

Estimating a Living Wage in Sweetwaters, South Africa

By Ann O'Neill and Stephanie Ebert¹

It has been a nagging question since we arrived here. Mama, as we call her, is our domestic worker who comes to our house each Thursday. She is from neighboring Sweetwaters, a poor black community just on the other side of our backyard fence. Mama is (purely guessing here) maybe 55 years old. She knocks on our door promptly at 7am on Thursday mornings, gets the dirty laundry in the wash and starts tackling our pile of dirty dishes. By 3:30pm when she is done, our house looks (for a short time at least) like there are no little kids living in our house...it is clean, picked up, all dishes are washed, laundry ironed and put away. She'll clean our bathroom, sweep our floors, make our beds, and dust. She'll do things that I rarely (or never!) do at my own house in America: she'll wash the trash can, sweep the driveway, organize the Tupperware, and polish the furniture.

We hired her because the family whose house we are staying in (for our three months in South Africa) also hires her once per week. They asked if we would keep her on while we are here so that she doesn't lose the income she very much depends on. We said we were happy to do that. And to be brutally honest...Mama makes our lives quite a bit easier. We have been paying her far above the minimum wage, which I've learned is somewhere around R65/day (\$6.14/day) for a domestic worker in this area². (The legal minimum wage depends on the location and how many hours/week the domestic worker is employed.) From what I can tell anecdotally, most employers elect to pay wages that are significantly above the minimum wage, and the wage we pay Mama is also above the average daily wage for a domestic worker in this area. But this left me with a nagging question...***can anyone live on the wage we are paying her? Even in Sweetwaters? What is a living wage for someone in Sweetwaters?***

So I did some research. It was easy to find living wage estimates around the USA. A living wage for 1 adult in Ramsey County, Minnesota (where we live in the USA) is \$9.69/hour³. (\$1 is roughly equal to R10.) A living wage in Ramsey County, MN for 1 adult with 3 dependents (perhaps a low estimate in Sweetwaters) is \$33.28/hour². A living wage is one that meets a family's basic needs (food, clothing, shelter, health care, child care, transportation) but also includes some income to build wealth, perhaps an opportunity to slowly build cash savings for a house, or an education to upskill themselves or someone in their family. Paying a living wage is something that can help to break the generational cycle of poverty in a non-paternalistic way (i.e., think handouts that can actually perpetuate poverty and dependency). And I would argue that paying a living wage is essential for Christian employers. Here's how one South African blogger (and a Christian) put it:

¹ The authors welcome comments or questions, and can be reached via email: ann.ebert.oneill@gmail.com, or

² <http://ebertw@wage.com.za/main/salary/minimum-wages-old/domestic-workers-wages>

³ <http://livingwage.mit.edu/>

"I searched through the Scriptures, looking in the concordance for words like wage, labour, work, worker, employer and exploitation. What I discovered was eye opening and left me deeply convicted. Throughout Scripture, the onus for setting wages is the responsibility of the employer and Scripture repeatedly warns against those who exploit workers. One Scripture which stood out to me was Isaiah 58. The context for this text is set in verse 3, which says "you live with your pleasures while you exploit your workers". The text then goes on to talk about five areas:

- 1) Food ("feed the hungry");
- 2) Shelter ("provide the poor wanderer with shelter");
- 3) Clothing ("clothe the naked");
- 4) Basic needs ("satisfy the needs of the oppressed"); and
- 5) Things that will break the cycle of poverty ("untie the cords of the yoke").

As I looked at these five areas, I realised that unless the wages that I paid were providing for all five of these areas, I was exploiting my worker. I realised that I had been setting wages based on norms of what others paid and not on what was right."⁴

Just asking around and doing some online research, I was unable to determine what a living wage in Sweetwaters might be. So my sister-in-law and I did a focus group interview with some of the staff members at [iThemba](http://www.ithembaprojects.org.za/)⁵, a Christian non-profit working to help kids and teenagers in Sweetwaters through education and mentoring. The staff members we interviewed all work in Sweetwaters. Many also live there today, and some of them grew up in Sweetwaters. The adult to dependent ratio in Sweetwaters was estimated at about 1:3. So for our example we assume 1 adult, with 3 kids (ages 5, 10, and 15). In reality the family structure and household finances in Sweetwaters are far more fluid among extended family, but for simplicity we set that aside. Here's what we learned about the cost of living for this hypothetical family:

Food. A family of 4 spends about R1,200 per month on food. This will go up and down based on the season, but R1,200 was the estimate for a basic but nutritious diet. Staples would include butternut squash and cornmeal. Also included would be some potatoes, rice, sugar, flour, cabbage and a little fruit. This assumes meat (chicken or vorsi) twice each week. We assumed that this family always cooks and eats at home. This family needs to travel down to Pietermaritzburg (about 15km from Sweetwaters) once each month to buy food in bulk. The cost of a round trip bus ride from Sweetwaters to Pietermaritzburg is R22. One extra seat is needed on the return trip to carry the food home, which costs an additional R11. Finally, R10 is needed to rent a trolley to carry the food. Total food cost for four people: R1,243/month.

⁴ <http://transforming.org.za/2013/06/11/how-we-came-to-pay-a-living-wage/#sthash.rAOlaWuU.dpuf>

⁵ www.ithembaprojects.org.za/

Housing. Focus group participants estimated that renting one room for 1 adult would cost between R200 and R500/month. This is for a small room, but in a solid structure that would keep water out, and access to clean water, a place to cook, and a bathroom or outhouse.

Government housing (called “RDP housing” that is funded from the Reconstruction and Development Programme⁶) is common in Sweetwaters. They are small, 2-room houses. Rent for an RDP house is about R400/month and can (according to focus group participants) fit 3 adults and 4 kids, assuming 2 people in each bed. We want to provide a decent standard of living, and so we assume that our family of 4 lives alone in 1 RDP house. Total housing cost: R400/month.

Utilities. Utilities include electricity, gas for a paraffin stove, water, and a cell phone. We assumed that this family does not use gas heat because it is considered expensive; instead they would layer up with clothes and use blankets in the winter. (Night time temperatures will approach freezing, but will not go below freezing.) Paying fairly for electricity (often electricity is stolen) would cost this family about R250/month. Gas for a paraffin stove would cost about R9/month. Clean drinking water is provided free of charge in Sweetwaters by the government, so there are no costs for water for this family. We weren’t sure if we should include the cost of a cell phone in this budget, but madams (women in Hilton who hire domestic workers) generally *want* their domestic workers to have cell phones, so we decided to include a basic, low-cost cell phone in the budget. The cost for a basic cell phone is about R40/month. Total cost of utilities: R299/month.

Education. The quality of education within Sweetwaters varies greatly. Families, if they could afford it, would generally prefer to send their kids to a school in Pietermaritzburg for a better education, but the cost of transportation makes this unaffordable for most. We assume this family sends their 3 kids to schools in Sweetwaters. A pre-primary school (preschool) education is not paid for by the government, but research has shown that pre-primary school is very important for school readiness, so we included it in this basic budget. A crèche (preschool) for the 5-year-old costs about R60/month. Primary school fees and supplies cost R8/month. High school fees and supplies cost R8/month. This assumes the kids walk to school or find free transportation. Primary school and high school students in Sweetwaters wear school uniforms. We assume that each child has 2 uniforms, 1 that is received for free as a hand-me-down, and 1 that is purchased new. A full uniform (shirt, jacket, pants, socks, shoes, sweater, tie) costs about R350. So annual uniform costs for both older kids is R700, or a monthly cost of R58. Each kid needs to pack a school lunch or snack. We assume a simple lunch of a peanut butter sandwich each day, which would cost about R28/kid/month. Total cost for education: R218/month.

Transportation. A one-way taxi ride from Sweetwaters to Hilton is R11 each way. Assuming 20 work days each month, a domestic worker needs R440 each month to pay for taxis. (We

⁶ https://en.wikipedia.org/wiki/Reconstruction_and_Development_Programme

assume only one taxi is required each way, but some domestic workers actually need two taxis each way.) The monthly bus ride to Pietermaritzburg was included in the food category above. This assumes all other travel is on foot or free. Total cost: R440/month. (*This is more than rent!*)

Health Care. Many health care costs are borne by the government as South Africa wants to move towards socialized health care. Thus a living wage for a domestic worker is lower than it otherwise would be because significant health care needs are subsidized by taxpayers. A visit to a clinic is free, as are most medicines that are prescribed. A 2 week hospital stay (at a government hospital, which is considered much less desirable than a private hospital) would have an out of pocket cost of around R60 for a 2-week stay. We did not include this hospital cost in the living wage estimate. We assume that this domestic worker needs to go to the clinic 4 times each year. The two costs to the domestic worker are transportation to the clinic (R12 round trip each visit, or R4/month) and lost wages. Each trip to the clinic can easily take a full day, mostly waiting in line to be seen. We assume that twice she will miss a day of work and lose out on R145 in wages, the other two times she is able to go on a Saturday. Averaged out, the loss of income is R24/month. Taxi rides for dependents to visit the clinic, each twice per year, would be about R6/month. Dental emergencies or surgeries are covered by publicly subsidized health care (i.e., tooth extraction) but routine dental care costs (i.e., checkups and cleanings) would all be out of pocket. A dental exam costs about R200, and a cleaning and X-rays is an additional R400. We assume that this family pays for a dental exam (R200) for each person once every other year, averaging to about R33/month. Round trip transport to Pietermaritzburg to get to the dentist is R22, so this adds an average cost (four people going to the dentist every other year) of about R4/month. Total health care costs: R71/month.

Miscellaneous/Other. There are of course many other things this family would need: clothing, shoes, cleaning supplies, furniture, dishes etc. We assume (as other cost of living researchers have done) that this miscellaneous category is 10% of all other costs. Total miscellaneous expenses: R267/month.

Total Survival Wage. We define a survival wage as one that meets all essential, very basic needs of this family, as detailed above. Summing together the above categories, this domestic worker needs to earn R2,938/month, or R147/day (assuming 20 work days/month) to earn a survival wage.

Estimating a Living Wage. For reasons described earlier, we want to pay someone we hire not merely a survival wage, but a *living* wage. A living wage pays enough so that this domestic worker, given hard work and some financial planning, has the option to pull herself (or one of her dependents) out of poverty and break the generational poverty cycle. There are many ways one could estimate this, but we opted to estimate the cost of paying for UNISA courses to earn an undergraduate degree. If this domestic worker took 2 modules (courses) at a time, she could finish in less than 8 years (the cutoff time to finish). Each course costs R1,700, plus R200

for books each course. We assume she takes four modules/year, and so it will take about 6-8 years to finish her degree. This would cost her an average of R633/month.

To be earning a living wage, this domestic worker needs a take home pay of R3,571/month (R2,938 + R633) or R179/day. This domestic worker would be exempt from nearly all taxes due to her low income. But all workers in South Africa, regardless of income, pay a 1% UIF (unemployment fund) tax which is removed from their paycheck. So, in order to take home a living wage of R3,571/month, the employer needs to pay **R3,606/month, or R180/day.**

Two final notes.

- 1) A living wage does not cover what many would consider middle class stability. Saving for a house or retirement or a rainy day are not part of this budget. It does not include money for holidays or non-essential travel. It assumes no vacation days and only two sick days missing work each year. (Domestic workers are legally entitled to some paid sick days⁷ but enforcement is an issue.) There is no maternity leave or costs associated with babies in this budget. It will not cover birthday, wedding or funeral costs. It does not include a tithe. It does not include gifts, toys, games, or family activities. It will not cover insurance, such that a crisis (loss of health or death) could ensure another generation or two of poverty. This domestic worker will almost certainly continue to live paycheck to paycheck and count herself and her dependents among the ranks of the working poor.
- 2) Importantly, paying a living wage guarantees absolutely nothing. Any wage increase might go towards savings, but it also might go to pay for hair extensions and nicer shoes. Maybe the extra income will pay for an education, but it also might pay for more meat in her diet, a bigger television at home, or (as is common in Sweetwaters) funeral insurance. But I would argue that it is not the employer's responsibility to "make sure" that the wage of their employee is spent in a prudent, wise manner. How that money is spent is up to the domestic worker, and she will ultimately reap the consequences of her choices. Just as employers are responsible before God to make sound financial choices that do not exploit their employees, an employee is accountable to God for her financial choices in how her paycheck is spent. An employer might choose to mentor their employee in sound financial practices or offer advice, but is not ultimately responsible for the final choices on how the earned wage is spent. Thinking of it from a different perspective, paying a living wage gives a domestic worker real financial choices in life. Choices are a double-edged sword as the newfound ability to choose allows for the possibility that the money might be spent less-than-ideally, or even foolishly. But, having a choice in life is also a powerful antidote against exploitation. With some hard work, good fortune, prudent financial choices, and a vision for what could be, a person earning a living wage can have a realistic hope that tomorrow can bring a brighter economic future for her family.

⁷ <http://www.mywage.co.za/main/decent-work/domestic-work/domesticworkersrights>

