with their families is when they are on leave or have a day off, but the challenge is that most of their family members are either attending school or at work at those times. The other concern is that they tend to travel long distances to work and family time is also undercut by this travelling time. Lastly, the respondents that spend longer hours with their families are either employed on a temporary basis or work flexible hours.

### 4.3.6 Equal opportunity and treatment in employment

This indicator measures discrimination in its various forms as experienced by retail workers in the workplace.

**Table 17: Equality of treatment of female and male workers**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | | 2 | 5.0 | 5.0 | 5.0 |
| | No | 8 | 20.0 | 20.0 | 25.0 |
| | Yes | 30 | 75.0 | 75.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The majority of respondents held the view that there is equal opportunity and treatment in the retail sector; 75% of retail workers stated that men and women were treated equally. The 20% who disagreed are mostly men and felt that employers favour women and offered them better conditions of work and types of jobs. Five per cent of the respondents were undecided on the questionnaire.

### 4.3.7 Safe working environment

This indicator measured whether retail workers had the required protective equipment and protective clothing needed to do their work.

**Table 18: Protective clothing and equipment**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | | 3 | 7.5 | 7.5 | 7.5 |
| | No | 11 | 27.5 | 27.5 | 35.0 |
| | Not Applicable | 2 | 5.0 | 5.0 | 40.0 |
| | Yes | 24 | 60.0 | 60.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The researcher found that more than 60% have protective clothing provided by the employer which indicates compliance with this indicator and 27.5% of respondents indicated that their working environment needs protective clothing but employers are not willing to provide this. However, 5% of respondents indicated that the nature of work does not require any protective clothing, such as sales representatives from clothing stores.

### 4.3.8 Social protection

This indicator measures the extent of social security coverage for retail workers. It takes into consideration compulsory schemes such as a provident fund, Unemployment Insurance Fund (UIF) and medical aid. The questionnaire had a checklist of benefits. Responses are presented in Table 19 and Figure 9 below.

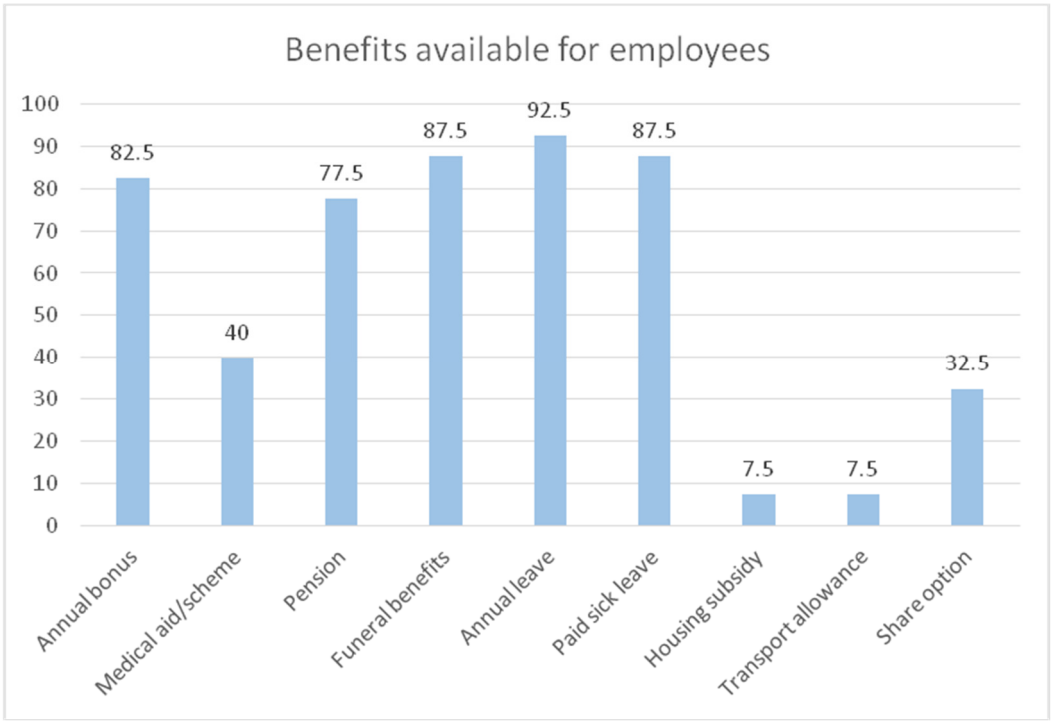
**Table 19: Deduction of UIF from salary/wage**

| | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|
| Valid | 1 | 2.5 | 2.5 | 2.5 |
| Yes | 39 | 97.5 | 97.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The employers comply with this indicator in terms of Unemployment Insurance Fund (UIF) because 97.5% of retail workers are deducting UIF in accordance with labour law requirements.

**Figure 9: Breakdown of benefits available for employees**




**Source: Own (2014)**

The study indicates that 82.5% of the respondents have an annual bonus and 40% have medical scheme aid. Employers also comply with pension fund deductions of their employees, as indicated by 77.5% of those interviewed being provided with a pension fund. The data indicates that some of the respondents are granted the following benefits by the retail sector: 87.5% get funeral benefits, 92.5% are granted paid annual leave and 87.5% get paid sick leave. It was noted by the researcher that employers who provided a housing subsidy also gave a transport allowance, hence the number of respondents is 7.5% respectively. The 32.5% of respondents with share option benefits are from Woolworths and Pick ' Pay retail stores.

### 4.3.9 Social dialogue and representation

The social dialogue indicator measures the degree or extent of voice/representation that retail workers have in the workplace as seen in the membership of a trade union in Table 20 below.

**Table 20: Trade union membership**

| | | Frequency | % | Valid % | Cumulative % |
|---|---|---|---|---|---|
| Valid | | 1 | 2.5 | 2.5 | 2.5 |
| | No | 15 | 37.5 | 37.5 | 40.0 |
| | Yes | 24 | 60.0 | 60.0 | 100.0 |
| | Total | 40 | 100.0 | 100.0 | |

**Source: Own (2014)**

The study indicates that 37.5% of the respondents do not belong to a trade union. The 60% of respondents who do belong to a trade union indicated that as much as they belong to a trade union they do not feel protected at all.

## 4.4 DOCUMENTARY ANALYSIS: PICK 'n PAY

### 4.4.1 Background

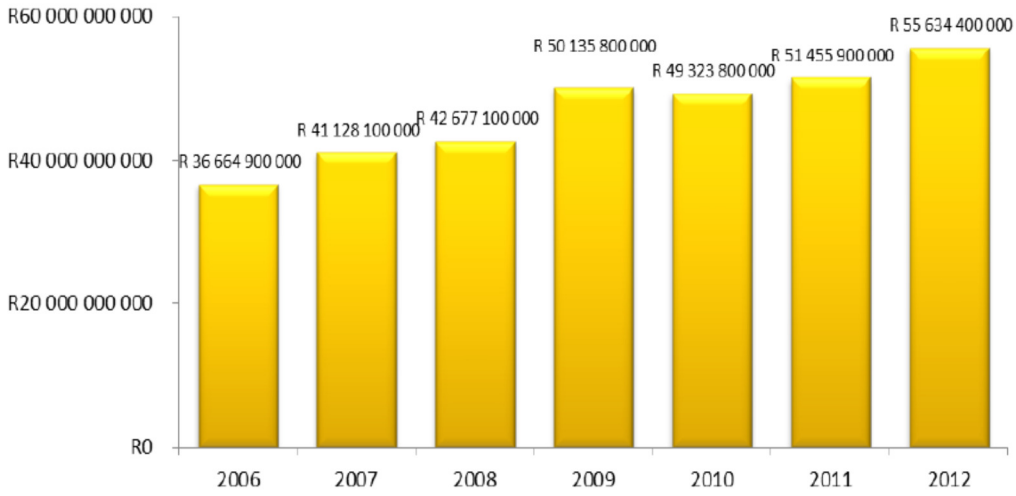
The researcher, as part of the documentary analysis, draws on the research conducted on Pick 'n Pay by Michelle Taal in June 2011.

Pick 'n Pay is one of Africa's largest and currently South Africa's second largest retailer of food, general merchandise and clothing. According to the 2012 company report it has a total of 891 stores, made up of Hypermarkets, Supermarkets, Clothing, Liquor, Pharmacy and Boxer Family Stores. It also has a 49% holding in 50 TM Supermarkets in Zimbabwe. It operates in eight African countries outside of South Africa. The Group employs over 49 000 people, and generates an annual turnover of ZAR 55.6 billion. The study provided an in-depth analysis of the Company, the degree of unionisation and other labour related issues and highlighted the key issues and challenges for the Pick n' Pay Alliance.

However, for the purpose of the decent work research study, the Pick ‘n Pay case study as part of documentary analysis is mainly limited to comparing the revenue and profit, chief executive officer’s remuneration and the executive director’s remuneration, the wage gap between workers or the precariat with the chief executive officer and executive directors remuneration, and number of employees versus number of operations.

### 4.4.2 Revenue at Pick ‘n Pay

**Figure 10: Revenue at Pick ‘n Pay**

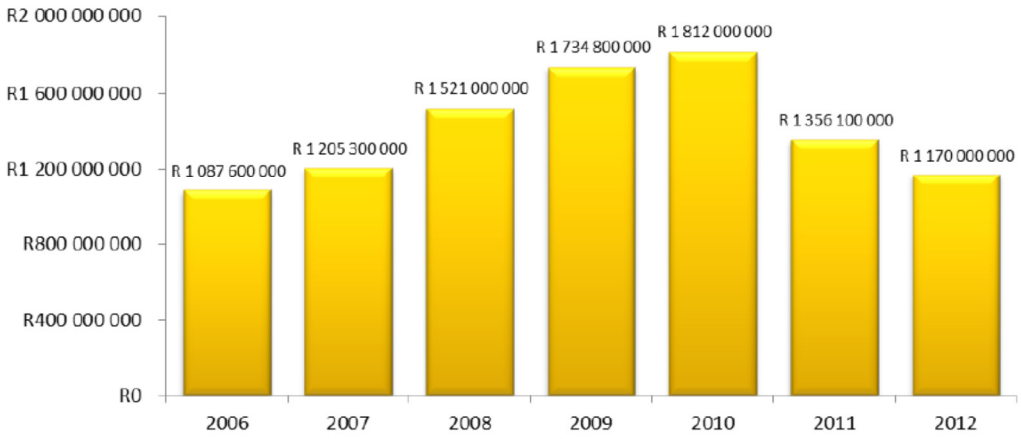



**Source: Taal (2012)**

The data indicate that profits at Pick ‘n Pay increased from 2006 to 2009 whereas profits declined in 2010 by 15% and continued to increase again from 2011 to 2012.

### 4.4.3 Profit at Pick ‘n Pay

**Figure 11: Profit at Pick 'n Pay**

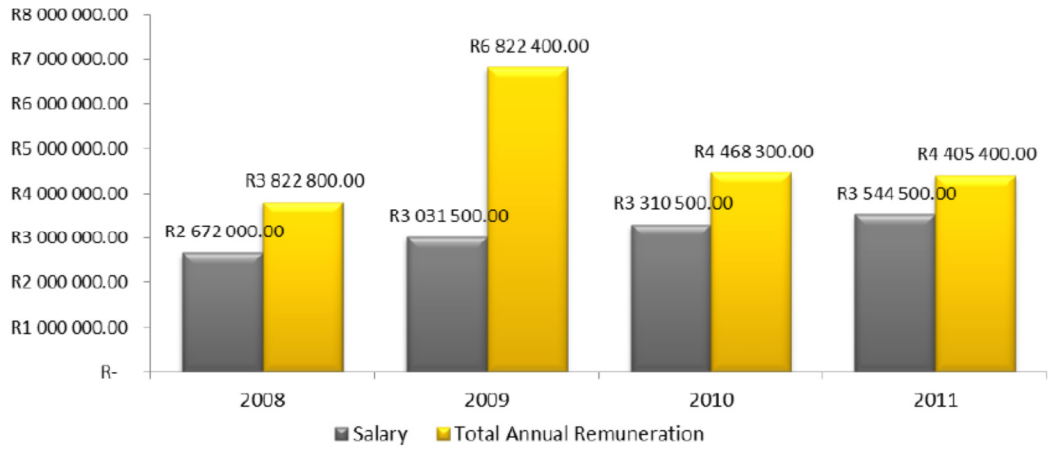



**Source: Taal (2012)**

The data indicate that from 2006 to 2010 profits for Pick ‘n Pay increased and declined in 2011 and 2012 due to the overspending on store remodelling, non-closure of loss-making operations, and losing market share to Shoprite, Woolworths and Walmart.

### 4.4.4 CEO fees at Pick ‘n Pay

**Figure 12: CEO fees at Pick ‘n Pay**

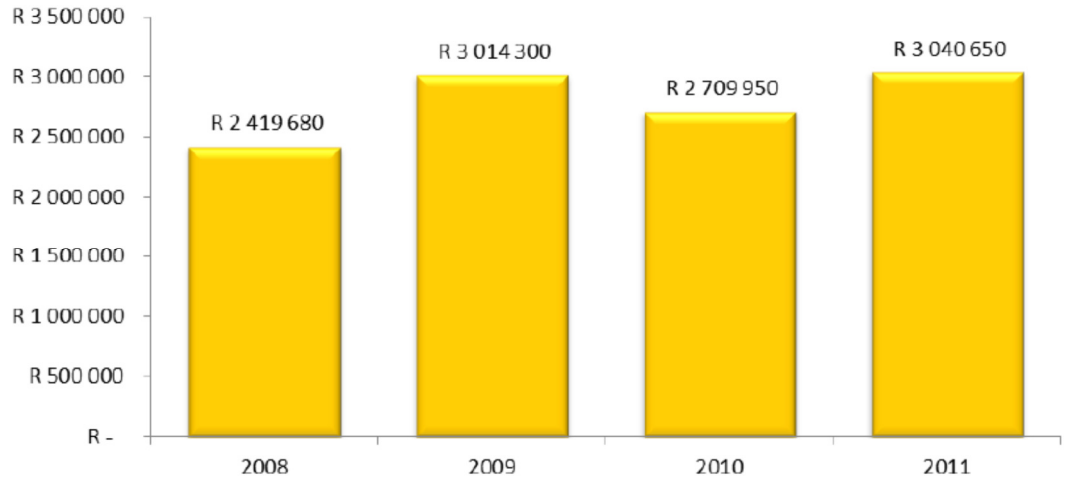



**Source: Taal (2012)**

The CEO and executive directors, given the poor performance of the company, did not receive bonuses in 2010/2011, given that they are nominally meant to be "performance" bonuses. However, the CEO still received the 7% increase in salary, taking it to over R3.5 million for the year 2011.

### 4.4.5 Executive Director Remuneration at Pick 'n Pay

**Figure 13: Executive Director Remuneration at Pick 'n Pay**



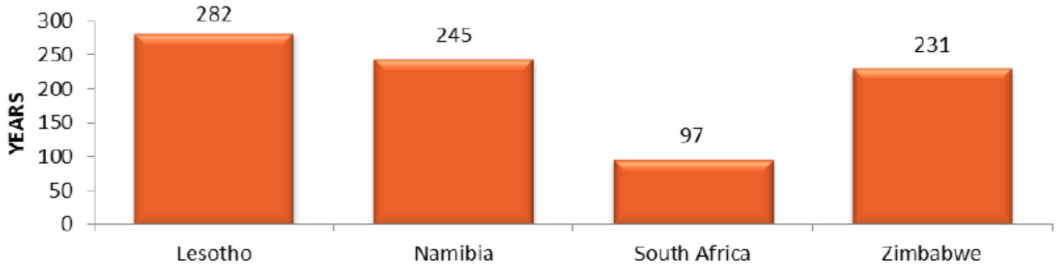

**Source: Taal (2012)**

The data indicates that for 2008 and 2009 the executive directors received an increase in salary; in 2010 there was a decrease and again an increase in 2011.

### 4.4.6 The wage gap at Pick 'n Pay

The data indicate that it would take 282 years in Lesotho, 245 years in Namibia, 97 years in South Africa and 231 years in Zimbabwe to earn the CEO's salary. This is depicted in Figure 14 below.

**Figure 14: The wage gap at Pick 'n Pay: how many years a worker would need to work to earn the CEOs 2010/2011 fees**

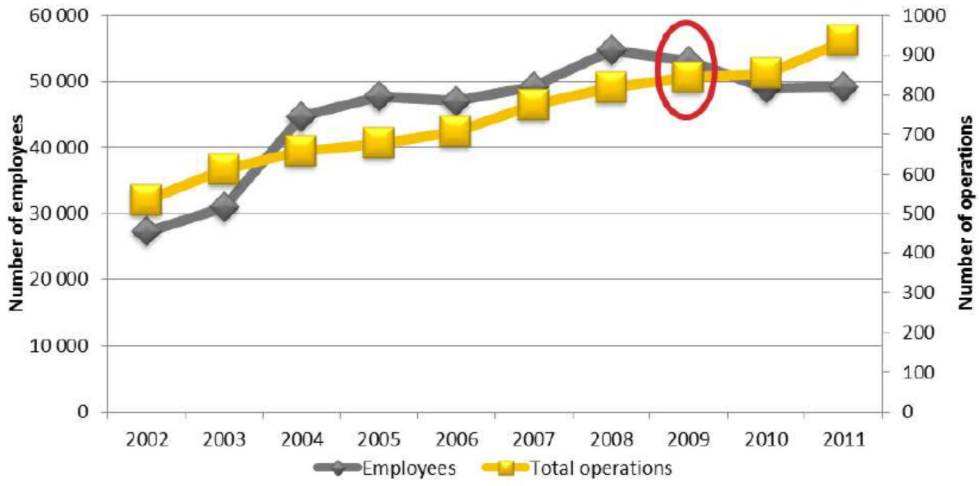



**Source: Taal (2012)**

### 4.4.7 Number of employees versus number of operations

Figure 15 below indicates the extent to which companies are prepared to expand operations but not extend benefits due to their workers.

**Figure 15: Number of employees versus number of operations**




**Source: Taal (2012)**

The 2011 Pick ‘n Pay annual report counts 49,200 company employees across operations. In 2009 the number of operations was growing as the number of employees was decreasing. The data further indicate that the reason for this was that while employee numbers include casual employees, they do not include outsourced/ labour brokered employees whose numbers may be increasing with the expansion of operations.

## 4.5 INDIVIDUAL INTERVIEWS

The interviews with the four organisations related to the retail sector were conducted on condition of anonymity. The respondents names are substituted by the following organisations names: SACCAWU, BUSA, Department of Labour and NIPSA. The researcher asked these four respondents the following four questions:

- What are the reasons for decent work deficit or casual employment and labour broking increase in the retail sector?
- Will compliance with the decent work indicators for the retail sector lead to inclusive economic growth or not?
- If yes, how will it lead to inclusive economic growth?
- If no, how it will negatively affect economic growth?

### 4.5.1 SACCAWU (Interview 13 February 2014)

The interview took place at the SACCAWU offices in Johannesburg on 13th February 2014. SACCAWU indicated that the employers’ desire to maximise profits is what contributes to or drives casual employment, because benefits extended to permanent workers are automatically not paid to temporary workers, such as housing subsidy and medical aid.

The researcher observed some hesitation before the respondent provided an answer to the second question. The respondent indicated that indeed compliance with decent work indicators will lead to economic growth,

because workers will be paid a decent salary and will therefore be able to afford more than basic needs, but further indicated that employers are not willing to pay a decent salary, hence they introduce measures such as the use of temporary staff or labour brokers.

The respondent answered the third question by indicating that indeed compliance with decent work indicators will lead to economic growth through increased consumer spending because of decent salaries paid by employers. Lastly, the respondent indicated that employers tend to ignore permanent workers' contract clauses in particular when instituting disciplinary measures against workers.

### 4.5.2 BUSA (Interview 10 February 2014)

The interview took place at the BUSA offices in Johannesburg on 10th February 2014. The respondent indicated that the reasons for the high number of casual workers is as a result of diminishing consumer spending and global competition from companies such as Walmart. Furthermore, if employers want to become globally competitive they need to reduce labour costs which are substantially higher as compared to other developing countries.

The employers' organisation supports the notion of decent work ,but insists that based on the current economic challenges such as the high unemployment rate that South Africa faces and globally, it is unreasonable to expect employers to promote working conditions prevalent to decent work indicators.

### 4.5.3 Department of Labour (Interview, 17 January 2014)

The interview took place at the national Department of Labour (DoL) offices in Pretoria on 17th January 2014. The respondent indicated that the Department of Labour mandate is to enforce compliance with the labour laws of the country and one of the major causes of non-compliance by employers in implementing working conditions that supports decent work indicators is lack of enforcement by the Department because of a shortage in the number of labour inspectors.

The respondent further indicated that compliance with decent work indicators will lead to economic growth, because the number of industrial strikes will be reduced due to employers meeting most of the needs of workers such as minimum wages.

### 4.5.4 NIPSA (Interview, 17 January 2014)

The interview took place at the NIPSA offices in Midrand on 17th of January 2014. The researcher observed that the response to the research questions from both the DoL and NIPSA are similar, possibly because the two organisations are representing the government mandate. However, the NIPSA response to the questions was more in line with their mandate, which is more concerned about productivity issues.

The respondent supports compliance with decent work indicators and believes that the indicators will contribute to higher productivity levels, and further stated that better paid employees tend to perform better and subsequently become more productive. Even though the above response covers both questions two and three, the respondent was more specific that compliance with decent work indicators will eradicate poverty and narrow the gap of inequality. The view of the respondent is supported by Webster (2011a), "that by making jobs more decent, you are also making them more productive".

## 4.6 SUMMARY

This chapter presented the findings of the study. The findings were drawn from the various responses gathered by the researcher during the interview process with the respondents. In terms of the profile of the respondents and decent work indicators, the findings confirmed that all respondents agreed that there was non-compliance with decent work indicators within the retail sector.

The majority of the respondents held the government responsible for not doing enough to ensure that their employers comply with the decent work indicators. Furthermore, most respondents blame the ruling party directly by referring to the ANC and indicating that it will be difficult to support the ruling party in future when their working conditions do not improve. The perceived lack of enforcement appears to be the key determining factor of employers not conforming with labour rights. The other factors are examined in the next chapter which focuses on analysing and interpreting the data presented in this chapter.

# CHAPTER FIVE

# DATA ANALYSIS

## 5.1 INTRODUCTION

This chapter focuses on analysing, interpreting and consolidating the data presented in the previous chapter. This chapter is the essence of the research because it will attempt to inquire into the meaning of the data presented and offer answers to the research question of the study. The approach to the analysis will depart from attaching meaning to the data and draw from the literature review presented in chapter two of this report as well as findings of other related studies.

The chapter has been categorised into four main elements of decent work: employment opportunities, workers' rights, social protection, and social dialogue from which the nine decent work indicators are derived and used to measure the main elements. This chapter will conclude by summarising all the key issues emanating from the data analysed including responses from SACCAWU, NIPSA, the Department of Labour and BUSA.

## 5.2 DECENT WORK ELEMENTS

### 5.2.1 Employment opportunities

The majority of the respondents when asked about the ease of finding employment in the retail sector, indicated that it is not difficult to find work in this sector. The researcher observed that compliance with the employment and opportunities decent work indicator is high in the retail sector. However, the jobs are not decent, paying low wages and salaries that cannot even meet basic needs of the workers. Barchiesi (2011b), is very sceptical of decent work feasibility in reality where work that is decent is for a shrinking minority of workers. The ILO (1999) notes that, "fighting poverty is not just

a matter of creating many employment opportunities, but ensuring that these jobs are of a quality that can lead to poverty reduction. The ease of finding employment in the sector supports the decent work concept that makes reference to both adequate opportunities and remuneration for work in cash or kind (Ghai, 2002). There are also trade-offs between making jobs decent and simply creating jobs (Webster, 2011).

### 5.2.2 Workers' rights

The various rights that retail workers are entitled to and that employers in the retail sector need to comply with are summarised under the following sub-headings: security and stability at work, wages, and decent hours.

#### 5.2.2.1 Security and stability at work

**Figure 16: Contract of employment**




**Source: Own (2014)**

The survey data indicates that 95% of respondents have written contracts and only 5% have verbal contracts. Even though the researcher did not see any of the written contracts it was noted by interviewees that most of these contracts do not provide security and stability at work. The contracts appear to be a form of malicious compliance on the part of the employer, because most of these contracts cannot protect workers' rights. This is also supported by other authors, in that, despite the progress that has been made in South Africa in fighting for workers' rights in terms of achieving equality and freedom, a key feature of the apartheid system remains and that is the insecurity experienced by workers in both the workplace and society (Webster, Benya, Dilata, Joynt, Ngoepe and Tsoeu, 2008). The concept of a precariat and precarious work highlights the transformation of work and livelihood, how these are being eroded and becoming more insecure, forming no solid basis for desirable stability of employment and life (Standing, 2011). According to SACCAWU (Interview, 13 February 2014) employers tend to ignore permanent workers' contract clauses in particular when instituting disciplinary measures against workers.

### 5.2.2. Wages

The data indicates that 62.5% of the retail workers receive annual wage and salary increases while the remaining 32.5% of the respondents do not receive annual increases. Most of these are temporary workers. Temporary work is a strong indicator of a form of precariousness, which once entered, reproduces itself, maintaining the new lower income status and according to Standing (2011), is termed the precarity trap. The researcher observed that some of respondents not receiving yearly increases feel the low wage is better than not having any job at all; these form part of the precarity trap. Barchiesi (2011b) observes that precariousness is defined by the reality of jobs that are mainly insecure, and which hardly provide adequate incomes even to meet basic needs.

More than 57.5% of the respondents earn less than R4,000 per month net salary. This net salary is too little to maintain basic needs considering the fact that already more than 40% is spend towards retail workers transportation and housing costs. The high cost of social reproduction erodes the wage, making it appear inadequate, intensifying in the process the struggle to make ends meet (Luxton and Bezanson, 2006).

### 5.2.3 Decent hours

The survey data indicate that 32.5% of respondents work 40 hours per week. The researcher observed that most of the retail workers either working more or less than 40 hours per week are actually temporary or casual workers who are normally exploited because their labour rights are eroded by not being appointed permanently. This suggests that there is a high decent work deficit in relation to working hours in the labour absorbing sectors (Webster, Sefalafala, Budlender, Joynt, Williams and Orkin, 2011). The Freedom Charter (1955) states that, “men and women of all races shall receive equal pay for equal work; there shall be a forty-hour working week”. This clearly indicates that the fight for workers’ rights in South Africa dates back to the early 20th century**.** Buhlungu (2010), however, observes that Labour’s insistence on the creation of decent work is in fact an insistence on an outdated paradigm, heavily influenced by the increasingly outdated approach of permanent eight-hour work day employment.

### 5.2.4 Work and family and personal life

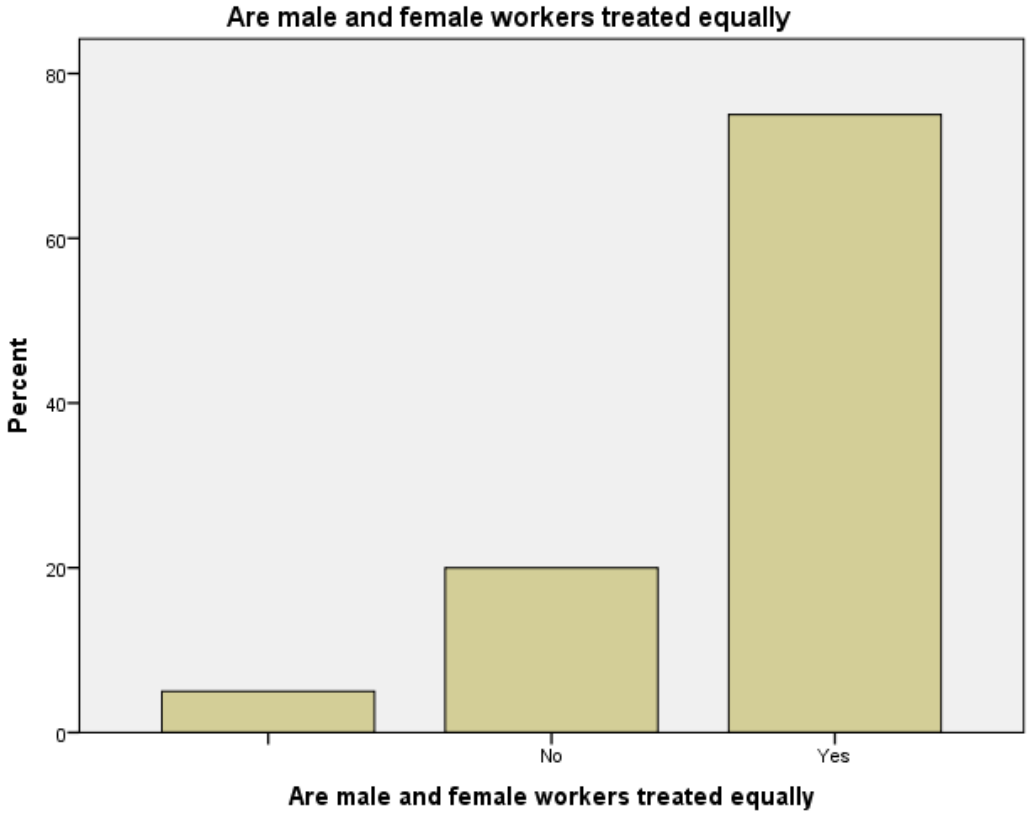
The data indicates that 97.5% of the respondents feel they have too little time to spend with their families. The researcher noted that even the three to four hours that female respondents have when they arrive home from work is allocated to cooking, cleaning and doing the washing for their children and other family members. The retail sector is definitely not complying with this indicator by allocating more working hours to the workers. Furthermore, the researcher observed that there is a vital link

between work and social reproduction of retail workers especially females. The concept of social reproduction, embedded in a feminist political economy, “builds on and deepens debates about domestic labour and women’s economic roles in capitalist societies” (Luxton and Bezanson, 2006). The precariousness is a double process, according to Candeias (2004), “constituted by the contrast between the precarization of labour on the one hand, and the precarization of social reproduction on the other”. A person’s sense of security not only entails job security or insecurity, but also how they will sustain and maintain the household, feed and clothe their children, and their prospects of improving living conditions to lead a dignified lifestyle (Sefalafala, 2011).

### 5.2.5 Equal opportunity and treatment in employment

The data indicate that 75% of respondents agree there is equal opportunity and treatment in the retail sector between men and women. The 20% of respondents who disagreed with the statement are mostly men who felt that employers favour women over them, especially male supervisors and management. The researcher observed that 5% of the undecided respondents were working in a predominately female working environment. The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human dignity (ILO, 1999). The unequal treatment of retail workers is not consistent with the primary goal of the ILO and the Employment Equity Act 55 of 1998, the purpose of which is to achieve equity in the workplace by promoting equal opportunity and fair treatment. Webster (2006) states that, ‟globalisation has fundamentally changed the nature of work leading to a fragmented and uneven labour market”. Waterman (2005) makes a similar argument, that a return to a mythical, universalised protected labour force remains a fantasy for the majority of the workforce.

**Figure 17: Equality of treatment of female and male workers**




**Source: Own (2014)**

### 5.2.6 Safe working environment

Sixty per cent of the respondents indicated that the employer provides some form of protective clothing, because the retail sector is not really regarded as a hazardous environment as compared to sectors such as manufacturing. The researcher observed that the 27.5% of the respondents not provided with protective clothing are those working mostly in grocery stores such as Pick 'n Pay and Spar. Barchiesi (2011b) accepts that policies inspired by the ILO's (1999) four elements of decent work (employment opportunities, social dialogue, social protection, workers' rights) can improve the lives and employment conditions of workers.

**Figure 18: Protective clothing or equipment**




**Source: Own (2014)**

The non-compliance of the indicator is not highly relevant in the retail sector, because even the workers that are not provided with protective clothing, according to the researcher's observation, are not really working in a hazardous environment and most of those provided with protective clothing are given a company uniform. Peck (1996) points out that the precariat is a non-class of marginalised people characterised by unsafe working conditions. This is supported by Legard, Keegan and Ward (2003) who note that security and stability of employment and livelihood are for millions becoming an imaginary goal.

### 5.2.7 Social protection

Social protection is one of the most important elements of decent work. According to the data, 82.5% of respondents receive an annual bonus, but the researcher noted that some respondents regard their thirteen salary as annual bonus which is not correct. Forty per cent have medical aid, which suggests that the remainder of the retail workers use state health facilities that should have only assisted the majority of the unemployed citizens. The researcher noted that employers comply with most of these benefits according to the decent work indicator. However, only 7.5% of retail workers are entitled to a housing subsidy and transport allowance respectively. According to Statistics South Africa (2011) housing accounts for 32% and transport for 17.1%. This means that most of the retail workers' earnings are directed towards these two expenses. Candeias (2004) points out that the contrast between the rising costs of social reproduction (transport, education, and housing) and the erosion of conditions necessary to fulfil them, "leads to the precarization of individual, collective agency and the quality of life". According to Ghai (2002), the absence of these benefits for retail employees necessitates that national social protection measures be developed and designed to meet the basic needs of wage employees and protect the working poor against contingencies.

### 5.2.8 Social dialogue

The data indicate that 37.5% of the respondents are not affiliated to any union. The researcher noted that they used to belong to a trade union, but terminated their membership, because the union representatives or shop stewards were promoted by management into senior positions with better benefits and in turn will not protect workers against management exploitive practices. This practice by management seems to nullify the importance of "social dialogue as a productive way of approaching and resolving workplace conflict" (Webster, 2009).

The 60% are also discouraged from being members of the trade union because the unions are not able to defend individual cases and only assist when there is collective consensus . The promotion of social dialogue is important for South Africa, and helps to give workers a voice in order to solidify achievements in terms of democracy, core labour rights, labour standards, social protection and socio-economic justice (Mies, 1986).

According to Basson, Christianson, Garbers, Le Roux, Mischke and Strydom (2005), although the primary focus of the LRA is to regulate the collective relationship between trade unions and employers, it does contain important provisions aimed at job security, such as protection against dismissal and unfair labour practices.

### 5.3 ANALYSIS OF SACCAWU, BUSA, NIPSA and DoL DATA

This investigative study revealed some opposition to the compliance of decent work indicators by BUSA on behalf of the employers. BUSA (Interview, 10 February 2014) supports the notion of decent work, but insists that based on the current economic challenges such as high unemployment that South Africa faces as well as global unemployment, it is unreasonable to expect employers to extend or promote working conditions related to decent work. The researcher noted that even though the employers' organisation indicated that it supports decent work, there will most likely never be adequate commitment on their part. This is supported by labour analysts Standing, Barchiesi and Candeias who observe that, "neo-liberal globalisation has fundamentally changed the nature of work leading to a fragmented and uneven labour market consisting of work that is often precarious, lack benefits and have low wages" (Webster, 2006). This is supported by Legard, Keegan and Ward (2003), who observe that security and stability of employment and livelihood are for millions becoming an imaginary goal. Furthermore, Webster (2011b) indicates that that dominance of capitalism in decision-making in the South African economy

makes decent jobs for a proportion of the working class within the existing structures of capital accumulation and global competition a “chimera”, or dream.

SACCAWU (Interview, 13 February 2014), the Department of Labour (Interview, 17 January 2014) and NIPSA (Interview, 17 January 2014) all agree and support the notion of decent work and furthermore state that it will eradicate poverty and narrow the inequality gap. According to the ILO (2010), decent work is central to sustainable poverty reduction and is a means for achieving equitable, inclusive and sustainable development. Sefalafala (2011) points out that decent work means that the character of the growth path should be clearly biased towards the working class and should be wage-led so that redistributive economic growth gives rise to wages in real terms and income distribution. This is supported by Ndungu’ (2012) who states that especially as poverty looms both among the employed and unemployed, work continues to promise a basic escape route out of poverty. The researcher’s observation is that the three organisations (SACCAWU, NIPSA and DoL) fully support decent work from the organisational point of view and because SACCAWU represents workers’ rights as a labour union while the last two represent the government. They all agree that the challenge is lack of enforcement by government of labour policies that promote decent work.

## 5.4 DOCUMENTARY ANALYSIS

### 5.4.1 Revenue at Pick ‘n Pay

The data indicate that profits at Pick ‘n Pay increased from 2006 to 2009, declined in 2010 by 15% and increased again from 2011 to 2012. The researcher observed that despite the poor performance in 2010, Pick ‘n Pay paid out 75% of earnings in dividends. The NDP supports decent work by strengthening the social wage to raise living standards of those out of work or in low paying jobs (The Presidency, 2011). Some of the revenue should

have been used in improving the working conditions of their workers instead of paying such high dividends, especially during the 2010 decline in profits. Ghai (2002) notes that the concept of "decent work" is an attempt to ensure some level of social security for the labouring masses. This is supported by the ILO (1999) which states that the primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human dignity.

### 5.4.2 Profits at Pick 'n Pay

The data indicate that from 2006 to 2010 profits for Pick 'n Pay were increasing and declined in 2011 and 2012 due to overspending on store remodelling, non-closure of loss-making operations, and losing share to Shoprite, Woolworths and Walmart. This indicates that Pick 'n Pay is only concerned about store expansion and upgrading in order to benefit from a larger market share in terms of profits, not to create decent work opportunities for its workers. There is a clear indication that a gap exists between people's aspirations for decent work and the reality that exists to the extent that, for many people, having a job regardless of whether it is decent or not becomes better than having no job at all (ILO, 2003). The statement from ILO reiterates that, "fighting poverty is not just a matter of creating many employment opportunities, but ensuring that these jobs are of a quality that can lead to poverty reduction" (ILO, 1999). The researcher noted that the store expansion led to an increase in the number of casual/ temporary workers for Pick 'n Pay because extension of permanent contracts is slowly shrinking in the retail industry. Bourdieu (1990) argues that the growth of a typical form of employment is one of the defining features of the neo-liberal labour regime.

### 5.4.3 Chief executive officer remuneration at Pick 'n Pay

The data indicate that the chief executive officer and the executive directors, given the poor performance of the company, did not receive bonuses in

2010/2011, given that they are nominally meant to be "performance" bonuses. The CEO still received the 7% increase in salary. According to the *Business Times* (2010) the situation is far worse with the chief executive officer of Shoprite who in the same year was paid R25,4 million salary and benefits totalling R7.7million as well as R594.5million in share options. During the same year, the minimum wage for the precariat in the retail industry in 2010 was R2,774 per month (Stats SA, 2010), which might not have been paid to many of Pick 'n Pay workers.

It is clear that the inequality gap in terms of salary between the retail workers and their executives will be difficult to bridge. This is despite the progress that has been made in South Africa in fighting for workers' rights in terms of achieving equality and freedom. A key feature of the apartheid system remains and that is the insecurity experienced by workers, in both the workplace and society (Webster, Benya, Dilata, Joynt, Ngoepe and Tsoeu, 2008).

### 5.4.4 Executive Director Remuneration at Pick 'n Pay

The data indicate that for 2008 and 2009 the executive directors received an increase in salary; in 2010 they received a decrease; and in 2011 an increase was awarded. However, the researcher noted that even though the executives received a decrease in salary packages in 2010 due to a decrease in revenue, their salary packages are far higher than the average worker. The ILO (2010) notes that one of the biggest challenges for the African continent is to ensure that, "Africa's most valuable resource, the honest and hard work of its women and men, is fully utilised and fairly rewarded" and decent work is a logical means to reduce poverty and inequality. The Pick 'n Pay workers fall under the precariat group whose interests are not considered when comparing the salary of the lowest paid worker compared to the executive director's remuneration package.

Peck (1996) states that the precariat is a non-class of marginalised people. For Dahrendorf, they are an anomic, atomised group whose interests are not articulated (Dahrendorf, 1994, cited in Candeias, 2004).

### 5.4.5 The wage gap at Pick ‘n Pay

An important indicator is the number of years a worker would need to work in order to earn the CEO’s remuneration for the period 2010/2011. The data indicate that it would take 282 years in Lesotho, 245 years in Namibia, 97 years in South Africa and 231 years in Zimbabwe to earn the CEO’s salary. The SD9 is a law that regulates the conditions of employment such as the minimum wages employers must pay wholesale and retail employees in South Africa (Department of Labour, 2003). However, the findings indicate that the employers do not comply with this law and most employees are paid far below the minimum wage. This is done deliberately by employing employees on a temporary basis. Autor and Houseman (2010, cited in Standing, 2011) argues that entering a low paying job as in the case of the precariat, permanently reduces the prospects of upward social mobility and gaining a decent income.

It is clear that worker exploitation by the same company differs in accordance with the flexibility or non-existence of labour laws in a specific country. Decent work provides a perspective or framework that can highlight the dual goals of economic and social development (Standing, 2011).

### 5.4.6 Number of employees versus number of operations

The 2011 Pick ‘n Pay annual report counts 49,200 company employees across operations. In 2009 the number of operations was growing even as the number of employees was decreasing. The data further indicate that the reason for this was that while employee numbers includes casual employees, they do not include outsourced/labour brokered employees whose numbers may be increasing with the expansion of operations. This

is supported by statistical data in that the highest contribution made by the retail industry to employment was in 2006 when it reached 7.9% (Stats SA, 2006). In 2010, 7.2% of employed people were in the retail industry (Gauteng Provincial Treasury, 2012) despite the growth in the sector which is said to be one of the largest on the African continent and ranked 24th on the Kearney 2010 Global Retail Development Index (Stats SA, 2010). The researcher noted that most new operations employ casual workers as opposed to appointing permanent employees. Temporary work is a strong indicator of a form of precariousness, which once entered, reproduces itself, maintaining the new lower income status and, according to Standing (2011), is termed the "precarity trap". This has been noted by unions as management claims stores are overstaffed, but are using these workers every day in all stores.

## 5.5 SUMMARY

This chapter provides an analysis of the findings that were presented in chapter four categorised into four decent work elements: employment opportunities, workers rights, social protection, and social dialogue. The nine decent work indicators are derived from this and used to measure the main elements. The analysis indicated that the retail sector violates basic human rights and it is common in this sector to experience a high level of decent work deficit. The retail sector incurs significant expenditure on advertising and remuneration of its top management, as indicated by the documentary analysis. Yet among workers, some of the respondents do not have basic benefits such as housing subsidy or transport allowance, medical aid or pension fund. The respondents appear to blame the current ANC government for lack of enforcement of decent work indicators in the retail industry and have lost hope of seeing improvements in the near future.

This chapter also analysed responses from SACCAWU, DoL and NIPSA who all agreed that the non-enforcement of decent work elements by

government is directly linked to non-compliance by employers. The organisation (BUSA) representing employers is adamant that promotion of decent work elements will lead to companies failing to compete on a global level.

The next chapter discusses the conclusions and recommendations of this study on decent work compliance within the retail sector in Johannesburg.

# CHAPTER SIX

# CONCLUSIONS AND RECOMMENDATIONS

## 6.1 INTRODUCTION

This chapter presents the conclusions and recommendations of the study. The main research problem was lack of compliance and enforcement of decent work indicators within the retail sector in Johannesburg. The purpose of this research was to investigate the level of compliance with the decent work indicators in the retail sector within Gauteng Province amongst leading retailers such as Edgars, Woolworths, Pick 'n Pay and Spar, and more generally to attempt to understand the essence of decent work in policy implementation, compliance and enforcement.

An investigative approach was adopted to analyse the experiences of the precariat with regard to the decent work deficit within the retail sector. The primary question for this study was: How can the level of non-compliance in terms of the decent work indicators in the retail sector be measured? The research questions assisted in providing a specific focus for the study and were sufficiently comprehensive for the qualitative research methodology approach taken for the study.

The chapter provides the conclusions of the study in an attempt to identify the implications of lack of compliance of the decent work indicators in policy formulation, implementation and enforcement processes. Lastly, the chapter provides recommendations for decent work implementation in the retail sector. The potential areas for future research are identified in the closing sub-section of the chapter.

## 6.2 CONCLUSIONS OF THE STUDY

The conclusions of this study are based on three key themes that emerged from the analysis presented in chapter five: implementation and monitoring and evaluation challenges, and the enforcement of decent work policy prescripts.

### 6.2.1 Compliance challenges

The study revealed that the implementation of decent work indicators by the employers was not adequately complied with. Firstly, there was a lack of proper monitoring and evaluation tools in the implementation of decent work policy frameworks by the government. Secondly, the adoption of decent work in 2010 by government guarantees rights at work, but guarantees come at a cost; the costs of compliance and non-compliance are not addressed and designed specifically for the retail sector. Thirdly, the decent work indicators are not specifically designed for the retail sector or customised with sub-indicators to accurately measure compliance or the absence thereof.

Furthermore, the decent work country fact sheet for South Africa fails to explain how the different indicators should be weighted and ranked in order of importance, because employers tend to comply with indicators of lesser importance in the workers' daily lives and intentionally neglect the critical ones. Lastly, the indicators seem to be designed for workers employed on a permanent (standard) basis rather than those employed on a temporary (non-standard) basis, and this has created a vacuum for employers to appoint most of their workers on a temporary basis.

### 6.2.2 Enforcement challenges

There is an acute shortage of labour inspectors to enforce compliance with labour laws, especially in Gauteng Province, taking into consideration that the province contributes the largest share (26.5%) of gross value added to the country's retail industry and is also home to four out of eight super regional centres in the country. Another challenge that emerged is that the enforcement is presently solely the responsibility of the Department of Labour, which only operates with regional offices in Gauteng and is not represented provincially, as is the case with other national and provincial departments such as health and education. This means that the regional offices depend on national budget to execute their functions, as opposed to provincial budget that is determined by provincial treasury, based on the scope of the province. Presently, there is a 'one size fits all' approach with the labour inspectors which allows retailers to avoid compliance.

### 6.2.3 Policy intentions and prescripts

The study found that even though the Constitution of the Republic of South Africa (Act 23 of 1996) is the foundation of various workers' rights, with regard to decent work, this is entrenched in the Bill of Rights and principles that are in line with the ILO labour standards. Furthermore, the country has statutory labour rights that should ideally be able to adequately protect employees and also promote the decent work agenda, thus ensuring that there are sufficient jobs of acceptable quality for all. Despite this, a decent work deficit is prevalent in the retail industry. Both the National Growth Path and the National Development Plan refer not only to work, but decent work. However, neither of these policies clearly or consistently differentiates between work and employment.

This investigative study revealed some opposition to the compliance with decent work indicators by the retail industry. In particular, BUSA states that compliance with decent work indicators will stifle the economy and the retail

industry will not be globally competitive. However, the employees that were interviewed (SACCAWU; Department of Labour; NIPSA) all agree that compliance and enforcement will lead to productive employees and harmonise the employer and employee relationship.

In addition, the findings of the study indicated that compliance with the decent work indicators is a constitutional obligation in South Africa and the private sector cannot prescribe to government with regard to public policy making and developmental imperatives.

## 6.3 BROAD CONCLUSION

In conclusion, based on this research, the most critical aspect of the research problem is non-compliance with the decent work indicators by the retail sector employers as well as the lack of adequate enforcement by government of policies and laws promoting decent work within the retail sector.

## 6.4 RECOMMENDATIONS

### 6.4.1 Development of compliance and enforcement policy

The government has enacted various legislative frameworks regarding how decent work should be addressed in the country. Some of these frameworks are quite generic in their approach and do not accommodate the specific requirements of the retail sector. The National Department of Labour, in conjunction with the Gauteng Provincial Government, should therefore develop tailor-made decent work policies and indicators for the retail industry in Gauteng that will inform the provincial government on how to operationalise, enforce and monitor decent work compliance by the retail sector. The policy should consider the economic challenges such as high unemployment and concerns raised in that regard.

### 6.4.2 Institutionalisation of decent work indicators

The Gauteng Provincial Government should institutionalise and strengthen the promotion of decent work agenda and incorporate this into all the provincial development policies. The institutionalisation should not just be the creation of employment, but creating employment opportunities that have features of decent work. All parties to the tripartite arrangements (Government, Labour and Business) should understand decent work within the same context. Furthermore, adequate human and financial capital should be allocated in support of decent tailor-made work policies.

## 6.5 AREAS FOR FUTURE RESEARCH

There should be continued research to determine the difference in the level of non-compliance between large and small retail stores and whether enforcement by the government will lead to improved compliance or not.

A further continued research project should examine whether the enforcement of decent work will contribute towards economic growth or not by assessing and linking implementation of decent work indicators to economic growth trends through the implementation of a diagnostic tool.

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# APPENDICES

## APPENDIX 1

### INTERVIEW QUESTIONNAIRE FOR THE PRECARIAT

| DECENT WORK QUESTIONNAIRE |
|---|

1. **What type of business do you work in?**

| | |
|---|---|
| a. | Groceries |
| b. | Clothing |

2. **What type of job do you do?**

| | |
|---|---|
| a. | Cashier/Teller |
| b. | Sales Rep |
| c. | Customer Assistant |
| d. | Other |

3. **OPTIONAL: What is the name of the company you work for?**

| |
|---|
| |

4. **For how many years have you been working for this company?**

| |
|---|
| |

5. **What were you doing immediately before working for this company?**

| | | | |
|---|---|---|---|
| a. | In another job that I decided to leave | d. | Full-time study |
| b. | In another job and I lost the job/ forced to leave | e. | Other (describe): |
| c. | Unemployed, looking for work | | |

6. **Were you employed directly by the company or through a labour broker?**

| | |
|---|---|
| a. | By the company |
| b. | Through a labour broker |

7. **If employed through a labour broker, how much do they deduct from your salary/wage?**

| |
|---|
| **R** |

8. **Are you currently doing other paid work or study in addition to your work?**

| | |
|---|---|
| a. | Yes, I do other paid work |
| b. | Yes, I am also studying |
| c. | Yes, I am studying and also do other paid work in addition |
| d. | No, I am not doing other paid work or studying |

9. **Are you South African? If YES, what is your racial group? If NO, what is your nationality?**

| | | | |
|---|---|---|---|
| a. | African | d. | White |
| b. | Coloured | e. | Nationality If Not South African: |
| c. | Indian/Asian | | |

**10. Gender (DO NOT ASK - code by sight)**

| | |
|---|---|
| a. | Male |
| b. | Female |

**11. What is your marital status?**

| | | | |
|---|---|---|---|
| a. | Married | d. | Divorced |
| b. | In long-term relationship | e. | Widowed |
| c. | Single | | |
| f. | Separated | | |

**12. How many other people (dependants) do you live with?**

| | | | | | |
|---|---|---|---|---|---|
| Male Adults | | Female Adults | | Children | |

**13. How many of your own children (under 18 years of age) live with you?**

| |
|---|
| |

**14. How old are you?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Under 20 years | c. | 30-39 | e. | 50-59 |
| b. | 20-29 | d. | 40-49 | f. | 60 or more |

**15. How far did you go in schooling/education?**

| | | | | | |
|---|---|---|---|---|---|
| a | No formal education | d. | Less than Secondary completed | g | Other (describe) |

| | | | |
|---|---|---|---|
| b | Less than primary completed | e. | Secondary completed |
| c | Primary completed | f. | Tertiary |

**16. How far is where you live from work?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Less than 5km | d. | 20-29 km | g. | 50 km or more |
| b. | 5-9 km | e. | 30-39 km | h. | I live on company premises |
| c. | 10-19 km | f. | 40-49 km | | |

**17. How much time do you spend travelling to and from work each day?**

| | | | |
|---|---|---|---|
| Hours | | Minutes | |

**18. How much do you spend on average per month on transport to and from work?**

| |
|---|
| **R** |

**19. What kind (mode) of transport do you mostly use?**

| | |
|---|---|
| a. | Public (e.g taxi, bus, etc) |
| b. | Private/Own |
| c. | Train |

**from here is Decent Work Indicators**

**20. Do you have a contract of employment?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Yes – written contract | b | Yes – verbal contract | c | No |

**21. If YES, what sort of contract do you have?**

| | | | |
|---|---|---|---|
| a. | Permanent/Indefinite | c. | Casual (day by day) |
| b. | Fixed term/Temporary | d. | Other (describe) |

**22. Have you received a wage increase in the past 12 months?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Yes | b. | No | c. | Not applicable. Worked less than 12 months |

**23. If YES, how did it come about?**

| | |
|---|---|
| a. | Union-employer negotiations/agreement |
| b. | Government intervention |
| c. | Industrial action/sector-wide strike |
| d. | Other (describe) |

**24. If your employer wants to dismiss you, what is the procedure?**

| | | | | | |
|---|---|---|---|---|---|
| a | Verbal/Written warning and hearing | c. | No set procedure | e. | Other (describe) |
| b | They must consult with Union | d. | Don't know | | |

**25. How often do people get dismissed?**

| | |
|---|---|
| a. | Very often |
| b. | Not often |

**26. How much is your usual (normal) take-home pay without overtime earnings? (Choose relevant salary scales)**

| | |
|---|---|
| a. | Less than R1 000 per month |
| b. | R1 000 – R2 000 per month |
| c. | R2 100 – R3 000 per month |
| d. | R3 100 – R4 000 per month |
| e. | Above R4 000 per month |

**27. How much do you usually earn per month from overtime work?**

| |
|---|
| **R** |

**28. When did you last attend work-related training?**

| | | | |
|---|---|---|---|
| a. | In last 12 months | c. | More than 5 years ago |
| b. | In last 5 years | d. | Never |

**29. Who paid for the last training that you attended? (Mark all application OR mark Don't Know)**

| | **YES** | **No** |
|---|---|---|
| My employer | 1 | 2 |
| Myself/My family | 1 | 2 |
| Government | 1 | 2 |
| Union | 1 | 2 |
| Other (describe) | 1 | 2 |
| Don't know | 3 | |

**30. How long was the time you spent attending training?**

| a | Year | b. | Months | c. | Days | d. | Hours |
|---|---|---|---|---|---|---|---|

**31. Did you learn skills in the training that you can use in another industry?**

| a | Yes | b | No | c. | Don't know |
|---|---|---|---|---|---|

**32. If YES, what type of skills?**

| | |
|---|---|
| a | Business Management |
| b | Financial Management |
| c | Customer Relations |
| d | Technical Skills |
| e | Administrative |
| f. | Other (describe) |

**33. How many hours do you usually work in a week excluding overtime?**

| |
|---|
| |

**34. How many hours of overtime do you usually work in a week?**

| |
|---|
| |

**35. Is overtime work compulsory?**

| Yes | No |
|---|---|

**36. Have you ever refused to work overtime?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Yes | b. | No | c. | Not possible |

**37. If YES, what action was taken against you?**

| | |
|---|---|
| a. | Written/verbal warning |
| b. | Disciplinary hearing |
| c. | Deduction from my salary |
| d. | Other (describe) |

**38. How much time (hours) do you spend with your family?**

| | | | | | |
|---|---|---|---|---|---|
| a. | | b. | | c. | |

**39. How much time (hours) do you spend with your children (child care)?**

| | | | | | |
|---|---|---|---|---|---|
| d. | | e. | | f. | |

**40. How much time (hours) do you spend on housework?**

| | | | | | |
|---|---|---|---|---|---|
| g. | | h. | | i. | |

**41. Do female workers get maternity leave?**

| | |
|---|---|
| a. | YES - with full wage paid by the employer |
| b. | YES - with part of the wage paid by the employer |
| c. | Yes - with no payment from the employer |
| d. | No |
| e. | Not applicable - no female workers in the company |
| f. | Don't know |

**42. Do male workers get paid leave when their partner gives birth?**

| | | | | | |
|---|---|---|---|---|---|
| j. | Yes | k. | No | l. | Don't know |

**43. Are Male and female workers treated equally**

| | | | |
|---|---|---|---|
| a. | Yes | b. | No |

**44. Are south African and non south African workers treated equally**

| | | | |
|---|---|---|---|
| c. | Yes | d. | No |

**45. Are workers of different races given equally treatment**

| | | | |
|---|---|---|---|
| e. | Yes | f. | No |

**46. Have you been injured at work in the past twelve months?**

| | | | |
|---|---|---|---|
| g. | Yes | h. | No |

**47. Have you suffered from a health problem from work that made you miss some workdays or consult a health worker in the past twelve months?**

| | | | |
|---|---|---|---|
| a. | Yes | b. | No |

**48. Have you been given any protective clothing or equipment?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Yes | b. | No | c. | Not applicable |

**49. Does your employer deduct money from your salary/wage for the UIF?**

| | | | | | |
|---|---|---|---|---|---|
| a. | Yes | b. | No | c. | Don't know |

**50. Are you a member of a trade union?**

| | | | |
|---|---|---|---|
| a. | Yes | b. | No |

**51. If NO, give reason why.**

| |
|---|
| |

**52. Have you ever participated in a union-organised industrial action or strike?**

| | | | |
|---|---|---|---|
| a. | | b. | |

**53. Do you get any of the following benefits? (Mark all applicable)**

| | YES | NO |
|---|---|---|
| Annual bonus | 1 | 2 |
| Medical aid/scheme | 1 | 2 |
| Pension fund | 1 | 2 |
| Funeral benefits | 1 | 2 |
| Paid annual leave | 1 | 2 |
| Paid sick leave | 1 | 2 |
| Housing subsidy | 1 | 2 |
| Transport allowance | 1 | 2 |
| Share option | 1 | 2 |

## APPENDIX 2

**INTERVIEW FOR FOUR ORGANISATION NAMELY: BUSA, NIPSA, Department of Labour and SACCAWU**

**PART 1**

1.1 Name of the respondent

1.2 Occupation

1.3 Name of the organisation

**PART 2**

**2.1** What are the reasons for decent work deficit or casual employment and labour broking in the retail sector?

**2.2** Will compliance with the decent work indicators for the retail sector lead to inclusive economy growth or not?

**2.3** If yes, how will it lead to inclusive economy growth?

**2.4** If no, how it will negatively affect economy growth?

## APPENDIX 3

## LIST OF INTERVIEWS

| INTERVIEWEE | DATE | TIME | PLACE |
|---|---|---|---|
| 3.1 Edgars retail store; Sandton City mall | 22 December 2013 | 11h00 | Johannesburg |
| 3.2 Woolworths retail store | 23 December 2013 | 10h00 | Johannesburg |
| 3.3 Spar; Sandton Athol Square | 27 December 2013 | 11h00 | Johannesburg |
| 3.4 Pick 'n Pay; Sandton Benmore Gardens | 29 December 2014 | 11h45 | Johannesburg |
| 3.5 Department of Labour | 17 January 2014 | 10h00 | Tshwane |
| 3.6 Business Unity of South Africa (BUSA) | 10 February 2014 | 09h30 | Johannesburg |
| 3.7 National Productivity Institute of South Africa (NIPSA) | 17 January 2014 | 13h00 | Midrand |
| 3.8 South African Commercial Catering and Allied Workers Union (SACCAWU) | 13 February 2014 | 15h00 | Johannesburg |