

Towards an African Wage Series

Martine Mariotti

Research School of Economics

Australian National University

And

Department of Economics

Stellenbosch University

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As is well known, any economic analysis on the apartheid era relies heavily on anecdotal evidence, the evidence provided by various commissions, highly aggregated data, data from small studies and various surveys conducted by the Central Statistical Service that exist for a time and are then discontinued. While these different sources serve to give us a pretty clear picture of the social and economic circumstances of Africans, it would still be instructive to know more accurately how the economic circumstances of the African population changed over the twentieth century.

Furthermore, much of the available data exists only in hard copy and researchers first have to digitise any data before being able to analyse it. To that end I think it is time to begin a project collecting and digitising African wages across a number of sectors in the economy and especially for different job types. The following is a brief overview of some of the possible sources of data. The list is by no means comprehensive.

Mining

For the mining industry, there is annual data on wage rates for different skill levels for African workers. Francis Wilson (1972) makes extensive use of this data from government

reports as well as the Chamber of Mines Annual Reports. Hiring in mining was organised through a recruiting agency, the Witwatersrand Native labour Association (WNLA) for Southern Africa and the Native Recruiting Corporation (NRC) for South Africa. Through this recruiter, the entire industry was able to set one wage and in effect acted as a monopsonist. By forcing mines to work through the recruiter, mining wages were kept low due to the lack of competition for workers. This makes data collection substantially easier than for other sectors of the economy.

Manufacturing

However, for agriculture, manufacturing and services the information on wages is less clear. Wilson and Ramphela (1989) note that the manufacturing industry paid substantially higher wages than mining but to the best of my knowledge we do not have disaggregated information on those wages. We do have the manufacturing census which has wages paid to African workers. In my own work (Mariotti 2012) I have broken down that wage series into wages paid to production workers and wages paid to clerical workers but given that the majority of African workers was employed in production work this does not really expand our knowledge substantially (see figure 1).

So how do we do this?

I think we need to start by collecting together a database of wage information. Where would it come from? One place to start is with the industrial agreements between workers and industry subject to the Industrial Conciliation Acts which are recorded in the Government Gazettes. The agreements record the wage rates agreed upon for specific jobs within various industries. The challenge is to pin down which wage rates apply to Africans and which do not as the agreements are not specifically racial in nature. This should be feasible because Africans were prevented from union membership and the agreements record which tasks in

an industry were unionised and which were not. Incidentally this will also give us a clearer picture on the implementation of job reservation and the flotation of the job “Colour Bar”.

There are also a few publications that the Central Statistical Service on labour statistics recording the wages paid for different jobs in a few selected industries, the printing and newspaper industry comes to mind. The data series I recall has a list of jobs and race groups doing those jobs and the wage rates paid to each group. That data is extremely valuable because it actually records what whites, coloureds and Asians received for doing the same job. Again, as best I can recall, Africans were not classified as doing the same jobs as the other three race groups so it is not feasible to do a clear comparison there.

I am also interested in detailing the evolution of job reservation coupled with wages. In the negotiation of the industrial agreements for manufacturing noted above, each time the agreement was renegotiated with the unions, the job categories were open to racial reclassification and therefore also to changes in the wage rates, usually a decrease if the job was opened up to African workers (see Horrell 1969)

Agriculture

Agricultural and mining wages are related in the sense that the two industries attempted to compete for the same workers. Although agricultural employers were able to set wages more independently than mines, wage rates in agriculture remained low primarily because of the restrictions on the mobility of African workers. Since they were not able to relocate in search of higher wages they were forced to accept whatever rural wages were on offer. To the best of my knowledge aggregate wages paid in agriculture are available in statistical yearbooks as well as payments in kind which may make up a crucial component of what was received by African farm workers.

In many cases farm workers were able to squat on a white farmer’s land and to cultivate a small piece of land for their own consumption. The food produced in this way also

needs to be taken account of in understanding farm worker earnings. This by no means implies that farm work was lucrative, I am merely pointing out some of the challenges involved in calculating a wage series. I value your input in clarifying possible data sources for this sector

Services

African workers were employed in domestic service, retail trade, teaching and nursing amongst other services. Since teaching and nursing specifically were government jobs, am I naive in thinking that information on their wages throughout the apartheid period ought to be on record somewhere? This information might be more complicated for retail workers such as sales assistants, petrol pump attendants and others since, as for manufacturing, these jobs were not unionised until late in the apartheid period. If these jobs fall under general industrial agreements then we may be able to gain some insight into the wage levels in this sector.

An even greater challenge will be to calculate a wage series for domestic work. The Bureau of Market Research (BMR) at the University of South Africa has several publications that contain information on wages for certain jobs in many different geographic locations (Wilson and Ramphela 1989). While these studies are not always at a national level they ought nevertheless to be extremely useful in providing some record of the wage rates paid in otherwise undocumented sectors.

Of what use is such wage data?

The historical contribution of information on wages needs little further discussion. At present we have an incomplete historical record of African circumstances during apartheid. A clearer picture of wage patterns would contribute towards closing that gap.

It is not for me to say what economists with an interest in the apartheid period ought to do with more accurate information on African wage rates in the twentieth century, particularly during apartheid. This talk is intended to serve as a call to arms if you will and an

attempt to start a dialogue on research opportunities once we have this data in a useable format.

I see the collection and interpretation of wage data as bringing clarity to the discussion of the apartheid labour market. Personally I would like to see some analysis on wage rates and their relationship to labour supply and labour demand. Porter and Lundahl have constructed models where they try to understand how the apartheid economy worked. I believe it would be useful to test their models with data on wages and employment. With the benefit of hindsight I think we ought to be able to model the African labour market more clearly and wage data is crucial in developing this understanding. At present it is challenging to try to understand African labour market participation decisions during apartheid under the various restrictions on mobility and employment. It is hard to separate the supply and demand decisions when we know very little about the details of wage changes in the 1970s for example.

I also think we need a picture of wages before the end of apartheid to build continuity in our economic analysis between apartheid and the post apartheid era. Too often the end of apartheid is treated as a structural break by assumption possibly because of a lack of data. It is important to test whether, in an economic sense, 1994 is actually a structural break or not. We already know that transformation was taking place in the manufacturing labour market by the 1970s both in terms of the jobs open to Africans and the wages paid (see figure 2). What else can we learn from a deeper analysis of the apartheid era labour market?

I acknowledge, of course, that knowledge of wage rates paid in the formal sector in South Africa leaves much else unknown, for instance incomes from informal work as well as incomes from employment in the former homelands which accounted for a substantial proportion of the African population. However, it is a start.

Possible Data Sources

Central Statistical Service:

- Manufacturing Census
- Agricultural Year Book (?)
- Special reports on sectors e.g. Labour Statistics in the Motor Industry
- Statistical Year Books
- Union Statistics for 50 Years

Chamber of Mines Annual Report

Department of Mines, Annual Report of the Government Mining Engineer

TEBA Archives

Bureau of Market Research, Unisa

Institute of Race Relations, Annual Surveys and Special Reports

Industrial Agreements, Government Gazettes

Department of Agriculture and Forestry

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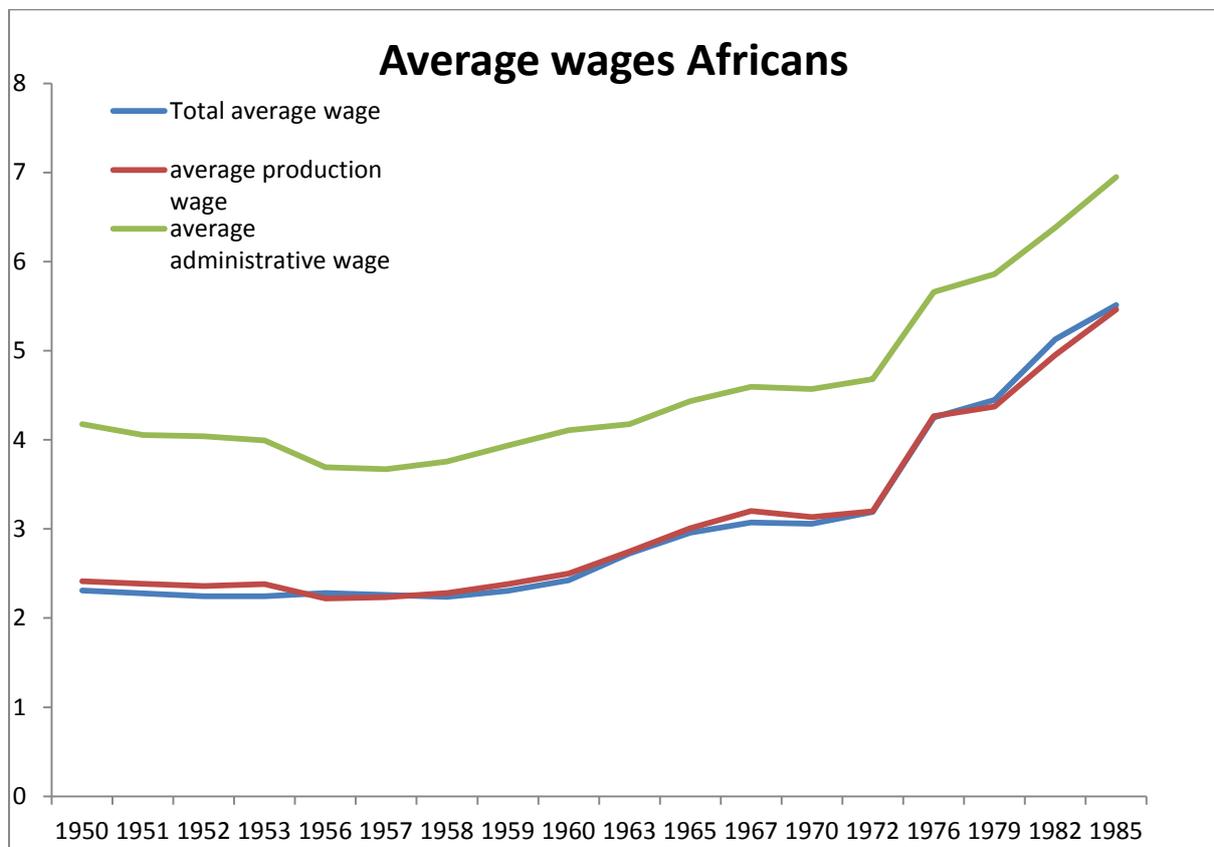
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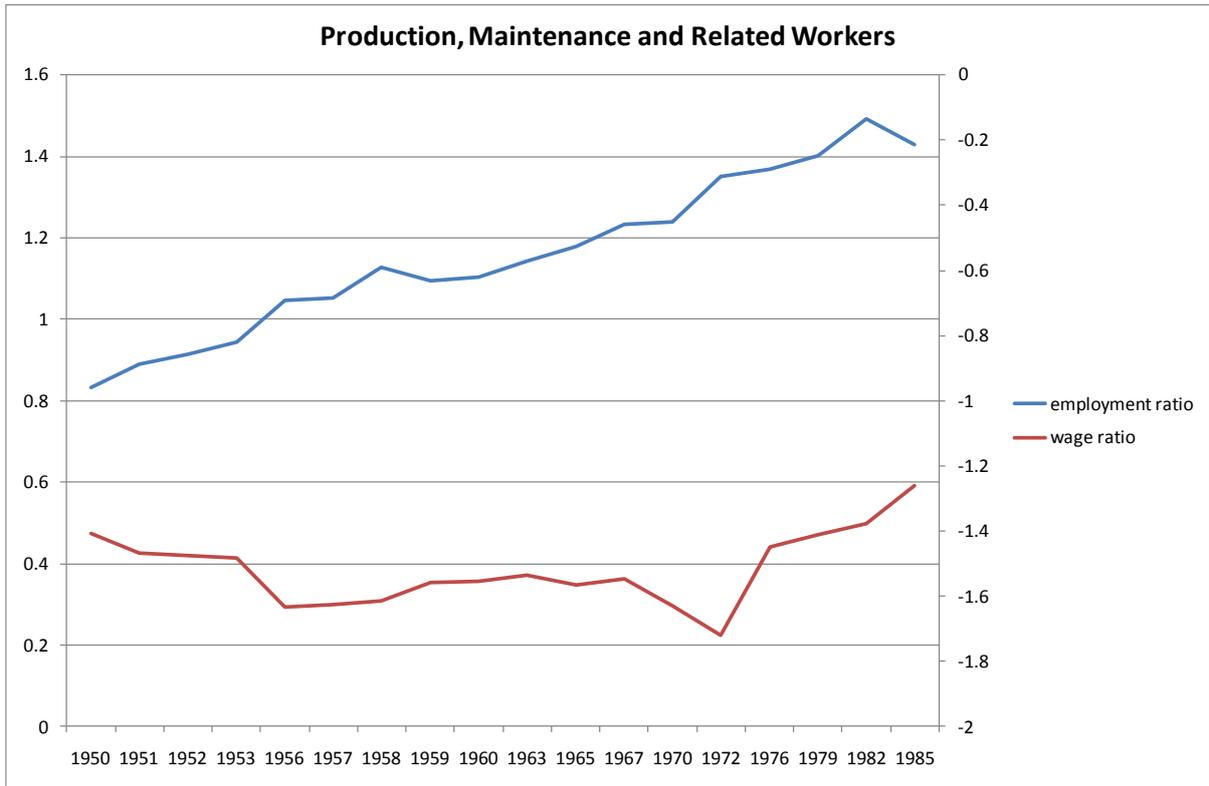
Figures

Figure 1



Source: Mariotti (2012b)

Figure 2



Source: Mariotti (2012b)