DETERMINED

THE WAGE BOARD attracts frequent criticism. TUCSA has in the past adopted resolutions attacking it for taking the side of employers and for 'showing little concern for the workers' case'. ⁽¹⁾ The recent Wage Board investigation into the work conditions of nightwatchmen and other employees in the security services industry has attracted a certain amount of publicity. This article will recount the process of the investigation and, hopefully, illustrate a number of features of the Wage Board's operation.

THE WAGE BOARD

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THE official version of the Wage Board's function is that it

investigates an industry and then makes recommendations to the hon. the Minister who in turn makes a determination. The Wage Board attempts to recommend fair wages and other conditions of service, taking into account the industry's ability to pay and the cost of living in the area concerned. (2)

What occurs is that in industries where no form of collective bargaining exists, the Minister of Manpower requests the Wage Board to investigate working conditions in that industry. The Board invites all interested parties to submit evidence, and may hold hearings at which oral evidence may be presented. As a result of the investigation the Board makes recommendations to the Minister as to what the minimum wages and working conditions in the industry should be: If the Minister accepts the recommendations, they are published in the Government Gazette as a Wage Determination. A Wage Determination contains definitions of the job categories in the industry and lays down minimum wage rates for each category. In addition, it prescribes conditions of work for employees in the industry such as maximum hours of work, maximum overtime and overtime rates, paid leave, sick leave and notice periods.

An employer is not prevented from paying higher wages than those laid down in a Wage Determination, or from granting his or her employees better conditions of work. Failure to comply with a Wage Determination is an offence.

In terms of the Wage Act the Board, when making a recommendation, is required to take into account both 'the ability of employees in the trade concerned to carry out their' businesses successfully', and 'the cost of living in any area in which the trade is being carried on'. This clearly envisages the Board as achieving some sort of compromise between the conflicting interests of employers and workers. In reality what has occurred is that the Board has leaned over backwards to accommodate employers' interests when setting minimum wage levels. One of the reasons for this is that it is not common for workers' interests to be represented at Wage Board hearings.

By and large, Wage Determinations are found in industries where no labour organisation exists, and the hearings have been dominated by employers arguing that minimum wage levels should not be raised too high. Minimum wage levels prescribed by the Wage Board are, by and large, very much lower than those contained in Industrial Council agreements. The lowest current minimum wage is for instance R12 per week.

Officially, the representation of black workers at Wage Board hearings is in the hands of the Central Black Labour Board and its regional committees. Where other groups can show that they represent workers in the industry concerned, they will be able to present evidence but it is not clear precisely how much weight is attached to such evidence. When, for instance, in the early 1970s students from NUSAS' Wages Commissions presented evidence at a number of Wage Board hearings, the then-chairman of the Board said that he did not think that their evidence would significantly effect Board decisions, and their representations were 'to a great extent superfluous'. The Central Black Labour Board, he said,

> is the official representative of black workers, and one which is more experienced in matters like conditions of employment. (3)

In the investigation into Security Services Industry, evidence was presented by the Legal Resources Centre on behalf of several nightwatchmen who were clients of the Industrial Aid Society. Meetings were held with nightwatchmen to find out their working conditions; at the same time a campaign was launched stressing the inhuman conditions prevailing in much of the industry, and the failure of the Department of Manpower Utilisation to enforce the Wage Determination and to punish employers breaking its terms.

THE SECURITY SERVICES INDUSTRY

NIGHTWATCHMEN can be divided into two groups: there are those who are employed by security firms to guard other people's premises. These nightwatchmen fall under the Wage Determination for the Security Services Industry., Then there are the nightwatchmen who are employed to guard or patrol their employers' premises. These workers will have their conditions of service regulated by whatever Wage Determination or

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Industrial Council Agreement applies to their employers. Where the employer is not covered in this way, the nightwatchman will have no statutory protection as they are excluded from most of the provisions of the Factories Act and the Shops and Offices Act.

Nightwatchman as a group are in an ultraexploitable position. Many are in the urban areas illegally, generally without a chance of regularising their position. They are often illiterate or possess little formal education and have no lucrative job skills. Security firms can be roughly divided between the larger firms which pay wages at prescribed minimum levels, and 'backyard' and 'fly-by-night' operators who, it is alleged, pay wages in the region of ASO-R70 per month and work their employees in excess of 100 hours per week. Tension exists between these two groups of firms, and the larger firms see 'backyard' operations as unfairly threatening their profitability and as damaging the name of the security services industry.

CHRONOLOGY OF THE INVESTIGATION

<u>19 November, 1979</u>: A notice setting out the Board's terms of reference to investigate the security services industry is published in the Government Gazette. Written representations are invited from interested parties and a circular is sent to all employers in the industry requesting information as to wages paid, conditions of employment, and the submission of financial statements.

29 February, 1980 - 12 May, 1980: The Board holds oral hearings in the major urban areas. At these hearings evidence is presented by, among others, the Transvaal Employers' Association of Security Services (TEASS), the National Union of Security Officers (NUSO), and the Legal Resources Centre (LRC).

13 February, 1981: A draft of the Board's recommendation to the Minister is published in the Government Gazette and comments and objections are invited from interested parties. (This 'objection stage' was done away with by the 1981 emendment to the Wage Act).

<u>17 July, 1981</u>: The Wage Determination for Security Services is gazetted and takes effect on Monday, 7 July. (On this day the minimum wages for nightwatchmen increase by roughly 40%, and their maximum normal working, week is decreased from 84 to 72 hours).

10 August, 1981: A report is published in the Sowstan indicating that employers have been taken unawares by the new determination, and that TEASS has requested the Minister to delay its implementation for some months. Although this matter has not been resolved yet, it seems unlikely that the request will succeed as the Minister has no powers in terms of the Wage Act to delay the implementation of a Wage Determination once it has been gazetted.

MINIMUM WAGES

THE Board's approach to minimum wages for nightwatchmen vividly illustrates the inadequacies of the Board as an institution regulating wages and working conditions for close on 500 000 workers. ⁽⁴⁾ Since the introduction of a Wage Determination in late 1969 the minimum wages for nightwatchmen in the Johannesburg area have been: December 1969 - November 1970 R7,50 per week December 1970 - December 1973 R8,00 January 1974 - December 1974 R15,00

January 1975'- December 1975	R16, 10
January 1976 - November 1977	B17,20
December 1977 - November 1978	R22,15
December 1978 - July 1981	R23,77
(Wages in other areas vary: in	Cape Town the
wage is about 5% higher; in Klu	arksdorp and
Sasolburg it is 10% lower).	

At the hearings, various evidence was offered as to what the minimum wage should be. The following figures were suggested: FOSATU and Transport and General Union R42,69 per week Central Black Labour Board R34,00 Regional Committee for Black Labour (written representation) R28,11 Black Labour Office (Johannesburg) R38,00 LRC & sliding scale depending

981	on experience, with a
12	starting wage of R50,00 -
NUGD ·	R45,00
Employers (Pinetown)	R25,67
TEASS	R27,80

In its deliberations, the Board anguished over its dilemma in having to reconcile the interests of employers and employees:

> Because a service is rendered by this trade and, as previously stated, the employers have to approach their clients for higher fees for their services whenever wages are increased, employers find themselves in a difficult position when it comes to charging higher prices for their services, and too sharp an increase in wages can present them with insuperable problems if their clients do not react positively. On the other hand, the Board is faced with evidence that the present prescribed wages of a watchman are too low, especially if the prescribed number of hours is considered, namely 84 per week, and that these wages compare poorly with those in other industries, more so if regard is had to the considerable rise in the price of the necessities of life, the high degree of danger to which watchmen are almost constantly exposed and the fact that many of them have to perform their duties under hazardous conditions during

nights that are constinue extremely cold.

The Board feels that it would be failing in its duty and shutting its eyes to facts that merit consideration if it does not at this stage recommend a livesble wage for watchmen. Feced with these two extremes. namely the employer's problem on the one hand and the question of paying a liveable. wage for the watchmen performing dangerous work and working long hours on the other hand, the Board decided, after consideration of all the evidence collected by it during its inquiry, to recommend a wage of R37.00 per week for a wetchman in the highest wage area, R32.00 per week in the second highest wage area and R27,00 per week in the lowest wage area.

But this was a little too good to be true, and . the Board promptly compensated so as not to hit employers too hard:

Because the recommended wages may occasion some difficulties for some employers, the Board decided to recommend lower wages, namely R34,00; R30,00; and R25,00 per week, respectively, for the first year of the coming into operation of the new determination to afford employers an opportunity to adjust and to sort out the position with their clients. The principle is also applied to the other classes of employees.

Insofar as any logic is detectable from the report, it is as follows: a liveable wage (as at November 1980) for watchmen in the Johannesburg area is R37 per week. (Precisely how this figure was arrived at the Board does not state). But employers will not be able to. afford this, so we will delay the implementation of the 'liveable' wage for a year and let watchmen receive R34,00 until then. The effect of the Board's economic illogical thought, coupled with the bureaucratic inefficiencies of the Department of Manpower is that the new minimum wage that took effect on July 27, 1981, was already \$3,00 per week below the Board's own conception of what a liveable wage was in November 1980. This 'liveable' wags will eventually be introduced in August 1982 and it

will be in effect for at least a year and probably longer. By this time, the wage will be 50% below the Board's own conception of what a liveable wage is; taking inflation into account, and probably 100% less than any minimum subsistence level. An additional irony is that while the Board sets the first year of the new Wage Determination as being a period of 'adaptation' for employers, watchmen will in real terms be worse off in the following year. The rise in the minimum that will occur in August 1982 from R34 to R37 will be of the order of 8,8%. This will be well below the expected decline in the buying power of money during this period.

These arguments were raised by the Centre for Applied Legal Studies, University of Witwatersrand, when it made submissions objecting to the contents of the draft determination. They were, however, rejected by the Board which stated that the implementation of higher wege levels would adversely affect employers, especially as the maximum normal working week had been reduced from 84 to 72 hours.

While nightwatchmen have received a 40% rise in their minimum wage, it is suggested that this has done nothing to enhance their buying power. Prior to the increase the wage had been static for 31 months and the increase does not even compensate watchmen for the decline in buying power of their earnings. The table above shows that wages for watchmen have remained consistently below subsistence levels and this pattern continues unabated. While the prescribed wages are only minimum levels, they do play a crucial role in determining what nightwatchmen actually receive. Figures in the Board's report indicate that only 10% of watchmen received a wage significantly above the minimum level. In areas where the determination did not previously apply, wages were as much as 50% below the minimum level for other areas.

What is unclear is precisely how the Wage Board arrived at its conclusion as to what a liveable wage is. Certainly, the figure is above those suggested in evidence by employers but it is well below those suggested by organisations representing nightwatchmen, and all minimum subsistence levels brought to the attention of the Board. The Board did seem to be guided by the fact that on the average, the returns submitted by employers indicated that their net profit was in the vicinity of 5%, and that this would not enable them to meet a large increase in their wage bills. . The Board does not appear to have checked these figures in any way, and this low profit margin does seem odd at a time when South Africa's paranoia about the safety of its property has thrown the security industry into a boom.

PROBLEMS OF ENFORCEMENT

THE new wage determination has resulted in nightwatchmen receiving a 40% increase in their minimum wage levels and their maximum working week being cut by 12 hours. The question as to how effectively this will be done, remains:

The files of the Industrial Aid Society and the Hoek Street law clinic indicate that many security firms honoured the previous determination more in the breach than in the keeping. Frequently, watchmen informed these organisations that they received wages of R60-R70 per month in return for working hours well in excess of the prescribed level. One of the most common abuses alleged is the weekend 'double=ehift'. This involves watchmen being on duty from Friday evening to Monday morning (a period of 60 hours) without a break. In addition. these watchmen usually work four 12-hour days making for a 108-hour week. This type of practice involves numerous contraventions of the determination: watchmen are entitled to a day off every week and where this is not granted they are entitled to double-pay for the seventh day worked each week; only 12 hours overtime can be worked a week and this should be paid at 1 1/3 times the normal rate.

But where a worker is underpaid in terms of a Wage Determination, enforcing a claim is a difficult task. Such workers cannot proceed straight to court but must refer the matter initially to the Department of Manpower Utilisation. The reason for this is that should a worker eventually take an employer to court for underpayment, he/she will have to show that the employer has been prosecuted for breaking the terms of the determination and acquitted; or that the attorney-general has declined to prosecute. But this is no speedy process, for once a matter is referred to the Department it gets bogged down in the quagmires of bureaucratic inefficiency. That is, if the complainant is lucky enough to have the complaint accepted. It was apparently the practice in the office of the Department in Johannesburg for an official at the enquiries desk to telephone the employer when a watchman complained of underpayment. If the employer denied the allegation, the worker would be advised that he had no case. This practice has since been discontinued.

Investigations by the Department take a long time and when they are concluded in favour of a nightwatchman the settlement he receives is a small portion of the amount claimed. Last year, the IAS drew attention to the case of

a nightwatchman who had a claim of R680 and received a settlement of R25.

An additional difficulty lies in the problems connected with proving that a worker has been underpaid. Normally, an employer must prove that he has paid a worker the correct wage; but if a worker has signed an employer's register indicating that he received the prescribed wage, he will have to prove he received less. In this regard, one offence by an employer will often compound others. Employers are required to give workers their wages in pay envelopes indicating the amount received and the hours worked. Certain employers simply pay their workers by hand and as they are often alone on duty when they receive the cash, they have no witnesses to assist proving that they were underpaid.

Paul Benjamin

Notes:

- Financial Mail, 25.08.72.
- (2) Mr LJ van der Berg, MP. Hansard, 24.02.81, column 2320.
- (3) Financial Mail, 04.08.72.
- (4) Wage Determinations cover 470 865 workers. Hansard, 13.08.81, column 828.

Employer underpaid RDM 26.09.81 workers

Mail Reporter

THE owner of a security from employing black supervisions was fixed RUM, or 10 days, ym-tarday after being head gelfy of underpaying the workers. Chartes Daniel Elliot, 32, of Black Projection Services, Laserman Drive, Kennington,

Allevels in the Johannesburg Magintrate's Court. The court fromd that the of-funces had been committed since March 1977.

March 1977. The court also found that he failed to eachne pay slips inside the workers' pay envelopes. He also deducted memory from their pay for overalls in had provided. It was also found to mask his workers work from days on Pri-days unit? from the following Minday without a broak. The forced the workers to con-tinue working even if they wave off-day, and dat not pay them deduc wage. Planding in mitigation Effect and the court that his firm had have liquidated.

INTRODUCTION TO POLITICAL ECONOMY. part 2

This article is part 2 of our series on political economy. The first part appeared in WIP 19, and readers are advised to consult it before proceeding with the second part of the series. Some of the concepts' and ideas which appear below are explored and explained in part 1, especially those relating to commodities. labour and socially necessary labour time, labour power, and surplus value. Copies of WIP 19 are available from the editors.

IN PART 1 of this series, we posed the question: where does capitalist profit come from, and how is it produced? Through investigating the nature of the commodity, it was found that the value which the working class creates in producing commodities is the basis of profit.

More specifically, we found that through labour, the working class produced more than enough to cover the costs of reproducing its own labour power. The amount of time which it takes to reproduce the value of labour power, we discovered, was called necessary labour time: that is, the emount of time socially necessary to produce the value of those goods necessary to maintain the worker. That time in which surplus value (the basis of capitalist profit) is produced we called surplus labour time. Diagramatically, this was shown in the

following way:

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time	in which working cles	s time in which
produ	ces value of its	surplus value
labou	ir power	produced

We concluded part 1 of this series by noting that

This, then, is the basis of capitalist profit: the capitalist class has the power to force the working class to work longer than is necessary to reproduce its own labour power. Having bought labour power at its value, the capitalist class is able to obtain actual labour for a period. longer than is necessary for the working class to reproduce itself. The value produced in this additional time, surplus labour time, is taken over by the capitalist class as surplus value, and this is the way in which capitalists exploit workers - they live off the profits From their labour. Exploitation is thus a relationship involving the taking over of the value produced by the working class during surplus labour time. (WIP 19:29).

TWO IMPORTANT SOCIAL RELATIONS

IN trying to understand the way societies function - finding out what the most important aspects and processes are - we have to look at relations, rather than things or objects. It is not, for example, machines or tools which exploit workers and thus form the basis of conflict in society. Rather, it is the relations which exist between workers, tools and machinery, and capitalists, which allow us to understand yet another relation - that of exploitation.

In this part of our series, we are going to look at two very important social relations which form the basis of the capitalist economy. They are

- the relationship of classes to the means of production; and
- 2) the ways in which the capitalist class attempts

to obtain more surplus value from the working class, is the different ways in which the degree of exploitation is increased.

THE RELATION OF CLASSES TO THE MEANS OF PRODUCTION

EARLIER, we noted that the capitalist class had the <u>power</u> to force the working class to work longer than is necessary to reproduce its own labour power. But what is the basis of this power? Why doesn't the working class just cease to produce value when it has produced sufficient for its own reproduction? If this happened, there would be no capitalist profit, and no exploitation.

necessary labour-time (N)	surplus labour-time (S)
value of labour-power	surplus value
produced	produced

produces	which wo value of	class	
labour p	ower		

Here, workers will only produce value during necessary labour time, and not work for the capitalist class during surplus labour time.

The basis of the capitalists' power to force workers to produce surplus value lies in its ownership of the means of production. As we explained in part 1 of this series, means of production refer to

on the one hand useful materials from natural sources: minerals, coal, petroleum, wood, water, etc: and on the other hand the instruments of production: tools, machinery and increasingly advanced equipment which makes it possible to extract or harvest useful natural materials, and then to transport and industrially transform them. (Jaleé, quoted in WIP 19:28). The capitalist class owns the means of production, while the working class owns nothing but its labour power, or capacity to work; this capacity to work is sold to the capitalists for a wage, which is necessary for the continued survival of the workers.

The working class, the direct producers, are thus separated from the means of production, which are owned by the non-producing capitalist class. (Direct producers are not separated from the means of production in all types of societies. For example, in feudal society the direct producers had control over a piece of land, seed and the tools necessary to cultivate the land; and in advanced socialist societies the direct producers control both the means of production, and the way the surplus they produce is allocated).

The working class owns nothing but its labour power. If workers owned land, or factories and machinery, they would not be forced to sell their labour power to the capitalist class in return for a wage. But because the working class is separated from the means of production, and has nothing to sell but its capacity to work, the owners of the means of production have a basis of power over workers. For if workers refused to produce surplus value, if they worked only for that period of time necessary to reproduce themselves, the capitalist class could stop employing them, and refuse to buy their labour power. For the capitalist class this may involve a temporary drop in profits; for the working class, with no ownership or control over any means of production, starvation and death face them and their families.

We can thus see why the relationship to the means of production is such an important relation in society: for the capitalist class,

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its ownership of the means of production is a basis of power; for the working class, its separation from any means of production causes weakness and dependence on the capitalist class.

This important social relation is also one of the ways in which one identifies classes: the non-producing capitalist class has a relationship of ownership and control over the means of production;

the producing working class has a relation of separation from the means of production. Those who own the means of production have power over those who do not. They also have the power to decide how the means of production are put into use, and how the products made are distributed. Thus, ownership of the means of production is a power relation which enables the owners to decide what is produced, how it is produced, and how any surplus produced is distributed.

DIFFERENT MECHANISMS OF EXPLOITATION

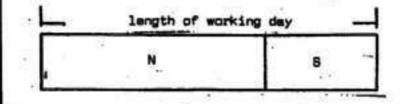
AS explained in part T of this series, value is produced during the length of the working day. However, the working day is itself divided into 2 sections: during the one, the working class produces the value of its wages; and during the other, surplus value is produced.

time in which working class	surplus value
produces value of its wages	produced

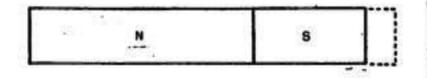
In order to generate more and more profit, the capitalist class has to change the relationship between necessary and surplus labour time, continually attempting to increase surplus labour time (5) relative to necessary labour time (N). The relationshop between N and S indicates the degree or rate of exploitation of workers; in other words it is an indication of the arount of surplus labour relative to necessary labour which the capitalist class is extracting from workers.

The way in which the relationship of N to S is changed, is the different ways in which the capitalist class attempts to increase surplus value, is the second important relation to be examined in this part of our series.

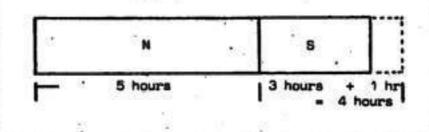
If we return to our diagram representing the working day



we can see that one way of increasing surplus labour time (S) is to simply increase the length of the working day.



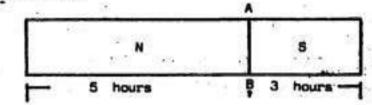
Thus, for example, if the working day is initially 8 hours, divided into 5 hours necessary labour time, and 3 hours surplus labour time, and the capitalist class is strong enough to force an extra hour of work from the workers, then the length of the working day becomes 9 hours, divided as follows:



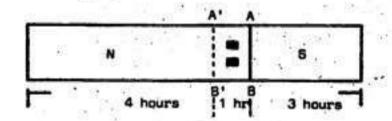
This mechanism of increasing the rate of exploitation and surplus value involves lengthening the working day <u>absolutely</u>, and is accordingly called the production of <u>absolute surplus value</u>.

But one can see another way of changing the relationship of necessary to surplus labour time without actually changing the length of the working day: this involves a change in the divisions within the working day.

In the above example, the length of the working day was increased from 8 to 9 hours. Let us now presume that it remains constant at 8 hours:



The line dividing the working day into surplus and necessary labour time (A-B) can be moved, thus changing the relative division of the working day:



In this case, necessary labour time is cut down in relation to surplus labour time, thus giving the capitalist a greater rate ofexploitation, and more surplus value.

But how can this be done? How can the labour time <u>necessary</u> to produce the value of the wage be cut down on? In part 1 of this series, we explained that the exchange value of labour power (is the value of the wage) represented what was <u>socially</u> necessary to survive. We then went on to note that what is needed to survive is not constant, but changes in different circumstances. If the working class is strong and organised, it may be able to increase what is considered to be sufficient to live on; if the workers are weak and . disorganised, the capitalists are able to lower the average survival consumption of workers. (WIP 19:27).

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Thus, the power of the capitalist class may, at certain stages, be such that it actually reduces what is considered socially necessary for working class survival, and depresses the level of working class consumption. In practical terms, this means that workers eat less, and that the quality of what they eat is poorer; the quality of housing and clothing may decline, there will be less money available for health care, schooling, etc. This sort of process is detailed in WIP 17 under the general title Inflation and the Working Class. In the section on falling wages, it is shown how the standard of living of workers is actually falling in South Africa, and that what is considered to be 'socially necessary' for survival is declining for at least some sections of the working class. (see WIP 17:26).

Because, in this general example, surplus labour time is being increased <u>relative</u> to necessary labour time (rather than absolutely, as in our first example), this is called the production of <u>relative</u> surplus value. In the one case, the division between surplus and necessary labour time is changed absolutely, by lengthening the working day; in the other, it is the internal divisions of the working day which are changed relative to each other.

There are other ways of producing relative surplus value, epart from the one described above. At this stage they need not be dealt with in any detail, although we will be returning to this question in part 3 of the series.

What is important at this stage is to realise that the way in which the capitalist class attempts to increase the amount of surplus value it takes over (appropriates) from the working class is a very important social relation in society. A society in which absolute surplus value (lengthening the working day) is the major way of appropriating surplus value will in some ways be different from a society in which relative surplus value is more important. In other words, the way in which surplus value is appropriated (taken over) by the capitalist class is an important social relation, necessary to understand in analysing society. For example, if the capitalist class is cutting back on working class consumption, is lessening necessary labour time relative to surplus labour time, the level of repression is going to be very high in that society. A certain degree of force and violence will be used by the ruling class to enforce a cut back on what is considered socially necessary to survive.

The importance of this will become clearer in part 3 of this series on political economy, when we come to look at some on the ways in which the capitalist class has appropriated surplus value in the development of South African capitalism. This is one of the keys to understanding segregation and the migrant labour system, as well as institutions like hostels, compounds and townships.

CONCLUSION

IN this section, we have seen that social relations, rather than things or peoples' intentions or ideas, are a key to understanding, how spciety works. We considered two very important sets of social relations:

1) the relationship of the capitalist and

working class to the means of production. Here we discovered that the capitalist's ownership of the means of production was an important basis of power. This power allowed them to force the working class to produce surplus value, to decide what is to be produced, how it is to be produced, and how the surplus is distributed.

2) the different ways in which the production of surplus value is increased is also a key social relationship. In this article, we distinguished between the production of <u>absolute</u> surplus value, and <u>relative</u> surplus value. The way in which surplus value is produced and appropriated is very important in understanding why there are different forms of capitalist society.

In the next part of this series on political economy, we will look at some of the specific ways in which the capitalist class has increased its rate of surplus value appropriation (exploitation) in South Africe, and how these mechanisms explain some of the features of a racially segregated society initially based on a system of migrant labour.



GM