

Explaining Migrant Wages: The Case Of Zimbabwean Day Labourers In South Africa

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ABSTRACT

There has been an increasing inflow of migrants and refugees into South Africa during the last two decades. The origin of these migrants is mainly from South Africa's long-established sources of migrant workers, including countries from the Southern African Development Community. Over the last decade, African immigrants have encountered brutal manifestations of resentment at their presence in South Africa. The reasons for this are multifaceted, but one of the pertinent perceptions is that immigrants from the country's northern borders are taking South Africans' jobs. It is often claimed that casual immigrant workers are willing to work for very low daily wages. In doing so, they get temporary employment in the informal and formal economy at the expense of South African workers, who have much higher reservation wages in the same informal labour market.

This is the first study to focus on the wages of migrant day labourers in South Africa by investigating the determinants of day labour wages for migrant day labourers from Zimbabwe. The respondents for this study were interviewed during the first countrywide survey of day labourers in South Africa during 2007. The paper concludes that the income from migrant day labourers from Zimbabwe often exceeds that of the average day labourer in South Africa. The Zimbabweans are, in many cases, better qualified than the average day labourer in South Africa. The main determinants of these migrant wages are their formal level of schooling, language proficiency and the completion of vocational training courses.

Keywords: Migrant Wages; Day Labourers; South Africa

INTRODUCTION

lobally, transnational and regional work migration is a contentious issue at the moment. In the developed world, recent elections in England, Australia and the United States had immigration issues as central topics on the campaign trail. Migration in Africa is also not new, with increases in both the volume and velocity of international migration in the last five decades (Pringle, 2010: 1-2). Empirical studies postulate that the decision to migrate to another country is strongly influenced by economic factors, principally employment opportunities and higher wages (Todaro and Maruszko, 1987: 102). Deumert *et al.* (2005: 318) note that a low probability of finding employment does not discourage migration. This is described by Stark and Bloom (1985: 175) as the “image of worker success”. If a significant number of workers believe that well-paying employment can be obtained, or it is worthwhile waiting for it, migration will take place (Stark and Bloom, 1985: 175).

Regional migration in Sub-Saharan Africa especially has received significant coverage in the popular press as well as in academia in the last 10 years, mainly as a result of the ensuing economic and political instability in Zimbabwe after state-sponsored farm invasions and the collapse of governance in 2000 (Makina, 2012: 1). Zimbabweans have left their home country in droves in search of ways to earn a living and to support their families that stayed behind (Morreira, 2010: 433). North America, Europe and Southern Africa are the preferred potential destinations for professional and qualified Zimbabweans, who mostly leave the country as legal emigrants (Tevera

and Crush, 2010: 123-124). Literature suggests that these location choices are not only predicted by wages but on the beneficial concentration of prior immigrant support networks in the chosen destination (Gozdziak and Bump, 2004: 151). Unskilled individuals, who usually leave as illegal cross-border migrants, are not recorded and remain as such throughout their stay (Makina, 2012: 1). Most illegal immigrants from Zimbabwe end up in South Africa, where they compete with locals for the available employment opportunities and housing.

Although Zimbabwean migrants do face similar challenges in South Africa to that of migrants from other parts of Africa, they constitute a unique group because of their reasons for migration. In contrast to the majority of African migrants who do so for economic reasons, they migrate for economic, political and humanitarian reasons (Mosala, 2008: vii). There are no reliable statistics on the number of Zimbabweans coming to South Africa (Makina, 2012: 1). Estimates of the number of Zimbabweans in South Africa range from 1 to 3 million people (Gordon 2007; Mosala, 2008: vii; Hammar, McGregor and Landau, 2010: 263).

Migrants are among the most vulnerable members of any society, even more so in developing countries. They are uncoupled from social support structures and traditional safety nets in their country of origin (Deumert, Inder and Maitra, 2005: 304). Workers can be exposed to racism, xenophobia and various forms of discrimination on a continuous basis in the destination country. This is even more evident in times of economic downswing and the resultant growing unemployment in migrant-receiving countries (Pringle, 2010: 3). South Africa is no exception. Zimbabwean migrants in South Africa frequently encounter extreme xenophobic reaction to their presence. Many South Africans use very derogatory terms, such as '*amakwerre-kwerre*' (derived from Xhosa to describe all nationals of other African states) to describe unwanted immigrants (Gordon, 2007).

One pertinent perception is that immigrants from north of the country's borders are taking South Africans' jobs, undermining labour standards and wages in the unskilled sectors (Mosala, 2008: 13; Kalitanyi and Visser, 2010: 376). It is often claimed that casual immigrant workers are willing to work for very low daily wages, meaning that they get temporary employment in the informal and formal economy at the expense of South African workers who have much higher reservation wages in the same informal labour market.

Day labouring is a classic example of 'informally employed' workers who actually work in the formal sector, but on a somewhat 'casual' basis (Davies and Thurlow, 2010: 440). This is the first study of the wages of migrant day labourers in South Africa's economy. It represents a unique look into the argument that native-born workers are pushed out of the informal labour market by the influx of migrant workers to South Africa. We investigate the determinants of day labour wages for migrant day labourers from Zimbabwe in order to evaluate this perception in the day labour market.

The paper provides a brief exposé of the functioning of the day labour market in South Africa. This is followed by the theoretical underpinning of the empirical model deployed in the paper. The source of the data and its descriptive statistics precedes the empirical section of the study, which is followed by the results, conclusions and tentative policy recommendations.

The Day Labour Market In South Africa

Day labouring has emerged as a worldwide phenomenon, with a steady increase in the number of people congregating each day on street corners, waiting for somebody to offer them a job. Day labouring in the developed world has different characteristics from those in the developing world. In the United States of America, day labouring serves as an entry point into the labour market for mostly migrant workers, who hope to make the transition into the formal economy (Theodore, Valenzuela Jr. and Meléndez, 2009: 423). The entry point function is also true for many Zimbabwean migrants who find their way onto the street corners of South African cities. However, this is where the similarity ends.

In a developing country like South Africa the day labour market serves as a catchment area for the fallout from a formal economy unable to provide employment to all of those who want it. Once in this pool of mostly unskilled labour, the chance of a return or first transition into the formal economy is very limited, as the existing

levels of human capital can be eroded very quickly (Blaauw, Louw and Schenck, 2006). Deskilling in this market is therefore a reality faced by South African-born day labourers and Zimbabwean migrants alike.

The street corner acts as the *laissez-faire* market place in this labour market. There is no existing monthly wage or official minimum wage level applicable in this market. Day labourers are generally paid in cash, do not receive social security and unemployment benefits and are for the most part not recorded for cash purposes (Camou, 2009: 42). Demand and supply truly influence the labour market outcomes. The pricing of the labour offered in this labour market is a function of negotiation between the prospective employer and the supply of day labour available at the street corner. This negotiation process mostly takes place before the day labourer gets into the vehicle of the employer to be transported to the actual workplace for the day (Valenzuela Jr., 2000: 1). Day labourers often take up employment without complete information pertaining to the prospective employer, often leading to abusive behaviour such as non-payment (Camou, 2009: 43). Even if negotiation takes place there is still no guarantee that the day labourer will be paid at the end of the day for his efforts. Incidences of under-payment or no payment at all are frequent in this informal labour market (Blaauw *et al.*, 2006; Theodore *et al.*, 2009; Bernhardt, Milkman, Theodore, Heckathorn, Auer, DeFilippis, González, Narro, PerelshTEYN, Polson and Spiller, 2009). Therefore the eventual wage depends to a large extent on the goodwill of the employer.

Each successful conclusion of an agreement between the day labourer(s) and the employer represents a unique equilibrium in that specific street-corner market. Street corners in different geographic locations have different outcomes. This is the case not only with respect to the rural–urban divide but also within different suburbs in the same city. Factors such as the various levels of economic development of different regions and the economic circumstances of the various suburbs in the different cities all play a role in determining the labour market outcomes in this labour market (Harmse, Blaauw and Schenck, 2009). In general terms, it can be concluded that day labourers are facing a double dilemma of infrequent hiring patterns and generally low levels of income (Blaauw *et al.*, 2006).

The functioning of the day labour market in South Africa and the resultant labour market outcomes must be viewed against the theoretical background of migrant wages and their theoretical determinants.

Possible Determinants Of Migrant Wages

Standard human capital theory suggests that wages are determined by investment in human capital (Baldacci, Inglese and Strozza, 1999: 679). Any spending on education and training can effectively be regarded as investment in human capital (McConnell, Brue and Macpherson, 2009: 86). The levels of schooling and on the job training are major types of human capital investment (Gao and Smyth, 2010: 13). General theories on wage determination are insufficient to describe the most pertinent factors that have an impact on the earnings of immigrants (Baldacci *et al.*, 1999: 680). In order to understand the wages of immigrants it is imperative to study the post-immigration activities of immigrants and to relate these to their wages (Skuterud and Su, 2008: 6).

Chiswick (1978) made a significant contribution in this respect on the way immigrant workers integrate into the local labour market. He found that higher growth rates of immigrant income are highly correlated with the length of stay in the destination country. When the absorption of international migrants into the local labour market is the topic of research, it is therefore classically modelled by a regression equation taking cognisance of the worker characteristics, some measure(s) of labour market experience as well as the time that has lapsed since migration (Borjas, Bronars and Trejo, 1992: 170).

Another key input to the literature on immigrant wage assimilation was made by Friedberg (2000), when she distinguished between foreign and host country sources of human capital in her model. The level of human capital accumulated by the migrant worker remains a key element in the worker characteristics in any analysis.

Apart from the standard human capital predictions in terms of educational attainment, it is also useful to investigate the effect of other aspects that can impact on the earnings of migrant workers and day labourers in particular. Given the manual nature of most of the activities that characterise day-labour employment, age was identified as such a factor. The argument is that as a day labourer gets older he might not be able to do the same manual work as his younger colleagues. This may impact negatively on his chances of finding employment. Job

tenure and age are regularly strong predictors of labour-market outcomes, such as higher wages, benefits and promotions (Bernhardt *et al.*, 2009: 43).

Given the nature of the tasks expected from day labourers, we concur with Gao and Smyth (2010: 10) that health is an important control variable explaining earnings. A healthier day labourer can attain productivity gains, potentially resulting in higher wages. An important proxy for health in the day labour study is nutritional status.

International migrants must often master a new language (Borjas *et al.*, 1992: 174). The extent to which they are able to do that may very well influence their absorption into the local labour market as well as their earnings in this market (Baldacci *et al.*, 1999: 681). Previous studies propose that for numerous immigrant-receiving countries, aptitude in the host country's language enhances income, and this investment delivers a high rate of return (Gao and Smyth, 2011: 342). In the case of the Zimbabwean day labourer this is not a big adjustment problem. The official language in Zimbabwe is English and in South Africa English is also the *lingua franca*.

Immigrants who are able to communicate effectively in the key language of the host country are in an advantageous position to acquire information about employment opportunities and earnings. Their superior language proficiency also enables them to effectively convey information about their skills to potential employers. Proficiency in the major language of the host community also increases the productivity of employed immigrants (Gao and Smyth, 2011: 342). They will be able to understand instructions from their employer better and therefore likely to make fewer mistakes (Le, 1999: 390). This is of particular importance in the day labour market, as this will improve the day labourer's chances of being hired repeatedly by the same employer. Studies have indicated that being hired frequently by the same employer enhances the earnings of day labourers considerably (Bartley and Roberts, 2006: 50).

South Africa has 10 official languages other than English. One of these is Afrikaans. It is a language that many prospective employers will prefer to use. The ability of the migrant to communicate with the employer in his language of choice can theoretically influence his/her earnings potential. This study took note of this and also included this aspect as one of the possible determinants of the Zimbabwean day labourers' earnings.

Other aspects receiving attention in the literature on migrant wages is the role of legal status, with many studies indicating that legal immigrants have higher levels of remuneration than their illegal counterparts (Baldacci *et al.*, 1999: 681). Legal status can create job stability, if not income security. If the household head experience this envisaged stability, it may permit families to reunite and deepen the settling out process (Gozdziak and Bump, 2004: 150). In the case of Zimbabwean day labourers, however, the vast majority are illegal immigrants whose status remains as such.

DATA AND DESCRIPTIVE STATISTICS

The data for the empirical analysis were sourced from the first countrywide survey among day labourers in South Africa in 2007. Research during the reconnaissance phase of the study revealed that there are nearly 1,000 places in South Africa where a minimum of 45,000, mostly black African men, stand and wait to be picked up for day labour (Harmse *et al.*, 2009). For the sample to be accepted as representative, between five and 10 percent of the research population had to be interviewed countrywide. A detailed questionnaire was designed in a multi-stage process. The draft was also subjected to a trial run before the final adjustments were made. The fieldwork commenced toward the end of February 2007 and was completed by the end of November 2007. A number of questionnaires, which were deemed unreadable or otherwise lacking in quality, were discarded. The sample was checked for proportionality in terms of the regional distribution. Just over 3,800 questionnaires were accepted as suitable for the study. The research revealed that 395 respondents indicated they originate from Zimbabwe. This sub-sample is used in the analysis that follows.

Table 1 presents a summary of the basic demographic characteristics of the Zimbabwean day labourers from the survey.

Table 1: Profile of Zimbabwean Day Labourers in South Africa, 2007

Provincial Distribution	Gauteng: 74.9 percent Western Cape: 19.8 percent Other provinces: 0.3 percent - 1.7 percent
Gender	Male: 96.7 percent Female: 3.3 percent
Age	70 percent younger than 30 25 percent between 30 and 40
Education	No schooling: 2.25 percent Some primary schooling: 4.79 percent Completed primary schooling: 8.17 percent Some secondary schooling: 21.97 percent Completed secondary schooling: 50.99 percent Post-school qualification: 11.83 percent Total: 100 percent
Marital Status	Almost equally divided between married and single.
Dependents	Average of 4.8 per day labourer
Type of Employment	Mostly in construction sector, gardening and other manual labour jobs.

Source: Survey data

Table 1 confirms that Zimbabwean day labourers in South Africa are mainly male and fairly young. They have a significant number of dependants to support. Makina (2012: 6) reported that over 90 percent of Zimbabwean migrants in South Africa have dependents back home to support.

The data corroborates the results of other studies, indicating the relatively high levels of schooling of Zimbabwean migrants (for example, Makina, 2007; Mosala, 2008; and Bloch, 2008). Together with their relatively high levels of schooling, 86 percent of the Zimbabwean day labourers indicated that they can understand and speak English well.

The general view that foreign day labourers are willing to work for much less than their South African counterparts is not confirmed by the survey data. In fact, the mean values of all income level indicators in Table 2 are higher in the case of foreign-born day labourers. The statistical significance of the observed differences in income levels was tested with standard variance analysis (see Koutsoyiannis, 1977: 145–146 for a detailed description). The observed difference in the average wage or income between South African and foreign-born day labourers is statistically significant in four out of the five income variables generated from the questionnaires.

Table 2 compares the various income variables between the South African and Zimbabwean day labourers.

Table 2: Comparing Income Variables for Day Labourers in South Africa, 2007

Income Indicator	Average (Rand* Values)	
	Zimbabweans	South Africans
Lowest wage received for a day’s work	63	57
Best wage received for a day’s work	142	117
Lowest wage day labourer is willing to work for	112	102
Earnings during a good week	469	373
Earnings during a bad week	171	163

* US\$/ZAR & UK£/ZAR exchange rate in 2007 was ZAR 7.05 & ZAR 14.12, respectively (South African Reserve Bank, 2012)
Source: Survey data

All income indicators reflect higher Rand values for the Zimbabwean day labourers. This is contrary to what was expected. The perception of Zimbabweans taking the jobs of South Africans by working for much lower wages is not a reality in the day labour market. This surprising finding warrants further scrutiny and forms the basis of the empirical analysis of the following section.

EMPIRICAL ANALYSIS

The following variables are included in the regression analysis.

Dependent Variable

GOODWEEK Rand amount earned during a good week

Due to the nature of their economic activity, day labourers do not receive a fixed monthly, or even daily, wage. The questionnaire contained a few questions relating to income received. The chosen dependent variable for the empirical study asked the day labourer how much (s)he earned during a good week of day labouring. During bad weeks all day labourers are equally badly off and they receive almost no income. Therefore, income received during a bad week is not regarded as a good indicator of the worker's worth. A good week of day labouring would involve frequent jobs and is therefore judged to be the best available indicator of day labour wages/income. The dependent variable **GOODWEEK** enters the wage equation both in logarithmic and levels (Rand) format. In the logarithmic regression the estimated coefficients of the quantitative explanatory variables are interpreted as a percentage change in the weekly income for a unit change in the regressor. The coefficients of the dummy explanatory variables are appropriately transformed before being interpreted as percentage change (Gujarati and Porter, 2009: 298).

Explanatory Variables

AGEPROX Mean of range in age category (in years)
FTEMP Years of full time employment before taking up day labouring
DIVERSE Sum of all different activities undertaken during the last month of day labouring
NUTRITION Dummy variable with value of 1 if the labourer indicated that (s)he had enough food to eat and enough of the food (s)he wanted to eat during the last week.
SECANDPOST Dummy with value of 1 if completed secondary school or post-school qualification; zero otherwise
VOCATIONALTRAIN Number of vocational training courses completed
SAWELL Dummy with value of 1 if speaks Afrikaans well, zero otherwise
OFTEN Dummy with value of 1 if often hired by the same employer more than three times, zero otherwise

AGEPROX

The questionnaire was set in such a way that the respondents indicated their age within a specific category. The actual age of each respondent is therefore not available. Each category accounted for five years. As a proxy for age, respondents in a particular category were assigned the mean age of the category, for instance those in the category 21-25 were assigned an age proxy of 23; those in the category 26-30 were assigned an age proxy of 28; etc. Everyone in the group below 21 was assigned an age of 18.

Wage estimations usually include age as well as a squared term. The underlying argument is that wages increase as you get older. At a certain point you reach your maximum wage and after that age your wage declines. This specific sample consists of a very young population and for this reason age² (squared) is excluded from the analysis. The expected sign of age is positive, where older and physical stronger workers are expected to be paid more.

FTEMP

For this variable the respondents were asked to indicate the number of years they held full time employment before they turned to day labouring. The expectation is that those with experience as full time employees would be more skilled and experienced, and, therefore, paid more.

DIVERSE (specialisation)

Respondents were asked how many different activities they were performing as day labourers during the past month. These activities were added to form the variable DIVERSE. The higher the value, the more different activities the person had to perform. The lower the value, the more this person specialised in a specific activity. The sign is expected to be negative, where workers specialising in a specific activity are paid more.

SECANDPOST

A striking feature of the Zimbabwean day labourers in South Africa is their high level of schooling. Of the whole sample, 51 percent had completed secondary school education and 12 percent had acquired a post-school qualification. The lower categories of schooling, namely, no schooling, some primary schooling, completed primary and some secondary schooling are not well presented. Therefore, only one dummy variable is included, taking on a value of 1 if the person had completed secondary school and/or had a post-school qualification and a value of zero if the highest formal qualification was some secondary schooling or lower. The sign of SECANDPOST is expected to be positive.

VOCATIONALTRAIN

Due to the physical nature of day labour activities, human capital is also increased or built by more practical training. The questionnaire included a question asking: “What other vocational training courses did you complete?” A number of options were listed, including bricklayer, painter, plumbing, tiler, electrical work, carpenter, and other. The respondent then had to confirm what courses(s) he/she attended. The number of training courses was added and is represented in the variable VOCATIONALTRAIN. In this specific sample the number of courses completed ranges from zero to five. These training courses would increase the human capital of each worker and allow him/her to specialise in a specific field. A square term of this variable is also included to test if the value of such training decreases after a certain number of courses.

SAWELL

Previous studies confirmed the importance of language proficiency as a determinant of migrant earnings. Migrants who can speak the official language of the destination country are better off than those who cannot. In the day labour market, the ability to communicate is essential to understand the instruction and wishes of the employer of the day. The questionnaire included questions testing the proficiency in English as well as Afrikaans. Considering the good schooling system in Zimbabwe it is not surprising that 86 percent of the respondents indicated that they speak English well. The respondents were also asked in Afrikaans how well they can speak Afrikaans. Only a few answered positively. The SAWELL variable takes on a value of 1 for those respondents who can speak Afrikaans well.

NUTRITION

In the light of the physical nature of day labour activities, the workers’ health is crucial for their income-generating capacity. No questions directly related to health were asked. However, one question asked about the kind of food the respondent had to eat during the past week. The options were: “I did not have enough to eat”, “I had enough food, but not always the kinds of food I want” and “I had enough of the kinds of food I want to eat”. Those responding positively to the last statement are regarded to be well nourished and the NUTRITION variable takes a value of 1 for them and zero otherwise. This is expected to contribute positively to their earnings.

OFTEN

Once they are satisfied with the opportunities at a specific hiring site, day labourers tend to stay there. It therefore happens that a specific employer will repeatedly pick up the same worker at such a site. It is expected that the employer and the worker in such a relationship will bond and build up trust. The employer is also expected to pay such a reliable and trustworthy worker more. If the respondent replied with “often” rather than “sometimes” or

“never” to the question “How often do you get hired by the same employer more than three times?” the variable OFTEN takes on a value of 1 and zero otherwise.

Variables Not Considered

No distinction was made between urban and rural hiring sites. All Zimbabwean day labourers were located in urban areas, predominantly in Gauteng. Studies on migrant wages prove that wages increase with every year that migrant workers stay in their destination country. Since most of the respondents are recent migrants (the average time they have been engaged in day labouring in South Africa is 1.52 years), the years of migration are excluded from the empirical analysis. The sample predominantly consists of male labourers (only 13 females). Therefore, gender was not considered. The legal status of the day labourer was excluded, because 83 percent of the respondents confirmed that they were illegal immigrants.

Estimation Method/Technique

A number of international studies estimating migrant wages have employed instrumental variables in Mincer earnings functions in order to account for possible endogeneity and bias in the OLS estimators (for example, Gao and Smyth, 2011). That specific study, for instance, used mother’s years of schooling as an instrument for years of schooling and the number of children living in the host city as an instrument for language proficiency. These instrumental variables are usually sourced from rich datasets like labour surveys. Although unique and insightful, the data set employed in this empirical study is not rich enough to provide instrumental variables.

Two attempts were made to look for signs of possible endogeneity. The first involved an analysis of correlation between explanatory variables of the wage estimate and the residual (Appendix A). The low correlation coefficients provide an initial confirmation that the explanatory variables are exogenous. A further attempt was made in performing an official endogeneity test with possible, although highly unlikely, instrumental variables. Instrumental variables were sourced from the day labour survey. These variables were not considered to be relevant explanatory variables in the wage functions. Initial inspection also did not indicate high correlations between these proposed instruments and the explanatory variables. For both the specifications, the calculated J-statistic in the official endogeneity test was low and accompanied by probabilities higher than 90 percent. It is therefore not possible to reject the null hypothesis of exogeneity and we conclude that the included explanatory variables are exogenous.

In the absence of signs of endogeneity and useful instrumental variables, wage equations were estimated using OLS. The presence of heteroskedasticity could not be ruled out by all the available tests. Thus, the regressions were estimated with White heteroskedasticity-consistent standard errors and covariance. The results of the regressions are presented in Table 3.

Table 3: Results of OLS Regression Analysis

	LOG(GOODWEEK)		GOODWEEK	
	Coefficient	Probability	Coefficient	Probability
CONSTANT	5.6526	0.000	273.75	0.000
AGEPROX	**0.0095	0.047	***6.02	0.008
DIVERSE	***-0.0464	0.007	***-33.54	0.000
FTEMP	***-0.0336	0.009	***-15.80	0.002
NUTRITION	0.0587	0.370	*57.24	0.064
OFTEN	*0.2091	0.057	**130.34	0.026
SECANDPOST	**0.1694	0.015	**80.79	0.014
SAWELL	***0.2542	0.003	*104.46	0.077
VOCATIONALTRAIN	***0.2865	0.000	***156.20	0.000
VOCATIONALTRAIN^2	***-0.0521	0.005	***-30.40	0.001
Observations	344		344	
Adjusted R ²	0.1390		0.2029	

Regressions estimated with White heteroskedasticity-consistent standard errors and covariance

* Statistical significant at 10%

** Statistical significant at 5%

*** Statistical significant at 1%

DISCUSSION OF RESULTS

The estimated coefficient of AGEPROX is positive and statistically significant in both equations, as was expected. The physical nature of day labour activities rewards older and physically stronger workers with higher wages, even if they are at relative low levels. Each year adds only R6 (or 1 percent) to earnings in a good week.

Previous full-time employment does not translate into better day labour earnings. The regression results indicate that the more experienced workers actually receive less income. Considering the nature of day labour activities and how they differ from full-time employment, this result is not surprising. Some of these respondents were sales officers, police officers and teachers. There is no reason why years of experience as teacher, for instance, should guarantee better earnings when one is active in hard physical work.

NUTRITION as a proxy for health is significant only at 7 percent in the levels equation and insignificant in the logarithmic equation. Even though there are indications that day labourers who eat enough of the kind of food they prefer earn more than those who do not have enough to eat or who cannot eat the food they would prefer, the evidence is not statistically significant. One reason may be that the NUTRITION variable is not a good indication of health. One can also raise questions about causality. Do you earn more because you can eat enough and of the food you prefer, or are you able to afford the food you want to eat because you earn enough?

As expected, and in line with international experience (Bartley and Roberts, 2006: 50), day labourers who often get hired by the same employer earn more in a good week than those who do not have these regular encounters. At a significance level of 3 percent the levels equation indicates an increase of R130 in a good week. In the logarithmic equation OFTEN is significant only at 6 percent, but indicates an increase of 23 percent compared to those who do not get hired often.

Zimbabwean day labourers who have completed secondary school and/or some formal post-school qualification earn on average R81 or 18 percent more than those whose highest qualification is some secondary schooling. This explanatory variable is significant at 2 percent in both equations. One must immediately add that this does not imply that deskilling and the wastage of existing skills, as reported by Mosala (2008: 14) is not an issue of concern in the day labour market.

Day labourers who specialise in a specific activity earn more than those who do not. This is evident from the highly statistically significant variables DIVERSE and VOCATIONALTRAIN. The more they engage in different kinds of activities, the lower their earnings are in a good week. VOCATIONALTRAIN exhibits the expected quadratic form in both equations. The more practical or vocational training courses completed, the higher their earnings in a good week. Every course adds R156 or 29 percent to earnings, but only until a certain point. When the number of courses exceeds 2.6 or 2.8 (according to the two different equations) further vocational training no longer adds to earnings.

The ability to speak Afrikaans well adds R104 or 29 percent to earnings of Zimbabwean day labourers in South Africa. This variable is statistically significant at 8 percent in the levels equation and 1 percent in the logarithmic equation. The 29 percent is quite high compared to other international studies. Fluency in standard Mandarin adds about 4.8 percent to earnings of migrant workers in China (Gao and Smyth, 2011) – although this may well be from a higher base than the earnings of an average day labour in South Africa.

CONCLUSION

Day labourers experience vulnerability in the labour market on two fronts. They have very little recourse to any form of rights as employees. De facto, they have very few rights and are frequently underpaid or not paid at all after a day's hard work. This occurs, in many cases, in spite of negotiating their wage beforehand. They are at the mercy of the employer as to if and how much they will be paid. The Zimbabwean day labourers in this study may experience the above even more acutely, as they are in many cases in the country illegally. This makes their situation even more precarious. Their vulnerability is furthermore a function of the dynamics of the labour market they operate in. They experience uncertainty in terms of the frequency of finding temporary employment and the

income that they earn from it is also low. They often find it difficult to support their dependants with the income earned.

In spite of this disadvantaged situation, the empirical results of this study show that, against expectations, human capital factors play an important role in determining the Zimbabwean day labourers' wages. The study highlighted that the main contributors, both in absolute Rand value and percentage wise, proved to be the human capital variables. Employers evaluate the productivity and commitment of Zimbabwean day labourers ex post, and, being impressed by what they see, perhaps even unwittingly reward the human capital characteristics of their temporary employee. This is evident from the wage equations, where the most important explanatory variables - both economically and statistically - are the formal level of schooling, practical or vocational training courses, and being able to speak Afrikaans. Although the market for day labourers finds it difficult to price the skills levels of the day labourers, it is able to reward some of the supply characteristics of the participants.

Informal discussions with regular employers of day labourers in Johannesburg revealed that higher productivity levels, as well as the greater reliability of foreign day labourers, compared to their South African counterparts, play a definite role here. Employers are apparently willing to reward the foreign day labourers with higher wages than the going rate in the overall day-labour market for these attributes. This finding is totally opposite to the general perceptions and experience in other labour markets where Zimbabwean migrants are known to work for lower wages than South Africans.

An important research agenda flowing from this is that the reasons for this need to be investigated from the perspective of the employers' hiring and pricing behaviours. Only then will a more nuanced discussion of the social and labour market outcomes issued from the street corners of our cities be possible.

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APPENDIX A

Correlation between Variables and Residuals of the Wage Estimate in:			
Logarithmic Format		Levels Format	
	RESLOG		RESLEVEL
GOODWEEK	0.790431	GOODWEEK	0.881007
AGEPROX	5.35E-14	AGEPROX	1.79E-15
DIVERSE	1.22E-14	DIVERSE	5.18E-16
FTEMP	3.94E-15	FTEMP	2.54E-16
NUTRITION	6.90E-15	NUTRITION	3.00E-16
OFTEN	2.98E-15	OFTEN	3.89E-17
SECANDPOST	1.47E-14	SECANDPOST	3.74E-16
SAWELL	2.17E-15	SAWELL	9.71E-17
VOCATIONALTRAIN	3.17E-15	VOCATIONALTRAIN	6.90E-17
VOCATIONALTRAIN^2	8.96E-15	VOCATIONALTRAIN^2	1.55E-16
RESLOG	1	RESLEVEL	1

NOTES