



**EXPLORING CHALLENGES THAT AFFECT FEMALE INFORMAL  
ENTREPRENEURS IN THE CENTRAL BUSINESS DISTRICT OF  
RICHARDS BAY AND EMPANGENI.**

This work submitted in fulfilment of the requirements for the degree of Masters  
in Management Sciences: Business Administration in the Faculty of  
Management Sciences at the Durban University of Technology.

**BY**

**Nompumelelo Ignatia Ntibane**

**MAY 2021**

**Supervisor: Professor D Schauffer (PhD)**

**EXPLORING CHALLENGES THAT AFFECT FEMALE INFORMAL  
ENTREPRENEURS IN THE CENTRAL BUSINESS DISTRICT OF  
RICHARDS BAY AND EMPANGENI.**

This work submitted in fulfilment of the requirements for the degree of Masters  
in Management Sciences: Business Administration in the Faculty of  
Management Sciences at the Durban University of Technology.

**BY**

**Nompumelelo Ignatia Ntibane**

**MAY 2021**

Supervisor: Professor D Schauffer (PhD)

Date: 06/05/2021

## **ABSTRACT**

Female entrepreneurs play an important part in the economies of countries across the globe, yet they are still being discriminated against because of their gender. They face a lack of education and skills, a challenging economic climate, lack of funding, lack of motivation, and insufficient resources. In terms of addressing gender stigmatisation and exclusion in the informal sector, policymakers must address historically inherited social and religious norms as well as societal expectations about women that constrain their economic lives as consumers, workers and producers. This study aimed to explore the challenges affecting female informal entrepreneurs in the central districts of Richards Bay and Empangeni, Kwa-Zulu Natal. The business world has been known as a male-dominated world, and many people think there is no room for females in the business sector. South African research reported that in 2007 the ratio of the average female to male wages for those in the sample stood at 82.2 per cent. Janet Burns-Senior Contributor at Forbes also wrote an article regarding this issue. In this article she makes the comment that: "We need awareness in women and men about what is unconscious in gender bias, and which can often be sensationalised and politicised, if you factor in the race, different ability levels, sexual orientation, you add additional layers, but gender bias is always there. Research shows that both women and men have such biases, and these are attitudes we do not control." This study looks at the challenges that the female faces in this competitive arena of entrepreneurship. It also aims to encourage and support women to make a difference in the region's economic growth. The study revealed that a large percentage of the respondents were between the ages of 31 to 50 years old who have only completed high with a senior certificate (grade 12) and thus need proper further training from the government. It was also clear that the highest challenges affecting the growth of women-owned businesses is funding and crime. Some women fail because they do not have financial backing from the government, and they are obliged to use their own funds/get loans/donations to support their operations, mainly in the food industry. The study also discovered that the challenges faced by the female entrepreneurs in Richards's bay are different from those faced by the female entrepreneurs in Empangeni. In light of the above results, it was recommended that the working environments for these women entrepreneurs be secured. What one group of women is doing better in Richards's bay or Empangeni should be emulated by the other. The local government must organise awareness and training on the available support and opportunities in the sector for women, and this should partner with the Local Municipalities to nurture the women in the informal sector. This will give formal recognition to the informal settlements and businesses

as contributors to Local Economic Development. A mixed-methods research approach was used, and 150 respondents from the selected Municipal areas participated in this study. An interview with closed-ended and open-ended questions was used to collect data from the female informal entrepreneurs. The latest version of SPSS was used to analyse data. Pie charts and graphs were used to present descriptive data.

## DECLARATION

I **Nompumelelo Ignatia Ntibane** hereby declare that the work (described) in this study is my original work, and has not previously been submitted in part, or in its entirety, for a degree at any other university. I also further declare that this work does not in any way infringe or violate the rights of others, as all the sources cited or quoted by me are indicated and acknowledged by means of a comprehensive list of references.

---

Student Name

---

Date

Submission approved for examination

---

Supervisor

---

Date

## **DEDICATION**

This research study is dedicated to my late brother Sakhile Manqoba Ntibane, my parents Mrs Zanele C Mdletshe-Ntibane and Mr Johan E Ntibane, whose constant love and support gave me the courage to deal with complex challenges. I Love you both and cannot thank you enough. I am also indebted to my family for their prayers and constant support.

## ACKNOWLEDGEMENTS

To the Lord for giving me the strength, determination and ability to bring this work to reality and for making it possible for me to reach this far.

**“My grace is sufficient for you.” 2 Corinthians 12:9.**

**“I know that you can do all things and that no thought or purpose of yours can be restrained” Job 42:42.**

To Dr Dennis Schauffer, my research supervisor, thank you for all the advice, motivation, guidance and the professional manner in which you handled this work.

To my Mom and Dad, Mr JE and Mrs ZC Ntibane, none of this would have been possible without you. Thank you for all the sacrifices you have made towards my academic study period. Special thanks for your encouragement and having faith in me.

To Siblings Sijabulile, Sinenhlanhla, Xolly, Nelisiwe, and Nhlenhle, thank you for the support and love.

To my Babies Mlondi, Slindokuhle, Sanele, Amukelani and Simamukele thank you for the love.

To my Mothers, Sibongumusa, Mom Thobi, and Mrs BT Mngadi. Thank you for always supporting me.

To my friends who supported me and believed in this research project and tell others who helped me in numerous ways in completing this research and compiling the dissertation, I offer my sincere gratitude.

Thank you the various authors whose works were consulted in the course of writing this thesis and to the wonderful respondents from female entrepreneurs of UMhlathuze local Municipal area for their participation in the survey questionnaire.

To Moses Kotane Institute (MKI), the National Research Foundation (NRF), and the Durban University of Technology (DUT) thank you for providing me with the financial support.

To the UMhlathuze Municipality, for permitting me to conduct this study in the area-especially Ms SS Masondo.

Thank you all.

## TABLE OF CONTENTS

### Table of Contents

|   |      |
|---|------|
| COVER PAGE.....   | i    |
| TITLE PAGE.....   | ii   |
| ABSTRACT.....   | iii  |
| DECLARATION.....  | v    |
| DEDICATION.....   | vi   |
| ACKNOWLEDGEMENTS.....                                   | vii  |
| TABLE OF CONTENTS.....                                  | viii |
| LIST OF TABLES.....                                     | xii  |
| LIST OF FIGURES.....                                    | xiii |
| Appendix.....   | xiv  |
| LIST OF ACRONYMS.....                                   | xv   |
| CHAPTER 1.....  | 1    |
| INTRODUCTION AND BACKGROUND OF THE STUDY.....           | 1    |
| 1.1 INTRODUCTION.....                                   | 1    |
| 1.2 CONTEXT OF THE RESEARCH.....                        | 2    |
| 1.3 RESEARCH PROBLEM.....                               | 2    |
| 1.4 RESEARCH QUESTIONS.....                             | 3    |
| 1.5 RESEARCH AIM AND OBJECTIVES.....                    | 3    |
| 1.6 JUSTIFICATION.....                                  | 3    |
| 1.7 SCOPE OF THE STUDY.....                             | 3    |
| 1.8 LIMITATIONS.....                                    | 4    |
| 1.9 THE STUDY AREA.....                                 | 4    |
| 1.10 STUDY LAYOUT.....                                  | 5    |
| 1.11 CHAPTER SUMMARY.....                               | 6    |
| LITERATURE REIEW.....                                   | 7    |
| 2.1 INTRODUCTION.....                                   | 7    |
| 2.2 THE INFORMAL ECONOMY: A HISTORICAL PERSPECTIVE..... | 7    |



|  |    |
|--|----|
| 2.3 BACKGROUND TO THE INFORMAL ECONOMY .....   | 7  |
| 2.4 THE INFORMAL ECONOMY.....  | 8  |
| 2.5 THE INFORMAL SECTOR.....   | 8  |
| 2.7 LOCAL ECONOMIC DEVELOPMENT AND TOURISM -SMMEs .....                                      | 13 |
| 2.8 THE CHALLENGES FACING THE INFORMAL SECTOR IN SOUTH AFRICA ..                             | 13 |
| 2.8.1 Predicaments of Women in Informal Entrepreneurship in South Africa.....                | 15 |
| 2.9 THE RIGHT TO TRADE.....  | 16 |
| 2.10 FORMS OF INFORMAL TRADING .....   | 17 |
| 2.11 URBAN PUBLIC SPACE.....   | 17 |
| 2.11.1 Urban Informal Workforce .....  | 18 |
| 2.11.2 Size.....   | 19 |
| 2.17 WHAT IS THE SIGNIFICANCE OF THE INFORMAL SECTOR?.....                                   | 28 |
| 2.18 ADDRESSING GENDER ISSUES IN THE INFORMAL ECONOMY .....                                  | 28 |
| 2.18.1 Informal Employment – A Key Source of Jobs for Women .....                            | 29 |
| 2.18.2 Gender Dimensions of the Informal Economy and Employment.....                         | 29 |
| 2.18.3 Women and Men in Informal Employment .....  | 30 |
| 2.18.4 Distribution of Female Informal Work .....  | 31 |
| 2.18.5 Imposed Forms of Gender Disadvantage.....   | 32 |
| 2.18.6 Policy Reform to Introduce New Schemes for Informal Female Workers.....               | 33 |
| 2.19 HOW CAN WE EMPOWER WOMEN WORKING IN THE INFORMAL<br>ECONOMY?.....                       | 34 |
| 2.19.1 Access to Decent Incomes .....  | 35 |
| 2.19.2 Access to Property, Assets and Financial Services.....                                | 36 |
| 2.19.3 Access to Social Protection.....  | 37 |
| 2.19.4 Education, Skills Development and Training .....                                      | 38 |
| 2.19.5 Support for Care Work.....  | 39 |
| 2.19.6 Representation and Collective Action .....  | 39 |
| 2.20 INFORMALITY REMAINS PERVASIVE AMONG WOMEN IN EMERGING<br>AND DEVELOPING COUNTRIES ..... | 40 |
| 2.21 STREET VENDING.....   | 41 |
| 2.21.1 Street Vending and Creation of Employment Opportunities.....                          | 41 |
| 2.21.2 Street Vending and Security in the City .....   | 42 |
| 2.21.3 Environmental Effects of Street Vending .....   | 43 |
| 2.21.4 Street Vending and Access to Capital.....   | 43 |
| 2.22 INFORMAL TRADERS PLAY A BIG ROLE IN SOUTH AFRICA’S ECONOMY<br>.....                     | 44 |

|   |    |
|---|----|
| 2.23 CONDUCTIVE TRADE POLICY AND THE INFORMAL ECONOMY .....             | 44 |
| 2.24 ENTREPRENEURSHIP IN SOUTHERN AFRICA .....                          | 45 |
| 2.24.1 Lack of Appropriate Legal and Policy Frameworks .....            | 45 |
| 2.24.2 Lack of Skills and Training.....                                 | 45 |
| 2.24.3 Failure of Small Businesses .....                                | 46 |
| 2.24.4 An Unfavourable Operating Environment for Informal Traders ..... | 46 |
| 2.25 CHAPTER SUMMARY .....  | 47 |
| CHAPTER 3 .....   | 48 |
| RESEARCH METHODOLOGY.....   | 48 |
| 3.1 INTRODUCTION .....  | 48 |
| 3.2 RESEARCH DESIGN .....   | 48 |
| 3.2.1 Quantitative Research Methodology.....                            | 49 |
| 3.2.2 Qualitative Research Methodology.....                             | 49 |
| 3.2.4 Research Paradigm.....  | 50 |
| 3.3 RESEARCH OBJECTIVES .....   | 52 |
| 3.4 TARGET POPULATION.....  | 52 |
| 3.5 SAMPLING .....  | 52 |
| 3.6 DATA COLLECTION .....   | 52 |
| 3.7 PRE-TESTING OF THE DATA COLLECTION TOOL .....                       | 53 |
| 3.8 DATA ANALYSIS.....  | 53 |
| 3.9 RELIABILITY AND VALIDITY .....                                      | 53 |
| 3.10 ETHICAL CONSIDERATIONS .....                                       | 54 |
| 3.11 CHAPTER SUMMARY .....  | 55 |
| CHAPTER FOUR.....   | 56 |
| ANALYSIS OF RESULTS AND DISCUSSION .....                                | 56 |
| 4.1. INTRODUCTION .....   | 56 |
| 4.2. PRESENTATION OF RESULTS .....                                      | 56 |
| 4.3. DISCUSSION .....   | 67 |
| 4.4. CHAPTER SUMMARY.....   | 70 |
| CHAPTER FIVE .....  | 71 |
| SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....               | 71 |
| 5.1 INTRODUCTION .....  | 71 |

|  |    |
|--|----|
| 5.2 FINDINGS IN RELATION TO RESEARCH OBJECTIVE ONE: TO IDENTIFY CHALLENGES THAT FEMALE INFORMAL ENTREPRENEURS MAY FACE ESTABLISHING AND GROWING THEIR OWN BUSINESSES. .... | 71 |
| 5.3 FINDINGS IN RELATION TO RESEARCH OBJECTIVE TWO: TO SUGGEST PRACTICAL RECOMMENDATIONS TO DEVELOP FEMALE INFORMAL ENTREPRENEURSHIP. ....                                 | 72 |
| 5.3.1 Working Environment .....  | 73 |
| 5.3.2 Recognising the informal economy in poor areas.....  | 73 |
| 5.3.3 Business support and opportunities .....   | 73 |
| 5.3.4 Training.....  | 73 |
| 5.4 FINDINGS RELATING TO LITERATURE REVIEW .....   | 74 |
| 5.4.1 Informal Economy Contribution to the Economy .....   | 74 |
| 5.5 LIMITATIONS OF THE STUDY.....  | 76 |
| 5.6 RECOMMENDATIONS FOR FURTHER STUDY .....  | 76 |
| 5.7 CHAPTER SUMMARY.....   | 76 |
| REFERENCES .....   | 78 |

## LIST OF TABLES

|  |           |
|--|-----------|
| <i>Table 1: Formal and Informal Sector Employment .....</i>  | <i>12</i> |
| <i>Table 2: Informal employment (Agricultural, Non-Agricultural and Total) as a percentage of total Rural and Urban employment. ....</i>                                   | <i>22</i> |
| <i>Table 3: Categories of informal workers as a percentage of informal employment in South African metros.....</i>   | <i>23</i> |
| <i>Table 4 : Informal employment by sex in greater Accra, Urban Ghana and Ghana Nationally: numbers and per cent of total employment .....</i>                             | <i>24</i> |
| <i>Table 5: Occupations of workers by sex in Greater Accra, urban Ghana, and Ghana nationally: Numbers and per cent of total employment.....</i>                           | <i>25</i> |
| <i>Table 6: Informal Employment as a Percentage of Total, Non -Agricultural and Agricultural Employment by Sex, In Bangkok, Urban Thailand and Thailand.....</i>           | <i>26</i> |
| <i>Table 7: Occupations represented by the Federation of Informal Workers: number and per cent of total employment by sex in Bangkok, urban Thailand and Thailand.....</i> | <i>28</i> |
| <i>Table 8 : Gendered regional distribution of informal non-agricultural employment .....</i>  | <i>32</i> |
| <i>Table 9: Share of informal employment in non-agricultural sectors .....</i>   | <i>41</i> |
| <i>Table 10: The Number of Person engaged in Street Vending from different countries .....</i>   | <i>42</i> |
| <i>Table 11: 3.2.3. QUANTITATIVE VERSUS QUALITATIVE APPROACHES .....</i>   | <i>50</i> |
| <i>Table 12: 3.2.5. Four Worldviews .....</i>  | <i>51</i> |
| <i>Table 13: 4.2.4 Marital status.....</i>   | <i>58</i> |
| <i>Table 14: 4.2.5 The Highest academic qualification at the time of the study.....</i>  | <i>59</i> |
| <i>Table 15: 4.2.7 Responses to the question regarding how many years the business had been in operation at the time of the study.....</i>                                 | <i>60</i> |
| <i>Table 16: 4.2.8 Money earned per month.....</i>   | <i>60</i> |
| <i>Table 17: 4.2.11 Challenges affecting female informal entrepreneurs operating in the CBD of Richards Bay and Empangeni.....</i>   | <i>62</i> |
| <i>Table 18: 4.2.12 Opportunities are available for informal women entrepreneurs operating in the CBD of Richards Bay and Empangeni.....</i>                               | <i>62</i> |
| <i>Table 19: 4.2.15 Nature of Business .....</i>   | <i>64</i> |
| <i>Table 20: 4.2.18 Responses to the challenges and how they were resolved.....</i>  | <i>66</i> |
| <i>Table 21: 4.2.20 Main source of start-up funding .....</i>  | <i>67</i> |

## LIST OF FIGURES

|  |           |
|--|-----------|
| <i>Figure 1: Map of Empangeni Central .....</i>  | <i>5</i>  |
| <i>Figure 2: WIEGO model of informal employment – hierarchy of earnings and poverty risk.</i>                                  | <i>10</i> |
| <i>Figure 3: Share of Informal Employment in Urban Employment .....</i>  | <i>19</i> |
| <i>Figure 4: Informal Employment: Percentage of Non-Agricultural Employment .....</i>  | <i>29</i> |
| <i>Figure 5: Factors that enable women’s empowerment .....</i>   | <i>34</i> |
| <i>Figure 6: 4.1.1 Respondents Results.....</i>  | <i>56</i> |
| <i>Figure 7: 4.2.1 Age group.....</i>  | <i>57</i> |
| <i>Figure 8: 4.2.2 Race group.....</i>   | <i>57</i> |
| <i>Figure 9: 4.2.3 The total number of dependents.....</i>   | <i>58</i> |
| <i>Figure 10: 4.2.6. Area of respondents business.....</i>   | <i>59</i> |
| <i>Figure 11: 4.2.9 Needs of the respondents and the dependant’s.....</i>  | <i>61</i> |
| <i>Figure 12: 4.2.10 Previous Employment .....</i>   | <i>61</i> |
| <i>Figure 13: 4.2.13 Strategies that can be used to assist female informal entrepreneurs to improve their businesses .....</i> | <i>63</i> |
| <i>Figure 14: 4.2.14 Responses reflecting the most important reason for starting this business</i>                             | <i>64</i> |
| <i>Figure 15: 4.2.16 Responses to the of negative attitude because of gender.....</i>  | <i>65</i> |
| <i>Figure 16: 4.2.17 The challenges faced when the business started.....</i>   | <i>65</i> |
| <i>Figure 17: 4.2.19 Responses on how they acquired the skills for running their businesses ...</i>                            | <i>66</i> |

## **Appendix**

|   |            |
|---|------------|
| <i>Appendix 1 A. Ethics Clearance Certificate .....</i>               | <i>110</i> |
| <i>Appendix 2: B. Information Letter .....</i>                        | <i>111</i> |
| <i>Appendix 3 C . Gatekeeper’s letter .....</i>                       | <i>112</i> |
| <i>Appendix 4 : D. Consent .....</i>                                  | <i>113</i> |
| <i>Appendix 5 : E. English Questionnaire.....</i>                     | <i>114</i> |
| <i>Appendix 6 : F. IsiZulu Questionnaire .....</i>                    | <i>118</i> |
| <i>Appendix 7 : G. Certificate from the professional editor .....</i> | <i>122</i> |

## **LIST OF ACRONYMS**

ADWN - Asian Domestic Workers Network  
CBT - Cross-border trade  
CDB- Central Business District  
CGCSA - Consumer Goods Council of South Africa  
COGTA- Department of Co-operative Governance and Traditional Affairs  
DTI – Department of Trade and Industry  
EDTEA- Economic Development Tourism and Environmental Affairs  
FAO – Food and Agricultural Organisation  
FIT- Federation of Informal Workers in Thailand  
GDP - Gross Domestic Product  
GEDI – Global Entrepreneurship and Development Index  
GEM - Global Entrepreneurship Monitor  
ICBT - Informal cross border trade  
IDP- Informal Development Plan  
IDWN - International Domestic Workers Network  
IHS – Information handling services  
ILO - International Labour Organisation  
IPAP- Industrial Policy Action Plan  
IUD - International Union of Food and Allied Workers  
KZN - Kwa-Zulu Natal  
LED - Local Economic Development  
LRA- Labour Relations Act  
MAFISA - Micro-Agricultural Financial Institute of South Africa  
MINMEDC - Ministers and Members of Executive Councils Meeting  
NDP- National Development Plan  
NEDLAC - National Economic Development and Labour Council  
NGP- National Growth Path  
NHTL - National House of Traditional Leaders  
NIBUS- National Informal Business Upliftment Strategy  
NYDA- National Youth Development Agency  
PGDP- Provincial Growth Development Plan  
RSA - Republic of South Africa

SA - South Africa

SACBTA and SAT - Southern Africa Cross Borders Trade Association and Southern Africa Trust

SACCI- South African Chamber of Commerce and Industry

SADC – Southern African Development Community

SADC- Southern African Development Community

SAPS - South African Police Service

SAWIC \_ South African Women in Construction

SEDA- Small Enterprise Development Agency

SEWA - Self-Employed Women’s Association

SMEE – Small, Micro and Medium Enterprises

SPSS- Statistical Package for the Social Sciences

SSA - Statistics South Africa

SVB - Street Vending Business

ULM - uMhlathuze Local Municipality

UNCTAD - United Nations Conference On Trade And Development

UNRISD – UN Research Institute for Social Development

UNW – United Nations Woman

USAID – United States Agency for International Development

WIEGO - Women in Informal Employment: Globalizing and Organising



# **CHAPTER 1**

## **INTRODUCTION AND BACKGROUND OF THE STUDY**

This chapter defined the nature and scope of this study, which involves the background of the study, problem statement, the research objectives, justification of the study, and the definition of key terms, followed by limitations.

### **1.1 INTRODUCTION**

Female entrepreneurs play an important part in the economies of countries across the globe, yet they are still being discriminated against because of their gender. They face a lack of education, lack of skills, challenging economic climate, lack of funding, lack of motivation, and insufficient resources. In terms of addressing gender stigmatisation and exclusion in the informal sector, policymakers must address historically inherited social and religious norms and societal expectations about women that constrain their economic lives as consumers, workers and producers (Ramani et al., 2013). The purpose of this study was to explore the challenges affecting female informal entrepreneurs in the central district of Richards Bay and Empangeni, all in Kwa-Zulu Natal. The business world has been known as a male-dominated world, and many people think there is no room for females in the business sector. South African research (Haroon & Sumayya, 2013) reported that in 2007 the ratio of the average female to male wages for those in the sample stood at 82.2 per cent. Janet Burns - the Senior Contributor at Forbes wrote an article regarding this issue: "We need awareness in women and men about what is unconscious in gender bias, and which can often be sensationalised and politicised, if you factor in the race, different ability levels, sexual orientation, you add additional layers, but gender bias is always there. Research shows that both women and men have such biases, and these are attitudes we do not control." (Burns, J. (n.d.). This study looks at the challenges that the female faces in this competitive arena of entrepreneurship. This study also aims to encourage and support women as they can make a difference in the economic growth of the region

A mixed-methods research approach was used, and 120 (Young et al., 2018:16) respondents from the selected Municipal area participated in this study. An interview with closed-ended and open-ended questions was used to collect data from the female informal entrepreneurs. The latest version of the Statistical Package for Social Sciences (SPSS-Version25, 2019) was used to analyse data. Pie charts and graphs were used to present descriptive data.

## **1.2 CONTEXT OF THE RESEARCH**

A major constraint in KZN is the high levels of unemployment, contributing to high levels of poverty and income inequality, which reduces the overall quality of life of the people of the province (PGDP, 2013). Employment creation is one of the most significant challenges facing the South African economy today (Fourie, 2011)). Part of the solution to South Africa's unemployment problem can be job creation by SMEs (Krugell, & Matthee, 2012). The unemployment rate for women and the youth is estimated at 25.7 per cent (*South African Chamber of Commerce and Industry*, 2013). Due to these factors, many people have to become self-employed entrepreneurs in order to survive. (Nieman & Nieuwenhizen, 2003).

The membership data compiled by the Southern Africa Cross Borders Trade Association and Southern Africa Trust (SACBTA & SAT, 2014) shows that, out of the 52,574 registered members of SACBTA & SAT, 72 per cent are women. This statistic is similar to earlier research conducted in the SADC region which showed that 70 per cent of cross-border traders in the region are women (USAID, 2010: 2). A number of factors could explain why the majority of individuals in this sector are women. Firstly, it is suggested that the informal economy is a source of employment that is more accessible to women than other forms of employment (Ramani et al., 2013: 4). Secondly, the vast majority of women conduct their businesses from their homes or on the streets (Chen, 2001: 4).

## **1.3 RESEARCH PROBLEM**

Informal women entrepreneurs face many challenges that affect growth and profitability. These barriers need to be identified, and possible solutions found to increase the success of women entrepreneurs. The lack of an appropriate legal framework exposes women to all manner of abuses, particularly from law enforcement agencies and officials who show little or no concern for the very laws they are supposed to uphold. This is expressed in various ways, including police brutality, corruption and double taxation (ESSET, 2010; Chetty, 2012). The lack of competence in specific skills is another challenge for informal women entrepreneurs.

A study by Seeletse (2012) identified lack of competence in inventory control, ineffective customer relations and poor recordkeeping as the cause of small business failure. Willemse (2011) in determining opportunities and constraints facing informal street traders, found severe cash-flow problems as a factor. This has a ripple effect on the ability to manage the businesses' profitably and to maintain sufficient levels of stock. Bezuidenhout & Nenungwi (2012) noted

that in South Africa, the managerial problems arise from a lack of appropriate training. It is clear from the literature review and the above discussion that informal women entrepreneurs encounter severe problems, barriers and constraints. Given the environment in which informal women entrepreneurs operate, the need exists to establish measures to improve/enhance informal women entrepreneurs' performance not just in Richards Bay and Empangeni only but in South Africa as a whole.

#### **1.4 RESEARCH QUESTIONS**

The following questions guided the study:

- What are the challenges affecting female informal entrepreneurs in this particular environment?
- What are the strategies that could be used to advance these female informal entrepreneurs?

#### **1.5 RESEARCH AIM AND OBJECTIVES**

The aim of the study was to explore challenges that affect female informal entrepreneurs in the central business district of Richards Bay and Empangeni.

The objectives of this study were to:

- Identify challenges that female informal entrepreneurs may face entering and developing their own businesses; and
- Suggest practical recommendations to develop female informal entrepreneurship.

#### **1.6 JUSTIFICATION**

The reason for conducting this study is to contribute to the body of existing knowledge, concerning the need for female entrepreneurs in the informal sector in South Africa, particularly in KZN. The findings from this study should be a useful tool for researchers of the Informal Sector in South Africa, enabling a greater understanding of the importance of the Informal Sector as one of the primary sources of achieving growth in the industry.

#### **1.7 SCOPE OF THE STUDY**

The study focused on female informal traders in Richards Bay and Empangeni. This research was conducted in the UMhlatuze local Municipal area, located in the KwaZulu-Natal province. The main reason for the study to be conducted in that selected area was due to its geographical proximity to where the researcher resides, with the target population being easily available for the gathering of the data.

## 1.8 LIMITATIONS

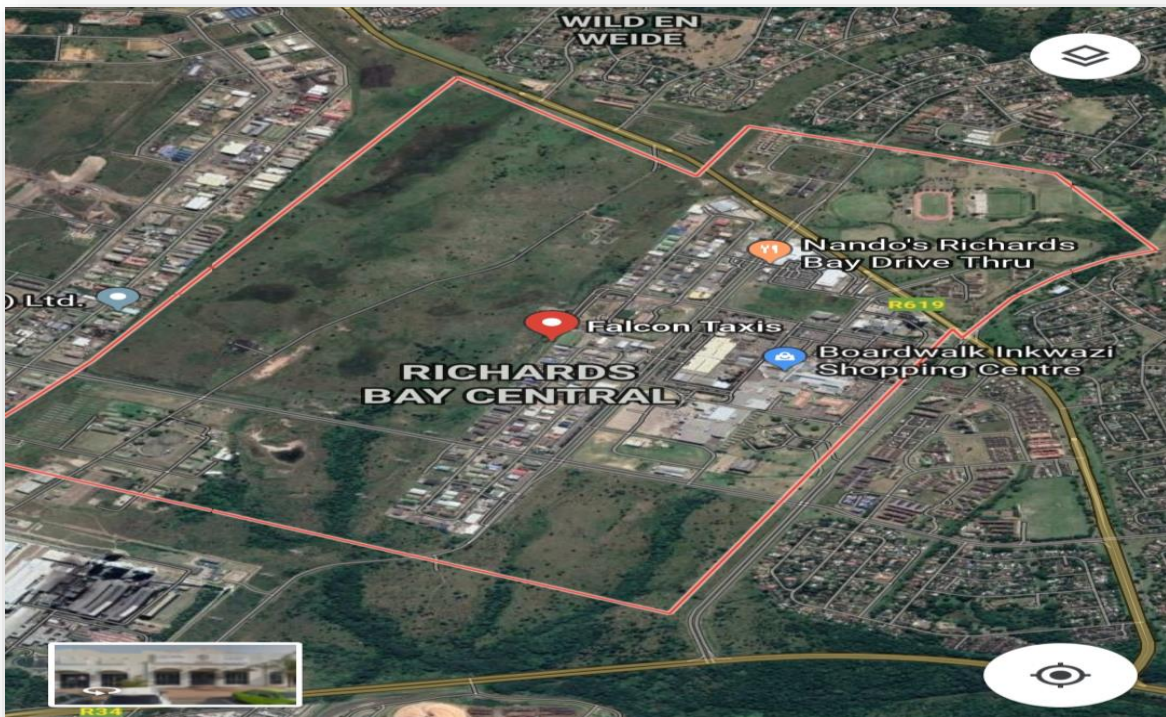
Although the research was carefully prepared, the study had a few limitations. Most of the respondents were not English speaking. Therefore, the questions had to be interpreted in isiZulu. Another limitation was that some respondents were unable to read and write, and assistance had to be provided in order to complete the questionnaires.

## 1.9 THE STUDY AREA

The study was conducted in Richards Bay and Empangeni, situated on the northeast coast of the province of KwaZulu-Natal, about 180 kilometres northeast of Durban. The City of uMhlathuze comprises the central business district of Richards Bay, eMpangeni, Heatonville and Buchanana in Ntambanana.

UMhlathuze's total area is 1195 km<sup>2</sup> with a population of 384 449. The municipal population has, on average, increased by 1.45 per cent per annum from 2011 (2011 Census). The area under the City of uMhlathuze has various major economic sectors comprising mining, manufacturing, agriculture, commercial farming and tourism.

*Figure 1: Map of Richards Bay Central*



**Source:** Google Maps. <https://maps.app.goo.gl/heQNc3GyiZnaKWhu9>. (Accessed: 02 June 2019).



Figure 1 portrays the Map of the study area, this area is relevant to the study because participants in this study trade in the central business district of Richards Bay.

**Figure 2: Map of Empangeni Central**



**Source:** Google Maps. <https://maps.app.goo.gl/dXqsJcFSPm2EbDtM9>. (Accessed: 05 March 2020). Figure 2 portrays the Map of the study area, this area is relevant to the study because participants in this study trade in the central business district of Empangeni.

## **1.10 STUDY LAYOUT**

### **Chapter One: Introduction**

This chapter defined the nature and scope of this study, which involves the background of the study, problem statement, the research objectives, justification of the study, and the definition of key terms, followed by limitations.

## **Chapter Two: Literature Review**

The Literature Review was devoted to a comprehensive review of the literature related to the study, including the theoretical framework that informed the study, which should have elucidated the key concepts further. This chapter aimed to provide an overview of previous research on female entrepreneurship in the Informal sector with specific reference to South Africa and other countries.

## **Chapter Three: Research methodology**

In this chapter, the research design, target population, sampling method, and data collection method are set out, with additional information regarding the measuring instrument, validity and reliability, as well as the data analysis, followed by the chapter summary.

## **Chapter Four: Analysis of Results and Discussion**

The chapter aimed to provide a detailed analysis of the data and focus on the presentation of the results. Presenting the statistical analysis of the data obtained through the questionnaires, the chapter described how the data were processed into meaningful results that the reader should interpret and understand.

## **Chapter Five: Summary and Recommendation**

The dissertation was summarised with the emphasis on the results obtained, the contribution made by the study, recommendations and suggestions for further research.

The presentation of the Bibliography and Appendices concluded the study.

### **1.11 CHAPTER SUMMARY**

This chapter defined the nature and scope of this study. The research problem was presented, with regard to factors affecting young female prospective entrepreneurs in pursuing business activities freely, along with the research objectives, while the justification of the study was discussed and the plan of the chapters was also presented. In the following chapter, the literature review will be covered regarding the challenges affecting female entrepreneurs in the informal sector in Richards Bay and Empangeni.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

According to Betram & Christiansen (2014:13)

“A literature review puts a research study into context of previous research by showing how it fits into a particular field. The literature review is a discussion of the important research that has previously been done in the field which is being researched. Every piece of research needs to relate to research which has come before it.”

The study will cover all the aspects of the topic that have been highlighted by previous studies conducted in similar investigations locally and internationally.

#### **2.2 THE INFORMAL ECONOMY: A HISTORICAL PERSPECTIVE**

As is widely known, the term ‘informal sector’ has its roots in the work of Keith Hart, a British anthropologist who named this the informal sector while working in 1971, amongst low-income earners in Accra amongst unskilled migrants from Northern Ghana who could not find wage employment. (Bangasser 2000, Gërkhani 2003, Losby et al., 2002). Davids (2011) claims that Hart thought that the informal sector in Ghana would disappear once Ghana developed towards industrialisation. Hart’s argument was that as the economy developed through capitalism, it would have the ability to absorb the labour that was in excess at the time. Decent jobs would be created as the industry developed. Labour within the informal economy would abandon its activities in pursuit of better-paying activities within the formal industries. However, more than 48 years later, the informal economy still exists in Ghana and other developing countries and it continues to grow. The term ‘informal sector’ was then adopted and popularised by the International Labour Organisation (ILO) in 1972 on its mission to Kenya (Arellano 1994). In its seminal article, *Report on income and employment in Kenya* (1972), the ILO mission argued that the informal economy was mostly small-scale in nature and could not compare with large-scale and capital-intensive production conducted by the corporate establishments. The assumption at the time was that the informal and formal economies had no links between each other. The proponents were in agreement with Hart that the informal economy was a temporary phenomenon and was going to disappear (Davids 2011, Wiego 2011).

#### **2.3 BACKGROUND TO THE INFORMAL ECONOMY**

The membership data compiled by the *Southern Africa Cross- Borders Trade Association and Southern Africa Trust (SACBTA & SAT, 2014)* shows that, out of the 52,574 registered

members, 72 per cent are women. This statistic is similar to the results of earlier research conducted in the SADC region, which showed that 70 per cent of cross-border traders in the region are women (USAID, 2010: 2). A number of factors could explain why the majority of individuals in this sector are women. Firstly, it is suggested that the informal economy is a source of employment that is more accessible than most for women (Ramani et al., 2013: 4).

## **2.4 THE INFORMAL ECONOMY**

Within sub-Saharan Africa, informal employment is the main source of employment. If agriculture is excluded, informality continues to dominate employment, with a 78.8 per cent share in Central Africa, 76.6 per cent in Eastern Africa, and 87 per cent in Western Africa. Informal employment is a greater source of employment for women than for men; in sub-Saharan Africa, except Southern Africa, more than 90 per cent of women work in informal employment compared to 86.4 per cent of men (ILO 2018).

Level of education and location are key factors determining whether workers are more likely to find employment opportunities in the formal or informal sectors. Those who have completed secondary and tertiary education are less likely to work in informal employment compared to workers who have either no education or have completed only primary education. Moreover, persons living in rural areas are twice as likely to work in informal employment as those in urban areas (ILO 2018). Lack of formal employment opportunities and a need for additional income to offset insufficient earnings from formal employment are some of the most common reasons behind the high prevalence of informal jobs in sub-Saharan Africa (Aikaeli and Kalinda Mkenda 2014).

In Malawi, 83.7 per cent of men and 82.4 per cent of women work in the informal sector. In Zambia, the relative figures are 81.6 per cent for men and 93.6 per cent for women. In the United Republic of Tanzania, the figures are 88.2 per cent for men and 93.1 per cent for women (ILO 2018). In all three countries, the agricultural sector absorbs around three-quarters of informal workers, and especially women.

## **2.5 THE INFORMAL SECTOR**

The informal sector, relative to other sub-Saharan countries, constitutes a small share of the total workforce in South Africa (ILO, 2013; Kingdon & Knight, 2004). Nonetheless, according to Statistics South Africa's official statistics estimate, the sector still accounts for about 17 per cent of total employment or about 2.4 million jobs (*Statistics South Africa, 2015*). A number



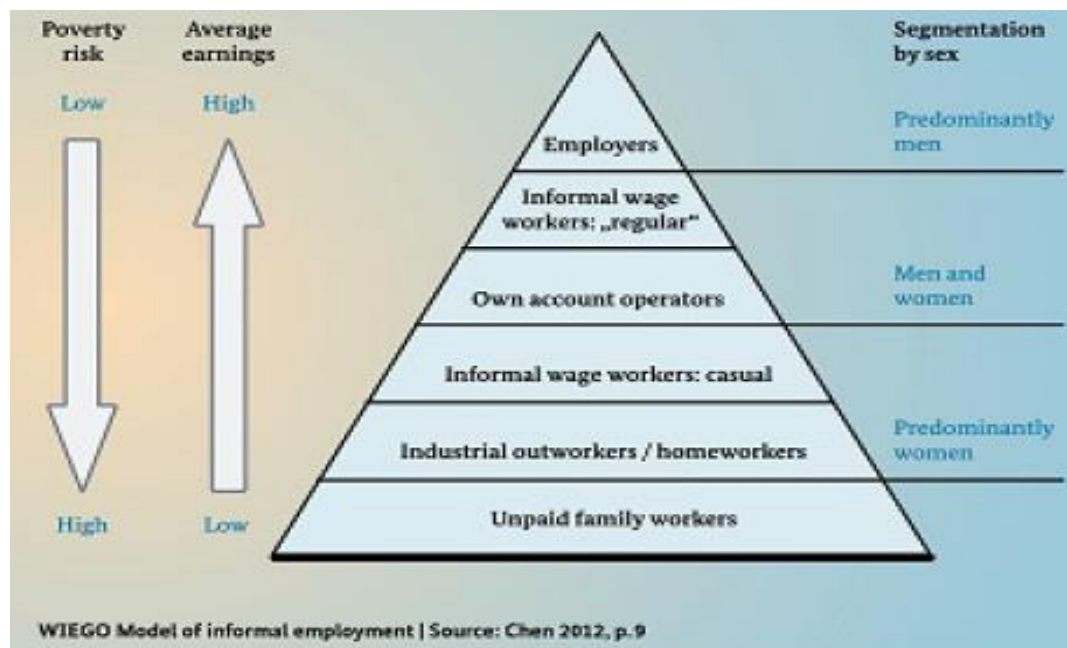
of stylised facts about the broad characteristics of employment in the informal sector in South Africa are now widely accepted. For example, activities in the informal sector are concentrated mainly in the wholesale, retail and trade sector (44 per cent), services (16 per cent), and construction (16 per cent) (*Statistics South Africa, 2015*). In terms of status in employment, most of those working in the informal sector (61 per cent) are self-employed while 36 per cent are employees (ILO, 2013).

The term ‘informal economy’ is more appropriate than the ‘informal sector’ because the former indicates a continuum from the informal to the formal ends of the economy. The informal economy also includes enterprises as well as employment in developing, transitioning, and advanced industrialised economies. However, the two terms will be used interchangeably in this dissertation. Informal and formal institutions coexist, shaping important development outcomes (de Soysa & Jütting 2006). The term ‘informal sector’ or ‘informal economy’ has acquired other names like the ‘second economy’, the ‘black market’, the ‘unofficial economy’, the ‘parallel economy’ or the ‘shadow economy’ (Davids 2011, Dijkstra 2006).

Understandings of informality have changed over time. The view in the 1950s and 1960s was that, with the right mix of policies and resources, the traditional informal sector, comprising petty trade, small-scale production and a range of casual jobs, would be absorbed into the modern, formal economy. This predicted decline in informality had not taken place, and trends indicate its persistence, despite changing patterns as a result of an increase in casual work brought on by deregulation, globalisation and competitive pressure to reduce labour and production costs (Chant & Pedwell, 2008; FAO et al., 2007). Informality has even expanded during times of economic crises, such as the Asian crisis in the 1990s and the global financial crisis of 2008/09. During times of recession, enterprises need to downsize, and governments need to reduce public sector employment, leading to a rise in the informal economy (Chen, 2012; Lund, 2009). It is also becoming increasingly evident that the rise in casual employment is co-occurring with increasing female labour market participation – which rose between 1980 and 2008 while male labour force participation declined (ILO, 2010, 2016). Different aspects of current macroeconomic policies of market deregulation, deflationary monetary and fiscal policies, downsizing of public sector employment and services have brought about increasing ‘feminisation’ of the labour force (Kabeer, 2012; Razavi et al., 2012; Sabates-Wheeler & Kabeer, 2003). This is characterised by a growing share of female labour participation in irregular and informal employment, poor working conditions, low pay and minimal social and legal protection (Kabeer, 2012; Razavi et al., 2012; Sabates-Wheeler & Kabeer, 2003). A cross-

country study conducted by *Women in Informal Employment: Globalizing and Organizing* (WIEGO) in the 1990s, with a follow-up analysis in 2004, assessed the gendered relationship between the type of informal work, level of earnings and risk of poverty (see Chen, 2012; Chen et al., 2005). The types of informal work range from informal employers at the top (mainly male), followed by own-account workers and then casual wage workers and home-based pieceworkers at the bottom (mostly female, see Figure 2.).

*Figure 1: WIEGO model of informal employment – hierarchy of earnings and poverty risk*



## 2.6 INFORMAL TRADERS AT THE CITY OF UMHLATHUZE

uMhlathuze Municipality has an Informal Economy Policy which also incorporates the regulation of street vendors. The council adopted the policy in 2013. An investigation of informal traders operating in the City was conducted in 2011. A matter of great concern is that 56% of traders were operating without a licence. There was also concern that damage was being done within public spaces and that trader stalls were untidy and unsightly. Traders do not locate in demarcated areas but set up wherever good trade opportunities present themselves. The review of the informal sector led to several recommendations. The City Development: Business Support, Markets and Tourism Section coordinates an Informal Traders Working Group that constitutes representatives from several sections. The responsibility for permit issue and renewal lies within Business Support, Markets and Tourism Section. Given that there are 1616 informal traders within the City of uMhlathuze (only 710 of whom are registered), it would seem that a comprehensive support policy should be formulated and adopted.

The following principles should underscore the said policy:

- The City is not unsympathetic to informal traders and recognises that under harsh economic conditions, the sector enables people to generate some sort of livelihood, however modest. Instead of tolerance and, in some instances, clamp down, the City needs a proactive and supportive informal trader policy.
- The City should recognise that the informal sector is here to stay in both urban and rural contexts. Providing support to informal traders means providing support to the poorer people in the community and their families.
- Informal traders own and run very modest businesses. However, the potential exists for these businesses to grow if they are appropriately supported. This would create opportunities for small businesses to enter the formal sector from below.
- The Municipality needs to foster a relationship of trust with informal traders and their structures. A positive relationship would facilitate the provision of appropriate infrastructure and support.

Challenges faced by informal traders themselves include no access to training, no access to finance, lack of storage facilities, lack of access to ablution facilities, lack of access to water, low incomes with household expenses competing with business needs such as maintaining stock levels, and lack of capital for business expansion.

Strategies to realise opportunities in the Informal Economy relate to the following:

- that support for the informal economy is reflected in their IDP
- facilitate the establishment of informal actors chamber as a means of engaging with informal economy actors appoint officials who can communicate with informal economy actors in a gender-sensitive way
- make provision for regular contact with informal economy organisations and actors
- ensure that there is a dedicated office to liaise with organisations and individual traders
- ensure that decisions about issues such as site allocation are made in an open and transparent way
- specify the roles and responsibilities of traders and the municipality
- respect the rights of foreigners
- register all informal traders
- provide basic infrastructure and services for informal traders
- take account

The following are the stakeholders that the municipality is partnering with in developing SMMEs and improving the informal trading sector within the city:

- Foskor
- Mondi
- iThala Bank
- SEDA
- EDTEA
- COGTA
- NYDA
- University of Zululand

Table 1 below indicates that the city of uMhlathuze is contributing 49.3 per cent towards formal employment within the King Cetshwayo District and about 45.2 per cent of informal employment. Because of the economic position uMhlathuze is contributing more to regional employment. The city of uMhlathuze has the highest number of informally employed compared to the other municipalities under King Cetshwayo District.

*Table 1: Formal and Informal Sector Employment*

|                            | Formal employment | Informal employment | Total employment | % share of King Cetshwayo formal employment | % share of King Cetshwayo informal employment |
|----------------------------|-------------------|---------------------|------------------|---|---|
| King Cetshwayo (uThungulu) | 155,150           | 37,965              | 193,114          | 100   | 100   |
| uMfolozi                   | 31,984            | 8,579               | 40,563           | 20.6  | 22.6  |
| City of uMhlathuze         | 76,488            | 17,158              | 93,646           | 49.3  | 45.2  |
| uMlalazi                   | 27,721            | 7,631               | 35,352           | 17.9  | 20.1  |
| Mthonjaneni                | 11,213            | 2,729               | 13,941           | 7.2   | 7.2   |
| Nkandla                    | 7,744             | 1,868               | 9,612            | 5.0   | 4.9   |

Source: IHS Markit, 2018

## **2.7 LOCAL ECONOMIC DEVELOPMENT AND TOURISM -SMMEs**

The primary role of the uMhlathuze Municipality in local economic development is to coordinate, facilitate and stimulate sustainable economic development within its jurisdiction through appropriate mechanisms; Strategy and policy development; Programme development and co-ordination and Strategic liaison and networking

The Municipality is in possession of LED Plan, which also details programs aimed at SMME support and development. The municipality has proactively prioritised LED projects that are aimed at assisting SMMEs in various ways. At the core of the municipality's strategy, it is to build the capacity of SMMEs, "hence uMhlathuze Municipality has a database with more than 136 SMMEs within uMhlathuze that are registered. This database also provides the level of skills that each SMMEs has. In ensuring that SMMEs are supported, UMhlathuze Municipality has revised its procurement policy to include a clause in all tenders that:" this section is based on the uMhlathuze Local Municipality: Final IDP Review (2019/2020, p. 233). In this *Integrated Development Plan* (online), 25 per cent of work for big tenders is subcontracted to local SMMEs.

## **2.8 THE CHALLENGES FACING THE INFORMAL SECTOR IN SOUTH AFRICA**

The informal trade in South Africa has seen growth at an alarming rate. This could be attributed to the 'monster of unemployment' confronting the country in both the private and public sectors. Unfortunately, most citizens who try to take cover under these informal conditions have no formal skills to sail through these adventures safely. Many are illiterate, semi-literate, and just a tiny proportion can boast of a matric qualification. It is, therefore, no surprise to learn that the OECD study (2007) pointed out that many start-ups do not survive for more than five years, and only a few develop into high-growth firms. This is astonishing and contrary to the Department of Trade and Industry's (DTI) (2014) stand that the government of South Africa seeks to promote entrepreneurship and small business as an essential priority. Whether this statement is rhetoric for political points or meant to be accurate as a statement of policy remains to be seen even today.

In a country with many natural resources and more prosperous than most of its counterparts on the African continent, where the unemployment menace has been described as a time bomb, one would expect that South Africa would do better to keep this monster under control. Internationally, SMMEs are known for their contribution to both innovation and impact on the growth of their economies (BEES, 2005). Nevertheless, only a little or no show (according to

this study's exploration) is achieved in South Africa by this sector to control the unemployment problem. Instead, the government continues to be the major employer in this country.

According to the DTI (2014), various stakeholders in South African have agreed on the urgency to invest in SMMEs in the country. However, this commitment has fallen short of action. Understandably, the commitment to foster entrepreneurship and to promote the small enterprises drive stretches beyond the central government and its affiliations. It is still expected to be the primary catalyst for this agenda because it has the sole mandate to ensure the country's welfare. The government is aware of this obligation. For instance, in March 1995, the government released a White Paper on the *National Strategy for the Development and Promotion of Small business in South Africa*. The paper's intricate policies and strategies on small business development were explained to the admiration of all. Additionally, the DTI (2014) mentioned that the government had developed a mechanism to cut the tax burden for small enterprises. These appear to have no effect on the SMMEs and the women in this country because they continue to generate debate and research, and this study is part of the discourse.

The challenges confronting the informal sector in South Africa can be located within the vulnerabilities of microeconomic and macroeconomic trends (Saunders & Loots, 2006:92) and the lack of coherent policies from government specifically made to upkeep the informal economy (Uys & Blaauw, 2007:245). The sale of most perishable goods in significant cities negatively competes for the market share of street traders in the informal sector (Uys & Blaauw, 2007). The authors maintained that the government had not in the past made any conscious efforts to support the informal sector (Uys & Ligthelm, 2007), and the efforts made to recognise the informal economies of some provinces at the provincial and local government levels suffered slow implementation.

The Lack of appropriate policies from the government has also added salt to the wounds. These include instability or non-existence and vulnerability of informal workers' associations, the spread of numerous and weak organisations, complex coordination processes within municipalities, each using its own strategies and low-literate leaders that cause an inability to exercise constitutional rights. Again, informal businesses are constantly harassed by the law enforcement police. The former has viewed the law enforcement agents as hostile to the informal trading sector (Munyaradzi, 2012:24). The streets of major cities and towns are dangerous because the informal sector is not answerable to anyone; it thrives on chaotic governance (Chenga, 2013:10).

### **2.8.1 Predicaments of women in informal entrepreneurship in South Africa**

The informal sector in South Africa is dominated by previously disadvantaged women (Siqwana-Ndulo, 2013:12). These women find it difficult to operate because of municipal by-laws that prevent street trade. Thus, their goods are sometimes confiscated by the metropolitan police at random. Siqwana-Ndulo (2013: 18) again reports that women street traders face diverse dangers that put them at high risk of illness and exposure to hazardous work environments. One of their biggest fears is, however, theft and criminal violence (Barker, 2007:46). Women are more vulnerable to the severe risk of sexual assault, which exposes them to HIV/AIDS in a country with one of the highest prevalence rates. In addition to this, poverty forces these women traders to have multiple partners that expose them to HIV/AIDS. Their generally low level of education makes it hard for them to get enough money to employ house helpers. They experience high-stress levels due to long working hours and household responsibilities after work (Horn, 2011:16).

Historical, structural and societal norms have created a deficiency in most South African women in terms of education compared to men (Rasool, 2012:25). As a result, fewer of them can read and write. This deficiency limits their ability to understand written instructions, rules and by-laws, and information that could help them improve their businesses. Added to these challenges for women traders is the lack of state child-care facilities to take care of their wards while on the street struggling to put food on the table. The limited facilities provided by the NGOs and the churches are difficult to access. (Henley & Arabsheibana, 2009: 992). They tend to engage the assistance relatives to assist in caring for the young ones. This comes with many risks as these relatives might not care as much as the birth mothers.

Among the numerous initiatives that the government of South Africa has put in place to increase women entrepreneurship in the country is the Women Entrepreneurs' Network (SAWEN) which is meant to create a national forum for individuals and organisations to promote women entrepreneurship by the DTI. SAWEN attempts to ensure that policies are sensitive to gender issues. The Technology for Women in Business (TWIB) is another DTI creativity that uses science and technology to promote the interests of women in business. This is meant to deal with the restraints to women's enterprise, innovation and growth, and to raise local and global competitiveness. Despite all these initiatives to support small businesses, most women still struggle to access these institutions for help. Promises to equip them with skills and support to secure financial assistance have not been fulfilled (Siqwana-Ndulo, 2013:18). It is apparent that those working in the informal sector bear the brunt of socio-economic and

health issues (Pillay, 2004: 39). The informal sector does not protect labour legislation and social protection measures such as insurance, disability, maternity, and unemployment benefits. The consequences of this are dire for people who work in the informal sector (Henley & Arabsheibana, 2009: 992).

## **2.9 THE RIGHT TO TRADE**

The South African courts have indicated that the social context of informal traders is crucial to determining the content of their constitutional rights. In this light, our courts have recognised the critical role that informal trade plays in South Africa with reference to our high rates of poverty and unemployment. These are indeed severe developmental challenges facing South Africa. Roughly 28% of working-age adults in South Africa are unemployed, with even higher rates of unemployment among employable youth, according to a report by Statistics South Africa (Stats SA, 2017: 7-8). Many people resort to informal employment to support their families and to earn a living by selling goods like fruits, sweets, clothing and cold drinks etc. or by running a car wash, or by becoming hairdressers, roadside mechanics, traditional healers, and so forth. This is due to the fewer job opportunities in the country

Therefore, informal traders often engage in informal trade to provide for their families' basic needs and to protect their families' dignity. According to SAITF case (para.31), the Constitutional Court explicitly acknowledged this by stating that:

“Everyone has inherent human dignity and the right to have their dignity protected and respected.” Bill of Rights, the Constitution of the Republic of South Africa (1996)  
“The ability of people to earn money and support themselves and their families is an important component of the right to human dignity. Without it [informal traders] faced ‘humiliation and degradation’. Most traders, we were told, have dependants. Many of these dependants are children” (Operation Clean Sweep Case, 2013)

The constitutional court also acknowledged that inability to trade would often mean families are incapable of providing for their basic needs such as food, shelter and medical services, thereby violating their rights to nutrition, housing and health care services (SAITF case, para.31).



## **2.10 FORMS OF INFORMAL TRADING**

This section is based on the POLICY FOR THE INFORMAL ECONOMY OF KWAZULU-NATAL, “creating an enabling environment for the informal economy.” (n.d.). (p.77) [online] Available at:

<http://www.msunduzi.gov.za/site/search/downloadencode/ncyar6WMqp2zp4Sx/index.pdf>  
[Accessed 21 August. 2020].

There is a variety of different types of informal economy operations. These include but not limited to the operations listed:

- street trading, which comprises the selling of goods or supply of services for reward in a Public Road
- selling of Goods in Market;
- sale of Goods or services in a Public Place
- mobile trading such as from caravans, and light Motor Vehicles
- Selling of Goods in stalls or kiosks/ Selling of Goods at Special Events
- Hairdressing and hair cut
- Traditional medicine
- Restaurants/ Food outlets
- Traditional wear, décor and beadwork
- Shoes and shoe repairs
- Beach Traders
- Car wash and Car guides
- Livestock traders/ small scale farmers
- Woodwork

## **2.11 URBAN PUBLIC SPACE**

“(Social) space is a (social) product [...] the space thus produced also serves as a tool of thought and of action [...] in addition to being a means of production it is also a means of control, and hence of domination, of power.”

Lefebvre, Henri, 1991

Urban public space helps shape and make cities but is also shaped and produced by the city's politics. It is generally thought to be open and accessible to all residents. Nevertheless, it is a scarce resource and there are competing users and uses of it. Thus, how urban public space is organised reflects social realities and relations (Henri Lefebvre, 1968, 1972).

Recommendation 204 (adopted by the International Labour Organisation in 2015) and the New Urban Agenda (adopted by the Habitat III summit in 2016). ILO Recommendation 204 recognises and makes provisions for the following:

- Most informal workers are from poor households trying to earn a living against great odds and, therefore, need protection and promotion in return for regulation and taxation.
- Most informal economic units are single person or family operations run by own-account workers who do not hire others.
- Informal livelihoods should not be destroyed in the process of formalisation.
- Regulated use of public space is essential to the livelihoods of informal workers, especially in cities. Regulated access to natural resources is also essential to the livelihoods of informal workers, especially in rural areas.

### **The Urban Informal Workforce: Size and Composition**

“More than 60 per cent of the world’s employed population earn their livelihoods in the informal economy. Informality exists in all countries regardless of the level of socio-economic development, although it is more prevalent in developing countries. The 2 billion women and men who make their living in the informal economy are deprived of decent working conditions. Evidence shows that most people enter the informal economy not by choice, but as a consequence of a lack of opportunities in the formal economy and the absence of other means of livelihood.”

ILO 2018: v.

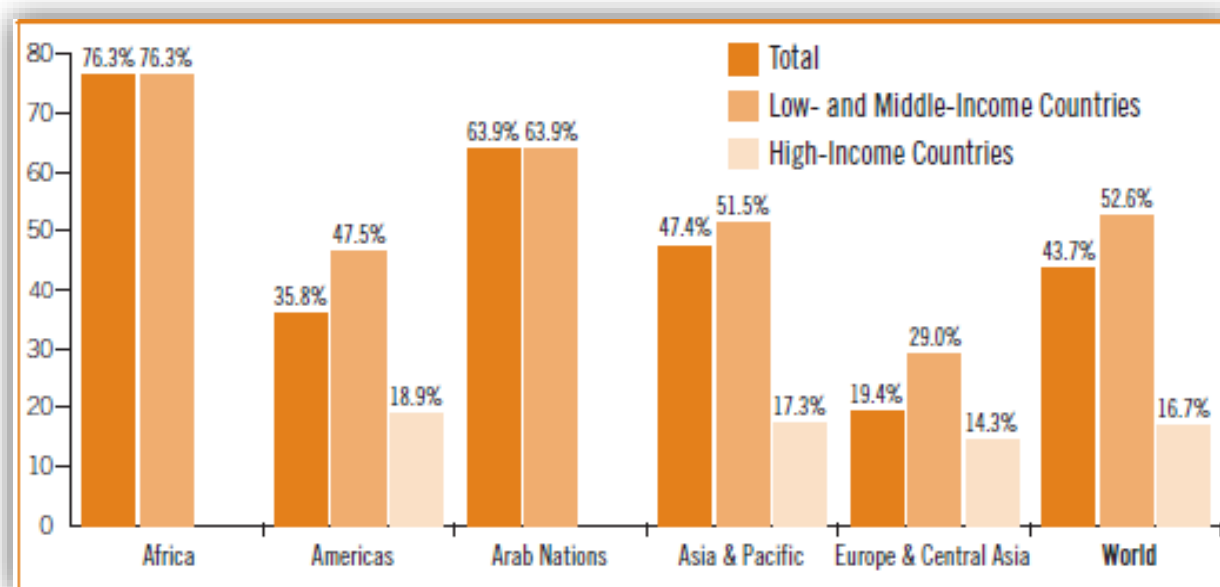
#### **2.11.1 Urban Informal Workforce**

At the outset, as with all discussions of the informal economy, it is important to define the phenomenon. There are two official international statistical definitions – one of the “informal sector”, the other of “informal employment” – adopted by the International Conference of Labour Statisticians in 1993 and 2003. The informal sector refers to production and employment in unincorporated small or unregistered enterprises (1993 ICLS); informal employment refers to employment without social protection through work, both inside and outside the informal sector (2003 ICLS). The informal economy is comprised of all enterprises and workers, so defined as well as their activities and output (Chen 2012).

#### **2.11.2 Size**

Globally, informal employment represents just over 60 per cent of total employment and nearly 44 per cent of urban employment (ILO 2018). In developing regions, the share of informal employment in total and urban employment is higher still: representing over three-quarters of urban employment in Africa, two-thirds in Arab Nations, over half in Asia and the Pacific, and just under half in Latin America and the Caribbean: see Figure 3

*Figure 2: Share of Informal Employment in Urban Employment*



**Source:** ILO 2018.

Within these regions, there is significant variation by sub-regions and countries. South Asia and Sub-Saharan Africa have the highest prevalence of urban informal employment. In India, for example, informal employment represents 80 per cent of total urban employment (Chen and Raveendran 2014).

## 2.12 TRAINING AND SKILLS DEVELOPMENT

To create an enabling environment for informal traders and make available comprehensive skill development programmes for informal traders. The Department of Small Business Development (the Department) has developed various programmes to provide enterprise development support in skills development to informal businesses. The National Informal Business Upliftment Strategy (NIBUS) seeks to uplift informal businesses and render support to local chambers/business associations and Municipal Local Economic Development offices to deliver and facilitate access to upliftment programmes. The focus will mainly be on designated groups, i.e. women, youth and people with disabilities, in townships and rural areas of South Africa. The strategy advances the government's priorities of speeding up growth and transforming the economy to create decent work and sustainable livelihoods through inclusive growth.

The strategy targets explicitly entrepreneurs in the informal economy. This sector has been identified as critical in addressing the critical developmental goals of the Government, namely sustainable livelihoods (poverty), job creation (unemployment) and equality (inequality). More

than two million South Africans are making means in the informal economy, mostly as survivalist enterprises. There are also vibrant economic business activities that need support to graduate from survival to sustainability and performance.

### **2.12.1 TARGETED INFORMAL BUSINESS BENEFICIARIES**

Due consideration was given to, among others, the Government's Programme of Action and the objectives and key targets of the National Development Plan. The strategy acknowledges that informal business activity cuts across economic sectors. The strategy prioritises five economic sectors for intervention from the national approach; however, provinces and municipalities will identify their priorities beyond the five, given their economic conditions. The identified five sectors are:

- **Retail:** Seventy-eight per cent of informal business activities are in this sector. Increasing the trader's (street traders, spaza shops, general dealers and those in markets) competitiveness through skilling and infrastructure upgrade is paramount. One of the goals is for the growth and transformation of the sector into activities such as bulk buying, warehousing and distribution;
- **Manufacturing:** A value-creating economy is important beyond simply buying and selling. The need has been identified to support enterprises in this sector as it can create more jobs and greater contribution to the country's Gross Domestic Product (GDP). This further advances the objectives of the Industrial Policy Action Plan (IPAP) and the National Growth Path (NGP);
- **Services:** Most township businesses are in this sector, which include, amongst others, auto body repairers (panel beaters, spray painters, etc.), mechanics, car washers, hairdressers, tourism, day-care centres;
- **Agriculture:** The strategy identified this sector given its rural base. Both primary and secondary (agro-processing) activities are being targeted; and
- **Construction and maintenance:** Given the country's focus on Strategic Infrastructure Projects, building a force of artisans who are entrepreneurs is critical.

### **2.13 INFORMAL CROSSBORDER TRADE**

Informal cross-border trade is defined as trade in legitimately produced goods and services that escape the government's regulatory framework, thereby avoiding specific tax and regulatory burdens. These goods and services may be traded by (1) informal (unregistered) traders operating entirely outside the formal economy and passing through unofficial routes, or by (2)

formal (registered) traders who fully or partially evade trade-related regulations and duties. In the case of goods trading, informal cross-border trade can involve partial evasion of customs duties through illegal practices of under-invoicing at official border post (i.e. reporting a lower quantity, weight, or value of goods to pay lower import tariffs) (Ama et al., 2013). It entails misclassification (i.e. falsifying the description of products so that they are misclassified as products subject to lower tariffs), misdeclaration of the country of origin, or bribery of customs officials (Lesser & Moisé-Leeman 2009; Ama et al., 2013).

Informal cross-border trade has been a significant feature of African economic and social landscapes dating back to the colonial era. While it is difficult to precisely assess the magnitude of such trade due to a lack of consistent measurement tools and accurate data, estimates suggest that it continues to play a prominent role in Africa. In the Southern African Development Community (SADC), for example, informal cross border trade is estimated to amount to US\$17.6 billion per year, i.e. 30 to 40 per cent of total regional trade. In West Africa, informal cross-border trade accounts for 20 per cent of GDP in Nigeria and 75 per cent of GDP in Benin (UNCTAD 2013a; Koroma et al. 2017).

Lack of employment and job opportunities are some of the reasons why women turn to self-employment and cross border trade. Most of the women turn to informal trading because they need to make a living and have dependents. The majority of the women traders seek to grow their businesses from local markets and to gain more profit than selling locally.

Informal cross-border trade supports livelihoods, particularly in remote rural locations. It creates jobs, especially for vulnerable groups such as poor women and unemployed youth. It contributes to food security in that it predominantly features raw agricultural products and processed food items. Allowing cross-border traders to flourish, grow, and gradually integrate into the formal economy would boost trade and the private sector, supporting growth and development while increasing governments' revenues and, therefore, their ability to provide public goods (World Bank 2014a; Manjoko & Ranga 2016).

A key feature of informal cross-border trade is that most traders are women, and for these women such trade is often their main or even only source of income (Titeca & Célestin 2012; World Bank 2012; Lesser & Moisé-Leeman 2009; Perberdy & Rogerson 2000; Macamo 1998; Muzvidziwa 1998; Perberdy & Crush 1998). According to UN Women (2010), women constitute about 70 per cent of the informal cross-border traders in the SADC region. The female predominance in informal cross-border trade is often attributed to women's time and

mobility constraints and their limited access to productive resources and support systems, making such trade one of the few options available to them to earn a living (Mbo'o-Tchouawou et al., 2016). Typically, women-informal traders have no or limited primary education and rarely have had previous formal jobs. If married, they seldom receive contributions from their husbands to start business operations. Many women informal traders are heads of single-parent households and may rely exclusively on trade for both their subsistence and that of their children (Spring 2009).

## 2.14 INFORMAL WORKERS IN URBAN SOUTH AFRICA: A STATISTICAL SNAPSHOT

An important share of the workforce in South African cities works informally as, for example, street vendors, market traders, domestic workers and waste pickers (South African Quarterly Labour Force Survey, 2018). Informal employment represents about 24 per cent of total (agricultural and non-agricultural) employment in the eight major South African metropolitan areas and around 30 per cent of total employment in the country. It represents a significantly larger share of total employment in the rural parts of the country (48 per cent) relative to the major metro areas (24 per cent) see table 2. (These data do not cover all urban areas in South Africa, only the eight major metropolitan areas)

**Table 2: Informal employment (Agricultural, Non-Agricultural and Total) as a percentage of total Rural and Urban employment.**

|                              | Agricultural informal employment | Non-agricultural informal employment | Total informal employment |
|------------------------------|----------------------------------|--------------------------------------|---------------------------|
| Total South Africa           | 2                                | 28                                   | 30                        |
| Rural areas                  | 3                                | 45                                   | 48                        |
| 8 major South African metros | 0                                | 24                                   | 24                        |

*Source:* South African Quarterly Labour Force Survey, 2018.

### 2.14.1 OCCUPATIONS

Using the disaggregated occupational classifications, it is also possible to identify three specific types of informal workers: street vendors, market traders, and workers in private households. In the major metros, about 10 per cent of informal employment (representing just under

200,000 workers) is in the street vending, 2 per cent (46,904) is in market vending (including spaza shops), and 21 per cent (419,183) is in private households (table 3). There is some variation across the metro areas, with Johannesburg/ Pretoria having the largest share (11 per cent) of informal employment in the street vending. This is significantly greater than the share in Cape Town (only 5 per cent).

Street vending and work in private households (consisting mainly of domestic work for women) are more important sources of employment for women than for men. For example, in the 8 major metros, street vending makes up 13 per cent of women's informal employment but only 7 per cent of men's informal employment. Most notably, work in private households is a large share of women's informal employment in all metros. Overall, it makes up about 38 per cent of women's informal employment in the major metros but only 9 per cent of men's work. When these three types of work (street vending, market vending and work in private households) are combined, they make up over half of the women's informal work (53 per cent) in the metros but just under a fifth (19 per cent) of men's informal work.

*Table 3: Categories of informal workers as a percentage of informal employment in South African metros*

|                                     | Street vendors  |               |                 | Market traders <sup>6</sup> |               |               |
|-------------------------------------|-----------------|---------------|-----------------|-----------------------------|---------------|---------------|
|                                     | Women           | Men           | Total           | Women                       | Men           | Total         |
| <b>8 major South African metros</b> | 13<br>(108,141) | 7<br>(80,717) | 10<br>(188,858) | 2<br>(18,099)               | 3<br>(28,805) | 2<br>(46,904) |
| Cape Town                           | 7<br>(9,427)    | 4<br>(6,273)  | 5<br>(15,699)   | 0<br>(0)                    | 3<br>(6,063)  | 2<br>(6,063)  |
| eThekwinini<br>(Durban)             | 8<br>(11,500)   | 8<br>(13,126) | 8<br>(24,626)   | 5<br>(7,369)                | 3<br>(5,063)  | 4<br>(12,432) |
| Johannesburg/<br>Pretoria           | 16<br>(71,457)  | 8<br>(54,440) | 11<br>(125,898) | 2<br>(7,019)                | 2<br>(14,498) | 2<br>(21,517) |

| Private household workers <sup>5</sup> |                |                 | All 3 categories |                 |                 |
|--|----------------|-----------------|------------------|-----------------|-----------------|
| Women                                  | Men            | Total           | Women            | Men             | Total           |
| 38<br>(318,601)                        | 9<br>(100,582) | 21<br>(419,183) | 53<br>(444,840)  | 19<br>(210,104) | 33<br>(654,945) |
| 34<br>(43,942)                         | 6<br>(10,297)  | 18<br>(54,239)  | 42<br>(53,369)   | 13<br>(22,632)  | 25<br>(76,001)  |
| 47<br>(70,398)                         | 13<br>(22,228) | 29<br>(92,626)  | 60<br>(89,268)   | 24<br>(40,417)  | 41<br>(129,685) |
| 35<br>(159,688)                        | 8<br>(49,239)  | 19<br>(208,927) | 53<br>(238,164)  | 18<br>(118,178) | 32<br>(356,342) |

\* The absolute number of workers in parentheses.

Source: South African Quarterly Labour Force Survey, 2018

## 2.15 INFORMAL WORKERS IN GHANA: A STATISTICAL SNAPSHOT

Employment in Ghana is overwhelming informal employment (table 4). Informal employment represents 89 per cent of employment nationally, 83 per cent in urban areas and 83 per cent in greater Accra. Women outnumber men in informal employment throughout Ghana. Further, informal employment comprises a larger share of women's employment than men's employment. Nationally, 92 per cent of employed women are in informal employment, compared to 86 per cent of men. In Greater Accra, 87 per cent of women's employment is informal, while 79 per cent of men's employment is informal. Urban Ghana, 88 per cent of employed women are in informal employment, compared to 78 per cent of men.

*Table 4 : Informal employment by sex in greater Accra, Urban Ghana and Ghana Nationally: numbers and per cent of total employment*

| Numbers and per cent<br>(in parentheses) | Total employment<br>Women | Total employment<br>Men | Total employment    |
|--|---------------------------|-------------------------|---------------------|
| Greater Accra                            | 733,915<br>(86.6)         | 578,463<br>(79.1)       | 1,312,378<br>(83.2) |
| Urban Ghana                              | 2,230,612<br>(88.0)       | 1,596,246<br>(78.0)     | 3,826,858<br>(83.5) |
| Ghana National                           | 4,317,937<br>(91.8)       | 3,521,453<br>(86.4)     | 7,839,390<br>(89.2) |

Source: Ghana Labour Force Survey 2015.



## 2.15.1 OCCUPATIONS

This fact sheet focuses on the five occupational groups WIEGO works with: domestic workers, home-based workers, market traders, street vendors and waste pickers. Together, these occupations - which are predominantly informal - comprise a significant proportion of employment in Ghana. They represent 56 per cent of total employment in Greater Accra, 49 per cent in urban Ghana and 37 per cent nationally (Table 5). These occupations, combined, account for a significantly high percentage of women's employment: 80 per cent in Greater Accra, 70 per cent in urban Ghana and 55 per cent nationally. However, these occupations are far less significant for men throughout Ghana, comprising 29 per cent of men's employment in Greater Accra, 22 per cent in urban Ghana and 16 per cent nationally.

**Table 5: Occupations of workers by sex in Greater Accra, urban Ghana, and Ghana nationally: Numbers and per cent of total employment**

|                                    | Numbers and per cent (in parentheses) |                       |                         |
|------------------------------------|---------------------------------------|-----------------------|-------------------------|
| <b>Greater Accra</b>               | <b>Women</b>                          | <b>Men</b>            | <b>Total</b>            |
| <i>Domestic workers</i>            | 11,237 (1.3)                          | 7,790 (1.1)           | 19,027 (1.2)            |
| <i>Home-based workers</i>          | 301,096 (35.6)                        | 120,539 (16.5)        | 421,635 (26.7)          |
| <i>Market traders</i>              | 332,852 (39.3)                        | 72,296 (9.9)          | 405,148 (25.7)          |
| <i>Street vendors</i>              | 31,606 (3.7)                          | 3,895 (0.5)           | 35,501 (2.3)            |
| - Goods & Services, excluding food | 6,706 (0.8)                           | 0                     | 6,706 (0.4)             |
| - Street food sales                | 24,900 (2.9)                          | 3,895 (0.5)           | 28,795 (1.8)            |
| <i>Waste pickers</i>               | 1,946 (0.2)                           | 5,842 (0.8)           | 7,788 (0.5)             |
| <b>Total</b>                       | <b>678,737 (80.2)</b>                 | <b>210,362 (28.8)</b> | <b>889,099 (56.3)</b>   |
|                                    |                                       |                       |                         |
| <b>Urban Ghana</b>                 | <b>Women</b>                          | <b>Men</b>            | <b>Total</b>            |
| <i>Domestic workers</i>            | 23,885 (0.9)                          | 14,973 (0.7)          | 38,858 (0.9)            |
| <i>Home-based workers</i>          | 653,842 (25.8)                        | 217,676 (10.6)        | 871,518 (19.0)          |
| <i>Market traders</i>              | 977,179 (38.6)                        | 198,060 (9.7)         | 1,175,239 (25.7)        |
| <i>Street vendors</i>              | 117,940 (4.7)                         | 22,255 (1.1)          | 140,195 (3.0)           |
| - Goods & Services, excluding food | 25,392 (1.0)                          | 18,360 (0.9)          | 43,752 (1.0)            |
| - Street food sales                | 92,548 (3.7)                          | 3,895 (0.2)           | 96,443 (2.1)            |
| <i>Waste pickers</i>               | 1,946 (0.1)                           | 7,494 (0.4)           | 9,440 (0.2)             |
| <b>Total</b>                       | <b>1,774,792 (70.0)</b>               | <b>460,458 (22.5)</b> | <b>2,235,250 (48.8)</b> |
|                                    |                                       |                       |                         |
| <b>Ghana National</b>              | <b>Women</b>                          | <b>Men</b>            | <b>Total</b>            |
| <i>Domestic workers</i>            | 35,356 (0.8)                          | 23,063 (0.6)          | 58,419 (0.7)            |
| <i>Home-based workers</i>          | 1,064,833 (22.6)                      | 334,730 (8.2)         | 1,399,563 (15.9)        |
| <i>Market traders</i>              | 1,366,125 (29.1)                      | 275,425 (6.8)         | 1,641,550 (18.7)        |
| <i>Street vendors</i>              | 142,308 (3.0)                         | 30,233 (0.7)          | 172,541 (2.0)           |
| - Goods & Services, excluding food | 26,250 (0.6)                          | 23,156 (0.6)          | 49,406 (0.6)            |
| - Street food sales                | 116,058 (2.5)                         | 7,077 (0.2)           | 123,135 (1.4)           |
| <i>Waste pickers</i>               | 1,946 (0.0)                           | 7,494 (0.2)           | 9,440 (0.1)             |
| <b>Total</b>                       | <b>2,610,568 (55.5)</b>               | <b>670,944 (16.4)</b> | <b>3,281,512 (37.4)</b> |

Source: Ghana Labour Force Survey 2015.

Market trade is the largest of the five occupations for women. It represents nearly 40 per cent of women's employment in Greater Accra and urban Ghana and nearly 30 per cent nationally. Home-based work is nearly as important for women, comprising 36 per cent of their employment in Greater Accra, 26 per cent in urban Ghana and 23 per cent in Ghana nationally. Together the two occupations comprise three-quarters of women's employment in Greater Accra and around two thirds in urban Ghana. Since employment in agriculture is an important source of employment outside urban areas, the two occupations comprise a more minor but still significant component - about one half -of women's employment nationally.

Among men, the importance of these occupations is reversed. Home-based work is the more important, accounting for 17 per cent of men's employment in Greater Accra, 11 per cent in urban Ghana and 8 per cent nationally. Market trade is 10 per cent of men's work in Greater Accra and urban Ghana and 7 per cent nationally.

Street vending represents about 3 to 4 per cent of women's employment throughout Ghana, mainly in street food sales. Among men, street vending represents 1 per cent or less of employment. Domestic work and waste picking account for around 1 per cent or less of employment for women and men throughout Ghana.

*Table 6: Informal Employment as a Percentage of Total, Non -Agricultural and Agricultural Employment by Sex, In Bangkok, Urban Thailand and Thailand*

|                | Total Employment |       |      | Non-agricultural Employment |       |      | Agricultural Employment |       |      |
|----------------|------------------|-------|------|-----------------------------|-------|------|-------------------------|-------|------|
|                | Total            | Women | Men  | Total                       | Women | Men  | Total                   | Women | Men  |
| Bangkok        | 28.4             | 28.0  | 28.8 | 28.6                        | 28.2  | 28.9 | 86.9                    | 100.0 | 84.8 |
| Urban Thailand | 42.1             | 42.4  | 41.9 | 34.0                        | 35.2  | 33.0 | 91.7                    | 93.9  | 90.2 |
| Thailand       | 55.8             | 55.6  | 55.9 | 37.6                        | 38.5  | 36.8 | 92.4                    | 94.6  | 90.8 |

*Source:* Thailand Labour Force Survey 2017

## **2.16 INFORMAL WORKERS IN URBAN THAILAND: A STATISTICAL SNAPSHOT**

Informal employment continues to be an important share of the labour force in Thailand and in its cities. While informal employment represents around 28 per cent of employment in

Bangkok, it accounts for 42 per cent in urban Thailand and over half 56 per cent of all employment in Thailand (Table 6).

### **2.16.1 OCCUPATIONS**

There is little difference between women's and men's rates of informal employment in each geographic region. Almost all agricultural employment is informal: around 92 per cent in both Thailand and urban Thailand and 87 per cent in Bangkok. Women's rates of informal employment in agriculture are higher than men's in each geographic area, with the greatest difference in Bangkok, where all of women's employment in agriculture is informal compared to only 85 per cent of men's.

The Federation of Informal Workers in Thailand (FIT) comprises five organisations representing five groups of informal workers. These organisations work to improve the livelihoods and working conditions of the workers they represent and to promote inclusive urban development. They are HomeNet Thailand Association (home-based workers); The Network of Domestic Workers in Thailand (domestic workers); the Association of Motorcycle Taxi Drivers of Thailand (motorcycle taxi drivers); The Network of Thai Vendors for Sustainable Development (street vendors and market traders); and Muuban Nakila Service Cooperative (market traders). The workers in occupations whose concerns are represented by FIT are a significant part of the workforce in Bangkok, in the cities of Thailand and in the country (table 7). Together they comprise over 1 million workers in Bangkok, 3 million in urban Thailand and nearly 6 million nationally. They represent around 20 per cent of total employment in Bangkok and urban Thailand and 16 per cent of total employment nationally.

Home-based workers are the largest of the five groups of workers. They represent around 12 per cent of total employment in urban Thailand and a little less in Bangkok and nationally. The five occupations considered together account for similar shares of employment for women and men in Bangkok. However, in urban Thailand and nationally, these occupations are a greater source of employment for women than for men. In urban Thailand, around 22 per cent of total women's employment is in these occupations, in contrast to 18 per cent of men's; nationally, around 19 per cent of women's employment is in these occupations, in contrast to 13 per cent of men's. Domestic work is a more important source of employment for women than for men in all geographic locations, while men are far more likely than women to be motorcycle taxi drivers. Other occupations such as home-based work, market trade and street vending are all greater source of employment for women than men.

**Table 7: Occupations represented by the Federation of Informal Workers: number and per cent of total employment by sex in Bangkok, urban Thailand and Thailand.**

|  | Bangkok Employment      |                     |                       | Urban Employment        |                         |                         | Thailand Employment     |                         |                         |
|--|-------------------------|---------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Numbers and per cent<br>(in parentheses) | Total                   | Women               | Men                   | Total                   | Women                   | Men                     | Total                   | Women                   | Men                     |
| Domestic workers                         | 99,177 (1.9)            | 70,167 (2.9)        | 29,011 (1.0)          | 170,788 (1.0)           | 131,629 (1.7)           | 39,158 (0.4)            | 218,723 (0.6)           | 167,907 (1.0)           | 50,816 (0.3)            |
| Home-based workers                       | 558,573 (10.7)          | 261,840 (10.7)      | 296,732 (10.7)        | 2,002,031 (11.8)        | 1,088,598 (13.8)        | 913,433 (10.1)          | 3,669,726 (9.7)         | 2,081,506 (12.1)        | 1,588,220 (7.7)         |
| Motorcycle taxi drivers                  | 154,834 (3.0)           | 5,912 (0.2)         | 148,922 (5.4)         | 239,238 (1.4)           | 10,249 (0.1)            | 228,988 (2.5)           | 307,304 (0.8)           | 13,265 (0.1)            | 294,039 (1.4)           |
| Market traders                           | 167,118 (3.2)           | 95,465 (3.9)        | 71,652 (2.6)          | 533,113 (3.1)           | 311,245 (3.9)           | 221,868 (2.4)           | 891,816 (2.4)           | 518,503 (3.0)           | 373,313 (1.8)           |
| Street vendors                           | 143,833 (2.7)           | 80,935 (3.3)        | 62,898 (2.2)          | 438,398 (2.6)           | 228,977 (2.9)           | 209,421 (2.3)           | 805,008 (2.1)           | 425,140 (2.5)           | 379,868 (1.9)           |
| Goods & services<br>excluding food       | 27,410 (0.5)            | 12,289 (0.5)        | 15,121 (0.5)          | 158,540 (0.9)           | 73,145 (0.9)            | 85,395 (0.9)            | 376,284 (1.0)           | 180,831 (1.1)           | 195,453 (1.0)           |
| Street food sales                        | 116,423 (2.2)           | 68,645 (2.8)        | 47,777 (1.7)          | 279,858 (1.6)           | 155,832 (2.0)           | 124,026 (1.4)           | 428,724 (1.1)           | 244,309 (1.4)           | 184,416 (0.9)           |
| <b>Total</b>                             | <b>1,123,535 (21.5)</b> | <b>514,319 (21)</b> | <b>609,215 (21.9)</b> | <b>3,383,568 (19.9)</b> | <b>1,770,698 (22.4)</b> | <b>1,612,868 (17.7)</b> | <b>5,892,577 (15.6)</b> | <b>3,206,321 (18.7)</b> | <b>2,686,256 (13.1)</b> |

Source: Thailand Labour Force Survey 2017

## 2.17 WHAT IS THE SIGNIFICANCE OF THE INFORMAL SECTOR?

The informal economy promotes survivalist strategies and reduces poverty among impoverished rural and urban communities by creating employment and savings opportunities, and it enhances community development through improved entrepreneurial skills (Willemse 2011). The informal economy generates jobs and income and contributes to the food supply. Informal players earn income by providing goods and services to their customers.

## 2.18 ADDRESSING GENDER ISSUES IN THE INFORMAL ECONOMY

The *SADC Protocol on Gender and Development* (SADC, 2008), which seeks to empower women and give them opportunities equal to their male counterparts, suggests the use of affirmative action principles as one of the many ways to attain gender parity. *The Gender Protocol* went as far as to request member states to enact gender-responsive legislation that ensured equal opportunities for men and women in trade by 2015 (SADC, 2008, Articles 2 & 3). However, this remains a dream still to be achieved.

### 2.18.1 INFORMAL EMPLOYMENT – A KEY SOURCE OF JOBS FOR WOMEN

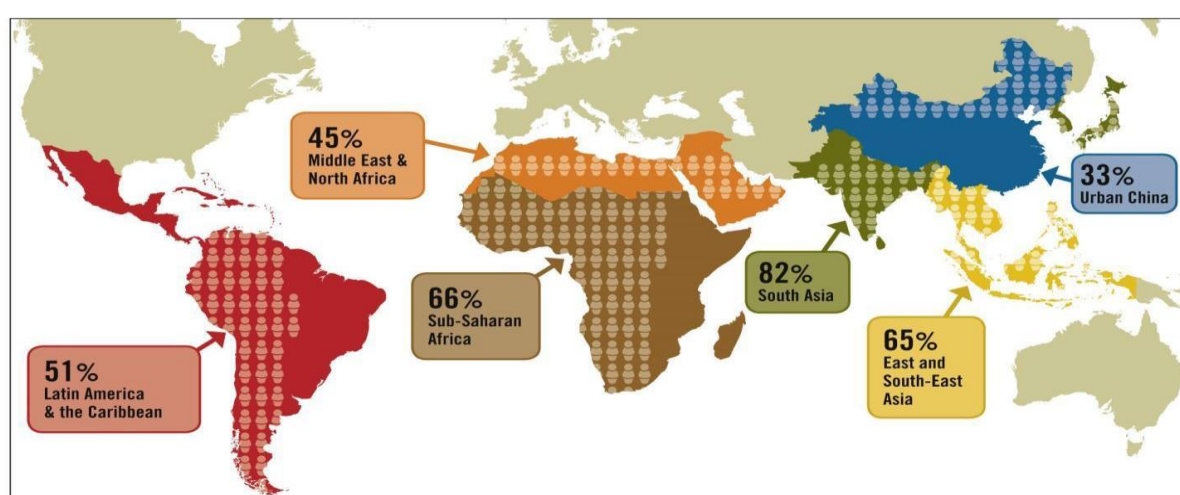
In three out of six regions, informal employment is a greater source of non-agricultural employment for women than for men: South Asia – 83 per cent of women workers and 82 per

cent of men workers; in Sub-Saharan Africa – 74 per cent and 61 per cent; Latin America and the Caribbean – 54 per cent and 48 per cent; plus urban China – 36 per cent and 30 per cent. In East and Southeast Asia (excluding China) the percentage is roughly the same (64 per cent of women workers and 65 per cent of men workers). Only in the Middle East and North Africa is informal employment a greater source of employment for men than for women (47 per cent of men workers and 35 per cent of women workers) (Vanek et al., 2014). However, because labour force participation rates are higher among men than women in most countries, the absolute number of men in informal employment generally exceeds the number of women.

## 2.18.2 GENDER DIMENSIONS OF THE INFORMAL ECONOMY AND EMPLOYMENT

Informal employment takes various forms: wage employment in informal establishments and households, self-employment, unpaid contributory family work, or informal wage employment in formal establishments. In all regions, the share in informal employment of unpaid family contributory employment is greater for women than for men. Furthermore, in most developing regions, the level of vulnerable employment (a combination of employment status: own-account work and unpaid contributory family worker) is higher for women than men. Although vulnerable employment is not equivalent to informal employment, there is a substantial overlap between the two – much of vulnerable employment is informal, particularly in developing countries (ILO, 2016b). (Figure.4)

*Figure 3: Informal Employment: Percentage of Non-Agricultural Employment*



\*Vanek, Joanne, Martha Chen, Francoise Carre, James Heintz and Ralf Hussmanns. Statistics on the Informal Economy: Definitions, Regional Estimates and Challenges. WEIGO Working Paper (Statistics) No.2. Cambridge. MA. USA: WIEGO. April 2014.

Women, particularly those in developing countries, are concentrated in informal employment, which by definition is work with no access to social protection. A total of 74.2 per cent of women in wage employment in Sub-Saharan Africa and 63.2 per cent in Southern Asia are currently not contributing to social protection, which is linked to high levels of informality in those regions (ILO, 2016).

### **2.18.3 WOMEN AND MEN IN INFORMAL EMPLOYMENT**

Informal employment is a greater source of non-agricultural employment for women than for men in South Asia, Sub-Saharan Africa, Latin America and the Caribbean. In contrast, in the Middle East and North Africa, it is vice versa. No differences were found in East and Southeast Asia. However, it should be noted that, because more men than women are in the workforce in most countries, men generally account for a greater share of informal employment than women (Vanek et al., 2014).

There is gender segmentation within informal employment by status in employment. In general, women in informal employment are more likely to be self-employed than men, except in Eastern Europe and Central Asia. In Latin America, both women and men working in informal employment are more or less equally split between wage employment and self-employment. The self-employed can further be disaggregated into employers, own account operators, and unpaid contributing family workers:

The proportion of women in own-account work relative to men tends to follow the same broad pattern as total self-employment. The exception is South Asia, where own account workers comprise a larger proportion of men's non-agricultural informal employment than women's. This is because contributing family workers account for a particularly sizeable share of women's informal employment in South Asia. Contributing family workers are the second largest category of the self-employed, comprising 5 per cent of informal employment in Eastern Europe and Central Asia to 12 per cent in South Asia. The percentage of women contributing as family workers is at least twice that of men in all regions except Eastern Europe and Central Asia, where it is roughly the same. In the sub-regions of Asia, it is three times greater. Employers comprise only between 2 and 9 per cent of non-agricultural informal employment, with the proportion being higher for men than women. Very few women in informal employment are employers: 0 per cent in South Asia, 1 per cent in Sub-Saharan Africa, Eastern Europe and Central Asia, 2 per cent in Latin America/Caribbean, and 9 per cent in East/Southeast Asia (Vanek et al., 2014).

There is also gender segmentation within informal employment by branches of economic activity. Very few women work in informal construction and transportation activities, the one modest exception being female construction workers in South Asia. These two sectors are male-dominated. Manufacturing accounts for an equal or greater share of women's informal employment than men's in all regions, except for Sub-Saharan Africa. A similar pattern holds true for trading activities, except in the Middle East, North Africa and in South Asia. Services other than trade and transportation (e.g. domestic work) account for a larger share of women's employment than men's across all regions (Vanek et al., 2014).

Finally, there is gender segmentation within informal employment by place of work. Other recent statistical analyses indicate that women are over-represented in two forms of employment that take place in private homes: home-based work (in the home of the worker) and domestic work (in the home of the employer), (Chen & Raveendran, 2014; Raveendran et al., 2013). Recent statistical analyses also indicate that women are less likely than men to be engaged in workshops or factories outside the home. However, they are engaged alongside men in public spaces outside the home, including to varying degrees, in construction, street trade, and waste picking depending on the country (Chen & Raveendran 2014; ILO and WIEGO 2013).

#### **2.18.4 DISTRIBUTION OF FEMALE INFORMAL WORK**

- Informal employment is a greater source of non-agricultural employment for women than for men in three out of six regions (see table 8).
- Women in informal employment tend to be concentrated outside the informal sector (except in Sub-Saharan Africa), whereas a larger share of men's non-agricultural employment occurs within the informal sector.
- Informal wage employment comprises a smaller component of women's non-agricultural informal employment than of men in Sub-Saharan Africa, South Asia and East and Southeast Asia (excluding China).
- Agricultural self-employment accounts for a larger share of women's employment than of men in Sub-Saharan Africa, South Asia and East and Southeast Asia.

*Table 8: Gendered regional distribution of informal non-agricultural employment*

| <b>% of informal non-agricultural employment</b> |            |              |
|--|------------|--------------|
| <b>Regions</b>                                   | <b>Men</b> | <b>Women</b> |
| <b>South Asia</b>                                | 82         | 83           |
| <b>Sub-Saharan Africa</b>                        | 61         | 74           |
| <b>Latin America and the Caribbean</b>           | 48         | 54           |

*Source: Vanek et al. (2014:8).*

### **2.18.5 IMPOSED FORMS OF GENDER DISADVANTAGE**

In particular, women's participation in the labour market is determined by the extent to which they have to contribute to unpaid household duties or family work, which falls disproportionately on their shoulders because of socially constructed norms that identify them as the primary care-giver. This has important implications for the type of paid work women can take on. A recent report highlights how the pressure of trying to balance work and child-care leads women to take on lower-quality jobs (Samman et al., 2016). In a study conducted by Addati & Casserier (2008), women informal workers in the Philippines and Bangladesh reported family responsibilities as a key reason for informal work (in Alfars, 2015). Being confined to jobs that allow sufficient flexibility to accommodate child-care leads to significant income losses for women, which can amount to a 42 per cent income difference for women with no children in 21 developing countries (Agüero et al., 2012). The need to provide for their children also puts women in a position where they agree to take on work that male workers reject. Employers in the garment industry in Nicaragua and Bangladesh demonstrated a preference for more 'docile' female workers, who were less demanding and accepted low salaries (Mendez, 2007; Kabeer, 2000; and in Kabeer, 2008: 91).

In comparison with men, women spend an average of 5.7 weeks more on unpaid care in a year (Samman et al., 2016). The costs of providing care are thus unequally distributed across gender and class, with the family remaining the key institution meeting care needs (UNRISD, 2010). The differing amounts of time men and women allocate to care in the household are driven by social norms and enforced by the lack of state-provided support services, such as child-care facilities, maternity benefits, and services for people with disabilities. The gender-specific division of roles, which places women within the private (household) space and men in the public, permeates public institutions, which have in many countries insufficiently acknowledged the contribution of unpaid care to the economy. The same processes that have



triggered a rise in informality – namely, periods of economic crisis and recession – have also led to cutbacks in the state provision of social services that support unpaid care (Eyben, 2012).

In many cases, gender-specific constraints interact with gender-intensified ones, as is highlighted in the case of Dalit women, who are segregated into certain types of work because of their gender and caste. Labour markets themselves are social institutions that reflect gender bias and power inequalities inherent in their particular context. They reproduce the cultural acceptability of certain jobs for men and women, including the conditions under which they are placed and the appropriate level of pay (e.g. payment, promotion structures, training) (Razavi et al., 2012). These pose substantial barriers for women when entering labour markets: the global female labour force participation in 2014 was 50.3 per cent, compared with 76.7 per cent for men (ILO, 2014d).

#### **2.18.6 POLICY REFORM TO INTRODUCE NEW SCHEMES FOR INFORMAL FEMALE WORKERS.**

Several countries have also introduced new programmes that lie outside the formal social security schemes to improve coverage for informal female workers. The rise in social assistance programmes for vulnerable groups, as well as the proliferation of non-contributory social insurance, exemplifies efforts by different countries to address the challenge of high levels of informal workers with no social protection (Holmes & Scott, 2016).

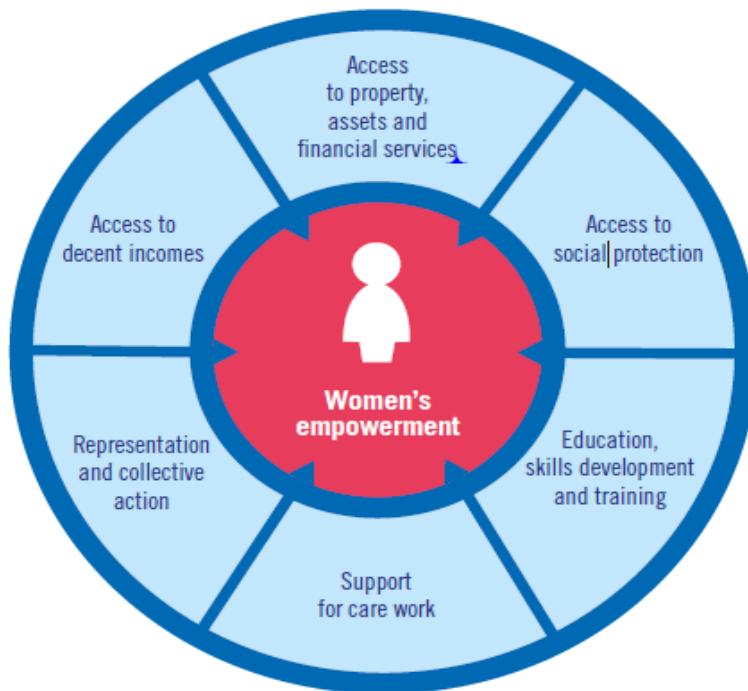
Means-tested social pensions are on the rise in several countries to reach universal coverage and these include those with no access to contributory pensions. Mauritius and South Africa pioneered non-contributory, means-tested pensions that now operate on a large scale. In South Africa, the benefits are means-tested and payable to women and men aged 60 or older, and this has had a positive impact on poverty reduction and in terms of improving the status of women in rural households (Barrientos, 2005; Razavi, 2007, both in Arza, 2015). The Old Age Allowance in Bangladesh provides non-contributory social assistance to older people in extreme poverty. It also runs a specific programme (the *Widow and Distressed Women Allowance Programme*) for destitute women who lose the financial support of their husbands in old age (ILO, 2013, in Arza, 2015). Means-tested social pensions are becoming more prevalent in Latin America, where they favour women who have previously lacked any type of pension. In Argentina's non-contributory pension programme, most beneficiaries are female, and the scheme increased women's pension coverage at age 65 by 92.4 per cent in 2010 (Arza, 2015; Rofman et al., 2015).

Several countries have introduced schemes that provide maternity benefits to women who have no access to formal social security. In Bangladesh, the *Maternity Allowance Programme for Poor Lactating Mothers* introduced in 2008 is a means-tested transfer of 350 takas per month for either the first or the second pregnancy over a period of two years. In Bolivia, the Bono Madre Niño and Bono Juana Azurduy de Padilla benefits are targeted to poor women and their families without medical insurance. In India, the *Indira Gandhi Matritva Sahyog Yojana Programme*, introduced in 2010, provides cash benefits for pregnant women and lactating mothers in 52 pilot districts for approximately 40 days as partial compensation for wage loss and encourages women to take adequate rest before and after childbirth (ILO, 2015).

## **2.19 HOW CAN WE EMPOWER WOMEN WORKING IN THE INFORMAL ECONOMY?**

A range of discriminatory social norms may limit their access to: property, assets and financial services; opportunities for education and skills development; and social protection (see figure 5). Strong cultural norms may constrain women's mobility outside the home in some regions, restricting them to low-paid home-based jobs. Strategies are needed to empower women in the informal economy to address these established norms, structures and imbalances in power and to provide women with an agency (Hunt & Samman, 2016; UN Women, 2015). To this end, *ILO Recommendation No. 204* envisages the inclusion of an integrated policy framework in national development strategies or plans, as well as in poverty reduction strategies (see also ILO, 2013a).

*Figure 4: Factors that enable women's empowerment*



Source: ILO, 2013a, and Hunt & Samman, 2016:2.

### 2.19.1 ACCESS TO DECENT INCOMES

Macroeconomic policies can be important enablers of gender equality, as they shape the economic environment for women's empowerment. A gender-responsive macroeconomic policy supports: social infrastructure (e.g. childcare and health services); a monetary policy that channels credit to women in agriculture and micro/small enterprises; a fiscal space that provides access to social protection; and the voice of organisations representing women in macroeconomic decision-making (*UN Women, 2017*); all these factors can improve women's access to decent incomes in the informal sector and facilitate their transition from the informal to the formal economy.

Different regulatory mechanisms can provide women with better working conditions, as well as facilitate their transition from the informal to the formal economy (*ILO, 2013a*). These measures remove the barriers that women face when they try to access work opportunities and improve their working conditions. For example, public policies and laws often neglect or even penalise the self-employed in the informal economy (e.g. street vendors, home-based workers and waste pickers) and their income-earning activities. These workers face a myriad of problems – including harassment, abuse, and the confiscation of their goods, leading to instability and insecurity in their income and livelihoods and loss of property. There are even cases whereby women street vendors have engaged in initiatives to negotiate with the local

government and urban planners for a range of improvements. These initiatives include designated workplaces and the provision of licences and identity cards for street vendors in countries such as in India, South Africa, and Papua New Guinea (*UN Women, 2015*). In India, after 15 years of lobbying by woman workers, a *Street Vendors Bill* was passed, which allows workers the right to a designated space to earn a livelihood, improve their incomes and create a safe working environment (*UN Women, 2015; Bhowmik, 2014*).

### **2.19.2 ACCESS TO PROPERTY, ASSETS AND FINANCIAL SERVICES**

Globally, women account for 41 per cent of the agricultural labour force (*ILO, 2018a*), and yet they rarely own the land upon which they work. Consequently, their decision-making and control over the land use, and their access to technology and extension services, are limited. Securing land rights and access to technology, reforming agricultural extension services, and supporting women's organising in cooperatives are vital to empower and sustain women's agricultural self-employment in rural areas (e.g. in Ethiopia, Ghana and Rwanda) (*UN Women, 2015*). ICT-enabled services such as mobile technology can also help provide information and advice on agricultural crops that are commercially sustainable, thereby contributing to improving incomes and productivity. These services can also promote a culture of knowledge-sharing and help women to take decisions about climate-resilient crops or sustainable cropping practices, which can insulate their communities from the recurring shocks that climate change brings in its wake.

Assisting women to gain recognition of their existing property, as well as providing them with the means to formalise property rights and access to land, can ensure that they have the necessary collateral to qualify for regular financial services. The ability to leverage these financial services can help women improve their bargaining power, especially in self-employment (agriculture, street vending, home-based work, etc.).

Women entrepreneurs often find themselves operating micro-enterprises in the informal economy. Women's entrepreneurship and the sustainability of their enterprises can be encouraged through enabling legal frameworks, the provision of business skills development training, and improved access to finance and the ownership of capital equipment (*ILO, 2008, 2016c and 2018b*). Technological innovations in financial services, such as mobile money-transfer services, can facilitate access to finance at a low cost to women entrepreneurs without any collateral. The financial inclusion of women through macroeconomic tools, such as asset-

based reserve requirements, development banking, and loan guarantees, can also help to empower women (*ILO*, 2013a).

The lack of adequate infrastructure in many rural areas – such as access to water and sanitation services or social and care services – adds a further burden to women’s daily responsibilities and constitutes a major obstacle to their economic empowerment. Women’s empowerment is also constrained because of their limited access to information, especially in rural areas without proper Internet access. Modern development approaches, such as those that facilitate the electrification of off-grid communities, can increase villagers’ connectivity and access to markets, services, and know-how, particularly for women (see Issue Briefs Nos 5 & 6). Further, climate change-related impacts increase women’s workload, as water scarcity in rural areas forces women to walk long distances searching for water. The provision of essential services and infrastructure enhances their power and agency, reduces their workload, and increases the amount of time they can spend on productive activities (*ILO*, 2013a; *UN Women*, 2015). Promoting the equal sharing of unpaid care and domestic work between men and women can also help change social norms and transform labour markets.

### **2.19.3 ACCESS TO SOCIAL PROTECTION**

Recent evidence shows that about 55 per cent of the world’s population are not covered by social protection, and the coverage of informal workers is particularly inadequate (*ILO*, 2017). Contributory social security schemes usually benefit women in the informal economy less, as these schemes are linked to formal employment. As women tend to be over-represented in self-employment and toil as contributing family workers, they are less likely to contribute to social insurance schemes – and even if they do, the contributions are low and the benefits derived are minimal (Tessier et al., 2013). Social protection schemes, as well as broader social security systems, can contribute to women’s economic empowerment and gender equality.

National social protection floors are an important tool for gender equality and allow equal access to social protection for men and women throughout their life cycle. Non-contributory benefits can also play a significant role in ensuring that women have some social protection coverage, although the outreach and the level of benefit might be low. A number of countries have implemented non-contributory social protection programmes, such as social pension programmes (e.g. the Plurinational State of Bolivia, Namibia, Nepal, South Africa), conditional or unconditional cash transfers (e.g. Argentina, Brazil, Ecuador, Ghana, Malawi, Mexico,

Namibia, South Africa), employment guarantee schemes (e.g. Ethiopia, India), which have provided women with some benefits (*ILO*, 2011). Some unions, membership-based organisations and microfinance institutions also provide women with social security and pension benefits (e.g. the *National Union of the Unions of the Workers of Benin*), or health insurance and childcare (*The Self-Employed Women's Association* (SEWA) in India) (Schurman and Eaton, 2013). Non-contributory cash transfers also facilitate women's access to assets and other resources for entrepreneurial activities. These transfers have helped promote economic empowerment in agriculture by acquiring productive assets such as livestock (e.g. in Kenya and Malawi) or other assets (FAO, 2015). However, there are also concerns that conditional cash transfer programmes might reinforce traditional gender roles (e.g. tending to livestock in rural areas) and hamper women's labour market participation (Holmes et al., 2010).

#### **2.19.4 EDUCATION, SKILLS DEVELOPMENT AND TRAINING**

Education is an essential asset for women. It provides them with a range of positive outcomes, including a greater awareness of their rights, greater participation in decision making, a reduced probability of early marriage and childbearing, and access to better employment opportunities (*UN Women*, 2015). Globally, about 91 per cent of women in the informal economy are illiterate or have finished only primary education, while women having completed secondary and higher education are less likely to be engaged in this work (*ILO*, forthcoming). Women with lower levels of education tend to develop and accumulate their skills through 'on-the-job' training over time – either at home, through friends and the community, or informal apprenticeships. Many of the membership-based organisations also provide skills training in a range of occupations such as domestic work, child and elder care, cooking, accounting, tailoring and construction work, as well as adult education. This can help women workers develop their skills and obtain certification to find gainful employment and negotiate better wages.

Education can reduce the likelihood that women will work in the informal economy – but this, of course, is also contingent upon the availability and quality of jobs available in the labour market. Evidence suggests that education also helps to improve workers' earnings: wages tend to increase by 10 per cent for every additional year of primary school, 15–25 per cent for each additional year of secondary school, and nearly 17 per cent for tertiary education (Hunt & Samman, 2016). Proactive policies, which ensure that girls have equal access to educational

opportunities from early childhood and place greater value on skills and lifelong learning, might help to change social norms and to empower women.

#### **2.19.5 SUPPORT FOR CARE WORK**

Care work is important for both individual and societal well-being. Women undertake a greater number of hours of unpaid care work than men (e.g. household chores and care provision) (ILO, 2016b). As a result, they may be more likely to take on low-quality jobs in the informal economy that allow them to attend to these care responsibilities. Promoting the equal sharing of unpaid care and domestic work between men and women can help change social norms and transform labour markets. Similarly, the provision of public care services can be an important way of ensuring that women can take advantage of job opportunities in the formal economy.

#### **2.19.6 REPRESENTATION AND COLLECTIVE ACTION**

Women in the informal economy may face particular obstacles in attempting to organize collectively. They may work in dispersed workplaces (e.g. households), making it difficult to organize. In addition, trade unions may not have the institutional resources to organize this category of worker. There is a need to look for innovative and new ways to overcome these challenges so that women in the informal economy can be empowered to improve their own livelihoods. New collective solidarities have been emerging between trade unions and other organisations to advance the interests of women in the informal economy. Over the past decades, women in the informal economy have joined unions, formed new community-based organisations, or created cooperatives.

These organisations have advocated for regulatory changes, including a minimum wage and fixed hours of work. They have provided education and other capacity-building services, given legal assistance, and supported women workers to gain access to health care. Some have also provided development services such as credit insurance and other livelihood support programmes. These efforts have gone some way towards restoring dignity and delivering social justice to these economically marginalized workers (Webster, 2015). There has also been an expansion of collective solidarities through alliances between NGOs and trade unions, for example, trade unions and organisations supporting domestic workers. The *International Domestic Workers Network (IDWN)* and the *Asian Domestic Workers Network (ADWN)* have been strongly supported by the *International Union of Food and Allied Workers (IUF)*,

especially during the advocacy of the adoption of the *ILO Domestic Workers Convention (No. 189)*, which was adopted in 2011. While there is a clear desire for organisation and collective action in this area, these initiatives remain diffuse and limited in scope.

Since most SMEs worldwide are informal, their organisation and affiliation to employers' organisations are also vital. For example, some informal operators in South Africa have organised themselves into associations and become affiliated with employers' organisations. Employers' organisations can play a pivotal role in helping informal entrepreneurs access information on regulations and market opportunities and facilitate their access to finance, technology, and other resources. They can also provide other services, such as business skills, accounting and occupational safety and health management training, which can help these workers transition from the informal to the formal economy (*ILO*, 2013b).

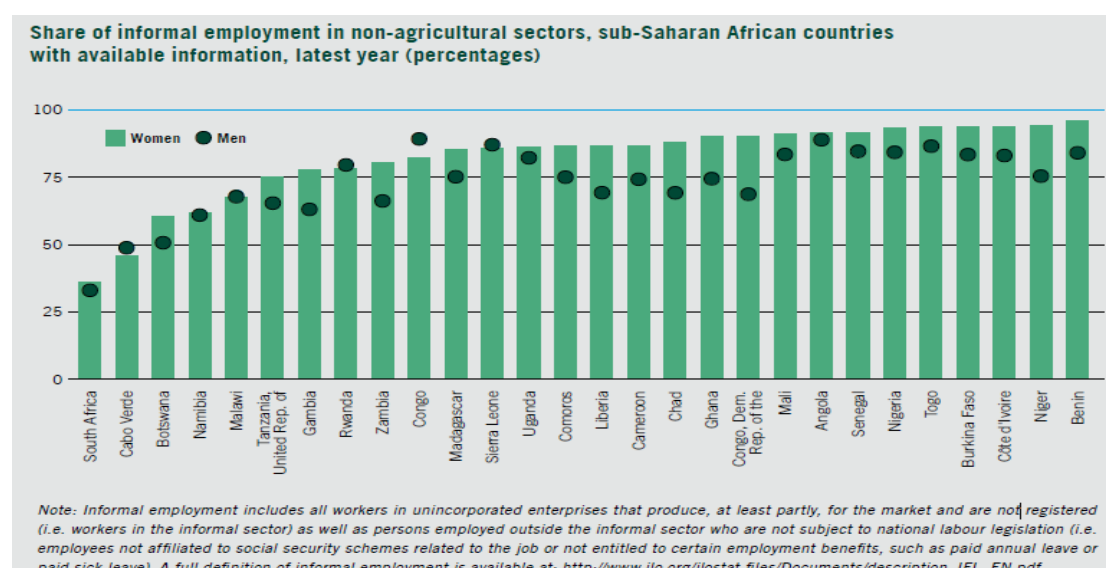
## **2.20 INFORMALITY REMAINS PERVASIVE AMONG WOMEN IN EMERGING AND DEVELOPING COUNTRIES**

There is a very strong likelihood, especially in emerging and developing economies, that own-account and contributing family workers are defined as members of the informal economy. This connection arises because own-account workers are typically not registered as legal entities. Contributing family workers do not have written employment contracts and therefore typically fall outside the scope of labour legislation, social security regulations and relevant collective agreements. However, these workers are not the only category of employment to be exposed to systematic labour market risks. The broad category of informal employment includes other groups, such as workers in the informal sector and workers in formal sector enterprises who hold informal jobs.

Women are over-represented in informal employment in developing countries because there is a higher proportion of women who work as contributing family workers. This category accounts for around one-third of the overall informal employment in developing countries. According to the ILO, the share of women in informal employment in developing countries was 4.6 percentage points higher than men when including agricultural workers and 7.8 percentage points higher when excluding them. This is according to; the latest year with available data (*ILO*, 2018b). In close to one-third of sub-Saharan countries with available data, the share of women in non-agricultural employment who are in informal employment is over 90 per cent, while for men, the share hovers at around 82 per cent (Table 9).



**Table 9: Share of informal employment in non-agricultural sectors**



Source: ILO, 2018b: 86

## 2.21 STREET VENDING

The definition of street vendors in this study includes those who sell goods and offer services in loosely defined public spaces. Market traders are workers who sell goods or provide services in built markets on publicly or privately owned land (as defined in Vanek, Chen, and Raveendran 2015).

### 2.21.1 STREET VENDING AND CREATION OF EMPLOYMENT OPPORTUNITIES

Street vending is becoming an important activity for the survival of many urban poor people worldwide by helping them create their jobs and earn cash incomes, especially in the developing world. Thus, street vending activities avail goods opportunity for the urban poor to work and to be self-employed. This sector, therefore, has been neglected and underestimated (Hart, 1973). The street vending sector contributes significantly to the urban employment creation where unemployment and poverty issues are serious.

In Tanzania, the Dar-es-Salaam city authority shows that street vending employed more than 1 million in 2014 (Mramba, 2015). Increasingly, street vending is becoming an employment and income-earning option for a larger segment of African society (Mitullah, 2003). Furthermore, this sector also links to the other formal sectors by providing a labour force and for marketing their products. Studies show that many goods sold by street vendors, such as clothes, leather and plastic goods as well as household commodities, are manufactured in small scale or home-based industries. These industries employ many workers and rely mainly on street vendors to market their products. In this regard, street vendors provide a valuable service

by helping to sustain employment in these industries (Timalsina, 2011). The sector acts as a provider of a viable alternative to formal employment. As a buffer against instability and insecurity in terms of work and income opportunities among the urban poor, Table 10 shows the statistical, estimated numbers of street vendors in some cities. One should note that it is difficult to produce accurate figures.

*Table 10: The Number of Person engaged in Street Vending from different countries*

| Country       | Number of street vendors | % of non-agriculture labour force | % of females |
|---------------|--------------------------|-----------------------------------|--------------|
| Benin(1992)   | 45,591                   | 5                                 | 81           |
| Tunisia(1997) | 125,619                  | 6                                 | 2            |
| Kenya(1999)   | 416,294                  | 8                                 | 33           |

**Source: ILO, 2002:52**

### **2.21.2 STREET VENDING AND SECURITY IN THE CITY**

Street vending deters antisocial activities such as theft, prostitution and other crimes. Therefore, it acts as a buffer against instability and insecurity while offering work and income opportunities among the urban poor. It can also protect tourists from crime. This is crucial in enhancing security within a city (Roever, 2014; Cohen, 2010).

### **2.21.3 ENVIRONMENTAL EFFECTS OF STREET VENDING**

Street trading causes a spatial problem that comprises the environmental spill overs that arise either by the sheer location of street economic units or their activities in the urban space. Unregulated street trading activities tend to create environmental problems such as the generation of excess filth and littering that stretches the already limited capacities of city authorities to keep their cities clean. Further, street traders worsen existing waste disposal problems partly because of non-existent or inadequate infrastructure resources and properly functioning systems of waste collection and management in developing cities (Jimu, 2005; Yankson, 2000a; Onesmus, 2005).

In countries that have been able to formalise street vending sectors, these sectors contribute to the city's cleanliness. This is the case in Durban, where street vendors provide cleanness and sanitation services in the public place by cleaning themselves and paying fees for waste

removal services. In the same city, they clean their workspaces when they arrive, keep them clean during the day, and clean when they leave at night (Roever, 2014). It is worth while noting that Durban is very organised when it comes to street vending.

#### **2.21.4 STREET VENDING AND ACCESS TO CAPITAL**

If street vendors could have access to funding from financial institutions, they could also have higher investment capital, judging from the expensive merchandise they sell. In addition, the high capital could provide them with the opportunity to rent space in prime areas of the city. Nevertheless, street traders operate below capacity because they have limited access to capital. They have no access to financial services such as credit and loans from financial institutions because they do not have collateral security.

This concurs with the assertion of the renowned Zimbabwean economist John Robertson, who stated that it is difficult for people in the informal sector to secure credit facilities because they do not have evidence to secure such services since their incomes are erratic and low with little production involved. They lack things like pay slips and bank account statements as an indication to the lender that they can pay or service credit (Nkululeko et al, 2014). Therefore, the lack of capital or access to capital hinders the development of their activities.

#### **2.22 INFORMAL TRADERS PLAY A BIG ROLE IN SOUTH AFRICA'S ECONOMY**

With the informal sector contributing around 29 per cent to the country's *Gross Domestic Product* (GDP), it is a force to be reckoned with. According to panellists speaking at the Consumer Goods Council of South Africa (CGCSA) Summit 2014, this is on the importance of Small and Medium Enterprises (SMEs), including informal businesses. Dr Mlenga Jere, a senior lecturer at the Graduate School of Business, pointed out that research conducted in 2010 by non-profit organisation *Finmark Trust* indicated that there are around six million small businesses in South Africa, with most of them being informal.

The informal economy's importance in contributing to the national and regional GDP and the labour market is clearly reflected in one of the biggest economies in Africa, Nigeria. An article by Omomia (2014) in *Business Day* suggests that in the first quarter of 2013, over 174,000 new jobs were created in Nigeria's national economy. According to the article, the informal sector led the growth in total jobs for the period by contributing 53 per cent of newly created employment opportunities. This was followed by the formal sector at 41 percent and the public sector at six percent (ibid). Given this information, it is clear that if countries in Southern Africa

and Africa want to develop their economies, policymakers cannot afford to neglect the informal sector. While in Nigeria, men dominate the informal labour market, as described in an article by Onwe (2013), it has already been established that in many countries in Southern Africa, women make up the majority of those in the informal economy (SACBTA & SAT, 2014; USAID, 2010: 2).

### **2.23 CONDUCTIVE TRADE POLICY AND THE INFORMAL ECONOMY**

More specifically, there is a need to promote an enabling working environment for women in the informal sector, which is unique and adapted to the needs of local women to facilitate the growth of their businesses and to promote their safety and socioeconomic rights. For instance, countries must recognise the role that women play in the sector and then formulate national informal economy policies, including cross-border trade policies, which address the plight of women in the sector as articulated by the *Southern Africa Trust and its partners (SAT & SACBTA, 2014: 8)*. The conducive trade policy, among other things, should create mechanisms that support women in their efforts to access capital, capacitating them in the business environment and protecting them from unfair competition with big economic players. One way policy could support women would be to increase their competitiveness by allowing bulk buying and introducing more user-friendly technology (Onwe, 2013: 71). Coordinated efforts can be made to provide them with market information and to link them to suppliers.

### **2.24 ENTREPRENEURSHIP IN SOUTHERN AFRICA**

According to the Global Entrepreneurship Monitor (GEM) report, South Africa is lagging behind its peers (Turton & Herrington, 2012). The youth of South Africa and the youth of Angola, Botswana, Ethiopia, Ghana, Malawi, Namibia, Nigeria, Uganda and Zambia were compared in a GEM survey in 2012, where the rate of perceived opportunities for South Africa came in at 39 per cent, well below the average of 70 per cent for sub-Saharan Africa. Thirty-nine per cent was the lowest percentage overall. The survey also revealed that South Africa's rate of perceived capabilities for its youth is also the lowest at 40 per cent compared to other countries in sub-Saharan Africa (average of 76 per cent). South Africa continues to feature below the sub-Saharan Africa average of 60 per cent for the pool of potential entrepreneurs for the youth population at 20 per cent (Turton & Herrington, 2012). The overall entrepreneurial climate for entrepreneurship development in South Africa appeared to be unfavourable when out of 54 countries, South Africa ranked 34, ranging in income levels and regions, in terms of total entrepreneurial activity, in 2010 (Herrington, Kew & Kew, 2010).

#### **2.24.1 LACK OF APPROPRIATE LEGAL AND POLICY FRAMEWORKS**

The lack of appropriate legal frameworks exposes women to all manner of abuses, particularly from law enforcement agencies and officials who show little or no concern for the very laws they are supposed to uphold. (*ESSET*, 2010). This is expressed in various ways including police brutality, corruption and double taxation; Chetty, 2012).

#### **2.24.2 LACK OF SKILLS AND TRAINING**

Seeletse (2012) identified a lack of competence in inventory control, ineffective customer relations, and poor recordkeeping as some of the causes of small business failure. Willemse (2011) in determining opportunities and constraints facing informal street traders, found severe cash-flow problems exist which have a ripple effect on the ability to manage the businesses' profitably and the ability to maintain sufficient levels of stock. Bezuidenhout & Nenungwi (2012) noted that managerial problems are among the primary reasons for the failure of small businesses in developing economies. Furthermore, they maintain that, in South Africa, these managerial problems arise from a lack of appropriate training.

#### **2.24.3 FAILURE OF SMALL BUSINESSES**

In examining factors that hinder the growth of small businesses in South African townships Mbonyane & Ladzani (2011) concluded that most small businesses fail because they do not have daily contact with their customers. Moreover, they lack special promotions and new product features. Likewise, Strydom & Tustin (n.d.) also found that the lack of customer services is a problem for small businesses. Similarly, Seeletse (2012) confirmed that poor customer relations are the most common cause for small business failure as business owners do not know how to measure customer relations. They cannot remember exact ways of dealing with customers. As a result, clients fail to return after being served the first time. This is in line with the *European Business Review* (2013) that found that nearly three-quarters of consumers have ended relationships with businesses because of poor customer service.

#### **2.24.4 AN UNFAVOURABLE OPERATING ENVIRONMENT FOR INFORMAL TRADERS**

Many informal economy workers operate under unfavourable conditions with no proper infrastructure. This is true for both women cross-border traders and workers within a country. Critical issues in this regard include 'shelter, roads, toilets, water and sewerage, garbage collection' (Mitullah, 2004: 9), as well as inadequate border infrastructure for cross-border

traders (Chetty, 2012). This is particularly problematic for women and undermines their socioeconomic rights, and it compromises their health.

Women in the informal economy often complain of sexual harassment from both government and customs officials at the borders (Brenton, Gamberoni & Sear, 2013). Due to a lack of clarity on what is expected of them at the border posts, women traders are taken advantage of sexually by corrupt government officials in return for facilitating the entry of their goods (ibid). A worrying trend is that women often do not talk about the sexual harassment they suffer, fearing they will be seen as a party to their harassment. Sadly, it is also known that women traders or vendors entice customs or government officials sexually to ensure their goods are given preferential treatment in paying taxes (Brenton et al., 2013).

## **2.25 CHAPTER SUMMARY**

This chapter reviewed the literature relevant to this study. It highlighted many different perceptions of street vending and consequently different views on how it should be handled. More than 60 per cent of the world's employed population earn their livelihood working in the informal economy. Informal work exists in all countries, irrespective of the individual country's level of socio-economic development, but it is far more prevalent in developing countries. Globally, informal work is a more significant source of employment for men (63 per cent) than for women (58 per cent). Despite this, women are more often to be found in the more vulnerable categories of work—for instance, domestic workers or self-employed home-based workers. In most countries, women in the informal economy tend to live in poor households (*ILO*, forthcoming publication). The literature shows that empowering women workers in the informal economy is the key to expanding their choices, improving their livelihoods and advancing gender equality. While some progress has been made towards empowering women in the informal economy, these workers still face several structural constraints. It is clear that increasing levels of economic development do not automatically lead to women's empowerment, and there is a call for concerted and targeted efforts that prioritise their needs (Kabeer & Natali, 2013; *ILO*, 2016b).



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

The previous chapter presented the literature review for the study; the purpose of this chapter is to discuss how the primary data were collected and analysed. Specific sections in this chapter include research design, questionnaire design, different types of data analysis conducted, the issue of validity and reliability of the data for the methods chosen, as well as the potential errors that might have occurred and how these errors were avoided in the present study. Furthermore, the tools, tests and techniques adopted for analysis and data interpretation are also discussed. Khothari (2004:8) states that,

“Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them.

Khothari alerts us to the necessity to distinguish between the terms ‘method’ and ‘methodology’. Obviously, the terms are related, but, as I understand it, ‘method’ refers to how the research problem I define in 1.3 is answered. In this case, it was through the use of a questionnaire that had to be presented to the sample of the study population verbally through personal interviews because most of the respondents were effectively illiterate. This then was the ‘method’. The ‘methodology’, on the other hand, was how the method was applied. This is covered in 3.3 samplings and more particularly in 3.6 Data collection.

#### **3.2 RESEARCH DESIGN**

Research design relates to the choice of the specific research methods that were used to collect and analyse the data. According to Khothari (2004:31) “research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. Khothari further states that the design gives a general description of how the researcher must conduct the research using a particular research method from writing the hypothesis and its operational implications to the final analysis of data. The research design selected for the study was a mixed-methods research approach which uses both quantitative and qualitative data. A mixed methods research approach allows the researcher to use the qualitative research paradigm for one phase of the study and a quantitative research paradigm for another phase of the study. The design used in the current study is the use of both open-ended questions and closed-ended in the questions interviews. The study used open-ended questions that allowed for further explanations of any responses in the comments section.



This allowed the respondents to add more detail to their responses. The use of closed-ended questions gave respondents the option to choose a response, making analysis of the responses easier. This approach meant that the researcher got both structured and varied responses which all ultimately enriched the findings. According to Creswell 2014:13, “The core assumption of this form of inquiry is that the combination of qualitative and quantitative approaches provides a complete understanding of a research problem than either approach alone.”

### **3.2.1 QUANTITATIVE RESEARCH METHODOLOGY**

According to Creswell (2014: 13). “Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analysed using statistical procedures.” Creswell maintains that quantitative research is any data that is in numerical form, enabling the researcher to use mathematical models to examine the numbers and statistics. The results are expected to be the same, no matter who conducts the research because the researcher remains an impartial observer separated from the subject matter. The quantitative method is used to quantify the problem by generating numerical data that are transformed into useable statistics. Quantitative Research uses closed-ended questions, which do not allow the researcher to probe deeply as the respondents are given a chance to choose from a narrow range of options.

### **3.2.2 QUALITATIVE RESEARCH METHODOLOGY**

According to Creswell (2014:13) “Qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures. Data is typically collected in the participant's setting.” Creswell reminds us that qualitative researchers have concerns with characteristics, opinions and human behaviour that the researcher interprets in terms of her or his understanding. Because of this, results may differ greatly depending on who conducts the research. However, qualitative methods do include direct observation and open-ended unstructured interviewing, which allows the researcher to probe deeply into the respondents’ answers to gain more valuable information. This is exactly what this study did. The SPSS analytical tool was then used for analysis. Microsoft Excel was also be used as a supplemented tool to generate the responses into graphs and tables after coding them to illustrate the findings. The qualitative method is designed to help the researcher understand why people assign to social phenomena the meanings they do.

*Table 11: 3.2.3. QUANTITATIVE VERSUS QUALITATIVE APPROACHES*

| <b>QUANTITATIVE APPROACH</b> | <b>QUALITATIVE APPROACH</b>                |
|------------------------------|--|
| Measure objective facts      | Construct social reality, cultural meaning |
| Focus on variables           | Focus on interactive processes, events     |
| Reliability the key factor   | Authenticity the key factor                |
| Value-free                   | Values present and explicit                |
| Separate theory and data     | Theory and data fused                      |
| Independent of context       | Situationally constrained                  |
| Many cases, subjects         | Few cases, subjects                        |
| Statistical analysis         | Thematic analysis                          |
| Researcher detached          | Researcher involved                        |

Sources: Crewsell (1994), Denzin & Lincoln (2003a), Guba & Lincoln (1994), Marvasti (2004), Mostyn (1985), and Tashakkori & Teddlie (1998).

### **3.2.4 RESEARCH PARADIGM**

According to Johnson & Christensen (2014) Research paradigm is a worldview or perspective about research held by a community of researchers that is based on a set of shared assumptions, concepts, values, and practices. More simply, it is an approach to thinking about and doing research. In this chapter, we introduce you to the three major educational research paradigms or approaches: quantitative research, qualitative research, and mixed research.

This research was conducted using two paradigms. Firstly, the social constructivist (interpretive) paradigm made use of qualitative research methods, and secondly the post-positivist (positivist) paradigm which uses quantitative research methods. The use of mixed-method paradigms assisted me in acknowledging that combination of both approaches providing a variety of perspectives from which a particular phenomenon can be viewed. Creswell states that the researchers' choice of paradigm informs the conduct and writing of the study. Creswell neatly summarises the different paradigms and their characteristics in the following table (12)

*Table 12: 3.2.5. Four Worldviews*

| Postpositivism  | Constructivism  |
|---|---|
| <ul style="list-style-type: none"> <li>• Determination</li> <li>• Reductionism</li> <li>• Empirical observation and measurement</li> <li>• Theory verification</li> </ul> | <ul style="list-style-type: none"> <li>• Understanding</li> <li>• Multiple participant meanings</li> <li>• Social and historical construction</li> <li>• Theory generation</li> </ul> |
| Advocacy/Participatory  | Pragmatism  |
| <ul style="list-style-type: none"> <li>• Political</li> <li>• Empowerment Issue-oriented</li> <li>• Collaborative</li> <li>• Change-oriented</li> </ul>                   | <ul style="list-style-type: none"> <li>• Consequences of actions</li> <li>• Problem-centered</li> <li>• Pluralistic</li> <li>• Real-world practice oriented</li> </ul>                |

(Source: Creswell. 2009:6)

According to Neuman (2014), a positivist social science (PSS) is used widely, and positivism, broadly defined, is the natural sciences approach. In fact, as they point out, most people assume that a positivist approach is a science. Nevertheless, many versions of positivism exist and have a long history within the philosophy of science and researchers. Johnson & Christensen (2014) define empiricism as the idea that all knowledge comes from experience. We learn by observing, and when we observe, we rely on our sensory perception. Each day of our lives, we experience the world through our senses so that we can understand our surroundings.

The different approaches can be summarised as follows:

- Quantitative approach- In the Post-positivist worldview, this is an experimental strategy of inquiry involving a pre- and post-test measurement of attitudes;
- Qualitative approach- In a Constructivist worldview, ethnographic design and observation of behaviour is used.;
- Qualitative approach- A Participatory worldview produces a narrative design, and it involves open-ended interviewing; and
- In a mixed-methods approach- the pragmatic worldview sees the collection of both quantitative and qualitative data sequentially.
- 

### 3.3 RESEARCH OBJECTIVES

**These are:**

- To identify challenges that female informal entrepreneurs may face establishing and growing their own businesses; and
- To suggest practical recommendations to develop female informal entrepreneurship.

### **3.4 TARGET POPULATION**

“A population is the group of people, animals, or archives that the researcher is interested in examining. Residency, occupation, gender, age and time frame are some of the characteristics that might define a population (Adams and Lawrence 2015: 118).” The targeted population of this study will be 150 female entrepreneurs from Richards Bay and Empangeni who are informal traders (operating in the Richards Bay and Empangeni CBD).

### **3.5 SAMPLING**

According to Adams & Lawrence (2015: 119) a sample is a subset of the population meant to represent the entire population, and sampling is the procedure used to obtain the sample. According to Betram & Christiansen (2014:60), random sampling means that every member of the population to be studied has an equal chance of being included in the sample. The targeted population of this study will be 150 (Young et al., 2018:16) female entrepreneurs from Richards Bay and Empangeni who are street vendors. The sample size of this study will be 120 female entrepreneurs in Richards Bay, where the majority of the respondents are and can easily be contacted by the researcher. Random sampling will be appropriate for this study because the population size is manageable.

### **3.6 DATA COLLECTION**

For data collection, interviews were conducted using both open-ended questions and closed-ended questions which were dictated to the respondents in IsiZulu. This was after the first round of meetings, which led to the day for this interview. The researcher pleaded with those present to inform their colleagues about the coming interviews. Surprisingly, the women were ready in their numbers on the day of the interview because they wanted their plight to be known by all. Given the overwhelming response for this interview, participants were selected at random. Respondents were briefed about the exercise and asked for permission to participate in the study. Once they had agreed, the respondents were asked questions and the interviewer wrote down the answers because most of the population was illiterate. The interviewer recorded the responses in isiZulu. The interviewer then read back to the respondents what had been written down and corrected any misquotations. The interviewer then, after the completion of the interview, translated the isiZulu responses into English. The translations were then checked

and approved by an appropriate language interpreter Mr Siyabonga Ntuli because some phrases in English mean something else in IsiZulu. The researcher was able to make contact with 25-30 respondents a week (Young et al., 2018:16). The identity of the respondents was be protected, and the responses will remain anonymous and treated with the highest confidentiality. A consent letter was attached to the interview questions to explain the purpose of the research and its relevance, and it sought permission of the respondents to participate in this research. The consent letter was written in isiZulu, and it was read out to each participant and discussed before the participant signed for receipt of this letter. Contact information for the researcher was provided in case the respondent had any questions.

### **3.7 PRE-TESTING OF THE DATA COLLECTION TOOL**

Before starting data collection, pre-testing of the research instrument was conducted to determine the strengths and weaknesses of the questionnaire regarding question format, relevance, reliability, wording and order. The researcher and two research assistants conducted this.. The pre-test questionnaires and a checklist were answered by ten Informal female entrepreneurs from Richards Bay and Empangeni (CBD). No amendments were made to the questions. The respondents who participated in the pre-test were not included in the main study.

### **3.8 DATA ANALYSIS**

Terre Blanche *et al.* (2006: 52) state that data analysis issues should be carefully considered when designing a study, since the aim of data analysis is to transform information (data) into an answer to the original research question. Careful consideration of data analysis strategies will ensure that the design is coherent as the researcher matches the analysis to a particular type of data, to the purposes of the research and to the research paradigm. The latest version of SPSS was used to analyse data. The questions and responses were coded and entered into the computer using Microsoft Excel software, and graphs and tables were used to illustrate the findings.

### **3.9 RELIABILITY AND VALIDITY**

Validity ensures that the measurement tool (questionnaires) used is appropriate for the study undertaken (Leedy & Omrod, 2006: 274). A pre-test with ten female entrepreneurs operating in the informal sector from Richards Bay and Empangeni was administered to test the validity of this study. This helped to ensure that the research instrument was reliable and to ascertain that questions were simple and easily understood. Validity checks whether or not the

questionnaire was validated and measured what was supposed to be measured. It also helped to identify minor grammatical errors before the administration of the instrument.

### **3.10 ETHICAL CONSIDERATIONS**

According to Namuba (2008: 23), it is crucial that all researchers are aware of research ethics. Ethics relate to two groups of people: those conducting research, who should be aware of their obligations and responsibilities, and those ‘researched on’ who have a basic right to be protected.

To this end, the following measures were ensured to safeguard the integrity of the study:

- **Ensuring that participants had given informed consent:** Normally, a letter seeking respondents consent is issued to explain the nature and purpose of a study and for participants to consent to (Sekaran & Bougie, 2016). This was also a requirement of the institution of study. The above was followed for the sake of ethical procedure for the current study.
- **Ensuring no harm comes to participants:** This step ensures that no one is harmed or suffers adverse consequences from the research activities (Zefeiti & Mohamad, 2015). This study collected data in a sound, secured and safe manner to ensure that no harm came to the participants. Responses from a participant were recorded precisely the way they put it and shown to them for confirmation.
- **Ensuring confidentiality and anonymity:** According to Creswell & Creswell (2017) researchers need to respect their participants and the sites for research during the data collection. A letter of permission was obtained from the gatekeeper after confirming the place of the interview with participants and all protocols were followed for the interview to ensure confidentiality and anonymity.
- **Ensuring that permission is obtained:** As mentioned above, a gatekeeper`s letter ensured that permission was obtained from where the researcher intended to collect data (Saunders, 2012). DUT issued such a letter to the researcher as the gatekeeper of the place of data collection.

Female informal entrepreneurs who were part of the study were treated with respect, and respondents were protected from victimisation. The researcher applied for an ethical clearance through the DUT research office. The study was not harmful to the respondents in any way. Questionnaires took 15-20 minutes of the respondents’ time to complete, and Ethical considerations were taken into account and participants were informed that participation in the study is voluntary. The respondents’ right to privacy was exercised by obtaining their direct

consent and they were informed of their right to withdraw from the study at any time. Anonymity and confidentiality of information was ensured at all times. All data and information collected from the respondents by the researcher were kept in a safe place.

### **3.11 CHAPTER SUMMARY**

This chapter focused on the procedural steps that were engaged in to carry out the methodology and research design for this study. It described the systemic approach to ascertaining the sample needed for the study, as well as the routine through which the research instrument was initiated to elicit needed information from the respondents. The statistical package was implemented for data analysis.

In the following chapter, data analysis with findings from the field will be explained.

## CHAPTER FOUR

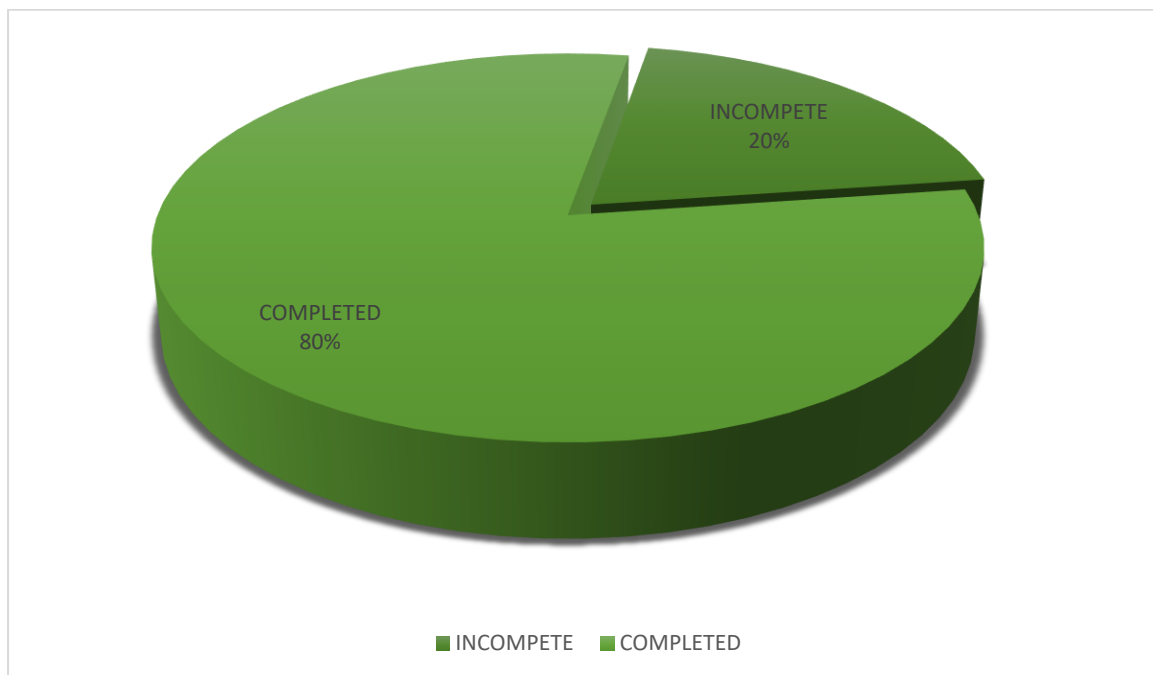
### ANALYSIS OF RESULTS AND DISCUSSION

#### 4.1. INTRODUCTION

This chapter provides a comprehensive analysis of the research findings and interpretation of the results. As discussed in chapter 1, the study aimed to explore challenges that affect female informal entrepreneurs in the central business district of Richards Bay and Empangeni. All the findings related to this aim and the various statistical analyses are presented. The research questions were used to guide the presentation of the results of the study. The descriptive statistics, frequencies and percentages are illustrated using bar and pie charts.

A total of 150 questionnaires were distributed to the respondents in person, with 144 responses collected, including 26 that were returned un-answered and some were incomplete. Hence, 120 Questionnaires were finally used for the calculation of the results. This represents a completed return of 80 per cent and a 20 per cent incomplete return. Figure 4.1.1).

*Figure 5: 4.1.1 Respondents Results*



#### 4.2. PRESENTATION OF RESULTS

The distribution of the questionnaire was to 150 female informal entrepreneurs in the central business district of Richards Bay and Empangeni.

##### Section A



The personal information (race, age, marital status, number of dependants and educational level) of the respondents was analysed as follows:

**Figure 6: 4.2.1 Age group**

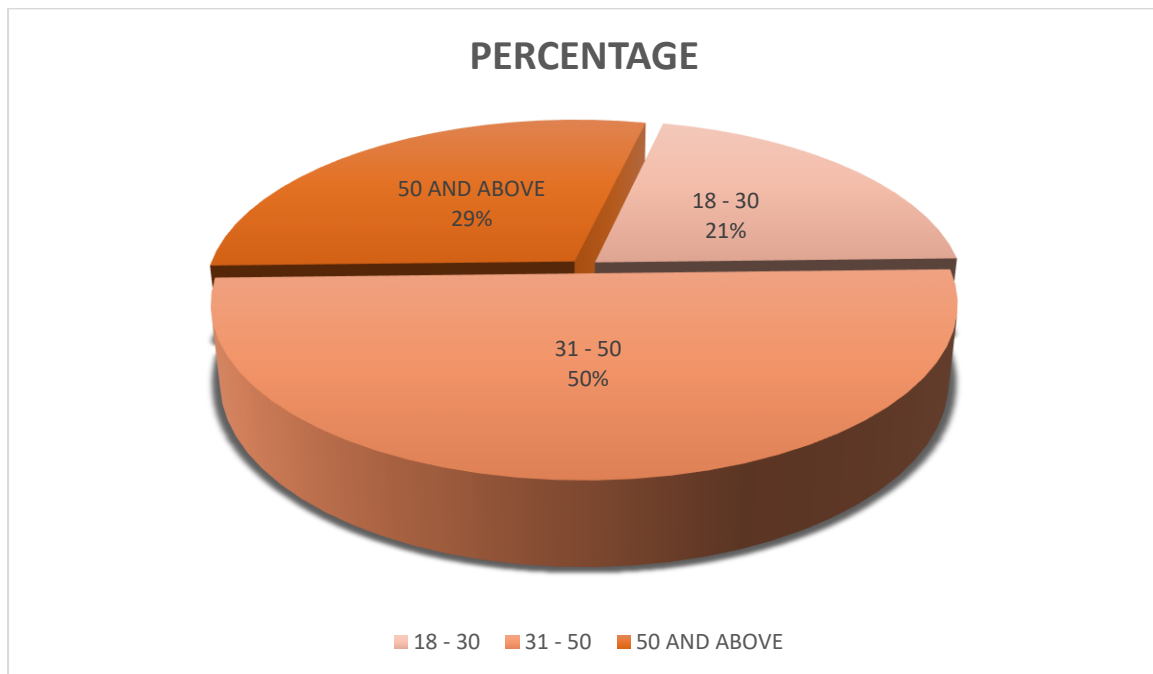


Figure 4.2.1 Reveals that 60 (50 per cent) the respondents were ages 31-50, and 35 (29 per cent) were between the ages 50 and above, respectively. The smallest number of 25 (21 per cent) of the respondents were under 18-30 years of age.

**Figure 7: 4.2.2 Race group**

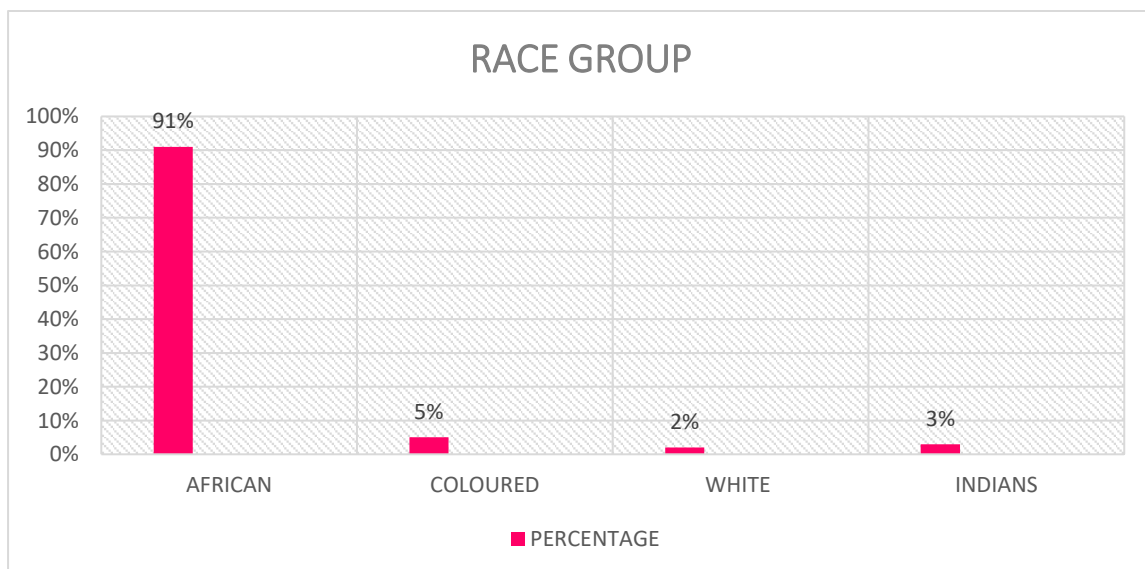


Figure 4.2.2 above reveals that 110 (91 per cent) of the respondents were Africans. The smallest number of respondents, which was 5 (4 per cent) were coloured, 2 per cent were white, and 3 per cent were Indian.

*Figure 8: 4.2.3 The total number of dependents*

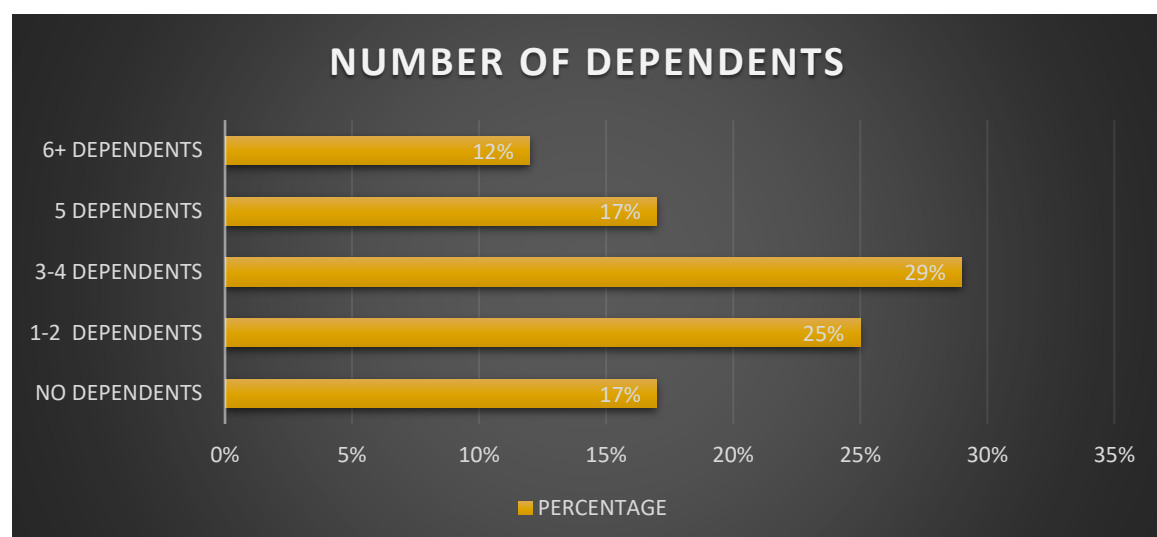


Figure 4.2.3 shows the number of dependents at the time of the study, 35 (29 per cent) had 3-4 dependents, 30 (25 per cent) had 1-2 dependents, 5 dependents the woman had no dependents were both at 20 (17 per cent), and the lowest is 6+ dependents at 15 (12 per cent).

*Table 13: 4.2.4 Marital status*

|                   |            |
|-------------------|------------|
| Single            | 40         |
| Living together   | 20         |
| Married           | 15         |
| Divorced          | 15         |
| Widowed           | 10         |
| In a Relationship | 20         |
| <b>TOTAL</b>      | <b>120</b> |

Table 4.2.4 shows the marital status at the time of the study. Forty per cent of the women were singles, 17 per cent were both living together with their partners, 20 per cent in a relationship, 12 per cent were both divorced and married, and the lowest 8 per cent were widowed.

**Table 14: 4.2.5 The Highest academic qualification at the time of the study**

|  |            |
|--|------------|
| No qualification                         | 25         |
| Lower than matric                        | 22         |
| Matric                                   | 38         |
| Certificate                              | 25         |
| Diploma (Technical College or Tertiary ) | 10         |
| University degree                        | 0          |
| Postgraduate degree                      | 0          |
| <b>TOTAL</b>                             | <b>120</b> |

Table 4.2.5 shows that the highest qualification held by 32 per cent of the women was Matric, 21 per cent of the women had never been to school, and short course certificate, qualification lower than matric had 18 per cent, and the lowest was a held by women with a diploma at 8 per cent.

## SECTION B: BUSINESS INFORMATION

**Figure 10: 4.2.6. Area of respondent's business**

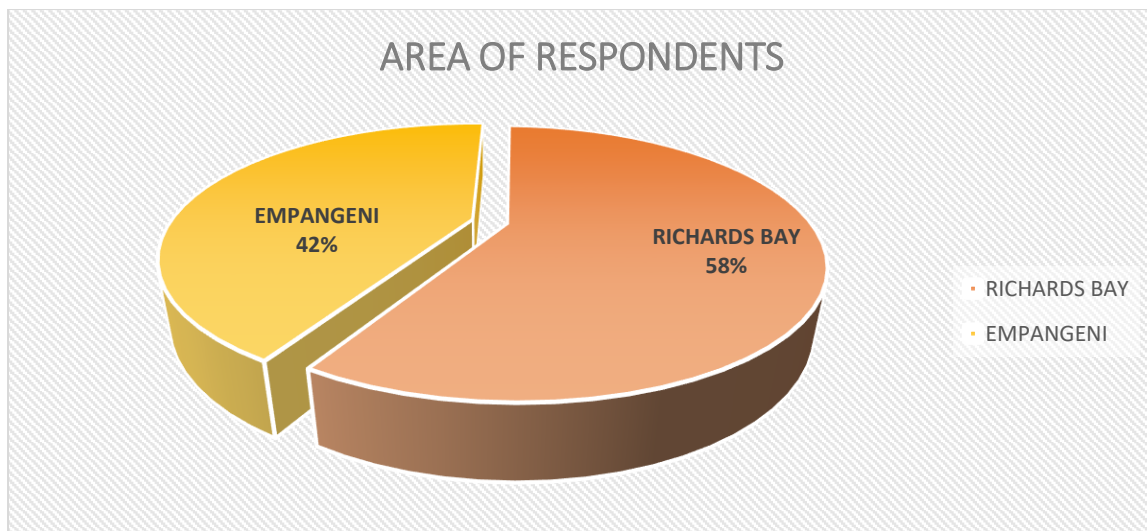


Figure 4.2.6 shows that the sample size of this study was from Richards Bay and Empangeni in the north coast areas where the study was conducted. 70 (58 per cent) of the respondents are operating in Richards Bay, and 50 (42 per cent) are operating their business in Empangeni.

*Table 15: 4.2.7 Responses to the question regarding how many years the business had been in operation at the time of the study*

| <b>YEARS</b> | <b>RICHARDS BAY</b> | <b>EMPANGENI</b> |
|--------------|---------------------|------------------|
| 0 – 3 Years  | 20                  | 9                |
| 4 – 6 Years  | 5                   | 20               |
| 7 – 9 Years  | 20                  | 7                |
| 10 + Years   | 25                  | 14               |
| <b>TOTAL</b> | <b>70</b>           | <b>50</b>        |

Table 4.2.7 shows that the businesses of the sample group were by a large majority, 10+ years old 32 per cent, followed by of those that were 0-3 years old 24 per cent, then came the 7 – 9 year at 23 per cent and 4-6 years old businesses at 21 per cent.

The graph and table above further show that the highest number of years in business for Richards bay is 20 per cent, which has been in business for ten years + and the highest for Empangeni is 17 per cent for businesses that are 4-6 years in business.

*Table 16: 4.2.8 Money earned per month*

| <b>MONEY EARNED</b> | <b>RICHARDS BAY</b> | <b>EMPANGENI</b> |
|---------------------|---------------------|------------------|
| R0-R5000            | 47                  | 18               |
| R6000- R10 000      | 15                  | 25               |
| R11 000 – R15 000   | 5                   | 5                |
| R16 000 +           | 3                   | 2                |
| <b>TOTAL</b>        | <b>70</b>           | <b>50</b>        |

Table 4.2.8 shows that the money earned monthly by the businesses of the sample group was by a large majority R0- R5000 at 54 per cent, followed by of those that made R6000- R10 000 a month 33 per cent, then came the R11 000 – R16 000 at 8 per cent and the lowest was R16 000+ at 5 per cent. The table above further shows that the highest number of money earned by the business for Richards bay is 39 per cent which amounted to R0-R5000 and the highest for Empangeni amounted to R6000 - R10 000 a month at 21 per.

*Figure 11: 4.2.9 Needs of the respondents and the dependant's*

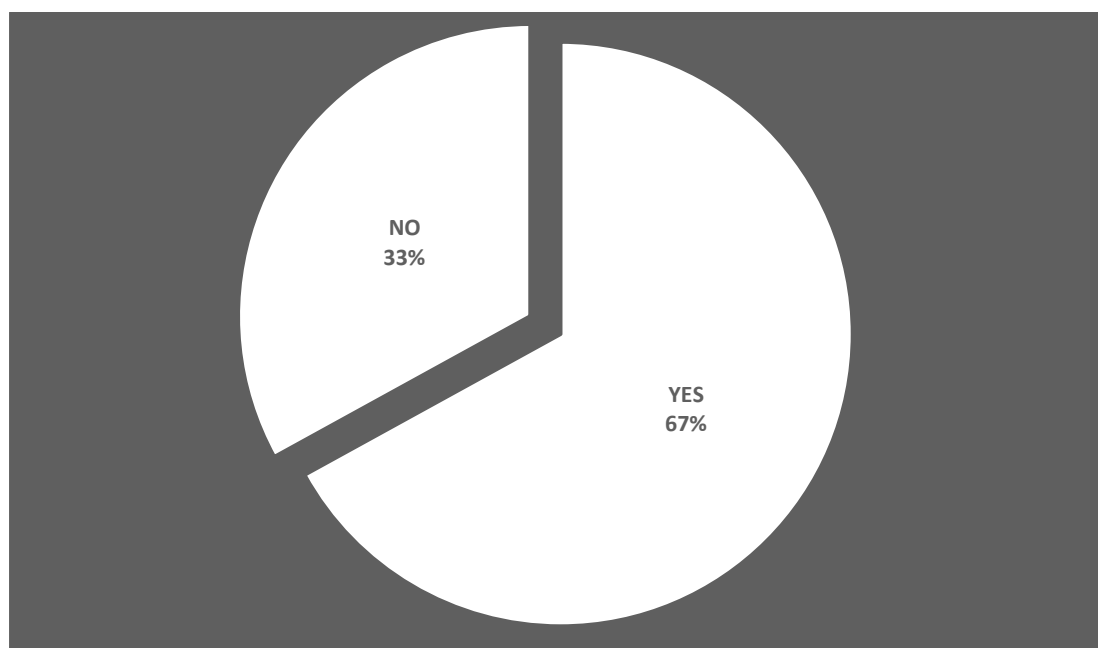


Table 4.2.9 shows that 80 (67 per cent) of the respondents said their needs are not met by their work, and 40 (33 per cent) of the respondents said that their needs are met by their work. The respondents were asked to state the reason why their needs are not met; the reasons are as follows:

4.2.9.1 Not making enough profit

4.2.9.2 They have a lot of dependents, including grandchildren

4.2.9.3 This is the only income they have

*Figure 12: 4.2.10 Previous Employment*

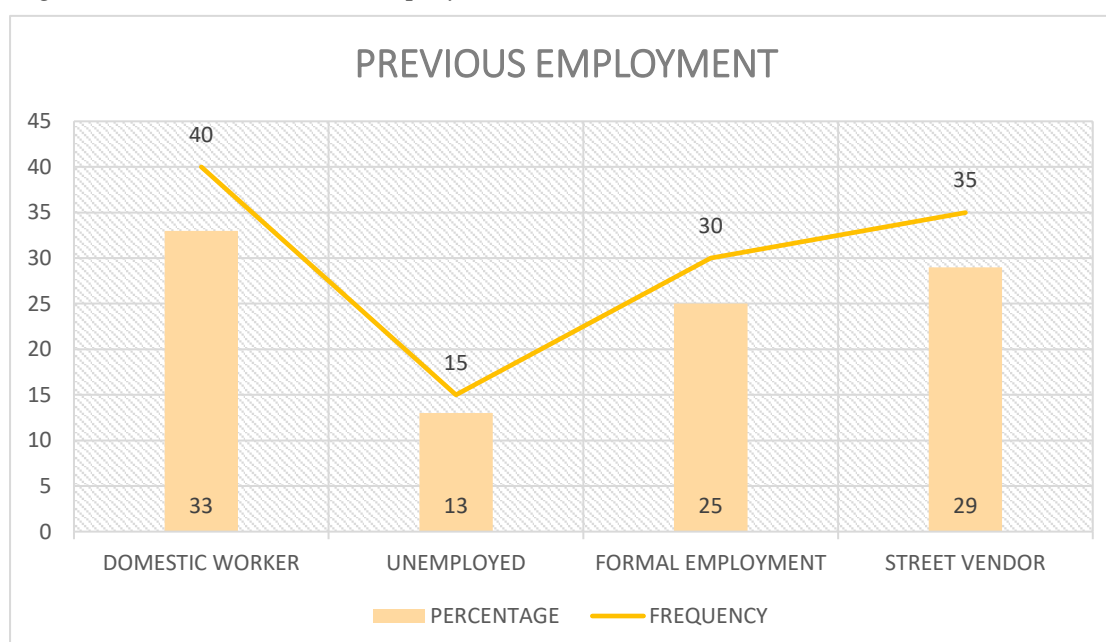


Figure 12.2.10 Shows the previous employment of the respondents, 40 (33 per cent) were domestic workers, 35 (29 per cent) were street vendors, 30 (25 per cent) were formally employed, and the lowest was previously unemployed 15 (13 per cent).

*Table 17: 4.2.11 Challenges affecting female informal entrepreneurs operating in the CBD of Richards Bay and Empangeni*

| <b>CHALLENGES</b>      | <b>RICHARDS BAY</b> | <b>EMPANGENI</b> |
|------------------------|---------------------|------------------|
| CRIME                  | 14                  | 16               |
| NO FUNDING             | 16                  | 14               |
| STOCK GETTING SPOILT   | 15                  | 1                |
| LACK OF SHELTER        | 12                  | 7                |
| ABUSE / DISCRIMINATION | 13                  | 12               |
| <b>TOTAL</b>           | <b>70</b>           | <b>50</b>        |

Table 17: 4.2.1 shows that the crime rate and no funding were the highest both at 30 (25 per cent), followed by abuse and discrimination 25 (21 per cent), lack of shelter 19 (16 per cent), and the lowest was food getting spoilt 16 (13 per cent). The table above further shows that crime is the highest challenge faced by the female entrepreneurs operating in Empangeni at 13 per cent. The highest challenge faced by the female entrepreneurs in Richards's bay is the lack of funding at 13 per cent.

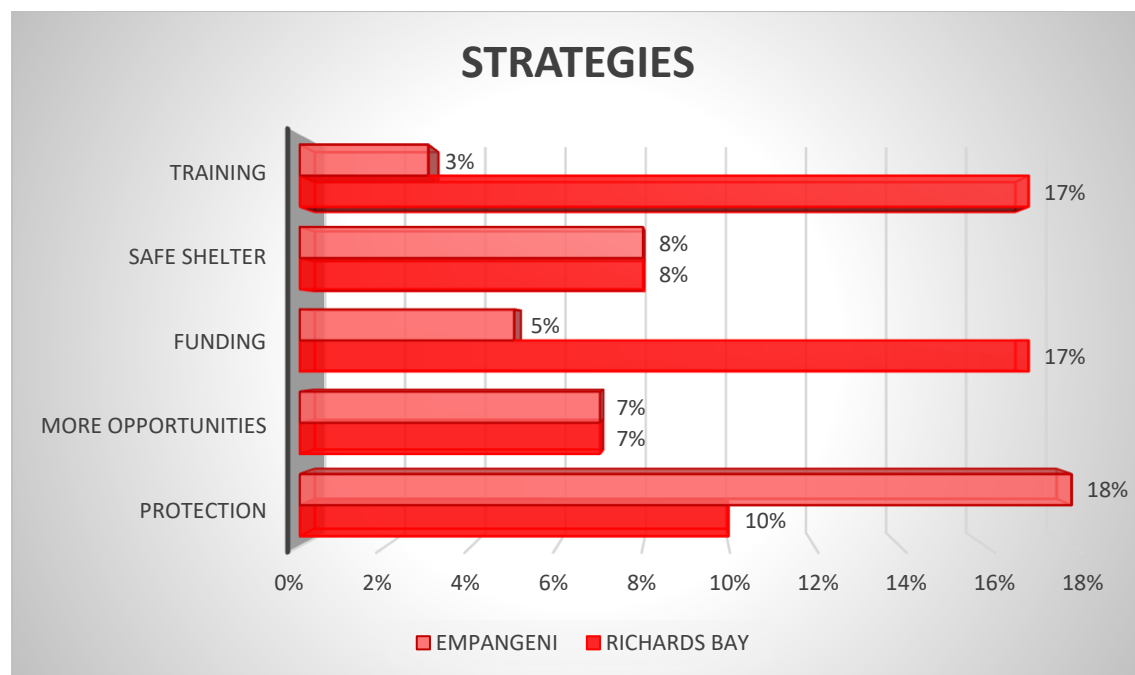
*Table 18: 4.2.12 Opportunities are available for informal women entrepreneurs operating in the CBD of Richards Bay and Empangeni.*

| <b>OPPORTUNITIES</b>      | <b>RICHARDS BAY</b> | <b>EMPANGENI</b> |
|---------------------------|---------------------|------------------|
| Selling Food              | 17                  | 9                |
| More Products to sell     | 8                   | 18               |
| More Profit               | 24                  | 10               |
| More Shelter              | 10                  | 7                |
| Learning from one another | 11                  | 6                |
| <b>TOTAL</b>              | <b>70</b>           | <b>50</b>        |

Table 4.2.12 shows that the highest perceived opportunity was for making a profit of 28 per cent. Nevertheless 22 per cent say that it is selling food, followed by 21 per cent who believed

that they gained by selling more products, and the lowest of 14 per cent went for both more shelter and learning from one another. The table above further shows that the highest opportunity for the female entrepreneurs operating in Empangeni is to sell more than one product at 15 per cent. The highest opportunity for the female entrepreneurs in Richards's Bay is more profit at 20 per cent.

*Figure 13: 4.2.13 Strategies that can be used to assist female informal entrepreneurs to improve their businesses*



The graph above shows that 28 per cent of the respondents said that having protection and working in a safe environment was their primary concern. This was followed by 22 per cent who said that they needed funding, 20 per cent said that they needed training, 16 per cent said the safe and secure shelter would help improve their businesses. The lowest was more opportunities at 14 per cent. The graph further shows that the female entrepreneurs from Richards Bay strongly feel that funding and training will help with the growth of their business, both at 17 per cent. Empangeni female entrepreneurs 22 per cent said that protection would help with the growth of their business.

**Figure 14: 4.2.14 Responses reflecting the most important reason for starting this business**

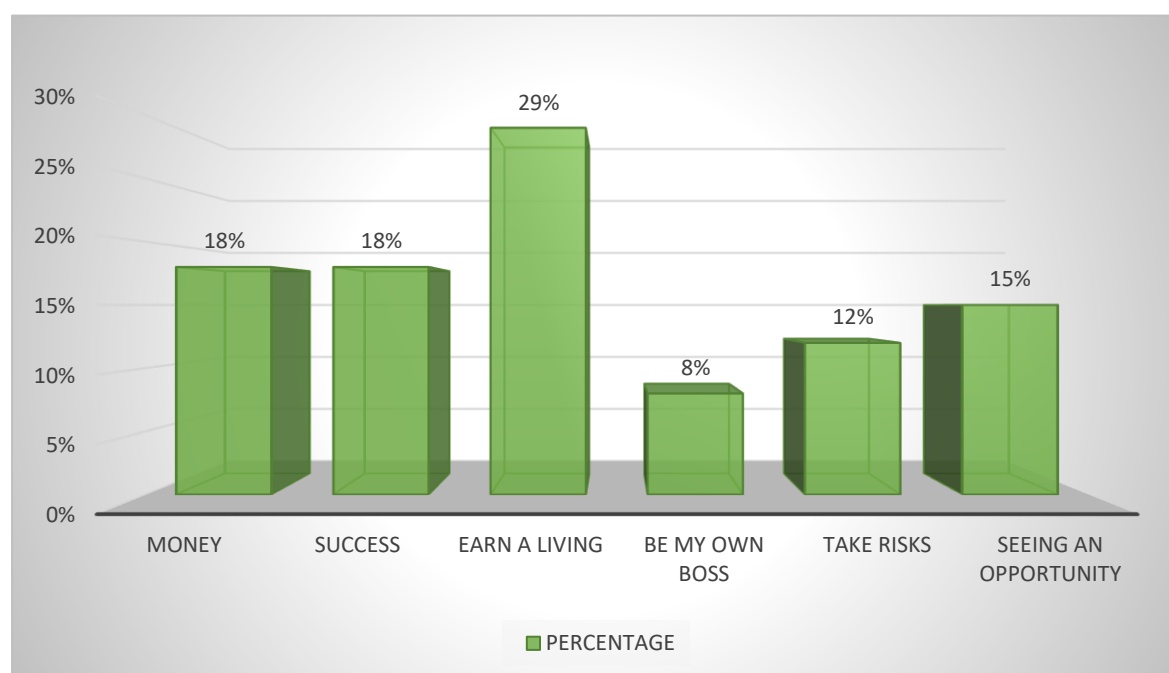


Figure 4.2.14 shows that the most acknowledged reason for starting a business was to earn a living 29 per cent, followed by the 18 per cent who said that they wanted to be successful and needed money, 15 per cent saw it as an opportunity, 12 per cent just wanted to take a risk and the lowest was 8 per cent wanted to be their own boss.

**Table 19: 4.2.15 Nature of Business**

| NATURE OF BUSINESS | RICHARDS BAY | EMPANGENI |
|--------------------|--------------|-----------|
| Services           | 16           | 14        |
| Food               | 20           | 20        |
| Manufacturing      | 6            | 4         |
| Clothing           | 12           | 8         |
| Hardware           | 12           | 3         |
| Other              | 4            | 1         |
| <b>TOTAL</b>       | <b>70</b>    | <b>50</b> |

Table 4.2.15 shows that the highest nature of business is selling food 33 per cent, followed by providing a service 25 per cent, selling clothes 17 per cent, hardware 12 per cent, manufacturing 8 per cent, and the lowest was other 5 per cent. The table above further shows that the female



entrepreneurs from both Richards Bay and Empangeni strongly feel that funding and training will help with the growth of their businesses.

**Figure 15: 4.2.16 Responses to the negative attitude because of gender**

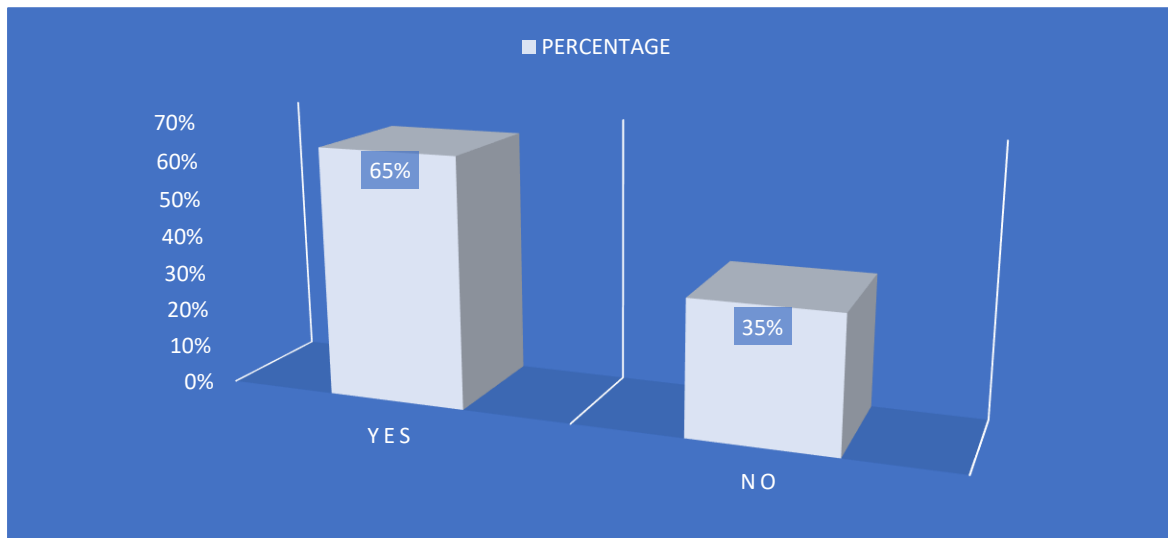


Figure 4.2.16 shows that 65 per cent said that they had experienced a form of negative attitude because of their gender, whilst 35 per cent said that they had not experienced any form of negative attitude because of their gender. Again, the figure above shows that females still get treated negatively by males because of their gender.

**Figure 16: 4.2.17 The challenges faced when the business started**

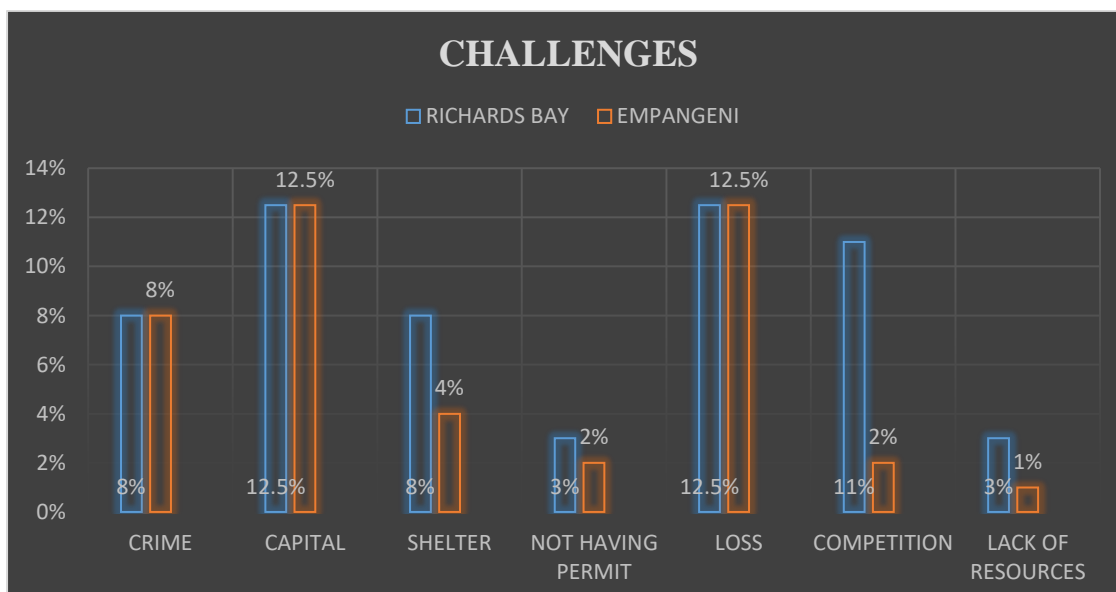


Figure 4.2.17 shows that the highest challenges faced were capital acquisition and loss both at 25 per cent, followed by crime rate at 16 per cent, competition at 13 per cent, not having shelter at 12 per cent and not having permit 5 per cent. The lowest was for those who had a lack of

resources at 4 per cent. The graph further shows that female entrepreneurs from both Richards Bay and Empangeni in starting a business faced significant challenges in getting capital and experienced loss. That can be caused by lack of knowledge and in still getting to know that market. The study indicated that this represented 12.5 per cent for both.

*Table 130: 4.2.18 Responses to the challenges and how they were resolved.*

| RESOLUTION                     | RICHARDS BAY | EMPANGENI |
|--------------------------------|--------------|-----------|
| Municipality and police        | 16           | 16        |
| Loan                           | 13           | 13        |
| Started selling at home        | 11           | 6         |
| Advertising                    | 10           | 5         |
| Assistance from family members | 8            | 4         |
| Changed location               | 8            | 4         |
| Fellow business woman          | 4            | 2         |
| <b>TOTAL</b>                   | <b>70</b>    | <b>50</b> |

Table 4.2.18 shows that the Municipality and the police assisted 26 per cent of the respondents in overcoming the challenges, followed by taking a loan at 22 per cent. Fifteen per cent started selling at home, 12 per cent were involved in advertising, and changing location. Getting assisted by family members was indicated at 10 per cent. The lowest perceived were assisted by a fellow businesswoman at 5 per cent. The table shows a clear indication that female entrepreneurs from both Richards Bay and Empangeni's challenges were resolved by the municipality and police, both were at 13 per cent.

*Figure 17: 4.2.19 Responses on how they acquired the skills for running their businesses*

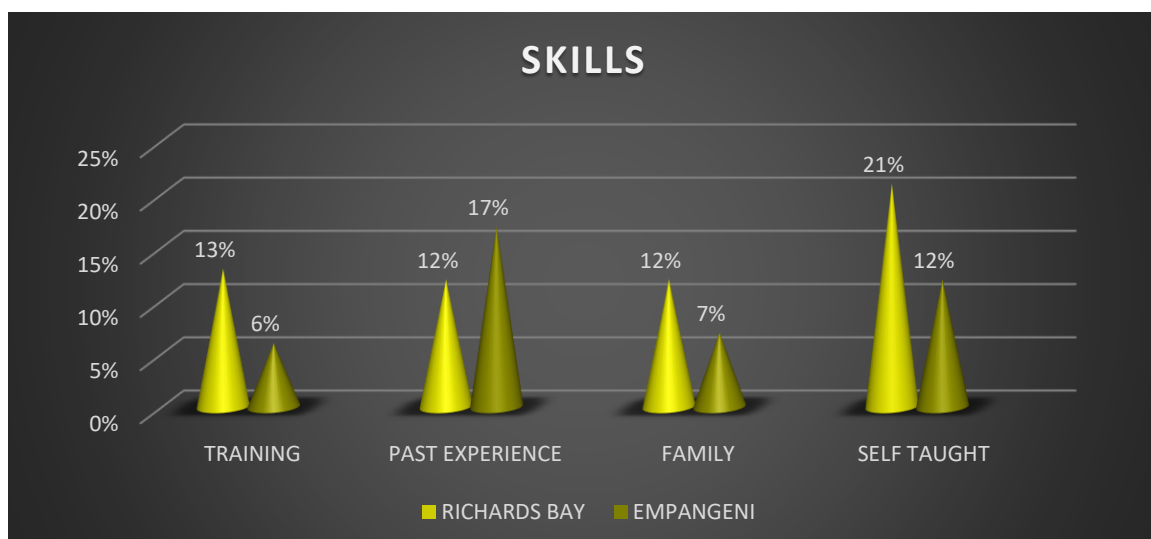


Figure 4.2.19 shows that the skill to run a business was mainly self-taught at 33 per cent, followed by experience 29 per cent, and the lowest was training and family both at 19 per cent. It further shows that 17 per cent of female entrepreneurs operating in Empangeni acquired their skills from past experience, and 21 per cent of the female entrepreneurs from Richards bay acquired their skills from being self-taught.

*Table 21: 4.2.20 Main source of start-up funding*

| <b>SOURCE OF FUNDING</b> | <b>RICHARDS BAY</b> | <b>EMPANGENI</b> |
|--------------------------|---------------------|------------------|
| Inheritance              | 8                   | 7                |
| Savings                  | 25                  | 10               |
| Grant                    | 16                  | 9                |
| Loan                     | 10                  | 20               |
| Allowance                | 11                  | 4                |
| Other                    | 0                   | 0                |
| <b>TOTAL</b>             | <b>70</b>           | <b>50</b>        |

Table 4.2.20 shows that the highest start-up funding was from savings, 29 per cent, followed by loans, 25 per cent. Twenty-one per cent received funding from grant money, inheritance money at 13, and the lowest is from allowance at 12 per cent. Twenty-one per cent (21%) of female entrepreneurs operating in Richards's bay received their start-up funding, and 16 per cent of the female entrepreneurs from Empangeni received their start-up funding from loans.

### **4.3. DISCUSSION**

Of the 150 questionnaires distributed, 120 were used for analysis which really attested to the fact that women really dominate the informal trade sector (Siqwana-Ndulo, 2013:12) in the two provinces. Whether these were previously disadvantaged or not, there is really the need for the leaders of this nation to take this sector to a level that could be used as a significant source of employment. This should ensure that the women in this sector are given some amount of protection in terms of social amenities. In this regard, South Africa will join the numerous countries that have introduced programmes outside the official social security schemes to improve attention for informal female workers. In the absence of this, it will mean that the

female informal workers will become a burden to the government when they retire and depend on meagre social grants already plagued with many implementation problems. Countries worldwide have seen the need to find ways and means to address the rise in social assistance programmes for vulnerable groups and to control the propagation of non-contributory social insurance (Holmes & Scott, 2016), and South Africa should not be left out. The country South Africa, which is faced with many problems, including crime against women and high HIV/AIDS prevalence. It should not hesitate to join the community of nations to address this challenge of informal workers with no social protection (Holmes & Scott, 2016). According to Barrientos (2005), Razavi (2007), and Arza (2015), South Africa is enjoying the benefits of means-testing. Grants are payable to women and men aged 60 or older. The positive impact on poverty reduction and the improvement in the status of women in rural households due to this programme involving a means-test, could even be greater if the government policy included cover for all informal women traders in the country. Women constitute the bulk of this nation's demography. They spend more time with the kids in the family than their male counterpart and, therefore, any help for them is likely to trickle down to the rest of the family.

This study has also highlighted the importance of loans in the lives of informal women traders. To this end, the study discussed the possibility of the government fashioning a loan scheme open to the women to cushion the challenge of starting their own business. It is believed that China gives its citizens loans whenever they are travelling outside the country for them to do their own business in the destination country. They are seen in almost all African countries, including South Africa, taking up significant investments and businesses and employing the locals. South Africa should emulate this, but for local ventures and entrepreneurship since the aim here is to encourage self-employment to reduce unemployment. This will also encourage family businesses, innovation and self-actualisations. Eventually, this can create self-reliance to lessen the burden of government social grants.

To this end, the DTI (2012) claims that it offers a wide range of products and services comprising loans and incentive grants to finance small enterprises that should be monitored and encouraged to ensure that these facilities do not end up in the wrong hands. However, what is important, is that these women in the informal sector, the majority of whom are illiterate, should be made aware of this in plain language such as the following:

*“The South African Micro-Finance Apex Fund (SAMAF) has been established to provide access to micro-loans and support to the social*

*capital mobilisation. It has a national footprint. Khula Enterprise Finance Limited, tasked with facilitating access to finance, has developed a variety of financing products, including credit guarantee schemes in which it has partnered with the country's major commercial banks to unlock lending to small enterprises. The Thuso Mentorship Scheme provides business plan development and other advisory assistance to small enterprises seeking to access finance under the Credit Guarantee Scheme (the DTI 2014)."*

Since most of them are illiterate and might not know that the above incentive exists to support their endeavours, constant interactions with them in the form of education and seminars should be implemented to ensure that none of them become disadvantaged due to ignorance. They should be made to understand that the DTI (2014) supports Khula in its efforts to continue seeking new ways that improve access to financial support across the country.

Additionally, they should be made to know that there is a range of industry-specific access to funds fashioned by other institutions, say the Land Bank and the Micro-Agricultural Financial Institute of South Africa (MAFISA), specifically to support entrepreneurship. These education and awareness agendas can go a long way to generate a better appreciation for self-employment among these women and their associates.

The government of South Africa has introduced numerous procedures to assist in the upkeep of women in trade and to increase entrepreneurship. For instance, sector-specific organisations provide help for women in business setups includes SAWIC for those in construction, WOESA for those in the oil and energy sector and SAWIMA for those in mining. However, if these are not marketed to these women properly to encourage them to take advantage of these initiatives that will remain on paper as political rhetoric and achieve nothing. Therefore, the SAWEN, was created specifically to advance women entrepreneurship, should be charged with this mammoth task of ensuring that all the women in this group are aware of the various funding sources. SAWEN's efforts to hold educational and trade fairs for members should be given a high priority by the authorities if they really want women entrepreneurship to thrive. Business networks between women entrepreneurs in South Africa and other parts of the world must also be made known to these women so that they can benefit from them. SAWEN's endeavour to advocate for women in trade and for enabling policies and stratagems to address gender concerns. This be given all the support by all and sundry. DTI's aim for the provision of support (TWIB) for women in business through science and technology must be broadened to include

tertiary women so that after school, they will not rely on the government for employment but start their own ventures, knowing that there is a range of support for them. This must be aimed at overcoming constrictions to readiness, innovativeness and growth in both the local and the global markets.

#### **4.4. CHAPTER SUMMARY**

The main focus of this chapter was on the discussion of the findings and the interpretation of the results. Results were shown in graphs, tables and pie charts presentations. The discussion included all identified variables such as challenges, financial factors, economic factors, training and education.

The following chapter provides conclusions for the entire study based on the objectives of the research. It will also include recommendations by the researcher.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

This chapter presents the summary of findings, conclusions and recommendations that emerged from the study. It presents the final conclusions of the study and goes on to suggest recommendations for the informal traders. The aim of the study was to explore challenges that affected female informal entrepreneurs in the central business district of Richards Bay and Empangeni. Face-to-face interviews were conducted with women entrepreneurs in the informal sector using both open-ended questions and closed-ended questions which were dictated to some of the respondents in IsiZulu.

The objectives of the study were to:

- Identify challenges that female informal entrepreneurs may face entering and growing their own businesses; and to
- Suggest practical recommendations to develop female informal entrepreneurship.

#### **5.2 FINDINGS IN RELATION TO RESEARCH OBJECTIVE ONE: TO IDENTIFY CHALLENGES THAT FEMALE INFORMAL ENTREPRENEURS MAY FACE ESTABLISHING AND GROWING THEIR OWN BUSINESSES.**

- The study revealed that a large percentage of the respondents were between the ages of 31 to 50 years old.
- The study further recorded that 91 per cent of the respondents are Africans.
- The study also concluded that whilst a large percentage of the respondents have 3-4 dependents, the largest percentage were single.
- According to the study, 67 per cent of entrepreneurs said that their needs are not met.
- There was a clear indication that the most significant percentage of the respondents had completed high school and had obtained the senior certificate (grade 12).
- According to this study, there is a need for proper further training that the respondents should receive from the government.
- There was an obvious indication that most respondents had been operating their businesses for a period of 10 years. Therefore, women in the informal sector seem to know why they engage in business.

- There was a very clear indication that there are challenges affecting the growth of women-owned businesses.
- According to this study, it is clear that the highest challenges affecting the growth of women-owned businesses are funding and crime. Some women fail because they do not have financial support from the government. They use their own funds/get loans/donations to support the business.
- According to this study, the most common reason for starting the business was to earn a living, and 67 per cent of the business owners said that their needs are not met.
- The study indicated that some improvements could help them to grow their businesses.
- There was an unambiguous indication that the majority of respondents were in the food business.
- There was a very clear indication that most respondents had acquired their skills by themselves.
- The study indicated that they are some improvements to help them to grow their businesses.
- There was a clear indication that some of the challenges faced by the female entrepreneurs in Richards's bay are not always the same as the challenges faced by the female entrepreneurs in Empangeni.

### **5.3 FINDINGS IN RELATION TO RESEARCH OBJECTIVE TWO: TO SUGGEST PRACTICAL RECOMMENDATIONS TO DEVELOP FEMALE INFORMAL ENTREPRENEURSHIP.**

Based on the findings of this study, the following recommendations were made focusing on the needs of women entrepreneurs in the informal sector in Richards Bay and Empangeni CBD. The informal economy is a major employer of women due to its easy access and maintenance compared to the formal sector. It can be argued that women are confined to the informal trading sector due to the multiplicity of societal issues. While their role is not adequately recognised, women contribute to poverty alleviation, household income. The study also revealed that the desire to start their own business was the most acknowledged reason to start a business to earn a living.

#### **5.3.1 Working Environment**

Working environments should be secure in a manner that promotes and encourages females to feel safe. Women should not be judged by their gender, instead of by their abilities and



capabilities. Community leaders working with the South African Police Service (SAPS) in the area need to find ways of fighting crime rate levels because it affects entrepreneurial development activities adversely. The municipalities should also assist by providing safe and secure shelter for the informal entrepreneurs to trade. The highest percentage stated that they do not have a shelter which also affects their businesses.

### **5.3.2 Recognising the informal economy in poor areas**

There is a need to recognise informal businesses in townships and informal settlements as contributors to LED. Chen (2014) suggests that local government can view slums and street vendor markets as industrial clusters but promoting them will require significant political will and active negotiations.

### **5.3.3 Business support and opportunities**

There is a lack of information on the support and opportunities offered by the local government for informal businesses. There is a need for local government to hold awareness sessions on the available support and opportunities in the sector.

### **5.3.4 Training**

Government female entrepreneurship support structures should partner with Local Municipalities and local businesses to organise workshops and conferences to nurture women in the informal sector. There should be more mentorship programmes that educate, train, promote and encourage women to become leaders, which can further educate and equip females on how to be better leaders.

It is recommended that:

- Women should be treated with and given the same respect as that given to male counterparts, and they should not be made to feel inferior because of their gender
- The Municipality lacks suitable relationships with Governmental support structures that could perhaps provide the necessary assistance to young people in the area
- The Municipality assists the informal traders with the provision of shelter as most of them still do not have this, which also affects their businesses.
- The study encourages the government to stimulate appropriate networks to provide relevant knowledge and tools necessary to develop and extend women's entrepreneurship.
- The study also recommends that South African government policy on entrepreneurship should address female concerns regarding government support programmes.

- The government must consider new and innovative strategies for women in the informal sector for economic empowerment.
- Solutions to address women's challenges in the informal sector must be supported by appropriate legal instruments and policies informed by the informal female entrepreneurs' voices and needs.

## **5.4 FINDINGS RELATING TO LITERATURE REVIEW**

The report by Karumbidza (2011: 9) argues that, while on paper formalisation proposes 'a progressive link and integration between the informal and formal economies,' its implementation is contrary to its policy intentions. On the contrary, Women in Informal Employment: Globalizing and Organizing (WIEGO, 2014) suggests that, for formalisation to be meaningful to people working in the sector, it must meet the following requirements:

- Organising labour rights, voice and bargaining power,
- Legal identity and standing,
- Economic rights and
- Social and protection rights.

For women, in particular, formalisation must meet their critical needs for social protection such as maternity benefits, childcare and the prevention of abuse (WIEGO, 2014: 9).

### **5.4.1 INFORMAL ECONOMY CONTRIBUTION TO THE ECONOMY**

Sixty-nine per cent of people involved in informal economic activities are doing it because they must do it (Makho Communications, 2009). This validates the view that this category may be referred to as survivalist or necessity entrepreneurs. The narrow unemployment rate in South Africa has declined from 23.5 per cent in the first quarter of 2008 to 23.1 per cent in the second quarter of 2008 (LFS, 2008).

According to Fields (1975) and Mazumdar (1976), traditionally, the informal economy in a developing country is seen as a possible alternative when employment in the formal labour market is hard to find. Given the large number of unemployed in this country, it is typically expected that South Africa should have a relatively large informal economy (Kingdon & Knight, 2004, 2007 ). Consequently, the size and characteristics of the informal economy become important to policymakers and researchers alike.

KwaZulu-Natal has 19% of the workforce which operates in the informal economy (Green Paper on Informal Economy for KwaZulu Natal, 2003). Women are highly represented in the

informal economy, with 48% of informal operators being women. The vast majority of those in the informal economy are African (98%) (Makho Communications, 2009). 86% of informal economy operators are South Africans whilst 14% are foreigners. In terms of age distribution, the youth dominate informal economy environments 60% of operators are between the ages of 14 to 35 (Ibid).

According to Makho Communications (2009), the informal economy challenges are Institutional Challenges, Infrastructural Challenges and Economic Challenges (see table 13).

**TABLE 13 CHALLENGES FACING THE INFORMAL ECONOMY**

| Institutional Challenges<br>The following represent most critical challenges facing actors in the informal economy   | Infrastructural Challenges<br>The following represent most critical challenges facing actors in the informal economy                           | Economic Challenges<br>The following represent most critical challenges facing actors in the informal economy  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Limited access to finance and banking institutions</li> <li>• Limited to land and property</li> <li>• Excessive government regulations</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of working premises</li> <li>• Water</li> <li>• Storage facilities</li> <li>• Toilets</li> </ul> | <ul style="list-style-type: none"> <li>• Low income or lack of regular income as household consumption competes for the use of business earnings;</li> <li>• Lack of opportunities for bulk purchase of inputs and lack of working capital and</li> <li>• Limited access to technology.</li> </ul> |

*Source:* Makho Communications, 2009

In this study, the female entrepreneurs revealed that some of the challenges, such as not having a breadwinner and not being able to find job in the formal sector, have not been easy.

## 5.5 LIMITATIONS OF THE STUDY

The study and conclusions thereof were based on primary data, which were the responses of the 120 respondents, and this may not represent the actual situation on the ground due to personal perspectives and beliefs.

Although the research was carefully prepared, the study had a few limitations. This study used a structured questionnaire that limited the respondents to say more about their feelings regarding problems and challenges. This study did not look at all the informal traders. The

focus of this study was restricted to the female informal traders in Richards Bay and Empangeni CBD only. Most of the respondents were unable to read and write, and assistance had to be provided to complete the questionnaires.

## **5.6 RECOMMENDATIONS FOR FURTHER STUDY**

It is recommended that further research be conducted to understand issues regarding this subject in greater detail.

- Skills development programmes to support the sustainability of informal traders' businesses
- Future research needs to involve other municipalities within Richards's bay and Empangeni. This research was only limited to the UMhlathuze Municipal (Richards Bay and Empangeni CBD area).
- To evaluate how South African education policy should be improved to include more training and development. This would assist in increasing the level of entrepreneurial skills and transformation in South Africa. This will also help the informal sector to get the skills and knowledge required by businesses to survive and grow.
- Research also needs to be carried out to quantify the impact of the informal economy activities on the environment and ecosystems.
- There is a need to investigate and evaluate the long-term influence of the informal economy on poverty alleviation, inequality reduction and unemployment.

## **5.7 CHAPTER SUMMARY**

In this final chapter, the major findings of the study have been set out. The primary focus of this chapter was to provide conclusions and recommendations of this study based on the empirical findings and to outline the recommendations for further research. The results of the study also mentioned different reasons that made women to take part in the informal trading sector. A large number of the female stated that the main reason they joined the informal sector was for them to make a living. With the high unemployment rate in South Africa, more women turn to informal trading business as a form of employment. The role of female informal traders in the economy cannot be ignored. The results of this study have confirmed and the literature found also affirmed that women are still a majority in the informal economy as well as informal sector business. However, the focus of this study was only based on the women entrepreneurs in the informal sector.

## REFERENCES

### A

Agüero, J., Marks, M. & Raykar, N. (2012). *The wage penalty for motherhood in developing countries*. Working Paper. Riverside, CA: University of California.

Alfers, L. (2015) *WIEGO child care initiative literature review*. Cambridge, MA: WIEGO.

Arza, C. (2015) 'The gendered dimensions of pension systems: Policies and constraints for the protection of older women', Discussion Paper, No. 1, July 2015. New York, NY: UN-Women.

Aikaeli J & Kalinda-Mkenda B (2014). Determinants of informal employment: A case of Tanzania's construction industry. *Botswana Journal of Economics*. 12(2): 51–73.

Ama, N. O., Mangadi, K. T., Okurut, F. N., & Ama, H. A. (2013). Profitability of the informal cross-border trade: A case study of four selected borders of Botswana. *African Journal of Business Management*, 7(40), 4221-4232.

Arellano, R. (1994). Informal-underground retailers in less-developed countries: An exploratory research from a marketing point of view. *Journal of Macromarketing*, 14(2), 21-35.

### B

Barker, A.P. (2007), "The informal sector and skills development." *South African Journal for Human Resources*, 5 (4), p 45-49.

Barrientos, A. (2005) 'Social protection and informal employment in Latin America: From the weak to the strong?' in N. Kudva & L. Beneria (eds) Rethinking informalisation (sic.): *Poverty, precarious jobs and social protection*. Ithaca, NY: Cornell University.

Burns, J. (n.d.). *The Results Are In: Women Are Great For Business, But Still Getting Pushed Out*. [online] Forbes. Available at: <https://www.forbes.com/sites/janetwburns/2017/09/22/2016-proved-women-are-great-for-business-yet-still-being-pushed-out/#d2e15a5188b6>. [Accessed 21 August. 2020].

Business Enterprise Entrepreneur Support (BEES) (2005). (Online). Impact of Business Regulations on SMME's. Available from [www.bees.org.za](http://www.bees.org.za) (Accessed: 12th. July.2014).

Bhowmik, S.K. (2014). "Street vendors in India get legal protection", in *Global Labour Column*, No. 174, June, 2014.

Bangasser, P.E. (2000). The ILO and the informal sector: *An institutional history. Employment Paper* 2000/9. Geneva: *International Labour Organisation*.

Betram, C. & Christiansen, I. (2014). *Understanding Research*. 1<sup>st</sup> ed. Pretoria: Van Schaik Publishers.

Bezuidenhout, A. & Nenungwi, A.L. (2012). A competency framework for the small business sector in Johannesburg. *African Journal of Business Management*, 6(47), 11658-11669.

Brenton P, Gamberoni E & Sear C (eds). (2013). *Women and Trade in Africa: Realising the Potential. The World Bank*.

<https://openknowledge.worldbank.org/bitstream/handle/10986/16629/825200W>

(Accessed: 03 October 2016)

## C

Chant, S. & Pedwell, C. (2008) *Women, gender and the informal economy: An assessment of ILO research and suggested ways forward*. Geneva: ILO.

Chen, M. (2012) *The informal economy: Definitions, theories and policies*. Working Paper 1. Cambridge, MA: WIEGO.

Chen, M., Vanek, J., Lund, F. & Heintz, J. with R. Jhabvala & C. Bonner (2005) *Progress of the world's women 2005: Women, work and poverty*. New York, NY: UNIFEM.

Chen, M.A., and G. Raveendran. 2014. "Urban Employment in India: Recent Trends and Patterns." WIEGO Working Paper 7 (Statistics). Cambridge, MA, USA: WIEGO.

Chenga, N. (2013), Business dynamics of the informal business sector, *Business Horizons*, 44, pp. 10-15.

Cohen, J. (2010). How the Global Economic Crisis Reaches Marginalised Workers: the Case of Street Traders in Johannesburg South Africa. *Gender and Development*, 18(2), 277-289.

Creswell, J. W. (2008). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research* (3rd ed.). Upper Saddle River, NJ: Merrill.

Creswell, J.W. (2014) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 4<sup>th</sup> Edition, New Delhi: SAGE Publication,

Creswell, John W. (2009) *Research design: Qualitative, quantitative, and mixed methods approaches*. (3rd ed). London, UK: Sage.

Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. London: Sage publications.

Casale, D., Muller, C. & Posel, D. (2004). “Two million net new jobs: A reconsideration of the rise in employment in South Africa, 1995-2003”, *South African Journal of Economics* 72 (5): 978-1002.

Chetty L. (2012). Informal Cross Border Trade should be formalised. *Mail & Guardian*. 21 November. <http://www.thoughtleader.co.za/leeroychetty/2012/11/21/informal-cross-bo>. (Accessed: 01 October 2016).

Consumer Goods Council of South Africa (CGCSA) Summit (2014) Dr Mlenga Jere, a senior lecturer at the Graduate School of Business.  
<https://www.cnbc africa.com/news/southern-africa/2014/10/29/smes-informal-sector/>  
(Accessed: 23 September 2017)

Caroline Skinner, “The Struggle for the Streets: Processes of Exclusion and Inclusion of Street Traders in Durban, South Africa”, *Development Southern Africa*, 25(2) (2008), p. 232.

Caroline Skinner, “Local Government in Transition – A Gendered Analysis of Trends in Urban Policy and Practice Regarding Street Trading in Five South African Cities”, CSDS Research Report No 18, University Of Natal (May 1999), pp. 9-10.

D

Davids, S. (2011). A comparative analysis of the different measures used to determine the size of the informal sector of the South African economy. A mini-thesis submitted in partial fulfilment of the requirement for the degree of Master of Economics in the Department of Economics, University of the Western Cape.

Department of Trade and Industry. (DTI). (2014). (Online). DTI Strategy on SMME. Available from [www.DTI.gov.za](http://www.DTI.gov.za) (Accessed 11<sup>th</sup> April. 2020).

de Soysa, I. & Jütting, J. (2006). Informal Institutions and Development: *Think Local, Act Global? Overview Paper: Roundtable Discussion. International Seminar on Informal Institutions and Development– What do we know and what can we do?* Paris: OECD Development Center.

Dijkstra, B.R., (2006). *Good and Bad Equilibria with the Informal Sector*. Discussion Papers in Economics. Discussion Paper No. 06/01. University of Nottingham.

Department of Small Business Development: Section 152(1)(c) of the Constitution of the Republic of South Africa (the Constitution). 16 Section 2 of the Constitution. 17 See section 9(1) of the Constitution. 18 See section 9(3) of the Constitution.  
[http://www.dsbd.gov.za/?page\\_id=1224](http://www.dsbd.gov.za/?page_id=1224) (Accessed: 02 October 2020)

E

ESSET.(2010). Experiences of Women in Informal Trades and Impediments of their Socioeconomic Rights. Factsheet. ESSET, Johannesburg.  
<http://www.esset.org.za/PDF%20files/Updates%20June%2011/Fact%20Sheet-Wom>  
(Accessed: 05 October 2016)

Eyben, R. (2012) *The hegemony cracked: The power guide to getting care onto the development agenda*. Working Paper 411. Brighton: IDS.

Elder, S. & Kring, S. (2016). *Young and female: A double strike?* Geneva: ILO.

F

FAO (Food and Agricultural Organisation), ILO (International Labour Organisation) and IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied



Worker's Association) (2007) *Agricultural workers and their contribution to sustainable agriculture and rural development*. Rome, Geneva and Petit-Lancy: FAO, ILO and IUF.

Food and Agricultural Organisation (FAO). (2015). Empowering rural women through social protection, *Rural Transformations Technical Paper Series No. 2* (Rome).

Female entrepreneurship in South Africa. (June 4, 2014) The second annual Gender-Global Entrepreneurship and Development Index (GEDI). By Staff Writer.  
<http://businesstech.co.za/news/general/59629/female-entrepreneurship-in-south-africa/>  
(Accessed: 06 October 2016)

Fourie, F. (2011). The South African unemployment debate: three worlds, three discourses? <https://scholar.google.com/scholar> [Accessed - 03.05.2021.Mu

## G

Gërzhani, K. (2003). *Informal Sector in Developed and Less Developed Countries: A Literature survey*. Discussion Paper TI-1999-083/2, University of Amsterdam Harding, Public Choice.

Google Maps. <https://maps.app.goo.gl/heQNc3GyiZnaKWhu9>. (Accessed: 02 June 2019)

Gary Fields, (1975), *Rural-urban migration, urban unemployment and underemployment, and job-search activity in LDCs*, Journal of Development Economics, **2**, (2), 165-187

## H

Hart, K. (1973). Informal Income Opportunities and Urban Employment in Ghana. *Journal of Modern African Studies*, 2(1), 61-89.

Henley, A. & Arabsheibana, G.R. (2009), Defining and measuring the informal sector. *African Technical Families Poverty Reduction and Economic Management*, 20, p. 992.

Herrington, M., Kew, J., Kew, P., & Monitor, G. E. (2010). *Tracking entrepreneurship in South Africa: A GEM perspective* (pp. 1-174). South Africa: Graduate School of Business, University of Cape Town.

Holmes, R. & Scott, L. (2016) '*Extending social insurance to informal workers – A gender analysis*', ODI Working Paper, April 2016. London: ODI.

Holmes, R.; Jones, N.; Vargas, R.; & Veras, F. (2010). *Cash transfers and gendered risks and vulnerabilities: Lessons from Latin America*, ODI Background Note (London; Overseas Development Institute (ODI)).

Hunt, A., & Samman, E. (2016). *Women's economic empowerment: Navigating enablers and constraints*, ODI Development Progress research report (London; Overseas Development Institute (ODI)).

HAROON, B. & SUMAYYA, G. 2013. The gender wage gap in Post-Apartheid South Africa: A re-examination. *Journal of African Economics*. Available at: <http://jae.oxfordjournals.org/content/early/2013/05/15/iae.ejt008.full> [accessed 2013-05-15].

## I

ILO. (International Labour Organization) (2002a). *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO, Employment.

ILO (International Labour Organization) (2002b) '*Decent work and the informal economy*', International Labour Conference 90th Session, Report VI. Geneva: ILO.

ILO. 2003. Guidelines concerning a statistical definition of informal employment, ILO Seventeenth International Conference of Labour Statisticians (Geneva).

ILO (International Labour Organization) (2010) *Women in labor (sic) markets. Measuring progress and identifying change*. Geneva: ILO.

ILO (International Labour Organization) (2013b) *The informal economy and decent work: A policy resource guide supporting transitions to formality*. Geneva: ILO.

ILO. (2013). *Women and men in the informal economy: a statistical picture (second edition)*. Geneva, International Labour Office.

ILO (International Labour Organization) (2014b) *World social protection report 2014/15. Building economic recovery, inclusive development and social justice*. Geneva: ILO.

ILO (International Labour Organization) (2014d) *World of work report 2014*. Geneva: ILO.

ILO (International Labour Organization) (2015) *Social protection for maternity: Key policy trends and statistics*. Social Protection Policy Paper 15. Geneva: Social Protection Department, ILO.

ILO (International Labour Organization) (2016) *Women at work – trends 2016*. Geneva: ILO.

ILO. (2016b). *Key Indicators of the Labour Market (KILM) 2015* (Geneva).

International Labour Office (ILO). (2008). *ILO strategy on promoting women's entrepreneurship development*, Governing Body, 301st Session, Geneva, March 2008, GB.301/ESP/4 (Geneva).

ILO. (2003). Guidelines concerning a statistical definition of informal employment, ILO Seventeenth International Conference of Labour Statisticians (Geneva).

## J

Jimu, I. M. (2005). Negotiated Economic Opportunity and Power: Perception and Perceptive of Street Vending in Malawi. *Africa Development*, 30(4), 35-51.

## K

Kabeer, N. (2004) *Snakes, ladders and traps: Changing lives and livelihoods in rural Bangladesh (1994-2001)*. Working Paper 40. Manchester: CPRC.

Kabeer, N. (2008) *Mainstreaming gender in social protection for the informal economy*. London: Commonwealth Secretariat.

Kabeer, N. (2012) *Women's economic empowerment and inclusive growth: Labour markets and enterprise development*. Discussion Paper 29/12. London: CDPR.

Kothari, C.R (2004) *Research Methodology Methods and Techniques*, 2<sup>nd</sup> Edition, New Delhi: New Age International Publishers.

Koroma S, Nimarkoh J, You N, Ogalo V & Owino B (2017). *Formalization of Informal Trade in Africa: Trends, Experiences and Socio-economic Impacts*. Food and Agriculture Organization of the United Nations. Accra, Ghana.

Kate Tissington, *The Business of Survival: Informal Trading in Inner City Johannesburg*, Centre for Applied Legal Studies (CALS) Research Report (December 2009), p. 12.

Kingdon, G.G. & Knight, J., (2004). Unemployment in South Africa: The nature of the beast. *World Development*: 32(3): 391 – 408.

Kingdon, G.G. & Knight, J., (2007). Unemployment in South Africa, 1995 – 2003: Causes, problems and policies. *Journal of African Economies*: 16(5): 813 – 848.

Krugell, W., & Matthee, M. (2012). South African firm-level evidence of the links between finance and efficiency. *Journal of Economic and Financial Sciences*, 5(1), 271-286.

L

Leedy, P & Omrod, J (2006) *Practical Research: Planning and Design*. 9<sup>th</sup> ed. Boston: Pearson.

Lund, F. (2009) ‘Social protection and the informal economy: Linkages and good practices for poverty reduction and empowerment’, in OECD *Promoting pro-poor growth – social protection*. Paris: OECD.

Losby, J. L., Else, J.F., Kingslow, M.E., Edgcomb, E.L., Malm, E.T. & Kao, V. (2002). *Informal Economy Literature review*. Feldus Projects. Coralville, Iowa: Institute for Social Economic, 2, 1-20.

Lesser C & Moisé-Leeman E (2009). Informal cross-border trade and trade facilitation reform in sub-Saharan Africa. OECD Trade Policy Working Paper No. 86. Organisation for Economic Co-operation and Development. Paris.

Lefebvre, H. 1991. *The Production of Space*. Translated by Donald Nicholson-Smith. Oxford: Basil Blackwell, Ltd. 1972, *Espace et politique*, Paris: Anthropos. 1968, *Le Droit à la ville*, Paris: Anthropos.

## M

Mbonyane, B. & Ladzani, W. (2011). Factors that hinder the growth of small businesses in South African townships. *European Business Review*, 23(6), 550–560.

Mitullah, W.V. (2003). *Street Vending in African Cities: Synthesis of Empirical Findings from Kenya, Cote d'Ivoire, Ghana, Zimbabwe, Uganda and South Africa*. Washington DC: World Bank- A Contribution to World Development Report on Investment Climate and Informal Enterprises.

Mitullah, W. (2003). Street Vending in Africa Cities: Synthesis of Empirical Findings from Kenya, Cote d'Ivoire, Ghana, Zimbabwe, Uganda and South Africa. Washington DC: World Bank.

Mramba, N. R. (2015). The Conception of Street Vending Business (SVB) in Income Poverty Reduction in Tanzania. *International Business Research*, 8(5), 120-129.

Macamo J. (1998). *Estimates of Unrecorded Cross Border Trade between Mozambique and Her Neighbours: Implications for Food Security*. USAID Regional Economic Development Support Office for Eastern and Southern Africa.

Mbo'o-Tchouawou M, Karugia J, Mulei L and Nyota H (2016). Assessing the participation of men and women in cross-border trade in agriculture: Evidence from selected East African countries. Working Paper No. 38. Regional Strategic Analysis and Knowledge Support System.

Munyaradzi, F. (2012), Economic instability of the South African informal sector. *Acta Academica*, (6) 22-26.

Muzvidziwa V. N (1998). Cross border trade: A strategy for climbing out of poverty in Masvingo, Zimbabwe. *Zambezia* 25(i): 29–58.

Makho Communications. 2009. Department of Economic Development – KwaZulu-Natal: Draft Policy for the Informal Economy of KwaZulu-Natal, Creating an Enabling Environment

for the Informal Economy. KZN Department of Economic Development. Accessed on 10 August 2013,

Mazumdar, D. 1976. "The urban informal sector". World Development. Volume 4, No.8. Pp. 655 - 679.

Manjoko C & Ranga D (2016). Opportunities and challenges faced by women involved in informal cross-border trade in the city of Mutare during a prolonged economic crisis in Zimbabwe. *Journal of the Indian Ocean Region*. 13(1):1 –15..

N

Namuba, F. (2008). *Supportive supervision in relation to incentives, motivation and performance of health care workers in Dar es Salaam primary health care facilities*. Ph.D., Muhimbili University, Dar es Salaam.

Nevill, J. (2007). *Qualitative versus Quantitative Research: Key points in the Classic Debate*. <http://www.gifted.uconn.edu>. (Accessed: 30 August 2018).

Nieland, A.E. (2006). *Contribution of Fish Trade to Development, Livelihoods and Food Security in West Africa: Key Issues for Future Policy Debate*. Sustainable Fisheries Livelihoods Programme. DFID. Norwegian College of Fishery Science.

Nkululeko, J. N., Mashonganyika, S., Ncube, N., & Nosizo, D. (2014). Informal Economy as a Source of Livelihood in Zimbabwean Urban Areas: The Case of Bulawayo Metropolitan Province. *International Journal of Scientific and Research Publications*, 4(1), 1-8.

O

Omomia O. (2014) Informal Sector Leads Job Creation in Nigeria. *Business Day*, 16 January. <http://businessdayonline.com/2014/01/informal-sector-leads-job-creation->(Accessed: 02.10.2016)

Onwe O.J (2013) Role of the Informal sector in Development of the Nigerian Economy: Output and Employment Approach. *Journal of Economics and Development Studies*, 1(1), June, 60-74.

Onesmus, K. M., & Kuria, E. (2005). Hygienic and Sanitary Practices of Vendors of Street Foods in Nairobi. *African Journal of Food Agriculture and Nutritional Development*, 5(1).

Organisation for Economic Cooperation and Development. OECD. (2007). Young SMEs, growth and job creation. Available at: [www.oecd-org/sti/young-sme-growth-and-job-creation.pdf](http://www.oecd-org/sti/young-sme-growth-and-job-creation.pdf). (Accessed on 04/04/2020).

## P

Petersen, M.M. (2011). *Informal Employment in South Africa: A Critical Assessment of its Definition and Measurement*. A mini-thesis submitted in partial fulfilment of the requirement for the degree of Honours of Commerce in the Department of Economics, University of the Western Cape.

Pillay, P.L. (2004), A Socio-Economic Analysis of African Female Street Traders in the Johannesburg CBD. *South African Journal of Economic and Management Sciences*, 7 (1) 23-29.

Pullin, R.S.V. (2013). Food Security in the Context of Fisheries and Aquaculture – A Governability Challenge. In M. Bavinck et al., (eds.), *Governability of Fisheries and Aquaculture: Theory and Applications*, MARE Publication Series 7, DOI 10.1007/978-94-007-6107-0\_6, Dordrecht : Springer Science (+ Business Media).

PGDP.(2013). *Draft Provincial Growth and Development Plan 2011 – 2030*. Provincial Planning Commission, Province of KwaZulu-Natal. <http://www.kznppc.gov.za/Portals/0/Documents/20130719%20%20PGDP%20Version%2025.pdf> (Accessed on 23 September 2017).

Peberdy S & Crush J (1998). Trading places: Cross border traders and the South African informal sector. Migration Series No. 6. South African Immigration Project. Cape Town and Kingston.

Peberdy S & Rogerson C M (2000). Transnationalism and non-South African entrepreneurs in South Africa's small and medium and micro-enterprise (SMME) economy. *Canadian Journal of African Studies* 34:20–40.

## Q

*Quarterly Labour Force Survey*. (2012). Pretoria: Statistics South Africa. Policy For The Informal Economy Of Kwazulu-Natal <http://www.msunduzi.gov.za/site/search/downloadencode/ncyar6WMqp2zp4Sx/index.pdf>. (Accessed on 24 September 2020).

## R

Ramani, S. V., Thutupalli, A., Medovarszki, T., Chattopadhyay, S., & Ravichandran, V. (2013). Women entrepreneurs in the informal economy: Is formalization the only solution for business sustainability? *Mumbai*.(96), 45-79.

Rasool, F. (2012), Challenges facing informal sector micro-enterprises in Newlands West, University of Kwazulu-Natal. Adenta East Publications.13(1), 18-30.

Razavi, S., Arza, C., Braunstein, E., Cook, S. & Goulding, K. (2012) *Gendered impacts of globalization: Employment and social protection*. Research Paper 2012-3. Geneva: UNRISD.

Roever, S. (2014). Informal Economy Monitoring Study Sector Report: *Street Vendors*. Manchester, UK: WIEGO.

Rofman, R., Apella, I. & Vezza, E. (2015) Beyond contributory pensions: Fourteen experiences with coverage expansion in Latin America. *Directions in Development*. Washington, DC: World Bank.

## S

Sabates-Wheeler, R. & Kabeer, N. (2003) '*Gender equality and the extension of social protection*', *Extension of Social Security Paper* No 16. Geneva: International Labour Organization.

Samman, E., Presler-Marshall, E. & Jones, N. (2016) *Women's work: Mothers, children and the global childcare crisis*. Research Report. London: ODI.



Saunders, S. & Loots, E. (2006), Measuring the informal economy in South Africa. *South African Journal of Economic and Management Sciences*, 8 (1). 92.

Schurman, S.J.; & Eaton, A.E. (2013). *Trade union organizing in the informal economy: A review of the literature on organizing in Africa, Asia, Latin America, North America, Western, Central and Eastern Europe* Washington, DC: Solidarity Centre.

Saunders, M. N. (2012). Choosing research participants. *Qualitative organisational research: Core methods and current challenges*, London: SAGE Publication.]35-52.

Statistics South Africa. (2015). *National and provincial labour market: the informal sector*. Statistical release P0211.4.3. Pretoria.

SACBTA & SAT (2014) *Mainstreaming Gender in the SADC Regional Trade Policy and the Tripartite Free Trade Area Policy Framework*. Discussion Paper. Pretoria:- SAT. 18 April 2015.

SADC (2008) *SADC Protocol on Gender and Development*. SADC. [http://www.sadc.int/files/8713/5292/8364/Protocol\\_on\\_Gender\\_and\\_Developm](http://www.sadc.int/files/8713/5292/8364/Protocol_on_Gender_and_Developm). (Accessed: 02 October 2016)

SADC (2011) *SADC Advocacy Strategy on Informal Cross Border Trade (ICBT)*. Pretoria. SADC.

Seeletse, S.M. (2012). Common causes of small businesses failure in the townships of West Rand district municipality in the Gauteng Province of South Africa. *African Journal of Business Management*, 6 (44), 10994-11002.

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. New Delhi: Wiley Publication: John Wiley & Sons.

Strydom, J.W. & Tustin, D. (n.d.). *Business skills of small businesses in the peri-urban areas Of Northern Tshwane*. <http://www.sbaer.uca.edu/research/icsb/2004/paper76.pdf> (Accessed 05 October 2016).

Siqwana-Ndulo, N. (2013). The informal sector in South Africa: Women street traders in Durban –Part 1. Gender Issues Discussion Papers. *Consultancy Africa Intelligence*. [http://www.consultancyafrica.com/index.php?option=com\\_content&view=category&layout=blog&id=59&Itemid=267](http://www.consultancyafrica.com/index.php?option=com_content&view=category&layout=blog&id=59&Itemid=267) (Accessed: 30 August 2017).

Statistics South Africa: (2012). *Fishery Accounts for South Africa: 1990–2010*. Pretoria. Government printers.

Statistics South Africa: (2014). *Survey of Employers and the Self-employed 2013*. Pretoria: Government printers.

Statistics South Africa (Stats SA), “Quarterly Labour Force Survey: Quarter 3 – 2017” (31 October 2017), pp. 7-8.

Spring A (2009). African women in the entrepreneurial landscape: Reconsidering the formal and informal sectors. *Journal of African Business*. 10(1): 11–30.

*South African Informal Traders Forum and Others v City of Johannesburg and Others; South African National Traders Retail Association v City of Johannesburg and Others* 2014 (4) SA 371 (CC) (SAITF). SAITF, para. 31.

South African Quarterly Labour Force Survey, 2018 (first quarter). The data are weighted by original selection probabilities, adjustment for non-response, and benchmarking to known population estimates from the Demographic Division of Statistics South Africa.

T

Terre Blanche, M., Durrheim, K. & Painter, D. (2006). *Research in Practice: Applied Methodologies for the Social Sciences*. 2nd ed. Cape Town: University of Cape Town Press (Pty) Ltd.

Tessier, L.; Plaza, M.S.; Behrendt, C.; Bonnet, F.; & St-Pierre Guilbault, E. (2013). *Social protection floors and gender equality: A brief overview*, Extension of Social Security (ESS) Working Paper No. 37. Geneva: ILO.

Timalsina, K. P. (2011). An Urban Informal Economy: Livelihood Opportunity to Poor or Challenges for Urban Governance, Study of Street Vending Activities of Kathmandu Metropolitan City. *International Journal of Politics and Good Governance*, 2(2.2), 1-3.

Titeca, K., & Célestin, K. (2012). *Walking in the dark: Informal cross-border trade in the great lakes region*. New Delhi: SAGE Publication.

Turton, N. & Herrington. M., (2012). Global Entrepreneurship Monitor 2012 SouthAfrica. <http://gemconsortium.org/docs/download/2801> (Accessed 23 September 2017).

The Street Trading bylaws of the City of uMhlathuze, published under Administrator's Notice 44 of 9 July 1998, as amended, are hereby repealed: Provided that such repeal shall not affect the continued validity of charges determined by the Council under those bylaws. <https://www.umhlathuze.gov.za/index.php/by-laws> (Accessed: 02 JULY 2020)

Titeca K and Célestin K (2012). Walking in the dark: Informal cross-border trade in the great lakes region. International Alert. Available at [https://www.international-alert.org/sites/default/files/GreatLakes\\_CrossBorderTrade\\_EN\\_2012.pdf](https://www.international-alert.org/sites/default/files/GreatLakes_CrossBorderTrade_EN_2012.pdf). (Accessed: 02 JULY 2020)

## U

United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). (2015). *Progress of the World's Women 2015–16: Transforming economies, realizing rights* New York, NY:.. United Nations.

USAID (2012) *Women in Cross Border Agriculture Trade. Policy Brief*. USAID. [http://agrilinks.org/sites/default/files/resource/files/EAT\\_PolicyBrief](http://agrilinks.org/sites/default/files/resource/files/EAT_PolicyBrief) (Accessed: 02 October 2016)

UMhlathuze Municipality. <https://www.umhlathuze.gov.za/index.php/about-us/overview> (Accessed: 02 June 2019)

uMhlathuze Local Municipality: Final IDP Review 2019/2020  
[www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) (Accessed: 02 JULY 2020)

UNRISD (UN Research Institute for Social Development) (2010) '*Why care matters for social development*'. Research and Policy Brief 9. Geneva: UNRISD.

UNCTAD (2015). *The Least Developed Countries Report 2015 – Transforming Rural Economies*. Geneva.

Uys, M.D & Blaauw, P.F (2007), The Dual Labour Theory and the Informal Sector in South Africa, *Acta Commercii*. 47(18),240-265.

## V

Vanek, J., Chen, M., Carre, F., Heintz, J. & Haussmanns, R. (2014) *Statistics on the informal economy: Definitions, regional estimates and challenges*. Working Paper (Statistics) 2. Cambridge, MA: WIEGO.

Vanek, Joann, Martha A. Chen, & Govindran Raveendran. (2015). "*A guide to obtaining data on types of informal workers in official statistics. Domestic workers, home-based workers, street vendors and waste pickers.*" WIEGO Statistical Brief No. 8. Cambridge, MA, USA: WIEGO.

## W

Webster, E. (2015). "The shifting boundaries of industrial relations: Insights from South Africa", in *International Labour Review*, Vol. 154, No. 1, pp. 27–36.

Willemse, L. (2011). *Opportunities and constraints facing informal street traders: Evidence from four South African cities*. [www.ajol.info/index.php/trp/article/download/77212/67663](http://www.ajol.info/index.php/trp/article/download/77212/67663) (Accessed: 02 October 2016)

Women in Formal Employment: Globalizing Organisation (WIEGO).  
<http://wiego.org/informaleconomy/history-debates> (Accessed: 30 August 2017).

World Bank (2012). *World Development Report 2012 – Gender Equality and Development*. Washington, D.C.

World Bank (2014a). Republic of Malawi: Diagnostic trade integration study update. Report No. ACS7534 (March). Washington, D.C

## Y

Yankson, P. W. (2000a). Accommodating Informal Economic Units in the Urban Built Environment: Petty Commodity Enterprises in the Accra Metropolitan Area, Ghana. *Third World Planning Review*, 22(3), 313-334.

Young, J. C., Rose, D. C., Mumby, H. S., Benitez-Capistros, F., Derrick, C. J., Finch, T., & Parkinson, S. (2018). A methodological guide to using and reporting on interviews in conservation science research. *Methods in Ecology and Evolution*, 9(1), 10–19.

## Z

Zefeiti, S. M. B. A., & Mohamad, N. A. (2015). Methodological considerations in studying transformational leadership and its outcomes. *International Journal of Engineering Business Management*, 7, 10.

*Appendix 1 A. Ethics Clearance Certificate*



**MANAGEMENT SCIENCES: FACULTY RESEARCH ETHICS COMMITTEE (FREC)**

17 October 2017

Student No: 21001369

FREC No: 131/17 FREC

Dear Ms N.I Ntibane

**MASTERS OF MANAGEMENT SCIENCES: BUSINESS ADMINISTRATION**

**TITLE: Exploring challenges and opportunities that affect female informal entrepreneurs in the central business district of Richards Bay.**

Please be advised that the FREC Committee has reviewed your proposal and the following decision was made: Ethical Level 2

Approval has been granted for a period of two years, after which you are required to apply for safety monitoring and annual recertification. Please use the form located at the Faculty. This form must be submitted to the FREC at least 3 months before the ethics approval for the study expires.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the FREC according to the FREC SOP's.

Please note that ANY amendments in the approved proposal require the approval of the FREC as outlined in the FREC SOP's.

Yours Sincerely

---

Prof JP Govender

Deputy Chairperson: FREC



***Exploring challenges that affect female informal entrepreneurs in the central business district of Richards Bay and Empangeni.***

Dear Entrepreneur

I, Nompumelelo Ignatia Ntibane, am a student for a Master's Degree in Business Administration at the Durban University of Technology (DUT). To make the above research possible, I would greatly appreciate it if you would kindly allow me to ask you a few questions. Answering these question should take no more than 20 minutes of your time.

The study is aimed at gathering the necessary information on the barriers affecting female informal entrepreneurs in the central business district of Richards Bay and Empangeni. Your voluntary participation and responses to the questionnaire would be highly appreciated. I also wish to highlight that participants have the right to withdraw from the research at any time. Confidentiality is assured and the information provided by you will be used for research purposes only.

If you happen to have any concerns about the research or questionnaire, you can contact me at: 083 898 4986 / 072 483 5745 or email [mpumentibane@yahoo.com](mailto:mpumentibane@yahoo.com).

Your assistance I greatly appreciate.

Yours Faithfully

Nompumelelo Ignatia Ntibane

Signature .....

Date.....



5 Mark Strasse Civic Centre  
Business District  
Private Bag X1004  
Richards Bay 3900  
E: [reg@umhlathuze.gov.za](mailto:reg@umhlathuze.gov.za)  
T: 035 907 5000  
F: 035 907 5444/5/6/7  
Toll Free No. 0800 222 827

[www.umhlathuze.gov.za](http://www.umhlathuze.gov.za)

Your ref:  
Contact: V Singh

Our file ref: DMS 1151107  
In response to DMS No: DMS 1151105  
Date: 18 August 2016

ATTENTION: Ms N Ntibanane (Student No. 21001369)

Dear Madam

**RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH**

Your e-mail dated 15 August 2016 that was sent to the Municipality requesting permission from Council to conduct your research has reference.

You are hereby granted permission to conduct your research within the City of Umhlathuze; however permission will have to be sought individually by yourself from the entrepreneurs that you shall approach to be part of your study.

If you require any further information regarding the Local Economic Development within the City of Umhlathuze, please contact the Head: Economic Development Facilitation - Mr S Morajane (035 907 5430).

I wish you all of the best with your research and await a bound copy of your dissertation upon completion of your studies.

Yours faithfully

**MS SS MASONDO**  
**DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES**  
DMS 1151107



ALL CORRESPONDENCE MUST BE ADDRESSED TO THE MUNICIPAL MANAGER





## **CONSENT LETTER**

### **Exploring challenges that affect female informal entrepreneurs in the central business district of Richards Bay and Empangeni.**

Kindly complete the following as an indication of your willingness to participate in this research project and of your consent to use the information gained for research purposes.

I,....., have discussed the study, adequately, with the researcher and understand that I may withdraw from it at any time without giving reasons. I voluntarily agree to participate in this study.

Signature: .....

Date: .....

**EXPLORING CHALLENGES THAT AFFECT FEMALE INFORMAL  
ENTREPRENEURS IN THE CENTRAL BUSINESS DISTRICT OF  
RICHARDS BAY AND EMPANGENI.**

**SECTION A: PERSONAL INFORMATION**

1. What is your age group?

|              |  |
|--------------|--|
| 18-30        |  |
| 31-50        |  |
| 50 and above |  |

2. What is your race group?

|         |  |          |  |       |  |        |  |
|---------|--|----------|--|-------|--|--------|--|
| African |  | Coloured |  | White |  | Indian |  |
|---------|--|----------|--|-------|--|--------|--|

3. Indicate the total number of children that you have/ are dependent on you.

|                      |  |             |  |
|----------------------|--|-------------|--|
| None                 |  | 3-4children |  |
| 1-2 children         |  | 5+ children |  |
| Other please specify |  |             |  |

4. What is your marital status?

|                 |  |         |                   |          |  |         |  |
|-----------------|--|---------|-------------------|----------|--|---------|--|
| Single          |  | Married |                   | Divorced |  | Widowed |  |
| Living together |  |         | In a Relationship |          |  |         |  |

5. Indicate your highest academic qualification.

|  |  |
|--|--|
| No qualification                         |  |
| Lower than matric                        |  |
| Matric                                   |  |
| Certificate                              |  |
| Diploma (Technical College or Tertiary ) |  |
| University degree                        |  |
| Postgraduate degree                      |  |

## SECTION B: BUSINESS INFORMATION

6. Where is your business situated?

|               |  |           |  |
|---------------|--|-----------|--|
| Richard's Bay |  | Empangeni |  |
|---------------|--|-----------|--|

7. For how many years has your business been in operation?

|             |  |             |  |
|-------------|--|-------------|--|
| 0 – 3 Years |  | 4 – 6 Years |  |
| 7 – 9 Years |  | 10 + Years  |  |

8. How much do you earn per month?

|                   |  |                |  |
|-------------------|--|----------------|--|
| R0-R5000          |  | R6000- R10 000 |  |
| R11 000 – R15 000 |  | R16 000 +      |  |

9. Are your needs or your dependant's needs met by the work that you do? If no please state the reason. ....

10. What did you do before?

11. What are the challenges affecting female informal entrepreneurs operating in the CBD of Richards Bay / Empangeni?

12. What opportunities are available for informal women entrepreneurs operating in the CBD of Richards Bay/ Empangeni?

13. What strategies can be used to assist female informal entrepreneurs to improve their businesses?

14. What was the most important reason for starting this business? (Please rank the following in order of importance from 1 to 6)

|               |  |                       |  |
|---------------|--|-----------------------|--|
| Money         |  | Be my own Boss        |  |
| Success       |  | Take Risks            |  |
| Earn a Living |  | Seeing an Opportunity |  |

15. Nature of Business (*Please Specify*)

|          |  |               |  |          |  |
|----------|--|---------------|--|----------|--|
| Services |  | Manufacturing |  | Hardware |  |
| Food     |  | Clothing      |  | Other    |  |

If other please specify.....

16. Have you experienced any form of negative attitude because of your gender?

.....  
 .....  
 .....

17. What are some of the challenges that you faced when you started your business?

.....  
 .....

18. If you did face any challenges how did you go about resolving these? .....

.....  
 .....  
 .....

19. How did you acquire the skill for running your business?

|                         |  |             |  |
|-------------------------|--|-------------|--|
| Through formal training |  | From family |  |
| From past experience    |  | Self-taught |  |

If other please specify .....

20. What was your main source of start-up funding?

|             |  |       |  |           |  |
|-------------|--|-------|--|-----------|--|
| Inheritance |  | Grant |  | Allowance |  |
| Savings     |  | Loan  |  | Other     |  |

If other please specify .....

**“UKUHLOLA IZINSELELO EZITHINTA OSOMABHIZINISI BESIFAZANE  
ABANGAHLELEKILE ESIFUNDENI SAMABHIZINISI ASENKABENI YE  
RICHARDS BAY KANYE NE-EMPANGENI”**

**IMIBUZO YOKUHLOLWA**

**ISAHLUKO A: IMINININGWANE NGAWWE**

1. Ukumiphi iminyaka kule engezansi?

|              |  |
|--------------|--|
| 18-30        |  |
| 31-50        |  |
| 50 kuyanyuka |  |

2. Ibuphi ubuhlanga bakho?

|               |  |           |  |         |  |        |  |
|---------------|--|-----------|--|---------|--|--------|--|
| Umntu Omnyama |  | Ikhathali |  | Umlungu |  | Indiya |  |
|---------------|--|-----------|--|---------|--|--------|--|

3. Khombisa inani lezingane onazo ezithembeke kuwe lana ngezansi

|   |  |                    |  |
|---|--|--------------------|--|
| Awunayo                                       |  | Izingane eziwu 3-4 |  |
| Izingane eziwu 1-2                            |  | Izingane eziwu 5+  |  |
| Uma zedlulile kulesibalo esishiwo wala cacisa |  |                    |  |

4. Ngabe ushadile?

|                           |  |                           |  |             |  |            |  |
|---------------------------|--|---------------------------|--|-------------|--|------------|--|
| Akekho engihlekisana naye |  | Ngishadile                |  | NgiDivosile |  | uMfelokazi |  |
| Sihlala ndawonye          |  | Ukhona engihlekisana naye |  |             |  |            |  |

5. Khombisa izinga lakho lemfundo

|                                     |  |
|-------------------------------------|--|
| Anginaso Isicucu                    |  |
| Ngaphansi kwamaTikuletsheni         |  |
| uMatikuletsheni                     |  |
| Isitifiketi                         |  |
| iDiploma (YaseKolishi noma )        |  |
| Isiqu sase Nyuvesi                  |  |
| Isiqu esingaphezulu kwesase Nyuvesi |  |

**ISAHLUKO B: IMININIGWANE YEBHIZINISI**

6. Likuphi nendawo ibhizinisi lakho?

|               |  |           |  |
|---------------|--|-----------|--|
| Richard's Bay |  | Empangeni |  |
|---------------|--|-----------|--|

7. Selineminyaka emingaki ibhizinisi lakho laqala ukusebenza?

|                    |  |                    |  |
|--------------------|--|--------------------|--|
| Iminyaka ewu 0 – 3 |  | Iminyaka ewu 4 – 6 |  |
| Iminyaka ewu 7 – 9 |  | Iminyaka ewu 10 +  |  |

8. Ingabe lenza malini ibhizinisi lakho ngenyanga?

|                   |  |                |  |
|-------------------|--|----------------|--|
| R0-R5000          |  | R6000- R10 000 |  |
| R11 000 – R15 000 |  | R16 000 +      |  |

9. Ingabe izidingo zakho nalaba obancike kuwe ziyanela yini ngalomusebenzi owenzayo? Uma uthi  
cha,                      ngicela                      usho                      isizathu.....

.....

10. Imuphi umusebenzi obuwenza ungakaqali lelibhizinisi? .....

.....

11. Iziphi izinqinamba ababhekana nazo abawosomabhizinisi besifazane abahweba emuqwaqeni  
ababhekenazo lapha edolobheni lase Richards Bay / Empangeni?

.....  
.....  
.....

12. Imaphi amathuba atholwa osomabhizinisi besifazane abahweba emgwaqeni abasebenzela  
edolobheni lase Richards Bay/ Empangeni?

.....  
.....

13. Iziphi izindlela zokusiza ezingasetshenziswa ukuthi osomabhizinisi besifazane abahweba  
emgwaqeni ukuthi bazithuthukise emabhizinisini abo?

.....  
.....

14. Kwakuyisiphi isizathu sokuqala lelibhizinisi? Beka lokhu okulandelayo kulandelane ngokubaluleka  
kusukela ku 1 kuya ku 6

|              |  |                   |  |
|--------------|--|-------------------|--|
| Imali        |  | Ukuziphatha       |  |
| Impumelelo   |  | Ukuthatha ichansi |  |
| Ukuziphilisa |  | Ngabona Ithuba    |  |

15. Uhlobo lwebhizinisi (chaza)

|        |  |                    |  |
|--------|--|--------------------|--|
| Usizo  |  | Umukhiqizo         |  |
| Ukudla |  | Izimpahla          |  |
| Okunye |  | Umsebenzi wezandla |  |

Uma kungokunye ngicela uchaze .....

16. Ngabe usuke wabhekana nokucwaseka ngenxa yobulili bakho?.....

.....  
 .....

17. Iziphi ezinye izinqinamba ezikuphazamisayo ngenkathi uqala ibhizinisi?

.....  
 .....  
 .....

18. Uma ngabe zikhona, ngabe uthathe ziphi izinyathelo ukuxazulula lezo zinqinamba oke wabhekana nazo? .....

.....  
 .....

19. Ngabe uluthole kanjani uqeqesho lokuqhuba ibhizinisi lakho?

|                         |  |                   |  |
|-------------------------|--|-------------------|--|
| Ngoqeqesho oluhlelekile |  | Emndenini         |  |
| Ngesipiliyoni esedlule  |  | Ngazufundela mina |  |

Okunye (chaza) .....

20. Ngabe kwaba yini umthombo wokuqala woxhaso lwezezimali lokuqala ibhizinisi lakho?

|     |  |             |  |               |  |
|-----|--|-------------|--|---------------|--|
| Ifa |  | Isibonelelo |  | Imali yemvume |  |
|-----|--|-------------|--|---------------|--|



|        |  |              |  |        |  |
|--------|--|--------------|--|--------|--|
| Ukonga |  | Imalimboleko |  | Okunye |  |
|--------|--|--------------|--|--------|--|

Okunye (chaza) .....

Asoka ENGLISH LANGUAGE EDITING  
14 Boundary Rd., Escombe, 4093

Cell no.: 0836507817



## DECLARATION

This is to certify that THE FOLLOWING DISSERTATION HAS  
BEEN English Language Edited

***Exploring challenges that affect female informal entrepreneurs in the central  
business district of Richards Bay.***

Candidate: Ntibane NI

### DISCLAIMER

Whilst the English language editor has used electronic track changes to facilitate corrections and has inserted comments and queries in a right-hand column, the responsibility for effecting changes in the final, submitted document, remains the responsibility of the client.

---

Director: Prof. Dennis Schaffer, M.A.(Leeds), PhD, KwaZulu (Natal), TEFL(London), TITC Business English,  
Emeritus Professor UKZN. Univ. Cambridge Accreditation: IGCSE Drama. Hon. Research Fellow, DUT.  
Durban University of Technology.

# CONMPTA (BUS) CONSULTING

Suite 213 Point Parkade  
511 Mahtma Gandhi Road Durba  
Mobile: 0782898210

The above thesis entitled:

“EXPLORING CHALLENGES THAT AFFECT FEMALE INFORMAL ENTREPRENEURS IN THE CENTRAL BUSINESS DISTRICT OF RICHARDS BAY AND EMPANGENI”

By

**Nompumelelo Ignatia Ntibane (21001369)**

has been edited according to the comments of the two examiners. The English language electronic tracking systems was used to do this. However, the final decision to accept or reject the corrections remains the responsibility of the supervisor and the client.

Dr Akwesi Assensoh-Kodua.

05 . 05 . 2021