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Working in and towards Poverty: A Reflection on the Wage Issue and In-Work Poverty in South Africa

Lorrane Mukondi Nesongozhe, Mashudu Monica Mulaudzi *

Abstract: This paper explores the issue of in-work poverty and the gender wage gap in South Africa, particularly focusing on the challenges faced by women in the workforce. The purpose of this study is to analysis the impact of the minimum wage on female employees and in-work poverty. Despite being employed, women are more likely to live in poverty compared to men due to factors such as undervaluation of women's work, occupational segregation, and the prevalence of low-wage and informal employment.

Keywords: *In-work poverty; minimum wage; wage gap; occupational segregation.*

1. Introduction

The phenomenon of in-work poverty, also known as working poverty, is growing drastically globally. In South Africa, there is a significant wage gap issue identified which could possibly contribute to in-work poverty. The National Minimum Wage Act 9 of 2018 was implemented with the aim of improving working conditions and reducing poverty among employees, particularly those who are most vulnerable. Despite the enactment of the National Minimum Wage Act, in-work poverty remains a pervasive issue that affects individuals and families around in South Africa. In-work poverty is particularly pronounced, with many employees struggling to make ends meet despite being employed. South Africa, as one of the largest economies in Africa, is not exempt from this issue. In-

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work poverty may be defined as a situation where individuals who are employed do not earn enough income to lift themselves or their families above the poverty line.¹

To truly understand the gravity of in-work poverty in South Africa, it is essential to consider the broader socioeconomic context of the country. Despite numerous advancements since the end of apartheid, South Africa remains plagued by income inequality, unemployment, and a lack of inclusive economic growth. These factors have contributed to persistent poverty and limited social mobility, trapping employees in precarious financial situations.

This article will examine the impact of the national minimum wage on in-work poverty in South Africa. It will provide an overview of in-work poverty in the country, discuss the key features of the national minimum wage policy, identify factors contributing to in-work poverty, present empirical evidence on its impact, explore critiques and challenges related to its implementation for employees, evaluate its effectiveness based on evidence presented, and propose necessary adjustments or complementary policies.

2. In-Work Poverty in South Africa

The ILO developed the concept of working poverty referring to employees who work but do not earn enough to lift themselves and their families above the US\$1 or 2 a day poverty line.² The working poor can be interpreted as a first approximation of people who work in the informal economy with very low earnings. It is important to note that, by definition, a person is counted as working poor only if that person is unable to lift himself or herself and his or her family above the poverty threshold.³ This means that somebody who earns only 50 cents a day would not be considered as working poor if somebody else in the family earns enough to make sure that each family member lives on more than US\$1 a day. Conversely, somebody might earn as much as, for example, US\$5 a day but with a family consisting of, say, 10 members (9 of them not working) each member would be living on less than US\$1 a day. Such a person would still be counted as working poor. Finally, including the

¹ N. Gündoğan, M. Kemal Biçerli and U. Aydın, *The Working Poor: A Comparative Analysis*, Munich Personal RePEc Archive 2005, 5096, p 2.

² World Employment Report 2004-05, *Employment, productivity and poverty reduction* Geneva, ILO, 2005, pp 26 – 27.

³ World Employment Report 2004-05, *Employment, productivity and poverty reduction* Geneva, ILO, 2005, pp 26 – 27.

whole family in the concept of working poverty ensures that a rich young person in the developing world who has just started work life and works without remuneration in order to gain work experience is not considered to be working poor.⁴

Unlike many other countries, South Africa is different because of its history of Apartheid, in which race-based policies resulted in vastly inferior education and labour market opportunities for African, Coloured and Asian/Indian individuals.⁵ Policies such as, the Industrial Conciliation Act No 11 of 1994, resulted in exceptionally high levels of poverty and inequality constructed along racial lines at the time of the transition to democracy in 1994, motivating the newly elected democratic government to make poverty alleviation a key focus of economic policy.⁶

As a result of such policies, one of the main causes of in-work poverty in South Africa is the inadequate wages paid to many employees. The minimum wage in the country is often insufficient to meet basic needs, leaving employees struggling to afford food, housing, education, and healthcare. This is particularly true for those working in informal sectors, such as domestic work, which make up a significant portion of the workforce. Additionally, women and vulnerable groups, such as migrants and the disabled, are more likely to be affected by in-work poverty, highlighting the intersectionality of this issue.⁷ In-work poverty considers factors such as income levels, household composition, and living expenses.⁸ Data indicates that females constitute a significant portion of those affected by in-work poverty.⁹ Female employees often face unique

⁴ World Employment Report 2004-05, *Employment, productivity and poverty reduction* Geneva, ILO, 2005, pp 26 – 27.

⁵ K. Lilenstein, I. Woolard and M. Leibbrandt, *In-Work Poverty in South Africa: The Impact of Income Sharing in the Presence of High Unemployment*, Southern Africa Labour and Development Research Unit, University of Cape Town, 2016, p 1.

⁶ K. Lilenstein, I. Woolard and M. Leibbrandt, *In-Work Poverty in South Africa: The Impact of Income Sharing in the Presence of High Unemployment*, Southern Africa Labour and Development Research Unit, University of Cape Town, 2016, p1.

⁷ H. Bhorat, A Lilenstein and B Stanwix, *The Impact of the National Minimum Wage in South Africa: Early Quantitative Evidence*, Development Policy Research Unit (DPRU), University of Cape Town, 2020, p 3.

⁸ G. Murwirapachena, K. Sibanda, *Exploring the Incidents Of Strikes In Post-Apartheid South Africa*, International Business & Economics Research Journal (IBER), 2014, vol. 13, no. 3, p 556.

⁹ H. Kabir, M. Maple, M.D. Islam, K. Usher, *The Paradoxical Impacts of the Minimum Wage Implementation on Ready-made Garment (RMG) Workers: A Qualitative Study*, The Indian Journal of Labour Economics, 2022, vol. 65 no.2, pp 545–569.

challenges when it comes to in-work poverty due to various factors such as gender discrimination and unequal pay.¹⁰

Another contributing factor to in-work poverty is the prevalence of low-skilled jobs. Many individuals find themselves trapped in low-paying jobs due to limited access to quality education and skills development opportunities.¹¹ This perpetuates a cycle of poverty, as these employees are unable to secure better-paying positions or advance within their industries. The lack of upward mobility exacerbates the problem and limits the potential for economic growth at both the individual and national levels.¹²

High unemployment rate is also a major contributes factor to in-work poverty. South Africa has struggled with high levels of unemployment for years, particularly among the youth. This leads to intense competition for available jobs, driving down wages and leaving many employees economically vulnerable. When jobs are scarce, employees are often more willing to accept lower wages and poor working conditions due to the fear of being unemployed. This not only perpetuates in-work poverty but also deepens social inequalities.¹³

To address this issue effectively, it is crucial to implement policies that promote fair wages, improve education and skills training, and support the growth of higher-paying sectors. By taking a comprehensive approach, South Africa can create a more inclusive society where individuals are not trapped in poverty despite being employed.

3. Minimum Wage in South Africa

Approximately 90% of the 187 member states of the ILO have implemented some form of minimum wage system. There is a wide variety of minimum wage systems in different countries; some are derived from a single national minimum wage, while others are based on sectoral

¹⁰ S. Neunsinger, *Translocal Activism and the Implementation of Equal Remuneration for Men and Women: The Case of the South African Textile Industry, 1980–1987*, *International Review of Social History*, 2019, vol. 64, no. 1, pp 37–72.

¹¹ H. Borat, A Lilenstein and B Stanwix, *The Impact of the National Minimum Wage in South Africa: Early Quantitative Evidence*, Development Policy Research Unit (DPRU), University of Cape Town, 2020, p 3.

¹² H. Borat, A Lilenstein and B Stanwix, *The Impact of the National Minimum Wage in South Africa: Early Quantitative Evidence*, Development Policy Research Unit (DPRU), University of Cape Town, 2020, p 3.

¹³ H. Borat, A Lilenstein and B Stanwix, *The Impact of the National Minimum Wage in South Africa: Early Quantitative Evidence*, Development Policy Research Unit (DPRU), University of Cape Town, 2020, p 3.

wages.¹⁴ Setting a minimum wage in South Africa has not been easy, post-apartheid, there has been little improvements in poverty levels and inequality levels have exacerbated. Furthermore, South Africa has been experiencing weak economic growth.¹⁵

The National Minimum Wage Act No 9 of 2018 was introduced in South Africa in 2018, with the objective of reducing wage inequality and improving the standard of living for low-income employees. The minimum wage is currently set at R 25,42 South African per hour, which is equivalent to approximately \$1.40. Arguably the outcry of the increase in Bantu wages resonates with the modern-day, outcry of an increase in the ‘minimum wages.’ This is because a large number of African employees are still located in industries that require low skills. Unfortunately, in the 1950’s the government was against the notion of minimum wages because the economy would not supposedly bear the burden. Among the reasons against the increase in the Bantu wages were difficulty in implementation especially for the agricultural sector, infant industries and the increase in Bantu wages would also increase European wages and other reasons. Dating from the 1950’s:

‘Mrs. de Gruchy places the minimum requirements of a family of five at R48.32 a month and finds the average actual amount spent in December 1956 and January 1957 to have been R41.00, giving an average shortfall, at that time, of R7.32. In Pretoria “the minimum financial requirement of households of five in different positions ranged from R33.54 to R42.99, whereas the average amount spent was R39.47, which resulted in a shortfall of R3.52 per month at the one end and a surplus of R5.93 at the other.’¹⁶

The introduction of the National Minimum Wage Act aimed at addressing these issues by setting a legal floor for wages. The National Minimum Wage Act established a single mandatory minimum wage for all sectors of employment in South Africa.¹⁷ Its objective was not only to improve

¹⁴ Global Wage Report 2020–21: *Wages and minimum wages in the time of COVID-19* International Labour Office – Geneva: ILO, 2020, p 6.

¹⁵ M. Leibbrandt, I. Woolard, H. McEwen, and C. Koep, *Employment and Inequality Outcomes in South Africa*. Southern African Labour and Development Research Unit(SALDRU) and the School of Economics, University of Cape Town, Western Cape, 2010, p 21.

¹⁶ J. Lazer, *Conformity and Conflict: Afrikaner Nationalist Politics in South Africa: 1948-1961*, Balliol College Oxford University Michaelmas Term, 1987, 387 chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.sahistory.org.za/sites/default/files/file%20uploads%20/conformity_and_conflict_afrikaner_nationalist_politics_in_south_africa_by_john_lazar_1948_-_1961.pdf (accessed July 3, 2023).

¹⁷ National Minimum Wage Act No 9 of 2018 Preamble.

working conditions but also to reduce inequality and alleviate poverty among employees.¹⁸ By examining its impact specifically on female employees, we can gain insights into whether this policy has been effective in combating in-work poverty.

The implementation of a national minimum wage policy is driven by several rationales such as reducing income inequality and protecting vulnerable employees from exploitation.¹⁹ In South Africa specifically, the National Minimum Wage Act aims to address long-standing disparities and improve living standards for all employees. Research has shown that women in South Africa are disproportionately affected by poverty, with higher rates of unemployment and lower wages compared to their male counterparts.²⁰ The implementation of the national minimum wage act has the potential to alleviate this disparity by ensuring a baseline level of income for female employees.

The implementation of the national minimum wage act has had both positive and negative effects employees. On one hand, it has provided them with increased bargaining power and protection against exploitative labor practices.²¹ By setting a standardized minimum wage across sectors, women are less likely to be subjected to discriminatory pay practices based on their gender. Additionally, higher wages can help lift women out of poverty or prevent them from falling into it.

However, there are also concerns that the national minimum wage may have unintended consequences that exacerbate rather than alleviate in-work poverty. For example, some argue that higher labour costs resulting from the minimum wage may lead to job losses or reduced working hours, particularly in industries that heavily rely on low-skilled labor.²² This could potentially worsen the economic situation for employees and

¹⁸ T.Y. Chitaka, T. Moyo, K. Gihring, and C. Schenck, *The myth of livelihoods through urban mining: The case of e-waste pickers in Cape Town*, South African Journal of Science, 2022, Vol 118, p 5.

¹⁹ R. Rosiński R, *The minimum wage in the national economy: reasons and changes in Poland*, *Ekonomia i Prawo*, 2021 20(2), pp 426 - 427.

²⁰ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, p 68.

²¹ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, p 75.

²² H. Borat, R. Kanbur and N. Mayet, *The impact of sectoral minimum wage laws on employment, wages, and hours of work in South Africa*, *IZA Journal of Labor & Development*, 2013, vol. 2 no. 1, p. 22. Earlier studies had suggested that minimum wages do not affect employment. However, Borate *et al* proved that they do. Also see T. Hertz, *Have Minimum Wages Benefited South Africa's Domestic Service Workers?*, Development Policy Research Unit (DPRU), University of Cape Town, Working Paper 05/99, p.8.

their families, pushing them further into poverty.²³ The impact of minimum wage laws, may result in employers reducing employees working hours per day in order to pay the higher wages specified by the Minimum Wage Act, or to comply with the maximum number of weekly hours set out by the respective sectoral law.²⁴

The overall impact of the National Minimum Wage Act on in-work poverty in South Africa is complex and multifaceted. While it has undoubtedly improved the wages and working conditions of many employees, there are limitations to its effectiveness. For instance, the act does not cover informal sector employees who make up a significant portion of the workforce in South Africa.²⁵ This means that a substantial number of individuals continue to struggle with low incomes and inadequate social protection.

When comparing South Africa's approach to addressing in-work poverty with European policies, similarities and differences arise. Both regions recognize the need for minimum wages to combat poverty among employees. However, European countries often have more comprehensive social welfare systems that provide additional support to low-income individuals and families.²⁶ This highlights the importance of considering complementary policies alongside minimum wage legislation.²⁷

Case studies and examples from South Africa and Europe can provide valuable insights into successful initiatives implemented to combat in-work poverty. For instance, programs that combine minimum wage legislation with targeted social assistance measures have shown promising results in reducing poverty rates among employees.²⁸ By analyzing these

²³ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, p 77.

²⁴ H. Bhorat, R. Kanbur and N. Mayet, *The impact of sectoral minimum wage laws on employment, wages, and hours of work in South Africa*, *IZA Journal of Labor & Development*, 2013, vol. 2 no. 1, p. 20.

²⁵ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, p 77.

²⁶ S. Neunsinger, *Translocal Activism and the Implementation of Equal Remuneration for Men and Women: The Case of the South African Textile Industry, 1980–1987*, *International Review of Social History*, Sweden, 2019, vol. 64 no. 1, p 47

²⁷ S. Neunsinger, *Translocal Activism and the Implementation of Equal Remuneration for Men and Women: The Case of the South African Textile Industry, 1980–1987*, *International Review of Social History*, Sweden, 2019, vol. 64 no. 1, p 63.

²⁸S. Neunsinger, *Translocal Activism and the Implementation of Equal Remuneration for Men and Women: The Case of the South African Textile Industry, 1980–1987*, *International Review of Social History*, Sweden, 2019, vol. 64 no. 1, p 63.

experiences, policymakers can learn valuable lessons about the design and implementation of effective interventions.

The National Minimum Wage Act has had a significant impact on employees' experience of in-work poverty in South Africa. While it has provided some protections and improved wages, there are also concerns about potential unintended consequences. To address this issue comprehensively, it is essential to consider complementary policies such as social welfare programs and skill development initiatives. By learning from both South African and European experiences, policymakers can develop more effective strategies for combating in-work poverty among female employees. Ongoing efforts are crucial to ensure that progress continues to be made towards reducing inequality and improving the livelihoods of all employees.

On the one hand, the National Minimum Wage Act has led to improvements in wages for many employees who were previously earning below subsistence levels. On the other hand, it has not completely eradicated in-work poverty among females due to various factors such as gender discrimination and limited access to education or skills development. While the National Minimum Wage Act plays a crucial role in addressing in-work poverty, it is important to acknowledge that other factors contribute to employees' economic vulnerability.

Empirical studies, provided below, have provided insights into the actual impact of the national minimum wage policy on employees' income levels and poverty rates. These studies have shown mixed results, indicating that while some employees have experienced improvements in their economic well-being, others continue to face challenges.

The implementation of the National Minimum Wage Act in South Africa was a step in the right direction; however, this has come with its own challenges resulting in step backs. Some of the challenges faced include employers' financial constraints, exemptions, non-compliance, and employees' fears and lack of bargaining power.²⁹ Where employers do not comply with the National Minimum Wage Act, little has been done to enforce compliance. This has resulted in a casual nature of employment developing in the informal sector resulting in employee's reluctance to litigate against employers for poor wages, and the fear of speaking out or facing victimization.³⁰ In effort to enforce compliance, the Department of Employment and Labour in South Africa launched a hotline where

²⁹ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, pp 72 - 79.

³⁰ R.S Masango, *Factors that Negatively Affect the Implementation of the National Minimum Wage in South Africa*, *Administratio Publica* 68, 2020, vol. 28 no. 1, pp 72 - 79.

employees can report cases of non-compliance relating to the national minimum wage without any cost.³¹ However, this remains ineffective. Poverty is rife in South Africa and many South Africans live below the breadline. The situation becomes dire when poverty is coupled with low wages. Due to the desperation arising from inadequate wages, individuals often accept almost any type of employment irrespective of the wage, to survive, thus being a major setback in fight in-work poverty.

4. Gender Wage Gap in South Africa

The gender wage gap is a persistent issue across the globe and South Africa is no exception. Despite constitutional guarantees of equality, women in South Africa continue to face significant disparities in wages compared to their male counterparts. This wage gap not only undermines the principles of gender equality but also hampers economic growth and social progress.³²

The gender wage gap in South Africa has roots in historic inequalities and discriminatory labour practices, which continue to influence the present-day labour market dynamics. During apartheid, women were segregated into low-skilled, low-paying jobs, perpetuating gender disparities in wages. Understanding this historical context is crucial to comprehending the complexity of the gender wage gap and in-work poverty in South Africa.³³ The gender wage gap refers to the disparity in earnings between male and female employees, often resulting from gender-based discrimination and unequal opportunities. In South Africa, despite significant progress in gender equality, women continue to face economic disadvantages in the labor market. According to a report by the ILO, South Africa has one of the highest gender wage gaps in the world.³⁴ Data from Statistics South Africa reveals that women earn, on average, 30% less than their male

³¹ R. Brothwell, *Government launches new hotline to report South Africans that don't pay minimum wage*, 2020, <https://businesstech.co.za/news/business/378487/government-launches-new-hotline-to-report-south-africans-that-dont-pay-minimum-wage/> (accessed May 7, 2024).

³² H. Bhorat, and S. Goga, *The Gender Wage Gap in Post-apartheid South Africa: A Reexamination*, *Journal of African Economies*, (2013), vol. 22 no. 5, p 827.

³³ H. Bhorat, and S. Goga, *The Gender Wage Gap in Post-apartheid South Africa: A Reexamination*, *Journal of African Economies*, (2013), vol. 22 no. 5, p 828.

³⁴ Global Wage Report 2018/19: What lies behind gender pay gaps International Labour Office – Geneva: ILO, 2018, p 14.

counterparts.³⁵ This wage gap reflects both direct wage discrimination and the concentration of women in lower-paying occupations.

One of the primary factors contributing to the gender wage gap in South Africa is occupational segregation. Women are often concentrated in low-paying sectors, such as domestic work, retail, and childcare, where wages are considerably lower than in sectors dominated by men. Patriarchal norms and perceptions of gender roles play a significant role in perpetuating this occupational segregation, as women are often discouraged or limited in pursuing careers in male-dominated fields. Furthermore, the lack of affordable and accessible childcare facilities places an additional burden on women, limiting their ability to fully participate in higher-paying jobs.

The domestic work sector in South Africa, is female dominated. Prior to the introduction to a national minimum wage, domestic workers were struggling to make ends meet despite being employed, and that is still a reality currently. The introduction of the National Minimum Wage Act also saw the introduction of the Sectoral Determination 7 of the Basic Condition of Employment Act³⁶ that regulate the sector as an occupation.³⁷ The Unemployment Insurance Act 64 of 2001 as well as the Unemployment Insurance Contributions Act 4 of 2002 were put in place in order to pass the responsibility to the employer of the domestic worker by registering for the Unemployment Insurance Fund at the Department of Labour.³⁸ Despite these regulation put in place, non-compliance with these policies become persistent thus, living conditions for individuals in this sector continue to be dire. This is an indication that policies and regulations put in place to eradicate working poverty has proven to be insufficient in bettering the standard of living for individuals in this sector.³⁹

Another contributory factor is the disparity in access to education and skills development. While South Africa has made significant progress in reducing gender disparities in education, women still face barriers to pursuing higher education and acquiring the necessary skills for high-

³⁵ R. Maluleke, *Inequality Trends in South Africa: A multidimensional diagnostic of inequality* / Statistics South Africa 2019, p 62.

³⁶ Basic Condition of Employment Act 75 of 1997.

³⁷ L.L. Kubjana, *The Legal Protection of Domestic Workers in South Africa: A Square Peg it is (Into a Round Hole*, *Obiter*,2016, vol. 37 no. 3, p 558.

³⁸ L.L. Kubjana, *The Legal Protection of Domestic Workers in South Africa: A Square Peg it is (Into a Round Hole*, *Obiter*,2016, vol. 37 no. 3, p 558.

³⁹ L.L. Kubjana, *The Legal Protection of Domestic Workers in South Africa: A Square Peg it is (Into a Round Hole*, *Obiter*,2016 vol. 37 no. 3, p 558.

paying jobs. Limited access to quality education, as well as social and cultural norms that prioritize male education, leaves women at a disadvantage in the job market. This gap in education and skills perpetuates the wage disparity between men and women.⁴⁰

The consequences of the gender wage gap in South Africa are wide-ranging and severe. Firstly, it perpetuates gender inequality by reinforcing existing power imbalances and limiting women's economic autonomy. Women are often forced to rely on their male counterparts for financial support, undermining their ability to make independent decisions and perpetuating socio-economic disparities. Moreover, the gender wage gap hampers economic growth and productivity. Studies have shown that closing the wage gap and increasing women's participation in the labor force can boost GDP and overall societal well-being. By undervaluing the contributions of women, South Africa is not maximizing its economic potential.⁴¹

Addressing the gender wage gap requires a multifaceted approach. Firstly, there is a need for comprehensive legislation and policies to promote gender equality in the workplace. Enforcing stricter equal pay laws, providing incentives for companies to close the gap, and implementing gender quotas in leadership positions can help to level the playing field. Additionally, investing in quality education and skills development for girls and women is vital in breaking the cycle of inequality. This should include promoting access to science, technology, engineering, and mathematics (STEM) education, which are traditionally male-dominated fields with higher wages. Furthermore, strengthening the social protection system, including affordable childcare services, can support women in pursuing higher-paying jobs and reduce their disproportionate burden of unpaid care work.⁴²

The gender wage gap is a pressing issue in South Africa that requires immediate attention. Occupational segregation, limited access to education and skills development, as well as social and cultural norms, contribute to this disparity. The consequences are far-reaching, affecting not only women's economic empowerment but also hindering economic

⁴⁰ R. Maluleke, *Inequality Trends in South Africa: A multidimensional diagnostic of inequality* / Statistics South Africa 2019, p 10.

⁴¹D. Swanepoel, *Understanding Gender Inequality*” *Inclusive Society Institution*, <https://drive.google.com/file/d/1-4Y5klfjsYljdQ3qLkfqQZVYwLWAwTeM/view> (accessed June 20, 2023).

⁴² D. Swanepoel, *Understanding Gender Inequality*” *Inclusive Society Institution*, <https://drive.google.com/file/d/1-4Y5klfjsYljdQ3qLkfqQZVYwLWAwTeM/view> (accessed June 20, 2023).

growth.⁴³ Occupational segregation, where women are often concentrated in sectors that offer lower wages and limited career growth opportunities.⁴⁴ Additionally, gender stereotypes and biases in hiring and promotion processes further perpetuate wage disparities. Discrimination based on gender, race, and class intersect, creating heightened challenges for women of color and those from low-income backgrounds.⁴⁵

This segmentation solidifies gender pay disparities, trapping women in low-wage employment and contributing to in-work poverty. The gender wage gap has a profound impact on in-work poverty rates in South Africa. Women, who often earn less than men for the same work, are at a higher risk of falling below the poverty line.⁴⁶ Inadequate income levels affect not only women but also their families, perpetuating a cycle of poverty and deprivation. Various factors contribute to the persistence of the gender wage gap in South Africa. These include discrimination, lack of access to quality education and training, limited bargaining power, and inadequate work-life balance provisions.

The gender wage gap has severe consequences for women's economic well-being, leading to higher rates of in-work poverty. Women, who are more likely to be paid less for equal work, are disproportionately affected by in-work poverty. This perpetuates a cycle of economic vulnerability, limiting access to education, healthcare, and other essential resources. Furthermore, the gender wage gap has intergenerational implications, as children growing up in poverty face reduced opportunities for social mobility.

The gender wage gap and in-work poverty are intertwined phenomena that limit women's economic empowerment and perpetuate social inequalities. In South Africa, where gender inequality remains a pressing issue, addressing the gender wage gap is crucial for achieving sustainable development and social justice. By implementing comprehensive policies, promoting equal opportunities, and challenging discriminatory practices, South Africa can take significant strides towards closing the gender wage gap and alleviating in-work poverty.

⁴³ R. Maluleke, *Inequality Trends in South Africa: A multidimensional diagnostic of inequality* / Statistics South Africa 2019, p 3.

⁴⁴ H. Bhorat, and S. Goga, *The Gender Wage Gap in Post-apartheid South Africa: A Reexamination*, Journal of African Economies, (2013), vol. 22 no.5, p 830.

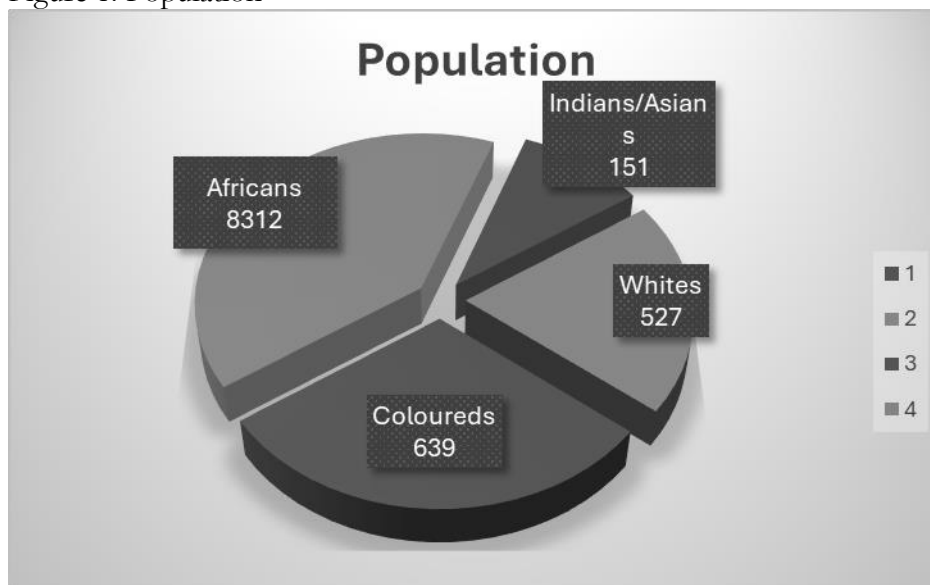
⁴⁵ H. Bhorat, and S. Goga, *The Gender Wage Gap in Post-apartheid South Africa: A Reexamination*, Journal of African Economies, (2013), vol. 22 no.5, p 831.

⁴⁶ H. Bhorat, and S. Goga, *The Gender Wage Gap in Post-apartheid South Africa: A Reexamination*, Journal of African Economies, (2013), vol. 22 no.5, p 832.

5. Analysis of In-work poverty

This study makes use of Household surveys that were collected by Statistics South Africa in 2021. Figure 1.1 consists of the sample size which consists of about 9629 people of which, 8312 were Africans, Coloureds were 639, Whites were 527 and the least were 151 Indians/Asians. Even though there are generally more females in South Africa, in this survey, more men participated than survey than women.

Figure 1: Population



Sources: Own elaboration, 2023.

Table 1 and figure 2 consist of the total monthly salary for the male-led household and it includes overtime, allowances, bonuses and any deductions before tax. To group the different incomes received we made use of the SARS (South African Revenue Services) monthly income deduction tables. According to the data, the highest income earned by the male gender is between R 156378+ and only 1 male gender receives a monthly salary income of R660 000. About 48 men earn over R90000. At the bottom of the food chain, 255 men earn between 100-1000 per month and the least-paid man is paid R109 per month. Most men, 1192 earn a monthly salary of between R1000-R5000.

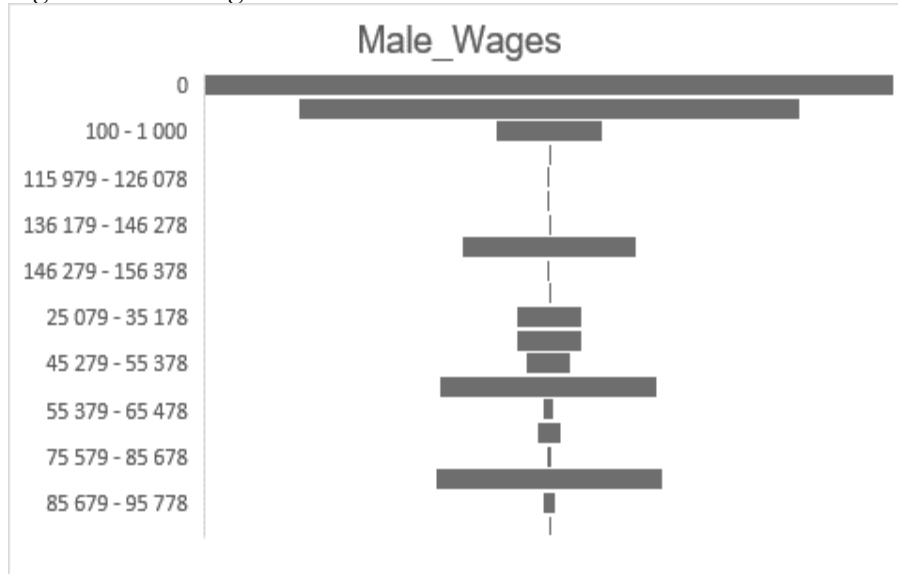
Table 1: Wages in male-led households

Male_ranges	Male_ranges (Count All)
0 [invalid]	1638
1 000 – 5000	1192
100 - 1 000	255
105 879 - 115 978	4
115 979 - 126 078	1
126 079 - 136 178	1
136 179 - 146 278	3
14 979 - 25 078	413
146 279 - 156 378	1
156 379 +	4
25 079 - 35 178	158
35 179 - 45 278	155
45 279 - 55 378	108
5 001 - 8 000	519
55 379 - 65 478	27
65 479 - 75 578	57
75 579 - 85 678	13
8 001- 14 978	542
85 679 - 95 778	29
95 779 - 105 878	5

Source: Own elaboration, 2023.

Note: 0 (Invalid) refers to people receiving other forms of income [pensions, grants etc. other than salaries]

Figure 2: Male wages



Sources: Own elaboration, 2023.

Note: 0 (Invalid) refers to people receiving other forms of income [pensions, grants etc. other than salaries]

According to Table 2 and Figure 3, the most-paid female employees earn R287 139 per month and only 5 women including the most-paid female employee earn over R90000. While this is relatively lower than what the male counterpart earns, the focus area is on the lowest in the food chain. The least-paid woman earns R100 per month which is R9 lower than the male counterpart. In most cases, women earn between 1000-5000 per month. For both men and women, the question of an increase in the minimum wage is inevitable, moreover, it is becoming more apparent that most employees are working towards poverty.

Table 2: Wages in female-led households

Female ranges	Female ranges (Count All)
0	2875
1 000 – 5000	994
100 - 1 000	245
14 979 - 25 078	225
156 379 +	5
25 079 - 35 178	59
35 179 - 45 278	34
45 279 - 55 378	35
5 001 - 8 000	330
55 379 - 65 478	12
65 479 - 75 578	6
75 579 - 85 678	3
8 001- 14 978	300
85 679 - 95 778	2

Source: own elaboration, 2023.

Figure 3: Female wages

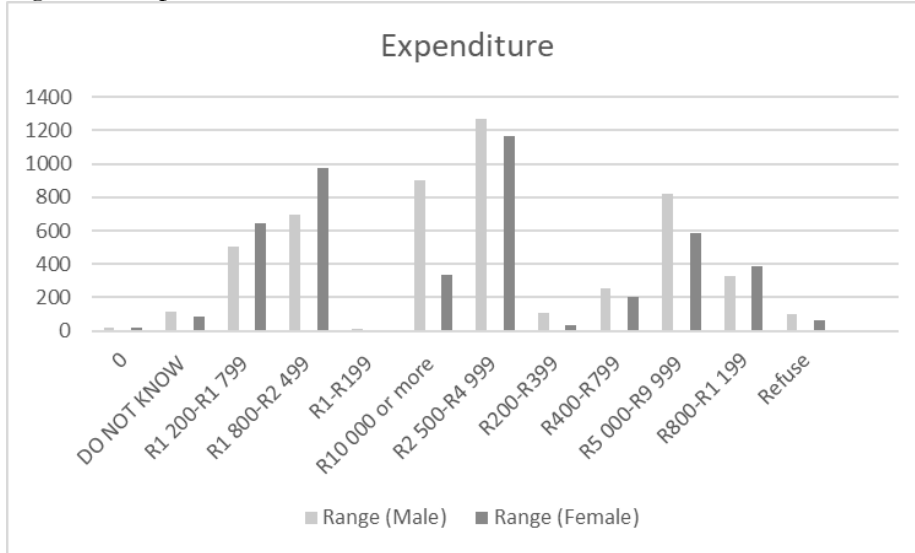


Source: own elaboration, 2023.

Figure 4 shows the expenditure of both men and women. When it comes to spending patterns, the data reveals that most men than women do not know what their monthly expenditure is. The data also shows that men spend more than women. Arguably, men may spend more than women because men have more income to spend. On the other hand, With the high number of female-led households.⁴⁷ Women are disproportionately disadvantaged as they lead families with low incomes. In the case of low incomes, women spend more than men. This is true for women who are within the salary range of R 800-1199, R1200-R1799 and R1800-2499.

⁴⁷ K.O. Odeku, The plight of women entrepreneurs during covid-19 pandemic lockdown in South Africa. *Gender & Behaviour*, 2020, vol.18 no. 3, pp 16068 – 16074.

Figure 4: Expenditure



Source: own elaboration, 2023.

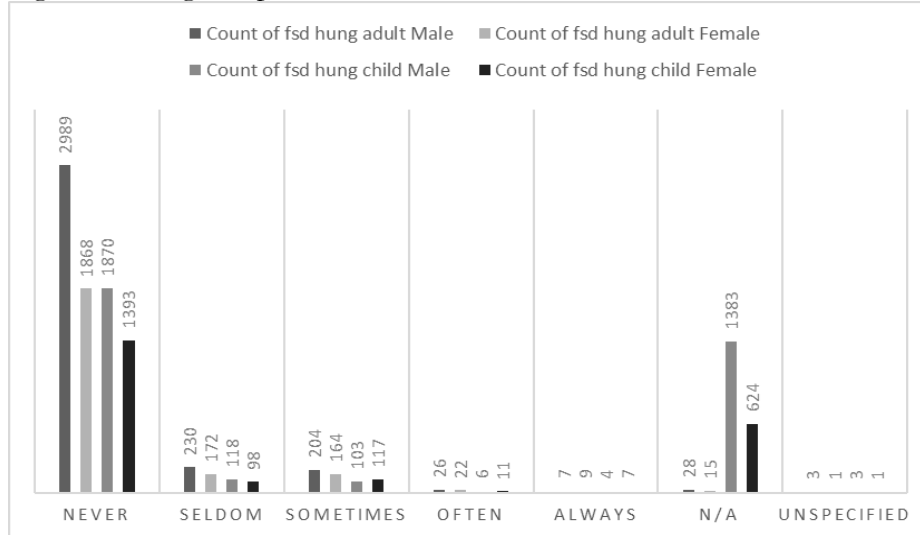
In order to understand the concept of in-work poverty, we use the following information about food poverty:

Table 3: Survey questions on food poverty

Insufficient food for adult	Skipped meals for 5 or more days in the past 30 days.
Insufficient food for children	Ate less food
Lack of variety of foods kind	Ate less for 5 or more days in the past 30 days
Lacked variety for food kind for 5 or more days in the past 30 days	Ran out of food
Skipped meals	Ran out of food for 5 or more days in the past 30 days

Source: Adopted from Statistics South Africa, 2021.

Figure 5: Hunger experiences in the household

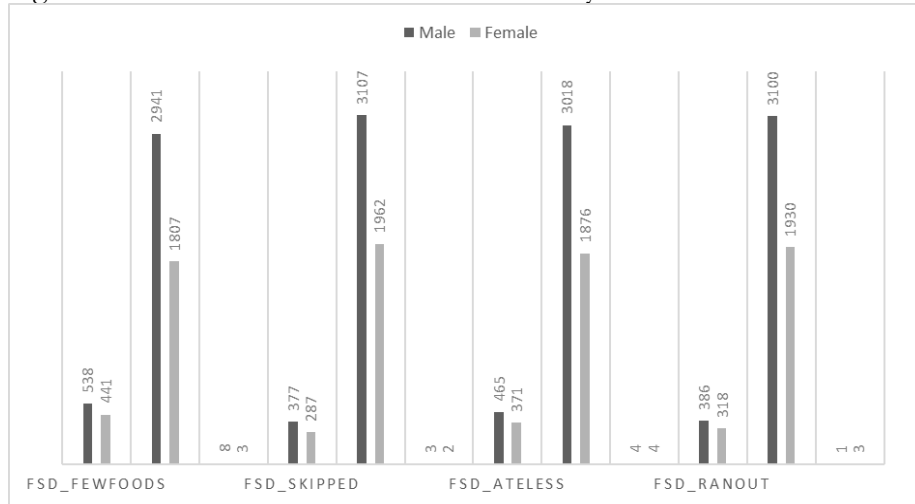


Source: own elaboration, 2023.

Note: This data excludes participants who do not earn a salary. However, includes other support income such as grants.

Figure 5 contains the number of adults (18 years and older) and children (17 years or younger) who in the past 12 months have experienced hunger in a household. Out of 3487 men 2989 men in the household have never gone hungry because there was not enough food in the household. Furthermore 1870 children who live in male-led households have never experienced hunger. Out of 2251, only 1868 women and 1393 children living in female-led households have never experienced hunger due in sufficient food in the household. Most male-led households have fewer children, so 1383 entries were not applicable since there were no children present. On the other hand, only 624 entries were not applicable in female-led households since there were no children. However, this implies that more female-led households have more children. Additionally, this could indicate that as a female-led country (Odeku,2020), women are endowed with more responsibilities.

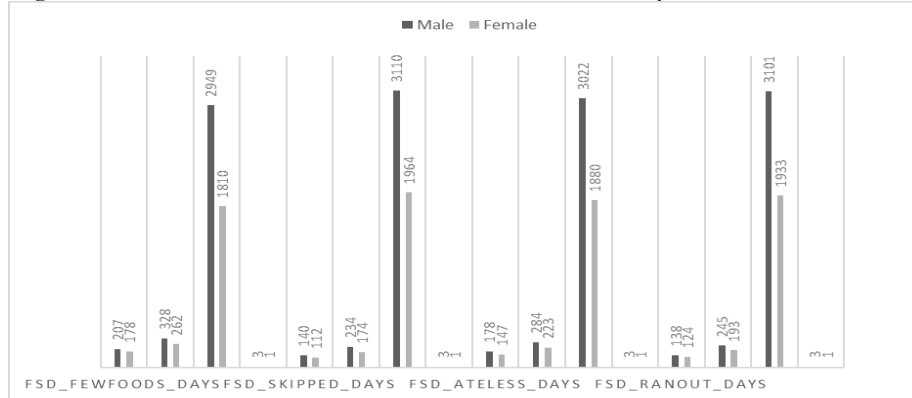
Figure 6: Food access in the household over a year



Source: own elaboration, 2023.

Fig. 6 shows men and women's food access experiences over the past year. First, respondents answered whether they or others in their household ate only a few foods due to financial constraints or other resources in the past 12 months. 2941 men and 1807 women answered 'no'. 538 men (15,4%) and 441 women (19,5%) answered 'yes'. 8 men and 3 women were 'unspecified'. In the second question, the respondents were asked if they or others in their household have ever skipped meals due to lack of funds or resources. 3107 men and 1962 women answered 'no'. 377 men (10,8%) and 287 (12,7%) women answered 'yes'. As a third question, households were questioned about times when they or others in their household ate less than they thought they should due to a lack of money or other resources. 3018 men and 1876 women answered 'no'. 465 men (13,3%) and 371 women (16,4%) answered 'yes'. Lastly, the fourth question interrogated whether there were times when the respondent or anyone in the household ran out of food because of a lack of money or other resources. 3100 men and 1930 answered 'no'. 386 (11,0%) men and 318 women (14,12%) answered yes. Consequently, despite the income earned by most men and women, a number of families remain poor.

Figure 7: Food access in the household over 5-30 days



Sources: own elaboration, 2023.

Fig. 7 shows men and women's food access experiences over 5-30 days. The first question interrogated the number of people in the household who only ate a few kinds of foods due to a lack of money or other resources. 2949 men and 1810 women answered that 'they do not know'. 207 men (5,9%) and 178 women (7,9%) answered 'yes'. Secondly, the respondents were asked if they or others in their household have ever skipped meals because there was not enough money or other resources to buy food. 3110 men and 1964 women answered that 'they do not know'. 140 men (4,0%) and 112 women (4,9) have answered 'yes'. The third question investigated the number of people in a household who, ate less than they thought they should because of a lack of money or other resources. 3022 men and 1880 women answered that 'they do not know'. 178 men (5,1%) and 147 women (6,5) answered that they have. Lastly, the fourth question investigates number of people in a household who ran out of food because of a lack of money or other resources. 3101 men and 1933 women answered that 'they do not know'. 138 men (3,9%) and 124 (5,5%) women answered 'yes'. In spite of the fact that fewer women were interviewed than men, more women experienced poverty traits as a result. This also implies that children are bound to suffer.

6. Conclusion

Based on these findings, there are several policy recommendations that can be made to further address in-work poverty among female employees in South Africa. This study, by showing the trend analysis of low wages, aims to be a study of advocacy that minimum wages should be increased. To combat in-work poverty in South Africa, a multi-faceted approach is

needed. Firstly, the government should address the issue of low wages by implementing and enforcing a more adequate minimum wage. There is a need to improve compliance with the National Minimum Wage Act, such as reviewing exemptions, enforcing compliance, and addressing challenges through stakeholder involvement and policy amendments. This, however, must be balanced with avoiding excessive burdens on employers, as it could potentially lead to job losses. Additionally, efforts should be made to improve access to quality education and skills training to increase employees' employability and earning potential. By implementing comprehensive policies and legislation focused on promoting gender equality and investing in education and social protection, South Africa can take significant strides towards closing the gender wage gap and creating a more equitable and prosperous society.⁴⁸

The gender wage gap in South Africa is a complex issue deeply intertwined with in-work poverty. The persisting gender-based pay disparities perpetuate income inequalities and hinder women's economic empowerment. By examining the historical context, measurement methodologies, labour market segmentation, impact on poverty rates, contributing factors, policy interventions, and the role of trade unions and civil society organizations, this essay sheds light on the urgent need to address the gender wage gap in South Africa. Policies that promote pay equity, equal opportunities, and work-life balance are essential to fostering a fair and inclusive labour market that benefits all. Addressing the gender wage gap and in-work poverty requires comprehensive policies and strategies at various levels. Legislative measures, such as the Employment Equity Act, aim to promote gender equality in the workplace by prohibiting unfair discrimination and ensuring equal pay for work of equal value. However, the effective implementation and enforcement of these laws remain critical challenges. Additionally, promoting women's education and skills development, along with tackling occupational segregation, can contribute to reducing the gender wage gap.

Addressing these underlying causes is crucial to narrowing the gender pay gap and reducing in-work poverty rates in South Africa. To tackle the gender wage gap and alleviate in-work poverty, proactive policy interventions are needed. These include promoting pay transparency, implementing affirmative action measures, enhancing skills development programs targeted at women, and providing affordable childcare facilities.

⁴⁸D. Swanepoel, *Understanding Gender Inequality* Inclusive Society Institution, <https://drive.google.com/file/d/1-4Y5klfsYljdQ3qLkfqQZVYwLWAwTeM/view> (accessed June 20, 2023).

Policies measures aim to increase women's access to high-paying jobs, reduce labour market segmentation, and ensure their economic empowerment. Trade unions and civil society organizations play a vital role in advocating for gender pay equity and reducing in-work poverty. These entities work to raise awareness, mobilize women, and address gender-based wage disparities through collective bargaining and policy advocacy. Their efforts are crucial for effecting lasting change in the labour market.

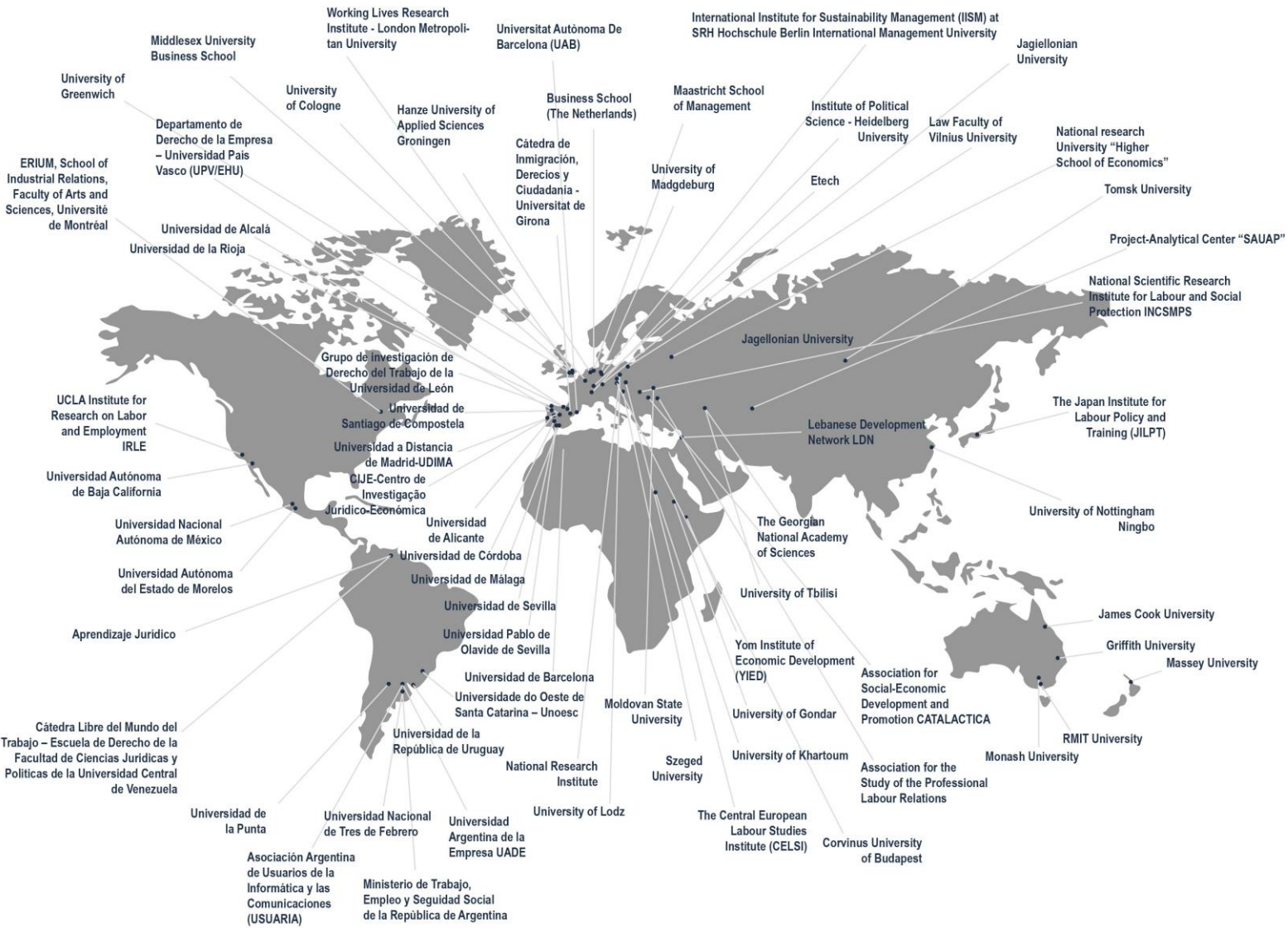
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