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DURBAN

MINIMUM LIVING LEVELS FOR ELEMENTARY
FAMILIES AMONG MARRIED BLACK EMPLOYEES
IN A TEXTILE PROCESSING INDUSTRY AND FOR
HYPOTHETICAL HOUSEHOLDS IN MPUMALANGA
TOWNSHIP : HAMMARSDALE, SEPTEMBER 1976.

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CONTENTS.

<u>CHAPTER</u>		<u>PAGE</u>
I	Updating Minimum Living Levels	1
II	Calculating Costs of MLL Items	5
III	MLLs for Elementary Families of Employees at TPI	14
IV	MLLs for Hypothetical Families and Households in Mpumalanga Township near Hammarsdale; September 1976	17
V	Changes in MLLs since November 1974	20

LIST OF TABLES.

<u>TABLE</u>		
I	MLL Monthly Cost of Food Requirements for Adult Men Performing Fairly Hard Work and Women Performing Light Work, September 1976.	2
II	MLL Monthly Cost of Food Requirements for Children and Adolescent boys and Girls, September 1976.	9
III	MLL Annual and Monthly Cost of Clothing Requirements according to Age and Sex, September 1976.	10
IV	MLL Monthly Cost of Fuel and Light Among Families in the Township, September 1976.	11
V	MLL Monthly Cost of Washing and Cleaning Materials	11
VI	Transport Costs of Men and Women per Month and Rent Cost of a House in Mpumalanga.	12
VII	MLL Costs for Medical Services and Patent and Prescribed Medicine per Month.	12
VIII	MLL Costs for Education of Children in Different Age Categories.	13
IX	MLL Cost of Replacement of Household Equipment.	13
X	MLL Monthly Financial Requirements of Mean Elementary Family "Households" of Married TPI Employees Living in Mpumalanga Township, September 1976.	16
XI	Constructed Alternative Hypothetical Families and Households for Mpumalanga Township Devised as Units for the Calculation of MLLs, September 1976.	18
XII	MLL Monthly Financial Requirements among Alternative Hypothetical Units of Calculation as Families and Households for Mpumalanga Township, September 1976.	19
XIII	MLLs for Elementary Families among TPI Employees as at November 1974, October 1975 and September 1976; as well as Adjusted Figures for November 1975 and 1976. All MLLs in Rands.	21
XIV	Comparison of the MLL Financial Requirements for the Elementary Family on all Items : 1974 and 1976.	22

CHAPTER I.

UPDATING MINIMUM LIVING LEVELS.

In this study we report on the results of a survey of retail outlets in which costs of minimum living level (MLL) items were investigated and which reflect costs of MLL requirements as at September 1976. The present survey is a replication of an exercise conducted by the Institute for Social Research (now the Centre for Applied Social Sciences) on behalf of a sponsor textile company (pseudonym TPI) in the border industrial complex at Hammarsdale, Natal. The MLLs in the original report¹⁾ reflect financial requirements among families and households of the African employees of TPI as at November 1974. Subsequent to the original calculation of MLLs, TPI was provided with a crude method for updating the financial requirements of their employees for the date October 1975 (unpublished report submitted to the Company by the Centre for Applied Social Sciences). When an updating of the MLLs for TPI employees was mooted for 1976 the reservations expressed in the original research report²⁾ and reiterated in the 1975 unpublished report concerning factor updating on the basis of a "White" CPI and, the length of time elapsed since the original costing survey in 1974 weighed heavily enough to justify the expense of replication.

While a field survey conducted to recost MLL items is the only accurate means of updating a Black MLL at present in South Africa (and as MLLs are unweighted tabulations probably always the most accurate method anywhere) this exercise does not necessarily comprise complete replication nor does it take into account changes in the social unit of calculation (households) on which any MLL is based. In the matter of replication, economic vicissitude and other factors cause changes which affect not only retail outlets but the quality, quantity and price of the commodities that they offer. In the case of the unit of calculation the passing of time alters its composition especially when the breadwinner is young, as is the case for TPI employees, and additions to the conjugal group can be expected for years

1) Stopforth, P. 1975. *Minimum Living Levels Among Black Employees in a Textile Processing Industry in Natal*. Institute for Social Research, University of Natal, Durban.

2) *ibid.*, pp.96-97.

to come. A brief discussion on each of these qualifications ensues:

Retail Outlets.

As in the 1974 study costing was conducted at shops in Mpumalanga Township, Hammarsdale, Pinetown and Durban. Of the three shops in the township visited in 1974 one, which appeared to be experiencing financial difficulties, was replaced by a more flourishing concern and it was discovered in the field that a second of the original three shops had drastically depleted stocks. Effectively then only two "supermarket type" shops in the township were surveyed. Since 1974 small changes and additions to the retail outlets in Hammarsdale village have occurred and these have been included in the survey. The scope of the costing surveys in Pinetown and Durban for this study is reduced when compared with the 1974 surveys. The MLL requirements for clothing and household equipment were costed in only three outlets in Pinetown and two in Durban; these items were of course costed at various outlets in the township and at Hammarsdale. In all instances however, we can report that crucial decisions concerning minimum prices or commodities at the "required standard" were made on the basis of alternative costs reflecting the market covered.

Units of Calculation.

TPI has specifically requested that the MLL be updated (more correctly recalculated) for the elementary families of their African employees : that is, not for households in which their employees find themselves, but for the conjugal group of spouses and children. The budget for the present study precludes a greater coverage than this but any interested reader might recalculate the range of MLLs provided in the original report¹⁾ by applying the costs of MLL requirements in Chapter II below to the alternative units of calculation²⁾ in the 1974 study. It must be recognized that the unit of calculation which describes the average elementary family of TPI employees is derived from only part of a sample that was drawn from the labour force in November 1974. These families might well be larger now :

1) *Ibid.*, pp.63-73

2) *Ibid.*, pp.35-38

however, turnover and increased recruitment since that date, especially if new workers are young, might very well maintain the 1974 pattern.

Limitations.

While a figure for a MLL is a useful benchmark for an industrial concern the limitations of the level of "subsistence poverty defined in a certain way" that will be utilized must be clearly stated for their recognition. This is accomplished immediately below.

1. Although the use of average units of calculation for MLLs is established practice in South Africa this method gives a very general picture. More correctly subsistence levels of all types should be calculated for discrete households and tied in with household income. The average family from a sample tends to depress the MLL because the fractions of people in the age/sex composition fragment already ridiculously low cost structures.
2. It is now well recognised that minimum costs of subsistence level requirements are unrealistic if the buyer is expected to conform to the conventions which the experts utilise in their own constructions. Further to this however, is the possibility that packaged commodities, e.g. legumes, candles, soap etc., fall in quality or are substituted with inferior products to maintain a constant price that poor people are used to paying. It is our impression that many commodities included among MLL items in this study fall below the standard of the items accepted for the 1974 MLL.
3. As the MLL for the elementary family is not co-incidental with the MLL for the household, the consanguinal definition of family composition so common among African peoples and in addition a factor which has a bearing on industrial labour is not taken into account in its empirical occurrence in the workers' homes.
4. The factor of support of relatives, whether coresident or resident elsewhere is not reflected in the present MLL as this is based on the elementary unit only.
5. A subsistence level is only meaningful when combined with household income. We are working only with average elementary families for which no incomes are available. The ratio of income to the MLL standard is therefore unknown in September 1976. The average wage at TPI for all African employees

is given as R145,92.

Summary : MLL 1974, 1975, 1976.

Given the qualifications to MLL calculations that have been made in the original report (1974), the factor raising of the MLL (1975) and above for 1976 the summarised picture is presented below. We urge that whoever is responsible for using these figures as data for crucial decisions be familiar with all three reports.

<u>Elementary Families Among TPI African Employees.</u>	<u>Date</u>	<u>R C . LL</u>
Original Report : Household and cost survey	1974 (November)	72 - 38
Crude Updating of 1974 MLL by Factor Method	1975 (October)	84 - 76
Recalculation of MLL : Cost survey	1976 (September)	91 - 71

CHAPTER II.CALCULATING COSTS OF MLL ITEMS.

Unless otherwise stated the method and conventions for calculating the costs of MLL item requirements are the same as those stated in the original report¹⁾ which is based on BMR standards and allowances.²⁾ Rations, allowances and commodity requirements for men and women, boys, girls and infants for the MLL are not given in this report as they appear in Chapter V of the original report. Tables of monthly costs of MLL requirements appear in this chapter in order that they may be applied to alternative units of calculation should the desire or need arise.

Food. (Tables I and II.)

The free meal supplied to workers at TPI is subtracted from the cost of each employee's monthly food ration at the proportion of 0,36 of that ration. Very inferior dried beans (legumes) were available at lower cost but the quality was not considered adequate for MLL purposes and the more common dried bean was chosen for ration purposes.

Clothing. (Table III.)

The small change in the cost of clothing component in the MLL allowance despite the great increase in costs of textile products reflects our adherence to conventions of minimum costs and although quality is taken into account the standard accepted in 1976 is below the standard for 1974 : more comprehensive pricing in Durban and Pinetown on the previous occasion accounts for this.

1) *Ibid.*, Chapter V.

2) Nel, P.A. 1974. *The Minimum Subsistence Level of non-Whites Living, In the Main Urban Areas of the Republic of South Africa, May 1974.* Bureau of Market Research, UNISA, Pretoria.

Fuel and Light. (Table IV.)

Only employees living in Mpumalanga Township are included for MLL cost purposes : therefore the wood allowance in this item was discarded. The BMR ratio for this allowance was accepted in preference to our own formulation of 1974.

Washing and Cleaning Materials. (Table V.)

Once again the given BMR ratio for 'households' of different sizes was substituted for our own allocations of 1974.

Accommodation. (Table VI.)

This item remains unchanged.

Transport. (Table VI.)

Only rural residents are not shown in these costs.

Medical Expenses. (Table VII.)

The free medical service to TPI employees is taken into account here. The cost of ante-natal and confinement services has increased, however general clinic fees have decreased. An error appears on pages 56-57 of the 1974 report where children of infant status were not given an allowance for 'medical services' because we read "ante-natal" for "post-natal". This has been corrected.

Education. (Table VIII.)

These costs have been updated to reported figures for 1975 from the most recent BMR publication¹⁾ available to us. Note that in both the 1974

1) Nel, I.A. 1975. *The Minimum and Supplemented Living Levels of Non-Whites Residing in the Main and Other Selected Urban Areas of the Republic of South Africa, February 1975.* Bureau of Market Research, UNISA, Pretoria, p.41.

study and the present one these costs reflect rates calculated from figures of the Department of Bantu Education and not rates (if they can be established with any certainty) of the KwaZulu Government.

Replacement of Household Equipment. (Table IX.)

A paraffin stove has been substituted for a coal stove to reflect the prevalent pattern in the township. The minimum costs which are applied in selections on this MLL item are very low and with increases in standards of living are very unrealistic. For example, the cost for a wide bed (steel divan type) that we have accepted in 1976 for the MLL is R23,40; we know however that purchasers pay three to four times this amount for a wide bed as a result of expenditure information culled in the costing surveys.

Taxes.

Tax for the present purpose was calculated on the basis of the mean African wage at TPI and read off from the General Bantu Tax Tables.

Support of relatives.

This item has not been allowed as the unit of calculation is elementary families.

TABLE I.

ALL MONTHLY COST OF FOOD REQUIREMENTS FOR ADULT MEN PERFORMING FAIRLY HARD WORK AND WOMEN PERFORMING LIGHT WORK, SEPTEMBER, 1976.

FOOD	Price per kilo or Litre	MEN			WOMEN				
		AGE IN YEARS			AGE IN YEARS			PREGNANT	NURSING
		22-34,99	35-54,99	55+	22-34,99	35-54,99	55+		
Milk (skim milk powder)	k 1,50	1,80	1,80	1,80	1,80	1,80	1,80	3,15	3,83
Meat, fish and eggs	1,03	1,70	1,70	1,70	1,70	1,70	1,70	2,63	2,63
Legumes (dried beans)	0,76	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25
Fresh vegetables	0,29	2,39	2,39	2,39	2,39	2,39	2,39	2,87	2,67
Margarine	0,88	0,53	0,53	0,53	0,53	0,53	0,53	0,53	1,06
Oil	0,75	0,16	0,16	0,16	0,16	0,16	0,16	0,23	0,23
Bread, brown	0,17½	0,89	0,89	0,89	0,89	0,89	0,68	0,89	1,31
Grain products	0,17	2,60	2,35	2,09	1,02	0,82	0,77	0,97	1,38
Sugar	0,15	0,20	0,18	0,14	0,14	0,14	0,14	0,16	0,27
Tea/coffee	1,90	0,40	0,40	0,40	0,40	0,40	0,40	0,40	0,40
Salt	0,16	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07
Spices	1,60	0,28	0,28	0,28	0,28	0,28	0,28	0,28	0,28
Cost per month*		12,27	12,00	11,70	10,68	10,43	10,17	13,43	15,58

* 30 day month

TABLE II.

MLL MONTHLY COST OF FOOD REQUIREMENTS FOR CHILDREN AND ADOLESCENT BOYS AND GIRLS, SEPTEMBER 1976.

FOOD	Price per kilo or litre	Children			Boy	Adolescent Male	Girl	Adolescent Female
		Age in years			Age in years	Age in years	Age in years	Age in years
		1-2,99	3-5,99	6-9,99	10-13,99	14-21,99	10-17,99	18-21,99
Milk (skim milk powder)	K 1,50	1,80	1,80	1,80	1,80	1,80	1,80	1,80
Meat, fish and eggs	1,03	1,70	1,70	1,70	1,70	1,70	1,70	1,70
Legumes (dried beans)	0,76	0,68	0,68	0,68	1,25	1,25	1,25	1,25
Fresh vegetables	0,29	1,44	1,44	1,96	2,39	2,39	2,39	2,39
Margarine	0,88	0,40	0,40	0,40	0,53	0,53	0,53	0,53
Oil	0,75	0,09	0,09	0,09	0,16	0,16	0,16	0,16
Bread, brown	0,17½	0,45	0,45	0,89	0,89	0,89	0,89	0,89
Grain products	0,17	0,51	0,87	1,38	1,89	2,24	1,48	1,02
Sugar	0,15	0,07	0,14	0,14	0,14	0,18	0,14	0,14
Tea/coffee	1,90	-	-	0,23	0,23	0,40	0,23	0,40
Salt	0,16	0,01	0,01	0,03	0,03	0,07	0,07	0,07
Spices (per week)	1,60	0,28	0,28	0,28	0,28	0,28	0,28	0,28
Cost per month*		7,43	7,86	9,58	11,29	11,89	10,92	10,63

*30 day month

TABLE III.

ILL ANNUAL AND MONTHLY COST OF CLOTHING REQUIREMENTS ACCORDING TO AGE AND SEX, SEPTEMBER 1976.

ITEM	Men	Women	Babies	Age in Years					
				Boys			Girls		
				2-5,99	6-11,99	12-17,99	2-5,99	6-11,99	12-17,99
				K	R	R	R	R	R
Plastic raincoat	2,39	2,29							
Overall	6,75								
Sports jacket	12,00								
Khaki trousers	2,99								
Shoes	9,98	9,98		3,50	5,99	6,99	3,50	4,99	4,99
Khaki shirts (long sleeves)	5,93								
White shirts (long sleeves)	2,49								
Underpants	0,89			0,69	0,69	0,79			
Vests	1,78	1,98	0,90	1,06	1,18	1,34	0,98	1,38	1,58
Jersey (long sleeves)	6,68	7,99	3,15	2,29	4,95	7,50	3,99	4,99	6,99
Socks	2,25			0,96	1,18	1,38	1,00	1,20	1,50
Fyjamas (long)	5,49								
Jeans	4,25								
Women's overalls		5,00							
Cotton dresses		5,99					3,90	5,98	7,98
Panties		1,18					0,78	0,78	1,18
Brassieres		2,90							2,90
Winter nighties		4,85							
Stockings		1,17							0,78
Head scarves		1,38							
Napkins			5,68						
Leggings			1,98	1,59			1,59		
Winter night clothes			0,49	2,39	2,99	4,99	2,99	3,29	4,99
Waterproof pants			0,78						
Shirts				2,50	5,30	5,98			
Shorts				1,58	3,98	5,98			
Total cost per annum	63,87	44,71	13,18	17,18	26,26	34,95	18,73	22,61	32,89
Total cost per month	5,32	3,73	1,10	1,43	2,19	2,91	1,56	1,88	2,74

TABLE IV.

ALL MONTHLY COST OF FUEL AND LIGHT AMONG FAMILIES IN THE TOWNSHIP,
SEPTEMBER, 1976*

Paraffin per litre	20c
Methylated spirits per litre	48c
Candles per packet of 6	26c
Matches per box	2c

Number of Persons per Family						
2	3	4	5	6	7	8+
R	R	R	R	R	R	R
7,61	7,97	8,23	8,58	8,85	9,47	10,09

* Calculated on the basis of BMR ratios.

TABLE V.

ALL MONTHLY COST OF WASHING AND CLEANING MATERIALS.*

Blue soap	(Kg)	30
Sunlight soap	(Kg)	90
Small tin polish	(l)	10
Lifebuoy soap	(100g)	10
Toilet roll	(l)	15
Razor blade	(1)	5)**
Sanitary towels	(12)	39,5)

** Calculated separately for average number of men and women per family.

Cost	Number of persons per family						
	2	3	4	5	6	7	8
*** Excludes blades and towels	R	R	R	R	R	R	R
	0,96	1,40	1,82	2,21	2,60	2,99	3,35

* Calculated on the basis of BMR ratios.

TABLE VI.

TRANSPORT COSTS OF MEN AND WOMEN PER MONTH
AND RENT COST OF A HOUSE IN PUMALANGA.

Gainfully employed men	R4,63
Adult women	R1,01

Accommodation	R6,10
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TABLE VII.

ALL COSTS FOR MEDICAL SERVICES AND PATENT AND
PRESCRIBED MEDICINE PER MONTH.

Age in years and sex of adult.	Medical Services	Patent medicine and health accessories.	Prescribed Medicine	Total
0-0,99*	^c 5,0	^c 15,6	^c 10	^c 30,6
1-5,99	5,0	15,6	10	30,6
6-17,99	2,5	15,6***	10	28,1
Adult men 18+	2,5***	16,0	12	30,5
Adult women 18+	2,5	21,5	12	36,0
Pregnant women	41,7	21,5	-	63,2

* This allowance was not included in the bill for November 1974 due to an oversight of definition.

** The fact that this figure is the same as the one above is co-incidence as it has been separately calculated.

*** Excluding TPI employees.

TABLE VIII.

ALL COSTS FOR EDUCATION OF CHILDREN IN DIFFERENT AGE CATEGORIES.*

Age of Child in years	Cost per month
	K
8-11	0,25
12-14	0,76
15	0,80
16	1,70
17	1,85
18	2,42

* Note that this scale is derived from information reflecting a Department of Bantu Education source and not the KwaZulu Government service.

TABLE IX.

ALL COST OF REPLACEMENT OF HOUSEHOLD EQUIPMENT.

Item	Cost of Replacement per month
<u>Furniture</u>	0
Bed (wide)	13,0
Mattress (wide)	30,0
Bed (narrow)	9,0
Mattress (narrow)	25,0
Chair	2,2
Table	8,0
Paraffin stove*	22,0
Primus	7,0
<u>Linen</u>	
Blanket, three-quarter	21,0
Blanket, single	17,0
Pillow	6,0
Pillow slip	9,0
Sheet, single	29,0
Towel	21,0
<u>Cutlery</u>	
Enamel plate	1,5
Enamel mug	1,3
Spoon	0,6
Knife	1,3
Fork	0,7
Saucepan	2,5
Kettle	2,0
Frying pan	1,7
Broom	6,2
Pail	7,9
Basin	17,5

* Paraffin stove substituted for coal stove with length of use reduced to ten years.

CHAPTER III.MLLs FOR ELEMENTARY FAMILIES OF EMPLOYEES AT TPI.

Table X describes the tabulated MLL monthly financial requirements for the elementary family units of calculation. The financial requirements reflect costs at September 1976; the units of calculation reflect the results of a sample survey among TPI employees at November 1974. MLLs are tabulated strictly for the averages of families of different size (2 to 8+) and for the average of all elementary families. For the uninitiated this convention might be clarified as confusion as to the meaning of the definition of the unit of calculation often arises.

The average unit of calculation is the number of age/sex individuals in a family or household sample/enumeration divided by the number of families or households in the sample. More correctly this is the average of all families or households. When the size of the family or household is stipulated, say 5, the definition is for all households of 5 members in the sample and does not reflect data for households of 2, 3, 8 or any other membership size. Recall that the 1974 sample at TPI was a small one and that married employees formed only a part of that sample. It is likely therefore that there is some understatement in the units of calculation which will depress the MLLs somewhat.

The MLL for the average elementary family (married men) among African employees at TPI is R91,71 at September 1974 (Table X; final column.) The MLLs for average families of different sizes can be found in the same Table. A sum of R3,19 should be added to any MLL where there is a pregnant woman in the family. The comparison of 1974 and 1976 MLLs for average elementary families among TPI employees is effected by referring to Table XXX-A in the 1974 report. This comparison is shown below.

Minimum Living Levels (Rands and cents)	Number of persons per family							All Families
	2	3	4	5	6	7	8+	
MLL (Nov. 1974)	40,67	50,88	59,66	67,37	86,11	101,76	105,59	72,38
MLL (Sept. 1976)	54,04	66,71	76,81	86,05	108,94	129,25	133,72	91,71

The MLL for the average elementary family among married TPI employees has risen by 26,7 percent between November 1974 and September 1976.

Expressed in average terms the MLL for married TPI employees is well below the mean wage among all employees; this is true at all sizes of the elementary family. The mean wage of all African employees exceeds the MLL for the mean elementary family by 59 percent and in the case of the largest elementary families (8+) by 9 percent.

Although an effective minimum level (EML) is not an appropriate calculation from a MLL the conventional increase of 50 percent to subsistence poverty levels will allow a crude rule of thumb for judging the financial requirement that will allow elementary families to live in secondary poverty (i.e. sufficient income to allow actual expenditure on MLL items.) It can be easily shown that the mean among all elementary families with an EML of R137,56 falls within the mean wage (R145,92) of all employees. The EML for elementary families of six members is R163,41 which exceeds the mean wage of R145 and therefore it can be said that a man with more than three dependent children will earn (expressed in terms of a mean for all employees) less than the crudely defined level of secondary poverty.

TABLE X

MLL MONTHLY FINANCIAL REQUIREMENTS OF MEAN ELEMENTARY FAMILY "HOUSEHOLDS" OF MARRIED TPI
EMPLOYEES LIVING IN MPUMALANGA TOWNSHIP, SEPTEMBER 1976*

ITEM	Number of persons per Elementary Family							All Families
	2	3	4	5	6	7	8+	
	R	R	R	R	R	R	R	R
Food	18.48	26.52	33.13	38.72	54.36	66.51	69.30	92.82
Clothing	9.05	10.58	11.76	13.27	17.60	21.08	20.76	14.52
Fuel & Light	7.61	7.97	8.23	8.58	8.85	9.47	10.09	8.58
Washing & Cleaning materials	1.41	1.85	2.27	2.66	3.07	3.85	4.32	2.66
Accommodation	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Transport	5.64	5.64	5.64	5.64	5.64	5.64	5.64	5.64
Medical Expenses	0.64	0.95	1.25	1.56	1.83	2.10	2.33	1.47
Education	-	0.42	0.38	-	0.59	2.29	1.98	0.79
Replacement of Household Equipment	3.05	4.62	5.99	7.46	8.74	10.15	11.14	7.07
Taxes	2.06	2.06	2.06	2.06	2.06	2.06	2.06	2.06
MLL	54.04	66.71	76.81	86.05	108.94	129.25	133.72	91.71

* Note that for any family containing a pregnant woman the MLL should be inflated by R3.19.

CHAPTER IV.CELLS FOR HYPOTHETICAL FAMILIES AND HOUSEHOLDS
IN MPUMALANGA TOWNSHIP NEAR HAMMARSDALE; SEPTEMBER 1976.

Having conducted a costing survey for the purpose of calculating MLLs for elementary families among employees at a particular company in Hammarisdale, most of whom reside in Mpumalanga Township, it is a short step to tabulate these calculations in order to derive MLLs for households in the township in general. Only small adjustments are necessary to cost calculations and hypothetical units of calculation (household composition) are easily devised. The cost structure deriving from our 1976 survey is applicable to all people living in Mpumalanga whether they work at TPI (the sponsor company) or not; if they work further afield than Hammarisdale then transport costs would have to be drastically revised.

Hypothetical Units of Calculation. (Table XI.)

Three hypothetical households have been constructed for Mpumalanga Township.

1. The first conforms to an elementary family of 4 persons composed of a couple in the age range of probably 25-30 years with two young children.
2. The elementary family household of 6 persons describes a composition of more mature spouses with 4 children ranging in age from about 20 years to 7 or 8 years.
3. The *de facto* household is a hypothetical reconstruction of what might very well be found in Mpumalanga describing the coresident domestic group.¹⁾ The composition includes a medium sized (5 persons) elementary family core with the addition of the head of households younger brother and his mother emphasising the consanguinal principle in African family ideology.

The exact composition of these three hypothetical units of calculation for the MLL can be scrutinised at Table XI.

1) See Stopforth, P. *op.cit.*, pp.26-27

TABLE XI.

CONSTRUCTED ALTERNATIVE HYPOTHETICAL FAMILIES AND HOUSEHOLDS
FOR MPUMALANGA TOWNSHIP DEvised AS UNITS FOR THE CALCULATION
OF MLLs, SEPTEMBER 1976.

Elementary Family of 4 persons	Elementary family of 6 persons	<i>De facto</i> household of 7 persons
Man (aged 22-34,99 yrs)	Man (aged 35-54,99 yrs)	Man (aged 22-34,99 yrs)
Woman (aged 22-34,99 yrs)	Woman (aged 35-54,99 yrs)	Woman (aged 22-34,99 yrs)
Child (aged 3-5,99 yrs)	Adolescent male	Woman (mother - aged 55+ yrs)
Child (aged 6-9,99 yrs)	Female child (aged 10-17,99 yrs)	Adolescent male (brother aged 14-21,99 yrs)
	Male child (aged 10-13,99 yrs)	Child (aged 6-9,99 yrs)
	Female child (aged 6-9,99 yrs)	Child (aged 3-5,99 yrs)
		Child (aged 1-2,99 yrs)

MLLs For Mpumalanga Township. (Table XII.)

Table XII shows three MLL tabulations for hypothetical households in Mpumalanga Township. For a family of 4 the MLL is R83,93; for a family of 6 persons the MLL is R126,34; and for a complex household of 7 persons the MLL is R132,96. As we have no idea of the range of household incomes in the township we are unable to make statements concerning the ratio of household income to a subsistence poverty level. The type of statement we can make for example is that a young married man with two children should earn at least R84 per month to meet his household minimum level and that he is unlikely to exceed a secondary poverty level until he earns approximately R126 per month. Similar statements and calculations can be worked out for other hypothetical families or households in the township.

In tabulating MLLs for Mpumalanga we have given the main breadwinner the full food ration as it cannot be guaranteed that all workers get free meals at work. Similarly we have allowed a very small medical service cost. It is assumed that the principal breadwinner works in Hammarsdale. The tax item has been arbitrarily calculated on a monthly wage of between R90 and R100. Comparison of these MLLs with the MLLs for the families of the sponsor company employees shows that the free meal supplied by TFI to their employees subsidises wages at a MLL standard to a considerable extent.

TABLE XII

MLL MONTHLY FINANCIAL REQUIREMENTS AMONG ALTERNATIVE HYPOTHETICAL UNITS OF CALCULATION AS FAMILIES AND HOUSEHOLDS FOR MPUMALANGA TOWNSHIP, SEPTEMBER 1976*

ITEM	Elementary Family of 4 persons	Elementary Family of 6 persons	De facto Household of 7 persons
	R	R	R
Food	40.34	66.11	69.83
Clothing	12.80	21.90	23.28
Fuel & Light	8.23	8.85	9.47
Washing & Cleaning materials	2.27	3.49	3.49
Accommodation	6.10	6.10	6.10
Transport	5.64	5.64	5.64
Medical Expenses	1.25	1.79	2.22
Education	0.25	2.79	2.10
Replacement of Household Equipment	5.99	8.61	9.77
Taxes **	1.06	1.06	1.06
MLL	83.93	126.34	132.96

* Note that for any household containing a pregnant woman the MLL should be inflated by R3.19.

** Based on a guess that the mean wage of principal wage-earners in families or households in the type of employment available in a border industrial area is between R90 and R100.

CHAPTER VCHANGES IN MLLs SINCE NOVEMBER 1974

Contrary to expectation the recalculated MLL for September 1976 is lower than a figure which would have been reached had we employed the factor formula for updating MLLs (MLL + the % change in CPI x factor of 1,5). This latter figure for elementary families of TPI employees would equal R96,63 (ca. increase in CPI = 22,33%¹⁾ x 1,5 = 33,5 : R72,38 x 1,335 = R96,63) as against R91,71 for the recalculated MLL. The increase in the White CPI is, however, less than the percentage increase in the MLL between the two periods, the latter being 26,7 percent.

Table XIII depicts changes in the MLLs for the elementary family on the figures available to us, as well as an attempt to adjust for possible MLLs at November in each of the years 1974, 1975 and 1976. The present MLL for elementary families R91,71 can, therefore, in conservative terms, be expected to reach a sum of R94,19 in November 1976 - a percentage increase of 30,1 in two years. Although the MLL is an average estimate calculated as it is on average family composition it would be unwise at this juncture to compare it with average wage for all employees as this will not reflect the position of married employees accurately. At present, in the most general average terms wages over the two year period appear to have changed at a rate ca. 3 percent less than the change in the average MLL. As indicated earlier the wage is still substantially above the MLL and as wages are reviewed each year at TPI it can be anticipated that the next wage increase will show a percentage increase greater than the percentage increase in the MLL figure. In crude terms it would appear that the available income ratio¹⁾ has fallen from 165 to 159.

The changes in costs of commodities and services can be gauged by comparing the tables in Chapter II of this report with the corresponding tables in Chapter V of the original report. Table IV shows the different financial requirements for each MLL item for the elementary family at November 1974 and September 1976 as well as expressing the percentage change for each item. Excluding taxation, which is a very crude requirement in the present study,

1) Percentage increase November 1974 - July 1976 = 20,3% + 2 x monthly average increase (1,015%) = 22,33%.

it is readily apparent that cost requirements have changed most in the items Food, Clothing, Fuel and Light, Medical Expenses and Household Equipment since 1974. The allowance for medical expenses is a small percentage of the MLL cost and the cost of household equipment is just under eight percent of the total MLL. The largest increase has been in fuel and light but represents only R4,00 a month which is similar to the cost difference on the item clothing as these represent different "weights" in the cost requirements of the MLL allowances. The largest change in cash requirement is the item food which is also the greatest proportion of financial requirement among the items of the MLL. This expected result suggests that changes in MLLs will follow food prices which could be easily monitored by any interested party and used as a rough indication of what is happening to MLL levels.

TABLE XIII

MLLs FOR ELEMENTARY FAMILIES AMONG TPI EMPLOYEES AS AT NOV. 1974, OCT. 1975 AND SEPT. 1976; AS WELL AS ADJUSTED FIGURES FOR NOV. 1975 AND 1976. ALL MLLs IN RANDS

	Number of Persons Per Elementary Family							All Families
	2	3	4	5	6	7	8+	
MLL (Nov. 1974)	40,67	50,88	59,66	67,37	86,11	101,76	105,59	72,38
MLL (Oct. 1975)	47,62	59,55	69,86	78,89	100,83	119,16	123,65	84,76
MLL (Sept. 1976)	54,05	66,71	76,81	86,05	108,94	129,25	133,72	91,71
Below, figures adjusted for Nov. 1975 and 1976 against Nov. 1974								
MLL (Nov. 1974)	40,67	50,88	59,66	67,37	86,11	101,76	105,59	72,38
MLL (Nov. 1975)	48,23	60,34	70,76	79,90	102,13	120,69	125,23	85,84
MLL (Nov. 1976)	55,67	68,58	78,81	88,20	111,55	132,48	136,92	94,19
Percentage Change in MLL Between Nov. 1974 and Sept. 1976	32,9	31,1	28,7	27,7	26,5	27,0	26,6	26,7

TABLE XIV

COMPARISON OF THE MLL FINANCIAL REQUIREMENTS FOR THE ELEMENTARY
FAMILY ON ALL ITEMS : 1974 AND 1976

MLL Item	Elementary Family		Percentage Change	Percentage Requirement 1976
	1974	1976		
	R	R	%	%
Food	34,36	42,82	24,6	46,7
Clothing	10,69	14,52	35,8	15,8
Fuel and Light	4,60	8,58	86,5	9,4
Washing and Cleaning Materials	2,45	2,66	8,5	2,9
Accommodation	6,10	6,10	0,0	6,7
Transport	5,48	5,64	2,9	6,1
Medical Expenses	1,10	1,47	33,6	1,6
Education	0,67	0,79	17,9	0,9
Replacement of Household Equipment	5,42	7,07	30,4	7,7
Taxes	1,51	2,06	36,4	2,2



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