

Minimum wage 'hurt' farm workers

Farmers responded to the hefty increase in the minimum wage in 2013 by reducing permanent employment, cutting working hours, moving workers off farms and charging fees for non-wage benefits such as housing, a large study commissioned by the International Labour Organisation on the living and working conditions of farmworkers has found.



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The findings come ahead of plans by the state to introduce a minimum wage across the board, amid fears from some quarters about the negative effect such a move will have on employment. The minimum wage for farm workers rose 52% in March 2013 after a series of violent strikes.

Farms under pressure

The report finds most farmers comply with minimum wage legislation and basic rights for workers and have rather found other ways to cut labour costs. Increased labour costs are only a part of the crisis affecting farms, the report reads.

Farms are under the worst financial stress in decades because of market deregulation, reduced trade tariff protection and the dominance of big international retailers, which have squeezed margins. Farmers have, in turn, put the squeeze on workers, resulting in even more difficult working and living conditions, particularly for the growing number of workers who no longer live on farms.

Due to these pressures, farmers have adopted various coping strategies. "Where labour has been a major cost component

of their business, work forces have been restructured, leading to an overall decrease in the number of workers employed, but also increased casualisation and externalisation (outsourcing)," the report reads.

Almost half of farm labour is now seasonal on short-term contracts, or casual, and a growing number of permanent farm workers now live off-farm in nearby towns. The consequences of this on the quality of life has been dire, as most workers now live in sprawling, under-serviced informal settlements. Municipalities have been unable to deal with the influx of people and settlements lack basic infrastructure, including housing and sanitation.

The absence of proper sanitation also undermines agriculture "with raw sewage ending up in water courses... posing a threat to the exportability of irrigated crops", say the researchers.

State intervention failed

Government policies to assist farm workers - through improved tenure rights for on-farm employees and on-farm subsidised housing for permanent workers are out of step with the reality of a growing off-farm worker population.

Rising labour costs and margin squeeze lead the report to conclude that "state intervention aimed to improve the livelihood of farm workers since 1994 has largely failed to achieve its objectives".

Agri-SA described the report as "objective" and as providing a context to the realities faced in addressing the conditions of those working and living on farms.

"It also acknowledges the local and global challenges faced by commercial agriculture, which are causing major structural adjustments in the sector and limit farmers' ability to accelerate their expenses on salaries and social benefits," it said.

Source: Business Day

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